

November 1, 2013

# IIABW Bulletin



## Successful Joint Conference

IIABW and PIA held another successful joint conference in Seattle last week which was attended by over 470 insurance professionals. To view some pictures of the conference, go to [IIABW's Facebook page](#). The sold out Trade Show provided attendees over 85 booths to network with in one place.

We would like to thank our sponsoring companies, which are listed to the right, for their support.



## New IIABW Officers

IIABW installed our new officers last week.

- Pat Otter was elected President. He is the owner of Otter Insurance in Lynnwood and has worked in the insurance industry over 18 years.
- Mike Button was elected President Elect. Mike is a commercial lines producer for Payne West in the Tri Cities.
- Kim Krogh was elected Secretary. She is an account manager for Fidelity Insurance in Spokane.
- Lori Reed was elected Treasurer. She is Secretary of Mitchell, Reed, Schmitt in Wenatchee.

## Conference Sponsors

### Title Sponsor

Safeco  
Liberty Mutual

### Premier Sponsor Connexion Insurance

### Elite Sponsor

Imperial PFS  
Mutual of Enumclaw  
Travelers Companies  
Progressive Insurance

### Major Sponsor

Capital Premium Fin  
Grange Insurance Assn  
CIG Insurance  
Western National Ins  
Encompass

### Partner Sponsor

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Oregon Mutual Ins  
Pemco Mutual Ins  
Utica National  
Star Performers

### Contributing Sponsor

Prime Insurance Co  
Berkley North Pacific Grp  
Foremost Insurance Grp  
Kemper Preferred  
ACE Private Risk Svcs  
MetLife  
QBE  
Western Experts in  
Transportation

## Online CE Courses

IIABW has partnered with CEU.com to provide you with an excellent [online education](#) option that is backed by The Institutes (AICPCU/IIA). IIABW



## IIABW Presents Awards

IIABW recognized some of its members by presenting its annual awards. More details on the award recipients will be provided in the Fall issue of *Big I Washington* magazine.

- IIABW's top honor, the Don C. Burnam Lifetime Achievement award, was presented to Don McQuary of Stonebraker McQuary for contributions he has made to his community and the insurance industry.
- Claudia McClain of McClain Insurance Services was presented the Agent of the Year award for her leadership on the Govt. Affairs committee and advocacy before the legislature
- Carrie Cheshire of Travelers Insurance was given the Industry Person of the Year award for her support of independent agents and the Big I throughout her career.
- Glen Williams was presented the Max Walton Insurance Education Award for his outstanding contributions to the field of insurance education in Washington throughout his career.
- Ryan Porter of Porter Whidbey was presented the Young Agents of the Year Award for his leadership on the IIABW Young Agent Committee.

## Big Changes in the E & O Program

IIABW, through our subsidiary IPSC, has provided reliable, stable E&O coverage to our members for 30 years through our flagship E & O carrier, Swiss Re/Westport (formerly Employers Re/GE). Starting in January, our carrier will be rolling out some of the biggest, most exciting changes in a decade. They include:

- new, **significant premium credits** that will make the policy even more competitive. Even if we have quoted your E & O in the past couple years, give us another chance to help you save money and provide you a high quality policy and service.
- a bridge application to make it much shorter and easier to complete. We can continue to give you a rate indication off your present application.
- a new loss control class that helps agents reduce claims and gives an additional 10% credit.

members receive a 35% discount. [Click here](#) to register.

IIABW has partnered with Risk & Insurance Education (RIE) to offer 9 self-study/online [CE programs](#) instructed by Dave Sanborn, CPCU. Classes include: Contractual Liability, Additional Insureds, Construction Defects, Commercial Auto, Business Income, Occurrence v. Claims Made, Ethics, General Liability

On-demand E&O Loss Control course webcast available through Agents & Brokers Education Network (ABEN). This course qualifies for the 10% Swiss Re Loss Control credit. To register, [click here](#).

**Big I Personal Lines**  
Affluent Homeowners & Auto (4 carriers)

Personal Builders Risk

Recreational Vehicles & Marine.

Homeowners: Seasonal, Coastal, Unprotected, Unsupported Secondary.

Non-Standard: Homeowner, Condo, Rental, Vacant Dwelling.

Homeowners DIC

Flood

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### Commercial Lines

Habitational - Apartment, Condo

Bonds - Surety, Performance, Bid and Misc.

Travelers - Select (Contractor Pac, Auto, Garage, BOP, Religious, Tech)

To learn more about these exciting changes, contact [Ashley Kuaea](#) at 425-649-0102, extension 225.

## Young Agents Holiday Event 11/14

The [Young Agents 14th annual holiday networking event](#) and food drive will be held on November 14th at the Wilde Rover in Kirkland. Last year over 90 industry professionals attended and donated over 2,000 pounds to Northwest Harvest. This is the largest event of the year for the Young Agents and a great opportunity for producers, marketing reps, underwriters, CSRs, etc. to network with other younger people and those who are newer to the industry to learn from each other.

## Marijuana Rules Finalized

Washington state approved rules for its new legal marijuana industry last month. The rules ([WAC 314-55-082](#)) require licensees to protect customers from "claims, suits, actions, costs, damages or expenses arising from any negligent or intentional act or omission of the marijuana licensees."

Marijuana licensees will be required to furnish a certificate of insurance to the liquor board of commercial general liability and, if necessary, a commercial umbrella with limits of at least one million dollars. The carrier must be authorized to do business in Washington and have a Best rating of A - Class VII or better. If an insurer is not admitted, they must comply with chapters 48.15 RCW and 284-15 WAC. The liquor board needs to be named as an additional insured on all general liability, umbrella, and excess insurance policies.

## Health Exchange Update

The exchange has enrolled 49,000 people - 6,400 of these (13%) enrolled in qualified health plans and the rest in Medicaid. An additional 52,000 residents have completed online applications that are awaiting payment due in December.

The exchange has recently sent a letter to navigators/in-person assisters, encouraging them to partner with agents/brokers to better serve their customers. The letter states: "Agents and brokers have long played a critical role in helping people find the right health insurance for themselves, their families and their businesses...Please note that agents and brokers **are the only certified individuals who are licensed to advise consumers on insurance plan selection.**" So, if a customer asks a navigator which is the best plan for him/her, they are required by law to refer the person to an agent. Let IIABW know if you hear of any navigators are overstepping their authority.

The exchange has a new Business Support Line (1-855-256-9598) to assist brokers with their accounts. For more information on selling through the exchange, go to the [broker page](#).

Community Banks Business Insurance

Real Estate Agents E&O

Excess Flood

Hartford Specialized Affinity Programs In-Home Business

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### Appointments

[Eagle Agency](#) gives you access to four premier personal lines markets: Travelers, MetLife Auto and Home, Hartford and Progressive. For an appointment you only need to submit 2 new lines policies a month.

### Homeowners DIC

Earthquake and incidental flood coverage for residential properties is offered by Trustco, through Lloyd's of London. Owner occupied one and two family homes may be covered with limits up to \$1 million. For an agent/broker brochure, consumer brochure and application, [click here](#).

### Flood Insurance

Federal flood (write your own) program. 18%/15% new/renewal commission. For more information, go to [IIABA's Web Site](#).

## Website Functionality

We encourage your agency to participate in a very brief [National Insurance Survey on Digital Marketing Practices](#), which is being conducted in cooperation with the Big "I" Agents Council for Technology (ACT).

The survey, which will take less than five minutes to complete, represents an effort to generate much-needed industry information on agency website usage and effectiveness.

All participating agencies will receive a copy of the survey findings, which should help them gain insight into how their peers are leveraging their websites and using other digital tools to market their agencies.

## Commissions vs. Advertising

In a report, "[PGR Losing the Race to Geico](#)," investment bank Nomura argues that auto insurance has been commoditized so low cost and effective marketing are keys to share gain. The report claims that the direct model wins because the savings from not paying commissions can be used to offer lower rates and buy more advertising. GEICO spent \$1.1 billion on advertising, which is 6.8% of their premiums, in 2012. As a comparison, Progressive spends 6.4% of its premiums on agent commissions. This report has been greeted with much opposition from the agent community and companies that have chosen to sell through our distribution channel.

In a series of [interviews and articles](#), the Big I's President Bob Rusbuldt adamantly disagreed about the decline of the independent agent.

## Member News

- Our thoughts and prayers are with the family and friends of Bob Wallin who passed away this week. Bob worked in the insurance industry over 50 years and had served on IIABW's Board of Directors. He was the long time owner of Bob Wallin Insurance and founder of the Advantage Group.
- The insurance industry also lost Richard (Dick) Guttormsen who passed away this past summer. Dick was a Partner and one of the founders of Bratrud Middleton Insurance Brokers (now Propel).
- Congratulations to the Advantage Group, with its 23 member agencies, for being listed in the *Insurance Journal's* [top 20 largest networks and aggregators](#) in the country.

## Free Help with Agency Management Topics

The Big "I" Virtual University (VU) is a members-only resource with hundreds of articles on numerous agency management topics, including [Certificates](#), [Compensation](#), [Contracts](#), [E&O](#), [Perpetuation](#) and [Valuation](#), to name a few.

## Focus on Flood

This is an ongoing series to educate members about the recent changes to the national flood program. To help you sell flood insurance to your customers, we'll share answers to the most common myths.

### **"I already have homeowners insurance."**

Many clients believe flooding will be covered under their homeowner's policy. Section 1 - "Property Exclusions" of the homeowner's policy lists flood and the release of water from a dam or a levee as events not covered under the homeowner's policy. If a client decides to decline coverage, make sure that you show them the [Acord 60 form](#) and even have them sign it, as the Big I recommends. Keep a copy of this document in your client's files. This form will serve to protect you from an E&O claim and it may also help change their mind.

For more information about the changes to flood program, contact the Big I's endorsed flood provider - [Selective Insurance](#) which offers an automated book roll process along with competitive commissions (18%) and direct access to an assigned underwriter.

## Four Affluent Carriers in Big I Markets

Big "I" Markets has four carriers in its [affluent program](#) (ACE, AIG, Chubb and Fireman's Fund) which has been the most successful program in Big "I" Markets. Broker of Records are accepted.

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