



# Iowa Agent Newsletter

December 17, 2018

## HAPPY HOLIDAYS FROM THE IOWA BIG "I"



**Merry Christmas and Happy New Year** from the staff at the Independent Insurance Agents of Iowa. We take a great deal of pride in representing the business interests of Iowa's independent insurance agents with a focus always on our mission statement.

**We appreciate your support of all the activities of the Big "I".** Without your loyalty and utilization of our programs we simply couldn't do all we do on behalf of Iowa agents. We wish you the very best for 2019, may it be a great year for you and your agency. **Thank you from all of us here working on your behalf** - Tom O'Meara; Melissa Meiners; Cindy Grim; Nicole Peffers; Marilyn Paul; Brenda Kluger and Megan Kincy.

## IIABA DEVELOPS NEW PROGRAM - BIG "I" HIRES

Big "I" Hires is a **one-stop resource** for independent insurance agencies to identify top-performing Producers and CSRs. There are **an array of tools and online resources that are available for you to find the right hires for your agency** with a few simple clicks! Learn more about Big "I" Hires by following this link [www.bigihires.com](http://www.bigihires.com).

## AGENT SONS/DAUGHTERS ELIGIBLE FOR THE 2019 IIAI COLLEGE SCHOLARSHIP

Children of all full-time agents, whose employer is a member of the Independent Insurance Agents of Iowa, are eligible to apply for **one of our 6, \$1,000** college scholarships. The scholarships are awarded to high school seniors or current college students. We must have a fully completed application postmarked **no later than March 1, 2019**.

A committee of Iowa agents will review the applications early in March. **Scholarship winners must be the son or daughter of active agents** of the

Association. Please note that all supporting documents must be submitted along with the application. **Application attached or access the application on our website** by going to [www.iiaiowa.org](http://www.iiaiowa.org) and clicking on the home page slider IIAI Scholarship Application.

## 2019 IIAI RURAL AGENTS/SMALL TOWN AGENCY CONFERENCE - JANUARY 23 & 24

Join us at our January Game Day celebration! **We have a great line-up of speakers and programs** for the 2019 IIAI Rural Agents and Small-Town Agency Conference which is scheduled for **January 23rd and 24th at the Airport Holiday Inn, Des Moines**.

Among our guests is former **Iowa Hawkeye great, Chuck Long**. Chuck Long's name has been synonymous with University of Iowa football for thirty years. As a **former player and coach**, his combination of charm, charisma and a winning attitude has motivated hundreds of young athletes and influenced multitudes of fans across the state of Iowa and beyond.

Check out this year's speakers and their topics highlighted in the enclosed brochure. We appreciate their participation at this great event!

- Doug Ommen**, Insurance Commissioner
- Ernie Goss**, Creighton University
- Corey Rhoads & Kevin Schock**, SECURA Insurance
- Bobby Shomo & Steve Madsen**, Shomo-Madsen Insurance
- Mark Frederick**, CTO, MākuSafe
- Tom West**, SPHR, SHRM-SCP, MākuSafe
- Jim Korin**, President of NAU Insurance
- Kendall Jones**, President & CEO of ProAg
- Martin Barbre**, RMA Administrator
- John Dalton**, Midwest Insurance Agency
- Marcie Strouse**, KHI Solutions
- Catherine Lucas**, Bradshaw, Fowler, Proctor & Fairgrave Law Firm

**We hope to see you at the "game!"**

## RENEWAL REMINDER FOR INSURANCE PRODUCERS

Insurance producers who maintain a valid email address with the Iowa Insurance Division will receive a courtesy **renewal reminder approximately 60 days before their license expires**. Within 60 days of license expiration, all resident and non-resident Iowa insurance producers should complete the renewal application and submit the renewal fee through the National Insurance Producer Registry (NIPR) online system by following this link [tiny.cc/jizn1y](http://tiny.cc/jizn1y). Iowa resident insurance producers with lines of authority requiring continuing education must be compliant before renewing.

In many instances, unlicensed personnel assist licensed insurance producers. **Both the licensed insurance producer and the unlicensed personnel need to be aware of what unlicensed personnel may or may not do**. Check them out here [tiny.cc/o53n1y](http://tiny.cc/o53n1y).

## INSURANCE COMPANY GOES UNDER AFTER CALIFORNIA'S MOST DESTRUCTIVE WILDFIRE

California's Camp Fire didn't just kill dozens of people and destroy thousands of homes. **It also left an insurance company in financial ruins, unable to pay millions of dollars to policyholders**.

A state judge ruled that Merced Property & Casualty Co. can't meet its obligations after last month's Camp Fire, the deadliest and most destructive wildfire in California history. Merced's **assets are about \$23 million, but it faced about \$64 million in outstanding liabilities** just in the city of Paradise, court filings show.

The Camp Fire obliterated most of the Northern California city of Paradise last month.

Judge Brian McCabe's decision allows the California Department of Insurance to take control of Merced. According to court documents, the state's Conservation & Liquidation Office will start liquidating what's left of the company. Unlike with bankruptcy, where a business or individual can start over, liquidation means there is no hope for a company's recovery.

**Fortunately for Merced's policyholders, they are covered by the California Insurance Guarantee Association**, which "protects resident claimants in the event of an insurance company insolvency." But the association has maximum benefit limitations, according to Merced.

"If it ends up that you have a claim in excess of CIGA's limits," the company said, "the excess will be a claim against the assets of Merced."

## 2018 YEAR IN REVIEW



A lot has happened in 2018 at the Association. Bob Skow retired in January and Tom O'Meara assumed the role of CEO. **It has been a good and very busy year for all of us**. The one constant has been the staff here at the Big "I". Melissa; Cindy; Nicole; Marilyn; Brenda; and Megan have all been around to help ensure a smooth transition and quality care for all our members. Nicole brought in a new addition to the Big "I" staff when baby Ava was born in August.

The year began with the 2018 Legislative session. Once again, insurance issues were high on the list of the legislators. Key to the bills passed and signed by the Governor was **a law allowing Farm Bureau and Wellmark to sell a health care plan that falls outside the realm of insurance**. The bill allows for independent insurance agents to sell the plans to those in need of individual health care coverage. Although the plans are considered "non-insurance", we were able to obtain E&O coverage for our members who choose to sell the product through two of our endorsed E&O carriers (Westport & Utica).

**During 2018**, the Board of Directors of the IAI **voted to reduce the number of sitting Board Members from 13 to 11**. This was done to reduce the number of years Board Members are committed to serve in the hope of continuing our ability to recruit new members to join the Board and serve the members of our Association. We had several successful events this year including our Rural Agents/Small Town Agency Conference in January, Young Agents Conference in May, and our Annual Convention in September. They were all highlighted by several great speakers and plenty of networking by all agents and companies who attended. **To those of you who were able to join us for any or all of these events, we thank you**. For those of you unable to attend, we hope to see you at one of these events in 2019.

We saw changes in the marketplace in 2018. Rates for Workers' Compensation continue to drop. We will see an additional **9.2% decrease in Work Comp rates effective January 1, 2019**. We also saw a carrier choose to exit the personal lines market in order to concentrate on commercial business.

**Mother Nature was not exactly our friend in 2018**. On top of the usual wind and hail claims, we **encountered severe flash flooding across the state and in July we experienced several tornadoes** which

touched down in several of our communities causing severe damage and claim activity. Most notably the cities of Marshalltown, Bondurant, and Pella, reported widespread damage from the tornadoes. Nationally, we saw some of the most devastating wildfires we have ever seen in areas of California.

Finally, **thank you for your support of the Association in 2018.** We all have choices to make and choosing to be a member of IIAI shows a commitment to the value and services provided by IIAI. As a staff, we enjoy opportunities to meet and visit with members throughout the year. Please don't hesitate to reach out if there is ever anything we can do for you at 515-223-6060 or [tom.omerea@iiaiowa.org](mailto:tom.omerea@iiaiowa.org).

### **2019 INSURANCE DAY ON THE HILL - FEBRUARY 12 - PROTECT YOUR FUTURE BY ATTENDING**



This year's event will be held at the State Capitol and is scheduled for **Tuesday, February 12th.** We make this easy for you to get engaged and we will walk you through the process, so you

are prepared to visit with your legislators.

**10:00 a.m.** - Legislative Briefing IIAI Office, WDSM  
**10:30 a.m.** - Bus ride to the Capitol  
**Time TBD** - Scheduled Meetings with Legislators  
**3:30 p.m.** - Back to the IIAI office

**THERE IS NO CHARGE TO IIAI MEMBERS TO ATTEND;  
SIMPLY SEND IN YOUR REGISTRATION FORM.**

**This is an opportunity for you to help our legislators make informed decisions on issues that impact your livelihood.** Once meetings are scheduled we will send you specifics as to the leaders we are meeting with and the time. Getting to know your Legislator is extremely important...they are expecting local agents to come that day and we really need your help!

**We ask that you make an appointment to have lunch with your Legislator during noon-time lunch** at the State Capitol it is a great opportunity for you to visit face-to-face. If you're not sure who your Legislator is, visit the State of Iowa website at this link <https://www.legis.iowa.gov/legislators> and Find Your Legislator. Enclosed is the registration form for all the details. Please complete and return by email to [cindy@iiaiowa.org](mailto:cindy@iiaiowa.org) or fax to 515-222-0610. **Deadline is February 7th, 2019.**

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# A BIG THANKS

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### **2018 IIAI/PAC AND INSURPAC CONTRIBUTORS**

It takes **all the support we can get to make a difference on the legislative front.** Looking back on the recent activities related to crop and health insurance it is easy to see the importance of our Political Action Committee's ability to support those who seek office and support issues critical to independent insurance agents. **We thank all of those who contributed to the Iowa PAC** (IIAI/PAC - state) and to the **National PAC** (InsurPac - Federal offices) in 2018. While we fell a little short in 2018 goals for both PAC's, IIAI was still able to make many donations to key members of the legislature and Congress. **With your support, we can and do make a difference!** We cannot tell you how much your support is needed in the future if we are going to be successful fighting battles on your behalf.

### **2018 IIAI COMPANY SPONSORS**

The 2018 sponsors have put their money where their mouths are by giving financial support to your State Association. **Without their support the Iowa Big "I" would not be able to do all the things we do for you.**

*Iowa has one of the strongest independent agent sales forces in the country - that, in turn, means the companies you do business with do better.*

If we didn't get company sponsorships, we wouldn't be able to lobby as strongly on behalf of not only agents, but the industry. We wouldn't be able to offer services and technical support to the magnitude that we do. And if it weren't for the sponsorships we wouldn't be able to offer cost effective programs to our members! Check out the 2018 Sponsors at [www.iiaiowa.org](http://www.iiaiowa.org) on our website homepage.

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### **HUNTING LEASES TRIGGER INSURANCE GAPS**

Properly advise your customers as we sit in the heart of hunting season. The advent of official hunting clubs and the rise in charging fees to hunt on private land have triggered insurance repercussions. Jerry Milton, CIC, took his best shot at tracking down the related exposures and coverages when he penned **"Hunting leases: What are the exposures?"** Give it a read to understand the insurance implications for land leasers and land owners. Access Jerry's white paper by following this link <http://tiny.cc/6pqvov>.

Iowa has a recreational use statute (Iowa Code 461C) provides that when a **land owner allows a person to hunt without charge "does not owe a duty of care to keep premises safe for entry. . ."** An excellent review of Iowa premises liability law is offered by the Iowa State University Center for Agriculture law and can be accessed at this link <http://tiny.cc/1bovoy>. When a land owner charges for use, Iowa liability exception does not apply, and the typical farm liability will not provide protection and special liability coverages will need to be purchased.

### **FREQUENCY, LOSS COSTS, RATES—EVERYTHING'S DOWN IN WORKERS' COMP**

Although workers' compensation insurance trends can vary dramatically state to state, 2018 tells "a pretty consistent story across the nation," says Jeff Edinger, senior division executive, National Council on Compensation Insurance (NCCI).

With the exception of Hawaii and Louisiana, **NCCI filed exclusively decreases in every U.S. state this past year**— "and probably half of those have been double-digit decreases," Edinger points out. "We've had even more double-digit decreases this year than last year."

For the vast majority of states, this was the second or third year in a row of rate decrease filings from NCCI, and carrier pricing for workers' comp has also been flat or decreasing. In the third quarter of the year, MarketScout found that workers comp was the only commercial line to clock a composite decrease, with average rate changes coming in around -3%.

"Rate decreases are driving perception that costs are down, and they are," says Michael Bourque, President & CEO of The MEMIC Group. "People are paying less than they were, and that's all driven by the decreasing frequency across the country, which has been going on for years and is expected to continue."

Edinger says NCCI's data confirms a long-term decline in workers' comp claims frequency due to better workplace safety, citing a 4% improvement in claims frequency over the last 20 years and 6% improvement the last two years in a row.

**"There are lots of problems in lots of different parts of workers' comp, but those problems are largely camouflaged by the fact that fewer people are getting hurt,"** says Kevin Ring, lead workers' compensation analyst at the Institute of Work Comp Professionals—which means "the overall amount of money being spent on workers' comp claims is going down."

What problems? Most come from the medical side. "There are severity issues in workers' comp that are not going away," Bourque says. In the event of significant injuries from auto accidents, falls from heights and burns, for example, "we have wonderful but increasingly expensive new ways to get people well and back at work. And within workers' comp, the statutory definition of the benefit is usually that you do your best for the worker without regard to cost."

Read the full article by following this link [tiny.cc/yx4n1y](http://tiny.cc/yx4n1y). Source: IA Magazine

### **LOOKING AT BUYING OR SELLING AN AGENCY?**

"Don't 'ready, fire, aim.'"

That was one of the tips from Matthew Davis, Swiss Re Corporate Solutions claims manager, when he served as a panelist during an Agency Risk Management Essentials webinar titled **"Navigating the Hazards of Buying, Selling and Merging an Agency."** During the session, a panel of industry leaders navigated attendees through many of the tax implications, due-diligence activities, and errors & omissions exposures that need to be considered before buying, selling or merging an agency.

The panelists made so many excellent points during the discussion that the Big "I" Swiss Re Risk Management team collected some favorites and compiled them into a one-page "Things to Know" document. The document contains more than 20 items insurance agents should consider. It also breaks it down as to whether the tip pertains to a buyer, seller or merger.

**Any agency considering buying, selling or merging could benefit from reviewing the enclosed "Things to Know" document** prior to doing so. For those interested in viewing the full informational webinar, go to [tiny.cc/v2xn1y](http://tiny.cc/v2xn1y) for the webinar link and webinar slides.

## **← IIAI HOLIDAY HOURS →**

**December 24<sup>th</sup> - Closed**

**December 25<sup>th</sup> - Closed**

**December 31<sup>st</sup> - Closed**

**January 1<sup>st</sup> - Closed**