



What Would Happen If a Client Sued You?

It's a question no brokerage wants to ask — but every executive should:

If a client filed a lawsuit tomorrow, how would your firm respond?

Whether it's over a missed disclosure, a failed deal, or a dispute with an agent, real estate firms are increasingly facing legal threats. Many assume their Errors & Omissions (E&O) policy has them fully covered — until they find out otherwise.

Lawsuits Are More Common Than You Think

Real estate litigation is on the rise, especially in high-stakes transactions. Common triggers include:

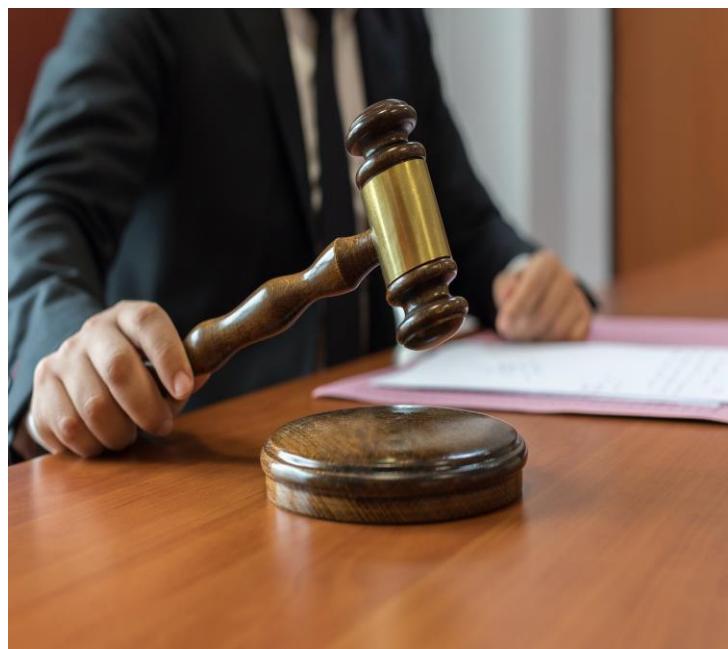
- Claims of misrepresentation or failure to disclose
- Contract disputes or alleged negligence
- Cyber-related errors (e.g., wrong wire instructions)
- Employment-related claims involving agents or staff

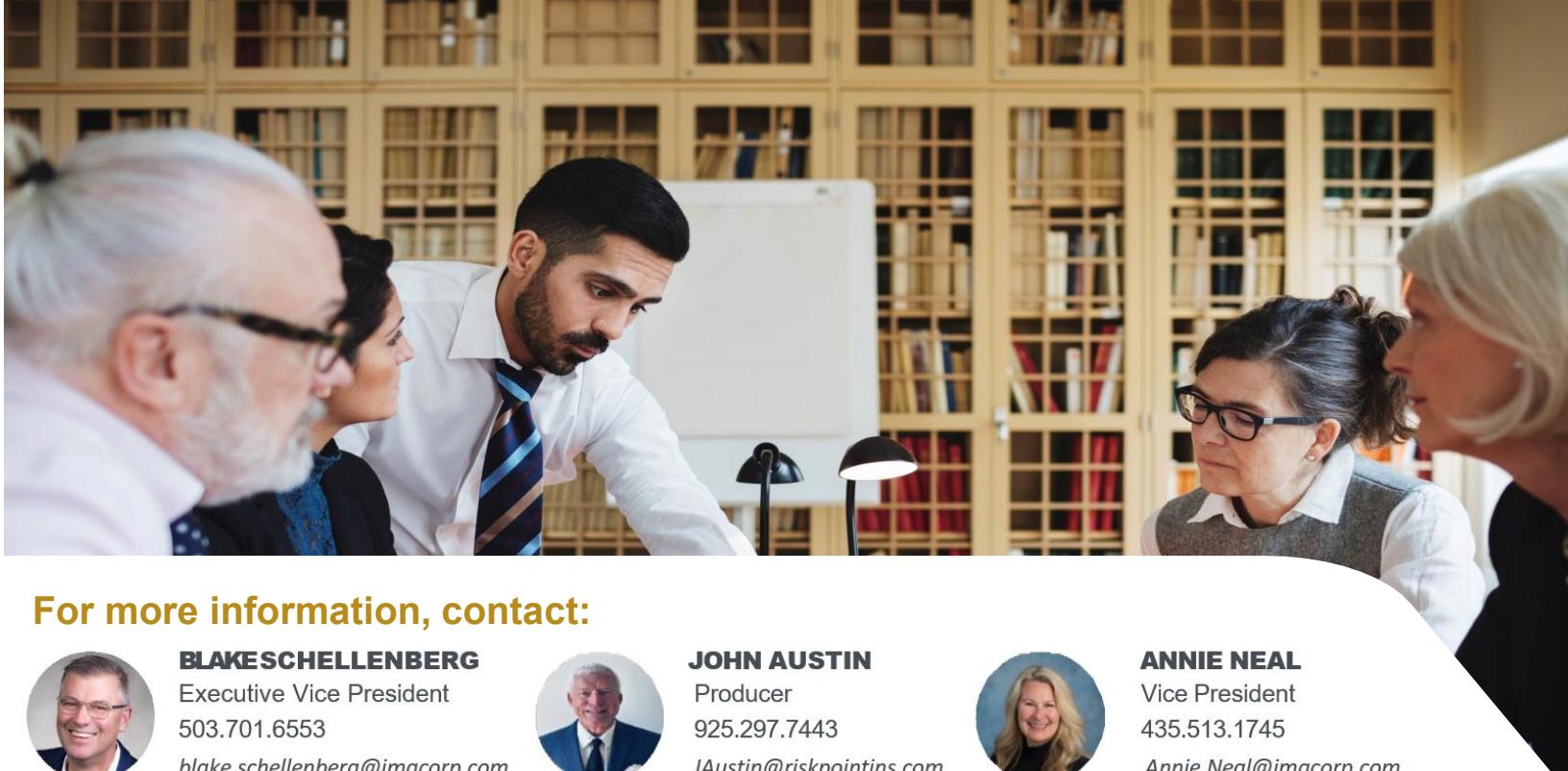
Even if your firm did nothing wrong, **you still have to defend yourself** — and that means legal fees, time, stress, and potentially serious brand damage.

The Hidden Costs: More Than Just Legal Fees

A single lawsuit can result in:

- Out-of-pocket legal costs if your policy has a high deductible or inadequate coverage
- Reputational harm that affects recruiting, referrals, or online reviews
- Lost productivity for leadership, agents, and staff during the dispute





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Simple Steps to Be Better Prepared

The best way to protect your firm is to prepare before a claim hits. Here's how we help brokerages do just that:

- Policy Review — Does your E&O include choice of counsel? Are defense costs inside or outside your policy limits?
- Claims Protocol — Do your agents know what to do if a client threatens legal action?
- Transaction File Checklist — Ensure agents are documenting conversations, using disclosures correctly, and following consistent best practices.
- Coverage Coordination — Make sure E&O, Cyber, EPLI, and General Liability policies don't have overlapping or conflicting language.

Let's Take 15 Minutes to Walk Through a Scenario

Want to know what would happen if your firm got sued tomorrow? Let's talk — before it becomes a real scenario.

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