

January 1, 2014

IIABW Bulletin



Small Business Health Ins. Tax Credit

In 2014, small businesses will be receiving tax credit of 50% of the health insurance premiums if the employer buys the plan through the state's Small Business Health Options Program (SHOP) Exchange. Since Washington is one of only two states without a SHOP this year (except in Clark and Cowlitz counties) our small businesses were going to miss out on this credit until it was extended for our state last week. The [federal guidelines](#) require a small business must have fewer than 25 full-time employees, pay for at least 50% of their employee's premium and pay an average wage of \$50,000 or less.

Insurance Regulation Report

The long-awaited report, "How to modernize and approve the system of insurance regulation in the United States," was released recently after being required by the Dodd-Frank Act of 2010. The Big I agrees with the report's conclusion that insurance regulation could be improved and modernized to make it easier for agents to do business over state lines. The Big I continues to be opposed to federal regulation of insurance. [Click here](#) to read more on the report.

Challenges & Opportunities in 2014

- [PropertyCasualty360.com](#) shares the top ten challenges for 2014 and gives details how agents can capitalize on them.
- According to [Ernst & Young](#), the following factors will shape our industry in 2014: rapid technology changes, demanding customers, tight regulations, catastrophes, capital buildup, low interest rates, slow economic growth.

Improving Your Agency Website

ACT recently surveyed agents to measure the features and functionality agencies were offering to consumers on their websites. Here are some of the areas that agencies can improve.

- 62% of agencies do not offer online quoting.
- 54% of agency websites are not mobile ready.
- 65% do not have customer ratings and testimonials.
- 56% of agencies do not provide in-depth insurance content.

Featured Associate Member



Capital Insurance Group® (CIG) is the leading regional property and casualty insurer serving the Western U.S. since 1898. CIG insures Personal Auto, Homeowners, Farmowners, Condo Owners, Vacation Property, Renters, Apartment Building Owners, and many kinds of Commercial and Agricultural Auto and Property. The 115 year-old company is rated "A" (Excellent) by A.M. Best, the independent financial monitor of the insurance industry. CIG manages personal, business, and agriculture risks underwritten by its affiliate companies: California Capital Insurance Company, Eagle West Insurance Company, Nevada Capital Insurance Company, and Monterey Insurance Company. Types of policies may vary from state to state. For more information, please visit www.ciginsurance.com.

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

- 62% of agencies do not speak to their community involvement.
- 42% of agencies do not include pictures of their staff and other aspects of their agency on the website.
- 67% of agency websites do not have a blog.
- 82%-78% of agencies do not offer client self-services (to make a payment, make a change, secure auto ID cards, obtain certificates, secure billing or policy info).
- 83% do not have password-protected portals where clients can access their documents.

Here are some [resources available from ACT](#) to help agencies with their online presence.

Welcome New Members

IIABW would like to welcome the following agencies into the Big I family:

- KHD Financial, Seatac
- Good People Insurance Group, Bellevue
- Kennydale Insurance Agency, Renton
- Aegis Insurance Agency, Puyallup
- Miraco Insurance and Investment, Bellevue

Member News

- Dave Merrill and John DeFranco, of DeFranco-Merrill Insurance, after a 25 year business partnership, are separating and creating their own agencies; Merrill & Merrill Insurance and DeFranco Insurance, effective January 1, 2014. Each having their own innovative vision for the future, this parting is amicable and both agencies will remain as members of The Advantage Group LLC.
- Phil Dyer, VP of the medical liability division at IIABW member Kibble and Prentice, was featured in an article in the [Puget Sound Business Journal](#) as a result of his leadership on the Board of Directors of the state health care exchange.

New Premium Credits in E & O Program

As a reminder, be sure to give IIABW a chance to quote your agency's E & O insurance this year to take advantage new, significant premium credits that will make the policy even more competitive. To get a rate indication, email your renewal application to [Ashley Kuaea](#), fax it to 425-649-8573 or call her at 425-649-0102, extension 225.

Health Exchange Deadline

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

Commercial Lines

Habitational - Apartment, Condo

Bonds - Surety, Performance, Bid and Misc.

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

50,000 individuals enrolled for health coverage in the Washington exchange from Dec. 20 to Dec. 23, which was the deadline. Overall, 302,000 enrollments have been completed. 65,500 (22%) of them are in qualified health plans and the rest are in Medicaid.

Interesting Insurance News

- **Super Bowl XLVIII** will be held in New Jersey, which will be the first time in the history of the game that it will be held in a domeless stadium in a Northeastern state. Insurers are thinking about the potential of cancellation and delays due to extreme winter weather.
- One of two winners of last week's Mega Millions \$636 million jackpot was an insurance agent at Aspen Insurance in Atlanta. As of today she is still a full time employee of the agency.
- A court in California has ruled that a former Seattle Storm WNBA player who had played only one game in California could not file a claim with their state's workers' compensation program. Adrienne Johnson filed the claim for chronic conditions in her shoulder, spine, hip and ankle in addition to irritable bowel syndrome symptoms related to her orthopedic problems.

Focus on Flood

This is an ongoing series to educate you about the major changes that have been made to the national flood program. Here is another common myth:

"Flood insurance is too expensive."

The average flood insurance premium is about \$650 per year, or \$54 per month. When a client says the expense is too much, remind them that even just a few inches of water in a home can cause tens of thousands of dollars in damages. Consider using FloodSmart's "[Cost of Flooding](#)" interactive tool to show your client first-hand how an inch or more of water can damage a home.

For more information about the changes to 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.

Decoding the 2011 Japan Tsunami

Could a massive tsunami, like the one that hit Japan in 2011, hit Washington as the result of an earthquake in the Cascadia fault? Scientists have learned the part of the seafloor along the fault off of Japan moved as much as 55 yards in the earthquake - the largest ever measured for an earthquake. Scientists drilled holes a half-mile into the ruptured Japan fault in water greater than four miles deep soon after the earthquake. Using sensors placed in one of the boreholes, the researchers took the fault's temperature and watched it fall over the nine months.

Community Banks Business Insurance

Real Estate Agents E&O

Excess Flood

Hartford Specialized Affinity Programs In-Home Business

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](#).

Producer Licensing School 1/27-31

On January 27-31, IIABW will be offering its Producer licensing school to prepare agency staff to pass the license examination. The 40 hour curriculum is an intensive training program covers the basic insurance fundamentals.

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