Coverage under a claims-made insurance policy is based upon when a claim is made and reported. This differs from coverage under an occurrence policy, which is established when the act, error, or omission that gives rise to a claim occurs, irrespective of when the claim is made and reported.

For coverage to apply under a claims-made policy, the act, error or omission giving rise to the claim must have occurred subsequent to a “prior acts retroactive date” stated in the policy. Any claim reported during the policy period arising from an error, act or omission that occurred before the prior acts retroactive date is not covered.

Under MLM’s claims-made policy, a claim is deemed made when a demand for damages is communicated to the insured, or when an insured first becomes aware of any actual or alleged act, error or omission that could reasonably support or lead to a demand for damages. The claim must be reported before the policy expires (or within 60 days after the end of the policy period) for coverage to apply. Once an insured gives the required notice, coverage is available thereafter regardless of when the claim is actually brought, even if brought after the policy terminates.

**How are Claims-Made Rates Determined?**

The premium for the policy is determined by the number of years of prior acts coverage provided. The premium will increase as the number of years of prior acts coverage increases, up to the mature rate. If your policy reflects “Full Prior Acts” coverage, the policy is being rated at the mature rate. Factors other than the prior acts date might also affect the premium charged for the policy. If you have questions regarding the premium charged for your policy, please feel free to contact us at 1-800-422-1370 or (612) 341-4530.