

## From the eMail bag: Elderly Policyholders – What do you do when they call you 20 times a year asking for a copy of their policy?

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We recently received the following question from a Swiss Re Corporate Solutions insured agent:

"We have many customers that are now in their 70s, 80s and 90s and are obviously not cognizant. What are the best procedures for us to follow for E&O"

1. The customer is obviously not cognizant (calls 20 times a day; repeatedly asks for copies of their policies – we have one that has asked maybe 20 times in the last year) and we DO NOT have a POA (Power of Attorney) from someone taking care of their affairs????
2. We are presented with a POA from someone supposedly representing the customer???
3. I know their son/daughter/relative, can I contact them and let them know there is a problem?



These are interesting questions. With our aging society and more baby boomers living longer, sometimes without retaining all of their mental faculties, this is just one more issue that needs to be considered.

Our natural human reaction is that we want to help this person and possibly contact their family or loved ones and let them know that you are concerned about their well-being. The problem is, this is first and foremost a business relationship, and you first need to consider it in those terms.

This may sound harsh, but because it is a business relationship, unless you have a Power of Attorney (POA) from them to discuss their affairs with someone else, you should not be discussing it with anyone other than them.

However, this does not mean that you cannot discuss their coverage with someone else without a POA. If your customer has established a course of dealing with you where they have allowed a family member (usually a child, sibling or other close relative) to be part of your conversations with them, AND YOU HAVE DOCUMENTED IT IN WRITING, then you can continue to discuss their insurance with that person. HOWEVER, unless you have a POA giving that person authority to LEGALLY act on their behalf, you should not make any changes to the policy, including but not limited to: changing coverages or beneficiaries, adding or deleting parties, cancellation, or any other material changes.

So, what if you are presented with a POA from someone who purports to act on behalf of your customer – should you accept it? Generally, the answer is yes, if the POA is properly authenticated under local state law (in most states, it would be notarized). Once you have verified their authority, document your file accordingly and proceed.

Other situations could arise where the customer has been placed under a conservatorship or guardianship by a court, and as long as you are provided with proper legal documentation from the court, you can act at the direction of the court appointed representative.

The next option is that you could decide to no longer represent that customer for their insurance needs. This could be considered a drastic measure, but if you want to protect yourself from an E&O exposure, then that is certainly an option. If you choose this option, you should send written notification to the customer by certified mail with return receipt requested that you are no longer going to represent them for their insurance needs. This will ensure that you have documentation in your file that the letter was received. There is a sample "Disengagement Letter" you can adapt to your own use on the E&O Happens website

(<https://rms.iiaba.net/Prevention/Pages/Procedures/Letters/default.aspx>).

Our aging society is creating new issues that may not have been fully considered in the past. So, when you are presented with this situation, and you follow these simple steps, you will help protect yourself from an E&O exposure and still provide the service your customers have come to expect.

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