

Most businesses renew their liability insurance programs on a yearly basis and consider placement of new coverages at the same time. Companies typically rely on their insurance brokers to guide them through this process. Coverage counsel can play an important role too, working with client companies and their brokers to ensure that policy renewals and new placements are tailored to clients' business needs and exposures and contain the latest enhancements to maximize protection. Based on our experience, here are ten important considerations at renewal time.

- 1. Have your risks changed, or are they going to?** Maybe you have acquired a new company, brought on a new director, extended your territory, or created a different type of product. Many changes could impact your exposures and insurance needs.
- 2. Has everything been disclosed in your policy renewal application?** It is important to disclose all known claims, losses, and risks that might give rise to future liability. Consultation between in-house counsel and the risk management department is key.
- 3. Does your current program have gaps?** Renewal is a good time to look closely at your policies' limits, terms, conditions, and exclusions, along with how well your primary and excess programs fit together, to ensure that you are seamlessly covered. The next three considerations elaborate on this theme.
- 4. What is a "claim" and/or "occurrence"?** Make sure you are aware of your policies' coverage triggers. Do you need to notify the insurer of a "claim" after receiving a letter demand or a government subpoena, or not until a lawsuit is filed in court? Is "occurrence" defined as an accident, or does your policy contain a different definition?
- 5. Who is insured?** This is always important to double-check, but may be critical if there have been any corporate changes. You should make sure that the name on the policy is still correct and confirm that any new subsidiaries or parents are covered.
- 6. What is the geographic scope of the policy?** If you have risks outside of the United States, make sure that your policies meet those needs. Be sure to comply with any local requirements for the countries in which you operate, which may include using approved insurers and policy forms.
- 7. What is everyone else doing?** If you have not benchmarked recently to see what other companies in your industry sector and size are insuring, you may want to consider reviewing data and evaluating your appetite for risk against that of your peers.
- 8. Are you an additional insured on someone else's policy?** If so, make sure you have a copy of the policy (not just a certificate of insurance) and confirm that it too has been renewed and contains the requisite additional insured endorsement.

- 9. What is your document retention policy for insurance?** If there is any possibility that a policy might provide coverage sometime in the future, it should be retained indefinitely. If your policies are discarded every 5, 10, or even 20 years through a generic retention policy, you may be doing yourself a disservice.
- 10. Have you reviewed your new policies?** Do not assume that the newly issued policy is going to be correct; make sure you do a careful read-through once it is received to confirm that it matches the understandings you had with your broker and the terms on the insurance binder. At renewal time, check for significant changes as compared to prior coverage.

Beveridge & Diamond's Insurance Recovery Practice represents policyholders in evaluating their insurance programs, negotiating policies to best protect their needs, and pursuing coverage after a loss. For more information, please contact John Kazanjian (+1.212.702.5420, jkazanjian@bdlaw.com), Ken Finney (+1.415.262.4007, kfinney@bdlaw.com), Edward Grauman (+1.512.391.8025, egrauman@bdlaw.com), Megan Brillault (+1.212.702.5414, mbrillault@bdlaw.com), or Nicole Weinstein (+1.212.702.5416, nweinstein@bdlaw.com).