

Insurance By Design

Errors and Omissions Insurance

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Frequently Asked Questions Regarding Claims-Made Policies

What is the difference between a claims-made policy and an occurrence policy?

- Coverage is activated when a claim is made (claims-made policy) instead of when a wrongful act occurs (occurrence policy).

What triggers coverage on a claims-made policy?

- Claim must be made during the policy period.
- Claim must be reported during the policy period.
 - *Most policies allow a 30 to 60-day period after policy expiration in which you can still report claims made during the policy period—check your policy for specific provisions.*
- The wrongful act must occur on or after the policy retroactive date

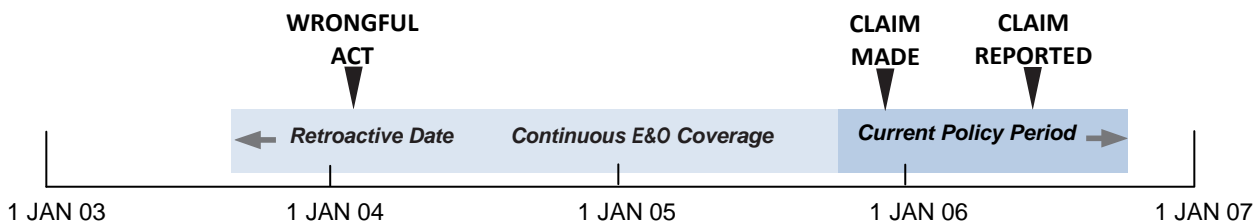
What is a retroactive date?

- Date from which you can show continuous proof of E&O coverage
- There may be NO gaps in coverage--not even 1 day

Why is a retroactive date important to maintain?

- In order for a claim to be covered, it must occur on or after the retroactive date. *See Example 1 below.*
- Any claim made prior to the retroactive date, will NOT be covered. *See Example 2 below.*

Example 1: CLAIM COVERED



Example 2: CLAIM NOT COVERED

