4 Emerging Cyber Coverage Trends to Consider

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Get to Know Coalition: Underwriting Engine

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Litigation Financing: 10 Tips for Those Dealing with Claims

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How to Help Your Client Plan for a Loved One with Special Needs
## Policy Form Enhancements

**Coverage form improvements are here!**

The needs of independent insurance agencies continue to evolve, and your IIABA/Swiss Re Corporate Solutions Agents E&O program changes to meet those needs. We collaborated with your state and national IIABA representatives to develop the enhancements highlighted below.

If you have questions, or would like to obtain a copy of the exact policy language, please contact your Big “I” Professional Liability Program Manager.

(Please note that some coverage features may not apply to all policyholders.)

### Subpoena

- Removed $10,000 cap per policy period. We will pay expenses until a Claim is made against the Insured
- Payments made under this provision are now in addition to the Limit of Liability

### Regulatory Defense

- Increased coverage to $100,000 from $60,000 per policy period
- Payments made under this provision are now in addition to the Limit of Liability

### Claim Definition

Removed reference to subpoena

### Loss of Earnings

Amount for reimbursement for loss of earnings or temporary staff for attending depositions or trials increased to $1,500 per insured per day/maximum of $75,000 per policy period from $750 per insured per day/maximum of $30,000 per policy period

### Insolvency Exclusion

Expanded so does not apply if coverage was placed with an insurance carrier admitted in the state or states of domicile of the subject risk and rated A or higher by Demotech

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**NOTE:** The Liberalization Clause in the current policy provides that the broader terms and conditions offered to all Insureds will apply to all policies in force as of the date the new endorsement is approved in your state. No additional premium charge will apply.

This summary is for illustrative purposes only and is not a contract of insurance. It is intended to provide a general overview of the policy enhancements and changes. A specimen copy of the entire policy and endorsements are available upon request. Only the insurance policy can give the actual terms, coverage, conditions and exclusions. Policy availability and coverage are subject to state regulatory approval. All policies are individually underwritten and subject to the underwriting guidelines of Westport Insurance Corporation, Overland Park, Kansas, a member of Swiss Re Corporate Solutions.

The information contained herein is intended for use by the Swiss Re Corporate Solutions’ IIABA State Association Insurance Agencies and the reproduction and/or dissemination thereof is strictly prohibited without the express written consent of Swiss Re Corporate Solutions.
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<td>Albert E. Lietzau IV, AU</td>
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<td>Angela Ripley, CIC</td>
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### The Maryland Messenger

The Maryland Messenger is a bi-monthly publication published for the exclusive use of regular and associate members of the Independent Insurance Agents of Maryland. Publication of any article, letter to the editor or advertisement in the Maryland Messenger should not be deemed an endorsement by IIAM of the opinions expressed or product advertised. Questions and comments should be directed to the editor; Rebekah Langford.

Editor: Rebekah Langford, AAI, ACSR, AINS, AIS  
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The Maryland Messenger is a bi-monthly publication published for the exclusive use of regular and associate members of the Independent Insurance Agents of Maryland. Publication of any article, letter to the editor or advertisement in the Maryland Messenger should not be deemed an endorsement by IIAM of the opinions expressed or product advertised. Questions and comments should be directed to the editor; Rebekah Langford.

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HOLIDAY SEASON – A TIME TO GIVE THANKS

My favorite time of the year is spending time with family and friends as we all gather during the holiday season. As Thanksgiving comes upon us, we have to reflect on the many blessings we have in our lives. A roof over our heads, our daily sustenance, our families and friends who are still with us and our health are just few things we sometimes take for granted. For me, my greatest treasure is my relationship with people—those dearest to me, my family, old and new friends, colleagues and those that have touched my life at work and in the community.

I am very grateful to have many friends and a large extended family, many of them are my clients. As an insurance agent in Maryland, we are fortunate that we have an organization that assists us as we navigate through the many obstacles we face today. IIAMD represents our concerns and interests in the legislation that affects our clients and the job we do every day. Through legislative advocacy, free and/or discounted continuing education, and development programs, IIAMD assists us all. The organization also provides a platform where local agents and brokers can collaborate to address issues and concerns that affect our role as insurance professionals here in Maryland. I urge each and every one of IIAMD members to become active in the organization and to encourage other non-members to join us. We can all contribute as well as learn new things and help make an impact in the future of our industry.

Thanksgiving is around the corner, let’s all pause and reflect on everything and everyone we have in our lives. I, for one, am thankful for being a member of this organization.
Insurance underwriters have always relied on agents to gather data about their clients’ cyber risk exposures. This process is cumbersome at best, especially for a peril as complicated and dynamic as cyber. Agents must work with clients to fill out pages of applications that ask about firewalls, incident response plans, password policies, and prior breaches. This requires a lot of back and forth, and the answers rarely if ever provide the whole picture of a business’s risk profile. But with Big “I” Markets’ cyber partner Coalition, underwriting gets a whole lot faster and smarter.

As an insurance company founded by a team of leading cybersecurity experts, Coalition brings comprehensive technical know-how to the assessment of cyber risk. They’ve built a sophisticated underwriting platform that is able to collect thousands of data points automatically with just a company’s name and web address (no more forms – or even any need to research a client’s cyber preparedness at all). All agents need to do is enter a company name and web address and Coalition does the rest, looking at the company the same way a real life adversary would in a way that no form could ever capture, from what vulnerabilities exist in the software an organization uses to whether they enable remote desktop (RDP) connections, and even whether their employees’ email addresses and passwords have been compromised on the dark web.

Utilizing Coalition’s underwriting engine, Big “I” agents can generate quotes, bind coverage, and even receive issued policies, all in under four minutes. Coalition’s automated underwriting platform also allows any agent to generate a free cyber risk assessment alongside a quote, and to automatically tailor coverage to your client’s company and unique risk exposures. Even more importantly, capturing the right data and analyzing it appropriately allows Coalition to provide superior limits, pricing and coverage for good risks.

Having the technical expertise to collect and understand data about cyber exposures is a big part of what sets Coalition apart. During Coalition’s online quoting process, your client’s network and web properties will undergo an automated risk assessment to identify known issues and potential weaknesses in their security posture. This information not only makes it possible for Coalition to deliver an accurate quote, it also provides valuable data that your customers can use to further strengthen themselves against the possibility of an attack. Once Coalition spots a company’s cyber weaknesses, they share that information with you so that your clients can address issues and mitigate risk – which in turn can lower their premiums.

Coalition is changing the way companies manage cyber risk, utilizing technology to easily identify and assess risk, prevent attacks and losses before they occur, and quickly recover when all else fails. And in the process, they’re making agents’ jobs easier and faster.

To learn more about Coalition’s mission to “solve cyber risk,” and begin quoting business today, log into www.bigimarkets.com and select “Cyber Insurance - Coalition” from the commercial products menu. You may contact Big “I” Cyber Liability Program Manager Carla McGee directly with any questions, or to have her walk you through a quote, at carla.mcgee@iiaba.net or (800) 221-7917.

Not yet registered for Big “I” Markets, the online market access program available exclusively to Big “I” members featuring no fees, no minimums and ownership of expirations? Complete a simple and free registration online at www.bigimarkets.com
Big "I" Markets has partnered with Coalition to bring a cyber market to Big "I" members that goes above and beyond a standard BOP endorsement. Coalition’s proactive approach to cyber risk, along with their security and risk management apps, can reduce policyholder costs’ to detect, recover, and contain a breach by over 40%.

Coalition believes that prevention is an essential component of protection and offers all policyholders a suite of security tools providing monitoring and protection at no additional cost, including:

**Credential Monitoring** – Coalition alerts the policyholder when an employee’s password or identifying information is stolen and may be used by a hacker.

**Threat Monitor** – Coalition’s passive monitoring picks up signs of phishing activity, anomalous network and DNS activity, domain monitoring, and other indicators of breach, as well as practical advice for how the policyholder can protect their business.

**Ransomware Prevention** – Anti-ransomware software can be downloaded to all of the policyholder’s computers.

**Patch Manager** - Coalition passively scans the policyholder’s Internet-facing infrastructure & sends alerts of out-of-date software and vulnerabilities.

**DDoS Mitigation** - Coalition’s provided denial of service (DDoS) mitigation service is always-on, and can easily be setup in under 4 minutes. This service includes over 15 Tbps (terabits p/second) of available network capacity, over 300x the capacity of the average large DDoS attack.

**HackerOne Response** - Policyholders can create a vulnerability disclosure program on HackerOne to receive and respond to vulnerabilities discovered by ethical hackers – before criminals can exploit them. Coalition automatically rewards policyholders with a program publicly listed in the HackerOne directory.

Learn more at [www.bigimarkets.com](http://www.bigimarkets.com).
Fierce competition in the cyber insurance market means your average client should have no problem procuring a cyber policy that offers extensive coverage at a low price.

By expanding coverage options and increasing limits, insurers are doing their best to keep up with an exposure that’s constantly changing—but that can be easier said than done.

The greatest challenge today is that as a risk, “cyber is so broad,” says Ted Richmond, director, RGS Limited, LLC. “Do you do online banking? Do you accept payment cards? Do you use email? Do you store any customer data, whether that’s names, addresses, phone numbers or even just email addresses so you can send out your monthly newsletter or coupons? Every business out there has some type of cyber risk.”

As cybercriminals become more sophisticated in terms of the threat vectors they’re able to use to their advantage, “it’s very difficult for the insurance community to stay up to date with everything that’s occurring, due in large part to lack of technical acumen,” says Shawn Ram, head of insurance at Coalition. “But that means the opportunity is endless to improve and enhance coverage from a digital or cybersecurity risk standpoint.”

Here are four types of cyber coverages which haven’t yet appeared on mainstream cyber policies, but which your savvy clients may start asking about in the years to come:

1) Theft of intellectual property.
This is an area where Prashant Pai, vice president, cyber offerings at Verisk, is seeing “a lot of conversation, but not as many coverage options yet.”

The classic example is the Coca-Cola recipe being stolen, Pai points out. “Especially among larger insureds, we’re seeing a lot of interest in procuring coverage for that type of risk,” he says.

2) Service fraud.
Historically, this type of coverage has been referred to as “telecommunications fraud,” Ram says. But that’s a description more appropriate for the late 1990s or early 2000s than for 2018.

“Today, the issue is not adversaries taking over VoIP networks—it’s adversaries taking over infrastructure of companies in order to mine for cryptocurrency,” explains Ram, who notes that a type of cyber insurance called service fraud coverage would protect against this type of loss.

3) Bodily injury and property damage.
Most businesses don’t realize that a cyberattack has the capacity to breach their physical barrier. But virtual exposures like crypto-mining and wire transfer fraud are “not the only hazard associated with cyber,” Ram says.

Consider Stuxnet, a computer virus discovered lurking in power plants, traffic control systems and factories around the world in 2010. The malicious worm was 20 times more complex than any previous virus code and boasted a wide array of alarming capabilities, such as the ability to turn up the pressure inside nuclear reactors or switch off oil pipelines—all while assuring system operators everything was normal.

Scary stuff, considering that was nearly a decade ago. “Today, a cyber-related event could easily cause bodily injury or property damage. A cyberattack on a manufacturing facility, for example, has far-reaching consequences,” says Ram, who adds that pollution...
coverage could be an important component of a cyber policy for the same reason.

4) Personal cyber coverage.
Personal cyber policies have been available in the high net-worth space for several years. But will demand soon increase among standard personal lines clients?

“I still feel it’s a bit ahead of the curve—I don’t see this becoming mainstream for at least two or three more years,” Pai says. But between WiFi-enabled cars and the proliferation of the Internet of Things, “everything seems to be connected to the internet.

That means your exposure to a cyberattack is growing, even just in the home, even with something as innocuous as a refrigerator.”

Beyond connected devices, “some of the same issues you face on the corporate side apply to the personal side as well,” Ram says—for example, spearphishing emails to obtain bank account passwords or routing information. “Financial institutions are concerned about this, because their policies don’t pay for those types of personal fraudulent transfers.”

Richmond expects personal cyber insurance to become common over the next few years—just not in the form of standalone policies. “Where I see it coming into play is on a homeowners policy as an endorsement or add-on,” he explains. “Especially as the homeowners market is trying to grab more premium, how do they provide value to their customers? Cyber’s an easy marketing tool.”

LITIGATION FINANCING: 10 TIPS FOR THOSE DEALING WITH CLAIMS

Alternative litigation financing seems to be popping up everywhere. But what is it really and how does it impact the handling of claims, underwriting and loss ratios.

Alternative litigation financing, also known simply as litigation financing, is the funding of litigation activities by entities other than the parties to a lawsuit themselves, their counsel, or other entities with a pre-existing contractual relationship with one of the parties, such as an indemnitor or a liability insurer. The third-party financier provides capital to a litigant for living expenses or legal costs, and in return takes a portion (usually ranging from 5 to 40 percent) of the litigant’s financial recovery from the lawsuit. A key component of litigation financing is that, unlike an ordinary loan, any payout to the financier is contingent on the successful outcome of the legal claim.

For attorneys and law firms, litigation financing presents a way to offer clients a contingency fee agreement without deviating significantly from its preferred financial model. Individual plaintiffs often seek litigation financing to pay for living expenses and other bills through the course of litigation. Plaintiffs also praise litigation financing because they claim that it provides greater access to justice and allows more cases to be decided on the merits (rather than by which party has the deepest pockets). Defendants and insurers, on the other hand, argue that litigation financing prolongs litigation, discourages settlement, and presents myriad professional and ethical dilemmas for lawyers and litigants.

One leading litigation financing firm, Buford Capital, has estimated that 28 percent of law firms used litigation finance in 2015, up from 13 percent in 2013—a four-fold increase over the period. In addition, a number of courts across the United States in recent years have specifically weighed in on the use of litigation finance with approval. Accordingly, insurance professionals should be cognizant of how litigation financing works and should be aware of the following:

1. Because litigation financing gives litigants access to funds otherwise beyond their wherewithal, it may have the effect of prolonging litigation in a given case or discouraging a party from settlement or engaging in ADR.

2. There are two types of litigation financing companies: consumer and commercial. Consumer litigation finance companies typically provide funds for living expenses to individual plaintiffs; commercial litigation finance companies often finance litigation activities directly (taking depositions, calling expert witnesses, etc.). Despite the type of financing, there is a concern as to whether the direct financing of litigation expenses will lead to protracted litigation.

3. The American Legal Financing Association (ALFA) is a trade association that represents consumer litigation financing companies. ALFA promulgates a Code of Conduct for its members that includes provisions addressing such topics as attorney agreement approval, intentional over-funding, and outstanding balance negotiations.

4. Four states—Oklahoma, Vermont, Indiana, and Tennessee—regulate legal funding directly. Various regulations establish licensing requirements, require clearly articulated contracts in the borrower’s first language, prohibit the use of cash advances for legal fees, prohibit the funders from participating in cases, establish cancellation windows, require public reporting of all transactions, and establish forums for public complaint. It is expected that other states will follow with regulations of their own.

5. Although three medieval English doctrines (maintenance, champerty, and barratry) historically prohibited third-party financing of lawsuits in the United States and most other common law countries, a number of courts today largely regard these doctrines as obsolete. Recently, in Miller UK Ltd. v. Caterpillar, Inc., the Court denied defendant’s motion to compel the plaintiff to produce documents as to plaintiff’s third-party litigation funding sources to support defendant’s claims for maintenance and champerty. 17 F. Supp. 3d 711, 728 (N.D. Ill. 2014), The District Court found the Illinois champerty statute could only be invoked by a party to the funding agreement, and that, because the funding agreement did not include the defendant to support a claim of champerty or maintenance, the funding agreement was irrelevant to

(Con’t on page 10)
the legal issues in the case under Rule 26(b)(1). Id. That said, the issue is still being debated in a number of courts.

6. Because most litigation financing is structured as non-recourse investment (meaning that the financing companies cannot sue the consumer if their case fails), and not as a loan, the usury laws of many jurisdictions may very well be inapplicable to litigation finance agreements.

7. It is important for a claims professional to understand the percentages in a finance arrangement. As noted above, some litigation financing companies will take between 5 and 40 percent of any settlement, judgment, or award.

8. At present, there is an issue of whether litigants will be required to disclose third-party funding arrangements in discovery. Financing companies will fight that arrangements are protected or otherwise not capable of discovery because such information is irrelevant to liability and damages issues. The issue of what will be required to be produced is one that is likely to be the subject of litigation or rule changes. The case law as to what must be disclosed during discovery is not fully formed.

9. Where litigation finance companies are involved, attorneys using such agreements must vigilantly safeguard against any waiver of confidentiality or attorney-client privilege. Under the ABA Rules, “any infringement on rights that clients would otherwise have, resulting from the presence of alternative litigation finance, requires the informed consent of the client after full, candid disclosure of all of the associated risks and benefits.”

10. The ABA cautions attorneys to “approach transactions involving alternative litigation finance with care,” so as to ensure that their duties to exercise independent judgment and avoid the influence of financial or other considerations are not compromised.

Even with all these concerns, it is clear that these types of litigation financing are here to stay. Undoubtedly, these financing arrangements will impact how litigation proceeds. As a consequence, individual insureds could be impacted by increased loss ratios and underwriting concerns if the insured is the type of target defendant for these types of arrangements.
help wanted

IIAMD is looking to add additional instructors to our Education Program for 2019!

We are looking for instructors for the following:

Property/Casualty Pre-Licensing
Commercial Lines
Personal Lines
Flood Insurance

Long Term Care
Agency Management
Construction Insurance
Risk Management

If you are interested in teaching for IIAMD please send your resume to kate@iiamd.org.

Kate Langford
Education Coordinator
(P) 410-766-0600 Ext. 103
(E) kate@iiamd.org

congratulations

To HMS Insurance Associates for being named a Best Practices Agency for the third year in a row!

To IIAMD's Education Coordinator, Kate Langford, on passing the Property & Casualty licensing exam. Kate joined the association back in July.

If you are an IIAMD member and have any news/announcements you would like to see in the 'Maryland Messenger' please email them to admin@iiamd.org.
**HOW DID YOU GET INTO INSURANCE?**

Like the majority of young agents in the insurance industry, I kind of just ended up here through a job referral from a friend of a friend. I started working at HMS and the rest is history.

**WHAT ASPECT OF YOUR JOB BRINGS YOU THE GREATEST JOY?**

Working with such wonderful clients. The joy that comes from knowing you are adequately protecting them and their families from potentially catastrophic losses.

**WHO/WHAT HAS BEEN YOUR GREATEST RESOURCE IN THE INDUSTRY?**

My friend, coworker, and mentor Kay Schneck. She has always been an excellent resource on all things insurance related. She is an amazing researcher and a patient teacher. We are very lucky to have her to go to for all questions; she has been such a resource for everyone at my company.

**WHAT ARE THREE TIPS YOU WOULD GIVE TO NEW YOUNG AGENTS?**

1. Invest in knowledge. I suggest you take insurance designations, as soon as you are licensed. They will add great value when servicing your client’s needs.

2. Be ok with not knowing. This industry is so large and constantly is evolving. It is better to say, “let me check on that” and get back to them than it is to give the client incorrect information.

3. Keep all your passwords in one spreadsheet. There will be a lot & they will change often!

**What is on your bucket list?**

To travel the world

**What is your favorite thing about living in Maryland?**

The first thing that comes to my mind is blue crabs! (Yum) The home state of The Baltimore Orioles and Baltimore Ravens. Spring, Summer, Fall & Winter. Those are just a few wonderful things about Maryland.

**What do you like to do in your spare time?**

I love spending time with family/friends & going on adventures. I enjoy traveling, kayaking, hiking & paddle boarding throughout our beautiful state.
There Is No Comparison

PIN provides MORE of what it takes to succeed as an independent agency, delivering MORE revenue and value.

Clusters Aggregators Brokers

ACCESS TO COMPANIES
LOCAL & NATIONAL INCENTIVES
BUSINESS INSURANCE RESOURCES
AGENCY DEVELOPMENT
MARKETING ASSISTANCE

To learn how we can help you increase your agency income and value, contact Jon Pappas today.
443.692.4000 | jpappas@pinsiaa.com
www.pinsiaa.com
Maxum Introduces New Non-Admitted Professional Liability Policy For Architects And Engineers

Product provides coverage for a wide range of unique risks and offers coverage extensions for emerging risks

October 23, 2018

ALPHARETTA, Ga., Oct. 23, 2018 – Maxum Specialty Insurance Group (Maxum), an excess & surplus (E&S) company of The Hartford, launched a new professional liability policy for architects and engineers to help protect them against errors and omissions in the professional services they provide.

“We are thrilled to announce this new policy, which strengthens our coverage offering for the architect and engineers segment and serves as the basis for our future professional liability products,” said Joe Labieniec, head of Maxum’s Professional Liability division. “Architects and engineers face a unique set of risks in their line of work and having the proper insurance can help protect these businesses against claims of negligence. As a surplus lines carrier, bringing competitive products to the E&S market remains critically important to our wholesale partners in setting Maxum apart as a go-to carrier. The industry response to this new product has been positive.”

While standard professional liability policies offer protection against claims of negligence, Maxum’s new form provides additional coverage for a wider range of risks related to architecture and engineering services, including:

- Pollution events;
- Information privacy incidents;
- Technology failures or flaws; and
- Errors or misstatements in media, advertising and marketing.

The policy also provides built-in supplementary payment coverage for pre-claims and subpoena assistance, regulatory and administrative proceedings, disciplinary and defense of licensing proceedings, loss of earnings and privacy breach expenses.

This product, which is offered on a non-admitted basis exclusively through wholesale brokers, serves as the foundation for the company’s plans to release additional new professional liability products in the coming months. The new products will tailor coverage to other industry segments that are commonly addressed by the E&S market, including miscellaneous professionals and lawyers.

Maxum’s focus is on architects and engineers’ risks that are considered hard to place due to specialization and claims history, as well as those that are seeking practice- or project-specific excess coverage. The appetite is focused on the following architects and engineers risks:

- Architects
- Design/build firms
- Electrical engineers
- Mechanical engineers
- Land surveyors
- Landscape architects
- Civil engineers
- Forensic engineers
- Structural engineers
- Process engineers
- Customized machinery
- Construction managers (including at-risk)

Maxum has the ability to write up to a $5 million aggregate limit on a primary or excess basis. The company looks for accounts with a minimum of $100K in annual revenue and requires a minimum premium of $5,000. Coverage is available in all 50 states and the District of Columbia on a non-admitted basis through Maxum Indemnity Company.

Additionally, Maxum offers risk management services and contract review at no cost to architects and engineers liability policyholders through OmniSure Consulting Group, risk management specialists for construction and design professionals. For more information about Maxum’s professional liability solutions for architects and engineers, visit http://www.mxmsig.com.
Applied Systems Donates $35,000 to InVEST

Funds will provide the next generation of insurance professionals with financial literacy, insurance education and scholarships

Alexandria, VA – Oct. 17, 2018 – InVEST, the insurance industry’s premier classroom-to-career education program, is pleased to announce that Applied Systems has donated $35,000 to the program. Reid French, CEO of Applied, announced the donation during a keynote presentation at this week’s Applied Net 2018, the flagship conference for Applied software users and the largest gathering of independent insurance professionals in the world.

The InVEST contribution coincides with Applied Systems’ 35th anniversary this year and reflects the company’s continued commitment to investing in the future of the industry.

“Through Applied’s generous gift to the InVEST program, young insurance professionals will be better equipped with financial literacy, insurance education and scholarships," said Robert Rusbuldt, president & CEO of the Independent Insurance Agents & Brokers of America. “Companies, educators, volunteers, agents and industry leaders, like Applied Systems, are key to the success of the InVEST program. We applaud and thank them for their commitment to this critical program.”

A longtime InVEST advocate, Applied Systems also donates software used in insurance education courses and has supported InVEST with awareness-building media campaigns.

The insurance industry is changing as the next-generation of professionals enter the workforce," said French. “InVEST is actively shaping the future of our industry with academic programs, online education and scholarships for high school and college students, and we are proud to continue our support and partnership with this outstanding organization.”

Founded in 1970 and based in Alexandria, Virginia, InVEST promotes insurance education to attract individuals to pursue a career in the insurance industry. Each year, the program prepares thousands of students for insurance-related careers with a hands-on curriculum taught in high schools, adult education centers and colleges. As a 501(c)(3) educational trust, InVEST benefits from the support of numerous insurance organizations, hundreds of agencies, brokers and volunteers.

Public Adjusters Must Be Licensed with the Maryland Insurance Administration

The Maryland Insurance Administration reminds consumers to verify that a Public Adjuster is licensed before hiring him or her to work on your behalf.

In order to perform this work in the State of Maryland, the individual must be licensed by the Maryland Insurance Administration. Please note that there is no provision for a temporary or limited license. Public Adjusters from other states must obtain a non-resident license in order to perform work in the State of Maryland.

Under Maryland law, a Public Adjuster is paid by the policyholder for investigating, appraising, evaluating, or otherwise giving advice or help to an insured in the adjustment of claims for losses or damages arising under insurance contracts that insure the real or personal property, or both, of an insured.

In order to verify whether an individual holds a resident or out of state (non-resident) license to work as a public adjuster, you may consult the Administration’s website at https://www.apps.insurance.maryland.gov/CompanyProducerInfo/, or contact the Maryland Insurance Administration at (800) 492-6116.
IIAMD National Committee Appointments for 2018-2019

Congratulations to the following IIAMD members who will be representing Maryland agents by serving on National Committees over the next year. We thank you for your service and commitment to your agent colleagues and the Independent Agency System.

- Angela Ripley, V.W. Brown Insurance - Government Affairs Committee and the Agents Advocacy Fund Committee
- Mike McCartin, Joseph W. McCartin Insurance - Trusted Choice, Inc. Board
- Nancy Nicklow, Huff Insurance - Agents Council

IIAMD would also like to thank Berker Hazar, Hazar Financial Services, for his service to the Diversity Task Force for 2017-2018.

Participate in the Second Annual J.D. Power Survey

J.D. Power and the Big “I” are excited to announce the second annual Independent Agent Satisfaction Survey. The study has emerged as the go-to source for top carriers seeking to improve their performance with you, the independent agent. The results are shared with top executives across the industry—and if last year’s reception is any indication, your feedback will not only help influence the agenda of many leading carriers, but also be a driving force for change in the industry.

The main objective of the survey is to capture your experiences, satisfaction levels and suggestions for potential areas for improvement across your carrier relationships. Questions address numerous facets of the insurance process, from quoting, underwriting, claims, policy servicing and risk appetites to commission management, product and service offerings, and communication.

Results will address the following issues:
- How does each service event you have with an insurer impact your overall perception of that insurer?
- Which critical service standards are most likely to drive high satisfaction?
- What should insurance carriers do to better meet your needs and the needs of your customers?

We aim to collect robust results. The more responses we receive, the stronger and more encompassing the information will be, which will make better decision-making possible.

Participants will receive a $50 Amazon gift card for taking the time to complete the survey, as well as a complimentary summary of the study results. Any licensed agent who works with insurance carriers in a member agency is eligible to participate!

To take the survey go to bit.ly/JDP_Survey.
**InsurPac**

CONTRIBUTION GOAL

IIA of Maryland's InsurPac fundraising goal for 2018 is $19,000. So far we have collected $12,900 with only $6,100 more to go. Help us reach the finish line!

A special thanks to all of our members who have contributed to InsurPac this year!

**Millennium Club**
Angela Ripley, V.W. Brown Insurance Service

**Platinum Club**
Michael McCartin, Joseph W. McCartin Insurance Agency

**Centennial Club**
W. Patrick Kokosko, V.W. Brown Insurance Service
Tricia Kokosko Wolters, V.W. Brown Insurance Service
Louis Novick, Novick Group, Inc.

**Gold Club**
Jerry Nicklow, Huff Insurance
Janice Wise, Walker Poole Insurance

**Pioneer Club**
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To contribute to InsurPac text "insurpac" to 797979 or visit www.insurpac.com/form

InsurPac is the political action committee of the Independent Insurance Agents and Brokers of America (IIABA). InsurPac raises money to contribute to candidates running for federal office, while increasing agent visibility on Capitol Hill and empowering members to participate in the political process.
How to help your client plan for a loved one with special needs

By Scott Zilber

The case for Special Needs Trusts

According to data from the National Institute of Health one in every five people in the United States suffer from some form of disability. Of the roughly 55 million disabled people in this country about 30 million are considered severely disabled. Not all of these people are born with a disability; some may be stricken by illness or be involved in an accident that leaves them disabled.

Parents and families of individuals with special needs face incredible challenges on a daily basis. During the life of the special needs individual crucial decisions must be made that will have a long term implications. Typically, parents and families spend a great deal of time worried about what will happen to their loved one when they are no longer living or able to support their personal and financial needs.

Why do I need to use a Special Needs Trust?

A spouse, parent or grandparent of a special needs individual will have unique planning needs. While each family’s situation is different, many financial plans center around three primary objectives:

1. Protect the Assets left to a special needs beneficiary

2. Provide additional income to facilitate a better quality of life

3. Prevent the loss of government benefits, including Supplemental Social Security (SSI) and Medicaid.

4. Maintain continuity of life and routine that can be so important to an individual with special needs

When a disabled person receives an inheritance, the government will require that the inheritance be depleted before it will pay for food, shelter and medical care. This can quickly exhaust even a large inheritance based on today’s costs and standards of care. Currently, an individual owning assets in excess of $2,000 disqualifies an individual from most federal assistance programs such as SSI and Medicaid.

A trust can not only be used to protect assets passed from generation to generation, but with proper funding can be used to ensure that liquidity and funds are available to supplement a special needs beneficiary’s government benefits and allow them to participate in activities and programs that they may not otherwise be able to afford.

Special needs trusts can pay for almost any cost not met by public or private agencies such as:

- Medical, dental and rehabilitation expenses not otherwise proved for
- Education and Training
- Vacations, Recreation and transportation (Including the purchase of a vehicle)
- Life Insurance Premiums
- Legal Expenses

Proper planning avoids the risk of an inheritance disqualifying a special needs heir from receiving all or most of their government benefits. The correct techniques can protect inheritance for the lifetime of the special needs individual.

Funding a special needs trust

Life insurance can be the most cost effective and efficient method for providing the funding to help achieve family goals. Life Insurance provides immediate funding of the trust, regardless of the timing of the deaths of parents or other insured. The type of life insurance policy that may be the best fit will depend upon a number of other factors including premium structure and the tolerance for risk.

(Con’t on page 19)
How it works

Donor(s) -> Special Needs Trust -> Trustee Purchases Life Insurance

The Beneficiaries

Policy Death Benefit

How do I get started?

Our mission is to help Property & Casualty agencies seamlessly integrate life, long-term care and linked benefit products into their standard offerings. Our commitment is to help firms identify emerging opportunities and provide the knowledge and point-of-sale assistance that will allow P&C firms to maximize their strengths in developing and broadening client relationships.

As always, it is important to consult legal and accounting professionals who can help implement this type of planning.

Belman Klein Associates and the IIAMD

As a member of the IIAMD we look forward to working with other members to help round out their business by partnering to bring our services to their clients. In 2018 we will continue our Life Insurance Made Easy series in the Maryland Messenger and continue to offer free life insurance continuing education credits to IIAM members.

For more information contact Scott Zilber at szilber@belmanklein.com or 1-800-729-6007

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The Young Agents Committee of Maryland held their Inaugural Cornhole Tournament & Happy Hour on October 18 at BCB Brewery in Hunt Valley. The event was generously sponsored by the Insurance Roundtable of Maryland, BBSI, Chesapeake Employers Insurance & PURE Insurance. Representatives from the Sponsors were on hand to give advice, guidance & encouragement to the young agents in attendance. A 50/50 was held raising over $70 to be donated to the InsurPac of Maryland, on behalf of the YAC.

There were over 30 young agents in attendance and most participated in a very competitive & lively cornhole tournament. The winners were gifted with a prize pack donated by Parallel Risk Advisors & Belman Klein including Sagamore Rye and gift cards from Starbucks. The runners up were gifted with swag from the brewery. Everyone seemed to have a great time networking, competing and making new connections with other young agents and Board Members from the Insurance Roundtable of Maryland.

The Maryland Young Agents Committee is open to all licensed agents 40 years old and under or an agent who has been licensed less than 5 years in the state of Maryland. The YAC promotes education, charitable & social networking events within the Maryland Insurance Community. Their mission is to empower young insurance professionals, launch the next generation of independent agency leaders, build involvement in legislative issues vital to the future of the insurance industry and develop participation in the state and national activities of the Big “I.” If you would like more information on becoming a member, please contact Maryland YAC President, Scott Zilber at szilber@belmanklein.com.
(Con’t from page 20)

Cornhole Tournament Champs - Justin Honce (PURE Insurance) and Chris O’Connell (Consolidated Insurance)

2nd Place Team - Joey Innes and Jesse Uhlman (Kastendike Insurance Group)
November/December Classroom CE Courses

**November 8**  
Professional Development & Account Management  
Shelley Arnold, CPCU  
9am-3:30pm

**November 15**  
The Insurance Production Environment  
Nancy Nicklow, CPCU  
9am-4:30pm

**December 11**  
E&O Risk Management: Meeting the Challenges of Change  
Stanley Lipshultz, CPCU  
9am-3:30pm

**December 13**  
Agency Management Tools and Processes  
Nancy Nicklow, CPCU  
9am-4:30pm

ABEN Webcast Schedule

**November**

1 - Hot Topics in Personal Lines; Annuity Basics & Where They Fit  
6 - E&O Risk Management (6hr)  
7 - D&O Liability Insurance  
12 - Data Privacy Insurance  
14 - Business Auto Claims That Cause Problems; Personal Lines Claims That Cause Problems  
15 - Insurance and the Property Lease; Building Codes are Bad for Insureds; Workers Compensation Beyond the Basics  
27 - Rental Cars: More Than Meets the Eye; Business Income: Beyond the Basics; E&O Risk Management (Part 2)  
28 - Those kids and Their Cars  
29 - E&O Risk Management (Part 1); Top 5 Life Insurance Uses; E&O Risk Management (6hr)

**December**

4 - E&O Risk Management (6hr)  
5 - D&O Liability Insurance; Business Income: Beyond the Basics  
6 - Hot Topics in Personal Lines; Annuity Basics & Where They Fit  
12 - Personal Lines Claims That Cause Problems  
13 - Building Codes are Bad for Insureds; Workers Compensation Beyond the Basics  
14 - Rental Cars: More Than Meets the Eye; Data Privacy Insurance  
18 - E&O Risk Management (Part 1 & 2); Home Based Business Exposures  
19 - Business Income: Beyond the Basics; Business Auto Claims That Cause Problems  
20 - Insurance and the Property Lease; E&O Risk Management (Part 1 & 2), Top 5 Life Insurance Uses  
27 - Those Kids and Their Cars

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