

## Following Are Examples of Insurance Agents & Brokers Claims

**Failure to communicate.** An insurance broker bound commercial liability insurance coverage through an insurance company's website for a company that seals commercial roofs. Shortly thereafter, the insurance company notified the broker that they were going to reject the risk based on the commercial roof company's past history of non-payment and because the company was located in a zone which presented an unacceptably high risk.

The broker requested additional time to obtain alternative coverage for the roof company. The insurance company agreed. However, as this was a hard-to-place risk, no coverage was immediately obtained. Without written or verbal notice to the roof company or the broker, the insurance company canceled the policy.

About a month later, the roof company filed a claim for water leakage damage caused to several occupants of a commercial building they were working on. The broker reported the claim to the insurance company, at which time they learned the insurance company had canceled the policy without notice. The roof company is now requesting that the broker settle the matter. No lawsuit was filed against the broker yet, but one of the occupants of the building, whose property was damaged, filed a lawsuit against the roof company.

**Cancellation leads to finger pointing.** A broker had a lawsuit filed against him by his client who alleges the agent did not give them proper notice prior to cancelling their CGL policy. Their client was being sued by one of their former clients alleging assault and battery by unknown persons while in their supervision and care. The plaintiff in that case seeks compensatory and punitive damages.

The commercial general liability carrier thereafter declined coverage for the assault claim. The broker's client argues that if their CGL coverage had not been wrongfully cancelled, there would be coverage for the claim. Although the carrier denial was also based on the substance of the allegations, it is noted that there are causes of action other than assault and battery that would have likely triggered coverage had the policy been in effect. Suit is pending.

