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Buying, Selling, and Merging an Agency

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BIG I MARYLAND

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Messenger

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In This Issue

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Chairman's Message

Jerry Nicklow, AAI

Hello again fellow Big I MD members.

I hope this message finds you doing well, both physically and fiscally in this start to 2021.

In my last message, I talked about how 2020 could be described as challenging and different.

2021 is showing promising signs of the beginning of the end to the COVID pandemic. Although the vaccines are out and the numbers are trending in the right direction, we still need to be diligent and do what we can to help the fight.

If you are like us, this pandemic has caused some changes in the way we do business that will last long after the pandemic is over.

In my opinion. the days of virtual appointments are here to stay. This is true in our industry as well as many others. Like virtual doctor's appointments, or telehealth, virtual networking events, and virtual board meetings.

What technology has your agency embraced to adapt to these changes? Have you found a unique way of doing business that you would like to share with your fellow Big I members? If so, please reach out to the Big I offices and let them know that you'd like to share your ideas. They will gladly accept your input as part of this newsletter or for our Big I observe releases.

The Big I can help you in your adaptations. Big I Md has arranged for discounted pricing for technologies that can help you do business more efficiently in the virtual world. Epay policy and Docusign are two of these technologies that have discounts available to our members. Through the use of Epay policy (for payment acceptance) and Docusign, we are able to complete transactions virtually with our clients. Some clients still want to meet in person, but these technologies allow us to do business with those who still do not want to meet in person.

Another part of todays world is being found online. Through our national Big I and Trusted Choice, there are resources that will evaluate your online presence and make recommendations for improvement. I use these resources on a regular basis to grade our digital presence. If you are in need of major changes or a new website, Trusted Choice has a list of preferred vendors that they can recommend for you.

I think the new way of doing business is here to stay. If you need to make changes to adapt, you do not have to do it alone. Take advantage of the resources available to you through your Big I membership and also take advantage of the relationships with your fellow Big I members ask for advice.

We are all in this together, so let's do what we can to make our membership and our industry as strong as it can be.

Thank You!

Balancing Act:

Customers Demand Both a Digital and Personal Experience

By Bill Suneson

Prior to the COVID-19 pandemic, independent insurance agents were uniquely placed within the market. Amid a surge of companies looking to disrupt the industry with a focus on technological innovation and end-to-end digital accessibility, independent agents catered to a demographic that valued a more personalized approach. However, the pandemic has upended the insurance world and completely transformed customer expectations. To survive, agents must embrace digital solutions going forward or risk being left behind.

Bindable recently conducted a study taking a broad look at the evolving role independent agents play in the insurance ecosystem, both pre- and post-COVID-19, and the tools and technologies today's agents must invest in to remain relevant. The study reveals how an industry sector that has historically been slow to adopt new technology —91% of respondents—was caught unprepared in a sudden need to operate on a fully digital and remote basis. The consequences were significant, with over three-quarters of agents reporting their businesses were adversely affected with an average 38% drop in sales and revenue.

Although the need to adopt more digital solutions was apparent before the pandemic, with nearly half of agents in the study agreeing that their customers were already searching for more digital tools and 40% saying that they were poised to invest in such tools, the COVID-19 outbreak necessitated a steep acceleration in the process.

The data suggests a scramble to digitize that left many agents at a disadvantage:

- 6 in 10 agents lamented that they were not equipped to work remotely when the pandemic hit.
- Over half (57%) wished they had better technology to see their businesses through the resulting crisis.
- One-third of agents struggled to retain clients.
- Almost half at 48% believe their client relationships suffered as a direct result of the pandemic.

Agents are currently 23% more likely to say that they are looking to invest in digital tools than they were before the pandemic, and a quarter worry that they are struggling to keep up with changes in that arena.

However, the urgency has never been greater. Over three-quarters of agents report that customers' expectations for automated processes have increased, with nearly as many (73%) reporting that their customers expect a fully digital experience.

An inability to cater to these changing demands has ominous implications, as 43% of agents report tighter business margins and 80% agree that slow adoption of technology makes agents less valuable to carriers. Three-quarters of agents who participated in the study believe that investment in technology is critical to the very survival of their roles.

While the urgency of a digital overhaul for any business operation in a post-COVID-19 world is predictable, the data also points to a curious coexistent trend: an increase in customers' expectations that personal interactions are available to them if they need or want them.

A whopping 91% of agents reported an increase in customers' desires to speak to their agents when they have questions, indicating the importance of a hybrid approach that allows consumers to tailor their experiences to be as personal—or automated—as they desire.

The study makes a compelling argument for the importance of digital advancement in the current insurance environment. Technological innovations have long outpaced the ability of many businesses and consumers to keep up, and until recently there was a substantial market for a more "mom and pop" approach to business. Among certain demographics, this might even have been quite sought after, allowing some agents to resist giving their operations digital makeovers.

Recent events, however, have demonstrated with brutal clarity the importance of diversifying offerings across multiple platforms, and the enormous disadvantage businesses face if they are unprepared to cater to customers in the digital marketplace.

Bill Suneson is co-founder and CEO of Bindable.

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Big 'I' Submits Comments on FHA Private Flood Insurance Rule

By *Wyatt Stewart*

In November, the Federal Housing Administration (FHA) proposed a new rule regarding private flood insurance. The proposal would allow consumers to purchase a private flood insurance option instead of insurance through the National Flood Insurance Program (NFIP) when flood insurance is required by the FHA.

Overall, the new proposal is a win for the Big “I" and its members after the Big “I" spent a significant amount of time over the last couple of years advocating for the FHA to accept private flood policies, including numerous letters and meetings with the FHA.

Specifically, the proposed changes would allow lenders to begin accepting private flood insurance policies for single-family insured loans for homes located in Federal Emergency Management Agency-designated Special Flood Hazard Areas (SFHAs), similar but not identical to provisions in use by other federal agencies.

Because of the importance of the FHA private flood rule, the Big “I" joined forces with other organizations that represent insurers, lenders, and realtors to submit comments on the proposed rule.

The comments note that the group of organizations strongly support the U.S. Department of Housing and Urban Development's (HUD's) proposal to allow FHA borrowers to purchase private flood insurance in a manner consistent with federal statutes and in alignment with industry standards and federal agency regulations. The comments also urged HUD to move forward with a final regulation as soon as possible.

Additionally, to allow FHA borrowers to fully realize the benefits afforded by the private flood insurance market, the organizations recommended further aligning FHA with other federal agency regulations that govern the acceptance of private flood insurance. These recommendations included: (1) adopting identical compliance aid language; (2) adopting the federal regulators' discretionary acceptance and mutual aid society provisions; and (3) aligning the definitions of “private flood insurance."

This rule is still a proposal only and FHA's current flood insurance policies remain unchanged at this time, including the requirement that minimum flood insurance be obtained through the NFIP. The Big “I" will continue to provide its members with updates on the FHA proposal through the News & Views e-newsletter.

Wyatt Stewart is Big “I" assistant vice president of federal government affairs.

“This article was originally published in the January edition of Independent Agent Magazine”

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BIG I MARYLAND ASSOCIATE PARTNER PROGRAM

Cleaning Out My Overflowing Basket: Recent and Important Maryland Insurace Cases

By Patricia McHugh Lambert, Esquire

I have a basket in my office that I fill with things that I should read. Sometimes I print an article about an interesting book or person and put it in the basket. Sometimes I place an outline from a Zoom program that I half-listened to while I was working on other tasks in the basket. New laws and ideas for this column are routinely placed in the basket.

At times, my basket starts to overflow. When that happens, I know that it needs to be cleaned out. In the deep darkness of winter, I find it is more difficult for me to do this simple housecleaning exercise—unless I have a purpose. What motivated me to do my basket cleaning was this month's column. I feel that I need to educate insurance professionals—particularly about how new cases impact risks and coverages. With that in mind, here are a few relatively recent cases that I have been keeping in my basket.

A couple of Uninsured Motorist Coverage cases were issued this past year. In ***Nationwide Mutual Insurance Co. v. Shilling***, the appellate court made clear that the statute of limitations in an underinsured motorist claim begins to run when the insurer denies the insured's claim, as opposed to beginning to run on the date of the accident. In ***Barry v. Queen***, the appellate court found that the phrase "damage to property" as incorporated in the uninsured motorist statue, embraced loss of use damages. These cases, as well as the recently enacted statute allowing for enhanced uninsured motorist damages, should cause insureds to consider higher UM limits.

In addition to higher UM limits, an insured should consider the language of the policy with respect to first-party property damages. In ***National Ink & Stitch, LLC v. State Auto Property & Casualty Insurance Co.***, a federal court in Maryland determined that the insurer was required to pay its insured's property damage claim after suffering a ransomware attack. The policy at issue covered direct physical loss of or damage to "covered property." Under the policy, "electronic media and records (including software)" included data stored on a variety of media. After suffering a ransomware attack that compromised the system, the insured submitted a claim. The insurer denied the claim on the grounds that the cyber-attack, and subsequent damage to the insured's computer system, did not amount to a direct physical loss to the insured's computer system. After briefing, the federal court ruled for the insured holding that software can be susceptible to physical loss or damage. The court found that loss of use, loss of reliability, or impaired functionality was sufficient to establish physical loss. Importantly, the court focused on the language of the policy that defined covered property to include data, software and other electronic media. Consequently, it is important that the specific language of the policy, including the definition of "covered property," be reviewed to determine what is and what is not covered.

Policy language is also important to the issue of coverage under the ensuing loss clauses of insurance policies. In ***Bethany Boardwalk Group LLC v. Everest Security Insurance Co.***, an insured made a claim to recover costs incurred for repairs to the hotel' roof, interior damage, and lost business income. The insurer denied the claim on the ground that the hotel's roof was defective and, therefore, the insured's losses were subject to the policy's exclusions for faulty workmanship. The faulty workmanship exclusion, however, was qualified by an ensuing loss clause—this clause provided that the insurer "will not pay for loss or damage caused by or resulting from" faulty workmanship, "[b]ut if [faulty workmanship] results in a Covered Cause of Loss," the insurer "will pay for the loss or damage caused by that Covered Cause of Loss." In this unreported case, the federal court applied a broad construction to ensuing loss and granted judgment in favor of the insured for the interior damage and the loss of business income for damage relating to water.

Another federal case, ***Jowite Limited Partnership v. Federal Insurance Company***, concerned an ensuing loss provision under an all-risk policy. The dispute in this case concerned whether there was coverage for damages to an apartment building that resulted from the defective design and construction of the building's foundation and the

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subsequent settlement of the building. This court viewed "the core of the dispute is whether the ensuing loss clause in the Policy's defective design and construction exclusion restores coverage." The Court here found that the exclusion barred coverage, particularly as they "flowed directly, naturally and predictably from the defectively designed and constructed foundation." So, in the last year, there have been two case with varied facts, with one ruling in favor of the insured and the other favoring the insurer. Policyholders may want to review the ensuing loss clauses of their policy, particularly immediately after the events giving rise to a claim. Certainly, insurance companies must pay precise attention to the ensuing loss clause language of their policies.

Policyholders that are subcontractors (and insurance companies that insure them) need to be aware of a recent case dealing with defense costs. In ***Selective Way Insurance Company v. Nationwide Property and Casualty Insurance Co.***, applying the language of the policy and using a potentiality of coverage standard, the appellate court upheld, for the most part, a decision by the lower court that the sub-contractor's insurer must provide additional insured status to a general contractor. The sub-contractor was found to be liable for the contractor's defense costs plus the contractor's insurer's legal fees incurred in prosecuting a declaratory judgment action.

Finally, there are two cases that raise risk management concerns. In ***Plank v Cherneski***, Maryland's highest court found that a breach of fiduciary duty can be an independent cause of action. As a result, all parties acting as fiduciaries need to have an insurance review to make sure that their interests are protected. On a different front, ***Steamfitters Local Union No. 602 v. Erie Insurance Exchange; Steamfitters Union No. 602 v. Cincinnati Insurance Co***. clarified obligations that land owners owed to their next door neighbors. The Court found that the defendant commercial property owner owed its neighbors a common law duty to maintain its property; this duty to maintain included making sure that the conditions on the owner's property would not cause an unreasonable risk of fire to spread to the neighboring property. Minimizing the risk of spread will need to be considered in risk management. Insureds that are next to potentially vulnerable properties may also need to make sure that they have sufficient insurance.

The reporting on these eight cases has made a dent on my basket. But there will be new cases, new laws, and new ideas that will slowly cause it to fill up again. So stay tuned for more in the coming months.

Buying, Selling, and Merging an Agency—What Should You Do?

By Ronald Kettner, CPCU and Richard F. Lund, J.D., Vice President, Senior Underwritter, Swiss Re*

One of the biggest decisions of your professional insurance carrier comes when you decide to either sell the agency you've worked long and hard to create, or to buy another agency that someone else has worked long and hard to create. You've met with the owners of the agency, you've looked at the book of business, you've agreed on a price, hopefully you've contacted your attorney to help you draft the buy/sell agreement, and you're a few short days away from closing the deal when suddenly someone asks: what about the E & O coverage? Who's doing what? Are you going to pick up the prior acts or am I? Can we just transfer the E&O policy to the new owners? What kind of losses have you had? All of these questions should be asked at the beginning of the talks regarding the sale/purchase, but unfortunately they usually aren't discussed until the last minute and they can have a big impact on the deal.

Think about this, when you buy a new car or are selling your current one, one of the first things you should do is contact your insurance provider. It's no different when you are buying or selling an insurance agency. It also applies when you are only buying or selling a book of business. In most, if not all cases, your E&O policy states that you must notify your E&O provider within 90 days of a merger or acquisition (check your policy for verification of the time limits.) Failure to notify your carrier in a timely manner could result in a gap in coverage.

So let's go through the steps you should follow when you are making a life and business changing decision regarding your agency.

Buying an Agency

You've been talking with a fellow agent about buying their agency for some time and now you've both decided that the time is right. There are many details to consider and the first of which is to do your due diligence to review the other agencies operations, book of business, finances and E&O Policy. At this point it is advisable to retain an attorney to help you through the process. Remember, an attorney can only represent one party, not both. You and the seller should each seek separate counsel. It is a good idea to have a confidentiality agreement with the seller so that you can freely review all of the documents necessary to begin the change of ownership. After you have completed your due diligence and you and the seller are comfortable with all aspects of the agency, the attorney's will draft the buy/sell agreement. Included will be such things as the timing of the sale, the assets to be transferred, the price, and of particular importance is who is responsible for the liabilities of the selling agency. The cleanest way to do this is for each party to retain their own liabilities. In regard to the seller's E&O policy, they will purchase tail coverage and the buyer will add the new agency's book of business to their current E&O policy.

The reason this is the cleanest way to make the change, is because the seller will have the peace of mind of knowing that should a claim arise after the sale for acts while they owned the agency, their E&O policy will provide coverage for them. For the buyer, they know that they will not be responsible for any acts that may have occurred prior to the purchase of the agency. This is true whether or not the selling agency will continue as a separate entity or location for the buying agency. In most cases, even if the buyer maintains the new agency as a separate entity or location, it can be included on their current E&O policy for errors and omissions that are made after the sale.

Another option, while not the best way to transfer the ownership, is for the purchasing agency to agree to accept responsibility for prior acts. This is accomplished by adding the selling agency to the buying agency's E&O Policy. However, please remember that this must be approved by the E&O carrier before the sale is completed. It is imperative that you contact your E&O agent as soon as you begin the buy/sell process. You will be required to provide a loss history of the seller, and the carrier may require an application providing information about the mix of business, gross annual premium, commissions, staff, etc. In some cases the carrier may not agree to provide prior acts due to claims history, nature of the book of business, etc. In that case the seller should purchase tail coverage from their current E&O carrier.

One thing to keep in mind is that the cost of tail coverage or additional premium expense if the prior acts are provided by the buyer can, and should, be considered in determining the sale price of the agency.

Selling an Agency

As a seller of an agency, you may feel that it is important to maintain your agency's legacy. If this is important to you, be sure to discuss this with your attorney so that it is properly

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addressed in the agreement. If you have valued employees that you wish to provide for, you should include how they will be taken care of in the agreement. This may be a source of negotiation as the buyer may not wish to add any permanent staff, so make sure this is brought up in your discussions with the buyer.

An important aspect that was mentioned previously is protection for you if a claim should arise after the sale. As stated before, the best way to ensure this is to purchase tail coverage from your current E&O carrier. While you may not want to add the expense of tail coverage and you believe you are protected because of your agreement with the buyer that they will provide coverage for prior acts and will maintain an E&O policy, you have no guarantees that it will be done. It is not unheard of after an agency sale for the buying agency to either go out of business, sell their agency to another party who will not agree to provide prior acts, or have their E&O policy terminate either voluntarily or involuntary. In each of these cases you could be left without coverage.

Another thing to consider should your agency be added as an additional insured on the buyers' policy is that any claims, whether they are for your agency or the buyer's agency, will be subject to the policy limit of the buyers' policy, regardless of whether there are multiple claims as a result of either agency. In other words, are you comfortable that the policy limits of the buyers E&O policy are sufficient to cover both your and their claims? Also, it should be made clear who will be responsible for any deductible payment.

Mergers

If you are merging with another agency to either form a new agency or be a continuation of one of the two, there are a couple of different ways to handle this in regard to your E&O coverage. One way is to have a new E&O policy for the newly created entity. This ensures a clean slate for all involved. If a new policy is created, each of the former agencies can purchase tail coverage or they can be added as additional insureds on the new entity policy. Again, keep in mind that any claims will be subject to the limits of the remaining policy and remember that this must be approved by the E&O provider prior to the completion of the agreement to ensure that the carrier can comply with your wishes. Another way to handle a merger is to terminate one policy and have that agency added as an additional insured to the policy of the "surviving" agency. The agency that is terminating their policy can either purchase tail coverage or be added as an additional insured upon approval by the E&O provider.

Internal Sale

Many times an owner has a key agency employee who they believe is qualified to take over the agency. Everything that has been stated before applies just the same in these situations. There should be due diligence by both parties, attorneys should be retained, agreements drafted and entered into, and all other aspects of the change of ownership should be carefully contemplated and resolved.

Transfer of a Book of Business

Remember that even if all you are doing is transferring a book of business, either as a buyer or a seller, all of the things mentioned previously apply. While you might think that a transfer of only a small book of business should be uncomplicated, as soon as a claim is made it can become very complicated.

Key points to remember

1. Consult your attorney and have a formal written agreement outlining the duties and responsibilities of all of the parties.
2. Contact your E&O provider as soon as you can to ensure that coverage can be provided as you intend and that there are no gaps in coverage.
3. Giving timely notice to your E&O provider is of utmost importance as many carriers may be unable to comply with your intent after the transaction has already been completed.

You spent your professional insurance career building a business that has provided you with a livelihood and personal fulfillment. If you are either growing or selling your agency, you want the peace of mind of knowing that you have adequately protected yourself.

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Can Employers Require Employees to Receive COVID-19 Vaccinations?

By Claudia St. John

As 2020 drew to a close, we at Affinity HR, a Big "I" Hires partner, started fielding questions from clients about whether they could require employees to obtain a COVID-19 vaccine as a condition of employment. These questions were sparked by the initial vaccination roll-out for front line health care workers and nursing home residents and the alarming spike of COVID-19 infections across the country during the holiday season.

States across the U.S. are in varying stages of vaccination. While the question of whether employers can require a COVID-19 vaccine isn't imminent for most businesses, now is the time to think about what your strategy will be.

Can Employers Require the COVID-19 Vaccine?

The answer to this question is essentially yes. In December 2020, the U.S. Equal Employment Opportunity Commission issued guidance stating that a COVID-19 vaccine, administered by an employer or by a third-party administrator on behalf of an employer is not a medical examination and is permissible.

While the EEOC has deemed such a requirement permissible, it states that employers should have a well-articulated business reason for requiring the vaccine, such as the need to protect the health of employees or clients, travel, work with vulnerable populations, or work in close quarters with others.

The EEOC also cautioned that employers must provide "reasonable accommodation" to employees who either are unable to receive a vaccine due to a medical condition or due to a "sincerely held religious belief." A reasonable accommodation may include allowing an employee to work from home, isolate from other workers, or significantly adjust work duties to provide protections from the general employee population.

Under the Americans with Disabilities Act (ADA) and Title VII of the Civil Rights Act, employers must allow reasonable accommodations such as these, as long as providing the accommodation doesn't cause "undue hardship" for the employer.

The EEOC also cautioned employers who plan on requiring a vaccination to be careful not to violate employees' rights when asking the health screening questions that will likely be necessary to ensure there are no underlying medical reasons for which the employee should not

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receive a vaccine. Because of this, the EEOC advises that employers should consider making vaccinations voluntary or should have a third party administer all aspects of the vaccination process.

Along the same lines, if the employer plans to require proof of vaccination, the employer should be careful not to pursue the reasons why an employee was unable to obtain the vaccine unless the employer can argue they had a reasonable belief the employee's refusal to provide their own protected medical information concerning their inability to receive the vaccine poses a significant risk of substantial harm to the health or safety of the individual or others.

To be safe, if an employer elects to require a COVID-19 vaccine, it must:

- Exercise care in administering the vaccine and consider outsourcing the entire process to a third party.
- Refrain from asking any unnecessary health screening questions.
- Keep any medical information received from employees confidential.
- Be prepared to engage with any employees who request accommodation or seek an exemption from the vaccination due to medical or religious reasons.

Affinity HR strongly encourages employers to lead by example in their approach to taking the vaccine and, thereafter, to continue to maintain social distancing measures and use of personal protective equipment.

In the case of employees requiring reasonable accommodation, employers should consider and review each case carefully before taking an adverse action against an employee for failing to obtain a vaccine. As an employer, do not substitute your wants and opinions for those of the employee's doctor who is making the determination whether the employee should receive the vaccine.

And for those who cannot take the vaccine, it is important not to discriminate, retaliate, harass, or otherwise disadvantage the employee in terms of job duties and pay because of their inability to get inoculated. Employers must keep all information confidential and not communicate who has and who has not been vaccinated.

Finally, if, as an employer, you are considering requiring a vaccine, you may want to take stock of how your employees responded to many of the precautionary measures you may have required over the past few months, including following social distancing protocols, consistent and appropriate wearing of masks and other protective equipment, and overall compliance with COVID-19 safety protocols. If maintaining a safe workforce was challenging, you can anticipate the issues related to mandating, communicating, educating, tracking and accommodating employees during this process will be equally—if not more—challenging.

Just Because Employers Can Require the COVID-19 Vaccine Doesn't Mean They Should

Affinity HR's advice for employers is to take steps toward encouraging vaccines before they decide to mandate them.

Employees may be reluctant to get a vaccine—either because of legitimate health concerns or religious beliefs, or because of personal beliefs, privacy issues or political concerns. While mandating the vaccine may be ultimately appropriate, Affinity HR advises employers to encourage vaccines as a first step.

If taking this approach, employers could:

- Encourage vaccinations as part of a larger workplace wellness campaign, supported by goals, challenges and positive incentives.
- Provide educational campaigns for employees to address their concerns, including inviting a medical professional to address employees' confidential health concerns.
- Give employees time off with pay to obtain the vaccine and, if necessary, to convalesce from the inoculation.
- Lead by example by taking the first vaccine and celebrating the first step toward beating the pandemic.

Although the end of the pandemic seems within sight, the country is still battling high levels of infections. Even those who get vaccines will still need to wear a mask and socially distance until more about the disease can be learned.

For the time being, stay vigilant in protecting your employees, your clients and your communities and spend some time now imagining how you and your employees will celebrate when this wretched disease is behind us.

Claudia St. John is president of Affinity HR Group, Inc. Affinity HR is the endorsed HR partner of Big "I" Hires, the Independent Insurance Agents of Virginia, Big I New York, and Big I New Jersey. Reach out to Affinity HR Group via email or 877-660-6400 with your HR needs.

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COVID and the 2021 Legislative Session

By ***Brett LININGER, Esq.***
IIAMD Legislative Advisor

Since the 2020 legislative session came to an abrupt ending in middle March of last year (the first time since the Civil War a session ended early) the law making process in some respects has never been the same (at least temporarily). The pandemic has prevented any access to State legislative buildings relegating conversations with legislators to Zoom calls and brief outdoor discussions between the State House and the legislative office buildings, virtual bill hearings and voting sessions. In light of the many unknown variables about the session, due to the pandemic, there were a record number of bills pre-filed. The thought being that a bill introduced early will have the best chance of getting passed in the event session closes down early again due to an outbreak.

Despite that hedge and the thought that the legislature would primarily work on COVID related issues, police reform, and the budget, many bills pertaining to IIAMD Members have been introduced, heard, and are actively being worked on. Here is a summary of those key proposals:

House Bill 168/Senate Bill 552 & House Bill 221

Motor Vehicle Insurance Use of Credit History Rating Policy

These bills would prohibit a private passenger motor vehicle insurer from rating an insurance policy using the credit history of an applicant. As a result of the bills' changes, the credit history of an insured or applicant would no longer be used by a private passenger automobile insurer in any way. This issue has been the subject of legislation for many years and will continue to be debated for many to come if not passed. The IIAMD submitted written testimony in opposition to the proposal and will continue to work with legislators as it develops.

House Bill 350

Labor and Employment – Maryland Healthy Working Families Act – Verification

This bill would authorize an employer to require verification that earned sick and safe leave is used appropriately when the leave is used during the period between the first 107 and 120 calendar days that an employee was employed, if the employer provided written notice about the verification requirement at the time the employee was hired, instead of as mutually agreed upon at the time of hire. Additionally, an employer may deny an employee's request to take earned sick and safe leave during the period if an employee fails for refuses to provide any verification required by the employer that the leave was used appropriately.

House Bill 581/Senate Bill 486

Labor and Employment – Employment Standards During an Emergency (Maryland Essential Workers' Protection Act)

In a quick nutshell, among other things this all-encompassing legislative proposal considers any employee who is required to perform his/her work outside the home to receive hazard pay. This will be the most heavily lobbied legislation this session and the IIAMD is involved.

Senate Bill 812/Senate Bill 813/ House Bill 1199

Workers' Compensation Presumptions Related to COVID

These bills would provide that certain covered employees who are suffering from the effects of severe acute respiratory syndrome coronavirus 2 are presumed to have an occupational disease that was suffered in the line of duty or course of employment. Presumption bills are standard fare nearly every session, but these proposals could have additional inertia behind it given the circumstances surrounding COVID.

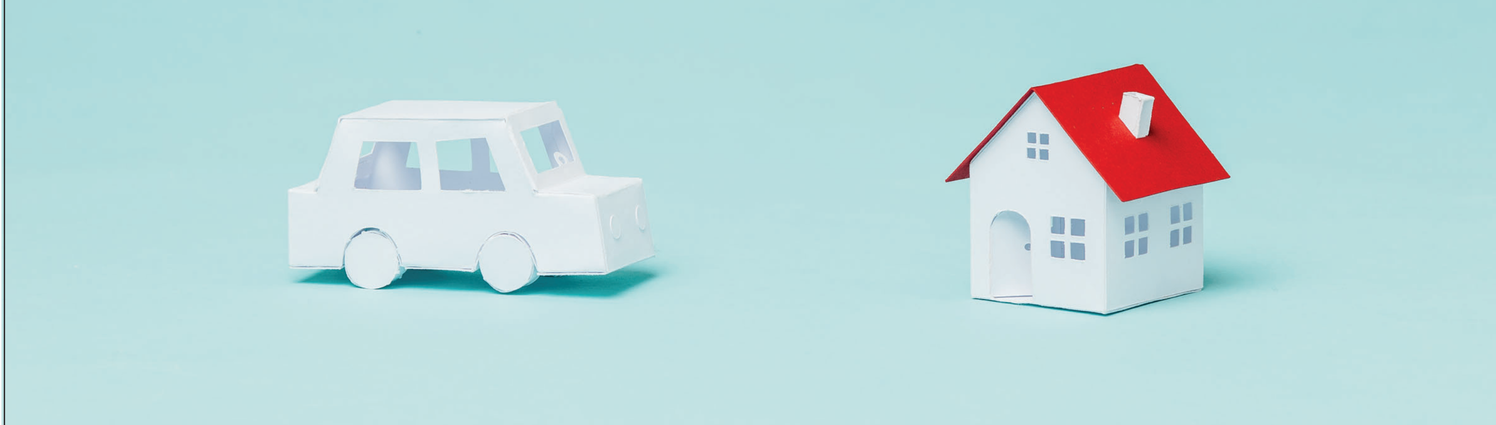
Senate Bill 805/House Bill 1251

Motor Vehicle Insurance – Rate Filings – Discrimination, Trade Secrets, and State of Emergency

Would allow the Insurance Commissioner to require an insurer that issues provide passenger insurance policies to (1) reduce the rates for the policies; and (2) file the changes and amendments of rates if the Governor has declared a State of Emergency by Executive Order. The legislation also seeks to remove the term proprietary rate-related information from the insurance code and, in turn, require that all information used to make rates be available to the public. Finally, the bill seeks to prohibit the use of territory rating for private passenger automobile insurance.

The IIAMD Legislative Committee is meeting regularly to review these and other proposals to determine the best lobbying strategy for each. I look forward to providing the membership with a post session article.

Access Auto & Home Market Options through Big "I" Markets!



Auto & Home Standard Markets on Big "I" Markets provides expansive access to four national carriers in most states, and is set up with service centers* so you can work directly with the carrier(s) once a new business or BOR policy is issued.

MetLife Auto and Home

Coverage is available for vehicles, property, umbrella and valuables to members in all states except AK, DC, DE, HI, MI, NE, OK, SC and SD.

Progressive

Coverage is available for vehicles and watercraft to members in all states except AK, HI, MA, and MI.

Safeco

Coverage is available for vehicles, property, umbrella, valuables, watercraft and recreational vehicles to member agents in all states except: DC, DE, HI, ME, NJ, and RI.

Travelers

Coverage is available for vehicles, property, umbrella, valuables, and watercraft to member agents in all states except: AK, HI, LA, MI, ND, SD, WV and WY.

Visit www.bigimarkets.com.

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**Service Center is not available for Progressive. This content is accurate as of the date of this publication. Not all products are available in all states and situations.*

Commissioner Birrane Selected for International Insurance Regulation Project

Maryland's chief insurance regulator also joins the Executive Committee of the National Association of Insurance Commissioners

BALTIMORE —The National Association of Insurance Commissioners (NAIC) has selected Maryland Insurance Commissioner Kathleen A. Birrane as one of three U.S. representatives on the Steering Committee of the European Union-United States Insurance Dialogue Project.

The NAIC, the Federal Insurance Office (FIO) of the U.S. Department of the Treasury, the European Insurance and Occupational Pensions Authority (EIOPA) and the European Commission (EC) participate in the EU-U.S. Insurance Dialogue Project – an initiative started in 2012 to enhance cross-border cooperation and regulatory modernization. U.S. and EU regulators oversee approximately two-thirds of the global insurance market.

The Project is led by a Steering Committee that includes three top supervisory officials from the U.S. and three from the EU. The Steering Committee chooses key topics they consider to be fundamentally important to a sound regulatory regime that protects policyholders and financial stability.

"I am honored to be chosen as one of the three U.S. representatives to the U.S.-EU Dialogue Project's Steering Committee," Commissioner Birrane said. "Insurance is a global industry and it is important that U.S. and European regulators coordinate as much as reasonably possible in addressing issues that transcend borders. For example, the impact of climate change on the financial health of insurers, and the question of how financial risks are identified, measured, and reported are issues where coordination and consideration of the impact of varying regulatory regimes on global actors is important."

Commissioner Birrane is a highly engaged member of the NAIC, the U.S. standard-setting and regulatory support organization created and governed by the chief insurance regulators from the 50 states, the District of Columbia and five U.S. territories. For 2021, Commissioner Birrane serves as Secretary/Treasurer of the NAIC's Northeast Zone and is a member of the organization's Executive Committee. She also will serve this year on three key NAIC policy committees -- the Health Insurance and Managed Care Committee, the Property and Casualty Insurance Committee and the International Insurance Relations Committee. Commissioner Birrane has also been selected as the NAIC's representative to the Board of URAC, a non-profit Washington, D.C.-based accreditation and certification service for health care organizations.

As a member of the NAIC Executive Committee, Commissioner Birrane is:

- Co-Vice Chair of the Climate and Resiliency Task Force, which is evaluating climate impact on the insurance sector, regulatory approaches to the issue and innovative solutions to mitigate risk.
- Vice-Chair of the Information Systems Task Force, which evaluates and provides recommendations for technical services or system used by U.S. insurance regulators.
- A member of the Special Committee on Race and Insurance, which conducts research and analysis on the level of diversity and inclusion

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7 Steps to Serving Clients Through Mail Delays

By *Wesley Gehman*

Over the past few months, there has been an uproar over mail delays in the U.S. People have not been receiving their mail and packages, business functionality is being delayed, and politicians are discussing reforming the U.S. Postal Service.

The mail delays have made invoices and insurance payments arrive late, often resulting in dropped coverage for clients. Many providers are unable to stop or delay policies lapsing due to the automated technology managing the decision.

Needless to say, this has caused stress, chaos and confusion for agents and clients alike. While this situation is a major problem, it is also an opportunity to provide even better customer service and value as an independent agent.

What should you do? In client management, when a problem arises it is best to bring it to the client's attention. Avoiding the problem will show a lack of preparedness and attention to detail.

The key to managing client relationships during emergencies or issues is overcommunication. By maintaining proactive communication, you help your clients understand the problem while assuring them that you're doing everything you can to take care of it.

Here are the seven steps you should take to inform your clients of the issues surrounding mail delays:

1. ***Inform your team.*** The mail delays will require your team to manage calls and questions about dropped insurance and late payments. An informed and equipped team will be able to effectively assist clients.
2. ***Inform your clients.*** The most effective way to inform your clients is through a mass email. Be prepared for many responses and phone calls. Avoid sharing the information on social media because then the fault or blame will be associated with your agency.
3. ***Inform your clients what you are doing to solve the problem.*** When you indicate that there is a problem, also be clear about how you're fixing the situation, such as contacting your providers to see if they can delay dropping the coverage, and monitoring late payments and contacting those clients so they can still pay their premium.
4. ***Inform your clients of other ways to pay.*** Many carriers have a variety of payment options. Recommend alternatives such as electronic fund transfer, online credit or debit card payments, or payments over the phone.

   What if a client loses their insurance coverage due to a late payment? You can create a new policy for them, but it is likely their premium will not be the same. You should contact their carrier to reinstate the policy that was canceled. To manage expectations, be sure to communicate to clients that this is a possibility if their policy is accidentally dropped.
5. ***Be available and follow up.*** Being available for your clients during this time will improve their confidence in you as their agent, which will help increase client retention. They're worried—and you can be the one to relieve their fears.
6. ***Follow up with especially anxious clients.*** Clients that expressed anxiousness when they had nothing to worry about can be a helpful indicator to your agency. Knowing that, cater your customer service and communication to them specifically.
7. ***Recognize your team.*** Your team is probably feeling stretched from the increased workload from all those calls and emails. Recognize them for what they have accomplished. If your team knows they are supported, they will be better at supporting clients.

Wesley Gehman is marketing director at Strickler Insurance Agency in Lebanon, Pennsylvania.

"This article was originally published in the February edition of Independent Agent Magazine"

Life Insurance Made Easy

Turbulent Financial Changes

By Mark R. Gage, CLU

We coach our insured's to save for retirement, for college, and other financial goals. Hopefully we help them achieve many of these goals and reach retirement with a nice nest egg. During the ride, we might experience some turbulence but normally not as volatile as the past couple of years. As clients get closer to retirement, we may help reposition assets to minimize a drop and to maintain usually a more conservative approach during their distribution years. While clients can't control the markets, they can position themselves better financially. There are not only investment variables and cost of living adjustments, but the cost of long term care can take a carefully grown portfolio and turn it upside down. Ignoring the LTC exposure won't change the exposure but addressing it can make a huge difference for the healthy spouse and provide care in a venue that your client would prefer. Addressing these issues when the clients are in the 40's and 50's makes this planning affordable.

Up to now, many people have not thought in detail of where they would want long term care to occur, but the pandemic has certainly started clients thinking more about the how and where. As shown in the media, Covid-19 has put a tremendous strain on nursing homes. Nationally one in a hundred nursing home residents have died from Covid-19 and in our area several homes were hit with an even higher death rate. This may no longer be the venue where your clients want to go for their long term care.

The American Health Care Association and the National Center for Assisted Living (AHCA/NCAL) cite a recent survey of nearly 1000 facilities that show 90% are operating at a loss or a profit of less than 3%. 2/3 of those surveyed are operating at a loss! The pressure on care workers in these facilities has been unreal. The financial costs for facilities has been enormous too. The front line workers are truly hero's and are like firefighters jumping into the fire every day. However, despite their efforts the loss of lives and the spread of illness from Covid-19 is very real. In addition, many times family members and friends are restricted from even seeing their family which makes advocating for them all the more challenging.

For many, home healthcare is an attractive venue for care. There have been many advances in home care equipment and staffing that have resulted in much better "home" treatment than ever before. The idea of moving into an independent living home and watching the size of the living space shrink as you need more assistance is not very attractive. As the boomer generation needs for care increases, the supply of care providers in relation to the demand will only escalate the cost of this care.

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In this situation, money will afford choices and insurance products like Long Term Care policies can bring money to the table. I often use the analogy, if your home is paid off, do you still maintain homeowners insurance? Most answer quickly because they don't want to pay the costs out of their own assets if they incur a significant expense. Long term care is the same. You have a pile of money that you have worked hard to accumulate and long term care expenses can wipe it out just like a fire.

Keep in mind, long term care insurance products can now be designed with guaranteed premium and benefits. However, I do feel there will be product adjustments soon between the low interest rate environment and higher claims frequency. So currently there is a window to introduce the concept of LTC to your clients. Even if we can't afford to address the entire exposure, we can offer and design protection that can provide some affordable "added" protection. I do believe that in 2021 we will see the marketplace respond to the attractiveness in removing this asset draining LTC exposure from the retirement plan. Protection and conservative positioning for retirement go hand and hand. Good planning for tomorrow starts by having a conversation about LTC with your clients today!

Ask your clients where they want to receive long term care?

Ask your clients what resources do they plan on using to pay the cost?

Ask your clients if they are aware of the costs of care – both facility and home care?

Working in this marketplace for over 30 years, I have seen the meaningful difference this protection can afford. Our children don't want to dress and bath their parents and conversely the parents don't want their children performing these services. Securing professional assistance provides a better quality of life for all. Let's all work to improve the quality and dignity of life for our clients and show them some viable solutions now.

For more information on how we can work with you to assist your clients

Contact: Mark Gage, CLU

Vice President of Northeast Brokerage

mgage@nb-bga.com or call 410-552-9300.

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within the insurance sector and identifies barriers in the industry that potentially disadvantage people of color and historically underrepresented groups.

- A member of the Innovation and Technology Task Force, which examines opportunities in innovation and technology in the insurance sector, monitors technology developments that affect the state insurance regulatory framework, and develops regulatory guidance.

Commissioner Birrane was also named this year to the Audit Committee of the Interstate Insurance Product Regulation Commission, known as the Insurance Compact, which is a state-based agreement to modernize the regulatory approval of asset-based insurance products. Forty-six states currently are members of the Insurance Compact, which addresses the need for uniformity, speed-to-market, and regulatory consistency by allowing insurers to make a single rate and form filing for certain life insurance products with the Insurance Compact which, when approved, may be used in all member states. Maryland is a long-standing member of the Insurance Compact and also sits on the Product Standards Committee.

In addition, Commissioner Birrane and members of the senior staff of the Maryland Insurance Administration serve on the NAIC's Financial Stability Task Force, Antifraud Task Force, Producer Licensing Task Force, Valuation of Securities Task Force and the NAIC/Consumer Liaison Committee, as well as multiple working groups.

"This is an ambitious year for the NAIC and, with respect to my part in it, I am grateful for the support that NAIC staff provide, as well as the invaluable assistance and expertise of the MIA's seasoned and professional staff," Commissioner Birrane said. "Through our combined efforts, we are able to perform our primary work to enforce the insurance regulatory laws of our State, while also participating in a meaningful way in the development of national and global policies that impact the Maryland market."

Special Note: The Maryland Insurance Administration remains fully operational during the COVID-19 emergency. If you would like to file an insurance complaint, please use our online portal:https://enterprise.insurance.maryland.gov/consumer/ConsumerPortalWelcomePage.aspx

tidbits

1 MDOT MVA Launches New Tool to Help Customers Access Vehicle-Related Correspondence Anywhere, Anytime

New service eliminates need to call or visit a branch to obtain copies of vehicle notices, receipts

GLEN BURNIE, MD—The Maryland Department of Transportation Motor Vehicle Administration (MDOT MVA) is making it easier than ever to keep up with vehicle-related correspondence without sorting or digging through mail. Customers can now look up all notices, letters and receipts related to their vehicle on the MDOT MVA website.

By simply selecting ***View My MDOT MVA Correspondence*** under the website's **Online Services** (https://mva.maryland.gov/online-services/Pages/default.aspx) customers can enter their tag or title number, driver's license number and personal PIN (or last 4 digits of their Social Security number) to access all documents that have been sent in connection with their vehicle **since July 2020**. Customers can view the information at any time and from any device – phone, tablet or computer.

"We are constantly exploring new ways to make these services as convenient as possible for our customers," said MDOT MVA Administrator Chrissy Nizer. "This tool is a great asset that allows our customers to look up vital information at their convenience from the comfort of home, without having to make an appointment to visit a branch office."

Some of the most commonly requested notices and letters that are available online include:

- Tag Return Receipt,
- VEIP Inspection Notice,
- Flag Notice,
- Insurance Suspension Notice,
- Change of Address Card,
- 15-Day Temporary Registration, and
- Updated Vehicle Registration Renewal.

The service was made possible by the launch of MDOT MVA's Customer Connect IT modernization project last summer, which gave customer agents the ability to view a real-time account for each customer, making it easier to understand the needs of the individual and efficiently complete their transaction. The project also gave customers the ability to complete more transactions online, including ordering handicap placards, updating insurance information and starting a vehicle titling transaction before visiting a branch. Customers can check the **MDOT MVA eStore** to take advantage of the many services available online.

Phase Two of Customer Connect launches in December 2021 and will give customers access to correspondences related to driver services, including driver's license renewal notices.

2 Maury, Donnelly & Parr, Kastendike Insurance Group Acquire Northeastern Underwriters

BALTIMORE, MD— Maury, Donnelly & Parr, Inc. (MDP) and the Kastendike Insurance Group (KIG) announced today that is has acquired Connecticut based Northeastern Underwriters, LTD. (NEU). The transaction became effective January 1, 2021. This new acquisition merges a successful 45+ year tenure of Jim Davidson with the MDP/KIG team.

As part of the transaction, NEU

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will continue to work out of their existing location in Madison, CT. When speaking with Jim Davidson, he had the following to say about the transition, "It's been a long search looking for the right partner. I always knew I was looking for two parts: knowledge of marine and construction, and a good reputation. MDP/KIG has both."

"We are thrilled about the partnership with Northeastern Underwriters (NEU). Jim has an extensive insurance background, strong client relationships and mirror similar industries that will dovetail well with our client and carrier partnerships," said Chris Kastendike, Managing Partner, KIG. "Having a New England based presence will help MDP and KIG continue to expand North and allow our clients even more direct contact with our team."

In addition to the partnership with Jim, Mark Tagliaferro (KIG) and Lisa Vecchioni (MDP) will be working with NEU to fulfill our mutual clients service and risk management needs. Together, the team will be able to add a tremendous level of value to an ever-growing client base via new carrier access points, streamlined technology investments, dedicated service teams, in house risk management team, loss control team, in house claims management, maritime expertise and strong commitment to protecting its clients.

Those interested in our MDP Marine division can contact **neu@mdpins.com** for additional information and submission requirements.

3

Berkshire Hathaway GUARD Now Offering Homeowners Coverage in Maryland

From single-family homes to multi-family dwellings to condominium units, rentals, lessors/landlords, and even home-sharing services (e.g., Airbnb), Berkshire Hathaway GUARD aims to bridge the gap between personal and commercial coverage by providing insurance solutions for 21st century living.

WILKES-BARRE, PA—Berkshire Hathaway GUARD Insurance Companies recently announced it added Maryland to the list of states where the insurer offers its Homeowners product.

"With the continued expansion of our portfolio, our goal is to be the preferred insurance carrier our agents turn to for their insureds. With these additions, the company now offers its Personal Lines products in 23 states with plans for further expansion throughout the year," said Sy Foguel, Berkshire Hathaway GUARD CEO. "As we come out of a record-breaking year for catastrophic events across the country, we recognize the need in the marketplace for a sense of security and we believe we can provide that for our policyholders."

As noted by Assistant Vice President of Personal Lines Joseph Walton, "Our personal lines products have proven to be very popular in the previous states we introduced, and we are very pleased with the caliber of submissions we've received. Our success can be attributed to Berkshire Hathaway GUARD providing a customizable product along with a high level of service to both agents and policyholders."

Berkshire Hathaway GUARD's Homeowners product targets dwellings valued over $75,000.

GUARD's product targets dwellings valued over $75,000

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and includes one- to four-family residences, renters, and condo units (both owner-occupied and those held for rental). The company offers a variety of optional coverages aimed at broader protection so that policyholders can obtain property insurance suited to their circumstances. A Personal Umbrella with limits up to $5,000,000 is also available.

According to Chief Insurance Officer Lyle Hitt, "We are confident that we can provide great service to agents that write both commercial and personal accounts. Our products are competitively priced and feature a variety of discounts, including one for insureds who have commercial policies with us. We also believe certain aspects of our underwriting appetite are unique and will appeal to producers anxious to cross-sell and achieve a greater client share."

Berkshire Hathaway GUARD Insurance Companies is a property and casualty insurance specialist writing $2 billion in premium nationwide. GUARD offers a variety of products for both commercial and personal lines of insurance. To learn more about Berkshire Hathaway GUARD, visit https://www.guard.com.

Agents interested in applying should visit https://www.guard.com/apply/.

4

Big "I" Secures Agent Exemption to New Small Business Reporting Requirement

In January, the U.S. Senate voted to override President Trump's veto of the "National Defense Authorization Act" (NDAA). The House voted to do the same meaning that the NDAA is now set to become law.

Pertinent to Big "I" members, the NDAA contains a provision that would create a burdensome new federal reporting requirement for most small businesses. This onerous new requirement was originally meant to cover nearly all small businesses including insurance agents.

However, working with key legislators the Big "I" was successful in securing a full exemption for independent agents and brokers by showing that insurance producers already provide this beneficial ownership information to state regulators and that the additional burden of providing it to the federal government would be duplicative and unnecessary.

Throughout the legislative process, the Big "I" was the only producer group that advocated on behalf of agents and brokers to exclude them from this new onerous requirement. For various reasons, the other producer groups did not engage.

Without this exemption, the beneficial ownership provision would have required agencies with fewer than 20 employees to file new reports on their beneficial ownership with the U.S. Department of the Treasury's Financial Crimes Enforcement Network (FinCEN). Agencies would have to comply with the new requirement annually starting within two years of the law's enactment for existing businesses or upon the incorporation of a new business. The penalties for failure to comply with these reporting requirements are severe, with civil penalties of up to $10,000 and criminal penalties of up to two years in prison.

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The Big "I" is especially grateful to Sen. Mike Crapo (R-Idaho), chairman of the U.S. Senate Committee on Banking, Housing and Urban Affairs, and Rep. Carolyn Maloney (D-New York) for their determined work on this provision. Throughout the NDAA negotiations, the Big "I" worked with both Chairman Crapo and Rep. Maloney to improve this legislation and make sure insurance agents and brokers remain free from these duplicative burdens while still ensuring that bad actors would be prevented from using anonymous shell companies to hide illicit activities.

As many of you know, legislative victories come in various forms: sometimes it means passing legislation beneficial to the IA system, other times it means stopping legislation harmful to independent agents, and here it meant securing our exemption to protect independent agents from this new requirement that will apply to many other small businesses.

5 Inform Members of Trusted Choice® COVID-19 Relief Fund

The Trusted Choice COVID-19 Relief Fund is intended to provide critical relief to independent insurance agencies and brokerages, owners and employees experiencing a significant economic disruption or financial distress as a result of the COVID-19 pandemic.

Since April 2020, thanks to generous donations from several insurance carriers, the fund has assisted approximately 700 agencies with the costs of telework equipment and technology, PPE for reopening offices, medical costs incurred due to COVID-19 illnesses and a variety of unexpected costs due to the pandemic.

There are still funds remaining to provide grants. Agencies that may have experienced unplanned costs are encouraged to take advantage now, before all the funds are depleted. Please note that the fund cannot help with payroll costs, as the Payroll Protection Program remains open and is available to agency owners.

To be considered for a grant, members should complete an application online and be sure to include documentation to support their request. Due to the large volume of requests, grant requests without back-up documentation will not be considered.

If you or your members have specific questions about the fund, contact Big "I" staff.

The Big "I" again thanks Progressive, Foremost, Bristol West, and National General for their generous donations to the COVID-19 Relief Fund.

morebits

6 Chesapeake Employers Launches WC Connect Online Resource for Injured Workers and Families

TOWSON, MD— Chesapeake Employers' Insurance Company recently announced the launch of WC Connect, a new online listing of support and recovery resources for injured workers and their families. WC Connect aims to put injured workers and their family members in touch with individuals and organizations offering support and mentoring from those who have previously experienced – and survived – such injuries as severe burns, traumatic brain injuries, amputations, and spinal cord injuries.

WC Connect is the vision of Chesapeake Employers CEO Tom Phelan, CPA, who was inspired to create a support network through which injured workers and their families could connect with other survivors who have experienced the trauma of a workplace injury. Additional resources also offer inspirational motivation and educational financial support for injured workers' children.

"We recognize that seriously injured workers and their families oftentimes need and benefit from receiving support provided by families who have experienced the same kind of life-altering event," explains Mr. Phelan. "Chesapeake Employers is passionate about helping our injured workers and their families recover from a serious injury. Support groups can help answer difficult questions, share valuable perspectives, and foster positivity."

WC Connect offers resources for:

Burn injuries

- The Johns Hopkins Adult Burn Center
- Phoenix Society for Burn Survivors
- Lehigh Valley Health Network Burn Recovery Center
- Burn Support Magazine
- Model Systems Knowledge Translation Center

Traumatic brain injuries

- Love Your Brain
- Brain Injury Association of Maryland
- ReMed Brain Injury Support Group
- CDC Traumatic Brain Injury and Concussion

Amputation injuries

- Amputee Coalition Support Group Network and Certified Peer Visitors

Spinal cord injuries

- Christopher and Dana Reeve Foundation

Inspirational sites

- John O'Leary Live Inspired
- Amberley Snyder

Educational financial support

- Kids' Chance of Maryland, Inc.

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7 Consumer Advisory: Protect Yourself Against Mail Delivery Delays

The Maryland Insurance Administration is aware that mail delivery delays have resulted in the cancellation or non-renewal of insurance policies for non-payment of premium. Sometimes this is because bills are not being delivered on time and sometimes it is because payment is not being delivered on time. While insurers are often willing to work with consumers to address late payments resulting from mail delays, there are a few easy steps that you can take to protect yourself.

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1. ***Know when your payments are due***. If you have not received your bill or are not sure when your premium is due or how much you are required to pay, call your insurer or insurance producer (agent or broker) NOW to find out when payments are due, how much you must pay, and where/how payments can be made. Make sure that you write down the date and time of the call, the information you are given, and the person you spoke with.
2. ***Sign up for electronic notices and billing if you can***. Contact your insurer to sign up for electronic receipt of notices and bills so that you do not have to depend on the mail. If you are uncomfortable with email, a family member or trusted advisor may be able to help. Some insurers will provide both paper and electronic notices and bills if you ask them to.
3. ***Pay electronically, by phone, or in person if you can.*** There are many electronic payment methods that may be available to you. Insurers and agencies may accept payment by credit card or by an authorized debit of your bank account either by providing that information by phone or by accessing a web-site or an app. ***If you have access to the internet or smartphone technology,*** go on-line to review your payment options or contact your insurer or insurance producer for guidance. ***Remember, never give out personal information, including policy information or financial/banking/credit card information to someone who calls you!*** When you make electronic payments, make sure that you write down confirmation numbers, print receipts and/or take screen shots of the payment confirmation as evidence of your payment.
4. ***Consider automatic withdrawals from your bank account.*** If you pay your insurance premium using recurring payments, talk to your bank and your insurer about how to set up automatic transfers from your account.
5. ***Make sure you have proof of payment/mailing.*** If you must use the United States Postal Service (USPS) to pay your premium, allow significant additional lead time in mailing and protect yourself by using the priority mail service or by securing a proof of mailing receipt. Both options can be obtained at any USPS kiosk or at the service counter. At this time, a proof of mailing certificate costs $1.50. Information regarding certificates of mailing can be found here: https://faq.usps.com/s/article/Certificate-of-Mailing-The-Basics.

If you have experienced an insurance problem due to delays in USPS mail delivery, contact the Maryland Insurance Administration for assistance at 1-800- 492-6116.

2020

InsurPac Review

THANK YOU

TO THOSE WHO CONTRIBUTED TO INSURPAC

Because of you we were able to not only reach our 2020 InsurPac Goal, but we were able to exceed it! Our goal for 2020 was **$17,700** and we raised **$20,030**!

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Markets

Covering Commercial Autos

Big “I” Markets agents have access to commercial auto through Travelers and Progressive. Liability ranges from $1-2 million. Coverages and availability vary by state and carrier. But how do you know which limits to recommend to your commercial insureds?

While clients may request a proposal for state minimum limits, it is Big “I” Markets’ business practice to not quote or offer coverage less than $100,000 CSL. We recommend that for ANY Business Auto Policy a quotation of $500,000 CSL or $1 million CSL should be offered. Limits should be adequate for the insured’s exposure. Insureds need to protect their business assets so the higher the coverage limits the better chances of not running out of limit when the coverage is needed. You never know how bad an accident can be once all the claims expenses start coming in.

Read on to learn more coverage features from our two carriers.

Travelers

Travelers small commercial auto coverage provides up to $1 million of liability protection and can be written on a monoline basis for classes of business that would be eligible for the Travelers Select MasterPac program.

Travelers will entertain vehicles used commercially, but is NOT a market for:

- Livery services
- Hauling of hazardous materials
- Truckers
- Dump Truck operators

Coverages available but not limited to:

- Liability - $1M
- Broad range of deductibles
- Ability to write multi-state exposures on one policy
- Hired Auto Physical Damage
- Employee Hired Auto
- Blanket Additional Insured
- Auto Loan Lease Gap

Travelers Select Commercial Auto is available to members in all states except AK & HI.

Progressive

Progressive Insurance offers a wide range of commercial auto insurance programs to fit the needs of the small business operation. Progressive's Commercial Auto product is currently available to Big "I" members in all states except AK, HI and MA as of the date of this publication.

To submit a quote, log into Big "I" Markets and click on "Commercial Auto - Monoline." Contact Big "I" Markets commercial underwriter Claire McCormack [claire.mccormack@iiaba.net (800) 221-7917 ext. 5415] or Gwen Lombardi [gwen.lombardi@iiaba.net ext. 5469] with any questions.

Markets

Chubb 2021 Market Trends

Big "I" Markets is proud to partner with Chubb to offer BIM agents access to affluent homeowners coverage for their clients. Take a moment now to review Chubb's summary of key market trends for 2021 to learn about trends affecting the personal insurance market for successful families and individuals.

Chubb is always looking for ways to do more, give more and focus on comprehensive protection to suit your clients' unique needs.

What goes into a Chubb homeowners insurance premium?

Chubb offers comprehensive protection, extended replacement cost, and can extend coverage beyond the policy limits if the cost to rebuild or restore your client's home after a loss exceeds the limit purchased. Chubb pays for upgrades required to keep up with modern building coeds, and offers high standards of protection and service reflected in the pricing of their policies.

Considerations to discuss with clients include:

- Your home's location and the possibility to be affected by hurricanes, wildfires, tornados, flood, high winds, freezes or other natural disasters
- The amount of coverage you need
- The deductible you've selected
- Your home's protective and preventative devices, such as monitored security systems and water leak detection devices
- Your claims and/or bill-paying history
- Your credit score
- The unique characteristics of your home (age, features, etc.)
- Other Chubb products you may have that generate a discount when you bundle
- The type of coverage you choose
- How long you've been a client

To learn more about offering this product to your clients, log into Big "I" Markets or reach out to the BIM affluent team at bigimarkets@iiaba.net.

UPCOMING CE EVENT

BIG I MARYLAND CE DAYS 2021

EARN UP TO EIGHT CE CREDITS IN JUST ONE DAY!

Boost your insurance knowledge and earn up to eight P&C continuing education credits in just one day. These special CE Days are being offered by Big 'I' Maryland in partnership with the Big 'I' Virtual University (VU).

TWO DATES! JUNE 17TH & DECEMBER 16TH

REGISTER AT
HTTPS://BIT.LY/3RZ96OK

ABEN LIVE WEBINARS

- ABEN live webinars are approved for continuing education credits in some states with no exam required.
- Classes are offered multiple times throughout the year.
- **QUESTIONS?** Email your ABEN webinar support staff at help@aben.tv

ABEN: Errors & Omissions ☆ 10% Premium Discount Qualified ☆

- E&O Roadmap to Homeowners Endorsements and Personal Inland Marine - Part 1
- E&O Roadmap to Homeowners Endorsements and Personal Inland Marine - Part 2
- E&O Roadmap to Cyber and Privacy Insurance - Part 1
- E&O Roadmap to Cyber and Privacy Insurance - Part 2
- E&O Roadmap to Policy Analysis - Part 1
- E&O Roadmap to Policy Analysis - Part 2
- E&O Risk Management - Meeting the Challenge of Change (6hrs)
- E&O Risk Management - Meeting the Challenge of Change - Part 1 (3hrs)
- E&O Risk Management - Meeting the Challenge of Change - Part 2 (3hrs)
- E&O Roadmap to Identity Theft, Red Flags, and Money Laundering - Part 1
- E&O Roadmap to Identity Theft, Red Flags, and Money Laundering - Part 2

ABEN: Ethics

- Ethical Issues - Personal & Organizational
- Guiding Tenets of Ethical Leadership
- Insurance Ethics, Easy to Discuss, Harder to Achieve

ABEN: Best Sellers

- A Little of This, a Little of That: New Threats and Possibilities in Commercial and Personal Lines Insurance
- Additional Insureds: Issues and Endorsements
- BAP Symbols and Endorsements
- Business Auto Claims That Cause Problems
- Certificates of Insurance - Emerging Issues and Other Stuff that May Scare You!

VISIT WWW.IIAMD.ABEN.TV
TO VIEW THE **FULL CATALOG!**

GETTING STARTED WITH ABEN

1. Create an ABEN account by visiting www.iiamd.aben.tv/Account/Register
2. Find your desired course by visiting www.iiamd.aben.tv and register!

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Agents & Brokers Education Network

BIG I VIRTUAL UNIVERSITY LIVE WEBINARS

- Big 'I' Virtual University live webinars are approved for continuing education credits in some states with no exam required.
- Classes are offered multiple times throughout the year.
- **QUESTIONS?** Email your Big 'I' VU webinar support staff at BestPractices@iiaba.net.

2-Hour Continuing Education Classes (CE approved in MD)

- 3 Keys to Getting the Named Insured Correct
- 4 Key PL & CL Exposures Every Agent Must Understand
- 5 Contractor Coverage Concepts Every Agent Must Understand
- 9 Rules for Reading an Insurance Policy Based on the Law of Insurance Contracts
- How to Understand Commercial Property Underwriting and COPE
- In the Aftermath: An Agent's Perspective on Disaster Readiness and Recovery
- Understanding the Importance of Ordinance or Law Coverage
- Properly Calculating & Insuring the Business Income Exposure
- Rules for Developing the Correct Premium
- Why Business Income is the MOST Important Property Coverage
- Why Certificates of Insurance...Just Why?
- Workers' Compensation: 5 Mistakes Every Agent Makes

1-Hour Continuing Education Classes (CE approved in MD)

- Condominiums & How to Insure Them

2-Hour Non-CE Class

- How COVID Rocked Insurance

GETTING STARTED WITH VIRTUAL UNIVERSITY

1. Visit www.BIGIMD.com/education and find the 'VU Online Schedule'.
2. Refer to each webinar page for a complete list of offerings.
3. Find your desired webinar and register. Make sure you are logged in to your account to receive member pricing!

Big "I" Virtual University