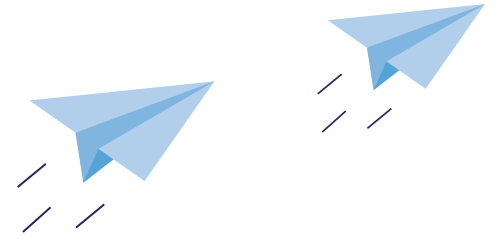


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Chairman's Message



Jerry Nicklow, AAI

As we head into summer, I hope everyone's business is heating up like the weather will be.

As I head into the final months as Big I chairman, I'm reflecting on some of my past messages. I've tried to write about all of the benefits and tools the Big I has to offer.

I thought I would write about some of the Big I tools that we have actually used over the past 2 years. In writing this list, it did not take me long to see the value of our Big I membership.

- **Contract Review**- We took on a new carrier and utilized the benefit of looking over the contract review that was done for the new carrier. We wanted to make sure that we were not missing something in the fine print that we had to address before signing the contract.
- **Pre-Licensing Class**- We have had team members complete the class and obtain her MD insurance license
- **ABEN CE Classes** - Several team members have taken the ABEN web CE classes over the past two years.
- **Big I Markets** - Used on a regular basis to quote and place business
- **Wingman and Coalition Cyber Insurance** - Used for several clients as we are offering cyber to all of our commercial clients at this point.
- **Trusted Choice and Trustedchoice.com** - Regularly use Trusted Choice as a marketing

resource and we have written several clients that found us through our TrustedChoice.com listing.

- **ACT (Agents Council For Technology)**- We have branded and used the ACT Cyber guide. This is a ready to use cyber guide provided free to Big I members to brand and use. We also used their website privacy guide as a resource for our privacy notice. We also attend the free meetings offered by ACT throughout the year.
- **Virtual University** - We go to the virtual university to research topic several times per month.
- **Best Practices** - We use the best practices guide to make sure that we are staying in line with the industry for agencies our size.
- **INSURPAC and MAPAC** - These two lobbying groups are always working for our best interests both in DC and in Annapolis.
- **E&O Insurance and Umbrella Insurance** - We have had our E&O insurance through the Big I for a very long time and have recently moved our umbrella to the Penn National program through the Big I.
- **Big I Hires** - We have used this program since it first was offered. The program has continually improved and is a very comprehensive recruiting tool. It is the main hiring tool that we use at this time.
- **Agency Relationships** - This is not one that is a listed benefit

of the Big I, but we have built a lot of strong relationships with other agents and other insurance professional in Maryland and across the country. There is an incredible value in networking with our peers at state and national events.

I am sure there is something that I may have forgotten to include on this list. But I think it is clear to us that our membership to the Big I is very valuable to our agency.

Some of these items are things that we use on a daily or weekly basis as they are engrained into our workflows and operations.

I know when the Big I dues bill comes in each year, some agents may ask themselves if the membership is worth the investment.

As you can see with the list of benefits that we have become accustomed to using, it does not take long for us to get the value from your membership investment.

And one last member benefit is happening on August 21-22 at the Rocky Gap Casino Resort. Our annual conference is back this year and there is an incredible value being offered. For \$100 for members and \$140 for non-members, you can break bread and network with your peers and top industry vendors. And to top it off, there are some awesome speakers coming to this year's event. Go to www.BigIMD.com to get the details and register today.

I hope to see you at Rocky Gap!

Spring-Cleaning: Time to Look at Non-Compete Agreements



By Patricia McHugh Lambert, Esquire

It's that time of year to put away and finish up. It's time to box off your sweaters, your heavy boots and those thick wool coats. It's time to store the one of two Christmas decorations that somehow missed being placed into the "Take out on December 1" box. Most importantly, it is time finish up the deep business of winter so that the extended tax deadline is met.

It is also the time for spring-cleaning. We pull out new clothes. We refresh our gardens. We do the indoor painting and get the grill ready for cookouts. It is a time of renewal.

It's also time for this lawyer to remind readers that it is time for a yearly contract review. Yes, I know that reviewing a contract is not as fun as finding the perfect Margarita recipe to drink on your back deck. But, dear readers, a contract review is essential, particularly since such annual review was neglected during the odd Covid-19 pandemic years.

For insurance professionals that are business owners, it is not enough that they review their contracts that they have with insurers. They also need to review contracts relating to their own employees. When businesses struggle to keep clients and protect trade secrets, business owners try to protect themselves with detailed non-compete, conflict of interest, non-solicitation, confidentiality and non-disclosure clauses. In the past, some business owners have had everyone involved in the business, from CFO to janitor,

sign restrictive agreements.

In light of the Maryland Noncompete and Conflict of Interest Clause Act, there is a limit on what a business owner can require of an employee.

Under this act, a conflict of interest or non-compete clause is not enforceable for an employee that earns \$31,200 or less annually (or \$15 per hour). The law became effective on October 1, 2019, but many employers and business owners have contracts that include old (and now unenforceable) language.

Even for more highly compensated employees, an employer may have more difficulty in enforcing a non-compete agreement. A court evaluating the enforcement of a non-compete will consider:

- Whether the clause is against the public interest.
- Whether the employee's skill set is unique.
- Whether the employee will be able to earn a living if the contract is enforced.
- Whether the non-compete is reasonably needed to protect the employer's secrets and the employer's business.



- Whether the employer has taken steps to keep business information confidential.
- Whether the employee received training on the non-compete.
- Whether the employee affirmatively signed the non-compete.
- Whether the alleged act of violation of the clause is serious or merely inconsequential.
- Whether the enforcement of the non-compete appears reasonable or vindictive.

In other words, if a non-compete clause does not pass the smell test of reasonableness, then it will not be enforced. As part of spring-cleaning, employers and business owners should review their contracts with their employees.

In addition to these contract provisions, business owners need

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to ensure that they are meeting Maryland labor law requirements.

- Are employees that work more than 40 hours a week being paid appropriately? Are they exempt or non-exempt? And how does an employer check to seek whether a remote employee is actually working?
- Are classifications of work as independent contractors correct? This classification is significant for issues of overtime, workers' compensation benefits, Social Security employer contributions, federal and state withholdings, etc. More and more often, both the government and the courts are rejecting agreements that simply label workers as being independent contractors.

- Are bonuses, commissions, contingent commissions considered wages? If so, what happens if these 'extras' are due at the time that employment terminates.

One of the new requirements from legislation this year is Maryland's new paid family and medical leave entitlement. While employer contributions will not begin immediately, it will expand dramatically the leave rights available to Maryland employees.

When the act goes into effect, employees will be entitled to take up to 12 or more weeks, as applicable, of paid leave for the following (as well as other) reasons:

- To care for a newborn child.
- To care for a child newly placed for adoption, foster care or kinship care.

- To care for a family member with serious health concerns.

In light of all this, it is important for employers, and perhaps employees, to consider doing a little "spring-cleaning" on contracts that are being used in their business. This is particularly true in light of the remote work environment, which might mean that the law of the state where the employee resides, rather than the state where the business is located applies. Finally, spring-cleaning should be considered incomplete until the licenses are checked and proof of licensure retained.

We all have work to do this spring. We need to review our own contracts. We need to review the contracts of those that work for us. And, when we get finished, we can all have that Margarita on the back deck.



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2022 Legislative Recap and Election Update

By Brett Lininger, Esq., Big I MD Legislative Advisor



As I have stated in the past, every legislative session has its own personality. The 2022 session was marked by ever changing COVID-19 protocols that were unique to each chamber, making for an interesting hybrid approach to lobbying. The House of Delegates held virtual hearings but met in person for intermittent sessions in the State House. The Senate, however, went from all virtual hearings for the first month to in person only without an ability to testify virtually. Once they made that pivot, the Senate was business as usual.

The 2022 session was also colored by various court challenges to Congressional and State legislative redistricting maps, which caused delays in when the primary elections

will take place. Instead of June, the primary will be on July 19th, which could present some interesting dynamics for the various races. Namely, voter turnout might be an issue given many Marylanders will be on vacation mode.

Unlike in other States, Maryland's entire legislature and statewide officer holders are up for reelection every four years at the same time. This election is unique in that for the first time in many decades, we will have a new Governor, Attorney General, and Comptroller. Governor Hogan is term limited, Brian Frosh has decided to retire as Attorney General, a position he has held since 2015, and Peter Franchot is running for Governor, leaving the Comptroller's seat up for grabs.

Gubernatorial Race

At the top of the ticket, the Governor's race is intriguing. For the Democrats, there is a strong list of progressive candidates who are campaigning very hard and raising lots of money. Wes Moore, former CEO of the Robinhood Foundation, United States Army Veteran, television producer and author, has garnered many strong endorsements. Tom Perez, former U.S. Secretary of Labor under the Obama Administration and Maryland Secretary of Labor under Governor O'Malley, is holding a whirlwind of fundraisers and campaigning very hard.

Former Attorney General, Doug Gansler and former Prince George's County Executive, Rushern Baker are repeat candidates that are not yet making much noise. Maryland's current Comptroller, Peter Franchot, is considered a strong moderate Democrat in the race. Although he has a large war chest of money, it is mostly due to his running unopposed for so many terms as Comptroller. Franchot's biggest challenge will be to get passed the primary.

For the Republican primary, Kelly Schulz (former Secretary of the Departments of Labor and Commerce under Governor Hogan as well as former member of the House of Delegates from Frederick County) will go against current member of the House of Delegates representing Frederick and Carroll Counties, Dan

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Cox. While Schulz has been endorsed by Governor Hogan, Cox has been endorsed by former President Donald Trump. The question will be whether Hogan's strong popularity among all voters in the State is enough to help Schulz overcome Trump's popularity among the Republican base in Maryland.

If Schulz is able to win the primary, she would have a difficult challenge in the general against Peter Franchot, who has been a moderate throughout his tenure as Comptroller. However, she could fair well against Tom Perez or even Wes Moore who hail from a more progressive vantage point, giving the voters a very distinct choice in the General election. If however, Cox wins the Republican primary, the next Governor of Maryland will be a Democrat.

Attorney General's Race

The campaign for Attorney General will come down to a two-way race between Katie Curran O'Malley (former Assistant State's Attorney, current District Court Judge, daughter of Maryland's longest serving AG, Joe Curran and wife of former Governor Martin O'Malley) and Anthony Brown (former Delegate, former candidate for Governor, and current Congressman). Both are popular and well known Democratic political names in Maryland. As with most races, who wins the key endorsements and raises the most money will be favored to win.

Comptroller's Race

The race for the head tax collector of the State will come down to outgoing Harford County Executive, Barry Glassman (Republican) and outgoing member of the House of Delegates, Brook Lierman (Democrat). Although Glassman has been a popular Delegate, Senator, and

County Executive, Lierman's access to fundraising dollars should prove to be too great to overcome.

Legislative Session Overview

Not only will the interim be busy with political campaigning, the Maryland General Assembly passed a number of bills that will require further study and reports. Given the number of big-ticket bills impacting businesses, as a whole, the Big I Maryland's Legislative Committee expanded its purview well beyond insurance legislation. I have provided a summary of the bills of note for your review:

Bills Passed

Senate Bill 275 (Labor and Employment - Family and Medical Leave Insurance Program - Establishment (Time to Care Act of 2022))

This legislation, which was introduced many times before, took a long and winding path to get through to passage during the 2022 legislative session. Initially, the House Economic Matters Committee amended HB 496, a similar measure to SB 275, to form a Commission on the Establishment of a Family and Medical Leave Insurance Program ("Program"). However, when the Senate moved forward with passage of SB 275 creating the Program, pressure was put on the House to do the same.

The purpose of the Program is to provide temporary benefits to a covered individual who is taking leave from employment (1) to care for a child during the first year after the child's birth or after the placement of the child through foster care, kinship care, or adoption; (2) to care for a family member with a serious health condition; (3) because the covered individual has a serious health condition that results in the covered individual being unable

to perform the functions of the covered individual's position; (4) to care for a service member who is the covered individual's next of kin; or (5) because the covered individual has a qualifying exigency arising out of the deployment of a service member who is a family member of the covered individual.

An employer with 15 or more employees, and its employees, is required to participate in the Program. An individual who is employed by an employer with less than 15 employees, may elect to participate in the Program. A sole proprietor of a business may also elect to participate in the Program by filing a written notice of election with the Secretary of Labor in accordance with regulations to be adopted. Beginning on October 1, 2023, each employee of an employer, each employer with 15 or more employees, and each sole proprietor participating in the Program is required to contribute to the Fund.

Prior to October 1, 2023, many of the details of the Program will be worked out through regulations, and possibly legislation, in the future. Some of the details include establishing procedures and forms for filing claims for benefits, including how to notify an employer within 5 business days after an employee files a claim for benefits and notices of elections by sole proprietors for benefits. The legislation stipulates the regulations adopted be consistent with regulations adopted the Federal Family and Medical Leave Act and any relevant State laws.

Further, the bill requires a covered individual to provide certification for a claim for benefits. Such certification will include the following: (1) the date on which the serious health condition of the family member, covered individual, or service member commenced; (2)

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the probable duration of the serious health condition; (3) the appropriate facts related to the serious health condition within the knowledge of the licensed health care provider; (4)(a) for a claim for benefits to care for a family member with a serious health condition, a statement that the covered individual needs to care for a family member and an estimate of the amount of time required to provide the care; or (b) for a claim for benefits due to a serious health condition, a statement that the covered individual is unable to perform the functions of the covered individual's position; and (5)(a) for a certification for intermittent leave to care for a family member with a serious health condition or to care for a service member who is the who is the covered individual's next of kin, the expected dates and duration of the leave a statement that the covered individual needs to care for a family member or service member and the expected duration of the intermittent leave; or (b) for a certification of intermittent leave because the covered individual has a serious health condition, a statement that the covered individual is unable to perform the functions of the covered individual's position and the expected duration of the intermittent leave.

As you can see, there are a myriad of issues to be worked out prior to the Program taking effect. The details of which will be forthcoming.

House Bill 679 – Vehicle Laws – Licensing of Business and Occupations – Definition of Vehicle Salesman

This legislation, as drafted, sought to expand the definition of “vehicle salesman” to include any individual who, for a commission or other compensation, negotiates with or induces any other person to enter

into a financial security, insurance or warranty agreement on behalf of a dealer in connection with the sale of a vehicle.

The BIG I Maryland objected to the bill for its reference to the sale of insurance as it appeared to allow one to sell insurance by obtaining a vehicle salesman's license through the Motor Vehicle Administration. As such, the legislation was amended to remove the reference to insurance.

House Bill 377/Senate Bill 278 – Maryland Automobile Insurance Fund – Installment Payment Plans

This bill, which has been the subject of legislation in Annapolis for more than 20 years. In 2013, the legislature allowed the Maryland Automobile Insurance Fund (“MAIF”) to accept premiums on an installment basis for 12-month personal lines policies subject to the following limitations: the Insurance Commissioner was required to approve MAIF's plan to accept these payments and ensure the installment payment plan • requires an insured's initial premium payment to be no less than (1) for a total annual premium of less than \$3,000, 25% of the total annual premium and (2) for a total annual premium of \$3,000 or more, 20% of the total annual premium • adjusts the amount of total annual premium used to determine the initial premium payment using specified federal data • is structured and administered to ensure MAIF at no time provides coverage to an insured for a period during which it has not received the actuarially justified premium payment • offers no more than (1) six installment payments when the total annual premium is less than \$3,000 and (2) eight installment payments when the total annual premium is \$3,000 or more • allows insureds to make an initial premium payment and installment payments in any commercially acceptable form and • allows MAIF to impose an administrative processing fee

on insureds participating in the installment plan of no more than \$8 per payment.

This legislation repeals all of the aforementioned limitations except the requirement that the Insurance Commissioner approve the plan.

House Bill 563/Senate Bill 572 – Insurance – Surplus Lines Brokers – Policy Fees

This legislation would raise the statutory cap for fees that can be charged by a surplus lines broker in Maryland. Presently set at \$100 for residential lines and \$250 for commercial lines, Maryland is one of five states to have a cap on such fees. The bill, as passed out of the legislature, would raise the caps up to \$200 for residential and up to \$500 or 7% of the premium, whichever is greater.

Additionally, the legislation addressed concerns that adjustments to the cap would allow a surplus lines broker to automatically charge the statutory maximum. The Maryland Insurance Administration (“MIA”) made clear, however, that current law requires the fees to be reasonably related to the cost of providing the services listed in the current law, which are: underwriting (i.e. inspections, risk analysis, modeling data, etc.), issuing, processing, servicing the policy (i.e. premium tax reporting and filing) and compliance audits. Additionally, the MIA will modify the current annual report submitted by surplus lines brokers to require them to show the fees charged on each policy placed in Maryland. This will enable the MIA to see any outliers and investigate for improper fees charge.

Senate Bill 632 – Maryland Health Benefit Exchange – Small Business and Nonprofit Health Insurance Subsidies Program – Workgroup

This legislation, as introduced, would have established and implemented a

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Small Business and Nonprofit Health Insurance Subsidies Program. It was amended, however, to require the Maryland Health Benefit Exchange (MHBE) to convene a work group to study and make recommendations relating to the establishment of such program. The MHBE is required to submit a report to the Governor and Legislature on or before October 1, 2022. Further, it provides that it is the intent of the Legislature that beginning in FY 2024 and in each fiscal year thereafter, the Governor shall include in the annual budget an appropriation of funding to establish and operate the Program with a design as recommended by the workgroup.

Significant Bills Not Passed

House Bill 125 – Motor Vehicle Insurance – Discrimination in Underwriting and Rating – Use of Gender

This bill would have prohibited a private passenger motor vehicle insurer from refusing to underwrite, cancel, refuse to renew, rate a risk, or increase the renewal premium of a motor vehicle insurance policy based on the gender of the insured or applicant. Although this legislation did not pass this session, it has been introduced many times over the years. With a new legislature coming in with the election and a good chance a Progressive Democratic Governor taking office, this kind of proposal could gain traction in the next term.

House Bill 436 – Motor Vehicle Insurance – Use of Credit History Rating Policy

This legislation, as passed out of the House, would have required a private passenger motor vehicle insurer that uses credit information, upon request of an applicant or insured, to

provide reasonable exceptions to the insurer's rates, rating classifications, company or tier placement, or underwriting rules or guidelines when the she/he has experienced any of the following events: a catastrophic event declared by the Federal or State Government; serious illness or injury, or serious illness or injury to an immediate family member; death of a spouse, child, or parent; divorce or involuntary interruption of legally owned alimony or support payments; identity theft; temporary loss of employment for a period of 3 months or more, if it results from involuntary termination; military deployment overseas; or other events, as determined by the insurer.

The bill would have also required an insurer who has received a request for a reasonable exception to submit to the Maryland Insurance Administration ("MIA") the number of requests made during the preceding 6 months; the outcome of each request; the demographic information, including income, race and ethnicity, gender, education level, and zip code, for each individual making the request; and the criteria used by the insurer to determine whether to approve or deny a request.

The advocates who brought the legislation opposed the bill as passed out of the House because they wanted an outright prohibition on the use of credit. The insurers were opposed to the reporting requirements added to the bill. As such, the Senate elected not to take action on the measure.

House Bill 266/Senate Bill 301 – Private Passenger Motor Vehicle Liability Insurance – Enhanced Motorist Coverage – Opt-Out Option

This bill would have required a person, at the time he/she purchases a private passenger motor vehicle insurance policy, to affirmatively opt-out of obtaining enhanced

underinsured motorist (EUM) coverage. Current law requires an insurer to offer EUM coverage pursuant to legislation passed several years ago. Given that the take up rate for this coverage has been very low because the coverage is not a good benefit and very confusing, the Maryland Association of Justice (the trial bar) came up with this proposal. Again, with the turnover of the legislature and a new administration, this proposal will most likely be back next term.

House Bill 1421 – Baltimore City – Lifetime Low-Cost Automobile Insurance Program

This bill, which has been introduced in previous session, would create a low cost automobile insurance program for people in Baltimore City who qualify based on the following criteria: (1) must own, lease, or rent a primary residents in Baltimore City; (2) must have made a State income tax filing in Maryland, if required by law; (3) must be in a household with a gross annual income of no more than 300% of the Federal Poverty Line (or \$83,250 for a family of 4 in Maryland); (4) must be at least 19 years old and have continuously been a licensed driver for the immediate preceding 3 years; (5) may not have been more than one of either but not both of the following for the immediate preceding 3 years: a property damage only accident when the driver is at fault or a point for a moving violation; (6) may not have on record within the immediately preceding 3 years, an at fault accident involving bodily injury or death; and (7) may not have a felony or misdemeanor a violation of the motor vehicle law, other than for a violation of the Transportation Article pertaining to driving without insurance.

Although the bill didn't even make it to a hearing, rest assured, it will be back under a new Governor and legislature.

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The Importance of Auditing in Agency Management



By Kellie Halfpap, Agency Consultant, Kite Technology Group



Like most companies today, your agency probably has at least some staff implementing a fully remote or hybrid work schedule and coming into the office may no longer look like it used to. While the new 'normal' may look like emptier

office spaces, more Zoom calls, and less frequent commutes, it is still essential to know that your staff maintains productivity and follows your agency's workflows. The challenges of a modern, remote, mobile workforce often make it

impractical to fully understand how your team is doing. To make remote work sustainable for your employees and leadership, you should regularly review and update your agency's workflows to ensure they accommodate this new structure. Once your workflows are updated, you should conduct periodic audits to get insight into your staff's performance. This article will discuss the benefits of auditing and the basics of effectively auditing your agency's operations.

There are numerous benefits to implementing auditing within your agency. With employees working remotely, it is essential to ensure that your agency's workflows are followed, and that the data entered into your agency management system is accurate. Auditing enables your agency to evaluate your current workflows and determine any required changes. Auditing can also help assess and balance your employees' workload, provide training opportunities, and even conduct performance reviews.

There are three main ways that you can audit your agency's operations:

- Reports
- Data Audits
- Procedural Audits

Though conducted differently, each of these auditing methods can prove beneficial in ensuring that your agency's workflows are standardized and followed; that information is entered correctly and

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promptly, thus lessening the threat of Errors & Omissions claims.

Reports

Auditing through reports provides a higher-level overview of data and processes. Reports can be crucial to preventing potential Errors & Omissions claims as they offer an accurate read on policies and information that may be inaccurate or missed. One basic report we find the most useful, for example, is a "Missed Renewals" report. This report can show a list of policies that are coming up for renewal but have not yet been initiated. It can also identify policies that have already expired but were never renewed. We recommend you set this report to run and automatically deliver it to management to review and reach out to the Account Manager handling the missed policy.

Reports are also helpful in pinpointing and solving discrepancies in workflows. A common occurrence we often see are policies that are still In Process or Submitted after an extended period. Policies should move through the stages from In Process to Submitted to Issued, so if it has been sitting at In Process or Submitted for quite some time, it is crucial to find out why. We recommend reviewing this report monthly to identify discrepancies and ensure workflows are followed promptly.

Data Audits

Data audits review information in applications, policy documents, binders, proposals, and more. Though you can obtain some of this information through reports, it is best to manually perform data audits to ensure you are getting as much detail as possible. Data audits focus on making sure that

information entered into your agency management system matches all corresponding documents. For example, does the proposed coverage match the issued policy and the application? Data audits are an excellent way to identify and correct possible discrepancies between Proposed versus Issued policy versus system application.

Procedural Audits

Procedural audits will help your agency determine if your staff correctly follows workflows. This type of audit can help you evaluate the accuracy of naming conventions, attachment placement, binders issued, policy checked, and more. It can also help you decide if additional training is needed or if changes to your workflows are necessary. If you find that a workflow is consistently not followed, auditing can gauge whether the issue is with the workflow itself or if additional staff training is required. Procedural audits must be manually conducted as you cannot capture this type of information by just running reports.

If you are interested in implementing auditing practices, there are a few procedures that should be in place before you can get started. First, if you already have standardized workflows in place, make sure that appropriate training is provided to your employees. Next, create a plan of action for the results of your audits – what will you do with that information when you have it? As mentioned previously, auditing can be useful for data integrity purposes, workflow changes, additional training, and employee reviews. To get the most value from the data collected, you need to have established a plan for how you will use the results. Finally, determine which type of audit makes the most sense to implement for your agency. You can choose

between reports, data, procedural audits, or incorporate all three for the best results.

When considering implementing auditing in your agency, it is also essential to determine if you have the in-house resources and expertise to conduct the work. Engaging an external resource with expertise in your agency's management system may be beneficial. It is often more efficient for an agency to outsource auditing services as it's one less task assigned to someone's already full workload. The added benefit of outsourcing auditing is that it eliminates the possible conflicts that could result when you have agency staff auditing their own or other employees' work.

If you are ready to enhance your agency's performance through auditing, Kite Technology's Agency Consulting Division is here to help. Our experienced Applied Epic consultants understand that every agency is unique, and we will help you develop a tailored plan that best addresses your agency's needs. Visit our website at www.kitetechgroup.com to learn more.

Kellie has held various roles in the insurance industry. She received her Property & Casualty Insurance license and ACSR designation while working in commercial lines, gaining knowledge in Applied Epic before joining the Kite Tech Consulting team. As an Agency Consultant, Kellie's primary role is helping our clients achieve and maintain agency efficiency and productivity through data and procedural auditing. She also assists with workflow development, commission entry and data testing as well as providing support to other consulting team projects where needed.

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PROUD TO HAVE EARNED AN A (EXCELLENT)



FINANCIAL STRENGTH RATING FROM A.M. BEST

Take Care of the Team



By David Dillon



John Horace understands that the stats are beyond dispute. Whether he looked at the Employee Engagement survey conducted by Gallup, or the American Psychological Association's Stress in America™ poll or others, it's undeniable that the past two years have been extraordinarily challenging for agency leaders working to attract, engage and retain a great agency team.

John is working harder than ever as an agency leader, but employee engagement, individual stress, burnout, agency culture, and overall team health are all under significant pressure – and it seems like there's no end in sight.

John had heard various advisors recommending a “take care of the team” approach to not only avoid “the great resignation”, but also to keep clients happy, execute strategy and achieve marketing, technology and operations objectives. This is only possible when the team is sufficiently strong to focus,

implement, and drive results.

While the insurance industry has remained relatively strong, these pressures on individual contributors and the team's success continue to linger. John knows that factors like staff retention,

second-tier leadership, and brain drain are challenges even in normal times – but they're even more critical now.

He also understands that the quality of the agency team is a significant factor in determining agency valuation. This is not just touchy-feely stuff.

To plan for an upcoming discussion with his leadership team, John jotted down some new questions to ask and actions to take right now to address the challenge to attract, engage and retain a great agency team and keep the agency's objectives on track.

NEW QUESTIONS TO CONSIDER

- What is our level of team health, right now? If we don't know, what is our plan to find out?
- How engaged is each member of the team? How engaged are those on the customer-facing team?
- Going forward, what changes should the leadership team consider to address agency culture and team health?

ACTION ITEMS TO TAKE

- Make an unbiased evaluation of leadership team's efforts to understand and improve engagement and team health.
- Consider leveraging proven assessment tools to help determine your team member's levels of engagement, stress, burnout and other considerations of these challenging times.
- As a leadership team, determine if agency culture and team health have a positive or negative impact on performance when compared to direct competitors.
- When completing your second half budget adjustments, include an investment for team health and Learning & Development. The impact on your ability to attract, engage and retain a great team will provide an attractive return on investment.

David Dillon is a licensed P&C agent in 15 states and a Big I MD associate member as owner of Watney Insights Network, Inc. He understands that agency leaders are typically great at what they do, but when confronted with tough business challenges such as developing team and culture they usually find they have limited support available, so they struggle alone and often fail.

Watney Insights Network helps guide them to rise above their challenges with proven solutions, and the tools, process & support they need to achieve success and fulfillment, so they can thrive.

You can learn more and download some helpful tools at WatneyInsights.com.



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What Factors Impact an Agency's Selling Price?

By Carey Wallace



The price that your agency commands depend on several factors, including what is most important to both the buyer and the seller, the synergies that exist between agencies owned by a potential buyer and seller agency, and the risk level that both parties are willing to assume in the agency sale. Both a buyer and seller should carefully weigh all these areas to successfully negotiate the price

of the agency. Both parties need to weigh the potential revenue opportunities and challenges, expected changes to expenses, risks and opportunities involved with both the carrier and customer relationships, and the potential profitability of the combined entity. This will provide a solid understanding of the price that is reasonable and able "cashflow". In an agency acquisition, "cashflow"

means that revenue should cover 1.25x the expenses to achieve the expected profitability. Too often, when buyers and sellers do not take the time to explore these areas carefully, agency sales do not perform as expected, creating a situation where agencies ultimately sell for a discount, or a premium that is unrealistic. We are going to focus on the most common synergies in an independent insurance agency sale transaction between two retail agencies.

Customer Makeup

Do both agencies have a similar type of customer base? How do their average customers compare? Are they similar? Will they have the same expectations or different expectations? This can include average size policy, demographics, as well as customer and agency behaviors. Do both agencies have similar philosophy in the limits and coverages that they recommend? Does the overall philosophy on customer engagement align? This can include claims engagement, billing and payment behaviors, customer education and outreach, audits, and remarketing accounts to name a few. The more aligned two agencies are, the easier a transition will be for their customers and their staff. In some cases, a difference in philosophy between two agencies

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can create an area of opportunity as well.

Book of Business

Many agencies are looking to expand into new geographic areas, lines of businesses or niches. A great way to do that is through acquisition. A careful inspection on cross-sell opportunities is recommended. This is done by evaluating the number of monoline accounts, or accounts that offer opportunities to expand your core expertise such as cyber, benefits or worker's compensation for example. In addition, the risk due to personal relationships with key customers or specialized expertise required in accounts must be considered when estimating both the ongoing business and the resources that will be needed to continue to service accounts.

Carrier Relationships

Another key reason that an agency may be an attractive acquisition is their carrier relationships. This may be a huge win, or a potential downside based on the carrier makeup and fit with a potential buyer. In some cases, the combination of the two agencies may put the combined agency in a position to enter new markets and earn contingencies with a carrier that they have would not be able to achieve on their own. In other cases, they may find that some carriers are unwilling to work with the new agency and a book roll will be required to retain that business. It is important to carefully examine the carrier relationships, the ability to be appointed by any new carriers, and how the combined carrier will impact the overall carrier strategy.

Operating Expenses

In some cases, multiple locations may be maintained after an acquisition, and in others two agencies will combine into one. Several factors including the agency reputation and brand awareness in their community, the proximity of the agencies, and the negotiated terms between agencies can all play a factor when deciding how to maintain locations after an acquisition. In the cases, when only one location remains, there will be a cost savings related to rent, utilities, equipment leases, insurance, etc. For those agencies that choose to maintain two locations, there still may be potential cost savings related to the compensation of the exiting owner. In either case, the decisions on how the agencies will integrate and operate on an ongoing basis will determine what impact it may have on staffing, employee benefits, agency systems, marketing, and other cost as the two agency cultures are merged. Building a combined pro forma that outlines all these potential changes will inform the price and the options to fund the transaction.

Performance and Culture

The fair market valuation highlights several areas of performance such as growth, retention, loss ratio and profitability and all of these will greatly impact the decision on the best price to offer. An agency that has strong policies and procedures in place, employee contracts with all key employees and a firm handle on their metrics is well positioned to negotiate on the sale of their agency. For those agencies, whose books and information are in order, utilize systems that are the same or compatible, and that operate

a paperless agency the transition is expected to be much more seamless and therefore ongoing performance can be expected to be greater. You can expect that an agency that has strong performance metrics and operates efficiently will sell for a higher price than one that has weaker numbers or lacks the ability to provide metrics as expected performance becomes much more uncertain.

As agencies move through the due diligence process, they can expect to be offered a premium or a discount for their agency based on synergies or challenges that exist in each specific situation. In all cases, agencies that know their numbers, can access data and information easily to identify synergies and inform these areas will be much better positioned than those that cannot. Much like the sale of a house, the more work that is needed or areas of question the lower the offer. Having the ability to provide accurate and complete information throughout the due diligence process and highlighting the areas of synergies and strengths of your agency will put you in a strong position with prospective buyers.

Over the past 14 years, Carey Wallace has worked with hundreds of agencies helping them understand their agency's value and turn that knowledge into an actionable plan for their agency's future. Carey is a Certified Exit Planning Advisor (CEPA) and provides a variety of consulting services through the company she founded, Agency Focus, LLC.

1

HUB International Introduces HUB® HOA Insure Complete for Condominium and Homeowner Associations

HUB Invests in Digital Strategy to Streamline Quote and Proposal Process to Deliver Faster, Easier and Competitive Options for Clients

CHICAGO, IL.—Hub International Limited (HUB), a leading global insurance brokerage and financial services firm, has announced that it will provide condominium and homeowner associations with streamlined insurance quotes through HUB® HOA Insure Complete.

“HUB® HOA Insure Complete is an important step to provide condominium and homeowner associations clients access to tailored insurance and advisory services wherever and however they want to be serviced and fulfill their coverage needs,” said James “Chip” Stuart, HUB’s Real Estate Specialty Practice Leader. “HUB invests in digital solutions to make the process of selecting and purchasing specialized insurance more efficient.”

HUB® HOA Insure Complete will

allow HUB brokers to quickly provide insurance quotes for Homeowner Associations for condos and homes in the U.S. Coverage including, but not limited, to:

Property Insurance

- Tailored coverage based on association by-laws (all-in, single entity, bare walls)
- Comprehensive coverage including agreed value guaranteed and extended replacement cost options.

General liability insurance

- Limits to include \$1 million per occurrence and \$2 million aggregate
- Insured status for property managers
- Board members and officers can be included as additional insureds

Crime insurance

- Social engineering fraud coverage
- Employee theft coverage
- Forgery or alterations coverage
- Theft of money and securities coverage

Auto Insurance

- \$1 million hired and non-owned auto coverage
- Garagekeepers’ legal liability coverage
- Ability to include hired and non-owned auto and garagekeepers’ legal liability

Today’s announcement continues to demonstrate HUB’s commitment to providing comprehensive omni-channel transactional insurance services that are efficient and have even more expansive, competitive offerings and functionality to address clients’ needs. The news also follows HUB’s digital acceleration journey with the recent acquisition of Insureon.

About HUB International

Headquartered in Chicago, Illinois, Hub International Limited is a leading full-service global insurance broker and financial services firm providing risk management, insurance, employee benefits, retirement and wealth management products and services. With more than 14,000 employees in offices located throughout North America, Hub’s vast network of specialists brings clarity to a changing world with tailored solutions and unrelenting advocacy, so clients are ready for tomorrow. For more information, please visit www.hubinternational.com.

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2

Dioguardo Named Vice President of Claims

HAGERSTOWN, MD—Brethren Mutual Insurance Company congratulates George F. Dioguardo on recently being named the Company's Vice President of Claims. He was elected as a Company Officer at Brethren

Mutual's April 2022 Board of Directors Meeting.

Dioguardo brings over 30 years of insurance experience to his position. He joined Brethren Mutual in 2019 as Director of Claims and has worked to develop and execute consistent claims handling processes to increase efficiency, improve the effectiveness of claims

management, and enhance the overall customer experience.

A graduate of SUNY Oneonta (Oneonta, NY), Dioguardo earned a bachelor's degree in Business Economics and Political Science. Additionally, he earned a Master of Business Administration from the University of Baltimore.

Dioguardo resides in York, PA

3

Big 'I' Names Chris Boggs New Vice President of Agent Development, Research and Education

Boggs promoted from previous role as executive director of risk management and education.

ALEXANDRIA, VA.— The Big "I" is pleased to announce the promotion of Chris Boggs as the new vice president of agent development, research and education. Boggs succeeds Madelyn Flannagan, who will retire after 26 years of excellent service to the independent agency channel.

Boggs joined the Big "I" team in November 2016. In his new role, Boggs will manage and lead the Big "I" agent development department, including the Virtual University, Agents Council for Technology (ACT), Invest™, the Diversity Council, Young Agents, Best Practices and errors & omissions risk management. Boggs is a regular speaker at industry events, including the National Association of Mutual Insurance Companies (NAMIC), the National Society of Insurance Premium Auditors (NSIPA), the American Association of Managing General Agents (AAMGA), the Institute of WorkComp Professionals (IWCP) and the Chartered Property Casualty Underwriter (CPCU) Society. During his more than three-decade insurance career,

Boggs has authored 15 insurance and risk management books and more than 2,000 articles.

"Chris' leadership and expertise on the issues that independent agents face make him the perfect choice to head the Big 'I' agent development team," says Bob Rusbult, Big "I" president & CEO. "Chris' technical knowledge of our industry is unmatched, and he has proven himself an indispensable resource to guide and enrich the independent agency channel. We look forward to having Chris serve our members in this expanded role."

"I am very much looking forward to this new opportunity and challenge. Our goal within the agent development program is

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to provide the training, data and especially resources, that benefit our members most to help them be the best they can be," says Boggs. "I look forward to working with the team as we continue to build on the strong foundation already in place. I am honored to

be given the opportunity to serve our members in this role."

Boggs will begin in his new position April 1.

Founded in 1896, the Independent Insurance Agents & Brokers of America (the Big "I") is the nation's oldest and largest national association of independent insurance agents and brokers,

representing more than 25,000 agency locations united under the Trusted Choice® brand. Trusted Choice independent agents offer consumers all types of insurance—property, casualty, life, health, employee benefit plans and retirement products—from a variety of insurance companies.

4

Big 'I' Names Whitnee Dillard New Invest™ Executive Director

Dillard promoted from previous role of Big 'I' director of diversity & inclusion.

ALEXANDRIA, VA.— The Big "I" is pleased to announce the appointment of Whitnee Dillard as the new executive director of Invest™ and diversity. Dillard succeeds Deborah Pickford, executive director of Invest, who will retire in May after six years of outstanding contributions to Invest, the insurance industry's premier classroom-to-career education program administered by the Big "I."

Dillard has over 10 years

of experience in insurance, nonprofit management and youth educational programming. She began her insurance career in 2012 as a licensed property-casualty agent, joining the Big "I" in 2014. She currently leads the development and implementation of various diversity and inclusion initiatives across the independent agency channel as the Big "I" director of diversity and inclusion and also serves as the staff lead to the Big "I" Diversity Council, representative of Big "I" agents and 24 insurance companies.

In her new role, Dillard will direct Invest's programs to improve the insurance literacy of students and attract diverse talent to the insurance industry, and she will also oversee diversity and young agents. This change gives the association the opportunity

to combine three programs with similar goals under Invest. Prior to joining the insurance industry, Dillard managed multiple nonprofit initiatives focused on youth development and college preparation in partnership with middle and high schools, the foster care system and the juvenile justice system.

Dillard has received the national Big "I" Chairman's Citation, an Ohio Insurance Agents Citation and most recently the American Property Casualty Insurance Association (APCIA) Diversity, Equity and Inclusion Industry Partner Award.

"Whitnee's passion for providing opportunities for young people makes her the perfect leader for Invest's mission to attract the next

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(Con't from page 24)

generation of workers to the great career choices in the insurance industry," says Bob Rusbuldt, Big "I" president & CEO. "Perpetuation and staff retention are challenges the independent agency channel must meet head on, and Dillard's expertise in spearheading programs to engage diverse, new talent will be crucial as Invest continues to provide industry-

leading programs."

Dillard will begin in her new role with Invest on May 31.

About Invest

As a 501(c)(3) educational trust, Invest benefits from the support of numerous insurance organizations, hundreds of agencies, brokers, and volunteers. The program provides the insurance industry with motivated, talented, and intelligent professionals through a support

structure of state associations, board members, national staff, teachers, and the many industry professionals who work in the field as classroom liaisons. For more information, visit the Invest website.

About the Big 'I' Diversity Council

The Big "I" Diversity Council is a collaborative industry group comprised of member agents and executives from leading insurance companies. The council partners with Big "I" state

5

Forbes names Erie Insurance to 2022 list of America's Best Employers for Diversity

ERIE was recognized for its diversity, equity and inclusion efforts for the third consecutive year

ERIE, PA.- Erie Insurance (ERIE) has been named to the Forbes list of America's Best Employers for Diversity 2022. Of the 500 companies recognized across all industries, Forbes ranked ERIE no. 48 nationally.

Forbes partnered with market research company Statista to

compile the list. To determine the ranking, Statista surveyed 60,000 Americans working for businesses with at least 1,000 employees and pinpointed the companies they identified as most dedicated to diversity, equity and inclusion. Survey participants were asked to rate their organizations on criteria such as age, gender, ethnicity, disability and sexual orientation equality, as well as that of general diversity. Statista then asked respondents belonging to underrepresented groups to nominate organizations other than their own.

Erie Insurance President and CEO Tim NeCastro said he is pleased to see ERIE ranked among the top 50 companies nationally, but recognizes that diversity, equity

and inclusion is a continuous journey and there is much more work to be done.

"We appreciate the recent recognition by Forbes. At Erie Insurance, our values have guided everything we've done for nearly a century. They compel us to do the right thing, to seek common ground and to look beyond our own needs and choose the greater good," said NeCastro. "Today, those values lead us in our commitment to being an employer — and insurer — that embraces all individuals and ideas and puts fairness, respect and service above all else."

ERIE has had a formal commitment to diversity and

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inclusion for more than a decade. NeCastro is also one of more than 2,000 CEOs to sign the CEO Action for Diversity & Inclusion pledge, the largest CEO-driven business commitment to advancing DEI in the workplace.

According to ERIE's Chief Diversity and Community Development Officer Christina Marsh, being more intentional about DEI is not only the right thing to do, but it also creates more effective teams, helps the company achieve business outcomes and

empowers employees to be their best and most authentic selves.

"A solid foundation of diversity and inclusion at ERIE has been set over the past decade through awareness, celebration and the creation of employee resource groups and affinity networks," said Marsh. "We intend to spend the next decade focused on performance and positive results by taking stronger and more deliberate actions to institutionalize diversity, equity and inclusion into how ERIE operates — as an employer, an insurer and community partner."

In addition to being named one of America's Best Employers for Diversity 2022, ERIE also appears on the Forbes lists of America's Best Employers, America's Best Employers By State and America's Best Insurance Companies.

Keep an eye on the News & Views e-newsletter in the coming weeks for more information.

Susie Bonner is Big "I" assistant vice president of marketing and communications. Nathan Riedel is Big "I" vice president of political affairs.

6

Insurance Business Magazine Names Big 'I' President & CEO Among Top Global Industry Leaders

Bob Rusbult recognized for championing issues crucial to the independent insurance agency channel.

ALEXANDRIA, VA.— Insurance Business magazine, a prominent industry publication, has named Bob Rusbult, Big "I" president & CEO, among the top industry

leaders worldwide in its Global 100 list.

In its announcement of the Global 100, Insurance Business stated the criteria for the list, which is now in its third year. "The Global 100 list features outstanding professionals from all of Insurance Business' markets who are making waves in the industry, whether by driving growth and innovation within their own company, taking associations to new heights, advancing the business through education, or championing the key issues that can lead the industry towards a new era."

Rusbult was recognized among the world's top insurance leaders for his advocacy on behalf of independent insurance agents and leadership of the Big "I" association. Insurance Business calls these 100 leaders "movers and shakers" on a global level. Rusbult has repeatedly been cited by numerous entities and publications as a leader in the industry. The Washington Post, Roll Call and The Hill have named Rusbult as one of the most influential private-sector people with Congress. Rusbult has appeared regularly on FOX

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News, CNN, CNBC, Bloomberg TV and other networks and shows to offer expert commentary on insurance, business, policy, and legislative issues.

"The Big 'I' is proud that our president & CEO has been recognized for his leadership and tireless dedication to the independent agency channel and our industry," says Bob Fee, Big

"I" chairman and president of Fee Insurance Group in Hutchinson, Kansas. "To be included in this list of top insurance leaders around the world is an honor and a testament to Bob's hard work and leadership, especially during these challenging years guiding the agent and broker community through the impacts of the coronavirus pandemic."

Founded in 1896, the Independent Insurance Agents & Brokers of

America (the Big "I") is the nation's oldest and largest national association of independent insurance agents and brokers, representing more than 25,000 agency locations united under the Trusted Choice® brand. Trusted Choice independent agents offer consumers all types of insurance—property, casualty, life, health, employee benefit plans and retirement products—from a variety of insurance companies.

7

Mary M. Kwei named Associate Commissioner, Market Regulation and Professional Licensing for the Maryland Insurance Administration

BALTIMORE, MD. —Maryland Insurance Commissioner Kathleen A. Birrane has named Mary M. Kwei Associate Commissioner, Market Regulation and Professional Licensing for the Maryland Insurance Administration (MIA).

Kwei joined the MIA in 1998 and has served as Chief of Life and Health Complaints for the agency

since 2004.

"Mary has a long and distinguished career serving the citizens of Maryland," Commissioner Birrane said. "With her excellent leadership skills and deep knowledge of the state's insurance industry, I am confident she will be an exceptional Associate Commissioner."

The Administration's Market Regulation and Professional Licensing Division is responsible for regulatory oversight of domestic and foreign insurance companies and title producers. Oversight is performed through a variety of methods, including comprehensive and target market conduct examinations and investigations.

Prior to being named Chief of Life and Health Complaints, Kwei served as Staff Attorney, Consumer

Complaints from 2001 to 2004. She was an Insurance Analyst in the HMO Forms Review Unit from 1998 to 2001.

Kwei played a key role in the modernization of the MIA's complaints system. She served on the steering committee to develop the new system and was a leader in testing, evaluation and implementation. Nationally, she serves as Chair of the National Association Insurance Commissioners Consumer Information Subgroup.

Kwei is a graduate of Haverford College and the University of Maryland School of Law.

About the Maryland Insurance Administration

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The Maryland Insurance Administration is an independent State agency charged with regulating Maryland's \$41 billion

insurance industry. For more information about the Insurance Administration, please visit www.insurance.maryland.gov or follow us on Facebook at www.facebook.com/MDInsuranceAdmin,

Twitter at @MD_Insurance, LinkedIn at www.linkedin.com/company/maryland-insurance-administration or Instagram at @marylandinsuranceadmin.

8

ProNavigator Joins Agents Council for Technology

Knowledge management platform provider is new ACT partner.

ALEXANDRIA, VA.— ProNavigator is the newest company partner of the Big "I" Agents Council for Technology (ACT). ProNavigator provides property-casualty insurance organizations with an AI-powered knowledge management solution to instantly discover and access critical insurance information, such as manuals, policy wordings, process manuals and more.

"The strength of independent agents is their ability to provide trusted advice to consumers, and technology can free agents from cumbersome processes to focus on what's truly important—helping their clients," says Chris Cline, ACT executive director. "As ACT and its partners continue

to lead the insurance industry in solutions to empower agents, we're excited that ProNavigator has joined us."

ProNavigator offers P&C insurance agencies, managing general agents (MGAs) and carriers a cloud-based knowledge management platform: Sage. Powered by artificial intelligence (AI) and machine learning (ML), Sage makes an organization's documents—from underwriting manuals to forms—searchable in a central knowledge base, allowing staff easy and quick access to information.

"Insurance professionals lose too much time digging through information silos and documents to find information to help customers," says Joseph D'Souza, founder and CEO of ProNavigator. "We are proud to partner with ACT to make information discovery instant, effortless and consistent for insurance staff."

Learn more about ProNavigator.

Founded in 1896, the Independent Insurance Agents & Brokers of

America (the Big "I") is the nation's oldest and largest national association of independent insurance agents and brokers, representing more than 25,000 agency locations united under the Trusted Choice® brand. Trusted Choice independent agents offer consumers all types of insurance—property, casualty, life, health, employee benefit plans and retirement products—from a variety of insurance companies.

The Agents Council for Technology (ACT) was established in January 1999 by the Independent Insurance Agents & Brokers of America (the Big "I") to provide a candid, action-oriented forum to address the critical workflow and technology issues facing the independent agency system. ACT helps participants understand the perspectives of the other stakeholders in the process and provides excellent networking opportunities with the participants who are shaping the future for the industry on these issues.

WHAT IS ANE'S GREATEST RESOURCE?

OUR MEMBERS!

Gain **intellectual capital** from
the highest caliber agents

Increase your agency's
contingent and **incentive
revenue**

Simple contract
model and **minimal
membership fees**

Business resources
are **hand-selected
by our members**

Outperforming
the industry

Find Out What the
ANE Advantage
is Today

800.700.9643
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ANE
AGENCY NETWORK EXCHANGE



CYBER LIABILITY COVERAGE

Cyber crimes are the fastest growing crimes in the world. Cyber attacks are up 17 times since 2009 and this is primarily because only 1 in 20,000 cyber thieves get caught. Independent insurance agents collect and store numerous types of private information on their clients. This information can range from driver license numbers to corporate trade secrets. As the agents collect this information they are required by law to protect it from the public and to keep it secure. It does not matter if they keep this information on their computer system or another 3rd party system, if they collected it - they are responsible for the breach notification.

Wingman Cyber Insurance:

Big I Maryland has partnered with Wingman Insurance to offer you cyber liability coverage through a fully ADMITTED product brought to you by AXIS (rated A+ Excellent by A.M. Best).

Wingman Cyber Insurance protects you from first and third-party threats including:

- Unauthorized Content
- Virus or Malicious Code
- Theft or Destruction of Data
- Cyber Extortion
- Business Interruption
- And More



With Wingman, cyber attacks don't have to cost you or your business. There are up to \$10M limits available and payment installments are available as well. Get a quote delivered to your inbox within an hour!

Did you know? Wingman cyber liability coverage is also available to you to sell to your commercial insureds!

Beazley Breach Response:

Big I Maryland has partnered with Beazley syndicated at Lloyds to offer you cyber liability coverage on a NON-ADMITTED basis. The Beazley Breach Response® policy was created and tailored to the needs of independent agents. Coverage is provided on a Non-Admitted basis with premiums as low as \$250*.

Beazley Breach Response® protects you from threats including:

- Information Security & Privacy Liability
- Regulatory Defense & Penalties
- PCL Fines & Penalties
- Website Media Liability
- Cyber Extortion
- Legal & Forensics
- Public Relations
- Fraud Resolution



As a Beazley Breach Response policyholder, you will have access to their Data Security Risk Management website, which provides risk management policies, procedures, training and other tools to help prevent a breach of confidential data.

For more details regarding our cyber liability coverage visit BIGIMD.com/cyber today!





RLI Personal Umbrella & Home Business Insurance Policies

RLI Personal Umbrella Policy (PUP):

RLI's PUP stands atop the existing homeowner and auto insurance to provide an extra layer of personal liability protection for the insured and their family. With RLI's PUP program, the insured can maintain their auto or home coverage with any company they choose, provided they agree to maintain the mandatory minimum underlying coverage limits.

RLI Umbrella Policy Features:

- Limits up to \$5 million available (\$1M in NM)
- Excess UM/UIM available in all states.
- The insured can keep their current homeowner/auto insurer
- New drivers accepted - no age limit on drivers
- Up to one DWI/DUI per household allowed
- Auto limits as low as 100/300/50 in certain cases
- Competitive, low premiums for increased limits of liability
- Simple, self-underwriting application that lets you know immediately if the insured is accepted
- E-signature and credit card payment options
- Immediate coverage available in all 50 states plus D.C.



RLI Home Business Insurance Policy:

RLI's Home Business Policy provides affordable coverage for those people who operate small home-based businesses. Insureds often believe their existing homeowners or apartment-dwellers policy will cover any loss or damage to their business equipment, furniture and supplies in the event of fire, theft or other catastrophe, when in fact, those policies usually explicitly exclude coverage for any business exposures on their premises. The RLI Home Business Policy, however, is not intended for all types of home business. It is specifically targeted for over 100 retail and services risks operated from the insured's residence and presenting minimal product liability, professional liability and/or off-premises exposures.

RLI Home Business Policy Features:

- Provides coverage for over 145 classes of small retail & service-type home-based businesses
- Affordable rates
- General liability coverage up to \$1 million
- Loss of business income protection up to 12 months available
- Broad coverage with off premises theft included
- RLI is admitted and A.M. Best "A+" rated
- Up to \$100,000 (varies by state of risk) comprehensive coverage for business personal property both on- and temporarily off-premises
- Up to \$5,000 per person for medical payments to customers injured on the insured's premises
- Optional coverage available for Additional Insureds, Money & Securities, Electronic Data Processing Equipment (varies by state of risk)

**For full program details or to get started with RLI
visit BIGIMD.com/RLI today!**



Life Insurance Made Easy



Retirement Planning and Protection Along the Way!

By Mark R. Gage, CLU

We have seen our industry respond with creative accumulation products to help save for retirement. Qualified plans like 401k, SEP IRA, Roth, annuities, cash value life insurance and numerous investment options from bonds to stocks to mutual funds. All of these vehicles require obvious consistent accumulation to end up with a nest egg that we can then position to yield a significant retirement income stream. However, despite our income being our largest asset, we often fail to protect it and simultaneously put our retirement goals at risk.

Many people live paycheck to paycheck. The savings grows at a painfully slow rate. Even a short term disruption of income can have devastating consequences. A disabling event is an economic catastrophe! In working to pay for shelter, food, education, clothing, healthcare and transportation, we sometimes ignore the "What If" scenario of an accident or sickness that could put our ability to pay all of those bills at risk and totally take off the table the ability to continue to fund retirement. Sometimes we see that disabling event even causing invasion of those retirement assets which really creates havoc with wealth accumulation.

Keep it simple to address the exposure with your clients. Are you willing to give us 3% or 4% of your current earnings to protect the balance of your income if you become disabled? If the answer is no, the client doesn't understand what being disabled is all about and how the system works. Some clients do have protection with their employer but it usually is just 60% up to a given limit and that is taxed resulting in a much lower net income and certainly leaving them short.

Disability insurance is the greatest weapon in safeguarding your client financial goals. It can help stabilize retirement goals and manage those ongoing living expenses. You can even structure the disability protection with some companies to specifically keep funding their retirement with separate coverage that is focused on just that issue.

For business, the disability can be an enormous exposure too. For an owner, we could offer keyperson disability coverage that brings revenue into the business while they are out. We can even set up overhead expense protection that specifically takes care of a series of corporate expenses to maintain flow to the business and keep the doors open. Finally, we can create

protection to purchase the ownership if a disability occurs with either lump sum or a five year buyout plan. Image you are 4 or 5 years from retirement, your partner goes down. How does this effect the value of your stock? Where does the money come from to buy out the partner? Does the disabled partner who is no longer contributing to the business still get paid? Lots of questions to be asking your clients. The disability of an owner could potentially be a massive disruption for all parties in the retirement process.

Despite the massive financial exposure that a disabling event can have on either an individual or a business, it is one of the least protected areas. We insure with life insurance first yet the chance of one becoming disabled verses death in their working years really points to the need for disability protection. I have seen 8 to 1 in likelihood! Let me help you and your clients with income protection. Plus, there are great commissions and renewals too!

*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.*

Insurance Agents Errors and Omissions Coverage That's Right for Your Business

Why Big "I" Professional Liability and Swiss Re Corporate Solutions

Prompt, Local Service – Superior customer service and expertise by your Big "I" state association, who serves as your agent with underwriting authority offering prompt turn-around of quotes and policy delivery.

More premium discounts – Qualifying agents can save over 50% in premium discounts including the loss control, claims free, agency operations improvement review, efficiency, and carrier concentration credits.

Deductible Savings – Loss only deductible available along with deductible reduction feature offering up to 100% savings of deductible (up to \$25,000) per claim with proper documentation.

Ease of Business – Our qualifying policyholders enjoy the benefit of automatic renewal available with no applications along with online applications when required.

Claims Handling – Prompt and thorough claims handling by an experienced staff made up primarily of licensed attorneys that stand ready to support policyholders with any potential incident or claim.

Flexible Underwriting – Targeting agencies of all sizes and unique operations including both P&C and L&H-only agencies.

Capacity – Limits up to \$25M

Risk Management Tools – Preferred policyholders have FREE access to the exclusive website E&O Happens (www.iiaba.net/eohappens) and the E&O Claims Advisor Newsletter

Stability - Nationally endorsed program with over 30 years experience and the largest and most stable independent insurance agency E&O program in the country, rated "A+" (Excellent) by A.M. Best.

Exclusive - A Big "I" member exclusive policy form and premium credits filed on a Risk Purchasing Group basis give Big "I" members tailored coverage.

Member Oversight - A Professional Liability Committee including IIABA member agents oversees and directly influences the program. Our program was designed by agents for agents.

Agent Advocacy - Supports lobbying efforts protecting your industry by contributing a percentage of every premium dollar to the funding of important advocacy efforts of the IIABA.

Swiss Re Corporate Solutions Policy Form Highlights

Big "I" Professional Liability program and Swiss Re Corporate Solutions pride ourselves on offering the strongest coverage form in the marketplace that continues to evolve to meet the changing needs of agents. Review the preferred policy form and you will find that these are just a few of the coverage benefits:

- ♦ Rated A+ by A.M. Best
- ♦ State-of-the-art coverage form exclusive to Big "I" members
- ♦ Claims-made coverage with full prior acts available
- ♦ Coverage for the sale of both Property/Casualty and Life/Health insurance products
- ♦ Limits of liability up to \$25 million
- ♦ Broad definition of covered professional services and activities
- ♦ Comprehensive definition of insured
- ♦ Aggregate deductibles available
- ♦ Defense cost outside the limit
- ♦ \$25,000 1st Party Personal Data Breach
- ♦ \$1,000,000 3rd Party Personal Data Breach sublimit available
- ♦ 60/40 consent to settle clause
- ♦ Crisis Management coverage; up to \$20,000 per policy period for fees, costs, and expenses incurred within 6 months of a crisis event
- ♦ Deductible reduction up to \$25,000 per claim with proper documentation, no limitation on the number of claims
- ♦ Catastrophe Expense \$25,000 per incident, \$50,000 per policy period
- ♦ Regulatory defense \$100,000 per policy period in addition to the limit of liability
- ♦ True worldwide protection
- ♦ Several options to earn premium discounts up to 20%.

If you have any questions please contact your state program manager.





View the up-to-date calendar, course descriptions and register using our online Education Calendar at www.bigimd.com/onlineeducation.

ABEN WEBINARS

ERRORS & OMISSIONS

- E&O Risk Management: Agency E&O Exposures & Defenses - 3 hrs. P&C
- E&O Risk Management: Understanding Risk Mitigation & E&O Claims - 3 hrs. P&C
- E&O Roadmap to Cyber & Privacy Insurance (Part 1) - 3hrs. P&C
- E&O Roadmap to Cyber & Privacy Insurance (Part 2) - 3hrs. P&C
- E&O Roadmap to Identity Theft, Red Flags & Money Laundering (Part 1) - 3hrs. P&C
- E&O Roadmap to Identity Theft, Red Flags & Money Laundering (Part 2) - 3hrs. P&C
- E&O Roadmap to Homeowners Endorsements & Personal Inland Marine (Part 1) - 3hrs. P&C
- E&O Roadmap to Homeowners Endorsements & Personal Inland Marine (Part 2) - 3hrs. P&C
- E&O Roadmap to Policy Analysis (Part 1) - 3 hrs. P&C
- E&O Roadmap to Policy Analysis (Part 2) - 3 hrs. P&C

ETHICS

- Guiding Tenets of Ethical Leadership - 1 hr. Ethics
- To Simply Comply or Truly Excel Ethically - 1hr. Ethics
- Ethical Leadership is Impactful Leadership - 1hr. Ethics
- Ethical Issues: Personal & Organizational - 3 hrs. Ethics
- Insurance Ethics, Easy to Discuss, Harder to Achieve - 3 hrs. Ethics
- Ethics: Creating A Winning Culture in the Agency - 3hrs. Ethics
- Watch Your Six: A Half Dozen Ethics Scenarios for Ins Professionals - 3hrs. Ethics

FLOOD

- Flood Program Overview: NFIP Then & Now - 3 hrs. Flood
- NFIP Program Changes & Refresher - 2 hrs. Flood

BIG "I" BASICS & BEYOND

- The Law of Insurance Contracts and the Rules of Policy Interpretation (Basic) - 3 hrs. P&C
- Risk Management & Insurance: Why Agents Are NOT Risk Managers (Basic) - 3 hrs. P&C
- Torts, Negligence and Legal Liability (Basic) - 3 hrs. P&C
- Understanding the Insurance Industry: From Regulations to Operations (Basic) - 3 hrs. P&C
- The Basics of Contractual Risk Transfer, Add'l Insureds & Certificates of Ins (Beyond) - 4 hrs. P&C
- The Basics of Commercial Property Underwriting and Rating: COPE (Beyond) - 3 hrs. P&C
- The Basics of Property Values and Coinsurance Conditions (Beyond) - 3 hrs. P&C
- Premium Auditing: What Every Agent Must Know (Beyond) - 2 hrs. P&C

PERSONAL LINES

- A Little of This, A Little of That: New Threats & Possibilities in Commercial and Personal Lines Insurance - 2 hrs. P&C
- Hot Topics in Personal Lines - 2 hrs. P&C
- Personal Lines Issues That Keep You Up at Night - 2 hrs. P&C
- Those Kids and Their Cars - 2 hrs. P&C

COMMERCIAL LINES

- A Little of This, A Little of That: New Threats & Possibilities in Comm'l and Personal Lines Ins - 2 hrs. P&C
- Additional Insureds: Issues & Endorsements - 2 hrs. P&C
- BAP Symbols & Endorsements - 2 hrs. P&C
- Business Auto Claims That Cause Problems - 2 hrs. P&C
- Captives: What Are They & How Do They Work? - 1 hr. P&C
- Certificates of Insurance: Emerging Issues & Other Stuff that May Scare You - 3hrs. P&C
- Commercial Lines Claims That Cause Problems - 3 hrs. P&C
- Contracts Agents Should Read - 2 hrs. P&C
- Cyber Insurance Deconstructed - 2 hrs. P&C
- Cyber Security & Insurance Risk Management - 2 hrs. P&C
- Data Privacy Insurance - 2 hrs. P&C
- Directors & Officers Liability Insurance - 2 hrs. P&C
- How COVID Rocked Insurance - 2 hrs. P&C
- Issues in Construction Bonds - 2 hrs. P&C
- Umbrella/Excess: A Blanket of Protection? - 2 hrs. P&C

VIRTUAL UNIVERSITY (VU) WEBINARS

- 3 Keys to Getting the Named Insured Correct - 2 hrs. P&C
- 4 Key PL & CL Exposures Every Agent Must Understand - 2 hrs. P&C
- 5 Contractor Coverage Concepts Every Agent Must Understand - 2 hrs. P&C
- 9 Rules for Reading an Insurance Policy Based on the Law of Insurance Contracts - 2 hrs. P&C
- Condominiums & How to Insure Them - 1 hr. P&C
- ISO's 2022 Homeowners' Changes - 2hrs. P&C
- How to Understand Commercial Property Underwriting & COPE - 2 hrs. P&C
- Understanding the Importance of Ordinance or Law Coverage - 2 hrs. P&C
- Understanding Trucking & Motor Insurance - 2hrs. P&C
- Properly Calculating & Insuring the Business Income Exposure - 2 hrs. P&C
- Rules for Developing the Correct Premium - 2 hrs. P&C
- Why Business Income is the MOST Important Property Coverage - 2 hrs. P&C
- Why Certificates of Insurance...Just Why? - 2 hrs. P&C
- Workers' Compensation: 5 Mistakes Every Agent Makes - 2 hrs. P&C



Questions? Contact Kyrsten Langford, Education Coordinator, at kyrsten@bigimd.com or 410-766-0600.

IN-HOUSE TRAINING

Let us do some of the heavy lifting for you. Our In-House Training Programs brings our knowledgeable instructors and informative CE classes right to your agency.

There is a flat rate fee of \$250 for up to 10 students and each additional person is \$15. **You must have adequate space to seat the number of attendees you expect in a classroom type environment and also provide room for the instructor and their equipment.**

The following courses are available for In-House Training:

- E&O Risk Management: Agency E&O Exposures and Defenses **3hr P/C**
- E&O Risk Management: Understanding Risk Mitigation and E&O Claims **3hr P/C**
- Flood Program Overview: Then and Now **3hr Flood**
- Insurance Ethics **3hr Ethics**
- ACSR 1: Homeowners Insurance **4hr P/C**
- ACSR 2: Personal Automobile Insurance **6hr P/C**
- ACSR 3: Personal Lines Related Coverages **6hr P/C**
- ACSR 4: Agency Errors & Omissions **6hr P/C**
- ACSR 5: Professional Development & Account Management **6hr P/C**
- ACSR 6: Commercial Property Insurance **6hr P/C**
- ACSR 7: Commercial General Liability Insurance **6hr P/C**
- ACSR 8: Commercial Automobile Insurance **6hr P/C**
- ACSR 9: Commercial Lines Related Coverages **6hr P/C**
- AAI81A: Principles of Insurance **7hr P/C**
- AAI81B: Personal Insurance **7hr P/C**
- AAI81C: Commercial Property Insurance **7hr P/C**
- AAI82A: Commercial Liability Insurance **7hr P/C**
- AAI82B: Other Commercial Insurance **7hr P/C**
- AAI82C: Specialized Insurance Bonds **7hr P/C**
- AAI83A: Principles of Agency Management **7hr P/C**
- AAI83B: The Insurance Production Environment **7hr P/C**
- AAI83C: Agency Management Tools & Processes **7hr P/C**

Contact Kyrsten Langford, Education Coordinator at kyrsten@bigimd.com or 410-766-0600 to schedule your In-House Training.

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