

INSURANCE AGENT

PERSONAL INJURY

A moving company purchases a commercial auto policy to cover its fleet of vehicles from a local insurance agent. The agent later receives a claim from the moving company and forwards it to the carrier. The carrier denies coverage, saying that this truck is not covered under the policy. The owner of the moving company insists that though this truck was not in the original list of vehicles, he requested it be added later and was told by the agent that it would be covered. The agent has no recollection of this conversation, and when pressed by the carrier for an explanation of the discrepancy, matter-of-factly said that the owner of the moving company "must be lying." The moving company brings suit for negligence and defamation. The agent is found not liable but accumulates \$10,000 in defense costs.

NEGLIGENCE

An insurance agent places a routine general liability policy for a mens formal clothing store, but fails to inform the store owner that the general liability policy has an employment practices liability exclusion, or that employment practices coverage was available for purchase. Six months after the policy, the clothing store is sued for discrimination. The store's lawyer immediately looks for an employment practices policy, but found none. The store pays \$100,000 in defense costs and damages, which they recover from the insurance agent for failing to inform the store about employment practices liability coverage.

ALLEGED FAILURE TO PLACE PROPER COVERAGE

A homeowner places coverage through an agent who secures a standard HO-3 policy for the lake front property. Since the home is not located in a flood zone, the agent advises that a separate flood policy is not needed and that they have adequate coverage. Heavy storms result in floodwater run-off from the lake, which enters the insured's home, damaging the basement. The plaintiff files suit against the agent for damages. The coverage is triggered to defend the agent during the trial. Total amount paid including defense costs was \$45,000.

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For an application and more information, please visit AgostiniSurplus.com

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This document does not amend, extend or alter the coverage afforded by the Policy. For a complete understanding of any insurance you purchase, you must first read your Policy, Declaration Page and any Endorsements and discuss them with your Broker. A specimen policy is available from an Agent of the Company. Your actual Policy Conditions may be amended by Endorsement or affected by State Laws.

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