

NEW BUSINESS GUIDELINES

These are suggestions only and each brokerage should review and amend in accordance with their own business model/goals. These guidelines are provided as an attempt to safeguard the brokerage, insurers and consumers against possible fraudulent activity. While it is the brokers' duty to provide the best possible coverage at the best possible premium for consumers, it is prudent to address these issues.

These guidelines could be prefaced with an outline of what the Company/Division commitment is. For example: *ABC Insurance Brokerage is committed to providing our clients with the best possible coverage with the best available market. Preapproval from the Personal Lines Manager must be obtained prior to binding risks which do not fall within the regular guidelines.*

- Qualify all new business at initial contact with the prospective client to ensure that you have a clear understanding of where the business should be placed and that you gain a clear understanding of the risk.
- Confirm you are speaking/emailing with the potential insured and not someone acting on behalf of a potential client – consent must be obtained from the prospective client prior to proceeding and a clear explanation as to why you must speak with a third party, (language barrier)
- Ask how the client was directed to your brokerage
- Discuss loss history – including any comp claims or others deemed “naf” (if a series of “naf”, probe for further information. This may be an indication of “staged accidents” or other fraudulent activity.
- Discuss all non-renewal issues –is there a history of non-payment which will lead to a discussion of other past payment issues
- Discuss any cancellation issues – who initiated the cancellations
- Discuss any and all convictions, accidents and claims

Once you are satisfied with the information you have collected above you can proceed quoting and binding. Advise your client that the following documentation is required to be submitted with the application:

- Copy of all drivers licences listed on the application
- Copy of vehicle ownership
- Copy of any papers confirming primary place of residence (e.g. utility or property tax bill, income tax assessment)
- Have client initial section on application relating to “all other drivers in household”

These procedures should be adopted for all new business whether auto or home. Consideration should be given to call recording programs and scripts developed to ensure consistency in all transactions.