

THE 3-STEP RENEWAL

COMMERCIAL-LINES INSURANCE

ANALYSE. ADVISE. RENEW.

Your obligations

- Take the necessary steps to ensure that the coverage provided corresponds to the client's needs.
- Act as a conscientious advisor by informing your clients of their rights and obligations and providing them with all necessary or useful information.



The fact that you did not receive the conditions of renewal does not relieve you of your obligations.

Beforehand

Read the [procedure for renewing an insurance policy](#) to find out about all your obligations and legislative references.

To properly manage deadlines, make sure to start the renewal process early (for example, a minimum of 60 days in advance). Preferably, the insured should receive the policy's conditions of renewal at least 30 days before its expiration date.

Careful, in certain cases, there is a strict deadline for automobile insurance contracts. To find out more, read [Automobile insurance: Deadlines for renewal, cancellation and nullification of personal-lines insurance contracts](#).



Be proactive: quickly contact your client if you suspect there is a possibility that the insurer will not renew the contract, or change its conditions or significantly increase the premium.

In order to minimize the risk of your client suffering any harm:

- Meticulously follow up with the current insurer;
- Analyse other potential options for underwriting the risk that would provide sufficient coverage and meet your client's needs;
- Let your client know what steps you are taking;
- Notify your client if he must take steps to find an insurer when you are not authorized to take such steps yourself.

The 3 steps

1. Analyse Review your client's needs and redo the analysis.



Talk to your client regularly in order to:

- Note any changes that could affect the nature of the risk and/or the business;
- Review the amounts of insurance;
- Update the proposal and verify the underwriting rules with the insurer.

Visit the site in order to, for example:

- Carry out a proper assessment of the physical risk;
- Verify the state of both the site and the equipment;
- Validate measures currently in place to protect the site;
- Note neighbouring risks;
- Review inventory management.

Use the questions the ChAD suggests in its article on [renewal notices](#) (commercial-lines and commercial-lines automobile) as inspiration for formulating your own questions.



If you send a written notification, it should focus the client's attention on the importance of notifying you of any change to the risk. A simple sentence at the bottom of the policy or in the cover letter is not enough. Instead, this message should take the form of a separate document or an explicit, clearly visible paragraph. [Read the procedure](#) for further details on what it should include.



Be proactive: if a client contacts you to ask a question or request a change during the term of the contract, take this opportunity to update their file.

2. Advise

Validate current coverage and advise your client.



Validate the amounts of insurance and advise your client. It is, however, the insured's responsibility to determine the proper amount.



If you suspect the amount is insufficient, you must explain the [co-insurance clause](#) and its consequences in the event of a partial loss. You can also suggest having a professional evaluation done.

Give your client advice on the appropriate products for his situation, as well as newly available products; this will ensure that the coverage offered meets his needs.

Examples of advice:

- A manufacturer has developed a new product using a substance that is potentially dangerous to the environment. Is coverage for this type of risk available?
- A building contractor has hired an engineer to sign off on his construction plans. Is a new professional civil liability product required?
- A hairdressing salon begins offering tattooing services. Could the increase of hazard lead to the policy renewal being refused?
- A restaurant decides to begin offering home delivery services. Is commercial-lines automobile insurance required?

Verify whether coverage your client had previously refused is still not of interest to him.

3. Renewal

Verify the renewal and confirm the terms of payment.



Review the renewal and verify that there are no mistakes, and that it corresponds to the client's instructions and the changes requested.

Confirm the terms of payment with the insured, if necessary.

Note everything in the client record: advice given, coverage offered and refused, instructions received, etc.



If you are unable to send your client the insurance policy, let him know that he will receive it shortly and send him an [insurance binder](#) that confirms the insurer's name, the period of insurance, the coverage, the deductibles, and the amounts of insurance.



If you are unable to offer a renewal that meets your client's needs, you must terminate your mandate properly. Read the [procedure](#) [in French only] and the [form letters](#).



For further details, including the legislative references regarding your obligations, download the [procedure for renewing an insurance policy](#).