

## **KEEP GOOD RECORDS – BEFORE YOU HAVE A CLAIM**

Ten years working with insurance policies has taught me many lessons. One of the most important lessons is this: keep good records. They say an ounce of prevention is worth a pound of cure. It also could be true that one hour of organizing your insurance papers each year could be worth thousands – or even millions.

### ***Why Should You Do It?***

Most insurance companies with which you would want to do business have written tens if not hundreds of thousands of policies over the years. Despite even their best, careful efforts, past policies can be misfiled, or filed with incomplete copies. Anybody deeply involved in lawsuits over insurance policies has no doubt seen this happen.

When it happens, the law often places the burden of showing what the policy said on you, the insured. If the insurance company cannot locate their copy and you can't find yours, this can be a problem.

### ***What You Should Do***

Organize all your insurance contracts in folders by policy type and year. For each policy, this should include at least:

- The declarations page. This page has your name, the policy number, the coverage limits that you purchased, and endorsements added to the policy when bought. It may be the most important piece of your insurance contract.
- The main policy form. This form, typically preprinted and sometimes in a booklet format, has the basic policy terms.
- Endorsements. These pages are added to your policy and change its terms. Next to the declarations page, they can be the hardest to replace if yours are lost.
- Your application. Statements in your application could at least conceivably affect your coverage later. It might help to know what you said later. If you can, keep a copy yourself.

If you don't have any of these items for your current insurance, call your broker or agent and ask for them. Today.

### ***How Long Should You Do It?***

Some kinds of insurance can afford protection for years when it comes to hidden problems. I have seen examples where 10 or 20-year old policies have paid out on claims. Many small businesses can't keep documents that long. Aim for at least three years, but don't stop there if you can do better.

### ***Conclusion***

Taking a little time now to collect and organize your insurance could pay off later one-hundred fold. Make it a habit to take that time every year when you renew, or any time you purchase new insurance.

*John J. Rasmussen founded the Insurance Recovery Law Group, PLC after nearly a decade of working for insurance companies. You can learn more about him and his practice at [www.insurance-recovery.com](http://www.insurance-recovery.com). You can contact him at [jjr@insurance-recovery.com](mailto:jjr@insurance-recovery.com).*

