

June 2023



TARGETING. THE FUTURE

★ **REGISTRATION OPEN** ★

BIG I ANNUAL CONVENTION & TRADE SHOW

AUGUST 29 & 30, 2023 | PRAIRIE MEADOWS EVENT CENTER

BIG  | IOWA

The event will be held on August 29-30 at Prairie Meadows in Altoona. We have booked Rob O'Neill to come and speak. Many of you may recognize the name but for those who do not, Rob was the Navy Seal responsible for the killing of Osama Bin Laden. He will speak on not only this mission but other countless missions as well.

It's guaranteed to be a great session, however, if this alone does not draw your attention, we have plenty of other great speakers lined up for the event. We will have continuing education opportunities and golf available. NEW this year a charity bag toss sponsored by the Young Agents along with always popular trade show is just another reason not to miss this year's Convention. Please [register](#) today to save your seat at the Convention.

commitment to community

Commitment to Community Marketing Reimbursement Program Funds Still Available – Only 2 Months Left for Submissions!

We hope to see more event submissions coming in! This Marketing Reimbursement Program runs 9/1/22 – 8/15/23. The focus is on agency involvement in community activities that take place within the noted time frame for reimbursement consideration.

Click [here](#) for program details. The maximum eligible reimbursement this year is \$1,000 with a total campaign budget of \$25,000. If you have questions if your event qualifies, submit your application/advertising mock ups or scripts to Brenda@iiaaiaowa.org for pre-approval. Please note that the following mandatory requirements are still in place:

- ALL event promotion must use Trusted Choice® logo or mention Trusted Choice® if doing a radio/television/podcast
- Trusted Choice® logo must be present on agency Websites and Facebook pages

Don't hesitate to contact us if you think you have an eligible event!



Westfield joins the Small Commercial carriers available in Big "I" Markets (BIM)

One of your Association member benefits is access to Big "I" Markets (BIM). There is access to Commercial and Personal lines products with no minimum requirements. If you have never used BIM, you will need to get registered [HERE](#).

Under the Commercial Lines heading in Big I Markets, there is a category for Small Commercial. Chubb Marketplace, Travelers Select, CNA Connect and Berkley Aspire were already writing in admitted and non-admitted markets for BOP, Worker's Compensation, Commercial Automobile, Commercial Umbrella and Commercial Vacant Buildings. Westfield has now joined these other four carriers as a resource for members to write commercial products. Click [HERE](#) for a list of Westfield Small Business Preferred Classes. For more information on markets, eligibility, availability, commission and quoting; sign in to Big I Markets [HERE](#).



Click [Here](#) to look at class calendar

4 Ways to Grow Your Business, Not Potential E&O Claims

Growing your business can carry risks. Here are four things to keep in mind to avoid potential errors & omissions claims as you look to improve.

Every insurance agent or agency feels some degree of pressure to grow their business. In fact, that pressure is felt in the broader world. We hear comments all the time like, "In this league, if you're not improving, you're getting worse," from the pundit on ESPN. Or, "What's your five-year plan to grow your business?" from the speaker at the seminar. And, of course, in the movie "The Graduate," the character giving Dustin Hoffman advice: "Plastics!"

Unfortunately, growing your business can carry risks. While I am not able to offer tips to make you rich—no "plastics!" here—here are four things to keep in mind to avoid potential errors & omissions claims as you look to improve your business:

1) Don't try to do too much. Let's say a customer informs you that he has purchased a vacation home out of state in Texas and needs to insure it. Rather than find an agent in Texas, you might decide to take care of it yourself to show the customer your can-do spirit. However, you might not know that homes on the coast are considered Tier 1 properties, and standard homeowners policies don't include losses from windstorms. If there is a significant wind loss and no coverage, an E&O claim is likely.

2) New practice areas require new expertise. You may decide to grow your business by branching out into new aspects of insurance. An agency that already sells liability insurance to construction companies might look at developing a construction bond practice. The agency should keep in mind that such bonds can have very technical requirements. Rather than try to reinvent the wheel, it is best to develop that new part of the business by bringing in someone who already has experience with bonds and can avoid pitfalls.

3) Avoid overpromising in your marketing. As part of growing your business, it is natural to put your best foot forward when marketing your agency. There is nothing wrong with a little boasting. However, avoid statements such as "we are your risk managers" or "we will assess all your risks and make sure you have proper solutions." If there is litigation over an uncovered loss, an attorney may take those statements out of context to argue that you agreed to take on additional duties and that their client relied on you.

4) Hire adequate staff. When the focus is on bringing in new business, do not let plans for servicing that new business become an afterthought. If the workload gets too heavy for you or your staff, tasks may get delayed or missed. That ultimately results in E&O claims. What's more, even if you and your staff do not make any mistakes, being too busy can mean that you do not document what you have done.

Maybe you called a client and confirmed they did not want to increase limits, but you did not send a confirmation email and did not leave a note in the file. If there is a loss that exceeds the client's policy limits, the lack of documentation could become an issue. By all means, consider steps to grow your business, but remember to include steps to avoid potential E&O claims.

E&O Guardian

A key Big "I" member benefit is exclusive access to Big "I" Professional Liability agency E&O risk management information and resources developed specifically to address the unique liability needs of independent insurance agents. Our risk management is designed to help you avoid common errors and lawsuits, keeping your agency focused on what matters most--your business!

The recently renovated risk management site (formerly known as E&O Happens) featuring new navigation, new resources, and a new name! **Please check out our new look at www.independentagent.com/EOGuardian.**

There you'll find:

- Current articles on risk management topics
- Unlimited free views of our robust webinar recording library
- Sample checklists, disclaimers, client letters to download and more!

FIND TOP TALENT

Does the thought of hiring a new employee leave you overwhelmed? Are you seeing turnover, or posting a job, but just aren't finding the "right" person?

YOU'RE NOT ALONE.

Find the right recruits with Big "I" Hires, a one-stop resource for independent insurance agencies to identify, hire and assess top-performing Producers and CSRs.

\$499

PER LOCATION / 90 DAY ACCESS

PRIORITY
1-ON-1 ONBOARDING
2 CUSTOM JOB ADS
PREMIUM SUPPORT

FIND AND RECRUIT.

Recruiting Support

IdealTraits can help agencies of all sizes hire top performing sales and staff with the ability to post jobs, receive candidates, send assessments and identify the right recruit through a variety of recruiting sites.

\$999

PER LOCATION / 1 YEAR ACCESS

PRIORITY
1-ON-1 ONBOARDING
2 CUSTOM JOB ADS
PREMIUM SUPPORT

POST JOBS FREE ON MULTIPLE JOB BOARDS WITH ONE SUBMISSION!

Receive Your Candidates

Job Posting

Unlimited Candidates

Unlimited Assessments

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SUBMIT, RECEIVE & REVIEW ASSESSMENTS.

Identify and hire who is best for your agency

**FREE
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LIMITED
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NO CHARGE!

READY TO GET STARTED?

Visit www.bighires.com or call 248.387.2717 ext. 2 and mention your Big "I" member status



Empowering Trusted Choice® Independent Insurance Agents.



The Big "I" has two political action committees (PACs); one for donating to state office holders and the other for Federal.

The donations you make are used to support candidates and elected officials who work with our organization on issues of great importance to your livelihood. Because most insurance is regulated at the

State level it remains our main focus. Everything from auto insurance to

workers' compensation issues are debated almost annually at the State Capitol - insurance specific issues along with regulatory laws remain front and center. Insurance is a heavily regulated industry, and specifically the marketing of insurance by agents is often in the "cross hairs" of plaintiff lawyers which adds to the dynamic of court decisions that can significantly impact your ability to make a living.

The IIAI/PAC uses the donations by supporting members of the Iowa legislature, along with the Governor who have worked in defense of the insurance issues of importance to Iowa's independent agent community. At the Federal level - if you sell crop insurance, health insurance or flood insurance you have a great deal at risk.

Our Federal PAC called *InsurPac* supports members of the U.S. House and Senate who work closely with us on the Federal issues of greatest concern to agents. We think donating to the 2 PACs is like buying career insurance - without a diligent effort by the Big "I" on your behalf, your career and the value of your book of business is at risk. This past spring, the Independent Insurance Agents of Iowa were awarded with the "Catalyst Award" at the Big "I" Legislative Conference. Let's prove to those who selected us made the right decision!

Agency Best Practices

The *Best Practices Study* provides dozens of key performance indicators (KPIs) to assess overall operating efficiencies, a major influencer of profitability, growth and valuation. A solid understanding of how these metrics are calculated and why they are important is essential to creating a high-value agency.

Big "I" Best Practices staff recently released the Producer Hiring Calculator to help agencies identify a target number of producers to hire to meet their growth goals. Go to the *Measure Agency Performance page* and click the link to download the calculator in the Organic Growth column.

While there are many places to begin in Best Practices, starting with operational foundations can validate areas of efficiency or identify improvement opportunities.

Here are some key areas your agency should be monitoring:

- 1) Revenue per employee. One of the single most critical KPIs is simply an agency's revenue divided by its full-time equivalent employees. An agency operating at below-average revenue per employee is likely to generate a lower level of profitability than its potential, and it may indicate your agency is over staffed, poorly structured or in need of improved technology, systems and procedures.
- 2) Renewal business. A measure of account retention, renewal business is the percentage of prior period commission and fee income that renewed in the current period. Since organic growth is materially influenced by renewal business, poor results will make meaningful organic growth difficult. Sub-par results may mean an agency has serious servicing issues.
- 3) Book serviced per producer. This measures the average annualized commission and fee income coded to validated producers. The higher the number, the better. If your agency is considering adding producers as part of growth goals, take a look at the *Producer Hiring Calculator*.

4) Revenue per support staff employee. The Best Practices Study also provides benchmark data to assess departmental support staff efficiency. A comparison of departmental revenue serviced per staff employee versus peer agencies is an important way to ensure your agency is rightsized. If not, it may be an indication that your agency's systems and procedures need attention.

The 2022 Best Practices Study, formulas to measure agency performance, and educational webinars *can be found online*. Questions can be sent to *Best Practices staff*.



Reminder – Care4Kids Events

The Iowa Insurance Division reached out to the Big “I” to ask for our assistance in their 2023 Care 4 Kids Initiative.

Check out the remaining dates and locations for these events and let me know if you would like to participate. This includes a forum for day care providers on what type of insurance they need and how to best obtain these coverages.

As opposed to telling people to contact an independent agent in their area, this forum will consist of a group of panels helping in various ways to assist them in their business needs. These events will all be held on Saturday mornings. I have agreed to participate in these events and would certainly welcome assistance from any of you if you see a date/location that works for you. Please contact me directly at Tom.omeara@iiaaiowa.org or 515-402-4032 if you are willing/able to participate.

July 22 – Sioux City

August 26 – Cedar Rapids

September 23 - Davenport

Do You Sponsor a Retirement Plan for Your Agency?

There is a continuous stream of judicial and regulatory developments in the 401(k) plan world with many addressing the definition and duties of a plan fiduciary.

Many plan sponsors mistakenly believe that they are not a plan fiduciary or have outsourced that role to another party. In reality, while steps can be taken to mitigate fiduciary risk, no agency owner can eliminate that role entirely. The Department of Labor expects a plan fiduciary to perform responsibilities that include:

- Acting solely in the interest of plan participants and their beneficiaries with the exclusive purpose of providing benefits to them.
- Carrying out their duties prudently.
- Following the plan documents.
- Diversifying plan investments.
- Paying only reasonable plan expenses.

The Big "I" MEP 401(k) Plan, available exclusively to Big "I" members, has helped many agencies fulfill their fiduciary obligation by reviewing their plan expenses and educating them on the true cost of their plan. In addition, many were able to reduce their recordkeeping and investment expenses. Let us compare your plan to our and industry benchmarks! Don't hide—thrive. Contact us today for a complimentary plan consultation. www.iiaba.net/Retirement



Travelers to Temporarily Pause New BIM Personal Lines Business

Beginning June 15, Travelers will pause all new personal lines business submissions and broker of record changes submitted to Big "I" Markets. Existing policies meeting underwriting guidelines will remain in force, and new lines can be accepted for consideration.

Regardless of the effective date, all Travelers personal lines quote requests or broker of record requests under the Big "I" Markets Auto & Home Standard Markets program must be received by 11:59 p.m. ET on Wednesday, June 14 to be considered. Once the quote detail is created it will remain valid while the account works through the underwriting process.

Note that appointed Eagle Agencies maintaining a sub-code into Travelers' system are not currently subject to this change. However, increased requirements for eligibility may apply, and some codes may be terminated for loss activity. Any changes will be communicated directly with each Eagle Agency affected.

Travelers commercial markets available through Big "I" Markets are also not affected by this change.

Log into www.bigimarkets.com to review the products and carriers available in your state.

Please contact *Karen Lancaster* with any questions or to be notified once Travelers becomes an available carrier to the Auto & Home Standard Markets program through Big "I" Markets.



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