



In July we sent you a CNA “Management and Professional Liability News” on the topic of D&O. And in late September we sent a request for feedback on our previous mailings. This current message contains a summary of the survey followed by a discussion of E&O coverage through a description of Miscellaneous Professional Liability insurance.

The survey asked for feedback on the messages that we’ve sent so far, the value people have gotten from those messages, and lastly what actions are taking place based on receiving these emails. Thanks to those of you who submitted replies, and here is a summary of what we received;

- Our prior messages have left an impression (69% of respondents remembered them)
- The messages are meeting or exceeding each of the objectives we established; for content relevance, length and timing (66%)
- The information is considered valuable (58%); most popular response was “overall education” and a significant number mentioned “for meeting preparation” as well as “closing sales/help with renewals”
- A majority of people (58%) said they passed on the information to customers and prospects with an average of 4.7 times

What exactly is Miscellaneous Professional Liability (MPL)?

Everyone knows that doctors, lawyers and accountants need malpractice insurance, but what about the everyday business person engaged in providing a service to others? MPL insurance addresses that population by providing coverage for negligent acts, errors or omissions for the “miscellaneous” categories of business. This type of insurance is tailored to a company’s specific professional risks, no matter how small or large a business.

Who’s covered?

Any business that provides professional services to others for a fee can be insured under this policy. This includes anyone from Advertising Agents, Mortgage Bankers and Brokers, Consultants or Management Consultants, Multimedia firms, Technology Services, Telemarketing firms; the list goes on and on. Coverage is also afforded to the partners, officers, directors and employees of the company.

Obviously in this era of technology, computer usage can be critical to a company’s business success. Technology firms that install, implement and update a company’s computer system need added protection. Additionally, any business using the Internet as a means of conducting professional services also needs to protect itself from the unique risks associated with e-commerce.

What’s covered?

MPL policies are typically of a “claims-made” nature and afford coverage for claims made during the policy period. Most MPL policies are written on a “duty to defend” basis which means that even if the allegations against the insured are groundless or false, the insurance company will still provide the insured with a defense of a covered claim.

The main cause of action asserted against professionals is negligence in the rendering of the professional services. This claim can be asserted in a suit filed directly against the company as well as in a counterclaim. For example, a business may be hired to install a computer system. If there are delays, a client may bring a direct action against the business for negligently failing to perform the installation. In addition, the client may seek to be reimbursed for the disruption to its business. Alternatively, if a company sues a client for not paying an invoice and the client countersues alleging that the company performed its services in a negligent manner, the MPL Policy may be triggered.

So it’s easy to see that MPL is a broad category that offers a significant degree of coverage flexibility and customization. And, it is important for companies to recognize, and then manage these types of risks.

We hope you found this information interesting and it provides you a perspective that assists you in meeting your customers’ needs. If you would like to learn more about our MPL product offering, please visit http://www.cnapro.com/html/Our_Products/OurProducts_Professional_Liability.html



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