NAVIGATING THE FUTURE OF TECHNOLOGY

83RD ANNUAL CONFERENCE
AND INSTALLATION OF OFFICERS

PAGE 7
THANK YOU TO ALL WHO ATTENDED OUR 83RD ANNUAL CONFERENCE AND INSTALLATION DINNER!

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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 as an endorsement by IIAMD of the opinions expressed or product advertised. Questions and comments should be directed to the editor; Rebekah Langford.
It seems change in our industry comes faster and faster each year. Issues related to weather, privacy laws, cybersecurity, drones, changes in marijuana laws, self-driving vehicles – cars, trucks, boats, and soon - air taxis present significant challenges for our industry.

Are you prepared?

As Chairman of IIAM for the next twelve months, I hope to help spread the word that your Association is here to help! Through education and advocacy IIAM has been helping independent agents and their clients for over 104 years. We get better at it every year!

Please call, email, register for classes, request quotes, contribute to InsurPac (our political action arm) and take some time this year to encourage other agents and affiliates to join our association.

IIAM is, by far, the best source of help to Independent agents facing the changes taking place in our industry today.

Help us spread the word!

BIG ‘I’ MARYLAND WINS GOLD

For the 15th time, IIA Maryland was honored by IIABA for their ‘Excellent’ insurance education programs by winning the ‘GOLD’ EIE Award (Excellence in insurance Education). IIA’s Education Department is not new to awards:

Big I Maryland’s Educational Achievements

2019 Excellence in Insurance Education Award - Gold Level
2017 Excellence in Insurance Education Award - Gold Level
2016 Excellence in Insurance Education Award - Gold Level
2013 Excellence in Insurance Education Award - Bronze Level
2012 Excellence in Insurance Education Award - Bronze Level
2011 Excellence in Insurance Education Award - Gold Level
2010 Excellence in Insurance Education Award - Bronze Level
2009-Winner of L.P. McCord Award for ‘Innovative Education Program’
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2001-Winner of L.P. McCord Award for ‘Non-Seminar Services’
1999 - Winner of L.P. McCord Award for ‘Outstanding Education Program’
1999-Winner of L.P. McCord Award for ‘Single Best Seminar’
1996-Winner of L.P. McCord Award for ‘Single Best Seminar’
When I discuss with my team sales scripting, they look at me like I have three heads. I see this fear come over their faces. I have heard all of the excuses, “I don’t want to sound like a robot.” “I can’t sell if I am not myself.” “This does not feel natural.” When you go to a play or watch a movie, you know that they are using a script, but you don’t feel like it is unnatural or they are not being themselves. The actors don’t show up to the set and they are told ok, be yourself, “Action”. Actors are given the scripts weeks in advance so that they have time to practice it over and over again, until it becomes natural. How often are you doing role playing in your agency? As insurance professionals, effective scripting can help you improve your close ratio and help you uncover additional opportunities in the agency that you are missing. If you sit there all-day and read the script with no passion, no emotion or confidence you are correct, it will not sound like you and it will repel more people than it attracts. But, effective scripting, that is rehearsed, can be beneficial to you and your agency.

Fast food restaurants with their 16 year old employees are great with scripting, have you been asked, “do you want fries with that” or heard “my pleasure”. That is scripting. I have found that it is much harder to get buy-in from the staff if you try to script a whole conversation, but little scripting with phrases seems to get a better acceptance rate from staff. But, they have to practice it, until it “sounds” like them and they are comfortable saying it. Saying “my pleasure” was not natural for anyone until they practiced it a few times. Now, I catch myself saying it rather than you’re welcome. (Maybe we eat out too much)

Scripting is important because sometimes it is not what you say, it is the way you say it. But using scripting, you can write it out to be sure that it can be conveyed in the correct way and use power words such as when not if, will not try, client not customer, and can instead of could, for example. These little changes can change your sentence from one lacking confidence to one that shows confidence. For example, “If I can get a quote for you, I’ll try and call you back by the end of the day.” To “When I get a quote for you, I will call you back by the end of the day.” If you were calling around for proposals which agency would you trust is going to have a quote for you?

Scripting is just as important for your service staff as it is your sales team. For example the client calls to add a 2018 Ford F250. Does your CSR ask, “Does it have a trailer hitch?” If the answer is yes, that opens the conversation to ask what they are pulling. You may find out that the client has a boat, travel trailer, motorcycle or is using the vehicle to pull a business trailer. Although the question is not threatening to the customer or the CSR, you can find out a lot about the protection your client needs. Service staff needs to know how to pivot the conversation, and scripting can be very beneficial in giving them a way to move the service call into a sales conversation. For example, the insured calls into add a vehicle, and the CSR, says, “may I ask you a question, what are you doing about your life insurance?” or “There is a chance you could be sued for “x”, as it is now, your policy would only provide “y”. Do you feel comfortable about this?” When someone calls your agency they are planning on talking about their insurance, this is a great time to use these opportunities to round out or up sell the account. But, if your staff is not equipped with the proper techniques then you are missing out on these opportunities. Role playing will help your team develop the skills that they need to close more sales and to better protect your customers and your agency. Remember to sell, sell, and sell.
Upgrade your flood experience with three little moves.

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Point to www.iiaba.net/Flood.

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Don Burke
National Flood Marketing Manager
Selective Insurance
don.burke@selective.com
(765) 577-0330

BIG FLOOD
Response is everything.
Agents gathered on June 14th at the beautiful Turf Valley Resort to attend and celebrate the Independent Insurance Agents of Maryland’s 83rd Annual Installation Dinner.

Both programs, ‘Business Intelligence-Managing Data and it’s Integrity and ‘Future of Technology-Utilization, Implementation and InsurTech’, were both facilitated by Brian Bartosh, CIC, LUTCF. Mr. Bartosh is President of the Top O’Michigan Insurance Agency. He has been an agent for more than 40 years and is considered one of the best when speaking on agency management systems. He participates and leads in many working groups and chaired the Applied Client Network. He is active in the ID Federation (Sign on Once), ACORD (Association for Cooperative Operations Research and Development), AUGIE (ACORD Users Group), ACT (Agents Council on Technology), IVANS and others.

Between the morning and afternoon programs, both sponsored by Chesapeake Employers Insurance, agents and guests visited the Exhibit Hall, where exhibitors displayed their products and assisted agents with any questions. It was also in the Exhibit Hall that we were treated to a delightful ‘Mexican’ themed luncheon. Agents received six (6) hours of continuing education credits, qualifying for both life/health and property/casualty. It was also filed in multiple states.

The Chairman’s reception followed closely at 5:30. This event, sponsored by Progressive Insurance and Erie Insurance, both IIA Maryland Partners, was chocked full of exceptional hors d’oeuvres and exceptional networking opportunities.

The big event, our 83rd Annual Installation of Officers started off the evening, with Commissioner Al Redmer, Jr. installing the 2019-2020 Officers. Leading this year will be Chairman Gerald ‘Gerry’ Zoller of the American Heritage Agency in Emmitsburg, Maryland. His support and our full team of officers include, Immediate Past Chairman, John Cabrera of CF Alliance Insurance Services in Germantown; State

(Con’t on page 8)
National Director, Angela Ripley of V.W. Brown Insurance Services in Columbia, President, Rebekah Langford of IIA Maryland in Glen Burnie; President-Elect, Jerry Nicklow of Huff Insurance in Pasadena; Vice President, Ivory Buck, III, of the Avon-Dixon Agency in Easton; Christopher Weller of the Monterey Insurance Group of Huntingtown and Angela Bonarrigo of Brothers Insurance Associates in Westminster.

After a delicious dinner of Chicken Chesapeake/Tortellini Alfredo, we were entertained by an absolutely magical performance by Comedy Mentalist, Sean Bott. Sean was so ‘in tune’ with our group and left everyone wondering ‘how’? He was described by the LA Times as “a crazy blend of Jack Black and Criss Angel, AMAZING! He has been on HBO, NBC, MTV, the CW and in 127 Hours with James Franco. Sean blended amazing moments with subtle one liners to create a great experience for our agents.

IIA Maryland thanks all of our sponsors, exhibitors and attendees for making this a wonderful event.
(Con’t from page 8)

Scott Zilber and Chairman Gerry Zoller

Incoming Chair, Gerry Zoller

Mentalist Sean Bott and Allie Nicklow

Staffers provide registration support-Alex Teipe, Kyrsten and Kaitlyn Langford
2019 MARYLAND LEGISLATION OF INTEREST TO INSURERS

Well it’s that time of the year again. Maryland’s 2019 legislative session has officially come to an end and we can now begin the process of figuring out just how much our world is going to change. For those in the insurance field, the answer to this question lies beneath a parcel of newly passed bills. We have focused on five impactful bills that passed this year and will shortly go into effect.

**Discovery of Insurance Coverage: SB 101 (Chapter 748)**
*Effective Date: October 1, 2019*

With the passage of this legislation, the pre-trial litigation discovery requirements applicable to motor-vehicle tort claims have been extended to other tort claims involving bodily injury and death. Where insurance coverage may be provided under motor vehicle insurance policy, or a homeowner’s or renter’s policy, an insurer will have to provide information to the claimant.

In order to obtain the “applicable limits”, a claimant must submit to the insurer:

- The date of the alleged tort.
- The name and last known addresses of the alleged tortfeasor.
- A copy of the vehicle accident report, the police report, or any other official report concerning the tort, if available.
- The insurer's claim number, if available.
- A letter from an attorney admitted to practice law in the State "certifying" that: (1) the attorney has made reasonable efforts to investigate the underlying facts of the claim; and (2) based on the attorney's investigation, the attorney reasonably believes that the claim is not frivolous.

After this information is submitted, an insurer will need to determine if it “may be liable” to (1) satisfy all or part of the claim; or (2) indemnify or reimburse for payments made to satisfy the claim. If so, then the insurer must provide the claimant certain information within 30 days.

By October 1, 2019, an insurer needs to have procedures in place which will allow for proper responses to inquiries related to limits. It is important to note that this new legislation does not apply to all types of policies; insurers issuing commercial policies and umbrella policies do not have to provide information regarding limits.

**Driver's Licenses: Identification of Gender: SB 196 / HB 421 (Chapters 648-649)**
*Effective Date: October 1, 2019*

With this new legislation, applicants for driver’s licenses may identify as male, female, or unspecified/other. While this bill does not directly impact insurers, insurers that base rates on gender may have to consider how to deal with the designation of unspecified/other for rating purposes.

**Rental Vehicles: SB 436 / HB 1003 (Chapters 471-472)**
*Effective Date: January 1, 2020*

Generally, an owner of a motor vehicle registered in the state must maintain insurance providing for the minimum security required by law for the vehicle; in most instances, this insurance is primary. Until this law, this generally was the case even when the vehicle at issue was a rental vehicle. Now, the insurance of the owner of the vehicle can, under some circumstances, be secondary to the rental insurance.
(Con't from page 10)

circumstances, be secondary – with the renter’s insurance being primary.

**Homeowner Insurance – Marital Status: SB 607 (Chapter 331)**
**Effective Date: January 1, 2020**

In Maryland, there is no general prohibition stopping insurers from using marital status in the underwriting of homeowner’s insurance. As a result of the use of marital status in underwriting, there were occasions where a widow or widower was paying higher premiums for homeowner’s insurance after the death of a spouse. This law prohibits an insurer from increasing the homeowner’s insurance premium of an insured who has become a surviving spouse, based solely on the insured’s change in marital status.

**Security Breaches: SB 30 (Chapter 103)**
**Effective Date: October 1, 2019**

This new legislation requires an insurer, a managing general agent, or a third-party administrator to notify the Insurance Commissioner that a breach of a security system has occurred if, after investigation, it is determined that there is a likelihood that personal information has been or will be misused. This notification would be in addition to compliance with other state and federal laws relating to the protection of privacy of “personal information.”

As you can see, changes have been made to a wide variety of insurance fields. For further information respecting this legislation, please contact Patricia McHugh Lambert at plambert@pklaw.com.
Meet Your 2019-2020 Officers

CHAIRMAN

Gerald “Gerry” Zoller, CPCU, CIC, AU
American Heritage Insurance Agency, Inc.
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A graduate of the University of MD, College Park, Gerry is a 46 year veteran of the Insurance industry. He held various company and agency positions in NJ, PA, and MD, prior to starting his agency, American Heritage Insurance Agency, Inc., from “scratch” in April 1983. He serves as Chairman of the agency. Gerry received his CIC designation from the Society of Certified Insurance Counselors in 1988 and his Associate in Underwriting (AU) and his CPCU from the American Institutes in 1980. He maintains membership in the Society of CPCU; Society of CIC, Maryland International Trade Association and IIA Maryland. He also serves on the Carroll County Community College Foundation Board.

Gerry is married to Heather B. Zoller CIC, (President of American Heritage Insurance Agency, Inc.). Gerry and Heather have three children and seven grandchildren. In his “non-Insurance” hours, Gerry enjoys travel, cooking and gardening.

IMMEDIATE PAST CHAIRMAN

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John Cabrera is the Senior Vice President - Sales and Marketing Division. He has been in the insurance industry since 1990 with 10 years at a major insurance company as an underwriter and with the corporate management group. John enjoys golfing and playing volleyball. He is also involved and active in the Philippine-American community and local non-profit organizations focusing on charities, sports, and cultural activities.

John is an active member and past President of the Rotary Club of Gaithersburg, Maryland. He is currently on the Board of Directors and a past President of the Philippine American Chamber of Commerce of Metro Washington, DC (PACC-DC). He is also a member of the Board of Directors for the Medical Mission of Mercy (MMOM) and the President of Charity For All (CFA) Foundation Inc.

(Con’t on page 13)
Rebekah has worked for the Big ‘I’ since 1996, most recently serving as our Education Director, Webmaster and Bookkeeper. She has led the association to several EIE (Excellence in Education) awards. It was also Rebekah’s wonderful idea to begin reaching out to Veterans to provide them with alternatives and possible jobs in the industry upon their return. She has introduced several programs to the association and works with her core group of instructors in providing AAI, ACSR and specialty programs.

Rebekah has served on the Maryland Insurance Administration’s Advisory Council for the past five years.

Rebekah lives in Grasonville with her husband of 21 years, Rick. They have four children; Brenden, Kate, Kyrsten and Bryan.

She enjoys spending time with her family, soccer and reading. She and her family are also avid animal lovers and work with the shelters in the area.

Angela received her BS from Frostburg State University. Angela started in the business basically from birth, being the daughter of an agency owner, however, her formal career as an independent insurance agent began in Frederick, Maryland with a summer position 25 years ago.

She worked at Erie Insurance Group as a small claims adjuster and as a Senior District Sales Manager. She is current president of V.W. Brown. She has served on several agency advisory boards.

She is married to R. Graydon Ripley and together they have two beautiful daughters Emma age 14 and Madelyn, age 11. She stays involved in their children’s activities. She also enjoys a neighborhood book club and working with multiple charitable organizations.
Jerry Nicklow has been with Huff Insurance since 2008 where he serves as the Marketing Director. His main duties are to manage the agency’s marketing strategies. Jerry has been in the insurance industry since 1995. Prior to joining Huff Insurance, Jerry was the Underwriting and Operations Manager for Agency Insurance Company, a regional automobile insurance company located in Maryland, from 1997-2008. Jerry graduated Arundel High School in 1989, where he was a member of the baseball team. He went on to play baseball at Anne Arundel Community College from 1991-1992, and then to Salisbury State University from 1992-1995 where he graduated Summa Cum Laude with a degree in Business Administration with a concentration in Finance. Jerry enjoys being involved with the local business associations, chambers of commerce, and the IIAMD, where he has been serving as the Anne Arundel County Representative to IIAMD board since 2016. He serves on the board of directors of the Anne Arundel Community College Foundation and is a past president of the Pasadena Business Association. Jerry enjoys spending time with his wife, Nancy, and their two children, Allie and Dalton, who also spend time working at the agency during their off time at school.

Ivory M. Buck, III joined the Avon-Dixon Insurance Agency in 2005. He has over 32 years of experience in personal and commercial lines insurance as an adjuster, claims specialist, insurance investigator and claims supervisor. He currently holds the position of claims manager. Ivory is a licensed property and casualty insurance agent in multiple states and also holds an adjuster license in several states. He is also a Notary Public in the State of Maryland. Ivory is a key player within the Avon-Dixon Insurance Agency and its family of agencies, such as Elliott Wilson Insurance, Freestate and Son Insurance and Jack Martin & Associates.

Prior to his career in insurance, Ivory earned his bachelor’s degree from Lincoln University in Pennsylvania. That is where he met and married his college sweetheart, Janelle. Ivory and Janelle have a son, Ivory IV, who attends Towson University.

Ivory participates and is very active in his civic and social organizations such as the Mayor’s Dorchester County Grants Board, Dorchester County School Curriculum Board, and Dorchester Chamber of Commerce. Ivory has served as chairman and headed several positions within his Church, College Alumni fraternity, Kappa Alpha Psi, and his Mason lodge and Shrine temple.

(Con’t on page 15)
Chris graduated from Frostburg in 1998 with a BS in criminal justice and a minor in Business. Soon after college Chris joined Enterprise Rent-A-Car where he worked for 16 years managing multiple locations and employees. In 2015, Chris left Enterprise to join the insurance industry as a producer. In 2017, he became President of Monterey Insurance Group based in Huntingtown, MD. In 2018, he joined the IIAMD Board of Directors to submerge himself in the industry. Chris is also a member and Board of Directors for the Leonardtown Lions Club. He enjoys donating his time to make a difference in his community. Chris, his wife Regina, and four daughters live in Southern Maryland and enjoy time together in the outdoors. He also enjoys BBQ-ing and reading.

Angela graduated from Frostburg State University in 1983 with a BS in Sociology. She started working for her father, Gene Brothers at Brothers Insurance Associates in September 1984. After the business incorporated, she became Vice President of the agency. Angela became involved with the IIA of Carroll County in 1986, and was voted Secretary/Treasurer in 1991 and went on through the chairs. Angela served on the IIAMD Executive Committee beginning in 2004 and as the President in 2008. Since 2010, she has been active with the ACS Relay for Life. She is captain of the relay team WHS Class of 1980, and they have raised almost $45,000. She is also currently a member of the Westminster Elks.

In her free time, she gardens and watches the Orioles and Ravens. Angela currently lives in Westminster, Maryland where she was raised and has lived most of her life.
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ACORD and the Big "I" Announce Partnership to Develop Digital Standards in Support of Independent Agent Community

Industry organizations to extend ongoing collaboration in order to effectively meet the needs of agencies for efficient next-generation data exchange

PEARL RIVER, N.Y. — ACORD, the global standards-setting body for the insurance industry, today announced that it will be aligning its efforts to develop new Digital Standards for efficient data exchange with members of the independent agent distribution channel via a partnership with the Agents Council for Technology (ACT).

The ACORD Digital Standards will complement existing ACORD standardized forms and electronic messages, enabling streamlined data exchange capabilities which are optimized not only for mobile devices, but also the "Internet of Things," distributed ledger technology, and other emerging technologies. ACT, a Big "I" program, will provide an additional forum for independent agents and other ACT members to participate in the development of the ACORD Standards.

"ACORD and ACT have always shared the mission of facilitating fast, accurate data exchange for insurance agencies and their business partners," said ACORD CEO Bill Pieroni. "Agents are a critical link in the insurance value chain, and bring a unique perspective to our standards development process. With ACT as the voice of the agent community, we will be able to more effectively meet the needs of the industry."

In addition to contributing to the development of ACORD Standards, ACT will collaborate with ACORD on education and advocacy on behalf of the agent community. ACORD will offer discounted registration to independent agents at its annual conference, ACORD Connect, taking place October 29th-30th in Boston.

"We recognize the critical need for our independent agents, insurance companies, and technology vendors to provide guidance on needed standards changes as technology evolves," said Big "I" President and CEO Bob Rusbuldt. "Having an additional platform for submission of Standards Enhancements requests is one way ACT can help amplify the voice of IA stakeholders."

Malou August (SVP of Standards & Membership, ACORD) and Ron Berg (Executive Director, ACT) will be presenting more details on this collaboration and the standards development process at the ACT meeting to be held May 20th-21st in conjunction with Accelerate 2019 in Cincinnati.

Big ‘I’ Presents InsurPac Awards

The Big "I" presented a slew of awards at the annual Young Agents & InsurPac State Chairpersons Legislative Luncheon during the 2019 Big "I" Legislative Conference.

The event featured a keynote address by Rep. Stephanie Murphy (D-Florida) and the presentation of the annual InsurPac National Championship and Eagle awards.

This year’s winners include:

**InsurPac National Championship Award** (Massachusetts): goes to the state whose agents contribute the most money for InsurPac in a calendar year. Collectively, Massachusetts agents contributed more than $87,000.

**InsurPac Eagle Awards** (Arkansas, Connecticut, Georgia, Idaho, Louisiana, Maryland, Montana, Nebraska, Nevada, North Dakota, South Carolina, South Dakota, Tennessee): recognizes states that surpass a fundraising average of $100 per member agency.
To all of our independent agents . . .

. . . Any way you say it, we couldn’t do it without you!

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Every spring more than a thousand agents visit Capitol Hill offices to lobby members of the House, Senate and their staffs on issues that directly impact independent agents and consumers. This year was no different, when between May 8 and May 10 thousands of agents met with their respective state Senators and Representatives. Maryland agents Angela Ripley (VW Brown Insurance), Colleen Dunn (Tidewater), Scott Zilber (Belman-Klein), Jay Duke (Waring-Ahearn), Berker Hazar (Hazar Insurance) and John Cabrera (CF Alliance) took the opportunity to meet with several of Maryland’s Representatives.

The Maryland delegation waits to visit with Representative John Sarbanes

Colleen Dunn, Senator Benjamin Cardin, Scott Zilber and Angela Ripley

Jay Duke, John Cabrera and Berker Hazar

Angela Ripley, Chair –National Government Affairs Committee presents report. Later Ms. Ripley accepted the ‘Eagle’ Award on behalf of the members in Maryland satisfying their InsurPac contribution levels.
Is THIS your agency risk management plan?

You’re caught up in the day-to-day shuffle, working hard to get and keep business. But if you don’t step back and assess your agency procedures, you can walk right off a risk management cliff, landing your agency in court facing a professional liability lawsuit that may have been avoided.

Big “I” Professional Liability provides the E&O Happens Risk Management Website, featuring more than 700 pages of insurance agency risk management information, available exclusively, and at no cost, to Big “I” members. Features include:

- Claim examples
- Risk management articles
- E&O Claims Advisor newsletters
- Sample disclaimers
- Sample customer letters
- Webinars and podcast archive

Log into www.iiaba.net/EOHappens.
IIABJ Meeting

On Monday June 3rd, Huff Insurance hosted the Independent Insurance Agents & Brokers of Japan. Their guests included President Mr. Kenji Hamanaka, Vice President Mr. Masayasu Chiaki, Managing Director Ms. Su Noda and a group of visitors from some of Japan's insurance agencies and insurance companies. It was a great visit and the group mutually shared their business practices with each other. The Huff Agency is thankful to Robert Klinger and Peter van Aartrijk for initiating the visit. Nancy Huff (Past IIAMD Chair) and Jerry Nicklow (IIAMD’s Chairman-Elect and their staff appreciated this opportunity to share and to learn.
I often ask business owners, how does your business fit into your end game plan? I am amazed by much of the response, but the vast majority consider it to be a major contributing factor to their retirement plan. In the insurance world, we focus intently on protecting the assets of the business so that if a casualty loss occurs, the value will be retained, and the business can rebuild and recover. Yet, the human beings that make the business grow are often not protected as well as their property.

60% of business owners have no succession plan. 40% plan to retire in the next 10 years. For many, their business is one of their largest assets if not the biggest.

Imagine if your plan is to retire in two years and your main partner dies. Do you think without planning the business value will be sustained? The asset that was to support retirement has just suffered a loss. The family of the deceased will want the maximum money they can get for the stock and the surviving stockholders want to pay only the “fair” price. The conflict between the deceased shareholders’ family and surviving shareholders is inevitable without planning and funding.

An effective buy-sell agreement is at the root of a successful transition plan. The plan will include the legal agreement. I am shocked by how many businesses tell me they have an agreement when all they really have is a paragraph or two within their operating agreement that doesn’t come close to addressing all the relevant components. While most buy-sell agreements account for transitioning at death, disability and retirement are often overlooked. Planning for these events will help ensure successful transition.

Most business owners expect that their company will continue to operate beyond their effort. However, successfully transitioning control of a business rarely occurs without thoughtful planning. Consideration must be given to the needs of the business as well as the personal needs of the owner. Normally, a team of attorney, accountant and financial advisors will develop a plan to match the owner’s goals. The number of owners and the tax structure of the business will dictate some of the design and we always need to address our less attractive partner named Uncle Sam.

Sometimes we find family members in business and often special goals are desired. The goals may be to provide income for the spouse, or to address estate equalization issues for businesses where only some children are in the business. There are many different visions for perpetuation. I remember as a youth my friend’s father owning a sole proprietorship accounting firm and an agreement with another accounting firm that successfully provided transition for the clients and paid my friends’ family for the business with tax free life insurance proceeds. Advanced planning enabled three children to all attend college and the spouse to survive with no mortgage and a lifetime income stream.

As insurance professionals we can assist our clients in maintaining the value of their business if an owner dies or becomes disabled. We can take the financial hardship out of the loss so the surviving owners

(Con’t on page 23)
can continue the business and the surviving family can receive a tax-free check for the stock. The buy sell agreement addresses methods of valuation so that it is not disputed when triggered. Ideally the agreements are created with flexibility to make adjustment as tax laws are altered. The process itself also begins to shape leadership direction and responsibilities to help survive the loss of specific skills within a business.

Life insurance is used to provide tax free funding for death while disability buy-out coverage can be added to a provide lump sum buy-out or a five-year payment schedule. The trigger for disability happens after a full year elimination period so the agreement needs to match. Life insurance professionals should make sure ownership of the insurance contracts match the agreement.

Having a valid perpetuation plan for every business:

1) Assures the value upon loss;
2) Assures a fair predetermined price when the exit takes place with a known buyer
3) Assures smooth orderly transfer.

So, if your clients tell you that their business is part of their retirement future, consider protecting the people that run and grow the business. Finally, if your clients indicate they have an agreement, it never hurts to review it make sure the agreement is up to date and the insurance funding reflects the current fair market value of the business.

Mark Gage, CLU is an experienced business insurance planner and Vice President of Northeast Brokerage. He can be reached at mgage@nb-bga.com or call at 410-552-9300
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- **Excess over underlying E&O**
- **Personal umbrella coverage** (optional) for owners, partners and officers. Sub-limit does not affect total limit.
- **Defense coverage** that follows the underlying policy coverage
- **Flexibility** to meet the needs of any agent, including flexible pay plans

Coverage

*Coverage limits (higher limits may be available)*
- Up to $10 million for commercial and professional liability
- Up to $5 million for personal exposures of owners and officers

Coverage features

- **Business operations** — excess limits protection for your agency for liability incurred as a result of normal business activities. Policy provides coverage over an agency’s commercial general liability or businessowners, employers liability and commercial auto.
- **Professional liability** — excess limits protection on a following-form basis for errors and omissions in the course of the agency’s business as an insurance professional. Coverage can be written over a variety of primary E&O carriers.
- **Prior-acts coverage** follows primary E&O carrier.
- **Covers any person acting in a capacity** as a real estate agent or notary.
- **Personal umbrella coverage** (optional) — broadened and excess personal protection for owners, partners and officers. (Submit ACORD Personal Umbrella Application.)

Applicable fees

- **Installment fees**: No installment fee will be added to the initial payment. However, a $4 installment fee will be added to each installment billing.

Available Payment Plans by Premium Level

<table>
<thead>
<tr>
<th>Premium amount</th>
<th>Payment Plan Options</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Full payment</td>
</tr>
<tr>
<td>Up to $1,000</td>
<td>X</td>
</tr>
<tr>
<td>$1,001 - $5,000</td>
<td>X</td>
</tr>
<tr>
<td>Greater than $5,000</td>
<td>X</td>
</tr>
</tbody>
</table>

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July ABEN Webcast Schedule

1 - Long Term Care Insurance
2 - E&O Meeting the Challenges of Change (6 hr)
3 - Directors & Officers Liability Insurance
3 - Ethics & Business **NEW**
3 - Data Privacy Insurance
9 - Home Based Business Exposures
9 - Cyber Insurance Deconstructed **NEW**
9 - E&O - Roadmap To Homeowners Endorsements and Personal Inland Marine - Part 1 **NEW**
9 - Ethics in Today's Changing Times
9 - E&O - Roadmap to Policy Analysis - Part II **NEW**
9 - E&O - Roadmap to Policy Analysis - Part I **NEW**
10 - E&O - Roadmap To Homeowners Endorsements and Personal Inland Marine - Part 2 **NEW**
10 - Personal Lines Claims That Cause Problems
11 - BAP Symbols & Endorsements **NEW**
13 - E&O Meeting the Challenges of Change (6 hr)
16 - Rental Cars: More Than Meets the Eye
16 - COPE Property Underwriting & Effective Loss Control
16 - Building Codes are Bad for Your Insureds
16 - A Little of This, A Little of That: New Threats & Possibilities in Comm'l and Personal Lines Ins **NEW**
16 - Home Based Business Exposures
16 - Workers Compensation : Beyond the Basics
17 - Business Auto Claims That Cause Problems
17 - Ethical Issues - Personal & Organizational
18 - Certificates of Insurance - Emerging Issues and Other Stuff That May Scare You! **NEW**
18 - Insurance and the Property Lease
18 - E&O Meeting the Challenges of Change (6 hr)
22 - Those Kids & Their Cars!
23 - E&O Risk Management – Meeting the Challenge of Change-Part 1 (3 hrs)
23 - Hot Topics in Personal Lines
23 - COPE Property Underwriting & Effective Loss Control
23 - Building Codes are Bad for Your Insureds
23 - A Little of This, A Little of That: New Threats & Possibilities in Comm'l and Personal Lines Ins **NEW**
23 - Business Income - Beyond the Basics
23 - Workers Compensation : Beyond the Basics
23 - Top 5 Life Insurance Uses
23 - Umbrella/Excess: A Blanket of Protection?
23 - E&O Risk Management – Meeting the Challenge of Change-Part 1 (3 hrs)
23 - Annuity Basics and Where They Fit
26 - NFIP Program Changes and Refresher

Register online at https://iiamd.aben.tv/

(Con’t on page 24)
August ABEN Webcast Schedule

1 - Hot Topics in Personal Lines
1 - Umbrella Excess: A Blanket of Protection? **NEW**
1 - Annuity Basics and Where They Fit
2 - Data Privacy Insurance
5 - Long Term Care Insurance
6 - E&O Meeting the Challenges of Change (6 hr)
6 - COPE Property Underwriting & Effective Loss Control
6 - Building Codes are Bad For Your Insureds
6 - Business Income: Beyond the Basics
6 - Workers Compensation: Beyond the Basics
7 - Directors and Officers Liability Insurance
7 - Ethics and Business
8 - BAP Symbols and Endorsements
10 - E&O Meeting the Challenges of Change (6 hr)
12 - E&O - Roadmap To Homeowners Endorsements and Personal Inland Marine - Part 1 **NEW**
13 - E&O - Roadmap To Homeowners Endorsements and Personal Inland Marine - Part 2 **NEW**
13 - COPE Property Underwriting & Effective Loss Control
13 - Building Codes are Bad For Your Insureds
13 - A Little of This, A Little of That: New Threats & Possibilities in Comm'l and Personal Lines Ins **NEW**
13 - Business Income: Beyond the Basics
13 - Workers Compensation: Beyond the Basics
13 - Ethics in Today's Changing Times
13 - Top 5 Life Insurance Uses
13 - E&O - Roadmap to Policy Analysis - Part I **NEW**
13 - E&O - Roadmap to Policy Analysis - Part II **NEW**
14 - E&O Risk Management – Meeting the Challenge of Change-Part 1 (3 hrs)
15 - E&O Risk Management – Meeting the Challenge of Change-Part 2 (3 hrs)
15 - NFIP Program Changes and Refresher
16 - Certificates of Insurance - Emerging Issues and Other Stuff That May Scare You! **NEW**
20 - Rental Cars: More Than Meets the Eye
20 - A Little of This, A Little of That: New Threats & Possibilities in Comm'l and Personal Lines Ins **NEW**
21 - Ethical Issues - Personal & Organizational
21 - Business Auto Claims That Cause Problems
21 - Cyber Insurance Deconstructed
22 - E&O Risk Management – Meeting the Challenge of Change-Part 1 (3 hrs)
22 - E&O - Roadmap To Homeowners Endorsements and Personal Inland Marine - Part 2 **NEW**
22 - E&O Risk Management – Meeting the Challenge of Change-Part 2 (3 hrs)
23 - NFIP Program Changes and Refresher
23 - E&O - Roadmap To Homeowners Endorsements and Personal Inland Marine - Part 1 **NEW**
26 - Those Kids and Their Cars!
27 - E&O Risk Management – Meeting the Challenge of Change-Part 1 (3 hrs)
27 - E&O - Roadmap to Policy Analysis - Part 1 **NEW**
27 - E&O - Roadmap to Policy Analysis - Part 2 **NEW**
27 - E&O Risk Management – Meeting the Challenge of Change-Part 2 (3 hrs)
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Partnering with Builders Mutual insurance.

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BuildersMutual.com
More than 20,000 Maryland businesses are receiving a dividend from Chesapeake Employers Insurance in 2018 & 2019 – ten million dollars a year to be paid out over two, consecutive years beginning with July 1, 2018 renewals. Many of these policyholders are small businesses whose loss ratios prove they have a commitment to workplace safety, preventing injuries, and helping their employees return to work. Financial strength and the potential to earn a corporate dividend, more good reasons agents can feel good about recommending Maryland’s largest writer of workers’ compensation insurance.

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