

# The E&O Find-and-Ask Field Guide

## BRIDGING THE GAP BETWEEN POLICY LANGUAGE AND OPERATIONAL REALITY

A business is a living entity, but an insurance policy is a static document. Use this guide to audit the distance between the written form and your client's daily function. If the vocabulary doesn't match the velocity of their business, it's time to recalibrate.

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### THE SERVICE DEFINITION TEST



#### The Agent Ask:

"Does the description of covered Professional Services address 100% of what you get paid to do today?"



#### The Warning Sign:

If they mention any services, verbs or activities that are not in the description, the underwriter may view those as uncovered business activities.



#### The Next Step:

You'd need to manuscript the definition to include these specific operational verbs to ensure the policy responds to the client's actual revenue streams.

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### THE RECTIFICATION SEARCH



#### The Agent Ask:

"If you catch a major design error mid-project, do you realize your current policy won't pay to fix it until a third party actually sues you?"



#### The Warning Sign:

Without an affirmative Rectification or Mitigation clause, the insurance is reactive—it waits for the disaster to happen. For contractors and developers, this is a massive silent gap.



#### The Next Step:

You'd want to negotiate the inclusion of Rectification coverage so your client can fix errors and stay on schedule without waiting for a lawsuit to trigger funds.

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### THE MULTIPLE HATS REVIEW



#### The Agent Ask:

"Do you have any ownership stake in the properties or projects you are managing or developing?"



#### The Warning Sign:

Many standard forms exclude claims involving entities the client partially owns, via Insured vs Insured or Ownership Exclusions. If they wear two hats (Owner and Manager), they might be uninsured for internal disputes.



#### The Next Step:

You'd look to secure carve-backs that protect the insured even when they have an equity stake in the project, bridging the gap between E&O and D&O exposures.

# The Evolution Benchmark

## IDENTIFYING THE GROWTH GAP

As a business grows, the company's original insurance classification often stays on the policy even after its operations have evolved into a more complex category. Use these benchmarks to determine if your client has outgrown their current policy structure.

Scenario	The Growth Trigger	The Market Correction
<b>The Equity Shift</b>	The client is raising capital or issuing offering documents to investors.	Standard E&O usually excludes Investment Advice. A shift to Investment Manager E&O is required.
<b>The Manual Gap</b>	The client's professional advice leads to a physical activity (ex: site maintenance).	If the form has an Absolute BI/PD exclusion, manuscripted carve-backs are needed to protect professional decisions.
<b>The Repair Demand</b>	Third parties demand the client redo work or fix mistakes without seeking monetary damages.	A broader Claim Definition is required to include demands for non-monetary relief or services.
<b>The Tech Crossover</b>	The client provides SaaS platforms or tech-enabled services to their customers.	Standard E&O doesn't cover software failure. An affirmative Technology Extension is required, and a change to a true Technology E&O policy may even be in order if the client has morphed into a true technology company.

## LET'S TALK

When your audit reveals a red flag, the next step is to translate that vulnerability into a manuscripted solution. By engaging a Jencap specialist early, you can move beyond off-the-shelf forms and deliver a policy purpose-built for the business your client operates today.

**Contact a Jencap E&O Specialist to review your audit findings.**

