✓ ChecklistGuro

Insurance Broker Due Diligence Checklist

Broker Background & Licensing

Verify broker credentials and regulatory compliance.

Broker Name

Write something...

Broker License Number

Write something...

State(s) of Licensing

☐ State 1
☐ State 2
☐ State 3

License Expiration Date

Enter date...

License Type

- ☐ Agency License
- ☐ Broker License
- ☐ Other

Copy of License Document

⬆ Upload File

Number of Years in Business

Enter a number...

Financial Stability & Solvency

Assess the broker's financial health and ability to fulfill obligations.

Annual Revenue

Enter a number...

Net Profit/Loss (Last Year)

Enter a number...

Current Ratio

Enter a number...

Debt-to-Equity Ratio

Enter a number...

Last Financial Statement Date

Enter date...

Financial Statement (Latest)

⬆ Upload File

Credit Rating (if applicable)

- ☐ AAA
- ☐ AA
- ☐ A
- ☐ BBB
- ☐ BB
- ☐ B
- ☐ Not Rated

Errors & Omissions (E&O) Insurance

Confirm adequate E&O coverage and current policy status.

Policy Effective Date

Enter date...

Policy Expiration Date

Enter date...

Policy Limit (Per Occurrence)

Enter a number...

Policy Aggregate Limit

Enter a number...

Insurer Name

- [ ] AIG
- [ ] Chubb
- [ ] The Hartford
- [ ] Travelers
- [ ] Other

Coverage Type

- [ ] Standard
- [ ] Excess
- [ ] Other

Notes/Comments on E&O Coverage

Write something...

Upload E&O Insurance Certificate (PDF)

⬆ Upload File

Regulatory History & Disciplinary Actions

Review past regulatory actions and compliance issues.

Date of Initial Regulatory Review

Enter date...

Regulatory Agency Involved

☐ State Insurance Department

☐ Federal Trade Commission (FTC)

☐ Securities and Exchange Commission (SEC)

☐ Other

Description of Regulatory Action/Investigation

Write something...

Type of Action

- ☐ Warning
- ☐ Cease and Desist
- ☐ Suspension
- ☐ Revocation
- ☐ Fine
- ☐ Restitution
- ☐ Consent Order
- ☐ Other

Amount of Fine (if applicable)

Enter a number...

Date of Action/Order

Enter date...

Summary of Resolution/Outcome

Write something...

Status of Action

- ☐ Open
- ☐ Closed
- ☐ Pending

Client Complaint History

Analyze client complaints and resolution processes.

Total Number of Complaints Received (Past 3 Years)

Enter a number...

Summary of Complaint Trends (e.g., common issues)

Write something...

Complaint Resolution Method (Most Common)

☐ Negotiation

☐ Mediation

☐ Arbitration

☐ Legal Action

☐ Other

Average Resolution Time (in Days)

Enter a number...

Complaint Categories (Select all that apply)

☐ Pricing Disputes

☐ Coverage Disputes

☐ Service Issues

☐ Communication Problems

☐ Claims Handling

☐ Fraudulent Activity

Date of Last Significant Complaint

Enter date...

Description of Complaint Handling Process

Write something...

Compliance Program & Training

Evaluate the broker's compliance program and agent training.

Does the broker have a documented compliance program?

☐ Yes

☐ No

☐ Not Applicable

Last Compliance Program Review Date

Enter date...

Number of Agents/Brokers Requiring Training

Enter a number...

What compliance topics are included in the training?

☐ Ethics and Professional Conduct

☐ Regulatory Updates

☐ Data Privacy

☐ Anti-Money Laundering (AML)

☐ Fair Credit Reporting Act (FCRA)

☐ Insurance Licensing Requirements

Date of Last Agent/Broker Training

Enter date...

Briefly describe the training methodology used (e.g., online modules, workshops)

Write something...

Is training mandatory for all agents/brokers?

☐ Yes

☐ No

☐ Partially

Upload a copy of the Compliance Program Manual (if available)

⬆ Upload File

Contractual Agreements & Terms

Review contracts and agreements with the broker.

Summary of Key Contractual Terms

Write something...

Contract Type

☐ Agency Agreement

☐ Wholesale Agreement

☐ Referral Agreement

☐ Other

Contract Start Date

Enter date...

Contract Renewal Date

Enter date...

Commission Rate (Percentage)

Enter a number...

Description of Indemnification Clauses

Write something...

Governing Law

- ☐ Jurisdiction 1
- ☐ Jurisdiction 2
- ☐ Other

Upload Contract Document

⬆ Upload File

Cybersecurity & Data Protection

Assess the broker's cybersecurity measures and data protection protocols.

Cybersecurity Framework Used (e.g., NIST, ISO 27001)

- ☐ NIST Cybersecurity Framework
- ☐ ISO 27001
- ☐ Other (Specify)

Summary of Cybersecurity Policies & Procedures

Write something...

Data Encryption Method (at rest)

- ☐ AES-256
- ☐ Other (Specify)

Data Encryption Method (in transit)

☐ TLS 1.3

☐ TLS 1.2

☐ Other (Specify)

Frequency of Vulnerability Scanning (times per year)

Enter a number...

Last Security Awareness Training Date

Enter date...

Cybersecurity Incident Response Plan (latest version)

⬆ Upload File

Conflicts of Interest Disclosure

Ensure transparency regarding potential conflicts of interest.

Describe any existing relationships or affiliations that could create a conflict of interest.

Write something...

Does the broker have ownership interest in any insurance companies?

- ☐ Yes
- ☐ No
- ☐ Prefer not to disclose

Percentage of commission received from a specific insurer (if applicable)

Enter a number...

Select all categories of potential conflicts of interest that apply:

- ☐ Family Member employed by insurer
- ☐ Prior Business Relationship
- ☐ Financial Incentive
- ☐ Other (Specify in Long Text)

If 'Other' was selected above, please specify the nature of the conflict.

Write something...

Date of last conflict of interest disclosure review

Enter date...

Record Keeping & Documentation

Verify proper documentation and record-keeping practices.

Last Record Keeping Audit Date

Enter date...

Description of Record Retention Policy

Write something...

Number of Active Client Files

Enter a number...

Sample Client File (for review)

⬆ Upload File

Record Storage Method

☐ Physical (Paper)

☐ Digital (Cloud)

☐ Hybrid

Date of Last Data Backup

Enter date...

Summary of Document Destruction Process

Write something...