LOUISIANA AGENT
SEPTEMBER 2019

A publication of the Independent Insurance Agents & Brokers of Louisiana

Louisiana Agent September 2019

IIABL STAFF

Jeff Albright
Chief Executive Officer
jalbright@iiabl.com

Francine Berendson
Director of Communications & Events
fberendson@iiabl.com

Karen Kuylen
Director of Accounting
kkuylen@iiabl.com

Rhonda Martinez, CIC
Director of Insurance
rmartinez@iiabl.com

Jamie Newchurch
Insurance Services
jnewchurch@iiabl.com

Lisa Young-Crooks
Executive Assistant
lyoung@iiabl.com

In this issue:

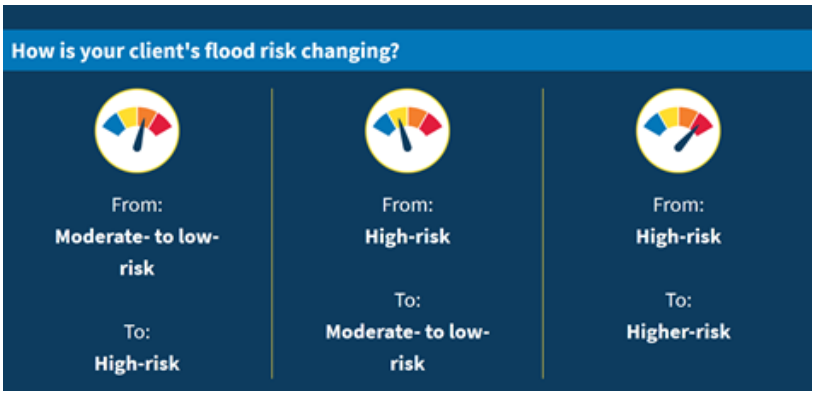
CHANGING FLOOD MAPS – A MARKETING OPPORTUNITY FOR INSURANCE AGENTS

As land becomes developed and weather patterns change, drainage patterns and flood risks change as well. Through the Federal Emergency Management Agency's (FEMA's) flood mapping program, Risk MAP (Risk Mapping, Assessment, and Planning), Flood Insurance Rate Maps (FIRMs) are being updated across the nation. In Louisiana, FEMA is being assisted by its Cooperating Technical Partner, the Louisiana Department of Transportation and Development. When new maps show changes in flood risk, flood insurance requirements for property owners can also change. As an insurance agent, knowing what those changes mean and options available can be result in an opportunity to market your agency as a knowledgeable source to turn to.

When an area receives new or updated flood maps, some of your clients may find themselves in a high-risk flood zone (A or V zone) for the first time, while other clients may newly be in a moderate- to low-risk zone (B, C, or X zone). Will you know what to say when your client comes to you for advice on flood insurance?

Clients whose properties are located in a high-risk flood area are required to purchase flood insurance if they have a mortgage through a federally regulated or insured lender. For clients who do not have mortgages, remind them that they should still protect their investment with flood insurance because they are more likely to experience a flood than a fire. Additionally, you can may be able to save your clients money with

the Newly Mapped procedure and through a process known as "Grandfathering" provided by the NFIP. And they can assign their policy to new owners so they can continue to benefit from the lower-cost rating option.



If your client's flood risk has recently been reduced, they may find themselves no longer required by their lender to maintain their flood insurance coverage. It is up to you to ensure that they continue coverage so they are financially protected when (not if!) it floods. Did you know that about 1 in 4 NFIP flood claims in Louisiana come from areas outside the high-risk areas? Encourage your clients to take advantage of the lower premiums by converting their policy to a Preferred Risk Policy (PRP). Talk with your flood insurance provider to see if they will automatically convert the high-risk policy to a PRP when the maps become effective or if you will need to. Remember: the risk is reduced; *it is not removed!* We all live in a flood zone in Louisiana. Always refer to the NFIP Flood Insurance Manual for underwriting details.

New or updated flood maps provide a great opportunity for you to grow your flood business. Take advantage by participating in open houses or other local events hosted by your local community officials. This will position you as a knowledgeable, reliable source on the map changes, their impacts, and options your clients and prospects might

have—both from an insurance and mitigation perspective. Encourage your current and potential clients to attend these events as well to ensure they understand their current flood risk. When preliminary FIRMs are released, look at what has changed in your area and proactively reach out to your clients as well as prospects (such as homeowners without flood insurance) to talk about the changes and options they have.

Map updates can be confusing, so be a resource to your clients, prospects, and your community as a whole. Be your client's advocate by understanding the changes in their flood risk so you can help them make informed decisions on their insurance coverage. For more tips and resources on marketing and selling flood insurance and map changes, visit Agents.FloodSmart.gov. And while you are there, download the interactive Cost of

Who "Owns" A Customer?

This question has arisen in almost every business that employs salespeople including the agency industry. The business assumes that customers that purchase goods and/or services from the Company belong to the Company and that the company, not any specific individual employee or salesperson, is responsible for the service and administration of the customer's post-sales needs with respect to the product or service provided. The salesperson believes that, without their contribution, the sale would not have been made and the client is connected to the agency through the producer. And, while not as ego-driven as producers, the knowledgeable and experienced customer service representative, who actually interacts with the clients much more frequently and intimately after the sale than the producer, knows that they are a key link between the client and producer and are primarily responsible for the client's satisfaction with and continued retention by the agency.

If I buy an appliance and mention that I will need another appliance in the near future I am not surprised when the company from whom I have bought the original appliance contacts me about my other appliance needs. Of course, I am not surprised when the same salesperson who served me previously is the point of contact for the next sales call. However, I would think it extraordinary if the salesperson left the appliance store and took it upon himself to contact me personally to tell me he left and now works for another store. As a customer, I may be flattered that the salesperson kept my name and remembered that I needed another appliance. But I would more expect that action from the original store if they were paying attention to their customers.

Of course, the same rationale that applies to appliances, and any number of consumer goods and services also applies to the insurance business.

As an agency consultant we spend much time in agencies teaching the agency owners and staff how to use tickler and diary systems to cross sell existing customers the other products and services that are available through the agency that the customer needs. These cross-sell systems are personalized to the specific customer's needs but also automated to maximize the utility of the agency to each customer (and maximize the agency's revenue potential of the customer for products and services that they need anyway). The role of the salesperson in an automated cross sell system is to build and maintain strong client relationships on behalf of the agency.

Under these circumstances, the producer is the face of the agency to prospects and is expected to impress the prospect with his knowledge and helpfulness. His goal is to build a trust relationship between the prospect and the agency to the end result that the client has enough confidence to purchase his asset protection devices from the agency. The agency "owns" the client because 1) it has the products and represents the carriers to provide the needed insurance coverage, 2) the agency has attracted the prospects to consider the agency for its insurance needs, 3) and the agency manages the contact system to keep the producer and client in touch with each other to achieve additional sales of insurance products as the clients need them. The producer, like the customer service representatives who primarily service and administer the accounts after the sale and the claims staff who assure proper handling of any insured losses, is an important

cog in the wheel of agency operations but certainly not the only or critical controller of the clients.

Finally, most carrier contracts state that from the standpoint of the carrier, the agency "owns" the client. If another agent wishes to assume the client's account using the same carrier, they must obtain a Broker/Agent of Record document, signed by the client, naming the new agency as their choice of agent for the carrier's insurance policy for that client. And, even with a A/BOR, a carrier is not obligated to permitting the policy to move from one agency to another. From the carrier's standpoint the agency that initially writes the coverage with the carrier on behalf of the client is the controlling agency for renewals.

However, no "rule" is absolute. Certainly, clients that purchase insurance from an agency as a commodity (personal lines and some small commercial lines), with or without a producer involved, is strongly indicative of an agency owned relationship. The client may use a producer to generate a quote but there is certainly no relationship that would tie that producer to the client subsequent to the sale.

If an agency does NOT market its products to bring prospects to the table; if an agency relies on its producers to prospect for and bring new clients to the agency; if the producer is also the customer service representative, the claim representative and the only contact between the agency and the client the relationship may be between the client and the producer instead of between the client and the agency. Specialty

lines of business for which the producer is the primary knowledge base within the agency is an example of producer-eccentric business that could readily leave the agency if the producer, the only knowledgeable agency employee were to leave the agency. We have seen many cases in which a personal relationship between clients and producer overrides any loyalty to the agency and the agency is best served by selling the book of business to the departing producer instead of risk losing those accounts to the same producer at a new agency after the expiration of any non-solicitation period.

Like anything else in a contentious relationship, the "ownership" of accounts can't be broad-brushed and treated like an absolute rule. Much depends on whether the client base in contention is considered as Personal Goodwill or Enterprise Goodwill (see Enterprise Goodwill and Professional Goodwill). Enterprise or Professional Goodwill is much more likely to be considered "owned" by and agency than by an individual.

Finally, every producer (and most agency employees) should sign an Employment Agreement at hire that specifies whether or not the business written is considered owned by the agency. This form of signed agreement goes a long way if it is drafted as a condition of employment instead of years after the fact. The form of employment W-2 or 1099 is also an indicator that lends itself to whether the producer is an employee (W-2) of the agency or an independent contractor (1099) for the purposes of ownership of accounts.

Source: Al Diamond, Agency Consulting Group
Contact Al: al@agencyconsulting.com or 856.779.2430

Bill Wilson
Property & Casualty Insurance Commentary

Why Forms AND Facts Matter

In my book "When Words Collide: Resolving Insurance Coverage and Claims Disputes," I give eight (8) reasons why :

1. Don't read policy forms because they don't care (apathy or price focus);
2. Don't read policy forms because they don't think there's really any difference (the "Insurance is a Commodity" myth);
3. Don't read policy forms because they believe they don't have the time or it wouldn't be a productive investment of time;
4. Don't read policy forms because they've never been trained to read, understand, and interpret insurance contracts;
5. Can't read policy forms (due to functional illiteracy?);
6. Read but can't or don't understand policy forms;
7. Read and THINK they understand policy forms but are not adequately tested by traditional educational and training approaches; or
8. Read and perhaps understand policy forms but can't apply them to real-life coverage or claims scenarios.

For some individuals, some of these are inexcusable, some are unavoidable, and some are unfortunate. Reason #7 can be addressed, with some effort, via proper training and education. Reason #8 may be addressed by recognizing that reading the policy in isolation isn't enough. HOW insurance contract language applies to a particular claim often depends on the facts and circumstances of the claim itself.

A good example of this is whether a homeowners policy covers the use of a riding lawn mower:

"Are Riding Lawn Mowers Covered by Homeowners Policies?"

This article illustrates that coverage depends on WHY and/or HOW the riding mower is being used. In fact, once that event occurs, it may affect coverage in the future even if the riding mower is being used in a way that would otherwise be covered. And *consumers* are expected to handle their insurance decisions without the assistance of an educated professional?

As another illustration I used in a webinar yesterday, let's say you and a friend are traveling 500 miles by car on vacation. Rather than use your own auto, you rent a car for the trip. In route, you get tired and allow your friend to drive the vehicle. You have auto insurance, but she doesn't. So, of course, she has a wreck. Does your ISO Personal Auto Policy (PAP) cover her? The answer is, it depends.

The ISO PAP covers permissive users of "your covered auto." ISO defines this term to include declared autos, acquired autos, owned trailers (even if not declared), and temporary substitutes. A temporary substitute is a nonowned vehicle being used because your vehicle is out of normal used due to breakdown, repair, servicing, loss, or destruction.

So, for example, if you rented the car because your declared auto was in the shop being repaired or serviced, your friend is an insured under your policy while using the rental car. On the other hand, if you simply rented the auto because you *feared* your car wouldn't make, you wanted to travel in style, or any other reason, then your friend is not covered by your policy.

In these two scenarios, everything is exactly the same EXCEPT the *reason* why you rented the auto. And this makes all the difference in coverage. Supreme Court justice Oliver Wendell Holmes, Jr. once said:

"A word is not a crystal, transparent and unchanged; it is the skin of a living thought and may vary greatly in color and content according to the circumstances and time in which it is used."

Similarly, a word, phrase, or policy provision in an insurance contract may mean different things under different circumstances.

Forms AND facts matter.

Competency-Based Training: The New Trend in Employee Development

Traditional learning is a large commitment for employees, and online courses can be hit-or-miss — the curriculum may cover inapplicable abstract theory, basic concepts, or irrelevant content. It can be difficult for employers to find impactful learning programs where employees can bring back knowledge and developed skills that result in recognizable, quantifiable results. Competency-based learning, however, provides a customized opportunity with a fitting amount of commitment for employees to continue learning, develop their skill sets, and become more effective in their role.

> Is your training model outdated and your employees' skillsets plateauing? See why competency-based learning makes for stronger #EmployeeDevelopment. @CaliperCorp
>
> TWEET THIS

What Is Competency-Based Learning?

Competency-based learning uses a self-paced model, where learners aren't restricted to the classroom in which they must meet curriculum deadlines or have long pieces of one-size-fits-all content to digest. It provides a more flexible learning schedule for employees and focuses on improving the skills used in a current role. It doesn't look to cover the depth of a subject, but the development of an area or skill.

For employees, they have more control over their learning and can balance their workloads better. Instead of taking university courses (which require an application process and a large sum of tuition) or online classes (which may not be specifically valuable), competency-based learning can be tailored to the employee in order to develop the skills they need, improving the output of their role.

Employers who are looking to improve employee skills for a specific role can use competency-based education to save on larger costs that a university would require, implement a curriculum that is specific for the role which would lead to better outcomes, and allow the employee to better balance learning with work.

How It Provides Continual Learning & Professional Development

Using a competency-based learning model allows employees to continue learning beyond the classroom and improve their skills on their time. Unlike traditional schooling where employees put a degree on their resume, they instead develop the professional skill sets needed for their specific role.

Competency-based training offers practical soft skills for the workforce — in areas such as influence and persuasion, driving results, learning agility, active listening, etc. — where the employee can enhance their skill an area and then work on developing it on-the-job. It's a win-win scenario, with more control over the cost of learning for the company and greater flexibility for the employee.

Continual Learning with the Caliper Precision Series

When you implement competency-based training, it's going to be different than other forms of training. When we look for continual learning, we look for the following criteria:

- Practical, specific skills development with coaching-enabled eLearning.
- Self-paced. Usually, it allows employees greater flexibility without multiple hard deadlines.
- Complements current roles. The skill does not replace training but makes the employee more effective in their current role.
- An ongoing process so that the skill acquired has more than a single-use case or isolated value.

Competency-based training is taking over and it's the catalyst for more effective #EmployeeDevelopment. Companies save costs and employees grow professionally. Learn more about competency-based training here with @CaliperCorp

TWEET THIS

Companies usually implement their competency-based curriculum in-house, but it can be a substantial amount of work to maintain the curriculum, measure how effective it is, and add new skills. Furthermore, determining whether it's effective can be difficult among smaller sample sizes. Many times, companies need to develop the skills of employees that no one in the company has. This is why many companies look for external sources of learning. Nonetheless, finding a credible source of learning can be a hassle.

The **Caliper Precision Series** helps develop employees by providing snackable, microlearning

Continued page 16

content which is broken up into modules for skill development. Each module allows managers to coach employees with focus areas.

The **Precision Series** is dynamically configurable which allows managers to customize the curriculum to the employee's needs. The series scales learning among employees with nearly unlimited opportunities.

Competency-based learning is a practical option for companies to develop employees' skills in order to save costs, provide flexibility, and enable employee growth. Choosing a competency-based training option, such as the **Precision Series**, is vital to the success of the objective.

Check out our **Caliper Precision Series** and see how it can move your team's learning objectives forward.

Liberty Mutual and Safeco Insurance's Agent for the Future™ website exists to help independent insurance agents thrive now and in the future.

We recently surveyed 2,800 insurance customers – including 1,600 millennials – to learn how millennials view insurance and how they make purchasing decisions. One of our key findings was that millennials are more likely than older generations to learn about and choose insurance agents through digital channels.

In fact, when we talked to millennials who don't currently use an agent, 79% of them said they could see themselves learning about an agent

through digital engagement. Millennial customers are also likely to use digital channels – such as online accounts, mobile apps, and texting – for service interactions.

Liberty Mutual consumer research found that 96% of millennials used at least one digital channel, and half used four or more.

At Agent for the Future, we believe independent insurance agents offer millennial customers the ease, choice and advice need to make wise insurance decisions. Drawing from our research, we put together a set of resources to help independent agents elevate their digital engagement to more effectively attract and serve millennial customers.

Visit our website to read the full report on how to engage millennial insurance consumers online, view the infographic with key stats about how millennials use digital channels, take our quiz to see how your agency stacks up online, and learn practical tips about how to take your agency's online presence to the next level.

Check out this YouTube video!

Business Income: The Dreaded Coverage

Why do I state Business Income is "The Dreaded Coverage?" Based on my years teaching and decades of E&O audits, business income is the commercial coverage I have most often seen producers shirk. Many do not even try to sell it or at least they do not try beyond whatever the throw-in coverage is. Yet business income is one of the most important commercial coverages. This combination of importance and silence equals a wicked E&O exposure.

Why do producers dread bringing business income to the attention of clients? In my experience, many producers do not know the coverage adequately. Others know it but they dread the worksheet. Others know the coverage but are uncomfortable discussing it because they do not know how to discuss business income with clients. Business income is not an easy coverage.

The fact it is not an easy coverage is not an excuse to not discuss business income, much less should it be an excuse for not emphasizing to clients the need to purchase the coverage and to customize it to fit each client's specific needs. And just because some companies have "Bopped" it does not mean a producer need not discuss the particulars. Avoiding the particulars is just being lazy and/or scared.

One of the main dreadful issues is the worksheet. A key practical reason no one likes dealing with business income is that worksheet. It seems almost everyone thinks the worksheet has to be addressed first. I've been told many coverage instructors even state that. But focusing on the worksheet first is plainly bassakwards. The

coverage provisions need to be addressed first because if a producer does not know an insured's business income exposures, a producer cannot calculate the required limit.

Knowing the client's exposures first also requires addressing the various time limits. The time limits are essential to addressing business income correctly.

Another factor is the need, availability and possible gaps. For example, if the cause of loss is a flood, the insured still has a business income loss but if their business did not suffer physical damage from the flood, they may not have any coverage if the producer did not identify this potential and associated gap. Gaps equal E&O exposures. An agent can advise the gap exists or they can find a coverage solution. Many specialty business income gap products exist through specialized providers and almost never on standard forms. I find few producers know these gap products exist which may be because so few are standard forms and most CE instructors stick to standard forms.

In particular, the civil authority gap is of special importance. The civil authority gap is further divided into specific types of civil authority actions, but a simple example will suffice here. An insured has a business income loss due to mandatory evacuation, but their business suffers no damage from any of the covered perils. From an insured's perspective, they have a loss and they want it covered.

Another cause of business income dread is not understanding how the limits versus claims settlement is made. Regardless of the worksheet, when a claim is submitted, it has to be supported by the insured's documentation. A simple example is the contractor who has a liberal interpretation of the tax code. He pays little in taxes because his

deductions are high or because maybe he does not see the need to report all his revenues. Then he files a business income claim for the legitimate amount but his documentation does not support that amount. The documentation supports a much lower loss. This is indeed a dreadful situation.

The goal or premise of P&C insurance is to return the insured to the same balance sheet financial position they were in the moment prior to their loss. To meet this promise, agents must improve their knowledge of business income in general, the options available, and their ability to communicate the associated complexities effectively to insureds.

If you are interested in learning much, much more, contact us for our winning, in-depth five-part business income class that provides the knowledge and skills you need to increase your income, your clients' protection, and reduce your E&O exposures.

To learn more, visit www.burandeducation.com/niche-program-business-income.

Big 'I' Reaction Mixed on Overtime Rule

National insurance agents association cites "improvement" from previous regulation.

Members of the Independent Insurance Agents & Brokers of America (the Big "I"), along with other employers, will have just under 100 days to comply with a final overtime rule announced yesterday by the U.S. Department of Labor (DOL). Effective January 1, 2020, the rule sets the minimum salary threshold for overtime eligibility at $35,568. The regulations implement the Fair Labor Standards Act (FLSA)'s overtime mandate and will make an estimated 1.3 million additional U.S. workers eligible for overtime pay.

"While not perfect, the final rule is a significant improvement over the overtime rule proposed during the Obama administration, which would have caused a significant increase in direct compliance costs and paperwork burdens for our small business members as well as significant losses in productivity for the economy," says Charles Symington, Big "I" senior vice president of external, industry & government affairs. "While still a challenge for many of our members, we appreciate that the final rule did not set any automatic updates and that employers will at least be able to count non-discretionary bonuses, incentives and commissions--up to 10% of an employee's salary--toward the threshold." The FLSA's exemption threshold for "highly compensated employees" will be set at $107,432, lower than in DOL's initial draft but still higher than the previous threshold of $100,000.

In 2016, the Big "I" was the only insurance trade association to join a lawsuit with the Chamber of Commerce, the National Federation of Independent Business and other business groups to successfully prevent the DOL from moving forward on the previous rule which had doubled the exemption threshold from $23,660 to $47,476 for "white collar" exemptions and raised the exemption threshold from $100,000 to $134,004 for "highly compensated employees." It had also set automatic updates to the thresholds every three years. The Big "I" was concerned the 2016 rule would have diminished employee flexibility, increased administrative burdens and costs on small businesses and negatively impacted insurance consumers through reduced customer service.

"Even with these changes, a number of our member agencies may still find it difficult to comply with these exemptions," says Heather Eilers-Bowser, Big "I" counsel, federal government affairs. "While the new minimum thresholds for 'white collar' exemptions and 'highly compensated executive' employees are much lower than proposed during the last administration, they remain a concern for many independent agents and brokers."

Trusted Choice and web.com Offers Members Websites to Help Your Agency Grow

IIABL members are eligible to participate in a comprehensive digital marketing program to meet the on-demand expectations of the modern insurance consumer. The Trusted Choice Website program is powerful, purpose-built, conversion-centered website to help your agency grow.

Choose from three mobile-responsive, Google-friendly website templates that are designed to convert. Take advantage of user training, documentation, and ongoing member services support.

These websites are easy, customizable, optimized, responsive, and secure---no coding necessary!

Invest your time wisely with your new website that includes:

Easy Content Update – Make updates or add new pages, photos, customer reviews, and content as your business evolves. Each template includes an optional blog page.

Tailored Content – Customize your site for your specific business via an About Us page, image y, local promotion upload tool, and more. Custom select a primary & secondary color to match your brand and personalize your agent bio.

SEO (Search Engine Optimized) Our Google-friendly websites are built around on-page SEO best practices. What does this mean? On-page SEO is the practice of optimizing individual web pages in order to rank higher and earn more relevant traffic in search engines. Consumers will find your website easier!

Mobile Responsive – Responsive design accommodates the latest devices and browsers so your website looks great on every type of device screen.

Secure – An SSL certificate (Secure Sockets Layer which creates a secure link between your website and a visitor's browser) lets your customers know their data is protected and your site is trustworthy.

Web Lead Forms are included with each website template. These are built-in contact forms that help you collect lead information that is important to your agency.

Ok – now that you see all of these awesome website tools to help improve your visibility on the world wide web….what is the bang for your buck!

A one-time fee for your site of $450.00 and the monthly maintenance and hosting fee of $59.00 month which includes member service support, hosting, maintenance, on-site updates, and security patches needed over the life of the website. You can also request assistance for website changes as part of the monthly service support (contact info, website text/copy edits, and image updates). As a Big I member, Trusted Choice can reimburse you for half of these costs.

WHAT ARE YOU WAITING FOR….CLICK HERE TO BEGIN!

2019's Best Cities and Worst Cities for Retirement

BEST

Two in three workers in a recent **survey** said they were at least somewhat confident they would have enough money to retire comfortably, but only about one in five said they were very confident they would be able to do so.
Where does this leave the majority of people approaching retirement? Some will continue to work, according to WalletHub. The personal-finance website noted that workers this year planned to retire at 65, on average, citing Gallup polling, up from 60 in 1995.

Another option is for retirees to move to a less expensive location without sacrificing the lifestyle to which they have become accustomed.

WalletHub researchers looked at the retirement friendliness of 182 U.S. cities, including the 150 most populated ones and at least two of the **most populated cities in each state**, comparing them across four dimensions: affordability, activities, quality of life and health care. They evaluated those dimensions using 46 metrics and grading them on a 100-point scale, with 100 representing the most favorable retirement conditions.

For example, retirees wanting to be surrounded by people like themselves can move to Pearl City, Hawaii, where 23% of the population is 65 or older. In Juneau, Alaska, 28% of workers are in that age bracket.

In St. Louis, retirees can find 50 home health care facilities per 100,000 residents, the highest saturation of all cities in the study.

Laredo, Texas, offers the lowest adjusted cost-of-living index for retirees — nearly three times lower than in San Francisco, which has the highest.

Ranking	Location	Total Score	Affordability	Activities	Quality of Life	Health Care
1.	Orlando, FL	60.87	9	11	68	48
2.	Tampa, FL	59.06	10	19	45	95
3.	Scottsdale, AZ	58.35	98	22	3	58
4.	Charleston, SC	58.30	42	21	56	51
5.	Miami, FL	57.21	51	5	105	74
6.	Denver, CO	57.08	113	17	43	17
7.	Fort Lauderdale, FL	56.58	65	18	82	56
8.	Cape Coral, FL	56.50	19	51	15	109
9.	Minneapolis, MN	56.46	145	3	58	5
10.	Cheyenne, WY	56.06	2	142	50	33
11.	**New Orleans, LA**	55.77	50	4	155	100
12.	Pembroke Pines, FL	55.50	56	92	14	63

LOCAL SERVICE
LOCAL VALUES

THE INDEPENDENT INSURANCE AGENTS AND BROKERS OF LOUISIANA MATTER TO US.

That's why Imperial PFS®, the leading source of funding for the IIABL membership, has been located in Louisiana for more than 30 years. In addition to a strong local presence, we shape our business around the things that will benefit you the most - Service, Technology, Reliability, and Affordability.

Our stable and experienced team finds creative solutions to help address your needs and grow you books of business. For more information on how Imperial PFS® can help you, contact:

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Lyle LeJeune | 504.228.6152 | lyle.lejeune@ipfs.com

Baylie Babin | 504.228.7160 | baylie.babin@ipfs.com

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Worst Cities

A majority of American workers in a recent survey said they were at least somewhat confident they would have enough money to retire comfortably.

Some workers who have doubts about their ability to enjoy a comfortable retirement will remain in the workforce, according to WalletHub. The personal-finance website noted that workers this year planned to retire at age 65, on average, citing Gallup polling, up from age 60 in 1995.
Alternatively, retirees may consider moving to a less expensive location where they do not have to sacrifice their lifestyle.

WalletHub researchers **looked at the retirement friendliness** of 182 U.S. cities, including the 150 most populated ones and at least two of the most populated cities in each state, comparing them across four dimensions: affordability, activities, quality of life and health care. They evaluated those dimensions using 46 metrics and grading them on a 100-point scale, with 100 representing the most favorable retirement conditions.

The cities at the bottom of the list are wanting in various ways that make them the least friendly retirement venues. For example, Fontana, Calif., which ranked No. 166, has just two home health care facilities per 100,000 residents, versus 50 facilities per 100,000 residents in St. Louis.

Fontana also has the lowest share of residents 65 and older in the country, only 7.2% of the population, suggesting retirees would feel relatively isolated there.

Unsurprisingly, San Francisco is not a city for those wanting to stretch their dollars, as it has the highest adjusted cost-of-living index for retirees in the country.

Ranking	Location	Total Score	Affordability	Activities	Quality of Life	Health Care
1.	Stockton, CA	33.73	133	180	168	177
2.	Bridgeport, CT	35.74	182	143	133	44
3.	Warwick, RI	36.34	168	105	152	152
4.	San Bernardino, CA	36.94	97	176	176	174
5.	Bakersfield, CA	37.53	92	177	140	182
6.	Newark, NJ	37.84	147	66	179	150
7.	Fresno, CA	38.73	95	178	148	170
8.	Rancho Cucamonga, CA	38.80	141	167	96	157
9.	Baltimore, MD	39.53	142	65	169	124
10.	Providence, RI	39.86	168	43	135	156
11.	Riverside, CA	39.99	130	166	117	139
12.	Modesto, CA	4.11	109	181	134	166

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10/10/2019 12pm 1pm BAP Symbols & Endorsements 10/17/2019 10:30am 12:30pm 3 Keys to Getting the Named Insured Correct 10/22/2019 12pm-3pm Homeowner's Policy Coverage Concerns for the Modern Family	10/25/2019 10am 12pm Cyber Security & Insurance Risk Mgmt. 10/29/2019 8am 11am Construction Contracts: What the Agent Should Know, Do, and Not Do	A New Agent Training Solution INTENTIONAL TRAINING to Prepare For TOMORROW Pick & Play Your Professional Bundle: Basic & Beyond CLICK HERE TO GET STARTED! NEW LEVEL PARTNERS® New Hire Training	BIG i HIRES.
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AI in Insurance: Working Smarter

By Sharon Emek, Ph.D., CIC, is founder and CEO of Work At Home Vintage Experts (WAHVE).

Artificial Intelligence (AI) is arguably the most significant modern influence on the labor economy. Technology that automates and completes tasks previously accomplished by humans, AI can seem like a threat to many positions that countless people rely on for employment and steady income. But the implications of AI aren't so much that work opportunities are lost, but rather reconfigured.

A *Harvard Business Review* article published last year aptly captures the potential for AI and human workers: collaboration, not competition. In the piece, authors James Wilson and Paul Daugherty perfectly illustrate that complementary dynamic, wherein AI completes tasks that are more difficult for humans to do efficiently and free of error with "speed, scalability, and quantitative capabilities" while humans complete tasks requiring "leadership, teamwork, creativity, and social skills" that are extremely inefficient for AI to attempt:

"What comes naturally to people (making a joke, for example) can be tricky for machines, and what's straightforward for machines (analyzing gigabytes of data) remains virtually impossible for humans. Business requires both kinds of capabilities."

For the insurance industry, AI's proven itself in radically expediting underwriting, fraud detection, processing claims, as well as providing initial customer service. This is especially valuable in our modern society where the expectation for customer service is prompt and on-demand crisis resolution and closure. Then of course, the predictive side of AI means that with the abundance of data regarding claims and incidents, the insurance industry is better able to assess damage and accurately predict repair cost.

Which leaves the interpersonal dynamic creativity of the field to insurance professionals. Insurance benefits handsomely from AI, but it needs voices on the other end of the call that communicate AI's takeaway in a nuanced, empathic manner. Insurance still needs creative minds to guide AI as it learns to interpret massive amounts of customer data and arrive at accurate, ethical recommendations.

The industry needs the rapid-fire technological ability of AI—its ability assimilate an abundance of data; and it equally requires the human mind—creativity, innovation, and social ability of its insurance personnel. AI is changing the future of our global economy. But it's not here to replace humans. It's here to work with us and help us work smarter.

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HR Questions and Answers

Q. If our company closes due to inclement weather, are we required to pay employees? Can we require PTO use?

A. The answer depends on whether the employees are exempt or non-exempt under the Fair Labor Standards Act. Exempt employees must still be paid when you close due to inclement weather. Non-exempt employees, however, only need to be paid for actual hours worked, plus any reporting time pay that may be required by state law. If nonexempt employees are contacted by the employer prior to reporting to work, no pay is due for the day.

That said, you should also be consistent with your own policy and practice. If you have been paying all employees—regardless of their employment classification—for hours they would have worked had you not closed for bad weather, then you should continue to do so. If you would like to end that practice, we recommend creating a clear written policy and distributing it to all employees prior to implementation.

Many employees like the option of using accrued paid time off or vacation when there is an unexpected closure. This is something you can allow, but if your office has closed for weather in the past and you have not required

employees to use paid time off or vacation, it would be risky to take up that practice now without giving them a heads up. When it comes to accrued paid time off or vacation, it is safest to give employees advance notice if there are situations where you will use their accrued hours whether they like it or not. Whether you allow or require the use of accrued hours in these circumstances, it's best to describe your practice in a written policy and ensure employees have a clear understanding of what to expect.

Q. Do you recommend screening the social media accounts of job candidates? I've heard some companies do that.

A. Some companies choose to review the social media accounts of job candidates, usually with the hope of spotting any red flags or assessing "cultural fit," but we recommend against doing so.

First, it creates extra risk. You could be exposed to information about the candidate's protected classes, such as their race, age, or religion. If your ultimate hiring decision was challenged, you would need to prove that those characteristics were not a factor in your decision.

Second, your application and interview process should provide you with sufficient information to determine whether a candidate is qualified and would contribute to your culture. You shouldn't need to get into the private lives of candidates to determine whether they're the right person for the job.

Q. Can we ask an applicant why they are leaving their current job?

A. Yes. While it's fine to ask this question during the interview, we recommend you collect this information ahead of time by asking about it on an employment application. In the section where the applicant lists their previous employment experience, you can ask for the reason they left each job. Trends you notice may be cause for follow-up questions during the interview or a reason not to schedule an interview at all.

If you ask about previous or current employment during the interview, be mindful of the direction the response goes. As with any interview question, you should redirect the candidate if they start to share sensitive information. For example, if a candidate says they left past employment due to medical reasons, don't ask for details about their condition. Instead, you could ask whether they provided notice of their need to resign and whether they left on good terms.

Source: Highflyer Human Resources, LLC

UPS Approved to Operate First U.S. Drone Airline for Non-Residential Deliveries

United Parcel Service Inc. on Tuesday said it won the U.S. government's first full approval to operate a drone airline, which gave it a lead in the nascent U.S. drone delivery business over rivals Amazon.com Inc. and Alphabet Inc.

The Federal Aviation Administration (FAA) granted UPS' Flight Forward drone subsidiary a Part 135 Standard certification on Friday. The company said the certificate allows it to expand its delivery service in campus settings such as hospitals and universities, but added that residential deliveries are years away.

The certification allows UPS pilots to fly drones beyond their line of sight and opens the door for the delivery company to expand Flight Forward. The fledgling unit is immediately doubling the number of drone flights it does for its flagship customer, Raleigh, North Carolina's WakeMed Health & Hospitals.

"We'll easily get to 20-plus flights per day, per drone," said Scott Price, UPS' chief strategy and transformation officer.

"It's a business, it's not a prototype or a test," Price said of Flight Forward, which ferries blood and tissue samples to WakeMed's central laboratory from points around its main hospital campus.

UPS said its latest certification clears the way for Flight Forward to add other campus delivery projects

without seeking government approvals for each one.

"There are hundreds of campuses in the United States," said Price, who added that UPS is eyeing drone deliveries on hospital, corporate and university campuses as it builds Flight Forward.

Earlier this year, Alphabet's Wing, the sister unit of search engine Google, was the first company to get U.S. air carrier certification for a single-pilot drone operation. It is testing home deliveries in a rural area around Blacksburg, Virginia.

Amazon, known for its splashy drone delivery tests, also has won experimental certifications to test its drones.

The FAA is writing rules for drone operations, including guidelines for sharing airspace with passenger planes and flying over populated areas.

Residential deliveries, Price said, are "years out."

Rate & Rule Filings

Company	Coverage Type	Overall % Impact:	Overall $ Impact:	Number of Policyholders:	Changes
Church Mutual Ins Co	5—Commercial Multiple Peril	+6.070%	$921,339	1,305	New: 12/1/2019 Renewal: 2/1/2020
Starr Indemnity & Liability Co	19– Commercial Auto	+15.0%	$1,559,066	108	New; 4/1/2020 Renewal: 4/1/2020
Privilege Underwriters Reciprocal Exchange	4—Homeowners	+14.9%	$3,480,375	2,550	New: 12/8/2019 Renewal: 2/6/2020
Amica Mutual Ins Co	4—Homeowners Revised Rate & Rule	+5.5%	$209,813	1,441	New: 1/1/2020 Renewal 1/1/2020
Nova Casualty Co	19—Commercial Auto	+14.6%	$312,912	126	New: 12/1/2019 Renewal: 12/1/2019
EMC Property & Casualty	1—Property Adoption Commercial Property	-41.%	-$113,995	806	New: 11/1/2019 Renewal 11/1/2019
Arch Ins Company	19—Commercial Auto	+16.7%	$833,044	244	New: 12/1/2019 Renewal: 12/1/2019
American Security Ins Co	1– Property Revised Rate & Rule	+10.0%	$1,959,181	11,372	New: 2/1/2020 Renewal: 2/1/2020
State Farm Fire & Casualty State Farm Mutual Auto Ins	19—Private Passenger Auto	-2.5%	-$36,645,370	1,014,960	New: 11/25/2019 Renewal: 11/25/2019

TECH TIPS

InsFoHub – A New Source for P&C Information

There are many options for finding news and information about the Property & Casualty insurance industry.

A new online resource, InsFohub, is now available with the goal of providing a single source of free news and information for Property & Casualty insurance professionals.

What is InsFohub?

The company name, InsFohub, stands for "Insurance Information Hub." The site aggregates Property & Casualty information from a variety of sources (including some of my *TechTips*) to provide a FREE single source of news and information for Property & Casualty insurance professionals. They are organizing the information on the site to allow any user to find information FAST.

We all have had the experience of googling for specific insurance information only to find millions of results. Now, what do we do? The experienced partners at InsFohub have built a website that is specific to our industry, informative, and can save you time.

The website continues to add new content. If you would like to include new content or have suggestions, they are more than willing to listen.

Check it out at https://www.insfohub.com.

Author: Steve Anderson
Steve is one of the top technology consultants and speakers.

J.D. Power Survey: Agency/Company Satisfaction Survey

The Big "I" has partnered with J.D. Power, the market research leader representing "The Voice of the Customer," to measure your experience with insurers.

Background

Independent Agents remain the channel of choice among insurance consumers, writing 58% of all P&C premiums. The results of this study help guide carriers as they develop strategies and determine investments for solidifying and improving their relationship with their agents. By participating in the J.D. Power 2020 Independent Insurance Agent Satisfaction Study, you will ensure that carriers hear and understand your views on what it takes to improve their working relationship with agents like you. Last year's results collected more than 1,500 agent responses, and executive leaders across the industry look to these results to provide critical insights on investment decisions and how they can better partner with you to build the successful organizations of tomorrow.

Study Details

This study examines how each service interaction in the relationship between an agent or broker and their insurer impacts their overall perception of the company and identifies critical service standards that drive higher satisfaction. The study provides a broad understanding of how carriers can improve agent and broker satisfaction, loyalty, and advocacy. Evaluations look at both personal lines and commercial lines

experience and help insurers answer the following questions:

- **What creates the most satisfying experience for an agent/broker and their customers?**
- **What are the key trends insurers must act on to better satisfy agents/brokers and their customers?**
- **What are the greatest challenges that agents face and how can carriers improve the ease of doing business?**
- **What impact are digital channels and changing demographics having on insurers and their current processes with agents/ brokers and their customers?**
- **Which insurers are best at dealing with evolving/emerging risks and policies?**

Qualify, Complete Survey and Receive A $50 Amazon Gift Card Code

As a token of our appreciation, those who qualify and complete the survey will also receive a complimentary summary report of the study when they become available and a $50 Amazon gift card code. When insurers are seeking answers to the questions above, make sure your opinion is included! All licensed insurance agents who work with Independent Agency companies are eligible to take the survey.

Take the Survey

Click here to voice your opinion!

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