POLICY CHECK QUICK CARD: THE E&O FRONT LINE ON ONE CARD

The issued policy check is not clerical hygiene. It is the core defensive control standing between an insurance agency and its most classic Errors & Omissions (E&O) claim: the client who was told they had coverage that the carrier-issued policy does not contain. This card condenses the traditional comparison ritual, the automated agent workflow, and the operational failure modes of speed-approval.

1. The Traditional Ritual Comparison — Hunting for What Was Sold vs. Issued

CORE CONTROL

When a policy returns from the carrier, the servicing team sits with the issued document on one side and the proposal/binder on the other, comparing line by line across four critical dimensions:

Dimension	What Must Be Checked	Classic E&O Exposure Point
Coverage	Insuring agreements, covered causes of loss, perils included vs. excluded, form numbers and edition dates.	Carrier quietly issues an older form or adds a restrictive exclusion not disclosed in the quote.
Limits	Per-occurrence, general aggregate, products/completed operations, sublimits (water damage, cyber, EPLI).	Sublimit added where client expected full policy limit; defense costs moved inside limits.
Deductibles	Property per-occurrence, wind/hail percentage, liability SIR, waiting periods on business income.	Percentage deductible or higher wind deductible inserted without proposal sign-off.
Endorsements	Manuscripted endorsements, warranty endorsements, protective safeguard clauses, mandatory carrier forms.	Protective safeguard warranty endorsement (alarm/sprinkler) issued that voids coverage if uncomplied with.

2. The Automated Agent Workflow

AMS360 / VELOCITY

Inside the agency management system, the workflow moves across six discrete operational steps:

- **1. Intake:** Policy Intake Agent ingests carrier documents directly into AMS.
- **2. Compare:** Check Agent compares issued policy vs. agency records and proposals.
- **3. Highlight Discrepancies:** System flags deviations in limits, wording, deductibles.
- **4. Suggest Corrections:** Machine proposes specific adjustments or endorsements.
- **5. Human Review & Approval:** Professional evaluates flag before anything changes.
- **6. Suspense & Log:** System creates carrier follow-up suspenses and logs audit trail.

3. What Vendor Numbers Claim vs. Reality

VENDOR TRIALS

Vertafore trial metrics on standard packages:

- **Check Agent:** Policy-checking time reduced "*up to 90 percent*" per line of business.
- **Intake Agent:** Building/reviewing package cut "*up to 87 percent*" (standard property & GL).
- **The Reality Caveat:** These figures stem from vendor trials on clean, standard packages.
- **Messy Books:** Manuscripted, heavily endorsed, or non-standard policies expect substantially less.
- **The Operative Word:** Always notice the honest vendor qualifier: "*up to.*"

4. The New Weak Point: The Approval Click

CRITICAL RISK

Both agents are engineered so a human approves the machine's work before it lands in the agency system. This design achieves two things: it keeps a professional in the loop, and it **moves the liability to a specific moment: the approval click**. A reviewer who approves flags at speed, trusting the software the way drivers trust a navigation app, quietly recreates the rubber stamp the policy check existed to prevent. The audit log will preserve that speed-clicking in depositions.

THE E&O DEFENSE PROTOCOL & APPROVAL CLICK DISCIPLINE

The policy check is not a software story; it is an E&O liability story. Defensively, the audit trail is the most valuable asset the tool produces—provided the reviewer exercises genuine human judgment rather than administrative speed-clicking.

5. Why This Is an E&O Defense Story, Not a Software Story

LIABILITY CORE

The E&O Discovery Nightmare

Coverage gaps are discovered at the worst possible moment: after a loss, with an angry commercial insured facing uninsured damages, and with the **claims-made calendar already ticking** against the agency's own E&O policy.

An automated agent checking every issued policy removes human fatigue sampling at 5:00 PM, fundamentally tilting the claim odds in the agency's favor.

Deposition: Standard Practice vs. Exact Log

In litigation, the broker who testifies that "*checking was our general standard practice*" is vulnerable to cross-examination on workload, fatigue, and sampling.

The agency that produces a **timestamped, documented review of the exact policy at issue** stands on unshakeable legal ground. Defensively, the audit trail is the primary product.

6. The Anti-Rubber-Stamp Approval Discipline Rules

FIELD STANDARD

Hazard / Trap	Operational Manifestation	Mandatory Approval Discipline
Navigation-App Trust	Assuming the AI caught every discrepancy because it parsed 95% of standard fields cleanly.	Treat the machine check as an initial screen. Reviewer must independently inspect manuscript endorsements.
Sub-Second Speed Clicking	Clearing flags in 15 seconds to meet daily processing quotas without reading carrier form language.	Enforce minimum review duration. Audit logs showing 10-second reviews undermine E&O defense credibility.
Passive Acceptance of Discrepancies	Accepting carrier variances because "that's just how the underwriter quoted it."	Every variance must result in: (a) documented client acceptance, or (b) an active carrier suspense entry.
Silent Endorsement Overrides	Not noticing when an endorsement attached at the back of the policy restricts an insuring agreement.	Review all negative endorsements (designated premises, assault & battery, total pollution exclusions).

7. Agency Servicing Desk Action Checklist

IMMEDIATE STEPS

#	Operational Phase	Action Required by Servicing Lead & Account Manager
1	**Intake Verification**	Confirm Policy Intake Agent ingested the full policy packet, including all schedules, endorsements, and declarations.
2	**Proposal Alignment**	Ensure source comparison document is the final accepted proposal/binder, not an earlier unamended quote.
3	**Discrepancy Evaluation**	Categorize every machine-flagged variance as: Approved (matches intent), Corrected (agency typo), or Suspense (carrier error).
4	**Carrier Suspense Log**	Immediately log carrier suspense for discrepancies; set follow-up date for endorsement/correction within 10 business days.
5	**Logged Review Sign-off**	Record reviewer name, timestamp, and notes. Ensure audit trail shows thoughtful review time, not automated rubber-stamping.

The Desk's Read: The checking itself is about to stop being the hard part. The judgment about what the machine found—and the discipline to actually exercise it—becomes the job. Agencies that train for that distinction will get the E&O benefit. Agencies that treat the agent as a reason to stop looking will eventually read their own audit log in a deposition.