Seven Habits of highly effective insurance agents

See Page 19
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THE MARYLAND MESSENGER
THE INDEPENDENT INSURANCE AGENTS OF MARYLAND, INC.

Editor: Shelley Arnold, CPCU, AU, ARM, AAI
Graphic Designer: Maritza Dintino
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Editorial Office, IIAM, 2408 Peppermill Drive,
Suite A, Glen Burnie, MD 21061
phone 410.766.0600 • fax 410.766.0993
email shelley@iiamd.org • www.iiamd.org
Here we are in September, we have made it through the dog days of summer. Hopefully most of you were able to take a summer vacation or at least have some down time and are rejuvenated. In the Maryland Big "I" insurance world, we received and hopefully have paid our membership dues during those dog days. Some of us have probably asked the question: “what am I getting for the money I’m paying?” This issue of the Maryland Messenger highlights just one of the many benefits you are receiving for your dues payment, “Trusted Choice”.

“Trusted Choice” is the national marketing brand of the Big “I” that agencies can adopt if they adhere to important customer centered values. As “Trusted Choice” agents, we believe all of our customers should receive a consistent and high quality experience. We also think value is about more than price and we separate ourselves by comparing options when creating insurance programs for clients, pricing products competitively, advocating for customers and delivering exceptional customer service. Basically you can drill the Trusted Choice Pledge of Performance down to three words “Choice-Customization-Advocacy.”

By living the brand and incorporating the Trusted Choice logo and Pledge of Performance into your agency’s marketing materials, you help inform consumers about the benefits of using independent agents. Trusted Choice makes it easy by providing a variety of tools to help position your agency as the expert in insurance and financial services.

Trusted Choice, in addition to the national marketing brand, also provides the only referral generating platform focused solely on growing the independent insurance agency channel. The trustedchoice.com website celebrated its third anniversary on June 30, 2016. The total number of web consumers who visited trustedchoice.com and learned something about what an independent agent can do for them is now over 7 million total for that three year period. In 2015 they received more than 3 million visitors with more than 75,000 of them connected with referrals to independent agents. As an Advantage Subscriber, our agency received some of those leads, or I should say referrals. Some of those referrals were actual phone calls from prospects taken by Trusted Choice and transferred to our office. These calls were recorded and forwarded to our managers and became a great learning tool for our staff. Additionally we are writing business from these referrals and I suggest that if you are not an Advantage Agency, you should explore the possibilities of becoming one.

Due to the commitment of $10,000 (your dues at work) from our Maryland Association, we are going to receive a grant of $20,000 from Trusted Choice to put Maryland Advantage agents on the cutting edge of Geo targeting. This is called the Trusted Choice State SEO Grant program and will add geographically targeted content pages, driving more customers to our agencies. There were 10 states that participated in the first round of this program and they saw a 195% increase in traffic in the first six months. We are excited and looking forward to our continued success with Trusted Choice.

In closing, our kids and grandkids and in some situations our great grandkids, are back in school and getting back to a normal schedule. A great time to consider the educational opportunities available from our Education Department (more dues at work) such as ACSR, AAI and CRIS programs. The Best To All
Upgrade your flood experience with three little moves.

Point.  
Point to www.iaba.net/Flood.

Click.  
Click the “sign-up” tab.

Roll.  
Roll your current WYO flood book.

“Our agency was approached by our Selective territory manager, Gregg Porter, to roll a portion of our flood business from another carrier to Selective. We were pleasantly surprised at how easy and seamless the whole process was. Gregg came into our office and basically did all the work for us. We had a high success rate and couldn’t be happier with Selective. Their customer service representatives and underwriters are very knowledgeable, friendly and always helpful. We are very satisfied with the whole experience and with Selective!” – IIAIBL Member

Selective makes the transfer process easy and profitable for IIAIBA members. Selective does not use any third party administrators for our processing, which allows us to tailor a transfer plan that works for both you and your customers. Our team will work directly with your agency to collect the required underwriting documents. Then our rollover underwriting team will handle the processing, including sending out a letter to your customers letting them know of the change. We also provide you with a real-time rollover tracking report to help monitor the status of the transfer.

Selective offers competitive commissions and transfer incentives for rollover business.

Selective began writing flood insurance in 1984 and has been the IIAIBA endorsed flood carrier since 2001. Point, click, roll and join us today!

To discuss transfer opportunities, or to place new flood business with Selective, contact:

Annette Winston  
Flood Territory Manager  
Cell: (804) 690-4129  
E-mail: annette.winston@selective.com
It's a familiar tale: An agency has enjoyed great success, so its principals decide the time is ripe to expand their business and acquire another agency. After finding one that will blend in perfectly, they arrange meetings, sign contracts and the deal is done. Nothing left to do but enjoy the payoff, right?

Not so fast. The assumption that “bigger is better” can lead to a disaster if the Agency’s focus is on growth alone, with no attention to E & O risks.

What if the agency you’re acquiring made a few missteps that escaped attention? When those mistakes finally come to light, how can you ensure your agency isn’t stuck footing the bill? Here are a few steps to keep in mind.

1. Learn about the acquired agency’s policies and practices as soon as you can. Multiple locations increase exposure to professional liability claims: The larger the agency, the more people involved, and the greater the opportunity for error.

2. Establish a plan regarding each employee’s responsibilities. This should include a review of current responsibilities and training on how to handle business the acquired agency previously procured.

3. Actively integrate successful, well-established procedures into the merged agency. Meet with new employees and educate them on procedures and expectations. Consistent and uniform utilization of policies and procedures is imperative as an agency grows.

4. Before finalizing the deal, the acquiring agency should confirm that the purchase contract includes indemnification language protecting it from claims related to the negligence of the acquired agency, in case it committed a wrongful act prior to the acquisition. Similarly, the acquired agency should purchase tail coverage for its own protection.

5. Notify your E & O carrier about the acquisition. Acquiring another agency typically means a change in risk, so E & O policy language commonly requires reporting of all mergers and acquisitions within 90 days. But not all E & O policies are created equal: Effective October 1, for example, Swiss Re Corporate Solutions will add an enhancement to its policy which increases the maximum reporting time to 120 days.

Bigger can be better, but only if you take the proper steps to learn about the new agency, instill your culture, educate your people and clearly document that your firm is not taking on the liabilities of the acquired agency for past mistakes.

Barbara Rocco is an assistant vice president and claims specialist at Swiss Re Corporate Solutions and teleworks out of the Chicago office. Insurance products are underwritten by Westport Insurance Corporation, a member of Swiss Re Corporate Solutions.

A Big Thanks to Avon-Dixon for their huge donation to MCVETS. Ivory Buck, III stands with recent donation which included toiletries, clothing, gift cards and much more.
Maximizing Trusted Choice Leads: The Process
By Don Grauel, CIC, IIAM Trusted Choice Chairman

I’m a pilot in spirit and in practice and if there is one thing the USAF taught me is the love of checklists. That same checklist approach has followed me through my career in the insurance industry to today.

My agency has been a Trusted Choice Advantage customer almost since it became available almost three years ago. As the leads program has developed over the years our agency has honed a process and workflow to both maximize the business written from the opportunities presented and to honestly assess the quality of the leads provided. After analyzing our results before and after installing the process I have discovered that the desirability of a particular lead had as much to do with our use of a tried and true process as the perceived quality of the lead itself. After installing the process, lead closing almost doubled going from 34% to 61%. Most significantly, we have broken even with the investment year to date and are on pace to break even on every dollar spent for the Advantage leads by the end of 2016.

Before undertaking any sales process, it is vitally important that the agency honestly assess if they have the right person answering the Trusted Choice phone call or email. Each agency can determine who receives the primary contact. This is especially true of emails and is also true when the agency has a dedicated phone number for the recipient. The agency should ask themselves, “Does the person who is designated to receive the call understand their role and are they trained to handle the call?”

For example, a CSR whose primary function is servicing existing accounts and has been assigned the additional role of “picking up Trusted Choice calls” may not be as dedicated to the sales process as a producer. Further, that same CSR may see the call as an interruption to their primary function unless leadership has thoroughly explained the responsibilities and provided training. In a recent phone conversation with the Trusted Choice help desk, I was told of one agency experiencing great success by having their newest (hungriest?) producer as the Trusted Choice leads contact. The producer is gaining terrific training and is the most motivated individual in the office to develop the opportunity.

(Con’t on page 8)
When we have the right person taking the initial contact how do make the process most efficient? For both email and phone call leads, the designated agency individual receives an email with detailed lead information. Although Advantage users have access to an extensive dashboard for tracking leads, in our office we have found that the email serves as the perfect note taking platform for the qualification process. We convert the email to an activity in Microsoft Outlook (2010 and later) and report qualifying information in the body of the activity. Should the lead become a qualified prospect we then load the information to our agency management system, enter them into our new prospect drip marketing system, attach the activity and begin our new proposal process.

In an effort to both get the lead as quickly as possible to the agent and to provide the most information possible, Trusted Choice lead calls generate two emails. The first, which comes almost at the same time as the phone call arrives at the agency, is the name and phone number generated by the “caller ID.” That email is followed up a short time later by a second email with specific details about the lead. It can be difficult to match the leads in cases where the caller ID information does not match the name of the person calling. One of the first steps we take in the agency is to match up those to emails to avoid duplication of effort.

The above is by no means the only way to manage Trusted Choice leads. The importance of the need to track the leads through to their conclusion and incorporate a practiced and tested process is, however universal.

A supplemental checklist:

- Check out “The Power of 30 Seconds,” (independentagent.com/30seconds). These brief tutorials developed by the Trusted Choice team drill deeper into the nuances of converting a call to a sale.
- Have you tweaked the appetite?
- Is there one person who aggregates and reports to leadership the results from the Trusted Choice leads?
- Has agency leadership taken advantage of the “Listen to the Call” link on emails where a direct phone contact was made? If so, are the results shared with affected staff?
- Has agency leadership compared the call/email count of Trusted Choice leads reported by staff to the dashboard on the Trusted Choice site? Can each lead be accounted for?
Pat is taking some well-deserved time off this issue. We have chosen of few of our favorites from the past!

From May 2013 on Rebating
Dear Pat:
I am soliciting business for a non-profit organization. I will make a large commission if I can capture and write the property and casualty insurance for this association.

In order that I am able to rope in this potential client, I am trying to think creatively. I was wondering whether I can tell the association that I will give money back to them if I am the writing agent.

Cindy in Clinton

Dear Cindy:
Beware! The Maryland Insurance Code is replete with prohibitions against rebating of premiums. The issue that you face is whether the structure of what you want to do would come within these rebating prohibitions. In that regard, let me mark the two extremes. An insurance producer is not prohibited from donating to a charity, doing business with an insured who has given business to the producer, or otherwise supporting clients. There are prohibitions against telling a potential insured that its premium would be effectively reduced because of a kickback/rebate. The reason that this prohibition exist is that rates charged to an insured must be those which are on file with the Maryland Insurance Administration. A rebate circumvents these rate filings. So what can an insurance producer do? The producer can sell an approved affinity program which allows a reduced rate to an organization.

The insurance producer can split a commission with a licensed insurance producer associated with the nonprofit. The insurance producer can pay for legitimate advertising and marketing, including sponsorships. The insurance producer can even pay, under some circumstances, rent to the organization. Bottom line—be smart, be legal and do not rebate.

Pat

September 2012 on ‘Bad Faith’
Dear Pat:
One of my customers just had a claim denied but neither he nor I can find out from the carrier the precise reason for the denial. When I ask the carrier a question about the denial, I seem to face a stonewall. Is that fair? Is that legal?

Wondering in Westminster

Dear Wondering:
It funny that you use the word “fair” because the Maryland Insurance Administration (“MIA”) recently came out with Bulletin 12-14 which sets forth a list of seven bad behaviors which were deemed to be violations of the Unfair Claims Settlement Practices Act. (Being a fan of David Letterman, I wonder why the list did not morph into a top ten list!). One of the bad behaviors which made the list was a carrier’s refusing to pay a claim while also refusing to provide a denial letter stating the basis for the refusal to pay. So from the MIA’s perspective, the behavior you are describing could raise some regulatory concerns. I would just caution you that you may not be getting the whole story. The carrier may still be conducting an investigation or may have uncovered inappropriate behavior on the part of the insured. Indeed, the carrier may have, in fact, written to the insured; the carrier may not provide you with the same information because it is a sensitive matter. Perhaps the next time you speak to the carrier, you should ask it WWMIAD (What would the MIA do?)

Pat

September 2014 on Cyber
Dear Pat:
I have been told by my insurance producer that I need special cyber-coverage so as to cover potential breaches and disclosures of personally identifiable information (PII). Why do I need such coverage when I have a commercial general liability policy? I have to hold a line with expenses and it seems to me that this is the place to do it.

Wishing I also were Bill Gates

Dear Not Bill 2:
The issue of whether CGL policies cover data breaches and improper disclosures of PII is something that is being debated in the courts. Some courts hold that losses caused by third party hacking are not covered. (Sony lost such an argument in a case against Zurich American before a New York judge). Other courts have found coverage under the CGL policy’s definition of “personal injury.” Importantly, the Insurance Services Office has filed new exclusionary endorsements that seek to clarify the issue and limit coverage for such breaches under the CGL policy. Bottom line, there is a risk that if you do not have specialized cyber coverage, you may be going bare if you face such a data breach loss.

Pat
Maryland’s Grant application accepted. Trusted Choice will contribute $20,000 to our campaign.

What is the SEO Program?
First we need to know what SEO does and how Trusted Choice is making it work for our agents.

Search engine optimization (SEO) is the process of affecting the visibility of a website or a web page in a web search engine’s (search engines such as Bing, Google, Explorer, Yahoo, etc.) unpaid results - often referred to as “organic” results. In general, the earlier (or higher ranked on the search results page), and more frequently a site appears in the search results list, the more visitors it will receive from the search engine’s users, and these visitors can be converted into customers. SEO may target different kinds of searches, including image search, local search, news search and industry-specific vertical search engines.

SEO considers how search engines work, what people search for, the actual search terms or keywords typed into search engines and which search engines are preferred by their targeted audience.

This involves editing the site, changing codes, etc. So what is Trusted Choice doing to optimize their website? Their optimization is key word and geo based. Their strategy relies on the SEO. Today 75% of all traffic to TrustedChoice.com comes from organic search. Their site:

- 6,004 Insurance Content Pages
- 73,828 Keywords and Phrases Ranking on Google
- 14,619 Keyword Combinations on Google Page One
- 2,968 Keyword Combinations in Position One

Keyword Combos on TrustedChoice.com
Trusted Choice Manages over 70,000 Keyword Combos and have almost 3,000 First Place Keyword Searches on Google.

- auto insurance agent
- what does business insurance cost
- best commercial auto insurance
- independent insurance agent
- motorcycle insurance cost
- best barbershop insurance
- homeowners Insurance South Bend

All #1 on Google!
Pay special attention to the last bullet point. That keyword search is “Geo-Targeted”

Geo-Targeted
Trusted Choice has worked with ten states and added thousands of geo-targeted keywords that will drive organic traffic to the site.

The first year of the SEO State Program the states that were part of the program saw a 195% increase in traffic growth from December through May, whereas those not associated with the program saw a 56% increase. The referral rates of those states involved was 77% compared with 14% of those not involved.

Sample Keywords already ranking on Google Page ONE!

- Boca Raton car insurance
- best Jefferson business insurance
- Kenner car
- Newark home insurance

Some examples of geo-targeted searches:
- Columbus auto insurance
- Charlotte homeowners Insurance
- Orlando Auto insurance
- Carlisle business insurance
- Springfield auto insurance
- Boulder homeowners insurance
- Charleston business insurance

Maryland will be part of the next round beginning this month.

Trusted Choice State SEO Grant Program. This program adds thousands of geo-targeted pages and keywords that will drive customers to our agencies.

The campaign will run from September 2016 to August 2017

Maryland has committed $10,000 and Trusted Choice, $20,000. We will build 24 communities, which will create and rank 72 Maryland specific geo-targeted content pages. We are beginning with the counties that have ‘Advantage Agencies’, specifically Anne Arundel, Baltimore City, Baltimore County, Carroll, Charles, Howard, Montgomery, Queen Anne’s, St. Mary’s, Talbot and Washington. We will follow, based on the suggestion of Trusted Choice, completing additional areas based on population.

This will be beneficial to all of our members that have signed their Trusted Choice pledge and are shown as Trusted Choice agents on the Trusted Choice website. It will be of special benefit to those that have paid the additional monthly fee to become ’Advantage Agencies’. Advantage agencies receive more website real estate and a few other perks.... (How to become an ‘Advantage Agent’- See next page)
BUNDLE PRICING

ADVANTAGE PERSONAL

$59 PER MONTH
Get your agency in front of personal lines insurance buyers.

ADVANTAGE COMMERCIAL

$89 PER MONTH
Get your agency in front of commercial insurance buyers.

ADVANTAGE BUNDLE

$128 PER MONTH
Harness the full power of TrustedChoice.com at a discounted price.*

SAVE 14%

THIS IS WHAT YOU GET

- Enhanced Profile Listing
- Google Search Visibility
- Mobile Display
- Carrier Visibility
- Custom Video in Profile
- Agent Search Boost
- Appetite Engine
- Recorded Referral Phone Calls
- Inbound Referrals
- Referral / Opportunity Metrics
- Email Contact Form
- Agency Nation Discount

Want more information? 855.372.0075
Atlantic Hurricane Season Still Expected to be Strongest Since 2012

Forecasts now expect 70-percent chance of 12–17 named storms

In its updated 2016 Atlantic Hurricane Season Outlook, NOAA calls for a higher likelihood of a near-normal or above-normal season, and decreases the chance of a below-normal season to only 15 percent, from the initial outlook issued in May. The season is still expected to be the most active since 2012.

Forecasters now expect a 70-percent chance of 12–17 named storms, of which 5–8 are expected to become hurricanes, including 2–4 major hurricanes. The initial outlook called for 10–16 named storms, 4–8 hurricanes, and 1–4 major hurricanes. The seasonal averages are 12 named storms, 6 hurricanes and 3 major hurricanes.

“We’ve raised the numbers because some conditions now in place are indicative of a more active hurricane season, such as El Niño ending, weaker vertical wind shear and weaker trade winds over the central tropical Atlantic, and a stronger west African monsoon,” said Gerry Bell, Ph.D., lead seasonal hurricane forecaster at NOAA’s Climate Prediction Center. “However, less conducive ocean temperature patterns in both the Atlantic and eastern subtropical North Pacific, combined with stronger wind shear and sinking motion in the atmosphere over the Caribbean Sea, are expected to prevent the season from becoming extremely active.”

“Given these competing conditions, La Niña, if it develops, will most likely be weak and have little impact on the hurricane season,” added Bell. NOAA announced that La Niña is slightly favored to develop during the hurricane season.

To date, there have been five named storms, including two hurricanes (Alex and Earl). Four made landfall: Bonnie (in South Carolina), Colin (in western Florida), Danielle (in eastern Mexico), and Earl (in Belize and Mexico).

As we move into the peak of hurricane season, when hurricanes are most frequent and often at their strongest, NOAA urges coastal residents to make sure they have their hurricane preparedness plans in place and to monitor the latest forecasts.

NOAA’s mission is to understand and predict changes in the Earth’s environment, from the depths of the ocean to the surface of the sun, and to conserve and manage our coastal and marine resources.

---

**2016 Atlantic Tropical Cyclone Names**

- Alex
- Bonnie
- Colin
- Danielle
- Earl
- Fiona
- Gaston
- Hermine
- Ian
- Julia
- Karl
- Lisa
- Matthew
- Nicole
- Otto
- Paula
- Richard
- Shary
- Tobias
- Virginie
- Walter

*Storms that have already occurred in 2016*

Be prepared. Visit hurricanes.gov and follow @NWS and @NHC_Atlantic on Twitter
Meeting my customers where they work. Crafting each policy to meet different needs. Partnering with Builders Mutual insurance. That’s how I get the job done right.

BuildersMutual.com
New Westport E&O Enhancements

Big “I” Westport Insurance Corporation RPG policyholders are already amazed by the broad coverages their A.M. Best A+ rated carrier provides. Effective October 1, 2016, Maryland Westport E&O insureds will be entitled to further enhancements to their policy. These enhancements include:

- Increase in First Party Breach of Data Coverage - The per incident limit will increase to $25,000 and coverage includes legal representation in front of the MIA.
- Increase in Catastrophe Extra Expense Coverage - Limits per policy period will increase to $25,000/$50,000.
- Softened Hammer Clause - If the insured is not agreeable to Westport’s recommendation to settle a claim, Westport will pay 40% above the amount for which the claim could have been settled and 40% above the amount of Claim Expense that was incurred up to the time Westport made the recommendation. If the limit of liability is exhausted, Westport will provide continued defense up to $10,000 while control is transferred to the Insured.
- Increase in Regulatory Defense Coverage - Limit will increase to $60,000.
- Increase in Loss of Earnings - The reimbursement limit will increase to $750 per insured per day and the maximum per policy period will increase to $30,000.
- Acquisitions and Mergers/Material Changes - Maximum time to report will increase to 120 days.

(Con’t on page 15)
(Con’t from page 14)

- **Deductible Reduction Feature**
  - The deductible waiver will increase to 100% and the maximum waiver amount will increase to $25,000.

- **Termination of Coverage**
  - Other than for non-payment of premium, Westport’s ability to cancel coverage mid-term after 60 days will be removed.

With the new enhancements mentioned above comes a new coverage: **Crisis Management Coverage**. This new coverage provides a $20,000 limit to cover the services performed by an established public relations firm designed to minimize potential harm to the agency from a covered Crisis Event by managing adverse media coverage and maintaining and restoring public confidence in the agency. A covered Crisis Event includes:

1. death or debilitating illness of the owner of a sole proprietorship,
2. national or regional news exposure in television, radio, print, or recognized professional insurance publications on internet media regarding covered professional services of the named insured, that is reasonably likely to have a negative impact on the agency with respect to its income, reputation, community relations, public confidence, or good will,
3. incident of workplace violence, or
4. filing of an involuntary bankruptcy petition against the named insured.

If your agency does not have E&O coverage through the largest independent insurance agency E&O program in the country providing a CLAIMS MADE ONLY policy with TRUE WORLDWIDE COVERAGE and a **FREE RISK MANAGEMENT WEBSITE**, please contact me today to discuss quoting with Westport Insurance Corporation at your renewal!

Contact Carla at: carla@iiamd.org or 410-766-0600 x 100

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**Brethren Mutual’s 20th Annual Golf Tournament Raises Close to $6K for Relay for Life Team**

Hagerstown, MD—For its 20th year, Brethren Mutual Insurance Company has raised money for a local charity through its Annual Charity Golf Tournament. June’s tournament, held at Black Rock Golf Course (Hagerstown, MD), raised close to $6,000 for the Company’s Relay for Life Employee Team. Brethren Mutual Vice Chairman/CEO Mike Brashears presented the Company’s team with a check to benefit the American Cancer Society.

Brethren Mutual’s golf tournament donation has helped the Relay for Life team raise over $22,000 this year. In addition, the team works all year to organize fundraisers, such as holiday raffles, 50/50s, silent auctions, a balloon launch and bake sales.

Brethren Mutual thanks the players, sponsors and volunteers who supported Brethren Mutual’s 20th Annual Charity Golf Tournament.
Big ‘I’ Questions Short-Term Health Proposal

The Obama Administration recently proposed a rule that seeks to deter the sale of short-term, limited duration health insurance policies— and it’s raising red flags, according to IIABA. 

Earlier this summer, the Internal Revenue Service, Department of Labor and Department of Health and Human Services released a joint proposal that would, among other things, place considerable restrictions on short-term health insurance under the Affordable Care Act (ACA). The Big “I” responded by submitting a comment letter (see: http://www.iamagazine.com/docs/default-source/Legislative-Activity/short-term-health-comments.pdf?sfvrsn=0) outlining concerns with the proposal. In summary, the proposal would:

• Limit policies to a duration of three months or less
• Make policies non-renewable.
• Require that insurers and their agents provide purchasers with detailed disclosures about policy limits during the sales and enrollment process.


Congratulations to our Maryland Agents that have been appointed to IIABA National Committees:

Berker Hazar
Hazar Financial services has been appointed to the Diversity Task Force

Michael McCartin, CPCU
Joseph McCartin Insurance, has been appointed to the Trusted Choice Board of Directors

Nancy Nicklow, CPCU
Huff Insurance, has been appointed to the Agents Council for Technology (ACT)

Angela Ripley, CIC
V.W. Brown Insurance Services, has been appointed to the State Government Affairs Committee and Future One Representative; the Government Affairs Committee and as Chair of the Agents Advocacy Fund Committee.

We wish all of our members a productive year on their respective committees.
Disability Insurance for the New Work Force

by Scott Zilber

Ever wonder what defines a millennial?

“Millennials. In October 2004, researchers Neil Howe and William Strauss called Millennials “the next great generation,” which is funny. They define the group as those born in 1982 and approximately the 20 years thereafter.” In 2012, they affixed the end point as 2004.”


The Delay Game

Millennials are starting later. In the 1970’s the average age of a first time home buyer was 29, today the average age of that same first time home buyer is 33. Millennials are the least likely age group to be married before age 32. The average age of new mothers in 1970 was 21, its now age 26. What are they waiting for? To pay off their student loans? Travel the world? Find their 4th and final career?

When young and healthy with the world at our fingertips we feel invincible and not until tragedy hits close to home do with think about our own mortality or morbidity. It’s never too early to starting emergency planning. The Social Security Administration estimates that currently 1 out of every 4 20-year-olds will become disabled and unable to work at some point prior to retirement age. The risk of disability to that same group can increase 10 – 15% for individuals using tobacco products or those 30-40lbs overweight.

How will those who become disabled during their income earning years pay those expenses? The major Disability Insurers paid claims totaling $9,800,000,000 in 2013. This was an increase of 1.6% over 2012. The average disability claim, group coverage or individual coverage, is almost 3 years. How many clients have three years of expenses saved in case of an emergency? What happens if they experience a disability of 3 years? 10 Years? Or for the rest of their lives?

Millennials By the Numbers

<table>
<thead>
<tr>
<th>Percentage</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>25%</td>
<td>More than 25% of today’s 20-year-old’s will become disabled before they retire. (1)</td>
</tr>
<tr>
<td>$2,419</td>
<td>A typical millennial earning the median wage would lose $2,419 per month if their only source of income while disabled was Social Security Disability Insurance. (2)</td>
</tr>
<tr>
<td>40%</td>
<td>40% of millennials would consider disability if they knew more about it. (3)</td>
</tr>
<tr>
<td>1/3</td>
<td>More than 1/3 of all millennials couldn’t last more than 3 months without their income. (3)</td>
</tr>
</tbody>
</table>

Individuals can insure their risk of disability through employer sponsored or individually purchased disability income insurance.

Types of Disability Income Policies -

(GDI) - Group Disability Income Coverage –

Many clients will be offered disability benefits through their employer but don’t understand how much coverage they will actually receive at the time of disability. Group policies are often offered as an employer paid benefit for all employees or as a voluntary employee benefit where the insured opts-in and the premium is automatically deducted through payroll. Long Term benefits

1 U.S. Social Security Administration, Basic Facts, October 2015
3 Council for Disability Awareness, America’s Protection Picture Survey, 2014

(Con’t on page 18)
are paid monthly and are usually calculated as a set maximum amount or 60% of gross income. In most cases, premiums that are paid by the employer will have a taxable benefit while premiums paid by the employee will be tax free. Maximum allowable benefits are normally lower than that of individual plans and may not offer the same level of protection to all employees. Group plans may also offer Short-Term Disability coverage as part of the plan which is usually prohibitively expensive as an individual plan. Most plans do not offer portability if you leave your employer and may be cancelled by the employer if they no longer wish to sponsor the plan. Underwriting may be simplified and require a few questions or be guaranteed issue.

In some instances group policies may be offered as a member benefit by a professional organization

(IDI) -Individual Disability Income Coverage –

These policies are paid by the insured and the benefits are typically tax-free to the insured when on claim. Coverage periods can range from 2 years to the insureds age 70 and in most cases the policies are guaranteed renewable and cannot be canceled by the carriers. Individual plans offer flexibility and portability, If you leave your job you can keep your policy and if your raise your income you can increase your benefits. IDI policies may cover up to 65% of the insureds gross income before taxes. Insureds can also purchase riders that offer cost of living adjustments when on claims so that their benefits keep pace with inflation. In addition, some carriers are now offering riders that will help fund retirement plans payable at age 65 or 67 to the insured.

(DRP) – Disability Retirement Protection –

What happens to your retirement planning when you become disabled during your income earning years? How will you fund your retirement needs? There are now products that can be purchased in conjunction with disability income polices or as standalone policies that will fund retirement accounts for the insured should they become disabled. The policy pays a percentage of the insureds income into an account on a monthly basis that is available to the insured after age 65.

There are now accelerated underwriting programs for Individual Disability insurance that may allow clients to qualify for benefits without a paramedic exam or the ordering of medical records.

To learn more about marketing Disability Income Insurance to your clients please contact:
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7 Habits of Highly Effective Insurance Agents

By Ryan Hanley

Why are some insurance agents successful, while others flounder?

Their habits!

It’s the little idiosyncratic routines, methodology and philosophies which dictate their daily activities which create highly effective insurance agents.

Today we examine 7 habits of highly effective insurance agents.

Why is it so important to examine the habits of our fellow independent insurance agents?

Bestselling author and motivational speaker, Jim Rohn, is famously quoted as saying: “You are the average of the five people you spend the most time with.”

The individuals quoted in this article are just a few of the highly effective insurance agents and association leadership that you should want to spend time with. Take heed of their advice, seek out and follow their work, then apply what you can to your own efforts.

Spend time with some of these agents and you’ll be even more of a Rockstar than you already are today.

1 Hungry

First and foremost, highly effective insurance agents are hungry.

When times get tough, the unsuccessful want to circle the wagons and hunker down into safe and cozy, “Way it’s always been.”

Unfortunately, life isn’t designed to be cozy or safe. Times change, people change, the marketplace changes, methodology changes.

Life rewards those who take risks and venture forth in hustle mode.

Highly effective insurance agents have a sense of urgency about them. They know how to embrace hustle mode when it is necessary.

“Crazy as it seems today; with a family and a mortgage, I left a well-paying job with security and benefits to live on a limited amount of saved and borrowed money for two - maybe three years. Daily, I searched for customers to build my agency.

Along the way, a good friend in sales would always remind me “the only thing stopping us is us!”

To be the best for your clients and continually attract new clients you must be persistent and take every opportunity to be of service and “give your all” everyday!”

Gerald F. Zoller CPCU, CIC, American Heritage Insurance

Being a “Hungry” insurance agent means never looking back at work not done with regret for unachieved goals.

Highly effective insurance agents are hungry. Watch this short video from Gary Vaynerchuk for deeper look into what it means to be, “Hungry,” and the two things holding us back. See: https://youtu.be/mGUgteCOTeQ.

2 Available

We no longer live in a world where we as insurance agents can dictate the terms of communication with our prospects and clients.

Highly effective insurance agents make themselves available, not when it is most convenient for themselves, but rather those they would meet with.

Being available takes many different shapes. It could mean hiring a call center for after hours or allowing for text message communication. Being available could mean chatting with prospects and clients via Facebook Messenger or Snapchat or Twitter. Maybe being available is as simple as getting rid of your phone tree and having a human being pick up every phone call.

What being available looks like is going to be different for every agency.

But the fact remains, highly effective insurance agents are available.

“Our agency strives to be available to our customers. Instead of a voice response system, we have a real, live human answer our phones during the standard workday. She is trained to assess their issue or concern and works hard to get them to the right person on the first try.

We have also designed our website to be available 24/7 so customers can make standard requests when it’s convenient to them.

As an agent, and manager of our commercial service department, I recognize that today’s world is not 9-5.

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Many of our customers are located in other parts of the country or work alternative hours. Their time to work on their business needs is not necessarily 9-5. So, we use technology to be as responsive as we can and assist with their needs – smart phones help us all work more productively.

Clients are often surprised when they get a response after hours or when they know I’m not in the office. If they are reaching out to us, then they need help or an answer to move on to the next part of their to-do list to keep their business moving forward.

I remind my staff and our clients on a regular basis – Our client’s business is not insurance. Our business is insurance - we need to help them through this.”

Sandra L. Chaney, CIC, CRM, The Insurance Exchange

The simple act of returning a phone call can set you apart.

It’s easy to make excuses and find reasons why you don’t have time to be available for prospects and clients.

Highly effective insurance agents find time to be available.

The most successful agencies are those who understand the importance of how time management impacts their business.

3 Value Driven

Highly effective insurance agents seek to genuinely help and care about their clients and community.

Rather than pushing the hard sell, they sit with clients and understand their needs.

Because of the relentless pressure to drive revenue and close business, insurance agents are very familiar with the temptation to relent on price in exchange for bound policies.

Highly effective insurance agents do reach for the dangling deal carrot. They understand that their success (and that of their agency) relies on a quality brand reputation in the marketplace.

But highly effective insurance agents know the clients willing to pay for the coverage they need, will return that value tenfold over time.

“In today’s marketplace insurance policies are sometimes sold on price rather than the value of an independent insurance agent. I believe in selling not only the coverage but the values that our agency provides to our policyholders. We provide advice and counsel to our customers every day. I often think of an insurance commercial where a woman sat at her computer asking her dog how much bodily injury coverage she should choose. She then says what is bodily injury coverage anyway? That’s our job to explain the coverage and its importance.”

Angela Ripley, CIC, AIS, CRM, LUTCF, V.W. Brown Insurance Services, Inc.

“The insurance marketplace today is full of carriers and agents using the ‘we’re cheaper’ sales tactic. Some of those outlets also advertise extensively, creating a great deal of noise. Therefore, it is more important than ever that as independent agents we separate ourselves from that noise by providing value for our clients.

Value comes in many forms – risk management, coverage advice, exposure analysis are three that come quickly to mind. That value creation creates the differentiation that drives clients to our agency.”

Ivory Buck, III, Avon-Dixon Agency, LLC

You can’t fake a desire to add value to other people’s lives.

It’s almost as if prospects and clients can smell authenticity. When you have it, when you believe deep down in delivering value before ever asking for it in return, an entire new world of opportunity opens up.

4 Willing to Fail

Albert Einstein once said, “Failure is success in progress.” Fear is paralyzing.

When our mistakes stare us in the face, we often find it so upsetting we miss out on the primary benefit of failing: the chance to come back with a bigger, stronger, faster and smarter.

Many of us avoid the prospect of failure. In fact, we’re so focused on not failing, that we don’t aim for success, settling instead for a life of mediocrity.

Highly effective insurance agents believe failure is another step on the road to success. Instead of shying away from failure, they embrace their misses, learn, adapt and try again.

Nothing slows us down more than the fear of failure.

“When my dad passed away after a brief illness, I had a lot of fear, could
I step into a role that I had not done before, could I be “as good” as him. Even though I was scared to death, I knew that I had 8 employees that were counting on me to make sure that they get paid so they could support themselves or their family. That is what got me up every day, and made me push the fear away and step into footsteps that I never stepped in before. For me failure was not an option.”

Nancy Nicklow, CPCU, AAI, CRIS, Huff Insurance

Highly effective insurance agents are committed to achieving their goals, regardless of how many times they fail along the way. Highly effective insurance agents know the world isn’t all sunshine and rainbows. There are going to be days when things aren’t working out. This is when the best insurance agents shine, just like Rocky: See https://youtu.be/D_v4uyYwEk.

Focus

The most successful independent insurance agents on this planet are highly focused. They pay attention to the present moment and present tasks. They do not allow distractions to become excuses for low productivity. This habit ensures they are fully engaged in activities, get more done and deal with challenges efficiently. Highly focused people are simply mindful. They don’t stray from the tasks that will grow their agency.

Focus takes work. Highly effective insurance agents don’t make excuses for the distractions they’ll inevitably be faced with every single day.

“How many calls are necessary to get an x-date, how many x-dates result in an appointment, how many appointments turn into a sale. Everyone’s numbers will be different but without the knowledge these numbers provide, you can’t know who is successful and who may not be in the right position.”

Mike McCartin, CPCU, Joseph W. McCartin Insurance, Inc.

Highly effective insurance agents measure everything, not just the value of the closed business at the end of the month. Quantifying and evaluating every sales activity with every customer will help uncover the truth and point the way to more success in a way that simply counting the money can never do.

“You need to set expectations and then have people track and understand what they are measuring.

“How many calls are necessary to get an x-date, how many x-dates result in an appointment, how many appointments turn into a sale. Everyone’s numbers will be different but without the knowledge these numbers provide, you can’t know who is successful and who may not be in the right position.”

Mike McCartin, CPCU, Joseph W. McCartin Insurance, Inc.

Highly effective insurance agents measure activity, not just hope. These agents define their activities within the larger lead generation process. They know the metrics required to achieve their sales goals. The average insurance agent can’t handle the truth. They are uncomfortable with sales pipeline reviews and evaluation sessions because results are sporadic and unpredictable. Highly effective insurance agents understand that the secret to success is in the numbers – good or bad – because those numbers always have something to teach us.

Highly effective insurance agents are focused on the task at hand. They do not allow distractions to undermine productivity.

Highly effective insurance agents know how to prioritize their tasks each day.

They delegate work to support staff in order to stay focused on relationships and revenue generating activities.

“I have spent 38 years as a property and casualty agent and have had many ups and downs. At times I’ve experienced great success along with days wanting to give up and retire early. To even out the roller coaster ride, I focus on why I started in this industry, to service the needs of my clients. This is a people business based on relationships that I have built over time. I stay focused on my clients, listen to their needs and wants and find solutions for them. They have placed their trust in me, the least I can do is stay focused on them.”

Rick Raley, AAI, Associated Insurance Centers of Southern Maryland

Persistence

Building a successful insurance career isn’t always easy. Sometimes—like when you lose a big sale or a big customer—it can be downright depressing. But, even in the worst of times, success is often right around the corner. Rather than give up, highly effective insurance agents concentrate on all the reasons they can succeed.

(Con’t from page 20)

(Con’t on page 22)
And they find a way to win.

Persistence dictionary definition – noun “firm or obstinate continuance in a course of action in spite of difficulty or opposition.”

“My father always told me that nothing worthwhile comes easily; it requires hard work and persistence. He was right. I have worked hard in my insurance career to learn as much as I can about the technical world of insurance, and continue to do so after more than 35 years in the business. I am a life-long learner and I encourage other insurance professionals to do the same. Keeping up with the ever-changing technical details of the many policy forms and coverages in our industry requires dedication and persistence.

Membership to the Independent Insurance Agents of Maryland, provides access to education programs such as pre-licensing courses and continuing education courses on the latest developments in our industry. Many of our successful agents have taken advantage of the educational opportunities at IIAM, have studied hard, persisted and earned professional designations.

Highly successful insurance agents know their business and more importantly, understand the best coverages available in the market place to protect their clients.”

Terry Katz, CPCU, CIC, ARM, AAI, ACII, HMS Insurance Associates, Inc.

Luck has a funny way of shining on those who persist through the hard times. Business coach and international speaker, Brian Tracy, has this to say about luck:

“I’ve found that luck is quite predictable. If you want more luck, take more chances. Be more active. Show up more often.” Show up more. Be more persistent in pursuit of your goals.

Sitting in the office, making phone calls and excuses is the easy way to get through another day as an insurance agent.

Highly effective insurance agents go beyond what is expected, forming new success producing habits in order to reach their goals.

Steve Jobs has a little something to say on the importance of persistence and perseverance: See https://youtu.be/ddSwedWWON4.

The Highly Effective Insurance Agency

The habits listed above are great, but what about habits for the agency as a whole?

For good measure, I asked Tom Minkler, one my all-time favorite independent insurance agents, about the habits of a highly effective insurance agency.

Tom’s answers set the foundation for every well run agency in our industry.

Think your agency is capable of more production? Dial in on Tom’s advice below:

“I can come up with dozens of things that a highly effective agency should do to make it successful, but by far, the number one topic is the people in the agency. Every agency should devote volumes of time in the following areas;

• Hire Well– find people that match you corporate culture and who want a career vs. a job. Take time to insure their personal goals line up with the agency goals. Use personality profiles (Predictive Index, Omnia, Caliper, etc) to supplement your interviews and have multiple people within the agency do separate interviews.

• Train and Mentor With Passion – Too often agencies hire someone, give them a week or two of basic training and then throw them in the deep end. Everyone learns at a different pace and with different styles of learning. The agency needs to devote many hours over weeks, months and years to help their staff develop the tools, confidence and knowledge. Continuously mentor. Don’t be afraid to go outside the agency for training and education. Some of the best ideas are born away from the office.

• Inspire and Encourage Personal Growth – Don’t pigeon hole people into one position. Encourage them to grow and seek new opportunities within the agency. Encouraging your staff to think bigger and challenging them to become more rounded is motivating. Almost all of our management team started in entry-level positions. Today they lead our agency and pass on their stories of personal growth.”

Tom Minkler, Insurance and Risk Analysis Authority at Clark-Mortenson Agency, Keene, NH

The Rub

These are just 7 habits of highly effective insurance agents. There are many. There is no perfect combination of habits that will work for all agents. You must go out into the
world and find the habits that lead to your success.

The 7 habits listed above are a great place to start. My hope is, hearing the words of fellow agents, highly effective and successful agents, will motivate you to seek out your habits.

But if hearing from other insurance agents doesn’t get you jacked up, I’ll leave you with the immortal words of Arnold Schwarzenegger—see https://youtu.be/k1RjT86PTdU.

Now go find the habits that make you a highly effective insurance agent.

P.S. Don’t forget to Agency Nation at https://www.agencynation.com/

The original article may be viewed at: https://www.agencynation.com/highly-effective-insurance-agents/

(Con’t from page 22)

IF YOUR INSURANCE AGENT IS TRAPPED, CAN SHE REALLY BE THERE FOR YOUR BUSINESS?

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September 14, 2016  
Workers Compensation for Contractors  
Don Dudey, CPCU  
9:00 AM - 4:30 PM  

September 26, 2016  
Personal Lines Related Coverages  
Pamela Dodge, CIC, CISR, CPIA  
9:00 AM - 3:30 PM  

September 28, 2016  
Commercial Automobile Insurance  
Don Dudey, CPCU  
9:00 AM - 3:30 PM  

October 5, 2016  
The Insurance Production Environment  
Nancy Nicklow, CPCU, AAI  
9:00 AM - 4:30 PM  

October 12, 2016  
Umbrella Liability Insurance for Contractors  
Don Dudey, CPCU  
9:00 AM - 4:30 PM  

October 17-21, 2016  
Property & Casualty Pre-Licensing  
Joe Conroy, ACSR  
8:30 AM - 4:30 PM  

October 26, 2016  
Commercial Lines Related Coverages  
Sharon Gardner, ACSR, AAI  
9:00 AM - 3:30 PM
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