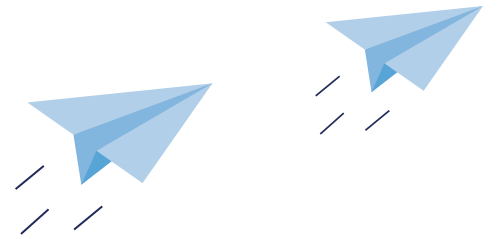


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# Messenger



DECEMBER 2023



## HOW AI IS CHANGING THE FUTURE OF INSURANCE

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# Professional Longevity

*Why placing coverage with a long-standing, well-established carrier has its benefits*

*By Amanda Juratovic*



The professional liability marketplace is ever-changing—carriers entering and exiting the marketplace, changing rates, and fluctuating underwriting positions. Typically, the longer a carrier has been in the professional liability marketplace, the more stable it is when it comes to making changes.

With longevity, a carrier can utilize its experience to properly price and underwrite the line of business to maintain profitability. As a result, the insured will experience fewer changes.

Longevity also impacts a carrier's ability to handle claims effectively. Carriers that have been active in this line of business have established strong relationships with their panel counsel to advise on the potential defense of a claim. Further, the claim adjusters are more experienced in handling claims specific to insurance agents' professional liability, which typically will result in a more favorable outcome for the insured.

Developing meaningful risk management material requires extensive experience in a line of business. For this, a carrier needs to understand what drives claims and which tools to recommend for an insured to mitigate these claims. Carriers that have been in the professional liability marketplace for a long time have years of claim history at their fingertips.

Many carriers offer a deductible waiver or reduction to an insured after they have been continuously insured with a carrier and loss-free during that time. Meanwhile, it isn't uncommon for a carrier to enter and then exit the marketplace within two to four years. In these situations, the insured would never reap the benefit of this coverage enhancement. Without longevity in the marketplace, the deductible waiver features would be meaningless.

While insurance is a commodity, there

is a strong relationship between a carrier and insured that develops over time. Trust is a very strong piece of that relationship and it doesn't happen overnight. Carriers that come and go in the marketplace cannot cultivate these types of relationships.

Placing your professional liability coverage with a carrier that has longevity in the liability marketplace will benefit your agency in many ways. Stability, claims handling experience, cashing in on deductible waiver features and risk management tools are just a few of the reasons why you should consider a carrier that has been a player in the professional liability arena for many years.

*Amanda Juratovic is assistant vice president of errors & omissions operations for the Big "I" Professional Liability Program. Learn more at [independentagent.com/EO](https://independentagent.com/EO).*



# Client Challenges Provide Opportunities to Add Value and Differentiate



By David Dillon



John Horace has come to understand the funny looks he gets when he works through the business planning process with passion and enthusiasm. It is not something every leader looks forward to, but something about it gives John significant energy and joy.

John is a leader of a thriving insurance agency. His primary responsibility at the agency is the commercial insurance business, and he loves working with business owners and leaders among his clients and prospects. Clients tend to have different needs and desires, and while this makes things challenging it also makes it really interesting for John.

Perhaps that is why John gets so much out of the business planning process, as he spends considerable time with business leaders to learn what new challenges and

opportunities they expect to face in the new year. John certainly studies what is changing on with competition, regulations, technology, and other factors, but it is the meetings with business leaders that result in copious notes and insights. Only then can he put those insights into actions that generate results.

As John reviewed his notes from his recent commercial insurance client and prospect meetings, a recurring theme was revealed; navigating the new evolution of work. Specifically, how to deal with the mix of remote, hybrid and on-site staff in a way that is good for everyone. While there are some clear variables such as industry type, client size and the requirements of the job, this new challenge is on the minds of many of the business leaders John spoke with.

The agency's commercial clients and prospects are challenged by how to

lead, manage, and build culture and employee engagement given the new reality. There is no playbook, so John started doing some research online. In that research he noticed a recent Gallup study that identified a significant correlation between declining employee engagement, declines in the American Customer Satisfaction Index, and customer engagement. A decline in customer engagement can often lead to share loss or even customer attrition.

John recognized this could be a potential revenue risk for his business clients. He is in the risk management business after all!

John decided he needed to get a better idea of how significant this employee engagement to customer engagement risk really is for his commercial clients. To get the best

*(Con't on page 6)*

(Con't from page 5)

input he usually finds it useful to have face-to-face discussions with his key clients and prospects. Before he does that, he reached for his pad to draft a discussion plan to ensure he asks the right questions during his client meetings.

#### NEW QUESTIONS TO CONSIDER

- What are the most significant business planning issues for your top five commercial insurance clients and prospects for 2024?
- Are your commercial insurance clients affected by the “evolution or work” issues identified in the national press?
- What trends in employee engagement and customer

engagement do your top clients and prospects see in their business?

#### ACTIONS TO TAKE

- Set up discussions with leaders at you top five commercial insurance clients and prospects to determine what business issues they see related to the evolution of work.
- Explore the relationship between employee engagement and customer satisfaction and engagement with these top five commercial clients.
- Identify at least one opportunity for your agency to add value for clients or differentiate from competition based on what you learn during your client and prospect discussions.

*David Dillon is a licensed P&C agent 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 effectiveness and culture, they usually find they have limited support available, so they struggle alone and often fail.*

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# Guns and Insurance

By Patricia McHugh Lambert, Esquire



Confession here-- I have only held a gun once in my life. My law partner took out some clients to a skeet shooting range and he decided that I should go with him. I don't remember the precise reason why he invited me to go with him. He knew I did not own a gun, while he was a person that went shooting frequently. But when a partner with a gun asks you to do something, it is good to agree—and so that is why I went to the range. After the requisite safety lectures, I was handed a gun and told to shoot at skeets. Amazingly, I hit the first two skeets dead on—a remarkable feat for a first timer I'm told. With that accomplishment achieved, I handed the gun to my partner, telling him that two direct hits were enough for me to 'retire' from the range. I have never been shooting since.

That does not mean that I do not keep up with gun topics, particularly when the topic of guns intersects with the field of insurance. There is a lot of intersecting going on right

now, with a number of jurisdictions mandating that homeowners have gun liability insurance. This past summer the San Jose ordinance was upheld by a California court. The case has now been filed and it is likely that it will meander towards the United States Supreme Court.

This is an insurance magazine, so I don't want to focus on the Second Amendment implications of gun ordinances. Instead, I want to discuss the insurance product issues relating to guns. Because people are buying guns—and they need insurance. Because mass shootings have occurred—and lawsuits are being filed. And there are underwriting risks that an insurer needs to consider when there are guns in a home.

According to Forbes, there are no major or regional insurers offering separate gun liability insurance. I have found affinity groups advertising insurance products for gun liability, but, frankly, the listings were

often confusing about the offerings and the products. There are a few specialty insurers, such as Lockton Affinity, that sell specific advertised gun liability policies. And I have been told that a gun owner can find concealed carry insurance.

Of course, traditional products may offer protection from some gun liability lawsuits. Homeowners insurance policies often provide coverage to replace stolen guns, although usually there are internal limits for such losses. Many homeowners insurance policies limit coverage for the theft of guns to a maximum of \$5,000. That's total coverage and not \$5000 per gun. That is not enough to cover the replacement of a gun collection.

Homeowners insurance policies-- and umbrella policies as well--may provide coverage for some gun liability claims. While generally there is coverage for damage claims relating to 'accidental' shootings, most policies have exclusions for intentional criminal acts. There are also questions as to how far the general intentional acts exclusion bends when an insured uses a gun for self-defense. But homeowners insurance policies often have \$300,000 as the limits for liability claim—clearly not enough considering the bodily harm that a gun can cause.

Gun liability claims are serious. Gun owners have been sued because guns have not been secured, with catastrophic results when someone

*(Con't on page 11)*



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FINANCIAL STRENGTH RATING FROM A.M. BEST

# How AI is Changing the Future of Insurance

By Michael Giusti

From customer service to automated underwriting and even fraud detection, artificial intelligence (AI) promises to be a ground-breaking tool and a disruptive force in insurance. AI's double-edged potential could both innovate and shake up the industry.

AI in the insurance industry is taking—and will take—many forms. Large language models, much like ChatGPT, promise to play many roles, as will natural language understanding and machine learning. Generative AI, with its ability to create and analyze images, videos and audio, also holds huge potential for insurance industry use cases.

While AI has been garnering major headlines across many industries recently, the insurance industry has been using AI tools in some form for years.

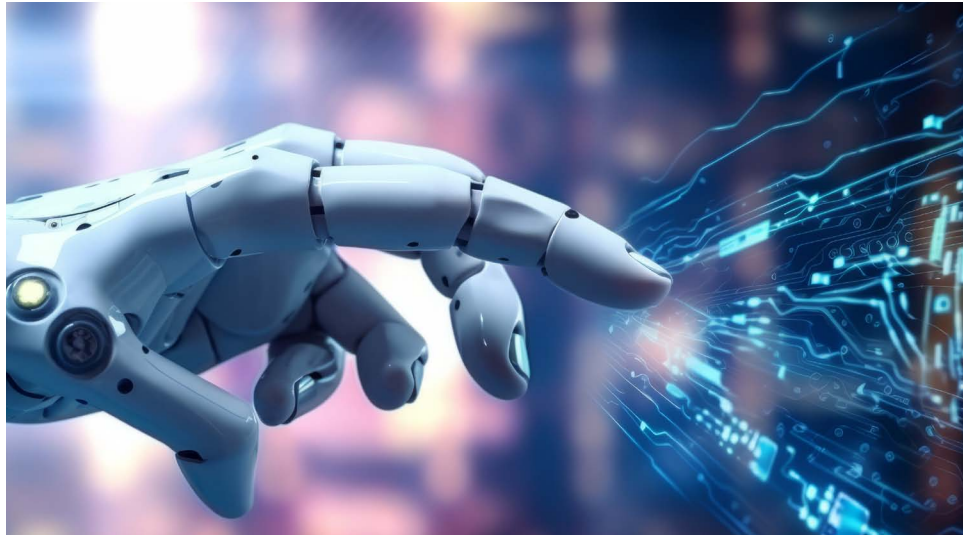
"From the carrier side, we have been seeing predictive modeling since it started to really grow 10-15 years ago," said Bill Holden, senior vice president of executive perils for The Liberty Company Insurance Brokers. "This is where they use vast amounts of data to make predictions."

But even more familiar tools, such as telematics devices used in usage-based insurance policies, rely on AI underpinnings, as do the basic chatbots found on most insurance company websites.

## Emerging Threats

AI tools have been familiar assets in the insurance landscape for years, but some of the emerging functions are creating new risks that might need to be insured themselves.

Take those large language models for



one. AI companies train these models to answer questions autonomously based on predictive text that relies on the data it has been fed. Problems emerge because the AI isn't designed to answer the prompts with 100% accuracy but is instead designed to do their best to predict what word would likely come next. And nobody is there monitoring what it says in real-time.

That has led to a phenomenon known as "hallucinating," where the program simply makes up some element of the response out of thin air because it sounded like it would be correct.

If that hallucination was simply a nonsense response, then there is no harm, but, as The Guardian reported, there has already been one lawsuit filed in Australia based on the AI accusing a mayor, who was a whistleblower in a case, of being the one who committed the offense.

That kind of defamation falls into libel law, and lawsuit judgments based on those damages can easily cost millions of dollars. The key to who must pay in those cases

comes down to who was at fault for the publication, which is where the interesting insurance question comes in.

Because the machine made the statement, was it the fault of the person who asked the question and thus prompted the publication in the first place? Was it the fault of the company that hosted the AI chatbot's code on its server? Was it the fault of the programmer? Which insurance company is going to have to pay to defend the lawsuit and, in the case of a guilty verdict, pay to cover the judgment?

A similar question of fault comes with AI that drives autonomous vehicles. If an AI-driven autonomous drone, delivery vehicle or taxi crashes into another vehicle or, worse, kills a pedestrian, who is at fault? Would it be the owner? The programmer? The manufacturer?

These questions have not yet been answered by courts or legislatures.

*(Con't on page 10)*

*(Con't from page 9)*

Generative AI has also sparked lawsuits based on copyright violations. With generative AI, a company trains the program to create art or music by feeding it examples of existing works. The creators of those works have been taking issue with that practice, claiming that their work and styles are being stolen. And they are suing, with lawsuits filed against OpenAI, Stability AI, DeviantArt, Midjourney and other text and image-generating AI programs, according to CNBC. Deep fakes present a similar liability question.

As these questions play out, policy language must be updated in personal lines, umbrella policies, business general liability policies, errors & omissions policies, directors & officers policies, media liability policies, and beyond.

"Liability is like a pebble in a pond," Holden said. "It ripples out, and things you don't think about come into play."

### **Operational Effect**

Beyond risks that need to be covered, AI has changed and will continue to change how insurance companies operate—from the point of contact with the customer through the way policies are underwritten and claims are processed.

The most immediate impact will be on paperwork. AI holds the promise to minimize the risk of human error by streamlining services and automating tasks.

Everyday insurance functions, such as filling out forms, filing insurance certificates, checking policies, and any manner of clerical tasks will be shifted as soon as possible to AI tools.

"I know they are already writing briefs," Holden says. "If they are not already, it will not be too far in the future that they will start to write coverage opinions."

When customers have historically applied for policies, insurance

companies relied on customer-supplied data, some commercial databases, and limited human investigation to aid in the underwriting.

With artificial intelligence, underwriters can use natural language understanding tools to read unstructured data, such as reviews on sites like Yelp and thousands of public document filings and public records, and scrape social media feeds to build profiles on applicants that can help assess risk.

The next step in AI would be to remove the human underwriter entirely, taking that automatically collected data and creating an automated coverage decision and rate nearly instantaneously. But that must be done cautiously to ensure unintended consequences don't follow.

Through machine learning and modeling, insurance companies could automate many of the tasks that had previously been done through labor-intensive, hands-on processes. After claims are filed, artificial intelligence can step in and use generative AI to analyze images and video of damage and interface with sensors. AI can compare that damage and information with policy documents, returning coverage decisions and settlement offers in a fraction of the time a human would take.

Machine learning also holds the potential for detecting fraud by analyzing patterns that might slip past a human and flag suspicious claims or behaviors that might signal something isn't entirely above board.

Many of these tools are here now, and many are being rolled out in stages. Many more are sure to come.

### **Job Advancement and Downfalls**

With all that automation, many in the industry will be looking over their shoulders to see if their job will be the one at risk.

At the beginning of the AI revolution, the most tedious and repetitive jobs

will be most likely to be lost, as will front-line customer-facing roles that had previously been outsourced to call centers.

With large language models able to return answers and elegant responses, chatbots will continue to play an increasingly important and expanding role. And with generative AI able to understand and create human-sounding voice responses, phone-based customer service jobs that haven't already been automated will also likely be further outsourced.

But that doesn't mean every insurance job is immediately at risk. Anyone who has dealt with an automated call center knows the frustration of asking for a human attendant because the AI just isn't cutting it.

And though a drone may be able to capture post-disaster damage, and a phone's camera can relay video and photos to the insurance company's AI to assess the damage after a car crash, Holden says that there is still something missing when there aren't people involved in the process—at least for now.

"Until it can emulate emotion and empathy, AI can't do the claims adjusting on its own," Holden said. "It still needs to learn its bedside manner."

### **Bias and Discrimination**

There is a ghost in the machine when it comes to automating insurance roles that were previously done by humans: bias and discrimination. There are strict laws governing discrimination in insurance, but with many of the AI tools, how they make their decisions is shrouded inside a black box. Many researchers, including the Algorithmic Justice League, have pointed to systemically racist results that have been produced by AI in many different contexts.

Bob Gaydos, CEO of Pendella

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Technologies, said that while AI can process information much faster than humans, that speed is often ultimately their liability.

"You have to protect it from its speed. Speed is a great thing, but a dangerous thing, and AI makes assumptions at a crazy speed," Gaydos said.

He said that if the AI has an assumption that leads to a biased coverage decision, the nature of AI means that it is going to reproduce that assumption again and again.

A human might rely on wisdom or experience to realize that a biased decision was wrong, ill-informed or even illegal, but steps must be taken to ensure the AI doesn't discriminate.

Underwriters have to be conscious of the implications that automated underwriting can have when it comes to bias and discrimination. Otherwise, they will invite an avalanche of political oversight and regulation.

Already, Colorado is proposing a regulation to prevent AI-driven discrimination in insurance. "The political door is open with Colorado. State regulators are going to say, 'If you are using AI, you are going to have to show us how you are going use it,'" Gaydos said. "But that will open Pandora's Box."

#### The Future of AI and Insurance

AI is already good at automating repetitive and predictable tasks in the insurance industry. The human touch is still needed. But as AI improves, more complex tasks will continue to be handed off, perhaps opening more opportunities for oversight roles and efficiencies.

From a customer standpoint, the AI future is a dream of an automated, frictionless experience. Picture getting in a car that tells you the different real-time insurance rates for different routes to work that morning based on traffic and road conditions. If an accident occurs, the claim is processed automatically with the click of an app, and the car drives

itself to the shop while a replacement car finds its way to the driveway—without you having to take a moment off work.

That world of usage-based and real-time pricing is almost a certainty as data and feedback models become more available and help drive decisions in real-time.

Risk management and mitigation will play as much a role in the customer service realm as underwriting does now, with aerial images coupled with generative AI processing analysis and providing agents information to help their customers head off things like roof leaks before they happen.

But for now, things are changing fast, and AI potential seems to be everywhere.

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**Michael Giusti, MBA, is senior writer and analyst for InsuranceQuotes.com.**

***This article was originally published in the October edition of the Independent Agent Magazine.***

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other than the gun owners uses the gun. Gun owners can be sued when the owned gun is used to kill a family member—or even where it is used by a depressed individual to commit suicide. And some suits are pushing the limits, seeking to hold gun owners liable when a negligently stored gun is stolen and later used in a crime.

So, while gun insurance products are being developed by small and specialized carriers, traditional carriers are considering how to underwrite and price policies issued to insureds that own guns. Among other things, some insurers are looking to see if firearms are locked in a cabinet or safe that cannot be assessed by anyone other than

the gun owner. Some insurers are considering whether guns have safety locks. Gun usage outside the home—and not just storage of the gun—is also being examined. With liability claims increasing in severity, some industry experts are predicting that there will be increased premiums for policies issued to gun owners.

To put all this into perspective, more than 25,000 have died from guns this year—which is an average of more than 100 deaths each day, with suicides making up about 66 deaths per day. Headlines call out the hundreds of mass shootings in 2023. And gun rights issues will again be considered this upcoming term (i.e. the United States Supreme Court will decide if a federal law prohibiting possession of firearms

by people subject to domestic violence protection orders is constitutional.). The landscape for guns is not static.

We as insurance professionals need to think about gun issues. We all want a world that is safer, although we may take different positions on gun rights. We should make sure that gun owners are encouraged to be safe, whether as an underwriting guideline or a societal norm. We should encourage gun owners to protect themselves with liability insurance. Such protection is good for society and good for gun owners.

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**Patricia McHugh Lambert is an insurance lawyer that can be reached at [plambert@pklaw.com](mailto:plambert@pklaw.com). She welcomes your input and questions.**



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# Hand in Hand: Do Your Research but Listen to Your Gut

By Scott Freiday

"Never ignore a gut feeling, but never believe that it's enough," advised business author Robert Heller. The opposite can be true too. Do your due diligence, but never ignore a gut feeling, especially with insurance agency mergers & acquisitions. Buyers and sellers shouldn't be afraid to trust their instincts if a deal doesn't feel right or an opportunity seems too good to pass up.

If you have a sixth sense about a transaction, even after you've done your homework, you may want to listen to that inner voice before making a decision. Here are a few areas where gut feelings could be a determining factor:

**1) Numbers.** Agency M&A revolves around numbers. Getting an accurate and complete financial picture of the agency is especially critical for the buyer who needs to be able to objectively assess income, cash flow and the overall value of the agency.

Obvious red flags during this process might be missing financial reports and outdated accounting and agency management software. Perhaps the numbers do add up in the end, but an uneasy feeling may give you pause about the deal.

Financials are just part of the picture. You'll also want to look at the quality of the book of business. Does it align with your own markets? Are the accounts the ones that you want to keep?

The buy-sell agreement can be a warning sign as well. Is it a well-crafted agreement and a fair

price? If you're getting some bad vibes but still want to pursue the deal, consult with an expert who has experience with agency sales.

**2) Culture, people and agency fit.** Instincts often come into play when considering intangibles, such as agency culture, business styles and customer loyalty. It's always a good idea to meet the staff of the agency you're acquiring to see how they conduct business and treat their clients.

How well does the agency take care of its employees and customers? If you're pursuing an acquisition, how easily can you integrate the agency into your systems? Can the teams work well together and add new markets? Do your business styles complement each other?

Sellers have their own gut issues, too. Will the new owner take care of the staff? Will they carry on the previous owner's legacy and be involved in the community? Is there a place for the prior owner if they want to stay on as a manager or producer?

**3) Data and intuition.** Malcolm Gladwell popularized the concept of making decisions in a "blink" based on intuition, but he also cautioned that hunches must be tempered by experience and knowledge. Listening to your gut is important, but so is gathering information and getting the advice of experts.



Accountants, attorneys and bankers with agency M&A experience can be a valuable resource. An industry bank that knows how to underwrite an insurance acquisition can offer financing options and validate those gut feelings you may have about a transaction.

Learn to trust your instincts, and also do your homework. The two go hand in hand.

Scott Freiday is senior vice president and division director of InsurBanc, a division of Connecticut Community Bank, N.A. Started in 2001 as a vision of the Big "I," InsurBanc finances acquisitions and perpetuations and helps agencies become more efficient by providing cash-management solutions.

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# Avoiding E&O Exposure When Turning Prospects into Long-term Clients

By Madlyn Tombs



Every salesperson's aspiration is to turn every prospect into a successful business relationship. In sales, you want a seat at the table with the inner circle—the elite group that holds conversations about business growth—because their growth is your growth.

However, to earn that coveted seat, there must first be an earned level of trust through careful preparation that begins well before the sale.

The foundation for your client's trust is established during the fact-finding part of the sales process, where you learn as much as you can about the

business, its products and services, its team, its locations and its plans for the future. When you sit down with business owners, listen as they express pride in their business accomplishments while guiding the

*(Con't on page 15)*

(Con't from page 10)

conversation to fill the gaps in your understanding of the risks involved both today and in the coming months and years.

During your meeting, take careful notes about what's discussed. Your fact-finding notes should be supported by a checklist that will guide you through the conversation. If you haven't prepared your own, the Big "I" Virtual University offers several great examples.

The customer may confide in you about their last insurance experience—what they liked and what they would have changed. As part of that discussion, you should ask the customer to share what coverage is currently in place and what changes they are looking for. Although your role in many states is that of an order taker, at least initially, you are not required to stop there. However, discussions regarding offerings and rejections should be carefully documented.

This is the point where you have an opportunity to take advantage of what is, perhaps, the most important strategy of all for avoiding or mitigating errors & omissions claims: sell insurance. It is possible to offer a quote without substituting your judgment for your customer's, which is a leading cause of E&O claims. There is a subtle, but significant, difference between offering to quote a higher limit or new coverage and actively recommending it.

In every case, resist invitations to "tell me what I should buy." Rarely will your judgment be as good as your customer's when it comes to their business and livelihood, especially when 20/20 hindsight comes into play in the wake of an inadequately insured loss.

Trust is also earned over time through a continuing sense of

security. You've heard the old adage "the only constant is change" countless times, and that is especially true of your customers in this rapidly changing world. Though your initial placement of coverage may have been outstanding, it will not withstand the effects of time, growth, inflation and innovation.

Granted, it may not be possible to visit every client at every renewal, but there needs to be a sensible cadence with your contacts. In many cases, your client's business will have changed substantially in just a few years, presenting new risks. If inflation has been running hot, there has been a recent storm that led to a boom in the rebuilding of homes and businesses, or the client purchased new vehicles or equipment, you may need to accelerate the timing of your visits.

But even if there hasn't been such an event, new insurance products are coming on the market all the time in response to unmet insurance needs that may benefit your customers. A disappointed client may or may not be successful in pursuing an E&O claim against you for failing to recommend new limits or coverages, depending on the law in your jurisdiction—but they almost certainly will not trust you going forward.

For that reason, your early conversations should identify a point of contact within the business and plans of ongoing communication to ensure that questions can be asked and answered as they arise. This creates a reliable channel through which updates, acquisitions or changes can be reported and handled in a consistent manner beyond simply trading cell phone numbers. This ensures easy access to trackable information where everyone is engaged and in participant mode during communication about needed updates and included

on communication follow up confirmations.

Your communication plan is a tacit reminder that you can provide insight into the best insurance products to protect them and their business ... but only as long as they keep you informed.

Madlyn Tombs is an assistant vice president, claims specialist with Swiss Re Corporate Solutions and works out of the office in Kansas City, Missouri. Insurance products underwritten by Swiss Re Corporate Solutions America Insurance Corporation, Kansas City, Missouri, a member of Swiss Re Corporate Solutions.

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# 3 Ways to Smooth the Transition in an Acquisition

By Will Jones

So, you've finally closed the deal. You thought that was hard? Now the real work begins.

Independent agent and broker mergers & acquisitions (M&A) have slowed this year, returning to the levels seen before the pandemic. An increase in the cost of borrowing, as well as a pause in private-equity (PE) backed buyers, are among the reasons for the slowdown.

Now, two things are happening: smaller agencies are taking advantage of a less crowded field to step into the M&A market for the first time, while some of the most active buyers are focusing on consolidation to begin to make the most of their investment.

Whether you're just getting started in M&A or have a few deals under your belt, here are a few areas to focus on that can smooth the transition in the acquisition:

**1) Processes.** Bradley Flowers, founder of Portal Insurance in Mobile, Alabama, prides himself on his processes and employs an intranet where every question is searchable and mapped out in three forms: written, video and a flow chart. "It's sort of this ecosystem where literally every process, system, tool and technology live," he says.

"When integrating staff from an acquisition, it's invaluable to our agency," Flowers says. "We live and die by it."

**2) People.** Adding the upheaval of an acquisition to the already-full plate of a producer or customer service representative (CSR) is



probably the last thing a diligent employee wants, which makes it "the toughest part," says Missy Kahl, partnerships director at Bickle Insurance in Athens, Ohio. "But it can also be the most rewarding. We've gained so many talented individuals through acquisitions."

After getting to know each individual, Bickle onboards acquired employees in the same way it would a regular employee. This ensures that job roles are aligned with skillsets and every employee has the support and training that they need to be successful.

**3) Data.** Kahl says that Bickle typically begins work on the data cleanup and transfer before the deal actually closes. However, the ease with which a buyer can ingest another agency's data depends on the "digital maturity" of the

buyer and the seller, explains Dana Pasquali, vice president of product management at Vertafore.

"Acquiring a more digitally mature agency creates an expectation that the data is going to be subjected to string data governance," Pasquali says. Without it, areas that can become sticking points include inconsistent spellings of carrier names and missing NAIC codes. To correct it, "using the power of machine learning and artificial intelligence is a great opportunity to overcome these challenges," she says.

Will Jones is IA editor-in-chief.

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*This article was originally published in the November edition of the Independent Agent Magazine.*



# Life Insurance Made Easy



## Navigating Life Insurance: The Importance of Policy Review

*By Mark R. Gage, CLU*



Life insurance is a vital financial tool that provides a safety net for your loved ones in the event of your untimely demise. However, as life is dynamic and circumstances change, it's essential to regularly review your life insurance policy to ensure that it aligns with your current needs and goals. We need to explore the significance of life insurance and the importance of conducting regular policy reviews.

### Understanding Life Insurance:

Life insurance operates as a contractual agreement between

an individual and an insurance company. The insured pays regular premiums in exchange for a lump sum payment, known as the death benefit, which is disbursed to beneficiaries upon the insured's death. Various types of life insurance policies, such as term life, whole life, and universal life, cater to different needs. It's crucial to note that not all life insurance contracts have guaranteed premiums, and factors like missed premiums or underperformance can lead to policy failure or lapses.

Therefore, treating life insurance as a monitored asset is essential.

### Uses for Life Insurance:

1. **Financial Protection:** Life insurance provides financial security to your dependents, helping them cover living expenses, outstanding debts, and other financial obligations in the event of your passing. It ensures that your loved ones can maintain their quality of life and avoid financial hardships.
2. **Estate Planning:** Life insurance plays a crucial role in estate planning, facilitating the smooth transfer of assets to beneficiaries. The death benefit is typically tax-free, providing an efficient way to pass on wealth to the next generation.
3. **Business Continuity:** For business owners, life insurance can be instrumental in ensuring the continuity of the business in the event of a key person's death. It can be used to fund buy-sell agreements, repay business debts, and provide a financial cushion during the transition period.

*(Con't on page 20)*





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### **The Need for Policy Review:**

While purchasing a life insurance policy is a crucial step, it's equally important to periodically review and update your coverage to reflect changes in your life circumstances. Here are key reasons to conduct regular policy reviews:

1. **Life Changes:** Significant life events such as marriage, the birth of a child, divorce, or the death of a family member can impact your financial responsibilities. Reviewing your life insurance policy ensures that it adequately reflects your current situation.
2. **Financial Goals:** As your financial goals evolve, so should your life insurance coverage. A policy review allows you to

assess whether your existing coverage aligns with your current financial objectives and adjust it accordingly.

3. **Health Status:** Changes in your health can affect your insurability and premium rates. Regularly reviewing your policy enables you to explore options for adjusting coverage or securing additional coverage based on your current health status.
4. **Market Changes:** The insurance market is dynamic, and policy terms and features may change over time. Reviewing your policy allows you to stay informed about any updates, ensuring that you are aware of the benefits and limitations of your coverage. Performance of some contracts are determined by market and sometimes even changes in

mortality and both can positively or negatively affect contracts.

### **Conclusion:**

Life insurance is a valuable asset that provides financial security and peace of mind. Regular policy reviews are essential to ensure that your coverage remains relevant and effective in meeting your evolving needs. By staying proactive and adapting your life insurance to changes in your life and financial situation, you can ensure that your loved ones are adequately protected when they need it most.

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*For more information on how we can work with you to assist your clients*  
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or call 410-552-9300.



# Happy Holidays

Thank you for your business and Happy New Year.



1

## Charles Symington Becomes Big 'I' President & CEO

*Symington heads the association after serving as its executive vice president.*

**Alexandria, VA.**—Charles Symington is the new president & CEO of the Independent Insurance Agents & Brokers of America (the Big "I"), effective today, Sept. 1.

Joining the Big "I" nearly 20 years ago, Symington previously served as senior vice president for external, industry and government affairs. Last September, he was promoted to executive vice president and selected to succeed the retiring Bob Rusbuldt as president & CEO.

"The Big 'I' is proud to have such a dedicated and experienced leader at the helm," says Big "I" chairman John Costello of USI Insurance Services in Rochester, New York. "Charles has spent many years fiercely advocating on behalf of the independent agency channel and is well-attuned to the needs of independent agents and brokers

across the country. The Big 'I' Executive Committee and Board of Directors look forward to working with Charles as he takes the Big 'I' to new heights."

Symington joined the Big "I" in 2004 on the government affairs staff. He has been regularly recognized by The Hill newspaper as a top lobbyist in Washington, D.C., and has been a key leader in many industry coalitions on Capitol Hill, advocating on issues important to Big "I" members. Under Symington's leadership, the Big "I" has had numerous legislative wins, including securing substantial small business tax relief, defending a modernized state regulatory system for insurance, preserving the Federal Crop Insurance Program and National Flood Insurance Program, and extending the Terrorism Risk Insurance Act (TRIA).

"Independent insurance agents are a critical piece of our nation's economy with their tireless work serving their communities and protecting the livelihoods and property of their neighbors," Symington says. "It is an honor to continue my work at the Big 'I' on behalf of our members in my new role. As we provide resources, support and advocacy for independent agents through the challenges and opportunities ahead, I look forward to

working together with the many dedicated leaders in our industry to improve and protect the independent agency channel and the many customers it serves."

Prior to joining the Big "I," Symington served as a senior counsel with the U.S. House of Representatives Committee on Financial Services from 2000-2003 where he focused on insurance issues. During that time, he was actively involved in drafting TRIA in 2002 and other significant legislation. He also worked as a majority counsel for the House Committee on Energy and Commerce, concentrating on health care policy and oversight.

Symington worked in the private sector before his time on Capitol Hill, first as an associate attorney with Drew, Eckl & Farnham in Atlanta, specializing in insurance defense litigation, and then as an attorney with the firm Matricardi & Moylan in Springfield, Virginia.

Symington graduated from the University of Virginia with a bachelor's degree in history and graduated with a Juris Doctorate from Emory University, School of Law in Atlanta. Symington is a past chairman and vice chair of the National Down Syndrome Society (NDSS) and served on the NDSS board from 2014-2022.

2

## Chesapeake Employers Insurance Declares \$15 Million Corporate Dividend for 2024

**Towson, MD.** —Chesapeake Employers' Insurance Company, Maryland's largest workers' compensation carrier, and its Board of Directors declared \$15 million in corporate dividends for calendar year 2024 to qualifying policyholders based on their safety performance. This marks the seventh consecutive year that the company is declaring dividends for its customers. In all,

Chesapeake Employers will have returned a total of \$85 million to Maryland employers.

The dividends are a direct reflection of the commitment Chesapeake Employers' customers have to creating safe workplaces that contribute to the company's strong financial performance.

"Our corporate dividend program is just one way we help support Maryland businesses, their employees, and the Maryland economy," said Mark Isakson, CEO of Chesapeake Employers Insurance. "Together, we help keep Maryland safe and strong."

In 2023, nearly 80% of the company's policyholders qualified for a corporate dividend.

The latest dividend will be awarded to qualifying policyholders with payment beginning July 1, 2024. Dividends are based on performance and are not guaranteed. The corporate dividend was approved by the Maryland Insurance Administration.

### *About Chesapeake Employers*

Chesapeake Employers' Insurance Company is Maryland's largest writer of workers' compensation insurance. It is a nonprofit, non-stock, private corporation. Chesapeake Employers has served as a continuous, guaranteed source for fairly priced workers' compensation insurance since 1914.

3

## Encova Insurance Wins Gold-Level Ivans Spark Awards in Commercial Lines and Personal Lines

Encova Insurance is a gold-level

2023 Ivans Spark Awards winner in both commercial lines and personal lines for the second year in a row. In conjunction with Applied Net 2023, Ivans recognized companies that are sparking digital connectivity by using technology to support the growth of their agency partners across the policy lifecycle – from marketing to quoting to servicing and renewals.

Out of more than 450 carriers,

Encova is one of only five carriers to receive gold-level awards in both commercial lines and personal lines.

"Receiving this honor for both commercial lines and personal lines for the second year in a row is a testament to Encova's position as an insurance industry leader in technology," Encova Executive Vice President and

*(Con't on page 23)*



(Con't from page 22)

Chief Strategy Officer John Kessler said. "We are proud of the work our associates do every day to maintain excellent service for our agents and policyholders."

### **Commercial lines**

Since launching our innovative commercial lines solution,

Encova has written over \$1.3 billion in commercial lines premium on our platform. The solution is available to independent agents in 19 states.

### **Personal lines**

We launched a transformation of our personal lines offerings in 2020 and have continued to grow, which helped us qualify for the gold level this year. The

transformation has included moving agents in 10 states onto an industry-leading digital platform and will soon include putting our entire book of business on the modern, state-of-the-art system.

## 4

### **Keystone Confirms Merger with Canyon Lands Insurance (CLI Select)**

#### **Northumberland, PA. —**

Keystone announced the full acquisition of Canyon Lands Insurance (CLI, CLI Select). While the terms of the transaction were not disclosed, Keystone has confirmed that CLI Select will maintain operations as a wholly owned subsidiary and that Dawnyel Smink, CLI Select's CEO, has accepted a position on its Executive Leadership Team as Regional President of Keystone's western region. CLI will maintain

its operations under its existing platform and carrier contract terms. Keystone President and CEO, David E. Boedker, Sr., and Dawnyel Smink made the announcement.

"CLI is well known for its agency-centric culture and outstanding reputation in the industry," Boedker noted. "Not only is CLI a remarkable fit, but it's also an incredibly strategic opportunity for both entities. Together we are committed to expanding operations while delivering sustainable value and profitable growth for all stakeholders. Now with operations extending to 30 states, Keystone is better positioned to cater to the needs of agents nationwide, wherever they may be in the life cycle of their

independent agency.

As the insurance distribution landscape continues to change, it's more critical now than ever for agencies to align themselves with a nationally recognized organization that delivers more than premium aggregation," Boedker concluded.

"Keystone has a proven track record of delivering valuable resources to independent agencies while maintaining superior retention," added Smink. "We are thrilled about the opportunities this partnership brings not only to our respective networks but to carriers and clients across the nation."

## 5 Acuity Earns Top Claims Award at Excellence in Insurance, Sponsored by Insurity

Acuity received the Claims Champion of the Year award, the only insurer nationwide to be recognized. The award was presented in early October by Insurity at the Excellence in Insurance conference, which recognizes the outstanding performances of P&C organizations in categories including exceptional policyholder service, digital transformation, and excellence in data and analytics.

“The Excellence in Insurance awards are designed to celebrate today’s leading innovators in the P&C industry while learning from their success,” said Sylvester Mathis, Chief Insurance Officer at Insurity. “Insurity congratulates Acuity for demonstrating excellence in claims through the use of next-gen tech, providing a sought-after modern claims experience following a CAT event.”

“Our mission is to protect and enhance the well-being of individuals and families by

helping them manage risk and rebuild shattered lives when disaster strikes. That’s why we are so honored to be recognized as the Claims Champion of the Year,” said Melissa Winter, Acuity President.

“When disaster strikes, our claims service shines,” said Ben Salzmann, Acuity CEO. “We are prepared for whatever nature has in store thanks to our expert claims staff, aided by some of the best claims technology in the industry.”

One of those pieces of technology is geocoding software from Insurity. Using geo-locations of insured properties combined with an overlay of storm mapping, Acuity identifies affected areas and customers quickly after a weather event. The insurer is then able to contact insureds and agencies to assess the damage and begin the claim process.

“Unlike other carriers that wait for claims to come to them, Acuity hits the ground running thanks to our technology capabilities,” said Jamie Loiacono, Vice President – Claims. “We immediately triage claims, deploy our claim resources, coordinate with repair resources, and help people put their lives and businesses back together.”

### **About Acuity**

Acuity Insurance, headquartered in Sheboygan, Wisconsin, insures nearly 150,000 businesses, including nearly 350,000 commercial vehicles, and more than 550,000 homes and private passenger autos across 31 states. Rated A+ by AM Best and S&P, Acuity employs more than 1,600 people.

### **About Insurity**

Insurity is a leading provider of cloud-based software for insurance carriers, brokers, and MGAs. Insurity is trusted by 22 of the top 25 P&C carriers and 7 of the top 10 MGAs in the US and has over 400 cloud-based deployments. Through its best-in-class digital platform, unrivaled industry experience, and the industry’s most robust analytics offerings, Insurity is uniquely positioned to deliver exceptional value, empowering customers to focus on their core businesses, optimize their operations, and provide superior policyholder experiences. Insurity is a portfolio company of GI Partners and TA Associates. For more information, visit [www.insurity.com](http://www.insurity.com).

6

## Chesapeake Employers Announces Grand Opening of Insurance Storefront at Junior Achievement BizTown

**Towson, MD.** — Chesapeake Employers' Insurance Company celebrated the grand opening of its insurance storefront at Junior Achievement of Central Maryland BizTown with an official ribbon cutting on October 11, 2023. Located in Lansdowne, JA BizTown hosts elementary-aged children from Baltimore City, Baltimore County, and additional surrounding counties, combining in-classroom instructions with a daylong visit to JA BizTown, a simulated business community.

"JA BizTown is a phenomenal example of hands-on learning and personal exploration that provides meaningful and impactful learning experiences for the youth in our community," said Mark Isakson, CEO of Chesapeake Employers Insurance. "Our partnership with Junior Achievement is an exciting

opportunity to invest today in students' discovery of wonderful career opportunities—in insurance and other industries—that await them in the future. Our employees are excited to volunteer at JA and to make a positive difference in the lives of students through their JA BizTown experience."

"The goal of the JA BizTown program is to expose students to the world of work while at the same time building confidence and interpersonal skills," explained Paul Kappel, President and CEO of Junior Achievement of Central Maryland. "Students that participate in Junior Achievement, with partners such as Chesapeake Employers Insurance, see themselves as future leaders in a way they may not have experienced before. Their new storefront, emphasizing career exploration, helps students build a foundation on which they can see the relevance of their education that lasts a lifetime. Almost 10,000 students a year will be able to participate in this opportunity, and we couldn't do it without partners like Chesapeake Employers."

"As students experience the insurance store, they will learn the role insurance plays in our society," said Mr. Isakson. "They will learn how insurance can reduce financial uncertainty, fuel

economic growth, and unlock the potential of businesses and their workers. Additionally, they will learn about career opportunities that exist in the insurance industry."

At Chesapeake Employers' storefront, students see colorful, bold graphics and messaging that read, "Protect Your Dreams Here," and "Who and what do you want to keep safe?" The store displays life-size posters of Chesapeake employees holding pictures of themselves when they were 10 years old. The banner above reads, "We were once your age, too." Students are assigned one of several roles including CEO, CFO, insurance agent, claims adjuster, and safety manager. By playing the Match the Insurance game, which is integrated into the design of the store and the curriculum, students learn about a variety of insurance coverages including workers' compensation, health, auto, homeowners, and life.

"This unique educational opportunity enables young students to experience for the first time what it's like to be a working adult for a day," said Mr. Isakson. "It fosters their dreams of becoming impactful leaders and productive members of society. JA opens their minds to all kinds of new possibilities

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where their contributions to the community can be a purposeful force for good. We at Chesapeake Employers Insurance are honored to be a part of this education experience.”

### **About Junior Achievement**

Junior Achievement is the world’s largest organization dedicated to giving young people the knowledge and skills they need to own their economic

success, plan for their future, and make smart academic and economic choices. JA programs are delivered by corporate and community volunteers, and provide relevant, hands-on experiences that give students from kindergarten through high school knowledge and skills in financial literacy, work readiness, and entrepreneurship. JA learning experiences support national and state standards in reading, mathematics, social studies, and work and career readiness. Visit

<https://jausa.ja.org/>.

### **About Chesapeake Employers**

Chesapeake Employers’ Insurance Company is Maryland’s largest writer of workers’ compensation insurance. It is a nonprofit, non-stock, private corporation. Chesapeake Employers has served as a continuous, guaranteed source for fairly priced workers’ compensation insurance since 1914. Visit <https://www.ceiwc.com>.



**PHOTO CAPTION:** CEO Mark Isakson and employees from Chesapeake Employers Insurance joined officials from Junior Achievement and students from West Towson Elementary School for the official ribbon-cutting of the new insurance storefront in JA BizTown on October 11, 2023.

**VIDEO:** Go to Chesapeake Employers’ Insurance YouTube channel and see video titled: “Chesapeake Employers Insurance Support JA BizTown of Central Maryland.”

## AGENCY RISK MANAGEMENT RESOURCES



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**Regular Updates** Every month policyholders are provided access to our newsletter dedicated to guiding agents around the E&O landmines. It’s a topical, timely, unique value for policyholders.



**Hot Issues Webinars** As you know, business moves quickly and the “status quo” doesn’t stay status quo long. Occasionally, a new challenge arises that requires quick attention. When policyholders are faced with a new challenge, we conduct a “hot issues” webinar to help you navigate the new situation.



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## 7

### McEvoy appointed Associate Commissioner of Operations for the Maryland Insurance Administration



**Baltimore, MD.**—Commissioner Kathleen A. Birrane has appointed Sean J. McEvoy as associate commissioner of operations for the Maryland Insurance Administration.

As associate commissioner of operations, McEvoy will oversee Maryland Insurance Administration operational units, including fiscal services, management information systems, human resources and facilities. He will partner with the commissioner, deputy commissioner and the senior management team to provide operational and administrative support for the Maryland

Insurance Administration’s mission, goals and objectives.

McEvoy comes to the Maryland Insurance Administration with more than 30 years of experience in business development, marketing, finance and manufacturing in the public and private sector.

Most recently, he served as assistant commissioner of policy and consumer services for the Maryland Office of the Commissioner of Financial Regulation, where he acted as an advisor to the commissioner and was responsible for overseeing and directing all activities related to data reporting and statistical analysis, consumer and stakeholder outreach and education, legislative and regulatory response, policy support and the consumer complaint investigatory and resolution process. Notably, he established the student loan ombudsman for the agency.

“Sean’s wealth of experience in management and operations will greatly benefit the Maryland Insurance Administration,” said Commissioner Birrane. “I look forward to working with him to take our great agency to an even higher level of efficiency and productivity on behalf of the people we serve.”

Prior to joining the Office of the Commissioner of Financial Regulation, McEvoy served

as director of small business resources at the Maryland Department of Commerce, where he was responsible for supporting economic and job growth by acting as liaison, information provider, and ombudsman to resolve small business concerns quickly and efficiently. He also served as a finance specialist at the Department of Commerce where he underwrote \$1 million in investments, \$11.9 million in loans, \$13.8 million in credit insurance and \$324.9 million in tax-exempt bonds.

Earlier in his career, McEvoy was a credit analyst at M&T Bank. He holds an MBA in finance from the Robert H. Smith School of Business at the University of Maryland and a bachelor’s degree in commerce from the University of Galway, Ireland.

#### ***About the Maryland Insurance Administration***

The Maryland Insurance Administration is an independent State agency charged with regulating Maryland’s \$42 billion insurance industry. For more information about the Insurance Administration, please visit [www.insurance.maryland.gov](http://www.insurance.maryland.gov) or follow us on Facebook at [www.facebook.com/MDInsuranceAdmin](http://www.facebook.com/MDInsuranceAdmin), X (formerly Twitter) at @MD\_Insurance, LinkedIn at [www.linkedin.com/company/maryland-insurance-administration](http://www.linkedin.com/company/maryland-insurance-administration); or Instagram at @marylandinsuranceadmin.

8

## William Fawcett named Associate Commissioner for Property and Casualty



**Baltimore, MD.**—Commissioner Kathleen A. Birrane has appointed William Fawcett as associate commissioner for property and casualty for the Maryland Insurance Administration.

Fawcett will oversee the Insurance Administration's Property and Casualty Division, which comprises a rates and forms review unit and a complaints unit. By law, all insurance companies that sell property, casualty, surety, mortgage guaranty, or title insurance, are required to file with the commissioner all policy forms, endorsements, rates, rating plans, rating rules and amendments to these items. The rates and forms review unit reviews these filings

to determine compliance with the Insurance Article and regulations. The complaints unit is primarily responsible for investigating property and casualty insurance complaints filed by consumers. The unit handles nearly 5,000 complaints per year.

Fawcett comes to the Maryland Insurance Administration after a long and distinguished career as a senior insurance industry executive. Most recently, he was general counsel, secretary and head of legal at Allianz Global Corporate & Specialty, the commercial division of the world's largest insurance company. Prior to that, he served for four years as chief executive officer and general counsel at Haverford Holdings Ltd., an investment holding company with insurance, reinsurance, aviation and manufacturing subsidiaries around the world.

Notably, he was a co-founder and chief executive officer of St. Bernard Assure Ltd., the first exclusively online insurance company based in Europe. He oversaw the growth of the company from a startup to a respected market player.

"Bill Fawcett is an incredible addition to the Maryland Insurance Administration executive staff," said Commissioner Birrane. "The vast experience and knowledge of the property and casualty insurance

industry that he brings to the table will serve all of our Maryland stakeholders well."

Fawcett holds a bachelor's degree in political science, international relations and religion from Colgate University, a doctorate of business administration from the International School of Management in Paris and a juris doctorate from the University of the Pacific McGeorge School of Law. He also served for nine years in the U.S. Marine Corps.

"I am excited to join the Maryland Insurance Administration team, which has a tremendous reputation for fairness and excellent consumer protection," Fawcett said. "After all of my years in private industry, I look forward to assuming a regulatory role and bringing a different and useful perspective to the position."

### ***About the Maryland Insurance Administration***

The Maryland Insurance Administration is an independent State agency charged with regulating Maryland's \$46 billion insurance industry. For more information about the Insurance Administration, please visit [www.insurance.maryland.gov](http://www.insurance.maryland.gov) or follow us on Facebook at [www.facebook.com/MDInsuranceAdmin](http://www.facebook.com/MDInsuranceAdmin), Twitter at @MD\_Insurance, LinkedIn at [www.linkedin.com/company/maryland-insurance-administration](http://www.linkedin.com/company/maryland-insurance-administration) or Instagram at [marylandinsuranceadmin](https://www.instagram.com/marylandinsuranceadmin).



9

## Sexton named Director, Legislative and Regulatory Policy for the Maryland Insurance Administration



### **Baltimore, MD.—**

Commissioner Kathleen A. Birrane has promoted Jamie Sexton to serve as director of legislative and regulatory policy for the Maryland Insurance Administration.

In her expanded role, Sexton will represent the commissioner

and the Maryland Insurance Administration in matters before the Maryland General Assembly, the governor's legislative office, and Maryland's Congressional delegation. She will also coordinate and assist in formulating the Maryland Insurance Administration's positions on pending legislation, and in developing the agency's departmental legislative agenda.

Sexton will also maintain her national role, managing relations and coordinating policy with the National Association of Insurance Commissioners – 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.

"Jamie has extensive knowledge of the legislative and regulatory processes," said Commissioner Birrane. "This promotion is a recognition of her diligence and the respect she has earned throughout our state."

Sexton joined the Maryland Insurance Administration in September 2022 as director of health insurance regulatory affairs and national partnerships. Previously, she was director

of state policy at the Immune Deficiency Foundation, legislative director for Maryland Senator Mary Washington and an associate in the Office of the Attorney General Consumer Protection Division.

Sexton holds a bachelor's degree from Clemson University and a J.D. from Charleston School of Law.

### **About the Maryland Insurance Administration**

The Maryland Insurance Administration is an independent State agency charged with regulating Maryland's \$42 billion insurance industry. For more information about the Insurance Administration, please visit [www.insurance.maryland.gov](http://www.insurance.maryland.gov) or follow us on Facebook at [www.facebook.com/MDInsuranceAdmin](http://www.facebook.com/MDInsuranceAdmin), X (formerly Twitter) at @MD\_Insurance, LinkedIn at [www.linkedin.com/company/maryland-insurance-administration](http://www.linkedin.com/company/maryland-insurance-administration); or Instagram at @marylandinsuranceadmin.



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## COVERAGE FOR YOUR AGENCY

### BIG I PROFESSIONAL LIABILITY

For more than 35 years, the Big "I" Professional Liability Program underwritten by Westport Insurance Corporation, a member of Swiss Re Corporate Solutions (rated A+ Superior by A.M. Best), has been the premiere choice of IIABA member agents for insurance agents and brokers E&O insurance.

The Big "I" Professional Liability Program offers not just a policy, but a comprehensive program for insurance agents. With the participation of Big "I" members from 50 states and the District of Columbia, we've grown into the largest and most stable insurance agents E&O program in the nation.

#### Top 5 Reasons to Purchase Your Agency's Professional Liability from the Big 'I':

- You'll secure superior coverage to protect your agency
- You'll gain access to exclusive risk management resources
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- The program is designed by agents, for agents
- Your purchase supports Big "I" advocacy to protect your interests

## PROFESSIONAL LIABILITY.

#### Two policy forms filed on a Risk Purchasing Group (RPG) basis exclusive to Big "I" Members:

##### Swiss Re:

Swiss Re has been the nationally endorsed carrier of the Big "I" Professional Liability program for over 30 years and has created the strongest coverage form in the marketplace. As the largest writer of agents E&O insurance in the country, Swiss Re addresses the needs of traditional Property & Casualty and Life & Health agencies as well as Clusters, Alliances, and agencies with operations extending beyond the traditional sales & servicing of insurance products.

##### Allianz:

The new Allianz PRO GARD® insurance agents E&O policy was developed on a risk purchasing group basis exclusively for Big "I" members. With more than 25 years of experience, Allianz (formerly known as Fireman's Fund) is an industry leader in providing liability coverage for agents & brokers against errors and omissions.

**Just want Excess E&O coverage?** Look no further! Coverage is provided by First Specialty Insurance Corporation, a member of Swiss Re Corporate Solutions (rated A+ by A.M. Best), and is available exclusively to Big "I" members. Underlying E&O must be with an approved carrier, which includes: Utica Mutual, Allianz, Safeco, Darwin, Indian Harbor, Great American, National Union, CNA & Liberty.

Learn more about the Big "I" Professional Liability Program by visiting [www.BIGIMD.com/e&o](http://www.BIGIMD.com/e&o).

### PENN NATIONAL AGENT'S UMBRELLA PROGRAM

Penn National Insurance offers an outstanding agents umbrella program in 23 states, endorsed by both the National Association of Professional Insurance Agents and the Independent Insurance Agents & Brokers of America.

#### Key Features:

- Commercial Umbrella coverage built to automatically include Agents/Brokers E&O
- Marketed exclusively through producer associations
- Designed to accept agents and brokers with a broad range of producer activities
- Competitive pricing
- Up to \$20M limits available
- Coverage for Agents/Brokers built to follow form over standard primary E&O policy coverages
- Minimum primary coverage required GL/BOP and Agents/Brokers E&O

#### Coverage Can Include:

- Excess Employers Liability in all states other than NY
- Excess Employee Benefits Liability
- Mutual Fund or Variable Annuities coverage

#### Options to Include:

- Up to \$5M Personal Umbrella limits for entity principals (except TX and WI)
- Up to \$2M excess EPLI limits

Learn more about the Penn National Umbrella Program by visiting [www.BIGIMD.com/umbrella](http://www.BIGIMD.com/umbrella).



PENN NATIONAL INSURANCE

# COVERAGE FOR YOUR AGENCY

## 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.

### 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.

Learn more about Cyber Liability Coverage by visiting [www.BIGIMD.com/cyber](http://www.BIGIMD.com/cyber).

### Coalition

Coalition is the first insurance-enabled technology firm built to help businesses before, during and after a cyber incident. During the online quoting process, your network and web properties undergo an automated risk assessment to identify known issues and potential security weaknesses.

Once coverage is bound, Coalition provides ongoing monitoring for new and emerging threats specific to the information technology used by the insured, adding an extra layer of defense. All policies include this technology-driven approach—which includes automated alerts, threat intelligence and ongoing policyholder monitoring—along with a dedicated claims and security team should a breach occur.



Through the Big "I" Markets platform, any Big "I" member agency can quote and bind insurance online. Big "I" members also have direct access to Coalition's licensed agents and renowned cybersecurity experts via online chat throughout the sales and underwriting process. Watch our brief Coalition cyber insurance overview video and a demonstration of our streamlined cyber submission process to see how the quoting process works.

Learn more about Coalition by visiting [www.bigimarkets.com/coalition-cybe](http://www.bigimarkets.com/coalition-cybe)





# Custom Training Program

## CUSTOM TRAINING BENEFITS

### ABOUT

Our custom training program brings our knowledgeable instructors and information continuing education classes directly to you. This program is available to both agencies and companies. Our extensive list of courses is available to your staff - on your terms, in a location you choose.

- Customized Instruction
- Economical
- Knowledgeable Instructors
- CE Credits

### PRICING

There is a flat fee of \$275 per class for up to 10 students and an additional charge of \$15 per additional student.

Contact our team for available courses and scheduling information.

**BIG I**  
MARYLAND

Get Started, go to [bigimd.com/custom-training](https://bigimd.com/custom-training) | [education@bigimd.com](mailto:education@bigimd.com)  
Contact **Kyrsten Langford** - [kyrsten@bigimd.com](mailto:kyrsten@bigimd.com) - 410-766-0793

# BIG I MARYLAND EDUCATION PROGRAM EDUCATION CORNER



## Award-Winning Education & Training

Our nationally recognized and award-winning education program will take your career to new heights. Our goal is to provide relevant and quality content to meet the needs of all agents. We offer a variety of ways for Maryland insurance agents to earn CE. Pick your preferred learning style below and get started. Visit [www.bigimd.com/education](http://www.bigimd.com/education) to learn more!

## ABEN Webinars

Big I Maryland offers a wide variety of webinars throughout the year, covering areas including: ethics, flood, life & health, commercial and personal lines basics, agency risk management, E&O loss control, specialty coverage, and more. To view the current webinar schedule and register, visit [iiamd.aben.tv](http://iiamd.aben.tv).

### Ethics

- The Many Faces of Insurance Fraud
- Insurance Ethics, Easy to Discuss, Harder to Achieve
- Watch Your Six - A Half Dozen Ethics Scenarios
- Ethics - Creating a Winning Culture in the Agency
- Agency Management Based E&O and Ethics
- Ethics in the Insurance Industry
- The Solution for Creating an Ethical/Productive Agency
- Guiding Tenets of Ethical Leadership
- To Simply Comply or Truly Excel Ethically
- Ethical Leadership is Impactful Leadership

### Cyber

- Cyber Insurance Deconstructed
- Cyber 101: The Basics of Cyber Insurance

### Flood

- Flood Program Overview: NFIP Then & Now

### Life/Health

- Understanding the Largest Government Benefits
- Should I Do a Roth IRA?
- What Ever Happened to 'And They Lived Happily Ever After?'

### Errors & Omissions

- E&O Roadmap to Policy Analysis - Pt 1
- E&O Roadmap to Policy Analysis - Pt 2
- E&O Roadmap to Homeowners Endorsements - Pt 1
- E&O Roadmap to Homeowners Endorsements - Pt 2
- E&O Roadmap to Cyber & Privacy Ins - Pt 1
- E&O Roadmap to Cyber & Privacy Ins - Pt 2
- E&O Roadmap to Identity Theft - Pt 1
- E&O Roadmap to Identity Theft - Pt 2
- E&O Professional and Executive Liability Coverage Gaps - Pt 1
- E&O Professional and Executive Liability Coverage Gaps - Pt 2
- E&O Commercial Property Coverage Gaps - Pt 1
- E&O Commercial Property Coverage Gaps - Pt 2
- E&O Commercial Liability Coverage Gaps - Pt 1
- E&O Commercial Liability Coverage Gaps - Pt 2
- E&O Roadmap to Personal Auto & Umbrella - Pt 1
- E&O Roadmap to Personal Auto & Umbrella - Pt 2
- Agency E&O Exposures and Defenses
- Understanding Risk Mitigation and E&O Claims
- E&O Exposures: Websites & Social Media

### For questions or additional information:

Big I Maryland Education Department  
[education@bigimd.com](mailto:education@bigimd.com)  
(410)-766-0600





**It's the holidays, let's celebrate!**

Join us for our

# *Holiday Open House!*

ENJOY MUSIC, FOOD, AND GOOD CHEER AS  
WE CELEBRATE THE HOLIDAY SEASON.

**December 21, 2023 | 12:30PM - 3:30PM**

Big I Maryland Headquarters  
2408 Peppermill Dr., Ste A  
Glen Burnie, MD 21061

**RSVP:**

Call - 410-766-0600

Email - [info@bigimd.com](mailto:info@bigimd.com)

Online - <https://www.bigimd.com/event-5486030>

