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## Louisiana Agent January 2019

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#### Big I Secures Tax Break for Pass-Through Agencies

BY JENNIFER WEBB

The IRS issued final regulations governing Section 199A of the tax code. The rule confirms that owners and shareholders of insurance agencies and brokerages organized as pass-through entities are eligible for a tax deduction of up to 20% on "qualified business income"—regardless of taxable income level. The deduction is available for taxable years 2018 through 2025.

The new deduction reduces the top effective tax rate on pass-through income to approximately 29% from 37%. For those in the 24% bracket, it can reduce the rate to as low as 19.2%.

The regulation is a significant government affairs victory for Big "I" member agencies. Since passage of the 2017 tax reform law, the Big "I" has been aggressively advocating before Congress and the Trump Administration to ensure that insurance agencies and brokerages organized as pass-through entities fully benefit from tax reform.

The final regulation is substantially similar to a <u>draft</u>

regulation released in August. Under the regulation, owners and shareholders of insurance agencies and brokerages where the owner or shareholder's annual taxable income does not exceed \$315,000 for joint filers and \$157,500 for single filers in 2018 can take a 20% deduction on qualified business income.

For insurance agencies and brokerages where the owner or shareholder's annual taxable income exceeds these levels, the deduction is available for qualified business income derived from the sale and servicing of insurance products. However, the deduction may be limited on income derived from consulting or financial services activities if that non-traditional income exceeds certain de minimis thresholds. Additionally, above these same income levels, the total amount of the deduction cannot exceed 50% of employee W-2 wages, or 25% of W-2 wages plus 2.5% of capital assets, such as tangible

Continued page 6



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property purchased for the business—whichever is greater.

Owners and shareholders of insurance agencies and brokerages organized as pass-through entities can take full advantage of the 20% deduction, no matter their taxable income levels, because the IRS does not consider the sale and servicing of insurance products to be a "specified service trade or business." Other professions such as doctors, lawyers, accountants, stock brokers and certain consulting and financial advisory activities are a "specified service trade or business" under the regulation.

Owners and shareholders of "specified service trades and businesses" with annual taxable income between \$315,000 and \$415,000 (joint) and \$157,500 and \$207,500 (single) will slowly see the deduction phased out. Those above \$415,000 (joint) and \$207,500 (single) are prohibited from utilizing the new deduction.

While a major victory Big "I" members, the regulations are complex. The Big "I" encourages members—especially those who derive income from non-traditional activities—to consult a tax

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professional to determine how the new deduction specifically impacts their businesses.

<u>Jennifer Webb</u> is Big "I" federal government affairs counsel.

## Producer Recruiting and Development - A Necessity

Producer recruiting and development continues to be a necessity for agents and brokers. Why is this? Producers are the lifeblood of the agent and broker business. They produce the revenue that allows others to be employed. They are analogous to the machinery in a manufacturer or the source code in the software world. Without them, the company does not exist. As our industry has continued to age, producer recruitment has received additional attention, as production talent is not only needed to generate new business, but also to retain the revenues originated by retiring producers.

This is an issue for all agents and brokers, regardless of size. In 2018, we were able to represent several agents and brokers that decided to partner with larger, national firms. During the evaluation process, sellers often ask the potential partners about their current strategic priorities. Almost without exception, producer recruiting and development is at or near the top of the list. This is the #1 issue for the industry, perhaps now more than ever.

Regardless of the demographics, trends or what others are doing, some firms still have not embraced producer recruiting and development, with one broker executive stating, "producer recruiting and development is one of the worst investments an agent or broker can make." Others have embraced producer recruiting and development, but not at levels that will sustain them into the future.

So, what is an appropriate level of producer investment? While the answer varies for every firm, depending on their demographics and past hiring practices, we developed a metric called the Net Unvalidated Producer Payroll, or NUPP, that serves as a good benchmark. It is a simple calculation that is demon-

Continued page 8

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		Agency's		Guaranteed	
	<b>Book of</b>	Blended	Validated	Annual	Unvalidated
Producer	Business	<b>Commission Rate</b>	Compensation	Compensation	Compensation
Producer 1	50,000	28.0%	14,000	60,000	46,000
Producer 2	100,000	28.0%	28,000	125,000	97,000
Producer 3	9,000	28.0%	2,520	40,000	37,480
Producer 4	8	28.0%	20	50,000	50,000
Total	159,000		44,520	275,000	230,480
Agency Net Rev	enue/	10,000,000			
NUPP 2.30% C - (A x B) / Net Revenue					

We advise clients to target a NUPP between 1.5% and 2.0% as an on-going level of investment. These levels of investment produce tangible results and ensure long-term sustainability, as well as value creation.

To test this recommendation and to provide some data from clients who push back on this level of investment, I recently analyzed the most recent results of the 2017 Reagan Value Index (RVI). The RVI is a select group of approximately thirty privately-held independent agents with a median net revenue of \$30,000,000

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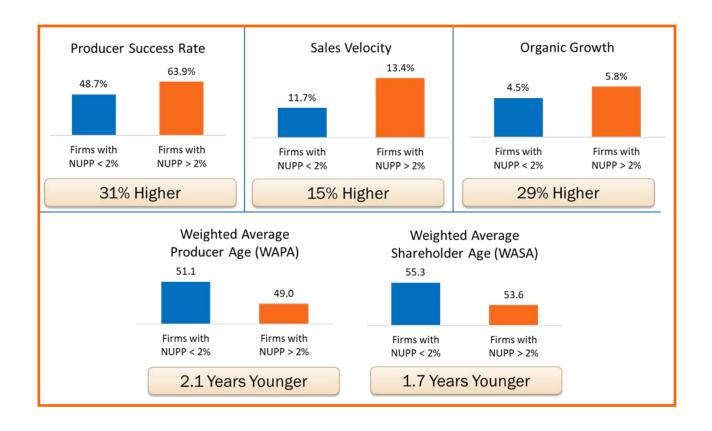


for whom Reagan Consulting performs annual fair market valuations. In one data set I evaluated RVI firms with a NUPP less than 2.0%, and in another RVI firms with a NUPP of 2.0% or greater. As it turns out, those with a 2.0% or greater NUPP are experiencing materially higher success across the board and generating better returns for their shareholders. Here is a look at the key findings:

Producer recruiting and development works, not just for ensuring the sustainability of your firm, but for generating strong shareholders returns as well. Regardless of the path you choose, it is a necessity.

Author: Brian McNeely, Partner

Source: Reagan Consulting



#### 2018 Agent Success Stories

What can your Trusted Choice subscription do for you?

Agents from across the country are embracing the referrals they received from Trusted Choice and writing new business. Agents are getting up to 4 referrals monthly for consumers looking for auto, commercial lines, contractors, etc.

This YouTube video highlights just a few of the Trusted Choice success stories including agent testimonials from Arizona, Texas, North Carolina, Louisiana, Georgia, Tennessee, Mississippi, New Jersey, California, etc.

From these referrals premiums range from \$12,000 to \$140,000 working with companies such as Safeco, Liberty Mutual, Travelers, AmTrust, CNA, EMC, etc.

But don't take my word for it — listen to your peers!!

Check out this YouTube Video.





#### Trusted Choice Opens 2019 Marketing Reimbursement Program

Trusted Choice® continues to ease the financial burden for independent insurance agents by providing marketing tools and offsetting the costs through the Marketing Reimbursement Program (MRP).

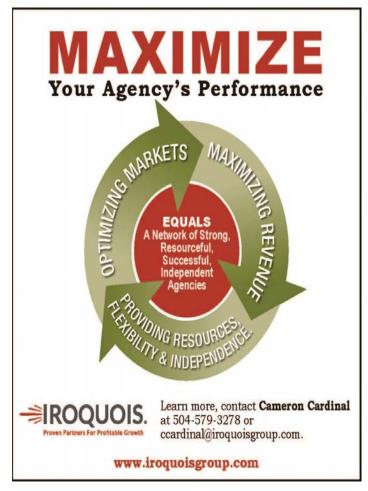
New members and first-time MRP users can receive up to \$1,250 by cobranding their advertising and marketing efforts using the Trusted Choice logo and branding materials.

The 2019 MRP follows a two-tier structure:

• Tier 1: Members can receive up to \$750 for using the Trusted Choice logo on any consumer-focused items, including but not limited to Freedom Campaign ad materials, promotional items, original advertising (non-Freedom Campaign ads), and collateral items like business cards or stationery. Available for new and first-time MRP users only.

Tier 2: Members can receive up to \$500 for a digital upgrade using our new partner web.com or, until the templates are ready, any other web developer or vendor, including updates to an agency website, social media or mobile app. The digital upgrade must include the Trusted Choice logo.

For information about the MRP application or guidelines, email Jo Buckley, Trusted Choice member advocate.





#### Blockchain is No Fad

Many people associate blockchain with cryptocurrency, but it is rapidly evolving into a method of recordkeeping for the insurance industry. While the largest brokerages and insurers may be leading the way in development, it is a near-term issue for smaller agencies as well. Take a look at some basics of blockchain and how it is becoming more prevalent in our industry in this new Forbes article. From efficiencies to auditing and verification, blockchain will emerge as an operating norm. We're all best served by becoming comfortable with blockchain now.

Insurance Interrupted: How Blockchain Innovation is Transforming the Insurance Industry

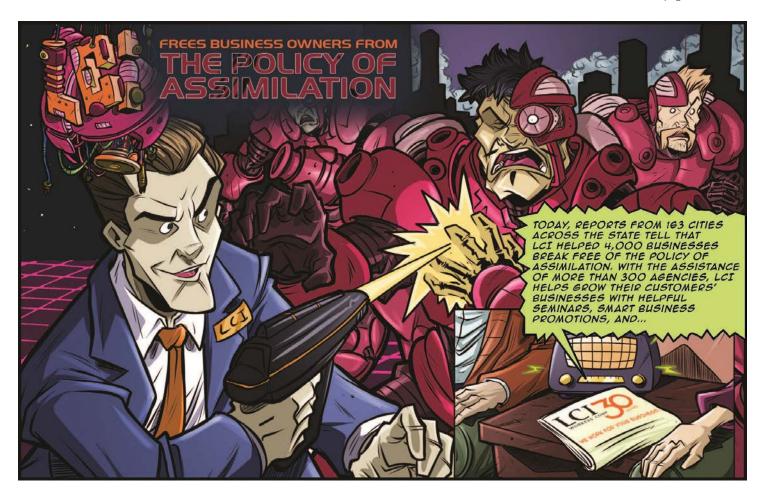
Blockchain innovation is taking hold in the insurance industry. And, it just might be the rocket fuel for transformative change in the insurance sector.

According to Walid Al Saqqaf, founder of InsureBlocks, a leading educational resource for blockchain in the insurance industry, blockchain technology will become the foundational layer for a new way of doing insurance business. Additionally, when combined with artificial intelligence, Internet of Things (IOT) and machine learning, the possibilities are limitless.

The decentralized nature of blockchain technology allows participants to share data securely and on a confidential basis (when needed) which enables novel customer-centric insurance products and streamlined services that are more efficient and provide greater value to clients.

On one end of the spectrum, traditional insurers have organized to create use cases that reconsider traditional insurance operations on a distributed ledger. On the other end, insurance-tech entrepreneurs seek to disrupt the status quo by deploying blockchain technology to

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reimagine how insurance products are created, funded, and delivered.

So far, the incumbents and entrepreneurs have launched only a handful of new products and use cases deploying blockchain technology. But, momentum is building.

This article takes a closer look at some of these innovators and considers their different paths towards reforming the insurance industry, starting with B3i, (Blockchain Insurance Industry Initiative), the insurance technology company which was formed initially as a consortium comprised of the leading insurance and reinsurance companies.

Susan Joseph, B3i North America Representative, explains that B3i is planning a robust blockchain-enabled ecosystem, first in the reinsurance sector, and then in commercial insurance. B3i will own the infrastructure and build products and services for its members that automate labor-intensive and inefficient processes.

Its first product, which covers catastrophic excess of loss, will be launched in January with live contracts trading on a production grade system. According to Susan, this is the first large scale blockchain production across the insurance industry that allows reinsurers to transact business with more efficient risk transfer.

In the reinsurance marketplace, the primary insurer routinely cedes some of its risk exposure to reinsurers, including catastrophic risk such as fire, or hurricanes or some other devastation, which is covered in an agreement between the insurer and the reinsurer. Currently, the process is managed by brokers, and largely paper driven with all of the transacting parties reconciling amounts owed independently.

Susan explains that the new B3i catastrophic excess of loss product moves that process to a blockchain, with all parties in the insurance ecosystem participating, including brokers. Smart contracts model rules governing reinsurance of risk exposure for catastrophe excess of loss, and managing the premiums paid by primary

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\*Excludes liability coverage associated with these features.



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#### 2019 Insurance Producer Licenses Renewal Process

The 2017 Legislative Session brought changes to the insurance producer license renewal process.

Beginning in 2019 all licensed insurance producers whose license number ends in an odd number will be required to renew their license prior to the last day of their birth month.

An additional change is that you now can renewal your license up to 90 days in advance of your renewal. Your license renewal is valid for all lines of insurance that you are licensed for.

The fee to renew your license is as follows:

- 1) \$50.00 to renew one line.
- 2) \$55.00 to renew two or more lines.

Although you may have renewed your license in 2017 or 2018 you will have to renew your license again in 2019 (if your license number ends in an odd number) and have the necessary continuing education credits.

Producer license application fees will no longer be based on lines of authority.

The application fee will be \$75.00 with the exception of Surplus Lines and Portable Electronics.

- Surplus lines application fee remains \$250.
- Portable Electronics remains \$200.

Adding a line to an active license will be \$50.00.

No change to fees for Claims Adjusters.

#### Changes to Appointment Renewals

New procedures shorten the timeframe between invoice date and renewal and eliminated the need for supplemental renewals.

The appointment renewal date remains 4/30; however the invoices will now be generated at the end of March instead of in January.

Producers that are newly appointed after the generation of the invoice will have appointments expire the following year. There will no longer be a need to re-appoint to avoid expiration.

Any questions regarding these changes can be directed as follows:

Lorie Gasior 225.219.7784 Igasior@ldi.la.gov

Producer Licensing 225.342.0860 producerlicensing@ldi.la.gov

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If your license number ends in an odd number you renew on your birth month in 2019 and if your license ends in an even number you renew on your birth month in 2020—either way you will need 24 hours of CE to renew your license.

#### In the classroom....

IIABL classroom offerings include the E&O Risk Management seminars which are offered in



locations twice a year in the spring and fall each year.

Our Education Conferences are expanding and we now offer 3 education conferences for your convenience in 3 different locations: Baton Rouge, Shreveport and New Orleans.

You can earn 9 CE hours at the IIABL Annual Convention held in June each year or 6 CE hours at the Louisiana/ Mississippi Young Agents Conference.

#### IIABA's Virtual University...

Most agencies have employees with different levels of insurance knowledge.

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- Contractors, Contractors, Contractors
- Cyber Liability: the 21st Century Peril
- Builders Risk and Installation Coverage

These are just a few of the outstanding courses offered each month.



insurers. In the next phase, smart contracts will operationalize claims processing on the block-chain, eliminating the need for separate contracts and massive reconciliations; participants will have the ability to trade their risk through the B3i system. Susan further explains that "by reducing friction, customers are better served through the increased efficiency, contract certainty, and better quality data."

B3i started with a small group of 15 major insurers and reinsurers who were already working on smaller, independent blockchain projects. They came together to explore how they could collaborate, and then invited about 20 additional participants to join, including brokers. In March 2018, B3i incorporated as a limited company registered in Switzerland, and now is in the final stages of a capital raise. B3i is taking a market view as it creates efficiencies in the industry and involves market participants to solve business problems.

Susan sees the broad and far reaching implications of the new B3i blockchain product: "Businesses can operate in the face of big risk because they are able to insure against their risk

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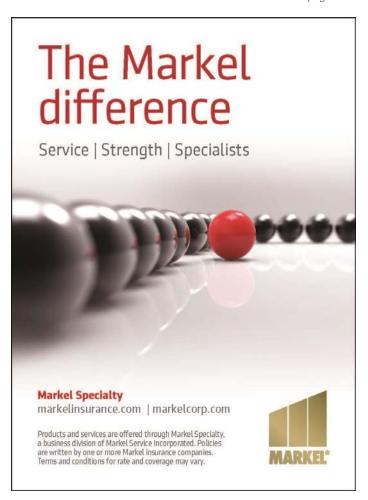


800.627.0000 x 4900 bankersinsurance.com exposure. Insurers don't hold onto all the risk either, they reinsure. Blockchain technology will have a direct and cascading positive effect that will impact not only the insurance industry, but commerce globally."

As a result of B3i's innovation, businesses that suffer losses from the most destructive disasters will be less likely to suffer twice as a result of disagreements among reinsurers and the primary insurer. B3i's catastrophic excess of loss product answers the question of who owes what amounts in the event that reinsurers are required to payout on a policy when there has been a catastrophic event.

The Institute's RiskBlock Alliance, is another industry-led group (comprised of 34 insurers and brokers in the property and casualty space) that seeks to create blockchain-enabled solutions for real-world problems. Christopher McDaniels, president of the RiskBlock Alliance reports that RiskBlock Alliance has created a blockchain-based framework called Canopy, comprised of intercon-

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necting blockchains, each of which pertaining to a different category of the insurance sector (across different geographic areas).

The first application on Canopy enables proof of insurance for auto which allows drivers and law enforcement to confirm insurance coverage in real time. The second application covers first notice of loss which streamlines the initial process of filing a claim. Christopher emphasized that, although the first two applications are exciting, the launch of Canopy is revolutionary, adding "the differentiator here is that with Canopy there is one set of plumbing upon which all applications across the insurance industry can be built." The first group of insurers, including US Life and Annuity, and Property and Casualty Canada, are currently testing the Canopy technology with an expected launch date this spring. Christopher believes that insurance companies stand to save hundreds of millions with this new technology.

In contrast to B3i's and RiskBlock Alliance's blockchain-based applications which make current processes more efficient, insurance disruptors seek to deconstruct the industry altogether with novel insurance products and greater participation by investors and insurance brokers.

What does decentralized insurance look like?

Take the Etherisc platform, for example. Etherisc developed smart contract tools to create bespoke insurance policies on the Ethereum blockchain. The first application, FlightDelay, enables users to obtain insurance against the risk that their flight will be delayed or cancelled. Individuals purchase the insurance policy using a credit card and, in the event their flight is delayed by 45 minutes or more, they are paid automatically without any need to submit additional paperwork.

Another Etherisc application allows Puerto Ricans to insure their homes against hurricane risk for up to \$5,000. Under the policy, insureds receive an automatic payout if their homes are damaged by a hurricane, as validated by an agreed upon weather source. The developers of this policy are currently seeking investors to underwrite the risk.

Continued page 19



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And then there's Black Insurance: CEO Risto Rossar, an ex-insurance broker, started the company to empower brokers who want to engineer new insurance products. The Black Insurance platform connects brokers with investors to cover the risk. Risto explains that his business model replicates that of Lloyds of London with the very same building blocks: brokers, syndicates and investors. Black Insurance does not take on insurance risk, but rather provides the platform that issues and tracks the products and the underlying loan agreements between the syndicates and the investors. Smart contracts capture the rules governing the loans so that the entire value chain can be automated, everything from the insurance premiums to the interest payments made to investors. Syndicates are formed by insurance professionals who already have a book of business.

According to Risto, it is impossible for brokers to get insurers to change their underwriting principles. But the Black Insurance platform enables brokers to make their own investment

decisions. "They will have skin in the game. If they get it wrong, they have the pain, but they also enjoy the success. Now, only the insurer decides which products to offer."

Risto explains that the insurance industry is dominated by a few players with little motivation to innovate. And, because insurance is a massively regulated industry, the regulations provide additional barriers to innovation. Regulations are not the most difficult obstacles, suggests Risto, "the biggest barriers are the capital requirements. Entrepreneurs need \$5-10 million to launch new insurance products. That's what makes it so difficult, the extreme capital requirements."

Looking forward, Risto predicts that "the insurance market of the future will not be controlled by big corporations. It will be democratized. Regular people will be able to invest in insurance-linked securities." Risto anticipates that the first syndicate will be up and running on the Black Insurance platform by the end of 2019.

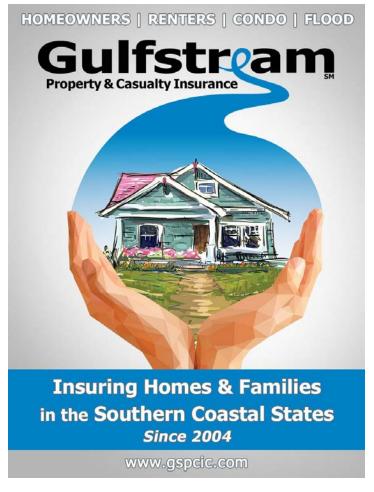
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The opportunity to join 800 liked-minded independent agents is coming to Louisiana. Elevate 2019 comes to New Orleans on March 24-26, 2019.

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"Hands down the BEST conference I have EVER been to. I was blown away by what people in our industry are doing."

"This is quickly going to become the only insurance conference agents need to attend....your one stop shop."

Featured speakers are:

Donald Miller with StoryBrand, an NYT best seller that has helped businesses quadruple in revenue.

Billy Williams with Williams Family Investment Group will share his business development secrets that enabled him to take agencies from \$2—\$10 million to \$30 mil.

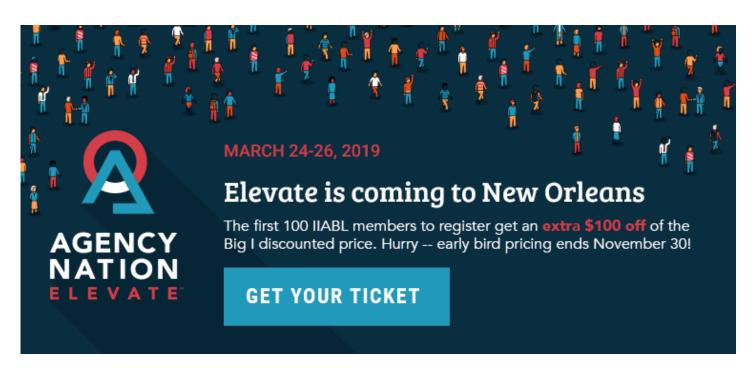
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In the future, when barriers to capital are lifted thanks to decentralized networks, brokers will compete freely to provide new types of insurance products that are more finely tailored to meet society's changing needs. Investors outside of traditional insurance circles will have unfettered opportunity to underwrite risk and enjoy the upside of insurance-linked investments. Blockchain technology spurs this sea change because of its distributed nature, allowing all participants to be connected on a single platform without middlemen to bridge capital and insurance risk. And, as new blockchain-enabled products and use cases prove their value, more participants in the insurance sector will fall in line, acknowledging that to stay idle is to fall behind.

Walid reports that the insurance sector is abuzz with innovation, and points to Insurwave, a block-chain platform that was developed for marine hull insurance, as a prime example of game changing innovation, as well as Nexus Mutual which advertises itself as, "a decentralized alternative to insurance." Based in London, Nexus Mutual is building a tokenized community that enables individuals to share risk collectively.

In predicting who the winners and losers will be, Walid suggests that it is the customers who will win because blockchain technology galvanizes backend efficiencies, reducing costs, and ultimately leading to new products that close the protection gap. He explains that if you can bring down the cost basis, you can insure more people. And, when you combine blockchain and IOT you can insure against <u>risk</u> in real time, allowing policies to be modified in light of new and changing risk factors.

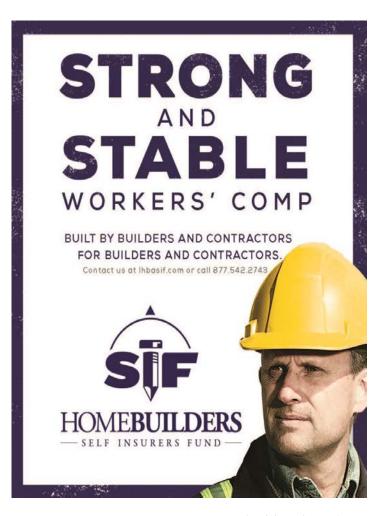
Remarkably, traditional participants in the insurance sector are working together to create high value blockchain-based solutions that will impact business processes (and lives) through the delivery of better, more efficient insurance-related services. Insurance-tech entrepreneurs also drive change by creating new, smart insurance products that reimagine the very nature of insurance, including the types of risk that can be covered and who may participate in the creation and consumption of insurance. One hopes that the day will come where traditional insurers and entrepreneurs will come together to exchange information

and value on a blockchain, so that everyone can realize and enjoy the true potential that blockchain technology has to offer insurers and their insureds.

Source: Forbes Magazine

Author: Andrea Tinianow, CIO for Global Compass

Strategies



#### Auto Insurance and Resident Adult Children



Bill Wilson, CPCU, ARM, AIM, AAM Although I retired from the Big "I" in 2016, I still participate in their Virtual University's "Ask an Expert" service as a volunteer faculty member. Just this morning, we received the following question from an Iowa agent:

"I have a client who is 22 years old and just graduated with her Bachelors degree. She is planning on moving back home with her parents in a couple of months and will be going to a

different college (near her parents' home) to get her Masters degree. She has purchased her own vehicle registered under her name only and would like to get an auto policy of her own so she would no longer be on her parents' policy."

The agent asked four questions. I've listed them below with my responses. But first of all, when coverage questions are submitted to this service, we ask for the complete ISO form number(s) or, if not ISO forms, a searchable PDF of the proprietary form. No forms were provided with this question, which tells me the agent doesn't understand the fundamental RTFP! Doctrine. You simply cannot answer coverage questions without knowing what policy form is the basis for the question. That being said, below are the agent's questions and my responses.

#### "If she has her own PAP and causes injury or death to another, can her parents still be held liable since she will be living in their home?"

Whether her parents can be held liable is a legal question. Can her parents be sued? Yes, and they possibly will, depending on the circumstances. The question is, IF they are sued, do they have coverage under their auto policy and umbrella? We don't know the answer to that because we don't have a copy of their policies. There was a case in my state where an adult daughter's resident parents were held liable for their daughter's vehicular homicide because of her past history of alcohol and drug abuse and their failure to properly supervise her.

If we're talking about an ISO PAP, that policy does not cover claims arising from the use of an auto unless it is a "your covered auto." In that case, they are, at best, probably covered only by her policy and it's likely that she will only have an auto policy (no umbrella) with lower liability limits.

#### "Would the parents need to be listed on her policy?"

It depends on what the policy says. If it's an ISO PAP, they are automatically liability insureds under her policy for their vicarious liability for her use of the auto.

#### "How would this affect the parents umbrella policy?"

We have no way of knowing without examining that policy. If it's a "following form" excess policy, they quite likely have no coverage.

"Is there an age at which adult children living at home must acquire their own personal auto policy?"

Considering only ISO forms, it is usually better for all family members living in the same household to be covered by one policy IF the carrier will do that. The reason is to avoid the potentially huge coverage gap alluded to above. I've written in more detail about this here.

When my son graduated from college, he lived at home for a couple of years while working to save money. He bought his own car and our family personal lines carrier allowed us to add the auto to our personal lines package, endorsed to cover his ownership interest in his own car. This gave him access to high auto liability limits under our auto and umbrella policies. Not all insurers will do that. If this arrangement isn't possible, then everyone living in the same household should have policies with coverages and limits that are as identical as possible in case one family member is sued for the actions of another family member.

#### Bill Wilson

Founder at InsuranceCommentary.com

One of the premier insurance educators in America on form, coverage, and technical issues; Founder and director of the Big "I" Virtual University; Retired Assoc. VP of Education and Research from Independent Insurance Agents & Brokers of America.



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### 3 Ways to Give Millennial Customers What They Want

Most industries are used to treating millennials as a niche market. But that's no longer an option—the millennial generation is expected to outnumber baby boomers by 2019, making it the most populous living generation.

It's time for insurance agents to accept that millennials make up the majority of potential insurance customers, and develop a new customer experience tailored for this generation.

But what does the typical millennial customer want from their insurance provider? Those born between 1981 and 1996 are typically:

Internet-savvy. The rise of the internet, email, social media and smartphones all occurred while millennials were children or young adults. These are tools that most millennials grew up using.

Highly educated. Around four in ten millennials

hold a four-year college degree.

#### Slow to move into "traditional" adult-

hood. Millennials have frequently been stereotyped as lazy and immature, probably due to the fact that they tend to wait until later in life to get married, have children, buy a home and move into other "traditional" stages of adulthood. This delay is likely attributable to the 2008 recession, which hit just as the core group of millennials was leaving school and launching careers. The recession, combined with high student loan debt, made it difficult for many millennials to take on additional financial burdens.

These factors mean that millennials are quite different from previous generations when it comes to purchasing insurance. For instance, because most millennials rent their homes, they have little need for homeowners insurance. But they are heavily underinsured when it comes to renters

Continued page 25





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insurance.

If you want to grab a share of the growing millennial market, you've got to show them you're not the dinosaur agency that expects customers to fill out insurance applications on paper or even PDFs. And you've got to find ways to break through the trust issues that most millennials have about insurance providers.

Here are three ways to leverage technology to capture a slice of the millennial market:

1) Communicate better. Millennials may love technology, but they appreciate the human touch, too. Regular, meaningful communication is a key part of building customer loyalty and turning millennials into advocates.

What's more, you can use technology to enhance your communication without removing the warm and fuzzy side. Frequent communication can also help you quickly build trust with your millennial prospects and customers.

For example, you could set a reminder in your CRM to ping you whenever one of your customers has a birthday. You can then give them a call or send an e-card on the big day. This not only makes your customers feel appreciated, but also gives you an opportunity to check in with them and make sure they're happy with your service. Such an approach lets you catch any problems early on, well before customers are moved to drastic action.

Social media is another excellent way to communicate with your millennial customers and prospects. Most millennials are highly active in social media and are significantly influenced by social media when making purchases.

2) Give them access. Millennials expect omnichannel product availability. They want to buy, view, update and pay for their insurance policies online. If you give them a well-designed online insurance platform, you not only provide them with the level of access they crave, but also show that you understand their needs—which

Continued page 26



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helps build that all-important customer trust. That means digitizing your insurance platform should be a top priority.

At a minimum, good digital insurance platform should have the following characteristics:

Interface. Your platform should be intuitive and easy to use for both agents and insureds.

Interactive forms. If a customer fills out a field on one form, the dashboard should prepopulate that information into identical fields on other forms. Millennials have no patience for entering their name repeatedly into 17 different forms.

Good security. Every insurance package contains quantities of sensitive customer data. If an unauthorized person gains access to that data, it could cause a great deal of damage. Millennials generally feel positive about cloud providers and are willing to trust such providers to handle security, but that means it's more important that

you validate their trust by taking reasonable precautions.

Data-entry tracking. For errors & omissions purposes, it's important to be able to verify who entered which bit of data and when. It's also a helpful feature for your multitasking millennial customers, since they're running a higher risk of entering the wrong information.

If you don't have an IT person at your agency, consider seeking out an insurance platform that offers good training and tech support.

3) Improve support. Millennials expect 24/7 support, preferably through multiple channels. Fortunately, millennials tend to be comfortable with chatbots and other artificial intelligence services. A millennial who's just wrecked their car at 3 a.m. demands the ability to file a claim immediately, whether through a robot or a human agent. Such availability also helps build trust by showing you make the extra effort to be there when customers need you.

Robotic process automation is

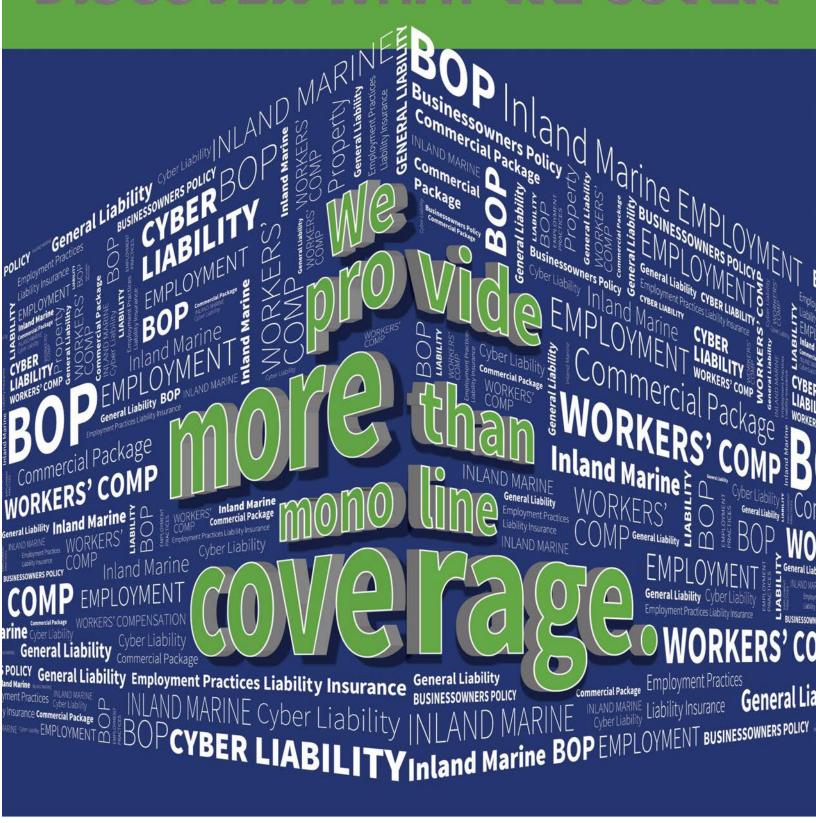
Continued page 32



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## **DISCOVER WHAT WE COVER**









#### The Top 10 TechTips of 2018



I published fifty *TechTips* in 2018. I realize that with the continued flood of email, some of these *TechTips* may have gotten sent to a "read later" folder and were forgotten. Others may have scanned the issue but didn't have

time to research to see if the tip would help.

I have never promised that every issue will be earth-shattering and life-changing. But I do hope there were a few gems over the course of the year that significantly impacted productivity and effectiveness for you individually and for your organization.

In this issue, I am highlighting my Top 10 TechTips for 2018.

#### RiskLookUp

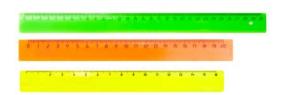
This platform allows you to look up residential and commercial property information and presents it in a single report. Over the past year, several additional data sources have been added including building permit information that enhances the quality and accuracy of the information provided. A limited free version is available that you can test. The paid version allows access to the entire data set. Read the TechTips issue on RiskLookUp.

#### Microsoft Pix Photo App

There are a wide variety of camera apps for smartphones. I continue to find myself using the Microsoft Pix camera because of its ease of use and ability to create panoramic views. It also can now scan documents. Moreover, the best part is it's free. Read the TechTips issue on Microsoft Pix Photo App.

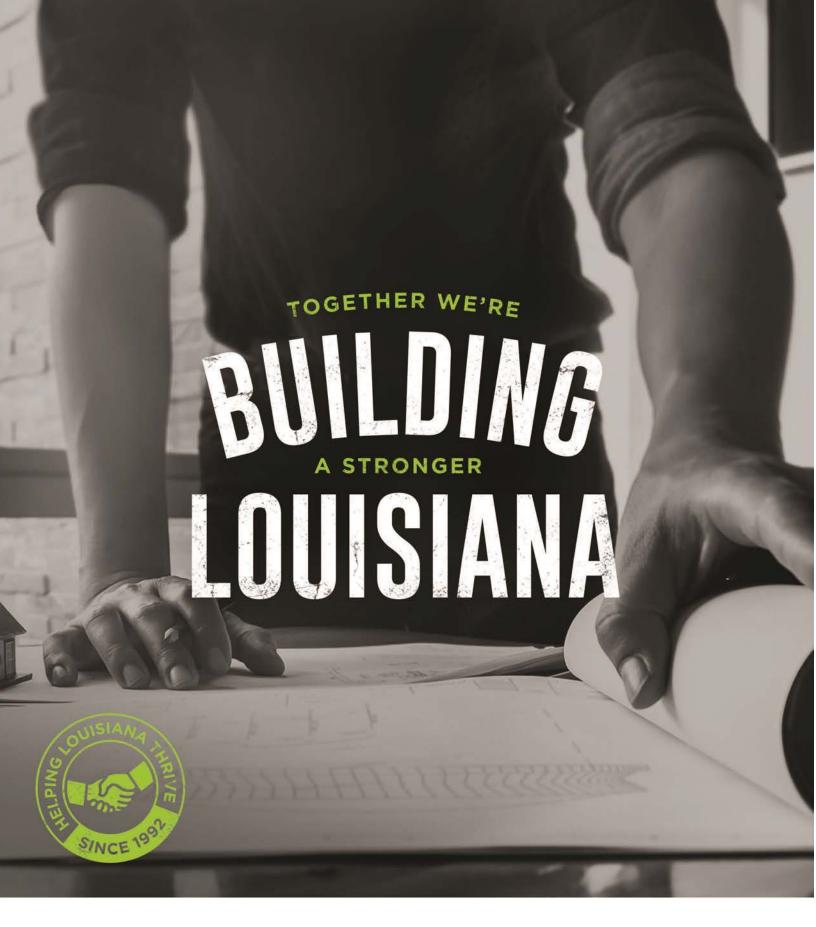
Continued page 31





# Rate & Rule Filings

Company	Coverage Type	Overall % Impact:	Overall \$ Impact:	Number of Policyholders:	Changes
Ohio Casualty Ins Co	17—Other Liability	+12.3%	\$227,984	849	New: 7/1/2019 Renewal: 7/1/2019
Foremost Insurance Co	9-Inland Marine Revised Rate Boatowners/ Personal Water- craft	+22.1%	\$267,686	2,557	New: 2/1/2018 Renewal: 3/1/2018
American Fire & Casualty Ohio Casualty Ins Co Ohio Security Ins Co West American Ins Co	Commercial Pro- tector Business Program	+5.6%	\$421,906	1,975	New: 9/1/2019 Renewal: 9/1/2019
Bridgefield Casualty Ins Bridgefield Employers Ins	16—Workers Comp Delayed Adoption	-3.0%	-\$1,160,616	1,982	New: 7/1/2019 Renewal: 7/1/2019
Retailers Casualty Ins	16—Workers Comp Delayed Adoption	-3.0%	-\$506,232	1,791	New: 7/1/2019 Renewal: 7/1/2019
Employers Insurance Co Liberty Mutual Ins Co Liberty Mutual Fire Ins LM Insurance Corp First Liberty Ins Corp Liberty Ins Corp	16—Workers Comp	-7.80%	-\$1,695,550	856	New: 5/1/2019 Renewal: 5/1/2019
American Fire & Casualty Ohio Casualty Ins Co Ohio Security Ins Co West American Ins Co	1—Property Commercial Prop- erty (Fire & Allied Lines)	3.7%	\$527,976	2,165	New: 7/1/2019 Renewal: 7/1/2019



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#### Using a Wide Monitor

Over the years I have preferred two or three single monitors instead of one wide monitor for desktop use. Because of advancements in monitor design and the graphics software included, I have changed my mind. This *TechTips* provides you with my reasons why. Read the TechTips issue on Using a Wide Monitor.

#### **Documenting Text Messages**

I wrote two articles this year on how to think about documenting text messages. I have had many requests to reprint those articles in industry publications. So, I wanted to highlight these articles again for you as a reminder of how important it is to capture and appropriately document client communications via text. Read the TechTips issues on Documenting Text Messages <a href="here">here</a> and <a href="here">here</a>.

#### Digital Broker Podcast

I hope you forgive me for a bit of self-promotion, but I am pleased with the feedback we are receiving about the Digital Broker Podcast. As I write this, we have published 38 episodes. If you haven't

been listening, I invite you to check it out. Check out some of the <u>back issues of Digital</u> <u>Broker Podcast</u> and <u>sign up here</u>.

#### Visme

Visme is a graphics platform that allows you to create compelling visual content easily. It's especially good at helping you create powerful infographics. Read the TechTips issue on Visme.

#### Grammarly

Grammarly is a virtual editor that helps make sure that any communication you send others is grammatically correct. Every email, letter, or article I write is run through Grammarly for a final check before I send it off. It's a great tool to help make sure your written communication comes across well. Read the TechTips issue on Grammarly.

#### **TotalCSR**

TotalCSR is an online training program that brings a new employee without any insurance

Continued page 32



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experience up to speed quickly on how to perform the functions of a commercial CSR. Since its launch in June, they have added a "soft skills" module and plan on adding a personal lines training module in the first Quarter of 2019. The pricing is very reasonable. Read the TechTips issue on TotalCSR.

#### MunichRE LossDetect

The MunichRE LossDetect platform allows you to provide your commercial fleet clients with a more in-depth view of their claims activity. Specifically, the platform will provide recommendations on loss prevention tools and processes that will reduce future claims activity and severity. It's becoming important for every agent to provide additional loss prevention tools to their clients. This platform is one tool you should explore. Read the TechTips issue on MunichRE LossDetect.

#### Simpltxt

SimplTxt is a simple and low-cost solution for providing text messaging capability to your or-

#### **Steve Anderson**

Steve Anderson provides information to insurance agents about how they can use technology to increase revenue and/or reduce expenses. He speaks professionally to hundreds of agents each year on the future of technology, the social web, and how insurance agencies can establish their Internet presence.

ganization. Tadvantage of SimplTxt is the uses email as interaction particles form. SimplT makes it very to document messaging up the standard attachment particles. Read the TechTips issues on SimplTxt.

Hopefully on the above To TechTips w you be more ductive and tive. What of tips, tools, and

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one example of how

Continued from page 24

## 3 Ways to Give Millennial Customers What They Want

InsurTech can work for agencies rather than against them. There are even insurance-specific chatbots preprogrammed to help your insureds 24 hours a day.

Despite what many agents fear, you won't be replaced by technology anytime soon. What tech will do is take over many of the tedious, data entry-heavy tasks agents do today, leaving them with more time and energy for the complex tasks that require a human touch.

By putting technology to good use, you can attract and retain a larger share of today's techsavvy customers and grow your agency.

Ken Wohl is head of marketing at <u>Indio Tech-nologies</u>.



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#### What's Age Have to do With it?

Apparently, far too much. Today's companies, looking to fill an ever-growing list of open positions (31 million by 2020, according to Georgetown University), are turning to millennials. Attracting the younger workers has become the focus of companies as they try tapping into the energy and enthusiasm of the generation they're trying to sell to in many cases.

While having young, eager employees may be good in the short term, it also poses some unexpected issues. As more and more Baby Boomers head for retirement (the Bureau of Labor Statistics estimates 10,000 turning 65 each day), companies are losing a key component to their success – knowledge. Many retiring professionals have amassed a career's worth of knowledge that younger generations simply don't have yet.

In a perfect world, keeping the knowledge within the company while grooming a new generation to take their places would be ideal.

Luckily, that ideal just became a little easier to achieve.

We at WAHVE started our entire business on the idea that combining the knowledge and skills of the retiring and retired workers with the fresh perspectives of the younger generation is a winning combination. And that's proven: statistics show that companies that employ an age-diverse workforce have higher productivity, a wealth of new ideas, and a wide knowledge base.

Finding the veteran workers is easier than one might think. The BLS says that the number of workers aged 65 and older who are still on the job grew 117% between 1994-2014. As people live longer, they want to remain engaged and on the job. And even more of them are willing to do so in a remote work arrangement.

Here are some of the advantages of employing retiring workers to complement a workforce that includes millennial workers:

Better work habits. Older workers are reliable – Max Planck Institute for Social Law and Social Policy

Continued page 36



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Available on Demand	Available on Demand	Available on Demand	& dates for 2019
2/13/2019 12pm—3pm Contractors, Contractors, Contractors	2/14/2019 8am—11am Catastrophe: The Coverage Ex- pertise You'll Need	3/28/2019 1pm—4pm Flood Insurance	4/25/2019 12pm—3pm New Technologies, New Risks: Drones, Home- Sharing and Ride-Sharing
Seminars			
2019 IIABL Spring Education Conference March 22. Baton Rouge	E&O Risk Management  May 14—Monroe  May 15—Lafayette  May 16—Baton Rouge  May 17—Metairie		
Events			
January 25, 2019  II AGNO Installation of Officers & BOD Arnaud's Restaurant			
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data show that older workers are more focused, less distracted, and can concentrate better on the job they're performing. Also, a Shift: The Commission on Work, Workers, and Technology report found that older workers value doing what they enjoy. Companies hiring older workers get a high level of commitment because older workers are choosing jobs they want.

Lower turnover. Older workers stay on the job. They've amassed the skills and have built areas of expertise within their positions. When workers are employed in a work-at-home position, they stay on the job longer, miss fewer days, and deliver a higher level of productivity than in-house staff.

Mentoring potential. Veteran workers have plenty to share with their colleagues. Companies that hire veteran workers, even in remote working arrangements, are benefitting from the knowledge that is passed from older worker to younger staff. In the same way, younger employees can teach their older colleagues plenty. They can share their deeper knowledge of technology, programs, and methods,

and can bring new perspective to brainstorming and team efforts.

Hiring retiring (we call them "pretirees") or retired workers is now even easier. WAHVE is an innovative contract talent platform that matches these veteran workers with a company's needs. Companies get the right skills and experience, and workers get a work-from-home extension of their careers. And with access to a national pool of talent, the benefits get even better.

Is today the day you take that step to boost your **team's performance and knowledge? Contact WAH-**VE today.







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