

# COMMERCIAL LINES

## RENEWAL WORK FLOW & PROCEDURES

The following *Renewal* Process is divided into three Sections.

**Section A** are the steps performed during the process of determining how the renewal will be handled.

**Section B** are the steps performed if the renewal policy is **not** received prior to expiration.

**Section C** are steps to follow should the renewal policy be received prior to expiration date.

### **Section A - Renewal Review:**

A team approach is used in evaluation of all renewals. The team is comprised of the Producer, CSR/Marketing, and CSR (Renewal Review Team). Using this combined approach, accounts can be objectively evaluated and appropriate decisions made on the basis outlined in step 1 below.

The expiration list will be distributed to each Producer, CSR/Marketing person, and CSR 120 days prior to renewal. Each will review the list to determine the following:

- a. Size of account
- b. Will the account require remarketing?
- c. Is the account in jeopardy?
- d. Is there a significant change in the client's business in size, type or complexity?
- e. Is there serious competition on a particular line of business or the account in general?
- f. Are there technical problems with the account?
- g. Is there reason to believe that the market for an important line of this business is unavailable?

The Renewal **Review** Team will determine which accounts should be remarketed.

If the account will be non-renewed by the agency notify the client by letter immediately. Make certain that non-renewal notice complies with the policy conditions and state statutes.

If the account is being non-renewed by the insurance company notify the client by **letter** immediately.

a. The account will be remarketed.

**or**

b. The agency does not have another market.

The **Producer** should make an appointment with the *insured* to review:

- a. Client's business situation
- b. Current coverages
- c. Client's needs
- d. Client's goals

The **Producer** and insured will update the prior years **Coverage Checklist** with updated policy information. Also the **Marketing Request** is to be filled out.

- a. Be sure the insured understands that the policy will be renewed based on the expiring policy unless otherwise advised.
- b. Confirm that the insured understands the ramifications of any requested changes or of renewing "as is".
- c. Confirm that requested changes on renewal are properly communicated to the **CSR/Marketing** Department and/or companies.

Document the client *files* and confirm the results of the meeting in writing.

## Renewal Re-Marketed

The **Producer and/CSR** will be responsible for compiling additional information needed for remarketing.

**Note:** During this process, since the business being quoted is for an existing client, it is not necessary to set the client up as a new prospect. The information exists in the system.

## Renewal Not Re-Marketed:

**CSR suspense** for 60 days prior to expiration date pending completion of **Coverage Checklist** from Producer.

**CSR** sends new renewal applications advising any changes and requesting renewal policy (quote) to the company. Changes will be identified from the Coverage Checklist.

**Suspense** for 30 days prior to expiration date for receipt of renewal quote from companies.

Create another **suspense** for 10 days prior to the expiration date to issue binder-billing if the policy is not received.

## Section B - Renewal Not Received Prior To Expiration Date:

The following procedures are recommended in order to process a renewal billing prior to the time the actual policy has been received.

It is necessary to issue a binder when a renewal policy is not received prior to expiration date of current policy.

Notice is provided by the **suspense** system of accounts due to receive renewal policies.

**CSR** generate a binder-billing invoice for the renewal policy. If the policy number is not available, assign a temporary binder or policy number.

If a tax filing is necessary, complete the appropriate forms and forward a copy to the company and state.

Generate binder using the standard system ACORD binder format.

When issuing a binder, confirm the following:

- a. The coverage has been properly bound by an authorized person.
- b. The binder adequately reflects the coverage and policy information as indicated on the final *proposal*.
- c. A separate binder is issued for each policy. (Different policies cannot be combined on one binder.)
- d. The binder is properly logged.
- e. The binder is issued in accordance with individual company binding procedures paying particular attention to the expiration date of the binder. **DO NOT ISSUE OPEN ENDED BINDERS.**
- f. Mail a copy of the binder and cover letter to the company to insure that it is received within three days from the time the coverage was bound.
- g. Use sufficient language on binder - i.e., special exclusions, restrictions, warranties, - so that it can take the place of policy until such time as one is issued.

Generate **Certificates of Insurance** if applicable.

When issuing a Certificate of Insurance, determine:

- a. Who is requesting the certificate, i.e. insured, additional interest, etc.
- b. Reason for Certificate of Insurance.
- c. Check policy, verifying coverage requested has been provided.
- d. Do you need to request permission from insured or company to add coverage or additional interest?
- e. Do not give more than 10 days' notice of cancellation without consent from the company.
- f. Have Producer sign Certificate(s) of Insurance.
- g. Distribute Certificate as follows:

Original	Certificate Holder Only
Copy	Insured
Copy	Insurance Company
Copy	File

**Note:** Use of special Certificate forms or amendments to the ACORD Certificate cannot be made without prior approval from the company.

Generate **Automobile ID Cards**, if applicable.

Generate cover **letter** to insured/additional interest and company to accompany binder, invoice and other applicable forms.

Complete **Request for Finance** worksheet for Accounting to prepare agreement, if applicable.

**CSR** deliver cover letter, binder, invoices, checklist, finance agreement and other applicable forms to Producer for delivery to insured.

**CSR suspense** for receipt of policy five (5) business days prior to binder expiration date.

If the policy has not been received prior to the binder expiration date:

- a. Issue new **binder** to extend expiration date. Forward copies of the binder to the:
  - (1) company
  - (2) insured
  - (3) additional interests
- b. Indicate binder extension on the **binder log**.

Upon receipt of policy, review for accuracy and completeness.

If the policy is not accurate or complete generate an **ACORD Change Request**.

Depending on the severity of the changes, the **Producer** may deliver the policy to the prospect with Change Request form attached or **CSR** will return the policy to company for reissuance.

- a. Confirm that the Change Request form contains the information needed to make the policy correct.
- b. Send Change Request and/or policy to the company immediately.
- c. Document the policy file and system information in case the account is reviewed for *claims* handling prior to the time the endorsement or policy is received.

**Suspense** for 30 days pending receipt of endorsement or new policy from company.

Update the policy and coverage information on the system when received. If a binder number was used, change binder number to policy number on policy information screen on the system.

Invoice any changes in premium as a result of the requested policy changes.

**CSR** to provide Producer with cover letter, policies, invoices, and forms for delivery to insured. Mail copy of policies to additional interests as required.

The Producer must review coverage documents and sign policies.

**CSR suspense** for ten (10) days pending receipt of signed documents (i.e. finance agreement, etc.) from the insured.

Acknowledge original **suspense** if no pending endorsements.

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## Section C - Renewal Policy Received Prior To Expiration Date

The following procedures will be performed when the renewal policy has been received prior to the expiration date and it is **not** necessary to issue either a binder or binder-billing.

Upon receipt of policy, **CSR** to review for accuracy and completeness.

If policy is not accurate or complete, generate **ACORD Change Request**.

Depending on the severity of the errors, the **Producer** may deliver the policy to the client with Change Request form attached or return the policy to company for reissuance.

- a. Confirm that the Change Request contains the information needed to make the policy correct.
- b. Send Change Request and/or policy to the company immediately.
- c. Document the policy daily and/or client information on the system in case the account is reviewed for claims handling before the endorsement or new policy is received. Client file should indicate an endorsement is pending.

**CSR** to suspense for 30 days pending receipt of endorsement or new policy from company.

Update the policy and client/coverage information on the (SYSTEM NAME) system.

Generate an **invoice** for the renewal policy.

If a tax filing is necessary, complete the appropriate forms and forward copy to the company and state.

Generate **Certificates of Insurance**, if applicable.

Generate **Automobile ID Cards** if applicable.



Complete **Request for Finance** worksheet for Accounting to prepare agreement, if applicable.

**CSR** to provide Producer with cover **letter**, policies, invoices and finance agreement for delivery to insured.

The Producer must review coverage documents and sign policies.

**CSR suspense** for 10 business days pending receipt of signed documents from the insured (i.e. finance agreement, etc.).

Mail copy of policies to additional interests as required.

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