

in this issue >>>

- Annual Convention - Join Us!
- FREE CE's
- Workers' Compensation Rates
- Subpoenas and Your E&O and more. . .



Agent Newsletter | August 25, 2021



Governor Kim Reynolds will be speaking to our members at our Annual Convention being held on September 15-16 at Prairie Meadows in Altoona. The Governor is set to speak on the 16th in the afternoon following our awards presentation. Sign up today and don't miss out on what is expected to be a great line-up. We are still planning to kick things off with our Golf Tournament and have a lineup of great speakers. The location for the Golf Tournament has changed this year. The event will be held at the beautiful Legacy Golf Course in Norwalk. In addition to our great keynote

speaker, we have also lined up former IIAI CEO, Bob Skow; IIBA insurance guru, Chris Boggs; and Agency Performance Partners President, Kelly Donahue-Piro.

Our keynote speaker will be Joe Dittmar, an insurance executive who was in the Twin Towers the morning of September 11, 2001. Joe was attending a meeting of insurance executives on the 105th floor in the South Tower of the World Trade Center. Dittmar, who had originally planned a golf outing that day, was asked by a colleague to attend the meeting. It would prove to be a day that changed Dittmar and the nation as a whole forever. Joe will speak to us on the events that day as well as what it has meant to him in his life following the tragic event.

We hope you will join us for this event. Sign-up and [register today!](#)

*Please note Prairie Meadows currently has a mask mandate.

Join us for the 1st National ABEN Day! What does that mean you ask? Your states' Independent Insurance Association partnered with many other state associations and ABEN to offer this **free** CE event! We are

FREE CE!



GEAR UP AGAINST VIOLENCE, VIRUSES AND HACKERS

NATIONAL ABEN DAY
SEPTEMBER 14

excited to provide three highly relevant topics during this national event at no charge to you! The presenters will be available in the forum during each of the sessions so feel free to interact with them. Agents from across the country will be participating in these programs. Prizes and giveaways will also be part of the day. Register today! For more information go to www.iiaiowa.com or call ABEN at 877-602-9877.

- Covid-19 Litigation and Insurance

Issues

- 1 hr - presented by Richard Pitts
- Cybersecurity Risk and Insurance Are...
 - 1 hr - presented by Richard Pitts
- Recognize. Respond. Survive. Active Shooter Response Training
 - 2 hrs - presented by Andy Sexton and Chad Ayers of Proactive Response Group

Coalition Releases Free Automated Scanning, Monitoring

Coalition has released the Big "I" Markets co-branded Coalition Control, a free software-as-a-service platform for businesses of all sizes to scan and monitor their online infrastructure for cyber risks.

A free limited version of Coalition Control is available to any organization with an internet domain and includes:

- Quarterly scanning of 250 of the most commonly compromised ports.
- Domain and asset enumeration, showing companies where their public IT assets live.
- Vulnerabilities and recommendations for remediating risks discovered during scans.
- Data leaks, showing organizations which of their employees might have credentials exposed on the web.
- Monitoring for one additional organization.
- A cyber risk assessment.

Coalition policyholders currently receive the Coalition Control BUSINESS+ version free. Non-policyholders can upgrade to the BUSINESS+ version by subscription for \$1,000 per month—a \$12,000 per year value for policyholders!

The upgraded version adds:

- Deep, monthly scans of all 65,535 ports on assets.
- Lookalike domains for companies to monitor their brand for impersonators and domains.
- Torrents and honeypots to identify malicious traffic going into and out of networks.
- Keyword searches of deep and dark websites for exposed sensitive data.
- Monitoring for up to five additional organizations.
- Enhanced cyber risk assessment.

Register for the free version Coalition Control and feel free to share the Coalition Control Overview as a drop-in article template to inform agents of this powerful free

resource.

Coalition is now admitted in many states, providing agents with a one-stop shop to place cyber liability coverage for small businesses as well as the most complex risks in the surplus arena. Limits up to \$15 million are available to U.S. risks generating less than \$1 billion in revenue/gross profit. Learn more at Big "I" Markets or schedule a call with our very own cyber program manager, Carla McGee.

NFIP Risk Rating 2.0 Update

Recently, FEMA sent out a notice to Write-Your-Own (WYO) insurance companies stating that they anticipate that quoting and policy issuance for Phase 1 of Risk Rating 2.0 policies—policies effective Oct. 1, 2021, or later—will be available starting on Monday, Aug. 16.

This is a slight delay as FEMA had previously said WYO insurers would be able to begin quoting for policies beginning on Aug. 1.

Although quoting and policy issuance has been delayed until at least Aug. 16, the rating engine website went live on Aug. 1 for users to test their connection. FEMA also noted they will communicate when the rates may be used for quoting and when policy issuance can begin.

All new policies effective on or after Oct. 1, 2021, must be issued under Risk Rating 2.0. Existing policies renewing with effective dates between Oct. 1, 2021, and March 31, 2022, can renew under the legacy rating plan or renew their policy under Risk Rating 2.0. All existing policies with renewal dates on or after April 1, 2022, will be renewed under Risk Rating 2.0.

Additionally, FEMA is currently providing agent training webinars throughout the month of August. Important information about the webinars such as dates, times and how to register, is listed in this FEMA bulletin.

The Risk Rating 2.0 – Equity in Action webinars are free to attend, but spaces are limited to 1,500 attendees per event. Register early if you are interested. The webinar will provide agents with the latest information on how and when Risk Rating 2.0 will be implemented. It will also discuss the following topics:

- What is Risk Rating 2.0 – Equity in Action?
- What led to this NFIP transformation?
- The NFIP today: What is changing?
- What is not changing?
- How will current policies transition?

The Big "I" believes that Risk Rating 2.0, if properly implemented, has the potential to improve the NFIP experience for agents and consumers, but emphasizes that the rollout of the program will be critical in determining the success of the effort.

How Can a Financial Partner Help Your Agency Thrive?

After 20 years of serving the lending needs of independent insurance agencies, ask InsurBanc! Check out Dave Tralka's latest article, "Good as Gold – 6 Ways Financial

Iowa Insurance Hall of Fame Induction Celebration

Congratulations to Gaylord Wooge of Farm and City Insurance for his selection to the Iowa Insurance Hall of Fame. Gaylord passed away in 2018 but his family will be present to accept the award for him. For those of you who recall, Gaylord was instrumental in helping independent agents throughout the country retain ownership of their renewals when he took on Foremost Insurance and the big New York City lawyers in 1998. Gaylord prevailed and was awarded judgment paving the way for all of our futures. We are forever indebted to Gaylord for his fight and perseverance in this landmark case.

The award ceremony will take place on Tuesday, October 19th, 2021 at 5:00 PM at the Ron Pearson Center in West Des Moines, IA. For more details please go to www.iihof.org/. In addition to Gaylord, the following individuals will also be inducted:

Rosemary Parson, EquiTrust Life Insurance
John Paul, Western Iowa Mutual Insurance Association
Steve Rasmussen, Nationwide Insurance

Notice of Proposed Workers' Compensation Rate Filing 2022

Pursuant to Iowa Code section 515A.6(7), notice is hereby given that the National Council on Compensation Insurance, Inc. has made a rate filing which affects the premium rates for workers' compensation insurance.

The rate filing proposes overall decreases in the voluntary and assigned risk markets of 5.5% and 9.1% respectively. The decreases apply to the current rates that became effective January 1, 2021. The filing has a proposed effective date of January 1, 2022.

A workers' compensation policyholder or an established organization with one or more workers' compensation policyholders among its members may request a hearing before the Commissioner of Insurance regarding this rate filing. Such a request must be filed within 15 days of the date of this publication and shall be made to the Commissioner of Insurance at the Iowa Insurance Division, 1963 Bell Avenue, Ste. 100, Des Moines, Iowa 50315.

[READ MORE](#)



DERECHO DAMAGES

The one-year anniversary of the devastating August 10, 2020 derecho recently passed. Prior to the anniversary date, Iowa Insurance Commissioner, Doug Ommen issued a bulletin to all insurance carriers asking them to extend deadline dates for those insured's who were unable to have damages repaired in a timely fashion due to labor and material shortages. You can read the bulletin here <https://iid.iowa.gov/documents/bulletin-21-04>.

To date, insurance companies have paid out more than \$3,125 billion to settle 223,410 damage claims from policyholders in Iowa and those numbers are expected to continue to grow. Hats off to all of our dedicated agents for your handling of this unprecedented storm.

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 possibly 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.

Big "I" Submits Comments on Biden Administration Reinstating HUD Disparate Impact Rule

The Big "I" pointed out that the rule directly conflicts with state laws that require rates to be based upon actuarially sound factors predicated on risk.

Earlier this year, the U.S. Department of Housing and Urban Development issued a Notice of Proposed Rulemaking (NPRM) titled "Reinstatement of Discriminatory Effects Standard." This action would rescind a 2020 HUD rule issued by the Trump administration and reinstate the agency's 2013 disparate impact rule implementing the Fair Housing Act's disparate impact standard.

As a result of the NPRM, HUD specifically requested comments on their proposal to recodify their 2013 rule.

Disparate impact refers to practices in employment, housing, and other areas that adversely affect one group of people of a protected characteristic more than another, even though rules applied by employers or landlords are formally neutral. The rule in question extends disparate impact liability to the sale and servicing of homeowners insurance and creates a burden-shifting framework for assigning liability in private lawsuits and government enforcement actions premised on the existence of a disparate impact.

The Big "I" submitted comments on the proposal earlier this week, contending that the 2013 rule should not be reinstated. In the comments, the Big "I" argued that the disparate impact standard set forth in HUD's 2013 final rule is not in compliance with the limitations on disparate impact liability following the Supreme Court decision, *Texas Department of Housing and Community Affairs v. Inclusive Communities Project, Inc.*, 135 S. Ct. 2507 (2015), in which they ruled that disparate impact claims were subject to certain standards and constitutional limitations.

Additionally, the Big "I" argued that the rule, as applied to homeowners insurance, violates the McCarran-Ferguson Act, which leaves regulation of the "business of insurance" to the states, unless preempted by a federal law that "specifically relates to the business of insurance."

The rule directly conflicts with state laws that require rates to be based upon actuarially sound factors that are predicated on risk. As such, the Big "I" asserted that the regulation interferes with the ability of insurers to provide homeowners insurance at a fair price by requiring that insurance placement and underwriting decisions be based on factors that are not risk-predictive.

