



Insurance You Can't Overlook: Errors and Omissions (E&O) Coverage

No matter what profession you're in, errors and mistakes are embarrassing, career-damaging and a poor reflection on your brand. For landscapers and nursery owners, you might think your general liability insurance or business owner's policy (BOP) is sufficient to protect you against common industry perils, such as property damage or personal injury. In reality, you'd be overlooking an entire category of risk.

When providing a professional service or giving advice, any mistakes — such as errors, omissions, negligence or failure to perform — can lead to costly claims. Without a specialized policy to insulate your career and business against these claims, you can be liable for court costs, attorney fees and any settlement amounts.

Continue reading to understand how to protect yourself against professional liability claims with Errors and Omissions (E&O) Insurance, with examples demonstrating how this coverage helps provide peace of mind for landscaping or nursery businesses.

What is Errors and Omissions Insurance?

If you run a professional service-based business or regularly give advice to your clients, you need to enroll in E&O insurance. This professional liability coverage helps protect your business from unhappy clients who allege you made a mistake that cost them money or violated the terms of your contract. These issues, whether real or perceived, can include errors, such as planting the wrong tree at a client's house; faulty advice, such as claiming a plant is native when in fact it is highly invasive and contract-related issues, such as failure to meet an important project deadline.

Any of the mistakes listed above can result in litigation, especially if it damages your client's property, causes physical harm or results in financial loss. E&O insurance insulates landscaping and nursery businesses from the high costs of claims by assisting with legal costs, damages and any required financial settlements. Depending on your coverage, it might also help you recover lost income from time spent in court.

As a specialized coverage focusing on professional service liabilities, E&O insurance does not cover:

- Client-focused property damage or bodily injury.
- Workplace injuries or illnesses by your employees.
- Theft of sensitive data through a data breach or another hacking event.
- Employment-related violations, such as discrimination or wrongful termination.

E&O insurance is a valuable supplemental liability coverage meant to help you manage your risks and protect your business against the potential financial consequences of a claim stemming from professional mistakes.

Making the Case for E&O Insurance

No matter how hard-working or diligent you and your employees are, everyone makes mistakes. Here is an example of how a professional error can lead to an E&O claim, plus how this coverage can help:

Zen Garden Leads to Frustration

Your clients have a reputation for beautiful gardens — thanks in part to your hard work — but one still manages to take your breath away. The Japanese-inspired zen garden has been a careful work in progress for years, transforming a typical suburban backyard into a meditative oasis that looks like it belongs half a world away. You've installed many of its features over the years, like the fully planted koi pond, manicured gravel walking paths and a wood-and-stone viewing pavilion.

Now that the majority of that construction is complete, your client is finally ready to add new plants. Working together, you identify some thematically appropriate options, such as Japanese maple, exceptional dwarf tree varieties meant to mimic bonsai plants, bamboo and ornamental grasses.

Before you head to the nursery, your client pulls you aside to double-check that the bamboo is a clumping variety. Bamboo is a well-known spreader that can infiltrate people's lawns and turn into a real headache — unless a more manageable species is planted. Without checking in with your nursery, you promise them they'll get what they ordered.

Months later, your client's new garden is well-established, thanks to a strong growing season and regular watering. You head out there to check on its progress, only to make a startling observation. Rather than the clumping variety you ordered, it looks like the nursery gave you running bamboo. Due to this mix-up, you've now unleashed an aggressively spreading species in your client's beautiful garden, and it's only a matter of time before it starts encroaching on the neighbor's lawns as well.

When you inform the client of your mistake, they tell you they have no choice but to file a claim. Their request to avoid invasive bamboo species was clearly outlined in your contract, yet now they're facing costly and disruptive remediation efforts to eliminate it and stop its spread. Plus, they're now at risk of their neighbors suing them if the plant encroaches on their property. On top of that, you know it won't be an easy job, as bamboo can take multiple seasons to remediate and may cost thousands, depending on its size and density.

Luckily, your E&O insurance is there to help you acquire an attorney and mount your defense. With your policy's assistance, it is much easier to weather legal costs and the judge-determined award amount you must pay to your former client.

As a service provider, you play an important role in your clients' lives by helping them craft the home of their dreams. Through landscaping projects, lush plants and your expert know-how, you can turn a long-awaited wish into a reality. However, that responsibility can be a double-edged sword. If you make a costly error during a project — like installing a new gazebo in the wrong spot or providing advice that results in a loss — you can be held liable.

Therefore, E&O insurance is a vital coverage to add to your portfolio, ensuring you're protected from all the types of liabilities your business can face.

Contact MNLA's insurance expert, Ashley Thomas, for a free risk analysis to learn more about your unique business liability exposures. Find information about available coverage at gallagheraffinity.com/MNLA or contact Ashley Thomas of Gallagher Affinity at [918.764.1619](tel:918.764.1619) or ashley_thomas@ajg.com.

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