

in this issue >>>

- 2022 Rural Agents
- Question of the Week
- Need CEs?
- Thank You Sponsors!

and more. . .



Agent Newsletter | November 30, 2021

BIG i | IOWA

INDEPENDENT INSURANCE AGENTS OF IOWA

RURAL AGENTS CONFERENCE

AIRPORT HOLIDAY INN, DES MOINES, IOWA



JANUARY 26 & 27, 2022

BIG i | IOWA

Our 2022 Rural Agents Conference will be held January 26-27 at the Des Moines Airport Holiday Inn. It is our plan to continue our regular format at the event with great speakers and company sponsored hospitality suites. CE hours will be available and we guarantee to have a great lineup of informative topics and discussions for everyone. We will be sending out full information and a speaker list soon so please watch for that information from our office. I hope you all can attend pick up some great information and see some friends that you have not seen in some time.

Why Cyber Liability "Pay on Behalf of" Provisions Matter More than Ever

When reviewing cyber liability policies for your clients, limits and coverages are compared. How a carrier will respond to the claim is also important. Whether the carrier will "pay on behalf of" or "indemnify" is a significant feature your clients should consider when selecting cyber liability coverage.

Under an "indemnity" provision, the policyholder is subject to paying damages and defense up front, out of their own funds, and then seek reimbursement from the carrier. According to Coalition's [H1 2021 Cyber Insurance Claims Report](#), the average ransom demand increased 170% exceeding \$1M in Q1 of 2021. If choosing a policy with an indemnity provision for Ransomware coverage, clients should consider if they

have the assets to pay the claim out-of-pocket before being reimbursed by the carrier.

Many cyber policies apply "pay on behalf of" provisions to a few coverages but may only "indemnify" for coverages such as breach response costs, cyber extortion and/or ransomware.

Coalition's policy is among the only policies in the market applying "pay on behalf" across every single coverage — at a time when cash is especially precious, policyholders never have to pay losses or claims expenses out of pocket. Policyholders also benefit from free breach response services, a 24/7 in-house Incident Response Team, and free cyber security tools – all industry firsts!

Limits can be quoted up to \$15 million for commercial risks with up to \$1 billion in revenue. Coalition's products are offered with the financial security of Swiss Re Corporate Solutions, Arch Specialty Insurance Company, Argo Pro US & Lloyd's of London.

Log into [Big "I" Markets](#) to quote Coalition for your commercial book and access resources such as client-ready marketing, claim & limit calculators, and coverage comparisons. Reach out to the Big "I" Markets Cyber Insurance Program Manager, [Carla McGee](#), if you have any questions or would like to walk through a quote.

2022 Trusted Choice® Marketing Reimbursement Program

commitment to community

[Click here for more information!](#)

The banner features a collage of three images: a group of people participating in a community cleanup activity, a group of people in red shirts cheering at a sporting event, and a group of people socializing and eating outdoors.

Question of the Week

Q. I've always understood that if a carrier was increasing renewal by over 25%, they are required to send a conditional renewal notice. A company just mailed renewal 55 days out with no notice of large increase. Is this correct, since they did so before 45 days they don't need to give notice, just the renewal offer?

A. 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.



Wow! What a response we had from all of you to attend "Jolly Holiday Lights". We received requests from 600 members for free tickets to attend the event. Along with National, we are once again sponsoring a light display at the event. Be sure to check it out. If you have already attended this year, we hope you had a great time and if you still have plans to attend the event, enjoy!

New Webinar Opportunity: Insurance Agency Standard of Care

The Big "I" Professional Liability Risk Management team invites Big "I" members to attend a complimentary new webinar, "Insurance Agency Standard of Care - Do You Have a Duty to Advise?"

Change is a constant—and that includes insurance agents' legal standard of care and duty to advise. Join Big "I" Professional Liability and Swiss Re Corporate Solutions for an insightful webinar presentation designed to help you understand the nuances of this important topic.

The panelists are Myles Hassett, founder partner of Hassett Glasser P.C.; Donna Asta, claims expert at Swiss Re Corporate Solutions; and Richard Lund, U.S. agents risk management coordinator at Swiss Re Corporate Solutions.

The session will provide a fresh look at agents' legal duties as they vary from state to state.

Three sessions will be offered. All sessions contain the same content. All Big "I" members and staff are welcome and encouraged to participate. Register now:

- [Dec. 14, 2021 at 1-2 p.m. ET](#)
- [Jan.11, 2022 at 1-2 p.m. ET](#)
- [Feb. 15, 2022 at 1-2 p.m. ET](#)

Learn more about agency risk management and review articles, claims data, and more resources at [E&O Happens](#).

Big "I" Provides Memo on Health Insurance Compensation Disclosure Requirements

New compensation disclosure requirements for health insurance agents and brokers

will take effect Dec. 27. Have you read the memo for updates?

As highlighted previously, Section 202 of the December 2020 omnibus government funding legislation signed into law by former President Donald Trump included new compensation disclosure requirements for health insurance agents and brokers. The requirements are slated to take effect Dec. 27, 2021.

The Big "I" and certain other major producer groups have met with U.S. Department of Labor officials and submitted a joint comment letter to the federal regulators, but no regulatory guidance on disclosures relating to group health plans has been issued. Agents and brokers who handle group health plans will still need to comply with the new requirements—even in the absence of additional guidance or regulations.

To that end, the Big "I" Government Affairs and Office of General Counsel developed a working memo regarding health insurance compensation disclosure requirements based on currently available information. This memo will be updated to reflect any further developments.

If you have any questions about this or related topics, contact Wyatt Stewart, Wes Bissett or Eric Lipton.

Need CEs. . . Use the Holiday Discount Today



click image for link - discount applies to ABEN webcasts only

Blurred Lines

How advances in technology impact personal lines coverage. Have a plan in place when your business undergoes a transition. It shouldn't be news to anyone that technological advancements are shaping the world around us. But because new technology changes the way we live, work and play, independent agents need to keep up to date.

Here are a three ways technological trends are impacting personal lines coverage:

Cyber threats: From instant application approvals to auto-renewals, the use of technology is changing the insurance industry. With this changing environment come

additional risks and new coverages, such as cyber or data breach coverage. Your clients use technology to make their lives easier, but it also puts them at greater risk of a cyberattack. Victims may find that they downloaded a document that contained ransomware that disabled their computer system, while others may unknowingly find themselves sent to a phishing website. Damages from these types of attacks can cost thousands of dollars. Are your clients covered for such perils? Also, in the event of a cyberattack, do your customers have adequate coverage and limits? Personal cyber coverage is becoming more common. But as it grows in popularity, it is also becoming common for cyber coverage to be excluded from standard homeowners' policy and only available by endorsement or a standalone policy. Do the standard homeowners' policies you write provide cyber coverage? If not, did you offer it?

Teleworking: Another technological trend is telecommuting, which has become the standard operating mode for at least 50% of the U.S. population, according to Forbes. However, traditional homeowners' policies contain broad exclusions for home business pursuits. Coverage for personal liability arising out of business pursuits is typically excluded, which prompts the question: Is your customer covered for business performed at home? Agencies should determine whether they have clients who telework or run businesses from home and offer endorsements to existing homeowners and renters policies to cover these pursuits.

The Gig Economy: There are more than 1 million rideshare drivers working for companies like Uber and Lyft in the U.S. Meanwhile, HomeAway offers 2 million global home listings and Airbnb offers 500,000 in the U.S. alone. Other examples of the gig economy include ad hoc food delivery, package delivery and manual laborers. Do you know whether your clients are participating in the gig economy? If so, are they covered for property damage, personal liability, injuries requiring health care and loss of income? Agents should start asking these questions before a claim comes in. Recognizing and reacting to these trends will prepare you to satisfy your duties as a 21st-century personal lines agent or broker. Importantly, staying ahead of the curve when it comes to technology leads to better agency achievement, and higher client satisfaction and retention.



We don't say it enough - A Big "I" thank you to each of our 2021 IIAI Program Sponsors. The costs of putting on events like our Rural Agents Conference have increased dynamically - renting space, hiring speakers, - flying speakers them in and serving food all have gone up. But for years, the Independent Insurance Agents of Iowa have kept the same low fees for agents to learn and network at our events.

The cost of food and beverages alone at these functions are more than the registration fee. We can do this because our member's business partners give annual sponsorship funds to the association to help underwrite these expenses. The sponsorship program is broken down into 5 categories, Diamond which is our largest donors, followed by Platinum, Gold, Silver and Bronze. A Big THANK YOU from all of us!

How to Become a Best Practices Agency

Do you want your agency to participate in the next three-year cycle of the Best Practices Study? To learn more about the process and hear insight from current Best Practices Agencies, register for the "[Best Practices Agency Process Explained](#)" webinar on Dec. 15 at 2 p.m.

The annual [Best Practices Study](#), conducted by the Big "I" and Reagan Consulting over the last 28 years, examines top-performing agencies from across the country. For these agencies, inclusion provides the prestigious status of Best Practices Agency and opens the door to many benefits:

- All agencies that are nominated and submit data receive a personalized Agency Performance Analysis based on their results from Reagan Consulting (a \$495 value).
- National exposure through ads in Independent Agent [magazine](#).
- Exclusive education and an invitation to the Best Practices Symposium.
- Wall plaque and color copy of the ad indicating Best Practices Agency status.
- Media kit to announce status to clients, carriers and community.
- Exclusive use of the Best Practices Agency logo for industry and clients.

Visit the [Become a Best Practices Agency](#) webpage for a timeline, watch peer videos and indicate interest with the [self-nomination](#) form. If your good standing in the agency community is verified by your state association or designated carrier, you will be invited to participate in the 2022-2025 cycle.

Don't miss out on this opportunity to gain powerful insight into your agency operations and be recognized for your excellence.

Questions can be sent to [Jennifer Becker](#), director of education programs.

Master Risk Rating 2.0 with These Helpful Tools

FEMA's new NFIP rating methodology, Risk Rating 2.0 (RR 2.0), went live on October 1, 2021. Big "I" Flood partner Selective will continue to work closely with FEMA to ensure you have the resources and knowledge you need to successfully transition to using this new platform.

Master RR 2.0 with These Helpful Tools

- RR 2.0 Tips for Success – This info sheet contains a dozen tips to help you become a RR 2.0 expert
- Guide to Input Location – This flyer outlines two ways to input a property's latitude and longitude with RR 2.0

You can also visit Selective's dedicated RR 2.0 page to stay up-to-date on the latest RR 2.0 information.

With access to all of the resources you need to grow your flood business, now is the time to start writing your flood business through the Big "I" Flood-Selective partnership. Learn more about the program or connect with your [dedicated state territory manager](#) at www.independentagent.com/Flood.

Largest Ever Medicare Part B Premium Increase for 2022

Medicare's Part B monthly premium for 2022 will increase by \$21.60, the largest dollar increase in the program's history, according to the Centers for Medicare & Medicaid Services (CMS) [announcement](#) on Nov. 12. Standard monthly premiums for Part B will

cost \$170.10 in 2022, up from \$148.50 in 2021.

The historically large increase is primarily due to the new Alzheimer's drug, Aduhelm, from pharmaceutical company Biogen, which is administered intravenously in an outpatient office and paid for under Part B. CMS is currently reviewing whether Medicare will cover Aduhelm and officials have said that the fact they are setting aside money to cover the use of that drug "in no way implies what the coverage determination will be" but that they have to plan for the possibility that Medicare will cover this high-cost drug, whose price has been estimated at \$56,000 a year.

"Once again, American seniors and taxpayers will pay the price for the outrageous pricing behavior of big drug companies," said Bill Sweeney, AARP senior vice president for government affairs. "When Big Pharma sets a high drug price, everyone pays for it—not just those who need the medications. That's why Congress must act swiftly to pass prescription drug reforms in the 'Build Back Better Act,' which would bring meaningful, much-needed relief to seniors and all Americans."

The other half of the premium increase is due to the natural growth of the program and adjustments made by Congress last year, which took action to significantly lower the expected Part B premium increase during the coronavirus pandemic. In 2021, the Part B premium increased by only \$3 a month with Congress directing CMS to pay back that reduced premium over time, starting in 2022.

Not only is this year's Part B premium spike substantial, but it's also well more than what the Medicare trustees estimated in their annual report released in August when estimates were pointing toward a standard Part B premium of \$158.50 a month.

However, the increase guarantees that health care will gobble up a big chunk of the 5.9% cost-of-living adjustment (COLA) seniors are to receive in 2022, an increase that had worked out to \$92 a month for the average retired worker. Additionally, seniors on Medicare are also set to face an annual Part B deductible of \$233 in 2022, a \$30 increase from 2021.

Independent Insurance Agents of Iowa
4000 Westown Parkway, Suite 200
West Des Moines, IA 50266
515.223.6060 | 800.272.9312
www.iiaiowa.org

