



July 2016

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 Association notices. Education info.
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4 SPEAKERS, 2 ASSOCIATIONS, 1 UNFORGETTABLE CONFERENCE

The Independent Insurance Agent’s Association of Montana and the Professional Insurance Agents’ Western Alliance are holding the first-ever **Joint Montana Conference, October 3-5 in Missoula.**

In recognition of this new insurance industry line-up and the University of Montana’s homecoming weekend, we’ll be celebrating our own homecoming throughout the convention.

Join us for:

NETWORKING

- Pre-convention Golf
- Poker Tournament
- Tradeshow with 30 exhibitors



- Local Tours & Activities
- Banquet

PROFESSIONAL DEVELOPMENT

- Agency Perpetuation & Succession Planning
- 2 Skills You Need to Be Successful as a Producer
 - Legislative Changes
 - Demystifying the Surplus Lines Monster
- Has Personal Lines Become a Commodity?

[REGISTER TODAY](#)
AND MEET US OCTOBER
3RD - 5TH IN MISSOULA
WITH YOUR GAME
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Scholarships Available for Joint Conference

The Montana Insurance Education Foundation has two scholarship programs to assist Montana insurance agents interested in attending the joint PIA/IIAM Conference.

The [Rick Mart Memorial Scholarship](#) is for first-time Young Agents wishing to attend an association event.

The [Darrell Bjornson Professional Development Scholarship](#) assists with professional development of everyone from support staff to producers to agency owners.

Information and applications can be found online at www.iiamt.org/scholarships. [Return to table of contents](#)



The image is a promotional banner for MIEF. It features the MIEF logo (MIEF presents) in the top center. Below the logo, the text reads: "2015 Legislative Changes to Montana Insurance Statutes live online with Bob Biskupiak August 25 • October 20 • November 17 • December 22". The background of the banner shows a close-up of a gavel.

Sherry Hill Named 2016 Outstanding CSR of the Year



AUSTIN, TX (June, 2016)— The National Alliance for Insurance Education & Research has announced that Sherry Hill is the 2016 Outstanding CSR of the Year recipient for the state of Montana.

To qualify for the top state honor, Sherry Hill submitted the winning essay on the following topic:

"Many in our industry came into insurance by chance, but have built a career by choice. How did you come into the industry, and what are four reasons you stayed and built a career?"

Additionally, Sherry Hill was selected for having demonstrated outstanding service and professionalism within the insurance community.

Sherry Hill began her insurance career as a customer service representative in 2008 at Hobson Insurance and obtained her Certified Insurance Service Representative designation in 2012. Sherry is an outstanding member of the commercial lines team at Hobson Insurance in Hobson, MT. Sherry is now one of 42 individuals eligible for the national CSR of the Year. The winner receives a \$2,000 cash prize, along with a scholarship for their employer. For further information, contact the National Alliance at 800-633-2165.

Do You Volunteer Your Time AND Insurance?

Directors & Officers Insurance

by Dennis Gambill

Directors & officers of a corporation may be subject to personal liability for acts performed in their duties as an officer or director. These liabilities can be divided into two types – liabilities for which the corporation may **indemnify** the directors or officers and those liabilities for which indemnity is not available.

Some examples of this latter issue are; intentional breach of the duty of care to the corporation, of the duty of loyalty to the corporation, misappropriation of corporate assets for personal use, or actual conflict of interest.

Indemnification of directors or officers means that the corporation will provide for expenses incurred and amounts paid in defending claims brought against them for actions taken in good faith on behalf of the corporation.

In Montana, two separate statutes allow or mandate this indemnification: **MCA 35-1-452. Authority to indemnify**, and **MCA 35-1-453. Mandatory indemnification**. While the corporation may be allowed to indemnify, it must also take care to protect its balance sheet. To this end, insurance can be purchased to provide a risk transfer.

Directors & Officers Insurance, D & O, may be secured to cover the liabilities of the corporation as well as the personal liabilities of the directors & officers of the corporation. The D & O coverage provision that provides individuals with insurance protection is referred to as **Side A** coverage. This allows for protection when

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Company Partners

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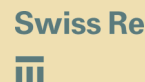
PLATINUM



GOLD



SILVER



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indemnification is not available, such as insolvency or a shareholders' derivative suit (a suit brought by a shareholder on behalf of the company, naming the directors & officers as defendants).

The insurance policy's provision for reimbursement of a company's indemnification obligations is referred to as **Side B** coverage. In recent years a third coverage has been added, **Side C**. Generally, this provides insurance protection for the corporation's own liability exposures. For public companies, Side C coverage is usually limited to just the company's liabilities under the securities law. Sides B & C essentially operate as balance sheet protection for the company.

Generally, public entities don't need to be persuaded that their company needs D & O insurance if their securities are publically traded.

Private companies, however, feel differently, particularly those that are closely held. They do not believe they will ever be involved in a D & O claim.

Most of these companies have a very small number of shareholders. However, D & O plaintiffs also can include customers, vendors, competitors, suppliers, regulators and creditors. In our litigious society, just about anyone is prospective claimant!

Most D & O policies have evolved into a modular managed liability policy. A policy may contain separate coverage parts for each of the various management liability coverage's such as D & O, EPL, Fiduciary, Crime, etc. The primary question here is with respect to the limits of liability if you select a multiple cover-

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age policy. Should you choose a policy with a single, combined aggregate limit for all the coverage parts you select? Or a policy with separate limits applying to each part? The cost for the latter will probably be higher, but sometimes when things go wrong, multiple coverage areas could be involved. The choice will naturally be up to the insurance buyer – just make sure you are provided with the cost options for both choices!

Most states, including Montana, have adopted statutes providing individuals who serve as directors on nonprofit boards with limited immunity from liability. (Montana: **MCA 27-1-732. Immunity of nonprofit corporation officers, directors, and volunteers.**) The immunity will not apply to the nonprofit corporation itself.

A nonprofit corporation, under the Montana statute, means an organization exempt from taxation under section 501(c) of the Internal Revenue Code or one that is eligible or has been granted tax-exempt status by the department of revenue under the provisions of MCA 15-31-102.

When you are asked to serve on a board of directors it is certainly to your benefit to inquire about D & O insurance coverage.

The inquiry should be more than just – Is it available? – but, its coverage and exclusions, coverage limits, and how long it has been carried. Even the quality of the insurer can be an important question. D & O policies differ from one

insurer to another, so there is no “standardized” approach to buying D & O insurance. Ask questions! The organization’s broker or counsel should be able to provide the necessary answers.

Dennis Gambill is an insurance litigation consultant (expert witness). He previously was a property/casualty underwriter and insurance agent. He also was an adjunct professor at Eastern Montana College

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New FLSA Requirements for Tracking Employee Overtime

by Steve Anderson

As you may know, the Department of Labor has updated the "Overtime" rule contained within the Fair Labor Standards Act (FLSA). These new rules become effective December 1, 2016. The FLSA sets minimum wage, overtime pay, recordkeeping, and youth employment standards for employment subject to its provisions.

I have received a few emails asking for guidance because of the upcoming rule change. Here's an example:

Good morning, Steve!

I have a question rather than a tip. With the upcoming Department of Labor Overtime Rule, our agency is contemplating installing a computer time clock program to accurately track and manage hours for our employees.

Do you know of any such programs that you would recommend?

You should consult an employment attorney to determine what rule-keeping requirements your agency is required to follow.

According to the Department of Labor, every covered employer must keep certain records for each nonexempt worker. The Act requires no particular form for the records but does require that the records include

certain identifying information about the employee and data about the hours worked and the wages earned.

So you do not need work time-tracking software. However, it may be much easier to follow the requirements of the rule if you have it.

If you have not taken the time to understand the changes in this rule, the Department of Labor has created a comprehensive [Question and Answers website](#)

A fact sheet specifically addressing the recordkeeping requirements under the FLSA is [available here](#).

I have done a bit of research on various [vendors that provide timekeeping solutions](#). This list is by no means comprehensive. However, my hope is that it will give you a place to start if you decide your agency should add a work time-tracking solution.

As a reminder, many of your existing clients are facing the same issue. This may be an excellent opportunity to provide them with information and additional resources.

You also might want to wait a bit before committing yourself to a record-keeping solution. There is a group of House Democrats that are pushing back on the DOL rules. Here is an article in the [Independent Agent Magazine](#). [Return to table of contents](#)



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Bill Wilson Honored With Jeff Yates Award

The Independent Insurance Agents & Brokers (IIABA or the Big “I”) has awarded Bill Wilson, CPCU, ARM, AIM, AAM, with the Jeff Yates Lifetime Achievement Award, the highest honor the association bestows on a non-agent, for a lifetime of work in the independent agency system.

Wilson is Big “I” associate vice president of education and research and Virtual University director. He works via remote for the association from his home office in Gallatin, Tennessee.

“The Big ‘I’ is proud to present Bill Wilson with the Jeff Yates Lifetime Achievement Award for his remarkable career dedicated to the independent insurance agent community,” said Randy Lanoix, Big “I” chairman and president of Lanoix Insurance Agency in Lutcher and Brusly, Louisiana.

“Bill is one of the premiere insurance educators in the country and has helped thousands of agents nationwide—from Hawaii to Rhode Island—on a variety of issues including insurance coverage technical matters, agency management concerns and more through the VU’s ‘Ask an Expert’ service and has given hundreds of seminars, workshops and convention presentations.”

Wilson joined the Big “I” team in 1999. He previously served as director of education and technical affairs for the Insurors of Tennessee and was a licensed insurance and surplus lines agent.

Wilson’s professional affiliations include having served as president of the Middle Tennessee Chapter of CPCU, board member of the national CPCU Society, PMLG of the Honorable Order of Blue Goose, Intl., member of the Big “I” National Education Committee,

member of the Certified Insurance Service Representative (CISR) National Advisory Committee, member of the Society of Insurance Trainers and Educators (SITE) and its SITE Journal editorial committee, member of the National Writers Association, chairman of the Tennessee Insurance Commissioner’s Education Advisory Committee, member of the Middle Tennessee State University Insurance Liaison Committee, member of the Nashville State Technical Institute’s Financial Services Advisory Committee, member of the National Underwriter’s FC&S Editorial Advisory Board, and an instructor for insurance and risk management programs for Tennessee State University and Nashville State Technical Institute.

Wilson is a recipient of the CPCU Society’s George M. Gottheimer Memorial Award which is presented periodically to a CPCU Society member who has made an outstanding contribution to the field of insurance education, risk management or insurance consulting.

“Bill has been quoted in hundreds of news stories and his writings published in dozens of trade and business publications,” continued Lanoix. “Many in our industry and the media view him as the ultimate insurance guru and we are tremendously lucky to have him on our team.”

The Jeff Yates Lifetime Achievement Award was established in 2013 in honor of Jeff Yates, a 39-year veteran of the Big “I” who served in numerous capacities within the association from 1975 to 2014.

Bill Wilson will be speaking at this year’s Joint IIAM/PIA of Montana Conference in October. Register today at www.mtjointconference.com

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MIEF Board of Directors Welcomes New Trustees

The Montana Insurance Education Foundation, Inc. would like to introduce your 2016-2017 Board of Directors and Trustees:

Stacy Juelfs, President

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juelfss@msagroup.com

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Karla Dedman, Secretary/Treasurer

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Scot Solberg, Immediate Past President

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Chris Campbell, Trustee

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Lois Lee, Trustee

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(406) 556-4614
llee@paynewest.com

Jodi Tierney, Trustee

Mid-Montana Insurance
Harlowton, MT
(406) 632-4366
Jodi@midmontanains.com

We’d like to extend our warmest thanks to the outgoing board members listed below for their many years of service to the board and the Montana Insurance Education Foundation:

Kristy Hodik, Hobson Insurance

Alexie Belote, Hub International and

Carol Williams, PayneWest

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Montana Insurance Education Foundation

EDUCATION CALENDAR

Event Name	*pending approval	Date	CE	Location
Ruble Graduate Seminar (CIC)		8/3-5/2016	16	Bozeman
Commercial Lines Claims That Cause Problems		8/4/2016	2	Webcast
Emotional Intelligence & Negotiations (Sales Teams)		8/9/2016	1	Webinar
Emotional Intelligence (Leadership)		8/9/2016	1	Webinar
Environmental Strategist Part 1 - Managing Environmental Exposures		8/9/2016	1	Webcast
Insurance and BBQ - The Hidden Connection		8/16/2016	3	Webcast
Environmental Strategist Part 2 - Strategies for Managing Environmental Exposures		8/16/2016	1	Webcast
Dueling Additional Insured Endorsements		8/17/2016	1	Webcast

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Event Name	*pending approval	Date	CE	Location
Home Based Business Exposures		8/23/2016	2	Webcast
Fixing Commercial Lines Coverage Gaps		8/23/2016	2	Webinar
Environmental Strategist Part 1 - Managing Environmental Exposures		9/6/2016	1	Webcast
COPE - Property Underwriting and Effective Loss Control		9/14/2016	2	Webcast
Personal Residential (CISR)		9/15/2016	7	Kalispell
Insurance and BBQ - The Hidden Connection		9/20/2016	3	Webcast
Environmental Strategist Part 2 - Strategies for Managing Environmental Exposures		9/20/2016	1	Webcast
Dueling Additional Insured Endorsements		9/22/2016	1	Webcast
Commercial Casualty I (CISR)		9/29/2016	7	Bozeman
IIAM/PIA Joint Agents Convention		10/3-5/2016	var.	Missoula
Environmental Strategist Part 1 - Managing Environmental Exposures		10/4/2016	1	Webcast
Relieve Stress with Time Management and Workflow (Sales Teams)		10/11/2016	1	Webinar
Creating a Multi-Generational Workflow (Leadership)		10/11/2016	1	Webinar
Insuring Commercial Property (CISR)		10/13/2016	7	Helena
Insurance and BBQ - The Hidden Connection		10/18/2016	3	Webcast
Commercial Lines Claims That Cause Problems		10/20/2016	2	Webcast
Dueling Additional Insured Endorsements		10/21/2016	1	Webcast
Environmental Strategist Part 2 - Strategies for Managing Environmental Exposures		10/25/2016	1	Webcast
Home Based Business Exposures		10/27/2016	2	Webcast
Commercial Casualty II (CISR)		10/27/2016	7	Missoula
Environmental Strategist Part 1 - Managing Environmental Exposures		11/1/2016	1	Webcast
Ethics		11/2/2016	3	Billings
2015 Legislative Changes to Insurance Statutes		11/2/2016	1	Billings
<u>Commercial Multi Lines Institute (CIC)</u> NEW TOPIC		11/2-5/2016	20	Billings
Dueling Additional Insured Endorsements		11/14/2016	1	Webcast
Insurance and BBQ - The Hidden Connection		11/15/2016	3	Webcast
COPE - Property Underwriting and Effective Loss Control		11/16/2016	2	Webcast
Personal Residential (CISR)		11/17/2016	7	Missoula
Environmental Strategist Part 2 - Strategies for Managing Environmental Exposures		11/29/2016	1	Webcast
Environmental Strategist Part 1 - Managing Environmental Exposures		12/6/2016	1	Webcast
Referral Lead Generation in 2017 (Sales Teams)		12/6/2016	1	Webinar
Interview Tips to Find Your Top Hires in 2017 (Leadership)		12/6/2016	1	Webinar
Commercial Casualty I (CISR)		12/6/2016	7	Great Falls
Environmental Strategist Part 2 - Strategies for Managing Environmental Exposures		12/13/2016	1	Webcast
Home Based Business Exposures		12/13/2016	2	Webcast
Commercial Lines Claims That Cause Problems		12/14/2016	2	Webcast
Dueling Additional Insured Endorsements		12/20/2016	1	Webcast
Insurance and BBQ - The Hidden Connection		12/20/2016	3	Webcast

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