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# Agent Newsletter | October 15, 2020



**Independent  
Insurance  
Agents of Iowa**

## **President Trump Signs Federal Funding Legislation to Avoid NFIP Lapse**

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President Trump signed into law government funding legislation that would also reauthorize the National Flood Insurance Program (NFIP). The U.S. House of Representatives and Senate had previously passed the bipartisan legislation, averting a government shutdown and funding the federal government through Dec. 11.

Specifically, the legislation would extend the NFIP through Sept. 30, 2021. The yearlong extension is a win for Big "I" members as many previous extensions of the program had been significantly shorter, with some only lasting weeks at a time.

Since the last long-term NFIP extension, which covered a five-year period, expired in 2017, Congress has yet to pass a multi-year extension of the NFIP as the debate continues regarding options for reforming the program. This has already resulted in a series of stop-gap extensions and a few brief lapses in 2017 and 2018.

A lapse in the NFIP would have been devastating to the more than 5 million policyholders and countless others who depend on the program. This one-year extension continues to give Congress additional time to build consensus on common-sense reforms to the NFIP and to consider policies to help more property owners obtain flood insurance coverage through the NFIP and the private market.

The Big "I" looks forward to continuing to work with Congress to enact a much-needed multi-year reauthorization of a modernized NFIP.

## **Questions of the Week**

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**Question #1-** Can a spouse file a BI claim against his/her spouse if they are a passenger in a vehicle and are injured in an automobile accident with the driver (spouse) being at fault?

**Answer #1-** Well, yes – sometimes. There are court cases on both sides of this.



There is NO exclusion for injury to someone who is an insured in the ISO Personal Auto Policy. The ISO form covers “any” insured who is found legally liable for bodily injury or property damage because of an auto accident.

The only exclusion that might apply is intentional injury (I know, that’s a weird statement).

Remember, the PAP is four separate policies, each with their own insuring agreement and exclusions. I can’t find an exclusion limiting one insured’s ability to recover from another under the liability section.

So ultimately it’s not a question of coverage from the PAP, it’s a question of legal liability. If one spouse can be held legally liable in court for injury suffered by the other spouse, the PAP appears to be triggered. The question of legal liability is one for a lawyer and the courts.

**Question #2** - We had an agent call looking for assistance in locating coverage for a dwelling through an assigned risk plan.

**Answer #2** - The Iowa FAIR Plan is here for you. The Plan provides basic dwelling, home, commercial, and farm property insurance to qualified applicants who are unable to find insurance in the voluntary insurance market. All applications for coverage with the Iowa FAIR Plan Association must be submitted by an insurance agent licensed by the State of Iowa. For more information visit [iowafairplan.com](http://iowafairplan.com).

## **Auto Underwriting Legislation Introduced in the Senate**

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Sen. Cory Booker (D-New Jersey) introduced legislation in the U.S. Senate to prohibit the use of certain factors to determine auto insurance rates and eligibility.

The bill would ban the use of credit scores, income, education, and other factors that are suggested to be discriminatory and disproportionately target lower-income and minority consumers. This bill also has companion legislation in the U.S. House of Representatives that was introduced by Rep. Bonnie Watson Coleman (D-New Jersey).

While the Big “I” absolutely supports the underlying goal of protecting consumers from unfair discrimination, the Big “I” also believes that state regulators are in the best position to address any potential concerns in their respective markets, not the federal government. Specifically, this legislation would undermine state regulators by giving the Federal Trade Commission regulatory authority over some aspects of insurance underwriting.

In March, the House Financial Services Subcommittee on Housing, Community Development and Insurance **held a hearing on the issue** and, among others, heard testimony from Elizabeth Kelleher Dwyer, superintendent of insurance from Rhode Island, who stressed the benefits of protecting consumers via the state-based system. While the Big “I” has concerns over the legislation, it stands ready to work with Congress to protect consumers from unfair discrimination while also preserving the state-based system of insurance regulation.

## **Hole in Won, LLC and Affiliates Ordered to Cease and Desist Doing Insurance Business in Iowa**

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The Iowa Insurance Division [recently ordered](#) Hole in Won, LLC, Kevin Kolenda, Hole In

Won.com, Hole in Won.com Worldwide, Golf Marketing Worldwide, Compliance HIW, and Amanda Penrose ("Respondents") to cease and desist acting as an insurer or insurance producer in Iowa without a license. The Respondents were also ordered to pay civil penalties in the amount of \$35,000, restitution in the amount of \$2,930, and costs of investigation totaling \$3,415.

In various instances, the Respondents offered and sold prize indemnity insurance to cover events such as basketball, fishing, and golf contests. The Respondents were not licensed to sell insurance products in Iowa, nor were the prize insurance products submitted to the Iowa Insurance Division for approval. The Respondents failed to pay legitimate claims, timely respond to policyholder questions, and adhere to cease and desist orders issued in other states.

Mr. Kolenda has been convicted of felonies in Connecticut and Washington for similar behavior and he, along with other Respondents, has been subject to administrative actions by state insurance regulators in Connecticut, North Carolina, Washington, Massachusetts, Oregon, Nevada, Virginia, Minnesota, California, and Arkansas.

"Iowans deserve to get what they pay for. These fraudulent practices were designed to mislead consumers and the violations of these laws cause harm to Iowans. Our objective here is to draw the public's attention to this scheme in hopes of preventing them from falling victim," Chance McElhaney, Iowa Insurance Division spokesman said. "There are plenty of local insurance agents to reach out if you are in need of a product like this. We encourage Iowans to contact the Iowa Insurance Division to file a complaint with our office whenever something doesn't seem quite right about an offer of insurance or an insurance purchase that you made."



**LET'S**  
**do this!**

2020 Big "I"  
Fall Leadership Conference  
is going virtual

**Oct. 19 - 22, 2020**  
#LETsmeet2020

Join us **October 19-22** for the **free Big "I" LET's Virtual Summit**. Virtual Summit has something for you! This free event includes tracks for professional development designed to help you market, lead, and use technology in today's ever-changing world. Join our professionals, as they guide you through the top trends happening in the insurance industry.

#### **Your Agency's Success Starts with You!**

Jennifer Ingram and Dr. Isaiah Pickens  
Oct. 19, 11 a.m. ET

#### **A Day in The Life of a Nerdy Professional**

Beth Ziesenis  
Oct. 20, 11 a.m. ET

#### **The Irresistible Power of Strategic Storytelling**

Kindra Hall  
Oct. 20, 12:45 p.m. ET

#### **Mind the Gap**

Brandon Smith  
Oct. 21, 11 a.m. ET

#### **Shrink the Distance: The Future of Tomorrow's Tech on Today**

Brian Fanzo  
Oct. 22, 11 a.m. ET

Register for one or all of the sessions for no charge!**Register Today!**

#### **The 2020 Best Practices Agencies**

Congratulations to 4 members of the Big 'I' State Association for being selected as 2020 Best Practices Agencies by the Independent Insurance Agents & Brokers of America and Regan Consulting.

Those selected include:

**Central Insurance** – Storm Lake  
**GreenState Insurance Services** – North Liberty  
**Shomo-Madsen Insurance** – Marshalltown  
**TrueNorth** – Cedar Rapids

## **Tune into Selective Benefits**

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Got two minutes to spare? Use that time wisely to watch **this new video** hot off the presses from Big "I" Flood partner Selective, and learn how to grow your flood market with the extensive resources and expertise of the Selective Insurance Flood team. Together, **Big "I" Flood** and Selective's relationship helps deliver members an unparalleled flood program. We offer agents several layers of support to meet any and all flood insurance needs.

Get to know the Big "I" and Selective staff and get your flood questions answered. With personalized support, competitive commissions, and an easy-to-use quoting platform, it is an easy decision to start writing your flood business through the Big "I" Flood-Selective partnership today.

Visit [independentagent.com/Flood](http://independentagent.com/Flood) to learn more, or connect with your **dedicated Selective territory manager** today.

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## **SIGN UP TODAY FOR CE WEBINARS**



[click for more information](#)

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## **Trusted Choice® Reaches Make-A-Wish Goal**

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Trusted Choice® is thrilled to announce that it has reached the donation goal of \$100,000 to Make-A-Wish through its recent brand awareness campaign on social media.

Since 2011, Trusted Choice has given over \$3.5 million to help grant wishes to children with critical illnesses. Through its partnership with Make-A-Wish, Trusted Choice is able to support this worthy cause.

The click-to-donate social campaign ran from Sept. 8 to Oct. 6 on Facebook and Twitter. For each click to the **landing page**, Trusted Choice donated \$5, and an additional \$5 for social shares. The campaign earned over 1.2 million impressions and more than 500 social media shares with participation from every state.

Although the campaign has ended, you can continue the celebration of reaching the donation goal by announcing the good news on social media channels using the campaign hashtag #EnsureHope.

For more information or questions about the campaign, contact **Kasey Connors**.

## **Iowa Insurance Division Files Charges in Connection with Unauthorized Health Care Plan Offerings in Iowa**

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The Iowa Insurance Division's Enforcement Bureau recently [filed a statement of charges](#) against Trinity Healthshare Inc. and The Alera Companies.

According to the statement of charges, Respondent Trinity, purportedly operating as a health care sharing ministry, acted as an unauthorized insurer by offering health care insurance products to Iowa consumers which were not approved for sale in Iowa. It is alleged that Alera marketed, offered, sold, and administered these plans on behalf of Trinity without being appropriately licensed. Both Alera and Trinity are alleged to have utilized unfair methods of competition and unfair or deceptive acts or practices in the offer and sale of these health care products.

"Trinity and Alera have denied the allegations. An administrative hearing is scheduled to resolve these issues," Iowa Insurance Division spokesman Chance McElhaney said. "Products offered by health care sharing ministries are not insurance and there is no guarantee that your medical costs will be paid. We want to make certain that Iowans who may have purchased these products believing they were purchasing an insurance product will have an opportunity to consider their health care needs as we approach the open enrollment period, which begins November 1, 2020. Consumers are encouraged to speak with licensed insurance agents who can help them determine what options may be available to them.

"In the meantime, we continue to collect information and ask anyone with a policy through Trinity or Alera to contact the Iowa Insurance Division at 515-654-6600."

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