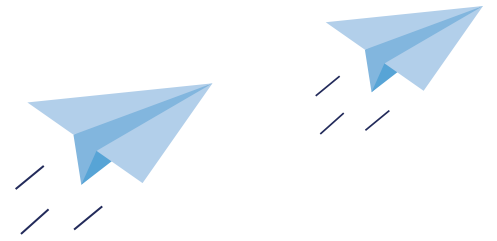


MARYLAND

# Messenger



MARCH 2024

## 5 WAYS TO BUILD YOUR PATHWAY TO AGENCY OWNERSHIP

PAGE 9



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# Messenger

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# Chairman's Message



**BERKER HAZAR**

Recently, I participated in the GreenTech mission to Turkey with the US Chamber of Commerce, and it was truly enlightening. The reality of global warming hit home, emphasizing the urgent need for action. As insurance brokers, we play a pivotal role in addressing this challenge. Simple yet impactful steps, such as reducing or eliminating printing, transitioning to digital processes, optimizing office thermostats, installing solar panels, and transitioning to electric company vehicles, can significantly contribute to our environmental efforts. Additionally, insurance carriers,

particularly the top ten in America, with their vast resources and influence, can spearhead change. By offering substantial discounts to eco-friendly consumers, incentivizing the adoption of electric vehicles through lower insurance rates, and embracing electronic signatures for efficiency, they can actively promote sustainable practices. Moreover, for every policy written, planting a tree could become a standard practice, furthering our commitment to environmental stewardship. Legislation mandating insurance companies to provide additional discounts for businesses with

zero-carbon policies could further accelerate progress. Supporting individuals in making green choices and leveraging government grants to facilitate eco-friendly initiatives should be integral to our approach. Furthermore, carriers can explore opportunities to invest in green energy, aligning their portfolios with environmentally conscious strategies. Ultimately, the world we leave for future generations hinges on the actions we take today. As stewards of change, let us collectively strive for a greener, more sustainable tomorrow for our children and their children.

# Hard Market Among the Top Issues for 2024 Big 'I' Legislative Conference

By *Teddie Norton Reilly*



The annual Big "I" Legislative Conference will take place April 10-12 at the Westin Washington, D.C. Downtown Hotel. During the conference, independent insurance agents and brokers from across the country will share their perspectives with legislators on issues important to the independent agency system.

This year's conference will focus on issues that have the potential to have a real impact on every agency's bottom line, which means your participation is crucial.

Here are four issues that will be a focus at this year's conference:

**1) Oppose tax increases on Main Street America.** The Big "I" supports "The Main Street Tax Certainty Act," which would make permanent the 20% small business deduction—Section 199A of the U.S. tax code—that was passed as part of the 2017 Tax Cuts & Jobs Act.

The deduction, which is scheduled to expire at the end of 2025, is heavily relied upon by many Big "I" members to keep their agencies

operating, meet payroll, and better serve consumers and their communities. Pass-through entities have factored this deduction into their operations and its expiration would result in a tax increase for many small businesses. Such an increase would create an unlevel playing field and put pass-throughs at a disadvantage to businesses filing taxes at the lower corporate rate that was made permanent in the 2017

*(Con't on page 6)*

(Con't from page 5)

Act. Approximately 40% of members of U.S. House representatives and 33% of Senate members are already cosponsoring this legislation.

**2) Address the insurance market crisis by cracking down on lawsuit abuse and encouraging risk mitigation.** The property & casualty insurance market is cyclical and fluctuates between hard and soft markets. However, insurance is currently amid an unprecedented property insurance crisis.

Appropriate and suitable p&c insurance is simply unaffordable for millions of Americans, and it is altogether unavailable for a growing universe of families, businesses and individuals. These crisis conditions are not limited to areas traditionally associated with natural disasters. They are now ubiquitous and found in every corner of the country, producing troubling repercussions and ripple effects throughout our economy.

The pressure is particularly challenging for independent agents as they attempt to secure coverage for their clients and explain significant rate fluctuations while keeping their own businesses operational. Congress can do several things to help alleviate pressure on the insurance market, including taking action to reduce lawsuit abuse and promote risk mitigation.

Abuse of the legal system is a significant problem and adds considerable costs to the insurance industry that are then passed along in the prices that consumers pay. An especially troubling trend is the unchecked way foreign entities and governments are financing and subsidizing litigation in American courts. To address the problems posed by foreign interference, the Big "I" supports the "Protecting Our Courts from Foreign Manipulation Act."

This bill would require disclosure from any foreign person or entity participating in civil litigation as a third-party litigation funder in U.S. federal courts and would prohibit sovereign wealth funds and foreign governments from participating in litigation financing.

Also, catastrophic natural disasters are increasing in frequency and severity at an alarming rate and efforts to mitigate risks and reduce exposure to these events are not keeping pace. Risk mitigation makes homes more resilient, protects families from natural disasters and reduces the post-event costs that would otherwise be borne by taxpayers.

According to the Federal Emergency Management Agency (FEMA), every dollar spent on preventative mitigation measures saves approximately \$6 in future losses. State governments are increasingly establishing mitigation grant programs that enable homeowners to prepare in advance for earthquakes, windstorms and wildfires but these grants are currently subject to federal taxation. The Big "I" supports the "Disaster Mitigation and Tax Parity Act of 2023," which would eliminate this federal taxation and encourage the implementation of much-needed mitigation measures.

**3) Protect the Federal Crop Insurance Program (FCIP).** As Congress negotiates a new five-year Farm Bill it is critical to support policies that strengthen the stability and effectiveness of the FCIP. Crop insurance is an important risk management tool that helps farmers navigate the challenges posed by weather, supply chain disruptions, and uncertain markets. The Big "I" supports a strong and robust FCIP that provides certainty for farmers and communities and is strongly opposed to any legislative

or regulatory efforts to reduce FCIP funding in the new Farm Bill or otherwise weaken the efficient and effective private sector delivery of crop insurance.

**4) Extend and reform the National Flood Insurance Program (NFIP).**

The Big "I" strongly supports reauthorization of the NFIP before its expiration and recognizes the importance of a modernized program to increase take-up rates in both the NFIP and the private market.

Specifically, the Big "I" supports H.R. 900, which would allow private flood insurance to satisfy continuous coverage requirements and ensure that consumers who leave the NFIP for the private market, but are later forced to return, can do so without penalty.

The Big "I" also opposes any policies that would harm the Write-Your-Own (WYO) Program, including WYO reimbursement reductions, and undermine the valuable and trusted role that independent agents play in the offering, sale and servicing of flood insurance. Finally, it is essential for FEMA to communicate with agents more clearly so they can explain rate setting and changes in premiums to their customers now that Risk Rating 2.0 has been fully implemented.

With a busy year ahead, the Big "I" is looking forward to agents and brokers from across the country advocating on Capitol Hill. Join us in April to bring your message to Congress. Visit the dedicated 2024 Big "I" Legislative Conference webpage to register and see the full schedule of events.

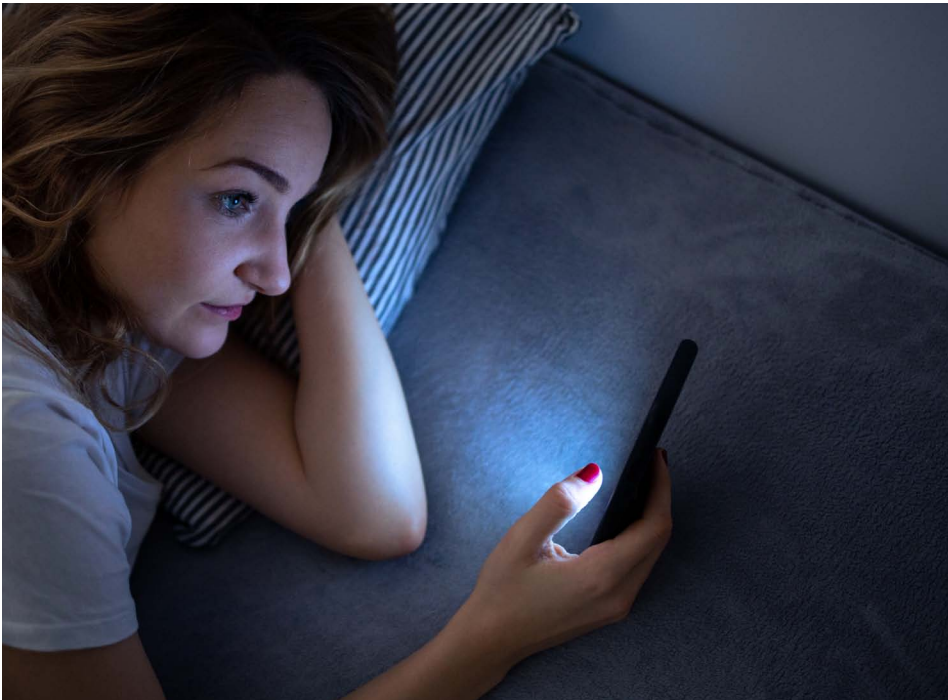
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Teddie Norton Reilly is Big "I" chief of staff.

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

# Unplugging: Why is it So Hard and So Needed?

By Patricia McHugh Lambert, Esquire



I may be the worst person to write an article about unplugging. I have been known to check emails at dinner, respond to text messages in the middle of the night, and I review current event websites way too often to be healthy. I also read books—some that are weighty and others that are cotton candy—on my phone. I listen to newscasts and podcasts for several hours before finally turning to a music app devoted to sleep. I am a woman with a problem—but I am trying to fix it.

Remember the 1987 commercial with the tag line, “Calgon—take me away!” Back then, the pulls on a professional were lesser than the pulls that we have now. As the commercial suggests, our past selves had to deal with overactive

children, barking dogs, traffic and unwanted doorbells. But back then, the stresses were tangible, physical and not virtual. Now, we have social media, Zoom calls, and so many digital devices. It is hard to unplug from work. With today’s handheld and wearable devices, AI and the cloud, the boundaries between work and personal time have blurred together. There is no clear checkout time anymore.

While changes in technology offer us opportunities to do more in less time, our expectations for what we can get done in a single workday continue to outpace our output. All of this leaves us constantly stressed and running behind.

According to a LinkedIn survey,

seventy percent of professionals admit that even when they go on vacation, they don’t fully unplug from work. Not surprising to me—as I admit that I am one that does not fully remain plugged in even when I go to the beach. But what is the impact of failing to incorporate real down time? Burnout—and not just for a few; indeed, a 2020 study found that nine out of ten workers experienced burnout within the previous year. A full one-third of the respondents said they felt pressure to check in during their time off, while half said they were unable to fully unplug.

To me, the most amazing statistic that I found was that the average smartphone user was checking their device every six and one-half minutes—or about 150 times a day. Ouch!

One of the key reasons it’s so hard to unplug is a psychological phenomenon called anticipatory stress: this is the stress we feel worrying about something that is coming or could come. Let me give you an example. A peaceful Sunday morning—a few scones and perhaps a mimosa. Then, bam! You get an email from a client saying that they want you to attend an important meeting on Monday—and that details will follow. Suddenly, you consciously or subconsciously become anxious. You think about the meeting and what you might have to do. You constantly check your phone for updates. Sunday

*(Con’t on page 8)*

(Con't from page 7)

is no longer yours. You are not unplugged, and your work-life balance is disrupted.

This is not good for our mental health, our personal brain space. Research shows that the failure to unplug can lead to insomnia, anxiety and depression. And staying plugged in can be addictive. Our brains receive a hit of dopamine from all this activity—similar to when we eat delicious food or take psychostimulant drugs.

So, what do we need to do—particularly since it is unrealistic to unplug fully in the modern world? We each need an unplugging plan. This might mean that you turn on automatic replies when you are out of the office or use such replies to limit your email monitoring. You can automatically redirect emails when

you have time off. You can silence your work notifications during meals and mental health breaks. And you can moderate your own behavior. Resist the urge to email colleagues when they are out of the office—or at least put in the subject line that a response is not immediately needed.

For me, I am trying to implement a technology “bedtime”, where I put the phone out of my reach and use my do not disturb mode. I am trying not to carry my smartphone as an appendage. I have committed to not using my devices during meals. And I am trying to find activities that do not include technology.

So does unplugging help our businesses? You bet! Leslie Perlow, a professor at Harvard Business School, introduced something called predictable time off (PTO), in which an employee takes a planned night off—no emails, no work. In

other words, work was being left at work. And the results were impressive. Researchers found that when employees were aware in advance of when they would be taking time off and stuck to this, their productivity and wellbeing rose. People came back—even after a single night unplugged—refreshed. One company found the result of PTO so impressive that it implemented the program company-wide.

So what are you going to do to unplug? I want to hear from you—just don't email me after mid-night. As much as I am trying to unplug, I still might give you an immediate reply.

---

*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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# 5 Ways to Build Your Pathway to Agency Ownership

By Carey Wallace

Keeping and retaining talent is constantly on the minds of agency owners. While there is a great deal of focus placed on what current owners are doing to attract and retain great talent, there is another side to this conversation: the future agency owners.

The average age of agency principals is 54 years old, with 17% age 66 or older, according to the 2022 Agency Universe Study. That means plenty of agency owners will be at or past retirement age in the next five to 10 years. These owners will be considering transitioning ownership of their agency, which means there is an opportunity for a new generation to step into ownership.

If you are a hungry, smart energetic leader who sees the incredible opportunity to become a business owner, a question for you is: What are you doing to build your pathway to ownership? If you're coming up short with an answer, here are five ways to start:

**1) Bridge the generational divide.** Having the awareness and ability to move past your own tendencies and meet other people where they are is a skill that is incredibly important for leaders. Having an appreciation for different perceptions can go a long way in bridging generational divides and demonstrating leadership abilities. Seeking out advice from more seasoned agents and taking the time to consider and incorporate that advice into your approach builds mutual respect.

**2) Broaden your view.** Think like the position you want, not the position you have. Well before you have the

title of owner, you can think like one by broadening your view and considering all aspects of the business—not just your perspective. When a problem arises, ask yourself how the problem impacts all roles inside the agency, your customers and your partners. Ask questions about the business and participate in creating solutions.

Leaders must make difficult and even unpopular decisions, and it is incredibly valuable when others are able to rise above their own viewpoint and see the bigger picture. By taking this approach, the current owner will be able to picture you in a leadership role more easily.

**3) Find your mentor and value their guidance.** The knowledge that many veterans in our industry possess can help you shape the future. The industry is full of people who are willing to share and mentor each other. However, don't surround yourself with people who look, think and talk like you. Surround yourself with people who are smarter than you, have different experiences and hold different viewpoints. We all have blind spots, so seeking out a diverse group of people who can make you think is powerful.

**4) Pair grand ideas with strategy.** Young leaders are often rich with energy, grand ideas and aggressive goals. But when you share ideas,



present them with a thought-out plan that encompasses as many aspects as possible, including time, cost and training. Make sure to incorporate supporting data in the plan. Additionally, share ways to measure the success or failure of the idea and a process to implement it. The more comprehensive and well-thought-out your plan is, the more trust and confidence you will instill that your ideas have merit.

**5) Commit financially.** Are you prepared to purchase an agency? In order to secure a loan, you will need sound credit and the ability to put 10% down. Becoming an owner will require taking on both the financial risks and rewards of the agency. So the more you can do to gain an understanding of the business and all that is involved with running the agency, the more prepared you will be.

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Carey Wallace is founder of AgencyFocus, an independent insurance agency consulting company.

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

# M&A Activity Falls 24% in 2023, More Deals Expected in 2024

By Olivia Overman



The number of mergers & acquisitions involving insurance agents and brokers totaled 782 in 2023, down 24% from 1,031 in 2022, according to a report by OPTIS Partners, an investment banking and financial consulting firm specializing in the insurance industry.

The fall reflects buyers either focusing on integrating the agencies they acquired during the 25-month buying spree that ended in 2022—when many owners sold their agencies fearing a potential increase in capital gains tax—or their need to digest substantial amounts of debt, according to the report.

However, despite the overall decline in the number of transactions from the prior year, there was a consistent volume of M&A transactions in 2023 with a slight increase in transactions each quarter. Deals in the second

half of 2023 were up 4% over the first half of 2023 but down 27% over the second half of 2022.

“The second half of the year is usually busier than the first half, but 2023 is a story of consistent levels of deal activity throughout the year,” said Steve Germundson, partner at OPTIS Partners.

Hub International completed the largest number of transactions during 2023 with 65 deals, followed by BroadStreet Partners with 59 deals, Inszone Insurance Services Inc. with 46, while Acrisure, Arthur J. Gallagher and World completed 36 transactions, according to the report.

Of the 249 fewer deals done in 2023, two firms—Acrisure and PCF—accounted for nearly 60% of the decline, the report said. Acrisure completed 73 fewer deals in 2023 while PCF completed 67 fewer deals

than prior year.

The deal volume was lower for all buyer categories in 2023, especially for private equity-backed and hybrid buyers, which accounted for 70% of all transactions in the past 12 months, according to the report.

Nevertheless, the pace of deals is expected to pick up as the economy shows

signs of stabilizing.

“Transactions in 2023 represent a return to the industry’s deal pace experience before the 25-month-long wave of deals that started in December 2019,” Germundson said. “When compared to the three years prior to that time, the deal count is actually up 11%, which is notable because the pool of sellers shrank by over 2,300 firms since December 2019.”

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*Olivia Overman is IA content editor.*

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

# Do Your Commercial Clients Care About “The Future of Work”?



By David Dillon

It is never easy.

That thought kept rolling around in John Horace’s brain as he reflected on some recent meetings with his commercial insurance clients and prospects.

A consistent theme of this meetings is challenges with people – especially with engaging the new members of the client’s team and retaining the best performers. An important aspect of these discussions is the frequent topic of how and where people work. The mix of remote, hybrid and in-person office work is a significant new challenge for many business leaders.

It is never easy, he thought again.

As an agency leader focused on the commercial insurance business John has always focused on the needs and desires of his key business clients. He takes pride in being curious and really tuning in to the challenges and opportunities of the business leaders he works with. Based on his experience John is usually able to help find solutions, or at least some options to consider. On this topic he has some work to do.

This new topic of “the future of work” – how and where the client’s team members do their work, is new territory for everyone. There is no playbook, and what works for some companies and industries does not work for others. There appears to be plenty of opinions but not much data on the topic.

John is committed to helping his clients, so he did what he often did when he is in unfamiliar territory –

he turned to his network.

He learned that a speaker on “the future of work” was featured during a recent networking event. John scheduled some meetings with colleagues he trusted, then began to research to topic so he could generate insights and some questions for the meetings.

He was pleased to see that objective data is now beginning to emerge from surveys, focus groups and research from reputable groups. It is no longer just the headlines of the company position versus the employee position. John even noticed some data on how this debate was beginning to impact client retention!

As John prepared for his meetings with his colleagues, he understands that this topic is much more nuanced than he previously thought. There are some significant pros and cons to consider for each of the available working arrangements, considerations for company size and industry, and even changes to the office space configuration.

As he considers all that he is learning, John begins to believe that “the future of work” is an opportunity for many of his business clients. He is excited to learn more from his colleagues so he can be a resource for his commercial insurance clients and prospects.

## NEW QUESTIONS TO CONSIDER

- Seek out others in your network or associations that can be a resource in your quest to help clients and prospects with this difficult challenge.

- Discuss the topic with your business clients to see how significant this is for them and learn more about how they are proceeding.
- Look for examples of companies that are navigating the future of work effectively.

## ACTIONS TO TAKE

- Do some light research on the pros and cons of hybrid, remote and in-person work arrangements. Get beyond the headlines.
- Come up with a couple options on how to help educate your business clients on the data now coming out on this emotional topic.
- Work with your agency team to see how to add value for clients and differentiate from competition.

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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# Life Insurance Made Easy



## Life's Uncertainties

### *The Role of Life Insurance in Risk Management*

*By Mark R. Gage, CLU*



In the complex journey of life, uncertainty is the only certainty. Each day brings with it new risks, challenges, and unforeseen events that can have a profound impact on our financial security and the well-being of our loved ones. In the realm of financial planning, risk management is not just a strategy but a necessity. Among the myriad tools at our disposal, life insurance stands out as a critical component in safeguarding our financial future. However, one of the greatest obstacles to securing this protection

is often procrastination. Delaying the decision to purchase life insurance can have significant, long-lasting effects on your financial health and peace of mind.

#### **The Cost of Procrastination**

Procrastination in obtaining life insurance can lead to a range of problems, with the most obvious being the risk of leaving your dependents financially vulnerable in the event of your untimely death. The younger and healthier you are, the more affordable your premiums will likely be. As you age, the cost of

insurance increases, not just because of advancing age but also due to the increased risk of health issues that could either raise premiums or disqualify you from obtaining coverage altogether. Moreover, the unexpected nature of life's risks does not discriminate by age, making early coverage essential.

#### **Liquidity Solutions in Times of Need**

Life insurance provides liquidity at a critical time, offering financial support when it's needed most. Here are some of the key financial challenges that life insurance can help address:

- 1. Final Expenses:** The cost of funeral services, burial, and other final expenses can be significant. Life insurance ensures that these costs do not add financial burden to emotional distress during difficult times.
- 2. Income Replacement:** For families reliant on the income of a deceased breadwinner, life insurance proceeds can replace lost income, helping to maintain the family's standard of living.
- 3. Debt Clearance:** Outstanding

*(Con't on page 13)*

(Con't from page 12)

debts, including mortgages, car loans, and credit card debts, can be settled with life insurance proceeds, relieving the deceased's estate of these obligations and protecting family assets.

**4. Education Funding:** For parents, life insurance can secure the educational future of their children, ensuring that funds are available for college or vocational training.

**5. Estate Planning and Taxes:** In estates subject to taxes, life insurance can provide the liquidity needed to settle estate taxes without the need to liquidate

assets. This is particularly important for preserving family businesses or real estate.

**6. Charitable Giving:** Life insurance can also be a tool for philanthropy, allowing policyholders to leave a legacy by naming a charity as a beneficiary.

#### Embracing the Protection

Understanding the importance of life insurance in risk management is the first step toward financial security. It's an acknowledgment that while we cannot predict the future, we can prepare for it. Life insurance provides a safety net that ensures your loved ones will be taken care of, your debts will be managed, and your financial goals can still be

achieved, even in your absence.

In conclusion, the cost of procrastination when it comes to life insurance is too high. The peace of mind and financial security it provides are invaluable in managing life's risks. As part of a comprehensive risk management strategy, life insurance is not just a policy; it's a promise—a promise to protect your loved ones and secure their future, no matter what life throws your way.

---

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# E&O Issues When Buying or Selling an Insurance Agency

By David Holt

Buying or selling an insurance agency or its book of business is, to say the least, a major decision. There are a host of factors for both the buyer and the seller to consider: the value of the business, a price point, personnel questions, property-related aspects, time commitments, and many other issues to investigate, assess, negotiate and eventually agree on.

While an attorney retained to assist with a sales agreement may have limited knowledge of insurance and an accountant consulted regarding the sale may well focus just on the financial and tax implications, it can be easy for even a highly experienced insurance agent, distracted by those important matters, to give short shrift to the potential for errors & omissions issues that arise from the sale or purchase of an agency.

However, giving E&O issues some thought when buying or selling an insurance agency will help avoid difficulties down the road. To start, consider whether the new agency is buying just the assets of the selling agency or is buying both the assets and liabilities, including E&O liabilities. Does the sales agreement make that clear? And have the parties agreed on the purchase of E&O insurance to address any pre-existing liability risk?

Moreover, does state law provide successor liability coverage and has the sales agreement considered it? Does the sales agreement address possible indemnity between the

buying and the selling agencies under various scenarios if one of them is sued by a client?

An obvious option is to purchase extended reporting period (ERP) coverage, sometimes referred to as tail coverage, which is added to the selling agency's existing E&O policy. An ERP generally affords E&O coverage for alleged errors or omissions by the insured agency committed before the existing insurance policy was canceled and the ERP went into effect, as long as the alleged acts are reported during the time period set out in the ERP.

Although the ERP does not provide coverage to the buyer, having insurance coverage in place to indemnify the selling agency's alleged errors provides some indirect benefit to the buying agency. The parties should also consider how long of an ERP to buy. Specifically addressing those matters in the sales agreement can help avoid recriminations and finger-pointing between the buyer and the seller later on.

Documentation retention is another issue that can arise. Sometimes, a buying agency is served with a lawsuit by a client who had been with the selling agency for many years, but when the buying agency gathers the file to prepare its defense, it discovers the selling agency had not retained the documents or has not kept them in good condition. Conversely, if the selling agency is

later sued and the buying agency has retained the documentation, an agreement addressing the selling agency's right to access necessary documents can make its defense much easier.

Remember, when considering such a provision, keep in mind that if an agency takes on a contractual obligation to indemnify the other agency in the agreement due to an action by a client, that might not be covered under an E&O policy. Some policies specifically exclude contractual liability claims; others might exclude a contractual liability claim except to the extent that the insured would have liability based on negligence in any event.

None of these issues should prevent an agency from deciding to proceed with a sale. However, thinking about potential E&O issues and taking reasonable steps to address them during the sales process can help both parties avoid trouble down the road.

---

*David Holt is vice president and claims expert at Swiss Re Corporate Solutions and works out of the office in Kansas City, Missouri. Insurance products underwritten by Westport Insurance Corporation, Kansas City, Missouri, a member of Swiss Re Corporate Solutions.*

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



1

## AM Best Affirms A+ (Superior) Rating for RLI Corp., RLI Insurance Co., Mt. Hawley Insurance Co. and Contractors Bonding and Insurance Co.

**Peoria, IL.** —RLI Corp. announced that its A+ (Superior) financial strength rating (FSR) has been affirmed by AM Best Company for the following insurance subsidiaries: RLI Insurance Company, Mt. Hawley Insurance Company and Contractors

Bonding and Insurance Company (CBIC).

AM Best also affirmed the Long-Term Issuer Credit Ratings (ICR) for each RLI company. The RLI Corp. ICR of “a” (Excellent) was affirmed and the ICRs of “aa” (Superior) have been affirmed for the following subsidiaries: RLI Insurance Company, Mt. Hawley Insurance Company and CBIC.

AM Best, a global credit rating agency, news publisher and data analytics provider specializing in the insurance industry, stated in its press release that the ratings “reflect RLI’s balance sheet strength, which AM Best assesses as strongest, as well as its strong operating performance, favorable business profile and very strong enterprise risk management.”

### **ABOUT RLI**

RLI Corp. (NYSE: RLI) is a specialty insurer serving niche property, casualty and surety markets. The company provides deep underwriting expertise and superior service to commercial and personal lines customers nationwide. RLI’s products are offered through its insurance subsidiaries RLI Insurance Company, Mt. Hawley Insurance Company and Contractors Bonding and Insurance Company. All of RLI’s subsidiaries are rated A+ “Superior” by AM Best Company. RLI has paid and increased regular dividends for 48 consecutive years and delivered underwriting profits for 26 consecutive years. To learn more about RLI, visit [www.rlicorp.com](http://www.rlicorp.com).

2

## Big ‘I’ Opposes Cuts to FCIP in Biden’s Next Budget

Recently, the Big “I,” along with over 60 other industry groups, sent letters to Biden

administration officials, including Tom Vilsack, secretary of Agriculture, and Shalanda Young, director of the Office of Management and Budget, as well as congressional leaders, urging them to oppose any proposed cuts to the Federal Crop Insurance Program (FCIP) in President Joe Biden’s FY2025 budget.

The Big “I” stands firmly in support of a resilient and dependable FCIP, aiming to provide assurance for American farmers and communities. “As the challenges for America’s farmers and ranchers continue to

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grow, we believe crop insurance as a safety net is only becoming more important to stability in rural America," the widely supported letter notes. "During this tumultuous time, one of the few certainties that farmers could rely on was the protection provided by their federal crop

insurance policy."

The president's FY2025 budget is likely to be released in March. Presidential budgets are largely symbolic and do not have binding authority over federal spending levels. Those levels are determined by Congress. The Big "I" will continue to advocate for a robust and strong FCIP and oppose any suggested cuts

to the program either by the administration or by Congress.

Originally published in the February edition of the Independent Agent Magazine by Corey Miller.

Corey Miller is Big "I" director of federal government affairs.

## 3 Chesapeake Employers Insurance Announces President Paige Beck to Retire After 35 Years

**Towson, MD.**— Paige Beck, the President of Chesapeake Employers' Insurance Company, is retiring after 35 years with the company. Ms. Beck informed Chesapeake's Board of Directors and CEO Mark Isakson that she intends to retire, effective February 29, 2024.

"I would like to take this opportunity to thank Paige for

her outstanding stewardship, leadership, and vision that helped shape Chesapeake Employers Insurance into what it is today, Maryland's largest provider of workers' compensation insurance," said Suzanne Thompson, the company's Board Chairperson. "Under her guidance the company undertook significant change, including a major transformation from state entity to private company. This shift in strategy and business model would not have been successful without Paige's leadership and vision." Prior to being company President, Ms. Beck held numerous leadership positions with the organization, including Chief Innovation Officer, Chief Administrative Officer, Chief

Financial Officer, and head of Internal Audit. Before joining the organization, she was employed with the State of Maryland in the Office of Legislative Audits.

"It has been an amazing journey serving the wonderful business owners of Maryland and their employees," said Ms. Beck. "I know the company and its current leaders will continue to put the needs of our stakeholders at the forefront of everything they do."

"I thank Paige for her stellar leadership and unwavering commitment to our employees, policyholders, injured workers, and agent partners," said CEO Mark Isakson. "On behalf of all our employees, I wish her a long

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(Con't from page 18)

and happy retirement. Her legacy is one that will be remembered for the personal impact she's made in countless lives. Our business and stakeholders will continue to benefit from her

leadership for years to come." About 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.

## 4

### RLI Named as One of the Best Places to Work in 2024, a Glassdoor Employees' Choice Award Winner

**Peoria, IL** —RLI Corp. announced that it has been honored with a Glassdoor Employees' Choice Award, recognizing the Best Places to Work in 2024. RLI is ranked 27th out of the top 100 large U.S. companies that received the award and is the only insurance company to be recognized.

"We're honored to be recognized as a 2024 Glassdoor Best Place to

Work," said RLI Corp. President & CEO Craig Kliethermes. "For nearly 60 years, RLI has cultivated a unique ownership culture, driven by collaboration and an entrepreneurial spirit. We aim to empower our associates to think differently, be innovative and deliver exceptional products and service to our customers. This award recognizes our associate-owners, who are integral to RLI's continued growth and success."

The Glassdoor Employees' Choice Award is based on the input of employees who voluntarily provide anonymous feedback on Glassdoor by completing a company review about their job, work environment and employer on Glassdoor.

To view the complete list of Glassdoor's Best Places to Work in 2024 and learn more about how winners were determined, visit:

[gldr.co/BPTW](https://gldr.co/BPTW).

#### **ABOUT RLI**

RLI Corp. (NYSE: RLI) is a specialty insurer serving niche property, casualty and surety markets. The company provides deep underwriting expertise and superior service to commercial and personal lines customers nationwide. RLI's products are offered through its insurance subsidiaries RLI Insurance Company, Mt. Hawley Insurance Company and Contractors Bonding and Insurance Company. All of RLI's subsidiaries are rated A+ "Superior" by AM Best Company. RLI has paid and increased regular dividends for 48 consecutive years and delivered underwriting profits for 27 consecutive years. To learn more about RLI, visit [RLICORP.com](https://RLICORP.com).

## 5 Chesapeake Employers Reduces Rates in 2024, Lowers Rates 37% in Past 9 Years



**Towson, MD.** — Chesapeake Employers' Insurance Company is again lowering its rates for businesses around the state. Effective April 1, 2024, the company will lower its overall net rates by 4%, further easing workers' compensation insurance expenses on Maryland's business owners. This rate decrease totals a 37% rate reduction over the past nine years. Chesapeake Employers' rates are subject to approval from the Maryland Insurance Administration.

"We are committed to helping Maryland businesses thrive and supporting employers and their workers throughout the state," said Mark Isakson, CEO of Chesapeake Employers Insurance. "Reducing our rates is just one way we can help lower the cost of doing

business in our state during a difficult period of rising borrowing costs and inflation."

Maryland business owners are encouraged to contact their insurance agent or Chesapeake Employers at [ceiwc.com](http://ceiwc.com) to get a quote. Chesapeake Employers is rated A (Excellent) by A.M. Best.

### **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.

## 6 Trusted Choice® Accepting Nominations for 2024 Dan Fulwider Award

Each year, Trusted Choice® recognizes an agency for its commitment to its community.

The Trusted Choice Dan Fulwider Award for Community

Service application is now open. Named in memory of the compassionate Dan Fulwider, an avid philanthropist and former government affairs coordinator and membership liaison for Big I Iowa, the award recognizes the Big "I" member who has gone above and beyond the call of service to truly make a lasting difference in their community over the past year.

Trusted Choice will recognize the

agent who has shown the most commitment to their community during the 2024 Big "I" Legislative Conference in Washington, D.C.

The Dan Fulwider Award for Community Service award winner will receive \$3,000 to dedicate to the charity of their choice and recognition at the Legislative Conference.

Learn more or apply through the

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(Con't from page 20)

online application form. Applicants

must be Big "I" members and applications must be submitted by Monday, March 11.

Contact Mia McGowan with any questions.

## 7

### Maury, Donnelly & Parr, Inc. announces addition of Wetzel & Lanzi, Inc.

Maury, Donnelly & Parr, Inc. is pleased to announce the addition of Wetzel & Lanzi, Inc. This combines two successful Baltimore insurance agencies that have almost 200 years of combined experience serving their clients' insurance needs and further maintains their strong presence in the mid-Atlantic.

"At MDP, we're always looking to expand our reach with partners that share a similar vision and approach towards employee and client engagement. We are excited to welcome David, Frank, Dennis, and the entire W&L team into MDP, expanding our client base within the Mid-Atlantic region in both the Commercial and Personal Lines space. The merger will also expand our high-net-worth personal lines practice, a key area of focus for our firm"

said Brian Phoebus, Managing Partner, and Executive Vice President of MDP.

When asked why they chose MDP, David Wetzel, Executive Vice President of Wetzel & Lanzi, said, "After three generations in the insurance business, we were careful to pick a partner who shared our commitment to service and professionalism. The folks at MDP offer an incredible support system and tremendous resources. We can't wait to start this next chapter for our company."

Wetzel & Lanzi will become a part of MDP, maintaining their business while utilizing MDP's assets such as Accounting, Human Resources, Operations, Carrier Partnerships, and Marketing. Together, the team will bolster its existing capabilities to fulfill mutual clients' service and risk management needs. The W&L team will join MDP's team at our Cockeysville location at 10150 York Road, Suite 420, Cockeysville, MD 21030.


#### ABOUT MDP

Founded in 1875 as a marine

insurer to the businesses that utilized the Port of Baltimore, Maury, Donnelly & Parr, Inc. (MDP) operates today as an agent, consultant, broker, risk manager, and program administrator in the insurance industry. As one of the oldest insurance firms in the Mid-Atlantic region, MDP continues to be a force within the industry. Through the years, our operations and services have grown, allowing our firm to provide insurance solutions to many different niche markets. We currently have nine offices along the East Coast.

#### ABOUT W&L

Wetzel & Lanzi is a family-owned, independent insurance agency located in Lutherville-Timonium, MD. Since 1974, W&L has offered all types of personal insurance coverage to the mid-Atlantic region including Car, Home, Life, Health, and Flood insurance. Specialties include Medical Malpractice, Professional liability, Long Term Healthcare, contractors, physicians, manufacturers, technology companies, and mercantile offices.



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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
- You'll enjoy superior service from Big "I" state associations
- 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).





## 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.

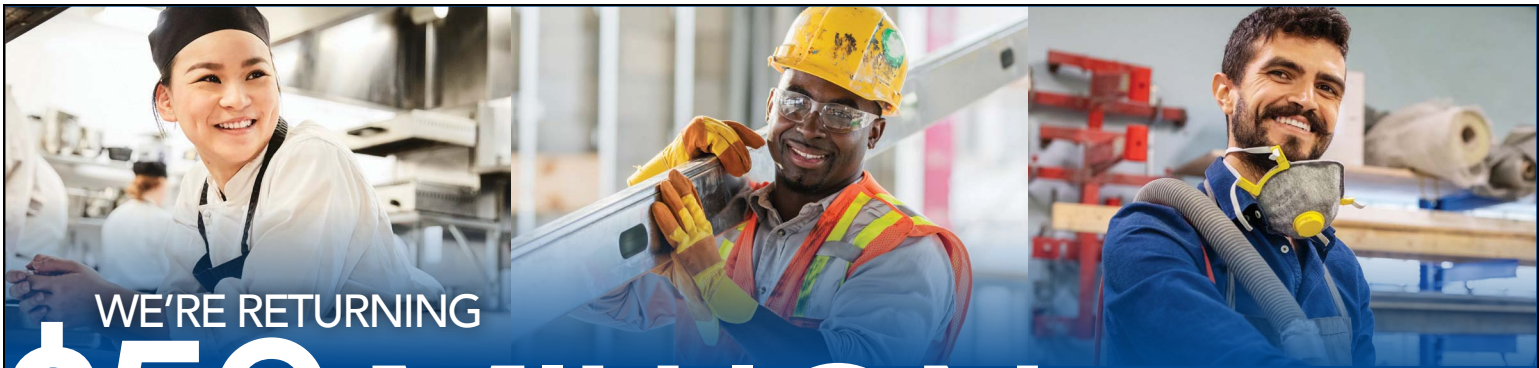
Once coverage is bound, Coalition provides ongoing monitoring for new and emerging threats specific to the information technology used by the insured, adding an extra layer of defense. All policies include this technology-driven approach—which includes automated alerts, threat intelligence and ongoing 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)





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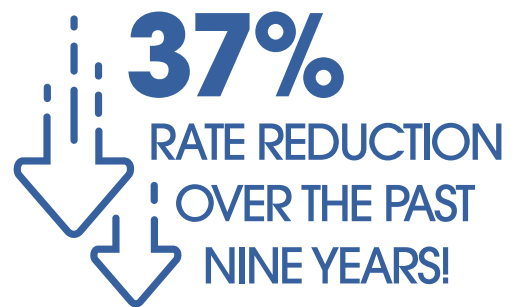
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**BIG NEWS—NO, HUGE NEWS!** As Maryland's only not-for-profit workers' comp insurance company, Chesapeake Employers Insurance is proud to help support your clients and the local economy. For the seventh consecutive year, we are paying a corporate dividend to our eligible customers. This year's dividend of \$50 million is part of \$120 million returned thus far to help Maryland employers invest in their businesses and their workers.

Not only that, but we're reducing our rates again by 4%, which totals a 37% rate reduction over the past nine years!

More good reasons to work with the state's largest writer of workers' compensation insurance.

**Contact your Chesapeake Employers' underwriter for a coverage quote today.**



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