

# Understanding Insurance Loss Runs

## A Quick Guide for Business Owners

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### [What Are Loss Runs?](#)

Loss runs are reports from insurance companies that show your claims history. They list details like the type of claims, amounts, dates, and statuses. In short, they give you a snapshot of your insurance claims over a specific time period.

### [Why Are Loss Runs Important?](#)

Loss runs help insurance companies assess your business's risk profile. They highlight past losses, or lack thereof. A good claims history can lead to lower premiums, while frequent or large claims may result in higher costs or changes to your policy. They also help manage current claims by keeping track of ongoing or closed claims, which is crucial for efficient handling.

### [Why Can't You Just Get These for Me Automatically?](#)

Unlike personal insurance policies, such as your homeowners and personal auto insurance, loss runs for commercial policies aren't automatically generated or readily available through a State or National Database. Insurance companies often require specific requests to provide commercial loss runs.

## How to Obtain Loss Runs

### **Method 1:**

Contact your current insurance agent. Your insurance agent or broker can request loss runs from your insurance carrier(s) on your behalf. NOTE: This will tip off your current agent that you are shopping your coverage or potentially placing it with a different agency. They may call you to inquire as to why you're ordering them.

**Example Email to Your Current Agent:** *"Hi Agent, Please provide loss runs for all current and prior policies we have with your agency. Please provide them for a time period as far back as possible - Thank you"*

### **Method 2**

Provide us with a list of your current and previous policies for the past 3-5 years. The further you can do back, the better. With this list, we can order loss runs directly from your current and prior insurers.

**[Click Here for an Example Template Policy List to order loss runs](#) (Send a similar list to us and we can order the loss runs):**

### **Method 3:**

Online Portals: Some insurance carriers offer online portals where policyholders can access and download their loss runs directly. Check with your insurance company to see if this option is available.

### **Method 4:**

You can try contacting your current and past insurers directly to see if they will send you your loss runs. They may ask for policy numbers or other identifying information to ensure they're providing the loss runs to the proper party.

### **What if I Can't Obtain My Loss Runs?**

Sometimes it's just not possible to obtain your prior loss history. Maybe your prior agent went out of business and you don't have copies of policies from 3-5 years ago, or some other reason. In these scenarios, some insurers will accept what is known as a "No Known Loss Letter". These letters usually require a solid explanation as to why you cannot obtain your prior insurance history.

### **Example No Known Loss Letter**

Jane Doe  
ABC Corporation  
Jane@abccorp.com  
555-555-5555

**ABC CORP.**

**555 Professional Blvd.  
Portland, OR**

Subject: No Known Loss Letter

Coverage Types: General Liability, Commercial Property, Commercial Auto  
Carrier: All prior and pending  
Term: 1/21/2019 – Current

To whom it may concern,

I have no knowledge of any losses, claims, or situations that could lead to a claim under the coverage being provided by any policy that I am applying for from 01/21/2019 to present. This letter also serves as confirmation that no incidents or events requiring coverage, that have not been disclosed, have occurred prior to the issuance of any insurance policy.


Sincerely,



Jane Doe  
President

## How to Read and Interpret Loss Runs

First, it can be helpful to understand what a loss run report looks like. Please see below for a sample loss run report:

		Report ID 509		Loss Summary										Date 10/04/2023			
		Run ID 1079		XYZ Insurance Company										Time 4:58:15PM			
				Insured: ABC Corporation										Page Page 1 of 1			
----- Number Of Losses -----																	
Policy Number	Insured	Agent Name	Effect Date	Expire Date	Cancel Date	Med Only	LT	Auto	Injury	Property	Total	Open	In Litigation	Reserves	Payments	Recoveries	Incurred
107489	ABC Corporation	John Doe	12/14/21	12/14/22				0	0	0	0	0	0	0.00	0.00	0.00	0.00
100980	ABC Corporation	John Doe	12/14/22	12/14/23				0	0	1	1	1	0	2,000.00	0.00	0.00	2,000.00
		Number of Policies		2				0	0	1	1	1	0	2,000.00	0.00	0.00	2,000.00
Comments	N/A																

### You will notice a few things in a loss run report:

**Claim Details:** Pay attention to the type of claim (e.g., property damage, liability, workers' compensation), claim amounts, and dates of occurrence. In the report above, the insured ABC Corporation, has 1 property claim with a \$2,000 reserve. A reserve means that the claim is still open and the insurance company is expecting it to close with a \$2,000 payment.

**Claim Status:** Determine the status of each claim, whether it's open, closed, or pending. Depending on the insurance company, the terminology for open, closed or pending may vary. Understanding the status helps you track ongoing claims and assess their impact on your insurance profile.

## Conclusion

Loss runs are an invaluable tool for assessing risk, managing claims, and making informed insurance decisions. By understanding how to obtain, read, and interpret loss runs, you can proactively manage risk, control insurance costs, and protect your business's financial stability.

Remember, working closely with your insurance agent or broker and regularly reviewing loss runs can help you stay ahead of potential risks and ensure that your insurance coverage meets your business's evolving needs.