



March 2018

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Intersections: Where E&O Safety Meets Agency Growth

By Virginia M. Bates, March 2018 Issue of ia Magazine

How many errors & omissions classes have you attended? How many times did you walk away thinking, “What a great idea for agency revenue generation?”

The industry offers some great E&O sessions and somewhat fewer great sales seminars. But very few, if any, make the connection between E&O and increasing agency revenue.

In reality, the two business strategies can align well.

The biggest E&O exposure in the industry is failing to offer coverage. “Recommend” and “policy interpretation” allegations make up more than 35% of agency E&O incidents, according to stories from Westport and other carriers.

The biggest agency growth challenge, on the other hand, is improving revenue to match and exceed inflationary cost increases. Sales velocity averages only 12% more before natural attrition of 5-7%, and even Best Practices agencies averaged only 6.9% growth in 2015, according to the latest Best Practices Study.

Agency growth depends largely on three factors: new commission per producer, increased policies per account, and average increase in revenue per account. When producers write more coverage for each new client and CSRs incorporate account development into account management, an agency not only grows, but also protects itself from “failure to offer” allegations.

[Read full article here...](#)

Remember to visit the [E&O Happens](#) Website for exclusive agency risk management resources.

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IIAAM OFFICERS:

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Carrier Relations, Convention

Natalia Rogers, Program Manager

E&O, Worker's Comp, RLI Program, Special
Events, Website Support

Connie Jacobson, Education Coordinator

Continuing Education, Newsletter,
Convention

Mary Vogl, Bookkeeping

Receivables/Payables

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Commercial Property Institute CIC

Radisson Colonial Hotel, Helena, MT

April 9-12, 2018

Call for Details: 406-442-9555 Ext 101

REGISTER HERE!

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SAVE THE DATE!

IIAAM & PIA Montana Joint Conference

October 25 & 26, 2018

- Awards Luncheon
- "Board Game" Trade Show
- Workshop Topics: Technology, EPLI & Much More
- More Continuing Education as Requested!
- Bingo/Poker Night

Come join us for a fun, informative and educational convention.

On Saturday, October 27, 2018 there will be a Tailgate Party at the UM Griz vs. UC Davis football game. Go Griz! Limited tickets will be available for purchase with conference registration.

Look for the conference registration to be open on our [Montana Joint Conference Website](#) soon!

****Title Sponsorship Available!****

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Monthly 2017 Legislative Changes Webinars!

When: Third Thursday of Each Month in 2018

Where: Online Webinar

Instructor: Scott Tuxbury Cost: \$30.00 CE: 1 MT

REGISTER »

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CSI News:

Commissioner Rosendale Approves Significant Decrease In Work Comp Loss Costs

-10.7% Is Largest Decrease in Seven Years

HELENA, Mont. – Insurance Commissioner Matt Rosendale has approved a nearly 11 percent reduction in Montana workers compensation loss costs. The approved loss costs will be used by both private workers compensation insurers and the Montana State Fund in establishing premiums. The 10.7 percent overall average decrease was filed by the National Council on Compensation Insurance (NCCI) and will take effect on July 1, 2018.

“This is fantastic news for Montana’s businesses, from small mom and pop shops to large companies,” Rosendale said. *“This is the biggest decrease we’ve seen in seven years, following the bipartisan reforms I helped pass in the 2011 legislative session.”*

“As someone who spent years in the private sector, I’m incredibly pleased to report this good news. By lowering the cost of doing business in our state, we

improve the environment for creating jobs and opportunity for Montanans,” Rosendale continued.

The approved loss costs will be used by both private workers compensation insurers and the Montana State Fund in establishing premiums.



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Reasons to Buy Your E&O Insurance from the Big “I” Professional Liability Program

Big “I” members enjoy exclusive access to policies designed just for independent agents.

#2



Big “I”
PROFESSIONAL
LIABILITY

For an E&O Proposal contact Natalia Rogers at (406) 442-9555 x106 or nrogers@iiamt.org, or visit

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2017
IN REVIEW



The largest alliance of independent insurance agents in the country.



35
years of
experience



national strategic
partner companies

20+

49

strategic
master agencies

Interested in membership? Contact Dianne Meinhardt
406-761-5002 | dmeinhardt@cogswellinsurance.com

EXCITING NEWS from RLI!!

PUP Eligibility & Underwriting Changes Coming Soon!

You asked, and we listened! We are excited to announce that the RLI Personal Umbrella policy will be making some major eligibility and underwriting changes for new and renewal business with an **effective date of June 1, 2018 and later**. The major changes to our eligibility guidelines are summarized below:

- **Drivers under the age of 20 will be eligible with one (1) incident (violation OR at-fault accident).** Previously, drivers age 20-21 were eligible with one incident, while those under the age of 20 were ineligible. As a result, the yes/no question pertaining to a driver under the age of 20 with an incident has been removed.
- **Drivers under the age of 22 will be eligible with basic underlying automobile limit B (250/500/50 OR 300/300/50 OR 300 CSL).** Previously, drivers under the page of 22 required basic underlying automobile limit of

A (500/500/50 OR 500 CSL). Note that basic underlying auto limit A will continue to give a discount.

- **Up to \$5M limits will be available for certain PUP Special risks.** If a risk is in PUP Special due to the number of autos and/or properties (questions 1 and 2), and no other response(s) make the risk PUP Special, up to \$5M limits will be available. Previously, any response that made the risk PUP Special was limited to \$1M.
- **Up to nine (9) residential properties rented to others that are not occupied in whole or in part at any time will be eligible.** Previously, ownership of six (6) or more of these properties was ineligible. As a result, the yes/no question pertaining to six or more rental properties has been removed.

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- **Simplification of the farm/timberland question.**

Previously, we asked for how many acres of timberland and/or land that is farmed. We have removed that distinction and instead ask for how many acres of land are owned or leased.

- **Simplification of the target political figure question.**

In most states, appointed or elected political figures lower than the state level in a political subdivision with a population above 100,000 were previously ineligible. That distinction has been removed.

- **Increase of the prior liability loss amount for eligibility.**

Previously, the prior liability loss amount for eligibility was \$25,000. Along with re-wording the question to include open liability claims or lawsuits, the

prior liability loss amount has been increased to \$50,000.

All of the changes described above necessitated a paper application refresh. While doing so, we also clarified the wording on several questions and definitions.

[Download new application](#)

It is important to note that the new business applications should NOT be used unless you are requesting an effective date of at least June 1, 2018. We cannot accept the new 10/17 version of the new business application for any business effective prior to June 1, 2018.

Visit the [IIAAM](#) website for the most current rates and quoting portal.

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E&O Roadmap to Policy Analysis* Class Coming To Helena!

April 3, 2018 · Helena · 9am-4pm

The incomparable Casey Roberts is coming to Helena to teach the E&O Roadmap to Policy Analysis class. This course is designed to guide experienced professionals step by step through the process of reading policy language, applying a basic coverage analysis to look for possible gaps in coverage, and understanding advanced coverage issues. It will explain what to look for in terms of wording, punctuation, and formatting, including negative and positive implications of specific wording. In addition, the course will address E&O loss control issues and help the agency look at ways to obtain and retain business.

Learning Objectives

Upon completion of this course, the student should be able to

- understand important contract features in general as well as those specific to insurance policies and how they may or may not affect coverage;
- know the general sections of a policy, their purpose, how they can be modified, and the

importance of each;

- understand how the sections of a policy interact and explain how they work together to determine coverage;
- explain the importance of each area of special interest and how they can affect coverage;
- understand and explain how a program of insurance should be coordinated and why it is important; and understand how all the above impact errors and omissions (E&O) loss control, new sales, and retention of existing business.

When: April 3, 2018, 9am-4pm
Where: Holiday Inn Express, Helena
Questions?

Email: education@iiamt.org
Phone: (406) 442-9555 x 101

6 CE Credits approved

*This course is eligible for the 10% SwissRE/Fireman's Fund Loss Control Credit.



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Date	Topic	CE	LINK	Location
03/15/2018	Cyber Gaps, UASs and TNCs	3	Register	Webcast
03/16/2018	Shake, Rattle, and Roll with it—Earthquake Basics	1	Register	Webcast
3/19/2018	General Homeowners, Section II, Part I	2	Register	Webcast
03/20/2018	COPE—Property Underwriting and Effective Loss Control	2	Register	Webcast
03/20/2018	Ethics in Today’s Changing Times	4	Register	Webcast
03/22/2018	Insurance and the Property Lease	3	Register	Webcast
03/23/2018	Personal Fraud Protection	1	Register	Webcast
03/26/2018	General Homeowners Section II, Part II	2	Register	Webcast
03/27/2018	Rental Cars: More Than Meets the Eye	2	Register	Webcast
04/03/2018	The Guy in the Bar is Back	3	Register	Webcast
04/05/2018	Insurance and the BBQ—The Hidden Connection	3	Register	Webcast
04/11/2018	Business Auto Claims that Cause Problems	2	Register	Webcast
04/12/2018	Workers Compensation Beyond the Basics	3	Register	Webcast

The above calendar is a snapshot of the classes that MIEF offers. For the full calendar, [click here](#).

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AFIS 3: Farm Auto, Workers Compensation & Umbrella Insurance

Returns to Great Falls!

When: April 4, 2018, 9am to 4pm

Where: Holiday Inn, Great Falls

Instructor: Casey Roberts

Continuing Education: 6 Credits

This course examines forms of liability insurance that play an important role in protecting farm and agribusiness operations: vehicle insurance, workers compensation and employers liability insurance, and umbrella/excess policies.

AFIS is a Designation Program . To learn more [click here](#).



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2018 CISR SCHEDULE

Date	Title	Location	Link	CE
3/22/2018	Commercial Casualty II CISR	Missoula	register	7
4/3/2018	Insuring Personal Auto Exposures (CISR)	Billings	register	7
4/19/2018	Personal Residential (CISR)	Great Falls	register	7
5/1/2018	Insuring Commercial Property (CISR)	Billings	register	7
5/15/2018	Agency Operations (CISR)	Missoula	register	7
6/5/2018	Personal Lines Miscellaneous (CISR)	Helena	register	7
9/13/2018	Commercial Casualty I (CISR)	Kalispell	register	7
9/25/2018	Commercial Casualty II (CISR)	Bozeman	register	7
10/11/2018	Insuring Personal Auto Exposures (CISR)	Helena	register	7
10/23/2018	Commercial Casualty II (CISR)	Great Falls	register	7
11/15/2018	Insuring Personal Auto Exposures (CISR)	Kalispell	register	7

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April 9-12, 2018 – Radisson Colonial Hotel, Helena

[Register Here](#)

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