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Agent Newsletter | March 24, 2020



Due to the COVID-19 outbreak, the E&O Risk Management Roadshow scheduled for April 28-30, 2020, has been canceled. We will reschedule at a later date. Watch for coming information. Anyone who is registered will receive a refund.



Coronavirus Questions & Resources

We have received several coverage questions on Coronavirus. The Big "I's" Chris Boggs is providing some excellent information on the Virtual University site. Please see below. Also below is some information put together on this topic by the National Association of Insurance Commissioners (NAIC). Please contact Chris and the VU's "Ask an Expert" if you have additional questions.

CORONAVIRUS (COVID-19) AND INSURANCE

- Coronavirus and Workers' Compensation (<http://bit.ly/2vS3JKd>)
- Coronavirus and Business Income Losses (<http://bit.ly/3aQ6ESh>)

Bookmark the following page today and visit often to stay up-to-date on the latest COVID-19 Pandemic news from the Big "I" - <https://www.independentagent.com/resources/Pages/coronavirus.aspx>

Does ISO's Business Income Policy respond if a business shuts down because of the Coronavirus? What happens if the authorities require businesses to close? There is a short answer to these questions, but it's not necessarily a simple answer. The Big "I" is addressing this major insurance concern in a free 25-minute webinar, "Coronavirus (COVID-19): Does Business Income Respond?" The webinar is being offered both on-demand and online each day at 12:30 p.m. CDT now through Tuesday, March 31st.

To watch the webinar immediately, go to <https://register.gotowebinar.com/register/8171220079025286669> or go to <https://register.gotowebinar.com/rt/5029865880445833485> to register for a date that fits best with your schedule.

MARCH MARKS THE START OF PEAK TORNADO SEASON: IS YOUR AGENCY PREPARED?

Typically, tornado season reaches its peak between the months of March and June, but as we've already seen with February's devastating tornado activity, disaster can strike when you least expect it. Each year, 1,200 tornadoes with wind speeds as high as 300 mph touch down in the U.S. While tornadoes aren't typically as catastrophic as other weather events, they occur much more frequently. Luckily, meteorologists are equipped with radar technology to alert citizens of incoming tornado activity. With the right safety plan in place, residents and small business owners can better protect themselves and their property from injury or loss. For agents and carriers in high-risk areas, it will be critical to have adequate resources and staff members to handle an influx of large claims and to provide insureds with the customer service and support they need in the face of catastrophic loss.

Last Chance to Serve on an IIAI Committee

Each year IIAI utilizes our agent committee process to help plan, organize, recommend, formulate and brainstorm on how your Association can fulfill the needs of Iowa's independent agents. From developing our political positions to recommending education programs, those who step forward to serve help develop our collective future. This year's meeting date is **May 21st and will be at the West Des Moines Sheraton Hotel**. The ideas developed by the committees will be presented to the IIAI Board of Directors and will be utilized as they update our strategic plan and develop programs over the next 12 months (you serve from May 21, 2020 to May 21, 2021). To sign up go to the IIAI website to the committees page, print and complete the committees form and return it to the IIAI office (please return the form if you currently serve and want to continue). Thanks for your willingness to participation- it is your Big "I" - be a part of it.

U.S House Hearing Examines Auto Insurance Industry

The U.S. House Financial Services Subcommittee on Housing, Community Development and Insurance held a hearing entitled, "Drivers of Discrimination: An Examination of Unfair Premiums, Practices and Policies in the Auto Insurance Industry." The purpose of the hearing was to examine if various underwriting factors like credit scoring, among others, are discriminatory and disproportionately target lower income and minority consumers.

As a staunch supporter of the state-based system of insurance regulation, the Big "I" believes that state regulators are in the best position to address any potential concerns in their respective markets, not the federal government. Specifically, the Big "I" opposes legislation from Rep. Rashida Tlaib (D-MI) that would prevent the use of credit scoring in the underwriting process for auto insurance. Currently, credit scores are one of many tools used in the underwriting process. The Big "I" also opposes similar legislation proposed by Rep. Bonnie Watson Coleman (D-NJ) which would undermine state insurance regulators and give the Federal Trade Commission regulatory authority over some aspects of insurance underwriting.

Among those testifying at the hearing were Erin Collins, vice president-state affairs, National Association of Mutual Insurance Companies, and Elizabeth Kelleher Dwyer, superintendent of insurance, the State of Rhode Island, on behalf of the National Association of Insurance Commissioners. Both witnesses stressed the benefits of the state-based system in protecting consumers.

The Big "I" looks forward to continuing to work with Congress, Subcommittee Chairman Wm. Lacy Clay (D-MO) and Ranking Member Steve Stivers (R-OH) to protect consumers from unfair discrimination while also preserving the state-based system of insurance regulation.

Question of the Week



QUESTION: Does Travel Insurance cover people wanting to change or cancel travel plans because of Coronavirus concerns?

ANSWER: Simple answer is...there is no simple answer. Generally "fear" of getting sick would not be covered nor would a "pandemic," however, I have been telling anyone who calls to check with their individual policies as this is a ever-changing issue. Many companies have altered coverages depending on when the policy was purchased.

Attention: Licensed Insurance Agents

Iowa will be transitioning to a new version of State Based Systems (SBS), effective May 14, 2020. The ability to submit any transactions to SBS or the National Insurance Producer Registry (NIPR) will be shut down on May 8, 2020 at 3:00 pm CDT and will be turned back on May 14, 2020 in the morning.

Any transaction submitted during this timeframe will be declined and fees will not be collected. This affects all the following Iowa applications:

- Resident Licensing (RL)
- Resident Licensing Renewals (RLR)
- Non- Resident Licensing (NRL)
- Non- Resident Licensing Renewals (NRR)
- Non- Resident Adjuster Licensing (NRAL)
- Non- Resident Adjuster Licensing Renewals (NRAR)
- Appointment and Terminations (Appt/Term)
- Contact Change Request (CCR)
- Continuing Education—posting of credits and submittals of course rosters

The Division highly recommends that all producers with a license set to expire on May 31, 2020 complete and submit all continuing education courses before this transition to allow time for your courses to be posted to your transcript.

In addition, the Division will be making minor changes including requiring Designated Responsible Licensed Producers (DRLP) to be actively licensed and requiring the National Producer Number (NPN) for an individual instead of their tax identification number (SSN) for Appointment & Termination transactions.

More information will be available from the Iowa Insurance Division as it becomes available. Additional information will also be available at www.statebasedsystems.com as the transition date approaches.



Iowa Insurance Division Reminds Investors to Beware of Con Artists Looking to Profit from Fear and Uncertainty

Due to ongoing developments related to the current Coronavirus (COVID-19) impact on financial markets, the Iowa Insurance Division is reminding Iowa investors to beware of con artists seeking to capitalize on fear and uncertainty.

"We know con artists are opportunistic and use current events to cloak their schemes with an air of immediacy and legitimacy. Never make an investment decision without understanding what you are investing in, who you are doing business with, where your money is going, how it will be used, and how you can get it back," said Deputy Administrator for Securities Andrew Hartnett. "Always ask if the salesperson and the security are registered in Iowa."

Iowans should be on the lookout for scam artists trying to use the market downturn and the Coronavirus to scare investors into so-called safer or guaranteed investments. This is a good reminder to provide as you visit with your insurance/financial clients.

SUBPOENAS AND YOUR E&O

Imagine receiving a subpoena requesting "any and all documents relating to or reflecting your association or contractual relationship with XYZ Insurance Company" or "any and all documents received from XYZ Insurance Company regarding underwriting criteria for XYZ Insurance Company." Upon receipt of a subpoena, you should forward the subpoena immediately to your E&O insurance provider. Most E&O policies define receipt of a subpoena as a claim and therefore require you to report subpoena for records. There are benefits from getting your E&O carrier involved in the subpoena process, including: *Making sure that the subpoena is responded to timely and in the correct format; *Having the benefit of legal counsel to get an extension of time to respond to the subpoena, limit the scope of the subpoena or possible quash the subpoena; and *Having a second set of eyes review your submission to make sure that no privileged documents are being produced. Other considerations: *You may have supplementary coverage for the expenses you incur in responding to the subpoena. Examine your policy for the specifics. *Time is of the essence since there will be a deadline for compliance with the subpoena. *Finally, be absolutely certain you document the notification given your E&O carrier as well as documenting all other communication concerning the subpoena.

Let Your Producers Produce

The lifeblood of the independent insurance agency is the producer, responsible for developing new business and expanding relationships with existing customers. Most agency principals know that the terms "agent" and "producer" are often used interchangeably in the industry, but a true producer is hard to find and someone you want to keep focused on the task of selling. While servicing existing business is crucial to long term success, keeping the sales funnel full sometimes suffers at the hand of continual service requests. So how does an agency keep both of these critical business functions in balance?

The Big "I" Call Answering Center (CAC) from Insure Response LLC is fast becoming the answer to this question for many agencies. Insure Response has two call centers in the United States with insurance trained and licensed CSRs who can take calls 24/7/365 and handle a wide variety of service requests including:

- Basic answering services
- Payment and billing inquiries
- Posting payments
- Sending COIs
- Processing endorsements
- And more...

You define the scope of service that Insure Response delivers for your agency, so you control how to integrate the services into your agency's way of doing business. All calls are answered with a branded greeting and recorded, with call notes being logged in the Insure Response system and in your AMS if desired. Insure Response also carries its own errors and omissions and cyber liability coverage.

Big "I" members receive \$200 off their one-time set-up fee and nearly 40% off recurring monthly fees. Find out more by visiting Insure Response (<http://bit.ly/3cXww0C>) or email clientrelations@insureresponse.com and identify yourself as a Big "I" member.

Trusted Choice® Offers Sample Social Media Content Calendar

Do you want your agency to be more active on social media, but aren't sure what to post about, or can't find the time to create content? Trusted Choice® has created a monthly sample social media content calendar for members to utilize. The calendar includes copy, graphics and suggested hashtags you can use to boost your social media presence while allowing you to spend your valuable time on other aspects of your business. Get the calendar at <http://bit.ly/39LnZvJ>.



What Agencies Must Do to Attract & Retain Talent

There's a lot of high-level work to be had. We must find a way to convey this message to a new generation of workers to reduce the industry talent gap and attract, retain and develop young professionals seeking stability and growth opportunities. To do that, insurance professionals need to think differently about recruitment. Colleges and universities offering traditional degrees in risk management witness fewer than 10,000 students graduate each year in the U.S. As a result, hiring and recruitment managers need to look to other relevant fields of study. Read more by following this link <http://bit.ly/2IHqF1y>.

In Memory of Josephy Clay

Joseph "Gene" Clay passed away on March 15, 2020 in Des Moines, IA. Gene worked for many years at La Mair-Mulock-Condon Insurance Company and retired as Vice President. Gene also served on the Board of the Independent Insurance Agents of Iowa. Our condolences to Gene's family, friends, and former co-workers.

Contact us at

4000 Westown Parkway, Suite 200

West Des Moines, IA 50266

515.223.6060 | 800.272.9312

www.iiaiowa.org