



April 2014



GREAT EXPERIENCE, GREAT RESULTS	1
2014 NATIONAL LEGISLATIVE CONFERENCE PHOTO GALLERY	3
SENATOR JON TESTER RECOGNIZED AS BIG “I” LEGISLATOR OF THE YEAR	4
MONTANA BIG “I” AWARDED DISTINGUISHED EAGLE AWARD	4
WHEN WORDS COLLIDE...RESOLVING COVERAGE & CLAIMS DISPUTES	5
OFFER AN UMBRELLA POLICY	5
ASSOCIATION REMEMBERS RICKEY MART THROUGH SCHOLARSHIP FUND	6
MY KINGDOM FOR A REJECTION FORM	7
BIG “I” LEGISLATIVE CONFERENCE VIDEO	9
MIEF EDUCATION SCHEDULE—NEW CLASSES/WEBINARS ADDED	10

National Legislative Conference

Great Experience, Great Results

 by Bob Biskupiak, Executive Director

The week of April 8th in our nation’s capitol was a fantastic time for the Montana delegation attending the National Legislative Conference.

Warm weather and hitting DC at the height of the cherry blossom blooms was incredible, adding to a great experience for first time and repeat attendees from Montana.

The conference was chock-full of professional development opportunities blended together with the important purpose of meeting with our Congressmen.



The program included presentations by insurance industry leaders along with key U.S. Senators and Representatives.

“A great experience, and very eye opening to see how much the Big I Association does across the nation to ensure our small independent agencies will continue to be viable.”

- Jessica Samuelson, Key Insurance

The group even found some time to do some sightseeing and enjoy Washington at its finest. We of course upheld several traditions, which included congregating at the Dubliner after our meetings on the hill.

[\(Continued on page 2\)](#)

[Return to table of contents](#)

“One of the most eye-opening, informative and enjoyable experiences of my life.”

- Josh O’Shea, Hub International

The Dubliner is one of the highest rated Irish Pubs in Washington, D.C. and the closest pub to the Capitol building.

We were also able to travel to Georgetown and enjoy a group dinner at Old Europe. Many past attendees will recall fond memories of this unique restaurant.

Our group joined over 1,000 other independent agents from all over the country to learn more about current insurance issues, and delivered unified messages to legislators.

The attendees from Montana included:

Bill Price, National Director
First West Insurance (retired)

John Braut, National Director Elect
Wolfe Daniels Insurance, Scobey

Bob Biskupiak, State Executive
IIA of Montana, Helena

Josh O’Shea, YAC Chair
Hub International, Red Lodge

Deanna Darnielle, IIAM President Elect
Darnielle Insurance, Billings

Karla Dedman, IIAM Secretary/Treasurer
Montana Insurance Managers, Anaconda

Jessica Samuelson, Young Agent
Key Insurance, Roundup

Whitney Maphis, Young Agent
HUB International, Missoula

Pat Ryerson, Young Agent
PayneWest Insurance, Great Falls

Aaron Beard, Young Agent
Beard Insurance, Billings

“This trip brought out the importance of a close relationship between government and insurance.”

-Aaron Beard, Beard Insurance

The key issues discussed with Senator Tester, Senator Walsh, Congressman Daines and key staffers included:

Agency Licensing Reform – NARAB II

Terrorism Insurance – TRIA extension

Tax Reform

Insurance Regulations

If you would like a more detailed synopsis of these issues, contact Bob Biskupiak at (406) 442-9555 extension 102 or bbiskupiak@iiamt.org.

It was satisfying to know that several past issues, such as flood insurance extension and crop insurance (farm bill), are gone from our usual list of discussion

items. Efforts by the Big “I” have been critical in moving along legislation related to these topics. The process works – sometimes very slowly, but it does work.

I would like to take this opportunity to share my personal thoughts on the importance of the National Legislative Conference and leadership opportunities in general.

It was an absolute pleasure spending time with the agents from Montana and it without reservation is the most satisfying part of my role at the association!

Based on the strong current leadership and the wonderful young talent rising through the ranks the Montana Big “I” has a bright future.

“Seeing first hand how our country is run was both daunting and exciting.”

-Whitney Maphis, Hub International

National Legislative Conference Photo Gallery



[Return to table of contents](#)



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Senator Jon Tester Recognized as Big “I” Legislator of the Year

by Bob Biskupiak, CIC, CPCU, Executive Director

It was good to be a Montanan attending the National Legislative Conference in April. During the conference Senator Jon Tester was awarded the Gerald Solomon IIABA Legislator of the Year for 2013.

Senator Tester, who is strong supporter of state regulation of insurance, has demonstrated his commitment to small businesses, state’s rights and strengthening the economy.

The Big “I” is specifically grateful for Senator Tester’s leadership and support of the National Flood Insurance Program (NFIP) and his tireless push for the passage of NARAB II. He has been the lead sponsor in the Senate for the NARAB II legislation for the last two



years. The Big “I” bestows the Legislator of the Year Award annually upon a Member of Congress who has provided outstanding leadership on insurance issues.

The award was presented during the annual Leadership Luncheon held at the Capitol.

[Return to table of contents](#)

Montana Big “I” Awarded Distinguished Eagle Award

by Bob Biskupiak, CIC, CPCU, Executive Director

Deanna Darnielle, IIAM President-Elect, accepted the InsurPAC Eagle Award on behalf of the Independent Insurance Agents’ Association of Montana at the recognition ceremony in Washington DC.

The Eagle Award was presented to just 6 state associations for their exceptional level of contributions by insurance professionals to the national InsurPAC campaign.

In 2013 Montana agents contributed \$9,210 for an average of over \$103 per member agency. This is the second straight year Montana has received this distinguished award and we are confident we can make it a three-peat!



The InsurPAC contributions certainly benefit the efforts on a grand scale to pass important insurance legislation, but it also has an indirect benefit for Mon-

(Continued on page 5)

[Return to table of contents](#)

(Continued from page 4)

tana! Three of the ten agents that attended the National Legislative Conference in Washington received scholarships from the national association to help defray the overall cost of attending.

The strong support from Montana agents is the reason we received extra consideration for these financial scholarships.

Our sincere appreciation goes to Perry Wolfe of Wolfe-Daniels Insurance, for his outstanding leadership as our State InsurPAC Chair.

If you have not made your 2014 contribution, [click here](#) to do so now.

[Return to table of contents](#)

when **WORDS** collide *resolving coverage and claims disputes*

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Too often, formal insurance training programs focus on “here's what's covered” and “here's what's not covered.” Insurance practitioners in the real world quickly learn that often there are no clear-cut answers to coverage questions.

Although most insurance claims are straightforward, from the standpoint of coverage, there are many claims where coverage exists (or does not exist) only as a matter of perspective or expectations.

[Return to table of contents](#)



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For more information on the program, or to get set up on PUP Access, contact [Joni Pancoast](#) at (406) 442-9555 extension 105. Program information can also be found on our [website](#).

[Return to table of contents](#)

Association Remembers Rickey Mart through Scholarship Fund

by Bob Biskupiak, CIC, CPCU, Executive Director

The Montana Insurance Education Foundation (MIEF) has set aside the month of April to recognize the Rickey Mart Scholarship Fund. The scholarship was established to provide financial assistance for Young Agents to attend their first Big “I” event.

In February Amber Emmett, Mandeville Insurance; Brad Henderson, Hub International; Whitney Maphis, Hub International; and Jordan Matthews, First West, attended the YAC Leadership Conference with the assistance of this scholarship.

“The Rick Mart Memorial Scholarship allowed me to attend the conference without breaking the bank,” said Brad Henderson, “and has absolutely encouraged me to attend more young agents events and become more involved with the organization.”

Lacey Schmitz, Bishop Insurance, has also been awarded a Rick Mart Scholarship to attend the annual convention this fall.

“This additional resource is a great asset to have to apply to ongoing education costs and requirements.”

-Lacey Schmitz, Bishop Insurance

We encourage all Young Agents to look into this scholarship opportunity for the next Big “I” event.

[Download application here.](#)

The MIEF Scholarship Committee has also redefined the scope and purpose of the Darrell Bjornson Memorial scholarship. Look for more information in upcoming issues of TAGS.

MIEF Scholarship Committee members include Karla Dedman, Montana Insurance Managers; Carol Williams, PayneWest Insurance; Jerri Roney, PayneWest Insurance; Natalia Rogers, MIEF Education Director and Bob Biskupiak, MIEF Executive Director.

[Return to table of contents](#)



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“A Rejection Form, A Rejection Form, My Kingdom for A Rejection Form!”

A Cautionary Tale, with Apologies to William Shakespeare

by Richard F. Lund, JD

In his play "Richard III", William Shakespeare relates the tale of King Richard III in which Richard is unhorsed on the battle field at the most crucial moment.

In a desperate attempt to save himself, he cries out: "A horse, a horse, my kingdom for a horse!" Unfortunately for Richard, no horse is delivered and Henry dispatches him, succeeds to the throne as Henry VII and marries Princess Elizabeth of the House of York.

This very famous story highlights how one asset can be the most important factor in determining the success or failure of a person, especially when timing is critical. For Richard, it was his horse. For you as an insurance agent, while not as noble or glamorous, it can be the coverage rejection form.

While certainly an agent won't lose his life without this form, the financial impact can be devastating. And to the contrary, if such a form is obtained, not only may it save the day, it may also be financially rewarding if you are insured by Swiss Re Corporate Solutions.

A case in point: In 2011, an agent was retained to procure personal auto liability and umbrella coverage on behalf of his customer. The policy had UIM limits of \$250,000/\$500,000 aggregate and an accompanying umbrella policy had a \$1MM limit. At that time, according to the agent, the customer signed a UM/UIM rejection form for the umbrella policy.

Under this particular state law, an applicant must execute a signed UIM waiver form during the application process in order to waive UIM coverage under an umbrella policy.

Additionally, the agency agreement with the insurance carrier expressly stipulated that the agency retain for the period specified in the underwriting requirements, all original, signed applications, driver exclusions, selections and rejections of optional coverage, premium discount documents, vehicle inspection reports, and power of attorney.

(Continued on page 8)

[Return to table of contents](#)





[\(Continued from page 7\)](#)

After the primary and umbrella policies were issued, the customer was involved in a serious accident that resulted in a significant brain injury.

The claimant sought the full \$1MM umbrella limit from the carrier. (Notably under the law of the state, if an insurer fails to pay a first party UIM claim within thirty days, it may be subject to the assessment of double damages).

The carrier contacted the agency to determine if any such waiver existed and after a thorough search, none was found. The carrier was required to pay the \$1MM limit of the umbrella policy and then tendered a \$1MM policy limit indemnification demand against the agency. Due to the agency's inability to locate the waiver and the language of the agency agreement, the claim was paid.

There are two key points to remember from this tale: the first is to always read your agency agreements thoroughly and be fully aware of their terms. The explicit language of the agreement was that it was the agency's duty to retain copies of certain documents and in particular to this case, the waiver of coverage form. Therefore, liability for indemnity to the carrier was absolute.

Had the agency read and understood this provision, perhaps better care would have been taken to ensure that the document was retained.

When you are presented with any written agreement that you must sign in order to be able to do business with a company, be sure to read the document thoroughly and if you have questions concerning the provisions, consult with your own attorney to review and advise you of any provisions you may not understand. In many instances, some provisions may be negotiated if you or your attorney do not believe they properly state or protect your interests.

The second key point is to properly document and retain rejections of coverages. Offers of higher limits can, and would have in this case, prevented a significant exposure in which a claim was later made as it related to the coverage limit. And, if you are insured under a policy issued by Swiss Re Corporate Solutions/Westport Insurance Corporation, you may reap a financial benefit.

Under the Deductible Reduction feature of the policy, if an insured agency generates and maintains contemporaneous written documentation of a customer's refusal to accept any type of coverage or limit recommendation made by the agency, and there is subse-

[\(Continued on page 9\)](#)

[Return to table of contents](#)

quently a claim alleging a failure to secure such recommended type of coverage or limit, then 50% of the deductible relating to that claim will be waived up to a maximum of \$12,500, or until dismissal of the allegations, whichever is first.

For example, in the case above, if the agency had the signed waiver in its file, and an action was brought against the agency and costs were incurred, the agency would have been responsible for only 50% of their deductible. Had the deductible been \$10,000 for example, the agency would have saved \$5,000, perhaps enough to buy a horse!

For more information about how to properly document your files, go to www.iiaba.net/eohappens and look under "Prevention Tools". To learn more about the coverages that you should be offering to your customers, look for the "Virtual Risk Consultant" as well.

Hopefully this has given you a little help so that when you are on the battlefield in your everyday business, you won't end up like Richard III crying out "A Rejection Form, a rejection form, My Kingdom for a rejection form!"

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[Return to table of contents](#)



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Big "I" Legislative Conference Video

Another successful Big "I" Legislative Conference is in the history books. See highlights of the April event in Washington, D.C., and catch some of the excitement from the association's biggest event of the year.

Click on the image to view the video recap.

[Return to table of contents](#)

Date	Location	Seminar Name	Return to table of contents
5/6/2014	webcast	Cyber Insurance	register
5/6/2014	webcast	Meeting the Challenge of Change (E&O, 6 hours)	register
5/7/2014	Missoula	Ethics: Your Client, Your Practice, Your Industry	register
5/7/2014	Missoula	2013 Legislative Changes	register
5/7-10/2014	Missoula	Life & Health Institute	register
5/8/2014	webcast	COPE—Property Underwriting and Effective Loss Control	register
5/13/2014	webcast	Meeting the Challenge of Change, Part 1 (E&O, 3 hours)	register
5/13/2014	webcast	Meeting the Challenge of Change, Part 2 (E&O, 3 hours)	register
5/14/2014	Webinar	When Words Collide...Resolving Coverage & Claims Disputes	register
5/15/2014	webcast	Meeting the Challenge of Change (E&O, 6 hours)	register
5/15/2014	webcast	Nightmares on Insurance Street	register
5/21/2014	Kalispell	Commercial Casualty I CISR	register
5/21/2014	webcast	Ethics in Today's Changing Times	register
5/22/2014	webcast	Meeting the Challenge of Change, Part 1 (E&O, 3 hours)	register
5/22/2014	webcast	Meeting the Challenge of Change, Part 2 (E&O, 3 hours)	register
5/22/2014	webcast	Personal Lines Claims that Cause Problems	register
5/22/2014	webcast	Dueling Additional Insured Endorsements	register
5/22/2014	webcast	Rental Cars: More Than Meets the Eye	register
6/3/2014	Bozeman	Personal Lines Miscellaneous CISR	register
6/3/2014	webcast	Cyber Insurance	register
6/3/2014	webcast	Meeting the Challenge of Change (E&O, 6 hours)	register
6/4/2014	webcast	Dueling Additional Insured Endorsements	register
6/10/2014	webcast	Meeting the Challenge of Change, Part 2 (E&O, 3 hours)	register
6/10/2014	webcast	Meeting the Challenge of Change, Part 1 (E&O, 3 hours)	register
6/11/2014	webcast	Rental Cars: More than Meets the Eye	register
6/12/2014	webcast	Nightmares on Insurance Street	register
6/18/2014	webcast	Ethics in Today's Changing Times	register
6/19/2014	webcast	Insurance and the Property Lease	register
6/19/2014	webcast	Meeting the Challenge of Change (E&O, 6 hours)	register
6/26/2014	webcast	Meeting the Challenge of Change, Part 2 (E&O, 3 hours)	register
6/26/2014	webcast	Meeting the Challenge of Change, Part 1 (E&O, 3 hours)	register
8/20-22/2014	Bozeman	Ruble Graduate Seminar (CIC/CRM designees only)	register