



Iowa Agent Newsletter

January 09, 2018

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. 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
Martin Barbe, Admin., U.S. Dept. of Ag
Marcie Strouse, KHI Solutions
Catherine Lucas, Bradshaw, Fowler, Proctor & Fairgrave Law Firm

We hope to see you at the "game!"

NEW RESOURCE HELPS INSURANCE AGENCIES FIND TALENTED STAFF

Several industry studies have identified **finding and retaining talent as their top operational priority**. If you're looking for talented employees to add to your

company, you are not alone. According to the newest **Agency Universe Study**, a collaboration between the Independent Insurance Agents & Brokers of America (Big "I") and independent insurance agencies, **44% of independent insurance agency owners have identified their top challenge as finding qualified new employees.**

To help agencies address this issue, the **Big "I"** has **partnered with IdealTraits**, an insurance agency-specific recruiting portal, **to create Big 'I' Hires**, a comprehensive resource that **assists insurance agencies in identifying, hiring, assessing and training top-performing producers and customer service representatives.**

"As I travel the country, the thing I hear most often from agents is how difficult it is to find talent," says Jon Jensen, CEO of Correll Insurance Group and the Big "I" chairman-elect. "Hiring employees is difficult and expensive — and I was feeling the pain firsthand in my own agency. Big 'I' Hires is designed to help agencies stand out as top-notch employers and find high-quality recruits."

Among the resources offered are:

- **Recruiting with IdealTraits:** Agents will be able to post jobs through the portal, which will appear on multiple recruiting sites such as Zip Recruiter and Indeed; receive resumes from job applicants; and utilize assessment tools to help identify the best candidate for a position.

- **Hiring toolkits:** Do-it-yourself toolkits will assist agents in providing a more tailored approach to find leading candidates through items such as sample job descriptions, interview questions and offer letters.

- **Professional development resources:** Finding the right person goes beyond simple recruiting. Tools such as skills assessments, specific courses to help employees hone their skills, and access to thousands of educational articles can help expand their knowledge on personal, commercial and other lines

of insurance, while highlighting critical coverage issues.

Kevin Mlynarek, CEO of IdealTraits adds, "With our knowledge and expertise in insurance agency recruiting, Big 'I' members will now have access to proven, industry-specific recruiting tools and services to hire top-performing sales and service staff."

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. **See enclosed for the application.**

TALENT SEARCH TOPS CORPORATE CONCERNS

This effort mirrors the findings of other industry-related studies. **A benchmarking study from Arthur J. Gallagher & Co.** found that low unemployment numbers are forcing companies and organizations to rethink their benefit packages in order to attract top talent. In that study, **60% of the employers indicated that finding and retaining talent was their leading operational priority.**

With this focus, **employers are creating new benefits more in line with the lifestyles of prospective employees** and readjusting existing offerings to increase their value for target audiences. Some more forward-thinking employers are taking a holistic view of health and wellness by offering benefits such as telemedicine, access to financial planning advisers and educating employees on how they can more effectively manage their spending and saving for long-term financial health.

"We know the future of the independent agency system depends on finding the best and brightest to join our ranks," explains Big "I" President and CEO Bob Rusbuldt. **"Big 'I' Hires will be a one-stop resource an agency can use to build their dream team."**

LEGISLATIVE SESSION SET TO BEGIN

The Regular Session of the Iowa Legislature is set to **gavel in on January 14, 2019.** The Governor has several agenda items at the forefront this year and **the Big "I" of Iowa will be working on many insurance related issues** important to agents. Our Governmental Affairs Committee will be following these issues to ensure IIAI's legislative agenda moves forward so the Independent Agents of Iowa will succeed in the marketplace. A number of bills are expected to be filed that will impact Iowa agents. IIAI will be at the Capitol daily looking out for your best interests. **Tom O'Meara and Larry Blixt will once again be lobbying** this year on your behalf. During the session and throughout the entire year we are there for you! We cannot however do it alone. We need all of you to be active and aware of the legislation which is being presented. **Be sure and follow our issues in our Agent Newsletter and special emails.** Contact your elected officials and let them know we are available to discuss insurance related issues with them at any time during session. Also, **plan on attending this year's Insurance Day on the Hill which will be held on Tuesday, February 12th.** A strong presence by our agents is important to let legislators know that our issues are important, and our members are actively involved.

2018 AUTO ACCIDENT DEATHS DOWN IN IOWA



Iowa saw a substantial rise in the number of accidents covered by the Iowa State Patrol in 2018, although total road deaths decreased compared with last year.

Iowa Department of Transportation reported that 315 people died in traffic-related incidents in 2018, which was down from the 329 deaths in 2017. Safer vehicles on the roads is the main reason given for the drop, in fatalities.

IOWA INSURANCE HALL OF FAME NOMINATIONS

Do you know of anyone who you would like to nominate for the Iowa Insurance Hall of Fame? The deadline for applications is March 1st. Follow this link tiny.cc/e2381y for more information.

IIAI DUES DEDUCTIBILITY

Dues that are not related to lobbying expense incurred by IIAI are deductible as a business expense. Your IIAI dues related to **non-lobbying activities is deductible and that would be 83%** of the amount your agency paid for dues in IIAI's fiscal year 2017-18. Please let us know if you have any questions.

SQUIRREL NEST CAUSES FIRE: IS THE LOSS COVERED?



An insured has a dwelling fire policy written on special form. As the weather gets colder, the furnace activates, igniting a nest built by a squirrel that has taken up residence in the crawlspace where the furnace is located. Fortunately, the tenant is on the premises at the time of the fire, which is extinguished with minimal damage.

Q: The adjuster suggests that the Coverage A and B exclusions for rodents, insects, birds and vermin may apply. In my opinion, the damage to the property was caused by the fire, not by the nest created by the rodent. Thoughts?

Response 1: The specific form was not attached, so my response is based on the current ISO DP-3, which reads:

PERILS INSURED AGAINST

A. Coverage A - Dwelling And Coverage B - Other Structures

1. We insure against direct physical loss to property described in Coverages A and B.

2. We do not insure, however, for loss: c. Caused by:(8) Any of the following: (g) Birds, rodents, insects or domestic animals; or (h) Nesting or infestation, or discharge or release of waste products or secretions, by any animals. Under 2.b. and c. above, any ensuing loss to property described in Coverages A and B not excluded or excepted in this Policy is covered.

The only damage "caused by" the squirrel would be any damage it did while building the nest. The cause of loss was fire; the form even says that any ensuing loss is covered. The adjuster needs to read the policy.

Response 2: Every policy I've seen gives back coverage for an ensuing loss that's not otherwise excluded. The fire should be a covered ensuing loss.

Response 3: The adjuster is nuts. First of all, a squirrel, although rodent-like, is not a rodent, insect, bird or vermin. But even if it was, this is still a fire loss. I am consistently shocked that insurers fail to train their adjusters.

Response 4: I agree with you. Cleaning out the nest is excluded, but any damage from the fire should be covered.

Response 5: If it's the ISO form, this is a fire loss and no anti-concurrent language would apply.

Response 6: That would be torturing the vermin exclusion. The damage was caused by a hostile fire.

Response 7: The peril is fire. Are you in a Standard Fire state?

Response 8: The direct damage was caused by fire, not the rodent. Pay the claim.

Response 9: If the H0 03 10 00 is in effect, Exclusion (g) on p. 9 excludes damaged caused by birds, rodents or insects. Squirrels are rodents, so damage caused directly by the rodent would be excluded. In this case, however, the damage was caused by an insured peril under the fire definition. The Earth Movement section even covers fire or explosion losses from excluded rodents. The same applies to #3 on Water Damage. The fire damage should be covered.

BIG 'I' SUBMITS COMMENTS ON HEALTH REIMBURSEMENT ARRANGEMENTS

The Big "I" submitted **comments regarding Health Reimbursement Arrangements (HRA's) and Other Account-Based Group Health Plans**. The comments are in response to the "Notice of Proposed Rulemaking on Health Reimbursement Arrangements and Other Account-Based Group Health Plans," issued jointly by the Department of Treasury, the Department of Labor, and the Department of Health and Human Services (HHS) last October.

The **proposed rule, which allows employers to integrate their HRA with individual health insurance coverage** if it is nondiscriminatory in its implementation, is the result of an October 2017 executive order issued by President Trump. The rule intends to help provide businesses and those individuals who benefit from employer-sponsored health insurance with more choices.

The Big "I" made clear that it supports **health insurance choice** and competition, as well as the employer-sponsored health insurance system. In addition, the Big "I" emphasized the importance of focusing on strong consumer protections and noted that any final rule should maintain an appropriate role for independent insurance agents and brokers.

NAIC RELEASES 2015-2016 AUTO REPORT

The **National Association of Insurance Commissioners (NAIC)** released its **annual auto insurance report**. The 2015-2016 Auto Insurance Database report provides validated data on market distribution and average cost by policy form and amount of insurance.

The report, developed by the Casualty Actuarial and Statistical (C) Task Force of the NAIC's Property and Casualty Insurance (C) Committee, features state-by-state auto insurance data designed to provide necessary information and analysis to state insurance regulators, consumers and policymakers.

Some key findings from the report include:

- As of 2016, the **Consumer Price Index (CPI) for auto insurance increased 22.57 percent since 2012.**
- The national combined average premium per insured vehicle **increased 5.24 percent** to \$1,062 from 2015 to 2016 and 14.91 percent since 2012.
- For **2012–2016, national average written premiums per insured vehicle for collision increased 18.94 percent**, comprehensive increased 15.02 percent, and liability increased 12.57 percent.

The data used for this report includes written premium and exposure data from calendar years 2012–2016 for the combined voluntary and residual market. The report also includes earned premium and exposure data, as well as incurred loss and claims data (separately), from calendar/accident years 2013–2015 for voluntary and residual market business.

The **NAIC recognizes the differences in state requirements for insurance coverage**, limits and benefits. Many factors affect a state's expenditures and premiums, including underwriting costs, driving locations, accident rates, traffic density, auto theft statistics, repair costs and state laws. These variances make direct state-by-state comparisons difficult. The data contained in the 2015–2016 report may differ from previous reports, as updated information from insurers is periodically obtained and included in the most recent report.

The complete report is available, free of charge by following this link tiny.cc/aet41y.

THE HILL NEWSPAPER NAMES BIG 'I' LEADERS AMONG TOP D.C. LOBBYISTS

The Hill, a leading political newspaper, recently named **Bob Rusbult**, Big "I" president & CEO, and **Charles Symington**, Big "I" senior vice president of external, industry and government affairs, **among the top trade association lobbyists in Washington, D.C.**

The Hill piece noted that "when the stakes are at their highest, these are the players at the top of their game, known for their ability to successfully navigate

the byzantine and competitive world of federal policymaking."

The Big "I" had notable legislative wins in the past year, including favorable treatment for C-corporations and pass-through entities in the new tax law, multiple extensions of the NFIP, and protection of the Federal Crop Insurance Program as part of congressional action on the Farm Bill.

"Recognition from a leading publication on Capitol Hill points to the strength of our association in the government affairs arena," says Joe Leahy, Big "I" chairman and president of Leahy & Brown Insurance + Realty, Inc. in Springfield, Massachusetts. "Thanks to the hard work of Bob Rusbult, Charles Symington and the entire government affairs staff, the Big 'I' is consistently named one of the most influential associations in the country."

Congressional leaders regularly tap the Big "I" federal government affairs team for its policy and political acumen, including advising on insurance, financial services and economic issues, along with sitting on congressional steering committees, hosting political events, and strategizing to help members of Congress better serve their constituents and advance top issues. **A vital component of the association advocacy efforts is InsurPac, the Big "I" political action committee.**

"The Big 'I' stood out as the only group listed that represents insurance agents and brokers," says Angela Ripley, Big "I" government affairs committee chairman and president of VW Brown Insurance Service in Columbia, Maryland. "We know the interests of independent insurance agents and brokers are well represented on Capitol Hill with the Big 'I' leading the charge."

MEMBERSHIP BENEFIT HIGHLIGHTED

Caliper allows Big "I" Members to receive exclusive discount pricing on the premier personality testing product in the industry. Let Caliper tell you what you need to know before you hire. For more information and pricing, follow this link <https://www.calipercorp.com/>. To order, call 609-524-1200 and identify yourself as an IIABA member.

