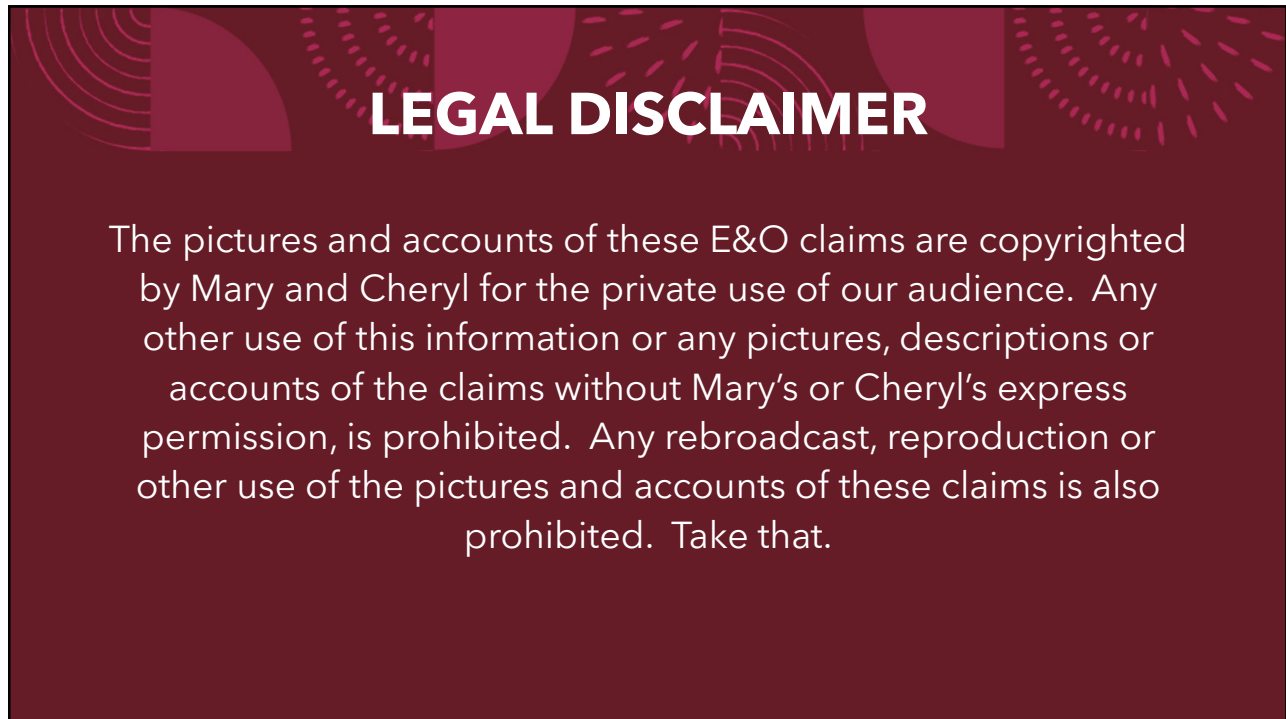




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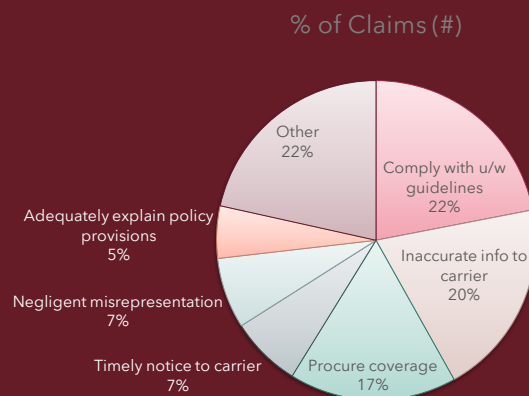
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LET'S BUST SOME MYTHS

- "My farm clients would never sue me."
- "My clients love me and our staff."
- "If we do something wrong, we'll just make it right."
- "They'll forgive us."
- "The world is flat."

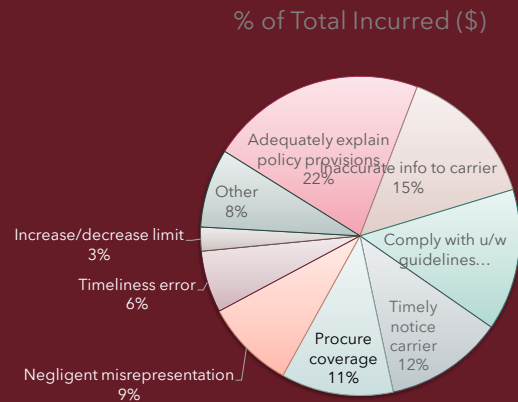
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THE FACTS



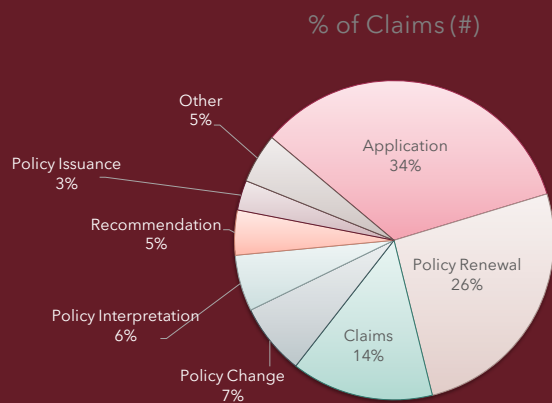
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THE FACTS



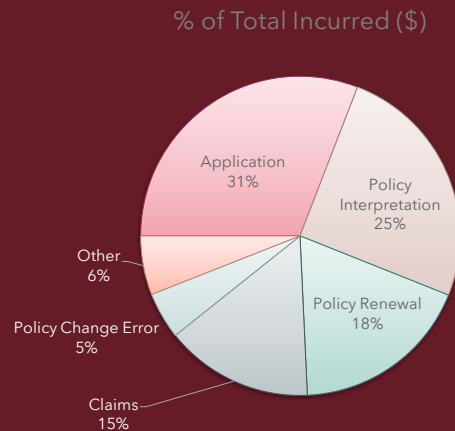
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THE FACTS



6

THE FACTS



7

CASE STUDY #1

The Case of the Missing Location

A long-time customer of the agency calls the Account Manager and requests that she "delete location #2." She's handled the account for over 35 years and she knows it like the back of her hand. She processes the request, receives the endorsement from the carrier, and sends the endorsement along with the return premium to the Insured.

Later that day...

8

TEACHABLE MOMENTS

- What “best practices” could have prevented this loss?
 - Always request written instruction before deleting, reducing or canceling coverage
 - Confirm the exact location of any changes to a policy
 - Issue written confirmation of changes being made

9

CASE STUDY #2 The Case of the Bulging Silo

The agency received a renewal policy via download from the insurance company (Carrier A). Since the premium had increased 20% at renewal, the agency remarketed the policy and discovered a carrier that could provide coverage closer to the expiring premium. They advised the client and issued the policy with Carrier B.

Later that month...

10

TEACHABLE MOMENTS

- What “best practices” could have prevented this loss?
 - Understand there is no such thing as “comparable” coverage
 - Do a line-by-line comparison of common coverage forms
 - Be proactive and advise clients when premiums are increasing
 - Meet with clients pre-renewal to determine a renewal strategy

11

CASE STUDY #3

What Happens in the Bunkhouse, Stays in the Bunkhouse

An agency client provided temporary housing on the farm premises for farm workers, including H-2A seasonal employees who were primarily used during harvest. Late one evening, a brawl broke out between some of the workers and an H-2A employee was severely injured. In addition, a “visitor” to the bunkhouse alleged that prior to the fight, she had been assaulted on the farm premises.

Later that night...

12

TEACHABLE MOMENTS

- What “best practices” could have prevented this loss?
 - Do you know if your farm clients are providing housing?
 - Is Workers Compensation in place, including any necessary endorsements, for “employees” versus independent contractors?
 - Is the property owner protected for EPLI suits that might arise from third parties?
 - What liability limits are being carried and have you determined if excess or umbrella policies will apply?

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CASE STUDY #4

You’re doing **WHAT** with that property?

To make some additional money on their farm premises, an agency client, who owned a vintage tank, decided it would be fun to allow people to “hunt” on their farm using paintball equipment. They made the tank available for an additional charge and provided instruction as to how to use it. What could go wrong?

Later that year...

14

TEACHABLE MOMENTS

- What “best practices” could have prevented this loss?
 - How many times have we said it? You need to ask what people are doing on their property because it might not just be farming.
 - There are many ways to make money from the ownership of land. Some may be covered by a policy you sold, but all would be covered by your E&O.
 - Agritainment isn’t going away - it’s here to stay with or without the proper insurance coverage.

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CASE STUDY #5 That’s What it Said on Your Website

- An agency advertises on their website that they are “agriculture experts” and has pages and pages of information regarding insurance for farm buildings, farm equipment and crops and livestock. Unfortunately for them, much of the information is either outdated or flat-out incorrect.

So when a client has an uncovered loss...

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TEACHABLE MOMENTS

- What “best practices” could have prevented this loss?
 - The only person reading your website is the attorney who is about to file an E&O suit against you
 - Be careful with purchased content or that provided by insurance carriers – it’s not always correct
 - When it comes to your website, less is more
 - Be sure you are in compliance with all laws and regulations pertaining to accessibility
 - Hire professionals

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CASE STUDY #6 What Goes Up, Must Come Down

As a community service, a local farm allowed the school district to bring busloads of elementary school children to the farm to see what rural life was like. They allowed access to the outbuildings on the farm, including a hay barn with a loft. One child climbed the ladder into the loft and fell through to the floor below. He was not seriously injured, but his family sought compensation from the farm owner.

Later that day...

18

TEACHABLE MOMENTS

- What “best practices” could have prevented this loss?
 - Did the client seek legal advice before engaging in these activities?
 - Were appropriate waivers or hold harmless agreements in place?
 - Are all visitors to the property escorted by employees?
 - Is signage appropriate and readable?
 - Were you aware they were doing this?

19

THAT'S A LOAD OF CROP

Client requested agency change their share interest from 50% to 100%. Received only 50% of a covered loss because agency failed to initiate the change. Agency file showed it had received the updated information. E&O carrier was able to determine that the change could be made after the fact and forwarded file documentation to crop carrier. Remaining 50% of loss was paid and there was no E&O claim payment.

20

TEACHABLE MOMENTS

- A change such as this should have been handled on a “critical” basis - meaning within about 24 hours.
- Documentation is great, but if this change could not / would not have been made by the carrier, the agency has documented its omission
- Do what you’re asked to do

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THAT’S A LOAD OF CROP

A representative of a prospective client requested a crop policy on 3/14 and presented very little information to the agent. The agency submitted the application and a policy was issued. At no point did the agent speak with the prospective “insured.” No production history had been provided to the crop carrier, so a claim was paid in the amount of 60%, which was the maximum with no history. There was a substantial verdict against the agency for the unpaid portion of the crop loss.

22

TEACHABLE MOMENTS

- Know who you are representing and be sure you take direction only from an authorized party
- Don't dabble - you have to know the rules
- Sometimes it's better to walk away - deadlines are just that

23

THAT'S A LOAD OF CROP

Agency submitted production information to crop carrier prior to the deadline. Crop carrier penalized insured when a claim was filed for failure to provide prior year production information. An E&O claim was filed against the agency. The agency was able to produce documentation that they had, in fact, submitted the information to the crop carrier. There was no liability on the part of the agency.

24

TEACHABLE MOMENTS

- Your intentions don't matter – only what you can prove
- Document how you transmit information and be able to produce that documentation in the event of an E&O accusation
- Sometimes the good guy wins

25

THAT'S A LOAD OF CROP

- Client asked an agent how much they would receive if they had a prevent plant claim. Agent made the calculation and provided it to the client, without checking the file. Claim was paid at less than 100% due to acreage and production history. Agency was sued for the difference.

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TEACHABLE MOMENTS

- Do we need to say it again - don't dabble
- Let the carrier provide the answer
- If you insist, at least use disclaimers
- Lack of documentation will almost always be your undoing

27

THAT'S A LOAD OF CROP

Facing a tight deadline, the agent had the insured sign a blank application (DUN-DUN-DUN). The agent later completed the application and indicated that the insured entity was an individual rather than a partnership. The crop claim was at first denied due to incorrect information on the application, but was later partially paid based on payment to an individual. The partnership sued the agency for the uncovered loss.

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TEACHABLE MOMENTS

- Seriously?

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THAT'S A LOAD OF CROP

A client had a crop policy with a Harvest Price Exclusion (HPE). When the policy renewed, the agent met with the client and they completed the application which was signed by the insured and each page initialed by them. When a claim was denied due to the exclusion, the client claimed they had told the agent they wanted the exclusion removed at renewal. Since the application was properly initialed and signed, the agency's documentation defeated the E&O claim.

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TEACHABLE MOMENTS

- Document, document, document - what can you prove
- It's often "he said, she said"
- Hindsight is 20/20

31

THAT'S A LOAD OF CROP

A long-time client of the agency was contacted and reminded to send information to complete the acreage report. They sent a text with a photo and the agency completed the report based on the photo, sent the report to the insured to sign (which they did) and submitted the report prior to the deadline. A claim was submitted and denied since the location was not on the acreage report. The customer sued the agency because they had sent three photos, but the agent only saw one. The claims was defeated since the insured had signed the report with the missing acreage.

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TEACHABLE MOMENTS

- Be helpful, but not too helpful
- In some cases, the clients are well aware of deadlines and simply drag their feet
- Bring closure to things when you don't get a response