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Agent Newsletter | June 16, 2020



**Independent
Insurance
Agents of Iowa**

IIAI Annual Convention Cancelled

Due to many current restrictions in place as the result of COVID-19 and the many unknowns facing us in the foreseeable future, the Board of Directors have made the decision to cancel the scheduled 114th Annual Convention & Trade Show. The event was scheduled for September 16th & 17th at Prairie Meadows in Altoona. While this decision did not come without much debate, it was determined that the safety of our members, staff, companies, and speakers, outweighs any of the doubt surrounding the cancellation of the event. We believe we had a great lineup of speakers and entertainment scheduled for this year's Convention and are truly sorry we will be unable to bring the event to you.

Commissioner's Bulletin on Licensing

Due to the impact of COVID-19 and closure of many insurance producer testing centers, the Iowa Insurance Division ("IID") issued Bulletin 20-07 developing a process to issue temporary licenses to those individuals undergoing training but unable to take the required insurance licensing examinations. Temporary licenses were able to be obtained under the authority of the Commissioner's April 9, 2020 Order that expired June 1, 2020.

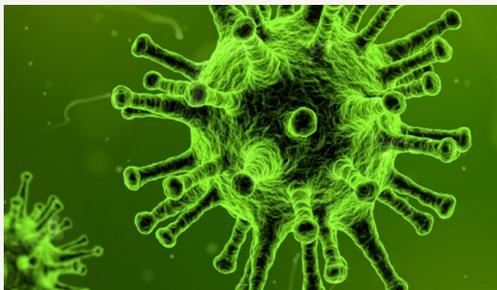
As testing centers are beginning to open, many individuals are able to schedule and take their examinations to obtain an insurance producer license. The IID is aware, however, that several testing centers are open with limited testing availability. Other testing centers remain closed but indicate they will open in the near future.

As a result of some limitations in testing availability, the Commissioner has issued an Order extending the authorization to obtain a temporary license until June 30, 2020 for those individuals who are unable to take the insurance producer licensing test. Individuals must attempt to register for the examination prior to applying for a temporary license and may do so by contacting Pearson Vue at www.pearsonvue.com or 877-540-5825. The process for those individuals seeking a temporary license is detailed in Bulletin 20-07 <https://iid.iowa.gov/documents/commissioners-bulletin/bulletin-20-07>.

Questions regarding this process can be directed to Producer Licensing at: producer.licensing@iid.iowa.gov or 515-725-0690.

IIAI Annual Planning Meetings

Throughout the week of May 18th, IIAI Planning Committees met via conference calls to discuss the past year's goals and accomplishments and provide new ideas and recommendations for the Board of Directors to discuss for the upcoming 2020-2021 fiscal year. Many great conversations were held and participation on the calls were excellent. Although all of us prefer to meet in person annually for the meetings, everyone adapted to our current situation and stepped up to the plate on rather short notice to still make their voices heard and help to provide a better tomorrow for all of our association members. Thank you to all for your participation and input.



This is a reminder to all that the BIG "I" has an excellent resource page for all of your Coronavirus questions ranging from the CARES ACT to Guidance on the Paycheck Protection Program (PPP). The page is updated regularly and is a great resource to all of us. Click here for more information <https://www.independentagent.com/GovernmentAffairs/Issues/Coronavirus.aspx>

**iowa
insurance
division**

On Thursday, June 11, 2020, the Iowa Insurance Division transitioned to the newest version of State Based Systems (SBS), a web-based NAIC application that supports state insurance regulation functions. Review this flyer https://iid.iowa.gov/sites/default/files/ia_post_ind_06.04.20.pdf to see how this transition affects you and descriptions of new tools you have access to with active links.

Senate Passes Big "I" Supported PPP Fixes

The U.S. Senate passed H.R. 7010, the Paycheck Protection Program Flexibility Act, sponsored by Reps. Dean Phillips (D-Minnesota) and Chip Roy (R-Texas). The same legislation passed the U.S. House of Representatives last week by an overwhelmingly bipartisan 417-1 vote. The bill now heads to the president's desk where he is likely to sign it into law.

The majority of Big "I" members and many of their clients are small businesses and have been deeply affected by government closures and other restrictions, labor force limitations, supply chain interruptions and the curtailment of ordinary activities. Since its creation in the bipartisan CARES Act, the Paycheck Protection Program (PPP) has provided an essential lifeline for many of these small businesses.

The bipartisan Paycheck Protection Program Flexibility Act was strongly supported by the Big "I" and will create additional PPP flexibility for Big "I" members and their clients. Specifically, the legislation will extend the expense forgiveness period from eight weeks to 24 weeks, reduce the 75% payroll ratio requirement to 60%, eliminate the two-year loan repayment restrictions for future borrowers, allow payroll tax deferment for PPP recipients and extend the June 30 rehiring deadline.

As Congress and the Trump administration continue to consider COVID-19 relief measures, the Big "I" will make the most up-to-date government affairs information available on the [coronavirus resource page](#) and in the weekly News & Views e-newsletter.

Returning to Work in the COVID-19 Environment

As states allow businesses to reopen, more guidelines and regulations are being put in place to help protect the health and safety of employees and customers. We have received questions on several aspects, especially face coverings, personal protective equipment (PPE) and coronavirus screening.

1) Face coverings. While not a substitution for the need for social distancing, the Centers for Disease Control and Prevention recommend most people wear [cloth face coverings](#) to help slow the spread of COVID-19. To be most effective, face coverings should cover the person's nose and mouth and must be [put on, worn and removed properly](#).

Many cities and states are mandating face coverings be provided for and worn by employees. Others are requiring customers to wear them as well, even allowing companies to refuse entry or service to customers who refuse.

Companies need to be prepared to require face coverings for employees, even if they have to purchase them, as well as for customers.

2) PPE. [PPE](#) covers a wide range of equipment used to protect workers from exposure to the hazards of their jobs. As related to COVID-19, PPE often includes face shields, goggles, N95 masks and gowns. Most businesses will not need to provide anything other than standard latex gloves to protect employees when they need to clean in the workplace.

3) COVID-19 screening. Employers have flexibility when it comes to testing employees for COVID-19. As employees return to work, companies need to consider what is best for them. Any screening method must be applied to all employees equally and consistently. Here are some options:

- Taking employees' temporal temperature before each shift is the easiest and least invasive way but only screens for one symptom so it may not be effective.
- Asking established screening questions regarding other COVID-19 symptoms, such as coughing or sore throat, and possible exposure since they last worked, along with taking temperatures before each shift, provides a more effective picture of an employee's health while being minimally invasive or time-consuming.
- Testing for COVID-19 and antibodies is an option, with [recent guidance from the U.S. Equal Employment Opportunity Commission](#) allowing employers to require test results before returning, but this may not be practical as testing is not widely available, can be expensive and will not be fully effective as test results do not prevent future exposure or illness.

As you reopen your business, consider what practical steps you can take to help provide your employees with a healthy and safe workplace. Affinity HR has compiled a list of [essential HR coronavirus resources](#). Visit Affinity HR Group online to learn more about [HR policies and procedures](#).

We Think We're Ready for Floods, But We're Not

This spring's flood season is forecast to be worse than average, affecting some 128 million Americans. But according to a recent survey **National Flood Services** (NFS) conducted with The Harris Poll, much of that damage is likely to be uninsured.

Why? Because most Americans vastly underestimate their exposure to flood damage. Here's a closer



look at the disconnect, plus tips on how agents can tap into NFS resources to help Americans be ready when floods hit.

Although 62% of respondents consider themselves “prepared” for flood damage, 49% said they have “no idea” what they’d do if they experienced a flood. The takeaway: people may consider themselves “prepared” because they don’t actually think they’ll ever experience flood damage.

Respondents’ insurance rates back this theory up—just 12% have flood insurance, and 74% believe that they don’t need it.

That’s a dangerous misconception since flooding is the most common natural disaster, it’s getting worse and it impacts everyone. It’s particularly dangerous this year, when spring forecasts predict floods will affect 40% of the population, followed by an above-average hurricane season.

Helping Customers Understand the Realities of Flood Exposure

Agents play a critical role in educating homeowners about floods. Moreover, homeowners appreciate it. As many as 75% want the benefit of talking with an agent before buying flood insurance. Those conversations should include a few key talking points:

- 41 million people live in higher-risk flood zones—far more than the 13 million estimated by older FEMA models.
- Flooding is possible anywhere it can rain.
- The average cost to repair flood damage is \$40,000.
- Flood risk is not fixed. Climate change, urban development and failing infrastructure are making floods more common around the country.
- Flood insurance policies for those in moderate- and low-risk areas are generally affordable and can prevent serious economic damage in the event of a flood.

Given the economic shocks caused by COVID-19, these conversations are more important than ever. Before the pandemic, as many as [78% of Americans were living paycheck to paycheck](#). With unemployment at historic highs, that number is likely even higher now, meaning even fewer people are financially able to recover from flood damage without insurance.

Helping Americans Avoid Flood Disaster in 2020

Outdated perceptions about flood risks paired with low awareness about the cost of flood damage make for a potentially devastating combination—especially when unemployment is high.

Luckily, agents can still prevent the worst fallout by taking these steps:

- 1) Learn the basics of flood insurance. This process is quick and simple with NFS’s [educational flood materials](#).
- 2) Start a conversation with your policyholders. For best results, follow [NFS templates](#) and use a [risk assessment tool](#).
- 3) Get instant quotes. Most customers can be [quoted in seven questions or less](#).

It’s not too late for agents to help customers prevent the worst effects of flood

damage. With support from NFS's digital educational library and [sales toolkit](#), agents can make life better for every customer they serve.

New Hire, New Paperwork

Hiring a new employee means paperwork, whether it's in hard copy form or electronic. And once you hire someone, most of the restrictions placed on asking applicants for information are removed.

While Equal Employment Opportunity Act and disability protections are still in place, you usually need to collect information such as birth date, emergency contact, race and gender once a person joins your payroll. Required information may include:

- . Employee information: address, email, social security number, emergency contact and more
- . Voluntary self-identifications: gender, race and possibly disability or veteran status
- . Federal (W-4) and state tax forms: These must be completed to process payroll taxes, but do not offer advice on how to complete these forms. Instead, refer the new hire to the instructions and included worksheet.
- . I-9: This form is required under the Immigration and Reform Act to verify the employment eligibility of all employees in the U.S. It must be completed within three days of the first day of employment
- . E-Verify: This checks a new employee for their work eligibility by electronically matching information provided on the I-9. It is required for some companies and voluntary for others.
- . Direct deposit information: if applicable
- . State-required forms: wage notices, workers compensation health history questionnaire, meal break waivers and more.

Meanwhile, employers commonly provide the new hires with an employee handbook so they can sign and acknowledge policies regarding:

- Harassment and sexual harassment
- Timekeeping and pay
- Personal appearance
- Attendance and punctuality
- Company rules and standards of conduct
- Employment-at-will statement
- Safety
- Confidentiality and non-disclosure
- Uniform or equipment issue & return form, especially if wage deductions could apply
- Job description
- State-specific leaves, time off and benefits If you or anyone at your agency has questions about new hire paperwork, visit Affinity HR Group online at this link <https://affinityhrgroup.com/bigihires/>.

Question of the Week

This question comes to us in a variety of forms but regardless, we field it often:

Question - I recently had a carrier submit a large increase in an insureds deductible just prior to renewal on a large commercial account. Does the company have any responsibility to advise the insured of the increase prior to renewal?



Answer - Yes. Iowa law requires companies to notify insured's at least 45 days prior to renewal for commercial accounts in certain circumstances. The law reads as follows: 515.128A Material changes in commercial lines policies or contracts — notice required.

1. If an insurer has an increase in the premium rates of twenty-five percent or more, an increase in the deductible of twenty-five percent or more, or a material reduction in the limits or coverage of the policy or contract, the insurer shall notify the named insured by a letter of explanation of the changes by mail at least forty-five days prior to the expiration date of the policy or contract. However, a premium charge that is assessed after the beginning date of the policy or contract period for which the premium is due shall not be deemed a premium increase for the purposes of this section.

2. If the insurer fails to meet the notice requirements of this section, the named insured has the option of continuing the policy or contract for the remainder of the notice period plus an additional thirty days at the premium rate of the existing policy or contract. A post office department certificate of mailing to the named insured at the address shown in the policy or contract is proof of receipt of the mailing.

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