



# **STEWART SPECIALTY INSURANCE SERVICES**

**Driving Insurance and Risk Management Solutions For All Things  
in Real Estate**

**Tom Carpentier, President**



## **STEWART SPECIALTY INSURANCE SERVICES**

Independent Insurance agency licensed in 50 states. SSIS is contracted with over 200 highly rated insurance companies. Based in Houston and founded in 2004, SSIS has the infrastructure to deliver multiple lines of insurance across the United States.



# PRIMARY FOCUS

## Deliver Insurance Solutions for All Things in Real Estate

- Independent title agencies and attorneys
- Real estate brokers and agents
- Developers, builders and contractors
- Lenders and asset managers
- Homebuyers/title customers
- Investment Groups



# DIRECT SALES

- Retail Insurance Sales
- Commercial Lines to Businesses
- Broker Relationships with Real Estate Professionals



# FULL COMPLEMENT OF PRODUCTS

- Personal Insurance (Home, Auto, Umbrella, etc.)
- Life Insurance
- Affinity Health Insurance and HR Services
- Professional Liability (E&O and Lawyer's Liability)
- General Liability and Workers Comp
- Bonds (Fidelity, Surety, and Performance Bonds)
- Commercial Property and Liability
- Commercial Auto
- Builders' Risk and Contractor Liability
- Lender Owned, Vacant, and Tenant Occupied Home Insurance
- Home and Structural Warranties
- Natural Hazard Disclosures Retail Insurance Sales





# AGENTS

- **Today's hot topics**
  - **ALTA Best Practices – The Insurance Piece**
  - **Title Agent E&O and Lawyer's Professional Liability**
    - **Greater expense for agents**
    - **Reduced coverage**
  - **Owner and employee defalcations**
    - **Major issue for the industry**
    - **Lenders and title underwriters taking note**
- **Cyber Liability**
- **Business Insurance – What do agents really need?**
- **Health Care Reform**



## **Best Practices – The Insurance Piece**

**Best Practice: Maintain appropriate professional liability insurance and fidelity coverage.**

- **Don't treat insurance as a commodity or just a cost of doing business**
- **It is a Risk management and Asset Protection Process**
  - **Analyze your exposure**
  - **Know your options**
  - **Protect your assets you have built and continue to grow**



## **Best Practices – The Insurance Piece**

**Best Practice: Maintain appropriate professional liability insurance and fidelity coverage**

- **Protection of Settlement Funds – Fidelity Bonds**
- **Protection against Errors (Errors & Omissions)**
- **Let's not forget information Security – Cyber Liability**





## Common Misconceptions

- Professional Liability Coverage (E&O)
  - Typically does not cover theft of settlement funds or liability resulting from a data breach
- General/Business Liability
  - Only covers theft of funds from operating account (business funds or personal funds)
- Standard Bond Coverage
  - Typically only covers theft of funds by employees
  - Conviction Clauses
  - Many forms of fidelity bonds only cover funds owned by the insured not funds held by the settlement office



# Coverage Considerations

## **E&O Coverage Issues:**

- Limited professional services on some policies. For example some do not cover escrow/closing functions
- No coverage for independent or sub-contracted services
- Agent's losing their retroactive date so no coverage for prior acts. E&O policies are claims made/reported basis forms

## **Lawyers Professional Coverage Issues:**

- Policy does not provide coverage for Title/Escrow services
- Some policies do not cover a title agency entity that may exist
- Some policies only cover the acts of the attorneys and not the acts of paralegals, legal assets, support staff
- No coverage for independent or sub-contracted services

## **Fidelity Bonds**

- Not the same as Surety Coverage
- Some policies only cover theft of corporate funds – not settlement funds



# Agency Protection Plus: Insurance Program Designed for Title Professionals

Comprehensive insurance program that is specifically designed to protect title professionals. SSIS provides an array of bonds, professional liability, general liability, workers comp, group health and payroll services, cyber liability, commercial property insurance products and more. Policies are available nationally. SSIS stands ready to provide agents with an insurance package that is designed to provide the specific coverage agents need as a service provider in the title industry. Title professionals do not run a typical business. They provide services that are complex and detailed, and typical business insurance is not enough.



# TITLE AGENTS E&O

- **E&O Protection Plus (Non Attorneys)**
  - Program underwritten specifically for Stewart's agents
  - Discounted pricing
  - Expanded coverage
  - Mid term quotes



# AGENTS AND ATTORNEYS BONDS

- **Escrow Security Bond (ESB)**
  - Program underwritten specifically for Stewart's agents
  - Discount when bundled with EPP or APP
  - Coverage for theft of property and third party claims
  - Covers claims under attorneys' general practice
  - Meets STG's desired coverage
  - Think about it as a marketing tool – not an additional expense





## **EXPANDED FIDELTY COVERAGE ESCROW SECURITY BOND**

- Broader than traditional fidelity bonds designed to cover theft of funds
- Protects all parties involved in the transaction
- Provides coverage not provided under other forms of insurance
- Underwritten by highly rated Lloyd's of London Syndicates
- Underwritten exclusively for Stewart's Clients to help protect settlement funds



# Escrow Security Bond (ESB) Specifically Enhanced to Address Industry Concerns and Needs

- **Theft of Settlement Funds (First party Coverage)**
  - Covers misappropriation, embezzlement, or theft by employee, principal, partner or major shareholder of the settlement agency
  - Allows third party direct right of action should the principal, partner, or major shareholder steal settlement funds (loss payees)
  - Covers settlement funds should a third party hacker infiltrate agency's computer system and divert funds
- **Cyber Liability – Consumer data security (Non-public information)**
  - Covers the cost associated with the breach of non-public information (NPI) such as notifying the consumer, credit monitoring, fines levied by federal, state, or local authorities and similar crisis management expenses/costs
  - Covers third party liability claims for negligence as a result of the release of NPI
- **Computer Crime**
  - Protects against theft of settlement funds through unauthorized access to an agent's computer system
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# ATTORNEY E&O

- **Attorney Protection Plus (Attorney Agents and Approved Attorneys)**
  - Program underwritten through multiple highly rated underwriters
  - Covers claims under general practice
  - Discounted pricing
  - Expanded coverage
  - Mid-Term Quotes



## **INSURANCE SUMMARY**

- Risk Management/Asset Management
- Work with an Insurance Professional that understands your needs
- Ask for options – don't just go with the least expensive quote
- Utilize Stewart's Programs – free consultation through Stewart Specialty Insurance Services



# AGENTS

- **How can we help an agent's business?**
  - **Insurance resource (Agents and their clients)**
    - **Personal and commercial insurance needs**
    - **No obligation policy reviews**
  - **Reduce insurance expenses and broaden coverage (special insurance programs)**
  - **HR and Benefit Support**
  - **Stewart Home Warranty**





# **Stewart Specialty Insurance Services**

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