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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
Advertising Info: www.iiamd.org

The Maryland Messenger is a bi-monthly publication published for the exclusive use of regular and associate members of the Independent Insurance Agents of Maryland. Publication of any article, letter to the editor or advertisement in the Maryland Messenger should not be deemed an endorsement by IIAM of the opinions expressed or product advertised. Questions and comments should be directed to the editor, Shelley Arnold.

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Hopefully this, my last chairman’s message, finds you getting through the dog days of summer by sitting on the beach or relaxing in a mountain cabin avoiding a case of the summertime blues. WOW it’s hard to believe a year has passed since taking the position of Chairman of the Independent Insurance Agents of Maryland. Sometimes I make the comment that it’s been real, it’s been fun; but it ain’t been real fun. That’s definitely not the case for the year I’ve spent as Chairman; it has been a lot of fun. I will go so far as to say it was a blast.

Your association staff, executive committee and board of directors have made the job very easy and fulfilling. I’ve made deeper relationships, have laughed a lot, and had some moments when my head was in my hand wondering what words to put down in this chairman’s message. It sort of reminded me of the ups and downs of the insurance business.

If, by chance, you do end up with the summertime blues, I have a cure: Get involved! The association has some wonderful things happening and I encourage every single one of you to participate. We have an active Maryland Young Agents Committee and some local associations are becoming active with regular meetings. You don’t have to jump into a committee chair; just talk to your local directors, get to know them and share what’s happening in your area and with your agency. Attend a local meeting, let them know what concerns you and what you need from the association. The staff is very helpful, so take advantage of all they have to offer.

In closing, I would like to thank the staff, the executive committee, the board of directors as well as the committee chairs that have worked through any and all issues that we have addressed. A special thanks goes out to all our members. It’s been a delight to meet you, and I hope to meet many more as the years progress. We work in one of the most wonderful industries around. We get to help people sometimes when they are facing devastating events. Never forget that it is those folks that we serve.

A Message from the new Chairman, Al Lietzau, IV

Having “gone through the chairs” of the Executive Committee in the past several years, it’s an honor to be embarking upon the office of Chairman of the Independent Insurance Agents of Maryland. What has struck me about the organization, particularly the staff and volunteer leadership, is the commitment to the organization’s mission and the dedication to making things happen in support of the mission – a mission that has not strayed since IIAM’s formation over 100 years ago. The Association is focused on assisting the Maryland independent agents serve the Maryland consumer to the best degree possible. This takes the form of providing access to competitive products, undertaking advocacy in legislative matters, distribution of timely industry information, and providing superior education programs to enhance the agents’ knowledge base.

The times continue to be challenging in general and the insurance industry is not immune to these challenges. IIAM continues to be a source of support for the P&C agent community which is filled with solid citizens who each day professionally serves others, no easy task!

IIAM is here to help in your everyday efforts. Please be certain to contact the office with any questions, comments or requests.
Claims data from the Big “I” Professional Liability program consistently shows that “failure to offer” (and lack of documentation) are a leading cause of agency E&O claims. That’s why Big I Advantage has partnered with leading carriers to ensure you have easy access to additional coverages at your fingertips. **Are you offering small business cyber, flood, personal umbrella and in-home business?** Doing so can protect your agency from E&O claims and increase sales and client satisfaction.

**CYBER-SMALL BUSINESS**

- $100,000 cyber liability coverage
- $200 annual premium
- Use our marketing letter!

**FLOOD**

- Personalized support
- Competitive commissions
- An easy-to-use quoting platform

**PERSONAL UMBRELLA**

- Limits up to $5 million ($1M in NM)
- Excess UM/UIM available
- Standalone coverage

**HOME BUSINESS**

- Affordable coverage for 145+ classes
- General liability up to $1 million
- Easy underwriting
Agencies continue to ask TrustedChoice.com to improve their ability to attract and write the business they want. We delivered.

Over the past 6 weeks, the Advantage profile has improved dramatically.

- NAICS codes have been expanded to six digits
- You can choose whether or not you want to work with consumers who don’t have current insurance
- Individual producers can be listed with their own email and phone numbers, including the ability to receive referral notifications via text rather than email

Agencies have told us that getting the right referrals to the right producer in the agency is key to successfully writing the business. These new changes are designed to allow you to target what sorts of consumers get to each of your producers.

Although it isn’t required, TrustedChoice.com now provides the ability to custom configure the appetite engine in a number of new ways.

We have expanded the North American Industry Classification System (NAICS) to six digits from three, allowing a more refined definition of exactly which types of business your agency prefers. Rather than just saying you want generic construction, perhaps you want to write New Single Family Construction, but not Residential Remodeling. Toggle them on and off, simple as that.

The agency can also choose whether or not they want to be displayed to insurance buyers when that buyer is not currently insured. This can keep experienced producers from spinning their wheels in working with difficult to place or new business.

We recognize that agency staff is made up of individuals with differing levels of experience and capabilities. To support this, we have brought out the first of a number of improvements designed to allow opportunities to be more effectively routed within individual agencies.

Agencies can now add staff to their agency profile, and provide individual contact and appetite information for specific producers.

Perhaps the agency wants to focus all personal lines opportunities to a young producer. Now you can just provide that producer with personal lines of business, and send incoming opportunities to the producer’s cell phone.

Or one producer in the office prefers to work on contractors, while another only wants to talk to light manufacturing risks. The producer level appetite engine selections make this possible.

These enhancements are designed to provide a foundation for additional powerful benefits exclusively available to members of the IIABA. If you would like to know more about an Advantage subscription, please dial 1-855-372-0070 and touch 1 for sales.
IIA Maryland’s 2017 ‘ACSR of the Year’—Kimberley Harris

The Independent Insurance Agents of Maryland (IIAM) announced the recipient of the 2017 Maryland ACSR (Accredited Customer Service Representative) of the Year Award, on June 16, 2017, at their Annual Conference. The conference was held at the Camden Yard Warehouse, and Kimberley Harris, ACSR, was honored as this year’s recipient. Ms. Harris is a Commercial Lines Account Manager at Alliant Insurance Services in Columbia, Maryland. Ms. Harris received her designation in 2007. Since that time she has also completed her AAI (Accredited Advisor in Insurance); CRIS (Construction Risk Insurance Specialist) and AINS (Associate in General Insurance) designations.

The ACSR designation was established by the Independent Insurance Agents & Brokers of America to recognize the tremendous contributions made by customer service personnel to the success of the independent agency. The program became part of the Insurance Institute of America’s program offerings in 2010.

“Today’s CSR plays such a vital role in the success of an agency, it is important that their professionalism be recognized. Independent agencies today require greater sales volume supported by fewer staff than ever before. Without the technical and customer service skills provided by the agency staff, this challenge could not be successfully met.”", said Shelley Arnold, CPCU, AU, ARM, AAI, ACSR, IIAM President.

IIAM congratulates Ms. Harris for her many accomplishments. Kim’s essay is printed in its entirety below.

If you are interested in the ACSR program, visit our website and the Education section for descriptions of the courses and dates of classes. If you have questions about the program, contact our Education Director, Rebekah Langford, ACSR, AAI, AINS, 410-766-0600 or email her at rebekah@iiamd.org.

Kim Harris

ACSR of the Year

When asked: Why did you choose the ACSR designation program and what factors influenced that decision?

I chose the ACSR designation program because it touches on just about every aspect of our business.

Providing superior customer service is one of the most important things you can do to enhance the value of your agency. That is one of the main concepts that I took away from the ACSR program. Customers are not always clear in their requests but if the right questions are posed and we actively listen to what they are saying, we can discover the necessary information to assist them in whatever they may need. Once we have all the information, we can verify whether the required coverage is included or needs to be quoted. Identifying the customers’ needs and providing solutions benefits the customer because they are able to make an educated decision on how best to handle their exposures to risk. Good customer service solidifies the relationship between the agency and customer and mitigates the agency’s Errors and Omissions exposure. By actively listening to our customers, concentrating on the conversation, taking notes and asking questions, we can anticipate our customer’s needs and ensure a thorough transaction. Thanks in part to excellent customer service we have found new opportunities for growing an account through cross-selling and have enhanced the relationship between the customer and our agency.

The ACSR program has instilled in me a confidence in both my insurance knowledge and in dealing with customers. Embedded in every task I take on throughout the day is a high commitment to accuracy and professionalism. There is a confidence in my replies when corresponding with both underwriters and clients that I attribute to my ACSR studies. This commitment to superior customer service tied in with the coverage lessons has reinforced my previous insurance understanding and I hope has made me a more valuable asset to my company.
“I’ve seen the commitment of Swiss Re Corporate Solutions to independent agents firsthand.”

"Serving on the Big ‘I’ Professional Liability Committee for three years allowed me to see firsthand the commitment that Swiss Re Corporate Solutions has made to IIABA members.

Swiss Re Corporate Solutions has provided a best-in-class E&O product at a competitive price.

I have had the opportunity to spend time with Swiss Re Corporate Solutions underwriters and claims professionals and have complete confidence that they are prepared to provide the legal expertise necessary to take the stress out of a difficult situation.

The annual loss control sessions taught by Stanley Lipshultz, JD, CPCU have always been helpful and informative."

–Michael J. McCartin, CPCU
President
Joseph W. McCartin Insurance, Inc.

Prevent. Our exclusive risk management resources help your agency avoid making common preventable mistakes.

Protect. Our superior coverage through Swiss Re Corporate Solutions and our experienced claims teams are in your corner in the event of a claim.

Prosper. When you know you have the best agency E&O Protection, you can focus on growing your most important asset—your business.

For more information or to receive a proposal, contact Carla M. McGee, RPLU, ACSR at carla@iianmd.org or 410-766-0600 x 100.
ANIMALS LAWS

It seems that animals have become the new status symbol. Where before I would see people at my office and at cocktail parties discussing cars or the latest, greatest computer gadget, I now see people talking about their pets. It seems that everyone wants to show me a picture of their dog or a cat video. So in honor of those that love animals, I thought I would focus on some recent animal legislation.

The most recent legislature passed a pack of animal legislation. One that caught my eye was one that dealt with pet torts. A person who causes a dog to bite another dog cannot use as an excuse that it’s a dog-eat-dog world. The owner whose dog ‘commits’ such a tort can be liable for vet bills and compensatory damages (up to $10,000). As every dog has his day, each and every insured that has a pet—whether a bird or a pit bull—should make sure that they have insurance to cover such liability.

The Maryland General Assembly also enacted legislation to punish those who abuse animals. A person can now be guilty of animal abuse or neglect—and subject to the scorn of their peers—when they fail to provide the animal with proper air, proper space, proper shelter, or proper protection from the weather. A person that mutilates, tortures, cruelly beats, or cruelly kills an animal can now be guilty of aggravated cruelty. Those individuals that leave animals in their cars while they shop in hot weather should now beware!

Vets will now play a greater role in protecting animals. Veterinarians who suspect animal cruelty, including suspected animal fighting, must file a report with local law enforcement or the county animal control agency. If a veterinarian fails to comply with the reporting requirement, the license of the veterinarian may face licensing penalties, including suspension and/or revocation. A veterinarian who reports suspected animal cruelty or animal fighting in good faith, or who participates in a subsequent investigation, is immune from civil liability and criminal prosecution that results from the report or participation in the investigation.

While vets have these new reporting requirements, they and others who rescue animals (including doctors, fire fighters, law enforcement and animal control officers) will now have immunity, under certain circumstances, when they provide emergency veterinary aid, care or assistance to an animal where the owner of the animal is not available. Good veterinarians and others who are good Samaritans will have immunity from civil liability if (1) they are not grossly negligent; (2) they are giving free aid, care, or assistance; and (3) the aid, care, or assistance is provided at the scene of an emergency or in transit to a veterinary facility.

And let’s not forget pet stores. Pet stores will have to post information about dogs, generally on a dog’s cage. The signs on each dog’s cage and the records must include the name and address of the animal control unit or animal welfare organization from which the dog was obtained. The bill also prohibits a retail pet store buying a dog or cat from a breeder or dealer unless the retail pet store has ensured that the breeder or dealer has not received specified types of citations from the U.S. Department of Agriculture (USDA) under the federal Animal Welfare Act in the last two years. If a dog is obtained from a breeder or dealer, a retail pet store must post the applicable USDA final inspection reports from the previous two years on or near the dog’s cage. The reports must be retained by the retail pet store for at least two years.

So all those dog lovers out there—and those that love cats and canaries too—need to think about these dog gone issues. People need insurance to protect them from liability. People need insurance to take care of their pets. Most of all, those of us who are caretakers of animals must understand—and make others understand—that animals are a blessing, a privilege and a responsibility.
Agency E&O Risks in Surety: 7 Common Blunders

By Jack Anderson (IA Magazine, March 2017)

Although agents work hard to avoid facing errors & omissions claims, many are not aware of potential issues that can arise when handling bonds. Here are some of the most common surety-related missteps that can create E&O exposures—and how to avoid them.

**Failure to advise proper rate.** Agents often feel compelled to provide a client with a rate before the underwriting is complete. If a client pressures you for a rate, provide a range that includes a low and high estimate, like 1-5%. And be sure to communicate that you cannot provide an exact rate without all underwriting information.

**Failure to properly execute bid bonds.** If a bond is not prepared in strict accordance with the owner’s requirements, the client runs the risk of presenting a bid that may be determined “nonresponsive.” To avoid this outcome, take the following steps:
- Establish a checklist for bond preparation.
- Verify the bond form.
- Verify the bid bond amount or percentage.
- Attach a separate notary signature page for the contractor’s signature.
- Attach a power of attorney showing the name of the person who signed the bond.
- Perform an independent review of bid bond to insure accuracy.

**Failure to deliver bid bonds in a timely manner or to a proper address.** Bid bonds sent via regular mail or to an incorrect address run the risk of late delivery. Ensure that you confirm the delivery address ahead of time, and use a reliable overnight delivery service.

**Failure to give proper advice regarding bid security.** A bid bond assures that a performance bond will be put in place by the authorizing surety while using a cashier’s check, as bid security does not. Remember: Never advise using a cashier’s check as bid security in lieu of a bid bond, and always urge clients to request a bond as soon as they are aware one is required. If a bid bond cannot be secured in time, a cashier’s check should only serve as a replacement when the surety provides written approval stating they will support the performance bond.

**Failure to receive approval from the surety.** By improperly issuing a bond without prior surety approval, the surety will seek recourse from the agent if the unauthorized bond goes into claim. If the client’s bond program is disrupted as a result of an agent’s actions, the client might have recourse for lost financial opportunity.

To protect your agency, establish a written policy with guidelines regarding what constitutes authorization from the surety, along with a documentation policy. Associates who issue bonds must be aware of this policy and adhere to all requirements.

**Failure to adhere to conditions and exclusions of line of authority.** Where a surety has extended a line of authority to an agent and the agent has issued a bond that falls outside the line of authority, the agent will be held accountable for any loss a surety experiences as a result of the agency mishandling the line of authority. Therefore, you should:
- Train associates on criteria granted by bond lines of authority.
- Not focus solely on single bond size and aggregate limits authorized under the line.
- Know and understand other conditions and exclusions before a bond is issued.

**Failure to provide timely information to the surety.** An agent is responsible for communicating all relevant information to the surety. Create a policy that calls for providing all known information which may impact the surety’s decision for both bond approval and handling a claim.

The relationship between a client and an agent is vital to successfully securing bonds. By staying aware of the possible pitfalls that can lead to E&O claims, you will be able to provide bond services to your clients without interruption—and mitigate serious E&O exposures for your agency.

Jack Anderson is president of Goldleaf Surety Services, LLC.
Big “I” Markets Offers New Cyber Product for Small Businesses

Association members gain access to more resources.

ALEXANDRIA, Virginia—Big “I” Markets (BIM), a division of the Independent Insurance Agents & Brokers of America (IIABA or the Big “I”), has expanded its small commercial offerings to include a new cyber coverage product for small business clients.

“Many benefits to Big ‘I’ members and consumers coalesce in this new product offering,” says Paul Buse, CPCU, ARM, Big “I” Advantage® president. “Extending an offer of cyber coverage reduces E&O ‘failure to offer’ risk for our members, and our members’ clients benefit by being protected from emerging cyber risks.”

BIM has partnered with RGS Solutions to provide this product. It is a solution for businesses with up to 50 employees and less than $20 million in annual sales. The cyber protection is available to Big “I” members to offer to their clients nationwide.

“Although $100,000 in coverage is lower than some businesses that qualify may need, this coverage is an excellent way to start a conversation while making the offer to a wide variety of businesses,” says L. Scott Stanford, AAI, chairman of the Big “I” Agency Administrative Services and president of Stanford Agency in Tinton Falls, New Jersey. “Agents are then positioned after the offer of basic coverage to meet and discuss options with higher limits and even first party coverage. Big ‘I’ member agents that are unsure of where to turn can now use Big ‘I’ Markets for both basic and advanced cyber placements.”

Big “I” Markets is an online market access system available exclusively to Big “I” members featuring no fees, no volume commitments and competitive commissions.
Good news! For those of you who have been following the previous version of COMAR Title 31, subtitle .03 INSURANCE PRODUCERS AND OTHER PROFESSIONALS, 31.01.03 Fiduciary Responsibility of Insurance Producers: Premium Accounts – Commingling of Funds, you were maintaining either several separate accounts for your carriers or had secured a commingling letter from your carriers which allowed you to commingle their funds into a single premium account. The burden was on the insurance agent to secure permission from the carrier to commingle their funds with other insurer’s funds. The current version of COMAR states that an insurance producer may, “unless prohibited by the carrier, commingle a single carrier’s premium with the premium of one or more other carriers, into one or more premium accounts.” In other words, the burden has shifted from the agent to the carrier. A caveat, however: review your agency contracts for commingling language to determine the carrier’s position on commingling. Some carriers already allow commingling. Where there is no language addressing commingling, the COMAR language is applicable.

Although the commingling rule has been revised, the general requirements that apply to the Premium Account include holding the insurers’ funds separate from either an Operating or Personal Account.

FAQ. From time to time we get questions about commingling and how it works. Here are some representative questions and answers:

Q: Will I have to have commingling letters on file from my different carriers, and how many bank accounts should I have? A: You no longer are required to have commingling letters from your carriers, unless permission has been specifically withdrawn in the agency contract or by separate notification from the carrier. You may have a personal, operating and premium account, however, keep in mind that you cannot commingle the premium funds with either a personal or operating account.

Q: How many bank accounts should I have? A: If you use a personal and operating account, you will need at least three accounts, including a premium account. The number of additional premium accounts depends on the number of carriers that have specifically prohibited commingling.

Q: Does this apply to my agency billed clients? A: Look at 31.03.03 Account Current System, which references remittances to principals. The answer to your question is YES!

Q: Does this regulation apply to both commercial and personal books of business? Do I need a separate one for each line? A: The simple answer is No.

Q: What should I do if a carrier prohibits commingling? A: If the carrier has prohibited commingling, you must maintain a separate premium account for that carrier. The statute is silent on the method of communication from the carrier, so it is best to insist that the prohibition be made in writing.

Just remember, the minimum number of accounts you must have is two, one operating account and a premium account. Based on the number of insurers your agency is contracted with, see the FAQ above for answers of what next steps to take.
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
Brett Lininger, Esq., awarded Daily Record’s ‘Leadership in Law’ Award.

Past Chairman Terry Katz and President Shelley Arnold with the Daily Record’s honoree, Brett Lininger, Esq. Brett is our Legislative Advisor and was awarded the Daily Record’s ‘Leadership in Law’ Award. The dinner was held at the BWI Hilton on May 11th.

IIA of Maryland Congratulates Samuel C. Hoff Agency

50 Years of Dedicated Service to their Clients, Companies & Community
A Huge Thank You to our
81st Annual Dinner Sponsors

Hall of Fame

FCCI

Grand Slam Champions

Chesapeake Employers’ Insurance Company

Progressive Insurance

Home Run Hitters

BBSI
Swiss Re/Corporate Solutions
The Philadelphia Insurance Companies

Heavy Hitters

Belman Klein Associates, Ltd.
Ewing Hines & Associates
Erie Insurance
Hanover Insurance Group
Johnson & Johnson
Liberty Mutual
Mutual Benefit Group
Potomac Insurance Network
Selective Insurance
The Hartford
Travelers Insurance
Agents from all over the country visited their legislators on Capitol Hill at IIABA’s Annual Legislative Conference, held in DC on May 4, 2017. Maryland agents were no exception meeting with the entire Maryland delegation, except Congressman Elijah Cummings, who refused our multiple attempts to arrange a meeting.

Representatives from IIABA and National Chairpersons meet at the White House. Our State National Director Angela Ripley, CIC, was present at the meeting.

Agents Angela Ripley, CIC; Jay Duke and Trish Wolters meet with Congressman Steny Hoyer.

Our Delegation meets with Congressman Andy Harris.

Our Young Agents (YAC) getting ready to charge the hill...l to r. Albert Lietzau V, Kelly Eick, Shannon O’Hare and Colleen Dunn.

Our Maryland Delegation.

Maryland Agents Jay Duke, Rick Raley, Albert Lietzau V, Kelly Eick, Angela Ripley, Joe Brown, Shannon O’Hare, Colleen Dunn and Don Grauel meet with Congressman Anthony Brown.
IIAM Installs 2017-2018 Officers at the 81st Annual Installation Dinner and Conference

Baltimore, MD. June 16, 2017-The Independent Insurance Agents of Maryland installed their 2017-18 Officers at their 81st Annual Installation dinner held on June 16th at the Warehouse at Camden Yards in Baltimore. The installation followed a full day of sessions with top-notch speakers on emerging issues in the industry. Topics such as Website E&O loss control, the Benefits of Video Marketing, Drones, Opioids, Cyber Issues and a 2017 Legislative Update provided agents with six hours of continuing education and a huge amount of great ideas to take back to their workplace.

Our speakers: Sydney Roe (social media and video marketing); Ellen McCarthy and Gregg Viola (Website E&O Risk Management); Matt Britton (Drones); Dr. Stephen Fisher (Opioids); Alex Ricardo (Cyber) and Brett Lininger (Legislative Update) were all top shelf instructors with exceptional programs. Members may download their individual presentations from our ‘Member only’ website.

The 2017-18 Officers installed by Commissioner Alfred Redmer, Jr. were Immediate Past Chair-Rick Raley, AAI (Associated Insurance of Southern Maryland-Leonardtown); Chairman, Albert E. Lietzau IV, AU (H.U. Dove & Company-Baltimore); Chairman Elect, John Cabrera (CF Alliance, Germantown); Vice Chairman, Sandy Chaney, CIC (The Insurance Exchange-Rockville); State National Director, Angela Ripley, CIC (V.W. Brown Insurance-Columbia); Director-At-Large, Gerald Zoller, CPCU (American Heritage Insurance-Eldersburg) and Past President’s Representative, Angela Ferguson (Brothers Insurance-Westminster); Ivory Buck, III (Avon-Dixon Insurance-Easton); Nancy Nicklow, CPCU (Huff Insurance-Anne Arundel County); G. Bradford Reeves, AAI (Associated Insurance Southern Maryland-Leonardtown); Stacey Nicholson, CPCU (CNR First Insurance Services-Annapolis), Jerry Nicklow (Huff Insurance-Anne Arundel County Representative) and Kelly Eick (Maury, Donnelly & Parr-Young Agents Committee Representative) round out the IIA Maryland Board of Directors.

The Board of Directors surprised President, Shelley Arnold, who will be retiring in June of next year by renaming our Education Foundation, the Shelley Arnold Education Foundation. This Foundation is used to provide scholarships to high school seniors wishing to attend college and obtain a career in insurance; assist those out of work that wish to maintain their licenses and provides licensing courses for returning veterans.

Shelley Arnold and Education Director, Rebekah Langford then presented IIA Maryland’s 2017 ACSR of the Year Award to recipient, Kimberley Harris. (See separate article and essay in this issue).

The day included a nice luncheon and a ballgame dinner and was followed by a disappointing Oriole loss to the St. Louis Cardinals…actually more like a slaughter with an 11 to 2 final. Despite the disappointment, our IIA Maryland group had a wonderful evening. Congratulations to our 2017-18 Officers.
Brett Lininger provides a 2017 ‘Legislative Update’

Shelley Arnold presents ‘Outgoing Chairman, Rick Raley, AAI, the Chairman’s plaque.

Dr. Stephen Fisher, Chesapeake Employers Insurance, the ‘Opioid Epidemic’

Brad Reeves provides a touching blessing.

The Zollers (American Heritage) with Kevin Reed (Coastal)

Alex Ricardo of Beazley Insurance presented ‘Identifying Cyber Exposures’.
Matt Britton, All Risks Ltd., presents ‘Drones’

Nancy Egan, MIA Director of Producer Relations, with Albert Lietzau, V and Eric Dana.

Staffer Rebekah Langford with husband Rich, enjoy the Oriole game (probably an early inning).

Incoming Chair, Albert Lietzau IV, congratulates Shelley for 27 years of service, on our version of the ‘Jumbotron’.

IIA had 102 seats for the game. Despite the final, we had a great time.
Meet Your 2017-2018 Officers

Chairman

Albert E. Lietzau IV, AU
H.U. Dove & Company, Inc.
250 S. President Street, Suite 3700
Baltimore, Maryland 21202-2587
Telephone: 410-727-2211
Fax: 410-727-2278
Email: alietzau4@hudove.com

Principal of the Maryland insurance brokerage firm H.U. Dove & Company, Inc., Mr. Lietzau is a 1982 graduate of Loyola University, Baltimore.

Mr. Lietzau began his career in January 1983 with the Maryland Casualty Company in their Richmond, VA branch office, leaving in 1985 as an all-lines commercial property/casualty underwriter. He then joined the firm Derek Bryant Insurance Brokers, Ltd. in London for two years.

Upon returning to the United States, Mr. Lietzau joined the firm of Tongue, Brooks & Company of Baltimore as an Account Executive responsible for some of the firm's larger commercial property/casualty clients. He left that firm in 1991, partnering with his father, Albert Lietzau III, in the acquisition of H.U. Dove & Company, Inc. of Baltimore.

He holds the Associate in Underwriting (AU) designation, conferred by the Insurance Institute of America. He has served as Chairman of the Insurance Roundtable of Baltimore and continues as an active member of that organization. Mr. Lietzau served IIA's Executive Committee since 2014.

Mr. Lietzau holds Property & Casualty Insurance licenses in numerous states as agent and broker. He has been involved with both U.S. domestic and foreign exposures for a variety of industries.

Active in racquet sports and golf, Mr. Lietzau is married and the father of three, is Chairman of the Board of Augsburg Village, a continuing care retirement community, and has similarly served at the Board level with other non-profit organizations.

Immediate Past Chairman

Rick Raley, AAI
Combs Drury Reeves Insurance
Associated Insurance Centers of Southern Maryland, LLC
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Leonardtown, Maryland 20650
Telephone: 301-475-8944
Fax: 301-475-2928
Email: Rick.Raley@cdrassociated.net

Rick Raley is one of the principals of Associated Insurance Centers of Southern Maryland, LLC, trading as Combs Drury Reeves, located in Leonardtown Maryland.

Born and raised in Southern Maryland, Rick's insurance career began in 1976 after graduating from the University of Maryland, College Park with a degree in Government and Politics. He started as a life insurance producer with the

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Metropolitan Life Insurance Company, then in 1978 joined the Frank A. Combs Insurance Agency as a property and casualty producer. He purchased the agency in 1989 and in 1999 the Combs agency merged with the John R. Drury Insurance Agency forming Combs and Drury Insurance Agency, which in 2009 became the Combs Drury Reeves Agency with the merger of Big 'I' past president, G. Bradford Reeves of the Reeves Insurance Agency.

Rick has served as President of the Independent Insurance Agents of Southern Maryland as well as being a Board member of the Maryland Big 'I' since 1989.

Rick and his wife B.J. reside in Leonardtown and have four grown children and nine grandchildren (8 granddaughters and one grandson).

Shelley Arnold has been with the Big 'I' since 1990. Prior positions included Commercial/Personal Lines Manager for Insurance, Inc., and Commercial Lines Marketing Manager for Tongue, Brooks & Company. Her insurance career began with the Maryland Casualty Company in 1980.

Shelley has taught the ACSR, AAI, CPCU, AINS and AU programs, as well as many specialty commercial lines seminars. She has written multiple courses used by IIAM. She began teaching for IIAM in 1988.

Shelley has served on the Society of CPCU’s as their candidate development chairperson, the Property/Casualty Advisory Board for the MIA and has served on the Employment Practice Liability Task Force and the E&O Task Force for IIABA. She has also served on IIABA’s Professional Development and Future One committees. In 1998 she was appointed to the AICPCU/IIA National Registry of Outstanding Course Leaders. Shelley has served on numerous German club boards and committees and is also an active member of her church, Zion Lutheran of the City of Baltimore.

Shelley lives in Baltimore with her husband of 46 years, Bill. They have three children and seven grandchildren.

She enjoys spending time with her family, genealogy, the German language and culture, reading and traveling. She is looking forward to her retirement next year.

Angela received her BS from Frostburg State University. Angela started in the business basically from birth, being the daughter of an agency owner however, her formal career as an independent insurance agent began in Frederick, Maryland with a summer
Sandy Chaney has been in the insurance industry for over 25 years. She is currently the Commercial Lines Manager for The Insurance Exchange, Inc. located in Rockville, MD. The Insurance Exchange is a large regional insurance broker involved in all aspects of the industry as an independent agency. Sandy has represented her agency on the National Advisory Boards of Companion, Hartford, Chesapeake and CNA. She also serves on NCCI’s Dispute Resolution Board. She is responsible for overall management and quality control of the service staff and department. Sandy has wide ranging experience from handling small commercial accounts to large jumbo accounts. Throughout her career, Sandy has worked with many types of clients, but specifically with non-profits, technology, property management and contracting risks. Sandy is married with two adult children. In her non-insurance life, Sandy volunteers with her church, travels with her husband and enjoys riding bicycles along the C&O canal as well as other mostly flat surfaces.

Chairman-Elect

John Cabrera
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John Cabrera is the Senior Vice President - Sales and Marketing Division. He has been in the insurance industry since 1990 with 10 years at a major insurance company as an underwriter and with the corporate management group.

John enjoys golfing and playing volleyball. He is also involved and active in the Philippine-American community and local non-profit organizations focusing on charities, sports, and cultural activities.

John is an active member and past President of the Rotary Club of Gaithersburg, Maryland. He is currently on the Board of Directors and a past President of the Philippine American Chamber of Commerce of Metro Washington, DC (PACC-DC). He is the current Vice President of the Philippine American Foundation for Charities Inc. (PAFC) and the President of Charity For All (CFA) Foundation Inc.

Vice Chairperson

Sandy Chaney, CIC, CRM
The Insurance Exchange, Inc.
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Rockville, Maryland 20850
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Sandy Chaney has been in the insurance industry for over 25 years. She is currently the Commercial Lines Manager for The Insurance Exchange, Inc. located in Rockville, MD. The Insurance Exchange is a large regional insurance broker involved in all aspects of the industry as an independent agency. Sandy has represented her agency on the National Advisory Boards of Companion, Hartford, Chesapeake and CNA. She also serves on NCCI’s Dispute Resolution Board. She is responsible for overall management and quality control of the service staff and department. Sandy has wide ranging experience from handling small commercial accounts to large jumbo accounts. Throughout her career, Sandy has worked with many types of clients, but specifically with non-profits, technology, property management and contracting risks. Sandy is married with two adult children. In her non-insurance life, Sandy volunteers with her church, travels with her husband and enjoys riding bicycles along the C&O canal as well as other mostly flat surfaces.
A graduate of the University of MD, College Park, Gerry is a 45 year veteran of the Insurance industry. He held various company and agency positions in NJ, PA, and MD, prior to starting his agency, American Heritage Insurance Agency, Inc., from “scratch” in April 1983. He serves as Chairman of the agency.

Gerry received his CIC designation from the Society of Certified Insurance Counselors in 1988 and his Associate in Underwriting (AU) and his CPCU from the American Institutes in 1980. He maintains membership in the Society of CPCU; Society of CIC, Maryland International Trade Association and IIA Maryland. He also serves on the Carroll County Community College Foundation Board.

Gerry is married to Heather B. Zoller CIC, (President of American Heritage Insurance Agency, Inc.).

Gerry and Heather have three children and seven grandchildren. In his “non-Insurance” hours, Gerry enjoys travel, cooking, and gardening.

Angela graduated from Frostburg State University in 1983 with a BS in Sociology. She started working for her father, Gene Brothers at Brothers Insurance Associates in September 1984. After the business incorporated, she became Vice President of the agency. Angela became involved with the IIA of Carroll County in 1986, and was voted Secretary/Treasurer in 1991 and went on through the chairs. Angela served on to the IIAMD Executive Committee beginning in 2004 and as the President in 2008.

Since 2010, she has been active with the ACS Relay for Life. She is captain of the relay team WHS Class of 1980, and they have raised almost $35,000. She is also currently a member of the Westminster Elks, and serves on the House Committee.

In her free time, she gardens and watches the Orioles and Ravens.

Angela currently lives in Westminster, Maryland where she was raised and has lived most of her life.
First we should tell you a little about YAC…exactly what is it? It stands for Young Agents Committee and is a group within our association for agents 40 years or under or agents licensed less than 5 years. As the average age of an agency principal increases the need to bring in new talent to the independent agency system also increases. Maryland has had a YAC in the past, but it became dormant and has been difficult to ‘fire up’ again. That’s why we are excited about our new YAC. We brought together a group of enthusiastic, forward thinking men and women and together they will bring new ideas and excitement to the YAC, the industry and are the cornerstones of an agency’s future.

By giving young agents an outlet to share their ideas, learn from their peers and network with agents from across Maryland, the Young Agents Committee adds to the flow of new ideas and shows participants that there is a common ground.

A steering committee of ten young agents met at the end of March to discuss revitalizing the MD YAC. This newly formed committee will work to reinvigorate the YAC throughout 2017 through an increased presence at Maryland IIA events and meetings, as well as holding several events of their own. The YAC’s goals are to instill professional and ethical behavior, promote good community relations and participate in charitable and social events, network with other young agents in Maryland and foster an environment for young insurance professionals to succeed.

The YAC’s first activity with IIAM was their participation in the National Legislative Conference held the week of May 4th. Four of our YACs participated and benefited from a very positive experience. Several members participated in our 81st Annual Installation, which was held at Camden Yards on June 16th. The YAC held a raffle to benefit MCVETS.

The Maryland YAC will be working on conducting a seminar and YAC Membership Drive over the summer. To promote the independent agency system to our community, the YAC also applied for a Trusted Choice grant to sponsor the Charm City Celebration of Wishes which will be held November 14, 2017 at the American Visionary Art Museum in Baltimore to celebrate granting a wish for a Make-A-Wish child.

If you or someone in your agency is interested, dues is inexpensive and they may join online at http://iiamd.org/MDYAC.

Meet the 2017 YAC Officers:

Chairman Scott Zilber: Scott joined the industry seven years ago. Scott focuses on case design, point-of-sale assistance and business development with independent agents in the Property & Casualty industry and Financial Advisor segments. Scott works closely with his clients to identify revenue opportunities for their firm while helping their clients achieve retirement, risk management and legacy planning goals.

A graduate of Drexel University, Scott holds a Bachelor of Science in Business Administration and is currently pursuing a CLU designation from the American College.

Scott believes in being an active participant and advocate for the Insurance Financial Services industry. To that end he is a past President of NAIFA’s Baltimore chapter, a Board Member of the Society of Financial Service Professionals, and President of the IIAMD YAC.

He resides in Columbia, Maryland with his wife Luda and daughter Samara. In his spare time he enjoys running, cycling, hunting and fishing.

Vice Chairman, Michelle Roark, AAI, CRIS, CLCS: Michelle joined Goldsborough Insurance Services in 2015 and has over eight years of experience in the insurance industry. As Goldsborough’s Commercial Risk Manager, her focus is on analyzing client’s operations and potential exposures to ensure that all risks are covered. She earned her AAI (Accredited Advisor in Insurance), CRIS (Construction Risk and Insurance Specialist) and CLCS (Commercial Lines Coverage Specialist) designations while growing her career in the insurance industry. Michelle resides with her husband and daughter in the Lutherville area. They are also expecting a daughter in July. In her free time she loves to play volleyball, spend time with her family, and cheer on the Birds of Baltimore!

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Secretary, Kelly Eick: Kelly joined MDP in January 2014 and has seven years of commercial client management experience. She is licensed in both property & casualty and life & health, and holds a Group Benefits Associate (GBA) designation, a Certified Insurance Service Representative (CISR) designation, and will obtain her Master’s Degree in Business Administration from Loyola University in the spring of 2018. Currently, she serves as a client manager for property & casualty clients, and works primarily on large Baltimore-based businesses across a variety of sectors.

Kelly is a Baltimore native and just recently purchased a home in Patterson Park. In recent years, she has been active in the alumnae association of her high school alma mater, The Institute of Notre Dame, but moving forward, her time will be spent with the Maryland YAC and Loyola! In her spare time, she enjoys traveling, playing recreational sports, and spending time with her very large family.

Treasurer, Colleen Dunn, AAI, ACSR, AU, CLCS: Colleen is a Commercial Lines Account Executive at Parallel Risk Advisors, a Baltimore based Risk Management Consulting & Insurance Brokerage Firm focused on providing solutions to real estate owners, operators, developers and lenders. She has over 15 years of experience in the insurance industry on both the carrier and agency/brokerage side. Colleen was named the 2011 Maryland ACSR of the Year by the IIAM and was named the 2011 National ACSR of the Year by the Insurance Institutes. Colleen is currently completing her CPCU designation. She attended West Chester University of Pennsylvania and resides in Timonium, MD. Along with being a self-described “insurance geek,” Colleen enjoys yoga, outdoor adventures, music & riding a bike to nowhere.

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GETTING TO KNOW THE NEW YAC

Scott Zilber
Chairman

Employer: Belman Klein Associates
Title: Vice President
Years in Industry: 7
Email: szilber@belmanklein.com
Phone: 410-730-8242

HOW DID YOU GET INTO INSURANCE?
I was recruited by my sister 7 year ago. She has been in the industry for 18 years and we had been looking for a way to work together.

WHAT IS YOUR FAVORITE THING ABOUT YOUR JOB?
Helping protect what people spend a lifetime building. Whether they have built a family, a business or both I get no greater joy then the sense of relief and security we offer to our advisors and their customers.

WHO/WHAT HAS BEEN YOUR GREATEST RESOURCE IN THE INDUSTRY?
My greatest resources are my colleagues, clients and vendors. I work with our clients on a daily basis to make sure we understand the changing needs of their firms and their customers. I work with my peers to share ideas and learn from their experiences. Lastly, but not of least importance, are my vendors who help me keep my finger on product trends in our industry.

WHAT ARE THREE TIPS YOU WOULD GIVE TO NEW YOUNG AGENT?
1. Always listen more than you speak.
2. Don’t be afraid to ask questions. The only bad question is the one not asked.
3. Always put your client first; financial rewards will follow.
Privacy Notices-Updated Regulation

An Emergency Regulation regarding privacy notices has been adopted. The revised regulation, follow similar Federal GLBA guidelines was submitted to the AELR last October.

The privacy notice requirement under 31.16.08.06 has been corrected and it is no longer necessary for an agent to send the annual privacy notice if the agency hasn’t changed their policies and practices with regard to disclosing nonpublic personal information disclosed in previous notices. The regulation is included below for your convenience.

§B of this regulation, a licensee shall provide a clear and conspicuous notice to customers that accurately reflects its privacy policies and practices for nonpublic financial information at least once in each annual notice period during the continuation of the customer relationship.

(2) A licensee may define the annual notice period as:
(a) A calendar year; or
(b) Any period of 12 consecutive months.

(3) The licensee shall apply the annual notice period as defined under §A(2) of this regulation to a customer on a consistent basis.

B. Exceptions.

(1) Notwithstanding §A of this regulation, a licensee is not required to provide an annual privacy notice to a current customer if the licensee:
(a) Provides nonpublic personal information to nonaffiliated third parties only in accordance with Regulations .14—.16 of this chapter; and
(b) Has not changed its policies and practices with regard to disclosing nonpublic personal information from the policies and practices that were disclosed in the most recent disclosure sent to consumers in accordance with §A of this regulation or COMAR 31.16.08.05.

(2) A licensee is not required to provide an annual notice to a former customer with whom a licensee no longer has a continuing relationship.

C. A licensee required by this regulation to deliver an annual privacy notice shall deliver the privacy notice in accordance with Regulation .10 of this chapter.

NY Cyber Security Regulation

IF YOU HOLD ANY RESIDENT OR NON-RESIDENT LICENSE, THERE’S SOMETHING YOU NEED TO KNOW.

If you hold a NON-Resident license in the state of New York you must now comply with new cybersecurity regulations that went into effect on March 1, 2017. There is a limited exemption in the regulation that relieves agencies from some of the requirements but not all! EVERY NY licensee (resident & non-resident) must comply with certain parts of the regulation by various deadline dates from August 28, 2017 to March 1, 2019. The IIANY (the Big “I” in NY) has built and is providing access to outstanding resources they have developed on how to meet these new regulations. Use the link below to access everything you need. Thank you to IIANY for providing us this important information.

Note: If you want to access the cybersecurity policy template located on this site, scroll to the bottom of the page and hit the link “Big I Members Outside NY” and call us for the password.

http://www.iiabny.org/resources/mac/mac/cybersecurity/default.aspx
Two Maryland Top Producers

Two Maryland producers were named 'Top Producers' 2017 by IBA Magazine. The winners were chosen from all lines and regions of the country. Nearly 44% of the Top Producers have been in the business 10-25 years, and 24% less than 10 years. Two on the list have been in the business for less than 5 years. The IIA Maryland congratulates Steve McDonald and Stephen Milwicz, both of Atlantic Insurance Group in Timonium.

They are partners leading the team at Atlantic, which was formed in 2013 with the merger of Brooke McDonald and Associates and Milwicz Insurance Group. The agency has been an IIA Maryland member since 2004.

Burns & Wilcox Fortifies Maryland Insurance Operations By Doubling Baltimore Operations

BALTIMORE – Burns & Wilcox, North America's leading wholesale insurance broker and underwriting manager, announced today an investment in the Mid-Atlantic region of the United States with the expansion of its Baltimore, Maryland area office. The strategic move was a necessity to accommodate additional insurance specialists and growth expectations – amplifying the footprint of Burns & Wilcox in the state twofold.

"Burns & Wilcox has successfully operated as a pillar of the Maryland insurance community for more than 25 years," said Alan Jay Kaufman, Chairman, President and CEO, H.W. Kaufman Financial Group and Burns & Wilcox. "Our heightened presence in Maryland signifies a long-term commitment with the state and the nation's capital, in neighboring Washington D.C."

Burns & Wilcox plans to add to the team in Baltimore in the areas of Professional Liability, Environmental, and High-Net-Worth in the coming year. Leading the recruiting efforts and the strategic direction of the office currently are Jim E. Epting, Corporate Vice President, Burns & Wilcox, and Devon W. Minarik, Managing Director.

"The success of Burns & Wilcox in this region can be directly attributed to our energetic, driven, and confident professionals," said Epting. "We are currently growing at an unprecedented rate, and it's a direct result of our unsurpassed client service."

The new office is located at 4 North Park Drive, Suite 404, Hunt Valley, MD 21030. This expansion comes on the heels of several investments in the past year by H.W. Kaufman Financial Group, parent company of Burns & Wilcox, which includes Colorado, London, North Carolina, Louisiana, and Quebec. Kaufman Real Estate Management, the global real estate arm for Kaufman Family Companies, executed the lease and handled the construction of the office space.

About Burns & Wilcox

Burns & Wilcox is the industry's leading wholesale insurance broker and underwriting manager. Burns & Wilcox has more than 50 offices across the United States and Canada and employs more than 1,700 professionals. Founded in 1969 and headquartered in Metro Detroit, Burns & Wilcox is internationally recognized for its insurance brokerage and underwriting expertise in commercial and professional liability, property, marine and personal insurance.


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About Kaufman Real Estate Management, LLC

Kaufman Real Estate Management, LLC owns and manages a U.S. real estate portfolio of commercial office properties with a strategic focus placed on regions where H.W. Kaufman Financial Group’s global network of companies operates. The real estate company pursues and acquires Class A office assets that support the continued growth of Kaufman’s specialty insurance offerings.

Kaufman Real Estate also provides lease portfolio management and real estate lifecycle services for more than 50 office locations across the United States, Canada and London, supporting Kaufman’s global network of 13 companies.
Senate Bill 17 (Chapter 249): Unemployment Insurance - Eligibility for Benefits - Business Operation Closings

This bill was introduced by the Department of Labor, Licensing and Regulation to clarify that the Secretary may continue to exempt employees of an employer that temporarily closes all or part of its business operations from the requirement to actively seek work during that period in order to receive unemployment insurance benefits. Prior to the passage of this bill, the law only referred to a plant, instead of any type of business operation. The bill will go into effect on October 1, 2017.

Senate Bill 19 (Chapter 37): Insurance - Surplus Lines Insurers, Surplus Lines Brokers, and Reinsurers

This bill which was introduced by the Maryland Insurance Administration makes easier the renewal process for a surplus lines insurer by removing requirements of specified financial and compliance certification filings and instead allows the insurer to renew its authorization by filing a renewal application, paying the applicable fee, and submitting any additional information that is required by the Insurance Commissioner. The filing of the certifications is still required upon initial approval, however. Additionally, the bill provides that an annual reporting requirement related to premium taxes only applies to surplus lines brokers that have transacted business in the State during the reporting period instead of requiring all surplus lines brokers to do so, even if they had no activity within the State during that reporting period. This legislation will take effect on October 1, 2017.

Senate Bill 32 (Chapter 39): Insurance - Cancellation of Policy or Binder - Notice Requirements

This legislation which was introduced by the Maryland Insurance Administration clarifies that the requirements of Section 27–613 (pertaining to unfair trade practices for cancellations, non-renewals, premium increases, and reductions in coverage for motor vehicle liability insurance policies) do not apply to the cancellation of a private passenger motor vehicle liability insurance policy or binder during the 45-day underwriting period immediately after the policy or binder takes effect. The bill specifically exempts an insurer that provides such a policy or binder from the notice requirements provided within Section 27-613. Additionally, the bill provides that the notice requirements of Section 19-406 of the Insurance Article (pertaining to the cancellation of policies in workers' compensation insurance) do not apply to the cancellation of workers' compensation insurance policies during the same 45-day underwriting period. Finally, the bill requires each workers' compensation insurer to file a copy of the notice of cancellation it uses when canceling a policy during the 45-day underwriting period with the Workers' Compensation Commission. The legislation will go into effect on October 1, 2017.

Senate Bill 72/House Bill 1315 (Chapter 263/Chapter 264): Workers' Compensation - Tiered Rating Plans and Merit Rating Plans

The legislation codifies the current practice of a workers' compensation insurer to develop a tiered rating plan containing risk tiers that are applied to the uniform classification system that must be used for rate making within this line of insurance. The bill requires that a tiered rating plan must 1) establish discrete tiers based on defined risk attributes that are reasonably related to the insurer's business and economic purposes and are not arbitrary, capricious, or unfairly discriminatory; 2) require each insurer to be placed in the highest quality tier for which it qualifies; and 3) be filed with the Maryland Insurance Administration at least 30 days prior to it being used. The legislation also provides that the Insurance Commissioner must disapprove a tiered rating plan if the data produced under the plan cannot be reported in a manner consistent with the NCCI System. Finally, the bill authorizes an insurer to file a merit rating plan for insureds who do not qualify for a uniform experience rating plan. The legislation, although backed by Chesapeake Employers' Insurance Company, has brought application to all carriers within the workers' compensation space. The bill will take effect on October 1, 2017.

Senate Bill 94/House Bill 800 (Chapter 43/Chapter 44): Insurance Premiums - Payment by Credit Card - Reimbursement for Expenses

This bill, which was introduced by the Independent Insurance Agents of Maryland Legislative Article

By Brett Lininger (Con’t on page 31)
(Con't from page 30)

Maryland provides that the insurance law no longer prohibits an insurance producer from charging and collecting the expenses incurred when an insured makes a premium payment using a credit card. The bill provides that a producer must fully disclose 1) every possible payment method accepted to an insured and 2) any charge for actual expenses incurred by the producer for a payment of a premium using a credit card. Additionally, the bill authorizes a surplus lines broker to charge and collect expenses incurred when an insured pays a premium, policy fee, and any other fees and taxes related to a policy using a credit card. It provides for the same disclosure requirements of such a broker. Finally, the legislation provides that any point of service credit card expenses may not be considered a premium for any purpose.

This legislation is the product of an ongoing issue that has been interpreted in different ways by the Maryland Insurance Administration over the last couple of decades. Initially, there was a bulletin that expressly prohibited an insurance producer from charging such fees for credit card expenses only to be repealed many years later for a very brief period of time. After that time period, however, the Maryland Insurance Administration reverted to the original prohibition until this legislation was passed this year. Governor Larry Hogan signed the bill on April 11, 2017, and it will go into effect on October 1, 2017.

**Senate Bill 270/House Bill 212 (Chapter 828/Chapter 827): Consumer Protection - Credit Report Security Freezes - Prohibition on Fees and Required Notices**

This bill prohibits a consumer reporting agency from charging a fee for a placement of a security freeze if the consumer has not previously requested one before from that consumer reporting agency. It also provides that a consumer is entitled to receive a summary of rights under the federal Fair Credit Reporting Act or the Commercial Law Article, a consumer reporting agency must provide notice to the consumer with specified information including the consumer’s right to request the first placement of a security freeze. The legislation will go into effect on October 1, 2017.

**Homeowner's Insurance - Notices**

This bill authorizes a homeowner’s insurer to send offers, renewal notices, and statements to an insured or applicant for a policy using electronic means. The bill also requires the Insurance Commissioner to adopt by regulation a notice to be provided to insureds or policy holders at each renewal regarding areas of concern including flood, coverage for loss from water that backs up through sewers and drains, deductibles, storm loss, protective device discount, claims history, and increased hazard. The notice also needs to disclose that it is not the policy and does not give any new or additional rights beyond those expressly stated in the policy and does not alter the policy in any way.

This legislation is the result of many years of workgroup discussions prompted by Senator Middleton and Delegate Davis to address the myriad of disclosures that were required under Maryland law. The product of these numerous meetings was that the number of disclosures were reduced and consolidated in an effort to eliminate consumer confusion while providing as much pertinent information about one's homeowner’s insurance policy as possible. The legislation takes effect on October 1, 2017.

**Senate Bill 289 (Chapter 514): Maryland Insurance Administration - Rate Making for Automobile and Homeowner's Insurance**

This legislation repeals the requirement of the Insurance Commissioner to submit 1) to the Governor and General Assembly an annual report about the effect of competitive insurance markets in the State and 2) to the General Assembly an annual report about the use of territory as a factor in establishing private passenger automobile

(Con't on page 32)
insurance rates by insurers and the Maryland Automobile Insurance Fund. The legislation does still require the Maryland Insurance Administration to continue to collect and analyze data relating to these components. Finally, the legislation requires the Maryland Insurance Administration to notify the Governor and General Assembly if it finds any notable changes with regards to the competitiveness of the private passenger automobile insurance market and homeowners insurance markets, as well as the use of territory as a factor in establishing insurance rates for automobile insurance. The bill will take effect on July 1, 2017.

**Senate Bill 290 (Chapter 725): Motor Vehicle Liability Insurance Policies - Placement and Reinstatement**

This bill authorizes a motor vehicle insurer, including the Maryland Automobile Insurance Fund, to reinstate a private passenger motor vehicle liability insurance policy that was cancelled for nonpayment of premium, without a lapse in coverage if the policyholder pays the premiums owed to the insurer and any reasonable fee approved by the Insurance Commissioner. The bill requires the Insurance Commissioner to review the administrative expenses of an insurer that are associated with reinstatements and may approve a fee that does not exceed 1) $10.00, if charged by an insurer, and 2) $15.00 if charged by an insurance producer. The bill also increases the amount an insurance producer that places automobile insurance with MAIF may charge an applicant to $25.00 plus $1.00 more than the actual charge by the Motor Vehicle Administration for a driving record up from $10.00 plus the $1.00 more than the actual charge. The bill will take effect on October 1, 2017.

**Senate Bill 375/House Bill 451 (Chapter 185/Chapter 186): Insurance - Bail Bondsmen - Continuing Education Requirements**

This bill requires each insurance producer who is licensed to sell property and casualty and who also sells, solicits, or negotiates bail bonds to receive continuing education that directly relates to bail bond insurance. This bill will take effect on October 1, 2017.

**Senate Bill 403/House Bill 5 (Chapter 815/Chapter 20): Private Passenger Motor Vehicle Liability Insurance - Enhanced Underinsured Motorist Coverage**

This bill was the product of several failed attempts by the trial lawyers to pass a UM stacking bill. This year's bill as introduced was what was passed out of the House on the final day of the 2016 session.

Under existing law, one gets UM coverage in the same amount as their liability coverage. However, one can waive their UM coverage down to the State required limits for liability. From a claim's standpoint, if one with $100,000 of UM coverage is hit by an at fault driver who has $30,000 of liability coverage, the driver who is hit can only get $70,000 from his own insurer after collecting the $30,000 from the at fault driver (i.e. no more than their own UM coverage amount).

Under the new law, there is a third option. One can buy enhanced underinsured motorist (“EUIM”) coverage at the same amount as their liability limit. The definition of underinsured motor vehicle is a motor vehicle that has liability coverage in an amount less than, more than, or equal to the uninsured motorist coverage provided under the insured party's motor vehicle liability insurance policy. There is no offset from the at fault driver's policy.

The MIA has created proposed forms seeking public comment. The Independent Insurance Agents of Maryland are reviewing the forms to determine what comments to submit, if any. The new law is limited to new policies activated on or after July 1, 2018.

**Senate Bill 867 (Chapter 566): Workers' Compensation - Failure to Report Accidental Personal Injury - Penalty**

This legislation provides that an employer who knowingly fails to report an accidental personal injury within the statutorily required time frame is guilty of a misdemeanor and on conviction is subject to a fine not exceeding $500. This was modified from the prior $50 fine without the knowingly standard for failing to report. The Act will take effect on October 1, 2017.

**Senate Bill 910/House Bill 1541 (Chapter 509): Maryland Automobile Insurance Fund - Operations**

This legislation changes the Maryland Automobile Insurance Funds (MAIF) operations to allow MAIF to file rates under the same procedure used by other automobile insurance carriers, expanding eligibility to apply for a policy from MAIF, and exempting MAIF from being required to pay the 2% premium tax for its insurance policies through fiscal year 2022. The exemption from the premium tax was design to allow to allow MAIF to build up its surplus, as it has been diminishing over the past several years. The legislation appears to conflict with the initial legislative purpose of MAIF being the insurer of last resort. A reduction in MAIF’S surplus would normally be an indicator that the private passenger market is vibrant and healthy. The legislation will take effect on July 1, 2017.

**House Bill/Senate Bill 230: Labor and Employment - Maryland Healthy**

(Con’t on page 33)
This legislation, as introduced, would have prohibited an insurer from refusing to underwrite, cancel, refuse to renew, rate a risk or increase the renewal premium based, in whole or in part, on the marital status of the insured or applicant, employment or occupation of the insured or applicant, or education level attained by the insured or applicant. Based on opposition provided by the insurance industry, including the Independent Insurance Agents of Maryland, the bill, as passed, provides that, with respect to private passenger motor vehicle insurance, an insurer may not increase the premium for an insured who becomes a surviving spouse based solely on the insured's change in marital status. The legislation will take effect on October 1, 2017.

**Senate Bill 533/House Bill 1295: Low-Cost Automobile Insurance Program**

While this bill did not pass, it is important to take note of, as we expect to see it be reintroduced in the 2018 Legislative Session. The Governor's legislation proposed to require paid sick leave for employers with more than 50 employees to provide paid sick leave and encouraged small businesses to offer paid sick leave by providing tax incentives to offset those benefits.

The Governor said he would lead by example by signing three executive orders on this topic. One will create a task force to study the implications of paid sick leave pursuant to the legislation. The second will provide paid sick leave benefits to all of the State's contractual employees in the Executive Branch. A third will authorize all Maryland procurement authorities to begin a preference for contractors who offered paid sick leave to employees.

**House Bill 916 (Chapter 639): Motor Vehicle Insurance - Discrimination in Underwriting and Rating - Prohibitions**

This legislation, as introduced, would one of either, but not both, of the following within the previous 3 years: (a) a property damage only accident in which the driver was principally at fault; or (b) a point for a moving violation; (6) may not have on record within the previous 3 years an at-fault accident involving bodily injury or death; (7) may not have a felony or misdemeanor conviction for a violation of the motor vehicle laws; and (8) may not be a college student claimed as a dependent of another individual for federal or state income tax purposes.

The legislation provides that each policy issued by the program may provide coverage only for an automobile with, at the time of purchase by the insured, a value of $10,000 or less, as evidenced by the value given to the automobile by the MVA in assessing vehicle license fees. Further, it provides that each policy issued by the program may provide only for: (1) the payment of claims for bodily injury or death arising from an accident of up to $15,000 for any one person and up to $30,000 for any two or more persons, in addition to interest and costs; and (2) the payment of claims for property of others damaged or destroyed in an accident of up to $7,500, in addition to interest and costs. The legislation goes on to provided that the low–cost policy issued by the program would satisfy the minimum security required under the law.

A more complete analysis and list is available on our Member Only section of www.iiamd.org.
July 10-14, 2017
Property & Casualty Pre-Licensing
Joseph Conroy, ACSR
9:00 AM - 4:30 PM

July 18, 2017
Ethics 311 - Ethical Guidelines for Insurance Professionals
Shelley Arnold, CPCU
9:00 AM - 12:00 PM

July 20, 2017
ACSR 1 - Homeowners Insurance
Joseph Conroy, ACSR
9:00 AM - 1:00 PM

July 26, 2017
AAI82C - Specialized Insurance & Bonds
Don Dudey, CPCU
9:00 AM - 4:30 PM

July 27, 2017
ACSR 7 - Commercial Liability Insurance
Don Dudey, CPCU
9:00 AM - 3:30 PM

wanted

Commercial Lines Assistant

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