Business Better (Episode 23): The Impact of COVID-19 on the Executive Liability Landscape with HUB International

Speakers: Doug Christian, Adrian Arilano and David Garrigus

John Wright:

Welcome to Business Better, a podcast designed to help businesses navigate the new normal. I'm your host, John Wright. After serving nearly 15 years as senior vice president and general counsel at Triumph Group Incorporated, a global aerospace component supplier, I'm now a member of the securities and M&A groups at Ballard Spahr, a national law firm with clients across industries and across the country.

John Wright:

The topic of today's episode is COVID-19, new risks and exposures for the C-suite. Leading the discussion is Doug Christian, a senior insurance advisor and litigator in Ballard's Philadelphia office, who serves as the leader of the firm's insurance practice group. Doug's guests in this episode are Adrian Atilano and Dave Garrigus, executive liability practice leaders at the insurance brokerage firm Hub International, Adrian and Dave will discuss more of what they do in the episode. So let's turn the discussion over to Doug and his guests.

Doug Christian:

Hello everybody. Thanks for joining us for this Business Better podcast. Today's topic is COVID-19, new risks and exposures for the C-suite. I'm Doug Christian, I'm the head of Ballard Spahr's insurance practice. And joining me are Adrian Atilano and David Garrigus, both senior vice presidents at Hub International, which is one of the largest brokerage firms in the country. We're very pleased to have them with us to help us understand the risks and how to manage the risks that are facing the C-suite today.

Doug Christian:

Adrian and Dave collectively lead the executive liability practice at Hub, so they're going to have some excellent insights on the issue. It is clear that almost a year into the pandemic, that COVID-19 has profoundly affected society, creating an especially volatile risk environment. The usual uncertainty and unpredictability in the world of business are even more pronounced now than ever before, virtually all businesses face COVID related risks and executives of all public, private and non-profit companies face this risk.

Doug Christian:

The C-suite is affected in numerous ways in this uncertain and ever-changing environment. Many risks are readily apparent a year into this. Others have yet to emerge, but I guarantee you, they will. Some risks apply to all or most businesses, others are specific to a particular industry or line of business. The C-suite and the companies they manage will benefit from a thorough analysis of how these risks affect them and what can be done to minimize these risks.

Doug Christian:

I'm going to briefly identify a few of these risks and Dave and Adrian will offer their considerable insights as to how to best manage these risks by way of insurance. While other business risks can often be handled by way of indemnification or other contractual provisions, when it comes to C-suite liability, the primary if not soul ways to manage risk are by way of number one sound business practices, and number two insurance with a strong and reputable insurer and an excellent broker who's fully up to speed on the risks of each client and what's happening in the insurance marketplace.

Doug Christian:

I think you'll find that Dave and Adrian brings strong and significant experience in judgment to the task of determining how best to insure against the risk the C-suite faces. And make no mistake about it, one size does not fit all, a tailored approach to your situation is the best approach. So what are some of the risks that COVID has presented to the C-suite? Well, the risk that usually first comes to mind when people consider this is securities claims, including class actions and derivative litigation.

Doug Christian:

There have been allegations regarding misrepresentations of or failure to disclose the effect on business of COVID-19. There have been allegations, lawsuits alleging failure to act in light of or otherwise manage the impacts of COVID-19 on business. There have been lawsuits alleging failure to employ a process by which such impacts are reported to the board, so that the board can perform its oversight function. Generally, these are claims alleging failure in the management of the company and board oversight relating to COVID issues.

Doug Christian:

There have been regulatory investigations. State and federal regulators are looking at how companies and their management are responding to the many issues arising from the pandemic, including of course how the various loans and other programs were applied for and used. The SEC investigations regarding how the company is handling COVID related impacts and disclosures. Clearly a difficult financial environment can lead to less than optimal business practices that regulators will be paying close attention to. The investigations include false claims act and antitrust, whistleblower claims.

Doug Christian:

So there are many types of regulatory investigations that are implicated here. A claim the C-suite faces these days is a fiduciary claim. For example, a claim that a fiduciary charged with administering benefit plans failed in such administration. And they can be asserted by either shareholders or trustees among others. There are COVID related risks in the cyber area, for example for failure to have adequate standards in place protecting information. These risks can never be eliminated, but they can be proactively managed with the help of seasoned insurance professionals.

Doug Christian:

So let's turn to Dave and Adrian to provide their insights. Gentlemen, before we get your thoughts with regard to protection for the C-suite through insurance, tell us a little bit about Hub and what you do there.

David Garrigus:

Thanks very much, Doug. This is David Garrigus. For a portion of the country along with Adrian lead Hub's management professional liability and cyber practice. Hub as you may know is a top five brokerage firm, focused principally on the middle market. And we have a team of experts both focused on product, but also focused on industry. And so we help our clients through a variety of management liability, professional liability, cyber and other affiliated risks, both in managing those risks and in placing insurance coverages to adequately address them.

Adrian Atilano:

Yeah, just to add to what David said about Hub, it's nice to be in organization that's a flat organization meaning, we're able to flex and adapt to our clients' needs, we bring in additional resources, even if the cost is in addition to the process. So, we're privately owned and with over 13,000 colleagues across the country over 600 offices.

Doug Christian:

Guys, when I think of management liability policies, D&O, directors and officers insurance comes immediately to mind, but of course there are other types of policies. What are generally the types of policies that protect the executives in the C-suite and what is each designed to cover generally?

David Garrigus:

It's a great question Doug. In addition to D&O or directors and officers liability, you brought up a great one earlier, which is what we think of as fiduciary liability insurance coverage, and that protects fiduciary of a organization's benefit plans for a claim that typically would allege a breach a fiduciary duty, but may include other matters related to the administration or oversight of those benefit plans.

David Garrigus:

Oversight is a big topic these days as organizations face challenges to the fees that they're paying plan service providers for example. Another example would be employment practices, liability coverage, really think of this as course of employment coverage, it could be an applicant who says they were discriminated against in the hiring process, it could be current or former employees who allege either on an individual or a group basis things like harassment or discrimination. And it could be past employees who say they were wrongfully terminated. And so that employment practices liability coverage is really an important part of a management liability program as well. And Adrian, you want to comment on a couple others?

Adrian Atilano:

Yeah, well, you hit on the right ones there David. And one thing I want to say in addition to those, we can talk about crime insurance as well and cyber as you mentioned Doug. But one thing David and I have notice is the lawsuits are becoming more complex and the plaintiff's attorneys, they're telling a story, right? So when we advise our customers, there's a lot we can control, there's a lot our customers can control in terms of their risk profile. What's completely outside of our control is the story that plaintiff's attorneys are going to tell.

Adrian Atilano:

So what I'm getting at is multiple policies are being hit at one time, they're being triggered, you can have allegations that trigger the DNO policy, the employment practices liability policy, even the fiduciary liability policy, just quickly cyber data security hot topic right now, the insurance, pardon, area where you need to not only protect the balance sheet of the enterprise, but also the personal assets of leadership being the board composition as well as the C-suite. And you could have cyber breaches directly hit a cyber policy, but then indirectly hit a D&O policy.

Adrian Atilano:

Another final example is crime insurance, this is some type of coverage that is managed by the same underwriters as these other policies we've mentioned, but they really dig into the controls that the C-suite is put in place, making sure that you have adequate separation of duties, they look into the type of policies, procedures, organizations have governance policies as well.

Doug Christian:

So, in terms of the general makeup of the market or the markets that provide this cover, how would you characterize those markets? Are they mainly domestic, the large carriers you would expect to see in any commercial portfolio, are there international carriers as well?

David Garrigus:

Well, many of the carriers that we work with are the ones you would expect, who operate domestically, we work with carriers across the world. Both London and Bermuda have very robust markets for these lines of coverage and we make use of their capacity when appropriate on client programs. And so we think it's really important to engage with markets both domestic and foreign to drive the best outcome.

Doug Christian:

Are these mainly foreign policies or you're seeing a lot of manuscripted policies out there?

David Garrigus:

So typically the policies themselves start with a base form and perhaps some base endorsements, but our teams spend a lot of time making sure that the policies fit the organization, that we are adapting the policies to provide the broadest coverage available to an organization and to make sure that the policies themselves will perform in the way that an organization intends. A great example of that is our questions over selection of defense counsel, making sure that the firms that our customer wants to use are able to be accessed and at the rates that they need to pay them and that they understand the reporting obligations and they're structured in a way which is consistent with how an organization wants and needs to report its claims.

David Garrigus:

So our team spend a lot of time modifying base policy wording to make sure that we are providing the scope of coverage that our customers expect.

Adrian Atilano:

As internal decision maker purchasing these coverages or insurance in general, whether you're the Chief financial officer or the CEO or other C-suite member, you've got to change gears when you consider these policies. So what I mean by that is workers compensation, property insurance, those policies are off the shelf for the most part. And the differentiation is the lost control, value that the broker can bring and some other analytics.

Adrian Atilano:

Directors, officers liability, employment practices, cyber it's illegal buy, that's how we often describe to our clients how they should position and view not only their risk profile, but how they look at deciding over one carrier or the other, coverage is extremely important. So you've got to manuscript.

Doug Christian:

Dave, you raised the issue of defense costs and defense counsel. And that's an issue that arises all the time regardless of the actual language of the policy. And of course, when you're dealing with insurance policies, the actual language is what counts, but we've all seen situations in which the policy may not give the insured as much leeway as the insured would like to see regarding who it chooses to defend it, if these claims are filed against the insured.

Doug Christian:

In your experience and obviously Adrian you can jump in here as well. In your experience, how much of a role can a good broker play in helping the insured with the goal of having it defended by a counsel, a law firm of it's choosing?

David Garrigus:

A broker can make a huge difference. And I would say that especially so, if a broker takes a proactive approach toward those issues, you can either address on the front end, the selection of counsel and rate structures or you can address that issue at the time a claim comes in, our preference is to do so early in the process. And I would say that as a general rule, carriers are looking for whether or not the proposed council has the right expertise, whether or not the rate structure is reasonable, whether or not they practice in the geography that is relevant to the matter at hand.

David Garrigus:

And as long as we can meet those tests, we're typically able to achieve an outcome that is favorable for our client. The other thing that we do is we look across different markets to try to find an insurance company and an approach that really fits the need of our individual client. A great example is our use of the Bermuda marketplace in particular for employment practices, liability and wage in our matters.

David Garrigus:

The Bermuda marketplace has shown a great flexibility in allowing our customers to select defense council of their choosing and to pay those council the rates of their choosing. And so, that flexibility may be important to some of our clients and it be less so to others, but understanding what levers can be pulled and then making the policy ultimately fit the objectives of our client is something that we believe should be a part of every conversation.

Adrian Atilano:

Yeah, Doug, the broker selection is important as David said, but it's also important to delineate over the type of company that's pursuing coverage. So if you're publicly traded and you're purchasing directors and officers liability insurance, there's much more flexibility on choice of council, assuming the organization is going to use a firm like yours. So there's much more flexibility, it's much more expensive also, the premiums and the retention levels. Privately held D&O, more of a battle to get the outside law firm endorsed on and certainly employment practices liability. The premiums are lower, the carriers like to have more control over the process. That's not to say it can't be done though. So it is important to the broker fight on behalf of the client to get outside counsel approved.

Doug Christian:

So let's talk about the insurance market for this type of management liability cover a year into this thing. I don't think you're going to be telling us that the market is better for insured than it was a year ago, but I might be mistaken and I hope that I am corrected if I am mistaken there. But there are always three components of coverage, there's the cost, there's the quality of the coverage and there's the quantum of the coverage. How are you guys characterizing the management liability insurance market a year into this COVID situation?

David Garrigus:

I would say that, and I imagine Adrian will say the same. This market is as hard now as we've seen in a very long time. There are a lot of drivers for that and I think it's important to understand and we spend time working with our clients through some of the reasons behind the hard market, because that allows us to better position them for success in the marketplace. But it's a very challenging market environment and certainly COVID is a part of that.

Adrian Atilano:

Yeah, so I did the math the other day, this is my fifth hard market, I've never seen anything like this. I know Dave agrees, the bar used to be 20 years ago. We all remember the dotcom mobile burst, we remember Enron hit right after that And then unfortunately September 11th. And you had big names like Global Crossing, Worldcom, Enron as I said. Then you had the 2008 financial crisis, which was nowhere near the Enron event.

Adrian Atilano:

This takes the cake, this market, and it's going to continue to harden. So the issue isn't just litigation trends right now, the issue is getting these insurance companies to step up and quote. It does matter where you're located as an organization buying insurance, it matters whether you're in the ninth circuit court as an example or the fifth circuit court. But the market will continue to harden, the underwriters are at a point to where they're taking a look at more submissions, more companies to consider than ever. I think we're doing a really good job of it, but we're also fighting to separate our clients from the masses, because as you've stated, Doug, COVID really impacted a lot of companies in a negative way.

Adrian Atilano:

And so we've got to tell that narrative, the underwriters are thirsting for that narrative. Okay, tell us right now, why did COVID not bring down your business? How did you react to the COVID situation? The insurance companies are watching their capacity. So if you're looking for five or 10 million of coverage to be quoted, they're cutting that in half. So we anticipate the market will continue to harden and it's important that as we go into this trajectory into 2021 and possibly 2022, we need to make sure that our clients are allowed to tell their stories, especially those with a better risk profile.

David Garrigus:

And I would just add, and I agree wholeheartedly with Adrian. It's not all doom and gloom, I mean, we see some very encouraging things that we think could have a very positive effect looking forward on the market as well, in particular, some new entrants, new experienced teams that have gotten access to new capacity, new capital and they have entered this market. And that the addition of new entrants, of new competitors in the marketplace over time we've seen leads to a general softening of the marketplace.

David Garrigus:

And so in this particular case, it will help temper some of the hard conditions that we're seeing. So while it has been very hard, I think there is certainly a light at the end of the tunnel.

Doug Christian:

All right. So there is some encouraging news. On the very straightforward question of differences in the market today versus a year ago. I know you've talked about some already, but premium wise, the premiums aren't going down, right?

Adrian Atilano:

No.

Doug Christian:

And what about the differences in the quality of the coverage, the terms of the coverage? Are you seeing a tightening there as well?

Adrian Atilano:

It depends on the insurance company. Great question by the way, so yes, premiums are going up and you're defending turf when it comes to the contract value. And so you always push for new bells and whistles, let's call them, new enhancements, but for some placements, if you can get through your renewal, defending the turf meaning no coverage grant removal from prior years and no added exclusions, COVID related exclusions, reduction in forced exclusions, bankruptcy exclusions, just to name three examples. If you can get through that process protecting the shield, the contract, that's a success story, that's where you're waving the victory flag.

David Garrigus:

To some degree, yes, I mean, there's pressure from the marketplace perhaps to make changes and to your point, that can manifest in retention or deductible levels, it can manifest in premium or it can manifest in restrictions of terms. But I would tell you one of the things that has caused hub to be so effective on behalf of our clients is that we don't play defense, we play offense, right? We understand what the issues are that are driving the hard market. And we proactively position our clients in this market for a better outcome within that range of potential outcomes than they might have achieved otherwise.

David Garrigus:

And so, I would say that we are playing offense, right? We are proactively engaging with the marketplace on behalf of our clients and positioning our clients for success in this marketplace.

Adrian Atilano:

They're going back to the basics in a lot of ways, so let's talk about what those basics are. They're actually looking at the balance sheet, they're looking at your cash burn, they want to make sure you last for the duration of the policy, which is typically 12 months. But they're also going back to the basics in a way to where they're digging in and doing some background checking on the board and the officers, they care as to whether they've been hit with litigation before, whether there's bad press, bad brand recognition or reputational issues there.

Adrian Atilano:

So that's a change in terms of just going back to the blocking and tackling we saw from years ago. The other new areas where they're digging in due to COVID is they have a laundry list of COVID focused questions, enterprise risk management, what have you done there to combat COVID or the next pandemic or crisis? How has COVID impacted your financial viability as a company? How has COVID impacted your employee headcount? Did you furlough employees? Did you lay off employees? Did you reduce the number of offices you have? These are standard questions that we're preparing our clients ahead of time for. And I'd say that the insurance companies are all being pretty dang consistent in asking these questions.

Adrian Atilano:

The final thing I'll say, and then I'll turn it to Dave is, they're taking longer to make decisions. So time equals leverage in this market, you've got to get out early to market, because the underwriter who had the authority to provide a quotation in the past now has to round table it internally, take it up the ladder of command. It's important that the broker knows who those top decision makers are, but also get started early to give them that underwriting process, give them time to go through that process. Dave.

David Garrigus:

I think that's exactly right Adrian, communication early and often with underwriters, the ability to distinguish an organization not just through the written materials, but also in direct communication with the underwriters, understanding the types of COVID questions that are of concern and whether or not those questions are being asked, the ability to anticipate and specifically address areas of potential concern has been really effective in our work on behalf of clients.

David Garrigus:

And so all of those can make a very material difference. And then I think just as we talked about other management liability coverages at the front, these discussions aren't limited to D&O, they are very similarly related to employment practices liability, especially for any organization who has had to make the difficult decision to furlough or lay off employees. And so I would just tell you that this is not just a D&O issue, but it is a broader organizational issue and it can impact multiple parts of an organization's insurance program.

Doug Christian:

Okay. Before I get to the final two issues, the first being how to maximize coverage in a cost effective manner in this environment. And then number two, what advice do you have when a claim comes in? Let me just briefly and I think Adrian touched on this and Dave, you may have as well, in certain types of coverage, CGL coverage, property coverage, you see a lot of exclusions in the policies and clearly there are exclusions in management liability policies as well, I think generally aren't as many as in those types of cover property in CGL.

Doug Christian:

In that context, those policies we're seeing, I think I would properly characterize it as a fairly aggressive approach to exclusions including virus exclusions, communicable disease exclusions. The difference with regard to management liability cover, the policies within the ambit of that type of insurance. What changes are you seeing and what changes should you be on the lookout for as you're going toward renewal. Adrian, I think you talked about coverage grant removal, reduction force, bankruptcy. What are the types of changes the underwriters may want you to agree to that you should pay careful attention to?

David Garrigus:

So I would say that it can certainly come in the form of coverage changes, it can come in the form of reduced limits or increased retentions as Adrian mentioned before. What I would tell you though is that we see one of the reactions, especially to increased pricing, being that organizations are rethinking what an appropriate limit is for their organization. And so I would tell you that one of the conversations that we're having often is not just should we cut limit, but how do we structure the program in a more efficient manner? How can we be smarter about the insurance purchase decision?

David Garrigus:

And Hub has invested a considerable amount in building out analytics that support our client's decision process, that allow our clients to make more informed decisions and not just by increased limits or decreased limits, because it feels like the right thing to do or that's what benchmarking shows, but rather, we can give them a much more, we think relevant and credible look at what the proper most efficient structure of their program is.

David Garrigus:

And so I would say that's another thing that we're seeing is that organizations are making decisions and response to increased rates that may or may not be the right decisions for the organization. And so we really help enable our clients make a more informed choice around both limit and structure their program.

Adrian Atilano:

So, Doug, great question, we get asked this often. Comparing, I mentioned earlier property policy, that's what we call the name perils policy. The property policy is going to say specifically what the client is covered for. We are covering you for fire and flood, when you transition to the directors and officers liability or employment practices liability discussion, let's just talk about D&O, it's an all risk policy. So broad leading language stating, you're being covered in your capacity as a director, officer employee of the company, very broad.

Adrian Atilano:

And then they chip away with exclusions, and when you look at the architecture of a D&O policy, the good D&O policies are going to have more exclusions focused on the entity itself, the company versus the directors and officers. In other words, it's broader coverage for the directors and officers, which is appropriate covering personal assets more so. So you have that as your baseline policy structure and then you look for changes in the list of endorsements.

Adrian Atilano:

So I gave you a few examples of the COVID exclusion, bankruptcy and reduction of forced exclusion, but Dave and I also look for absolute exclusions. Those are dangerous, and we see insurance companies try to slap those on to renewal policies. So absolute leading language, kicking out any chance of coverage, versus for leading language, I know we're speaking your language Doug as a coverage attorney. You've got to look out and really dive into the contract and make sure that you're highlighting those changes year over year.

Adrian Atilano:

And the final thing I'll say is no two insurance companies are alike with respect to their coverage forms, it's never apples to apples. So you have to be able to dissect both and then share the information with your clients so they can make an informed decision, but don't expect the apples to apples ever to be there, especially in this marketplace.

Doug Christian:

Okay. So on the 25 or 30 minutes into this thing, the very, very important issue of how to maximize coverage in a cost effective manner, it occurs to me that now more than ever you need to get started early with your broker on renewal, you're not waiting as long as you used to in order to get the ball rolling. I'm sure you guys are agree with that, you can of course speak to that issue if you want, but what are some of the other points you'd like the listeners to know regarding how they can maximize their coverage in these very uncertain times?

David Garrigus:

So I would say that starting the process early is certainly something that we recommend. Understanding what the issues are that underwriters may have with your profile in particular, looking at the effects COVID has had on your organization and being able to frame that in such a way it underwriters will both understand the risk and feel more comfortable with the risk. I would say a dialogue directly with underwriters can be very helpful, in that process. And just making sure that the right markets are being engaged, that just because a certain carrier has been competitive in the past or just because something has been done a certain way in the past, doesn't necessarily make that the right approach or the right partner looking forward.

David Garrigus:

And so really understanding the changes in the broader market, changes in appetite, introducing new potential partners, right? All of that can have very positive effect, but it takes time, right? So to your point, it starts with starting the process early to make sure that we can do all of the right things to drive the best outcome.

Doug Christian:

You mentioned Dave earlier, benchmarking. One of the questions I'm often asked and my answer is always the same, talk to a good broker is, how much insurance should I get? Which is a very ... It can be a very difficult question depending on the nature of the business, the nature of the industry in which the business operates. You mentioned benchmarking Dave, tell us how Hub does help its clients in terms of analyzing how much insurance it should have.

David Garrigus:

Benchmarking is certainly a start, that's a decision support tool that our industry has used for quite a long time. It at a general level tells you what other organizations of similar size are buying and it allows you to use that to help guide your decision. But the problem with that is that you can have two organizations of very similar size, but at very different risk profiles. And so for that reason, benchmarking is not, we don't believe is not the only source of information that should or could inform the purchase decision. And so when I mentioned our analytic capabilities earlier, one of the capabilities that Hub really believes in and is invested heavily in is a more introspective view of an organizations risk.

David Garrigus:

So looking at the insurance purchase not from the standpoint of what others are doing, but for your organization, with your specific risk characteristics, is this a good trade or is this not a good trade? And in fact, what is the most efficient level at which the insurance should be purchased? So you can decide at each incremental level, is this a good decision for our organization or is this not a good decision for our organization? And we find when you pair that with benchmarking, it allows our clients to make a more informed and in many cases a more efficient decision.

Adrian Atilano:

Well said, I've heard people say pure benchmarking is the blind leading the blind, I wouldn't go that far. Every risk profile is different, it depends on where you're based, what state and the union you're based in. But as Dave said, get to that zone of reasonableness, throw the benchmarking in there, but our proprietary analytics, which can point you in the right direction, what's the probability of being sued? If you are sued, what do the damages look like that plaintiffs will get? And then what's the right value or return on investment based on the premiums that we've procured. That's the best of it.

Doug Christian:

It's not an easy analysis, it's not a straightforward analysis, it's an analysis that needs to be undertaken by someone who knows not only the risk, but knows how the market prices the risk and deals with the risk. And I don't think that type of analysis can be effectively performed by anyone other than a good insurance broker in consultation with its client.

Doug Christian:

Before we wrap up, let's talk just a little bit about any advice you might offer to the listeners with regard to what happens when the demand letter comes in or the lawsuit is served in terms of the best way to deal with claims. I know it's a little bit of a difficult question, but I'm going to, I'm sure you guys can handle it, so any thoughts in that regard?

David Garrigus:

Yeah, absolutely. So first of all it's important to note that all of these policies have time sensitive loss reporting requirements. And so first and foremost, tell us early, right? Involve us early. And that way we can make sure to guide you to what those requirements are and to make sure that we are preserving our ability to make use of the policy that you paid the premium to buy. I would secondarily add that we're happy to help our clients provide that notice to the insurance carriers. And very importantly and I think something that distinguishes Hub from many other organizations is that both Adrian and I have very experienced coverage attorneys who work on our teams, whose sole role is to really advocate on behalf of our clients in complex claims.

David Garrigus:

And that can be in offering a perspective, it can be an interpretation of policy wording or in an occasion where there's a disagreement with an insurer, it's in helping guide our clients to a better resolution. And we think that's a really important distinguishing characteristic of the Hub team and the Hub approach.

Adrian Atilano:

Yeah. And no question, when you're making that final decision before you bind up coverage, you're trying to choose between carrier A versus carrier B, you need to make sure the brokerage is educating you on the carriers, on not just the policy, but who's behind the policy. Do they have in-house claims expertise or do they outsource to outside law firms to handle your claim? Do they have a strong balance sheet to be there to pay the claim? These are questions that you want to ask, you want to be informed about the carriers before you make that final decision, because when the claim comes in. At that point it's too late, we do have the attorneys on staff to advocate, they do a dang good job of cracking skulls and getting claims paid, but just know who you're entering into contract with initially.

Doug Christian:

Okay. Sounds like sound advice. Dave and Adrian, thanks so much for what I hope the listeners will agree was a very enlightening conversation, it's a very difficult situation, it's fraught with a lot of potential downsides and your perspective when dealing with both the placement and the placement of the cover and any claims presented against the policies I think is very important. So thank you both, before I let you leave, as a wrap up, if there's one thing you want us to remember of tomorrow or the day after we listen to this, about this situation. What would that be?

David Garrigus:

A proactive approach to dealing with a hardening market will lead to we believe a better outcome.

Adrian Atilano:

And be able to tell your story, describe why you're different and why you should be separated from the masses.

Doug Christian:

Dave and Adrian, thanks very much. And thanks very much to the listeners, we hope you found this informative and I hope everyone stays well during these interesting times. Thanks very much.

John Wright:

Thanks again to Doug Christian and his guests, Adrian Atilano and Dave Garrigus, make sure to visit our website www.ballardspahr.com, where you can find the latest news and guidance from our attorneys. Subscribe to the show in Apple Podcasts, Google Play, Spotify or your favorite podcast platform. If you have any questions or suggestions for the show, please email podcast@ballardspahr.com. Stay tuned for a new episode coming soon. Thank you for listening.