

July 2, 2014

IIABW Bulletin



Capital Gains and B & O Tax Proposals

The 2015 Legislative Session will be one of the most dangerous sessions for insurance agents in decades. Read [IIABW Lobbyist Bill Stauffacher's article](#) about the costly B & O tax increases and the creation of a new capital gains tax that are being proposed. This is the year for agents to get involved to protect their businesses and industry.

IIABW Receives Top Education Award

We are excited to announce IIABW has been recognized with the Independent Insurance Agents & Brokers of America's top education award: the 2014 Excellence in Insurance Education Diamond Award. Susan Scott, IIABW's Senior VP of Education, and Sue Knobloch, an IIABA National Director and member of the Virtual University committee, will be accepting the award on September 10th in Grand Rapids, MI.

IIABW Member News

- Our thoughts and prayers are with the friends and family of two insurance professionals who passed away recently.
 - **Don Sirkin** started Contractors Bonding and Insurance Company (CBIC) in 1979 which eventually grew to over \$100 million in surplus before selling it to RLI.
 - **Dick Herron** who worked during his insurance career for CNA, United Pacific/ Reliance, Washington Casualty and NSUI.
- **AAA Insurance Agency** recently was awarded MetLife Auto & Home's Independent Agency of the Year for exemplary business performance in 2013 and Safeco's 2014 Chairman's Award for outstanding performance - awarded to only 50 independent insurance agencies.
- **Oltman Insurance** in Bellingham is merging with S&V Insurance and Financial Services in Lynden on July 1. Oltman Insurance is currently owned by Ann Medina, Ken VanRy, and Darin DeYoung and was founded in 1932. S&V is co-owned by Leonard Smit and Daniel Vander Kooi.
- **Pilkey-Hopping & Ekberg**, which has been in business for 120 years, had their perpetuation plan highlighted in the [Tacoma Business Examiner Newspaper](#).

Featured Associate Member

Capital Insurance Group

Capital Insurance Group® (CIG) is the leading regional property and casualty insurer serving the Western U.S. since 1898. CIG insures Personal Auto, Homeowners, Farmowners, Condo Owners, Vacation Property, Renters, Apartment Building Owners, and many kinds of Commercial and Agricultural Auto and Property. The 115 year-old company is rated "A" (Excellent) by A.M. Best, the independent financial monitor of the insurance industry. CIG manages personal, business, and agriculture risks underwritten by its affiliate companies: California Capital Insurance Company, Eagle West Insurance Company, Nevada Capital Insurance Company, and Monterey Insurance Company. Types of policies may vary from state to state. For more information, please visit www.ciginsurance.com. CIG DELIVERS MORE. Continuously.

Capital Insurance Group,
300 Garden Road,
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(831) 233-5500,
www.ciginsurance.com

WSU Risk Management/Insurance Program

Washington State University's Risk Management and Insurance Advisory Committee recently held a meeting at the IIABW office. The advisory committee gives guidance to WSU's [Risk Management and Insurance](#) track of the Finance major. The following IIABW members serve on the committee:

- Nathan Mallory of Parker, Smith and Feek (Chair)
- Alex Bogaard of Brown & Brown of Washington
- Carrie H Cheshier of Travelers
- Jeannie M. Fleming of Mutual of Enumclaw
- Kristen Horlacher of National General Insurance Company
- Chris A. Jahrman of PEMCO
- Julie Matthews of Safeco
- Lori L. Reed of Mitchell, Reed & Schmitt

Health Care Exchange Update

- The Exchange will need to adjust its budget as it moves from federal grants of \$150 million this year to that state legislature's appropriated \$40 million in 2015. The budget included \$17 million for the call center and \$1.2 million for navigators.
- Certified assisters in the Navigator Program have again been reminded that they are not permitted by law to recommend a specific health plan but must refer customers to a licensed agent for this advice. Navigators were also informed they may not refer an applicant to a specific insurance agent or broker.
- The Exchange is recruiting nominees for the [Small Business Health Options Program \(SHOP\) Technical Advisory Committee \(TAC\)](#). Submit your nomination including a short biography to info@wahbexchange.org by July 16, 2014. IIABW does not yet have a member on this committee!!

New On-Demand Video Webcasts

IIABW has partnered with ABEN (The Agents and Brokers Education Network) to offer 5 on-demand webcasts your company can participate in within a group setting (minimum of 5) to earn CE. With ABEN's platform, you'll be able to view the presentation via streaming video at your location on the date and time of your choice. Seminars available:

- Business Income - Beyond the Basics
- Certificates of Insurance
- Data Privacy Insurance
- Liability Issues to Worry About - Indemnity & Additional Insureds
- Personal Lines Claims that Cause Problems

Online CE Courses

IIABW has partnered with CEU.com to provide you with an excellent online education option that is backed by The Institutes (AICPCU/IIA). IIABW members receive a 35% discount. [Click here](#) to register.

IIABW has partnered with Risk & Insurance Education (RIE) to offer 9 self-study/online CE programs instructed by Dave Sanborn, CPCU. Classes include: Contractual Liability, Additional Insureds, Construction Defects, Commercial Auto, Business Income, Occurrence v. Claims Made, Ethics, General Liability

On-demand E&O Loss Control course webcast available through Agents & Brokers Education Network (ABEN). This course qualifies for the 10% Swiss Re Loss Control credit. To register, [click here](#).

Big I Personal Lines

Affluent Homeowners & Auto (4 carriers)

Personal Builders Risk

Recreational Vehicles & Marine.

Homeowners: Seasonal, Coastal, Unprotected, Unsupported Secondary.

Non-Standard: Homeowner, Condo, Rental, Vacant Dwelling.

Homeowners DIC

Flood

Commercial Lines

Spokane a Leader in Auto Thefts

The National Insurance Crime Bureau (NICB) released its list of worst U.S. cities for auto theft. Nine of the top 10 U.S. cities for auto theft are in California. The only non-California city to crack the top 10 is Spokane, Washington which had 3,205 auto thefts in 2013.

Flood Insurance Update

- FEMA released [Bulletin w-14028](#) to answers questions raised by changes to the June 1, 2014 Flood Insurance Manual. Clarifications are on primary residence, tenant improvements and betterments, photograph requirement on business transfer, and minimum deductibles.
- FEMA announced their [procedures for refunds](#) that are to be given under the recently passed "Homeowner's Flood Insurance Affordability Act of 2014" (HFIAA). These refunds will begin being disbursed on October 1, 2014.

Average Insurance Agent Salaries

The Business Insider [recently published the average wage](#) for most jobs in the U.S. with data from the Bureau of Labor Statistics. Insurance agents came in with an average annual wage of \$63,600, just above front-line supervising mechanics and purchasing agents but below cost estimators. Underwriters faired a bit better, at \$70,100 on average. The median U.S. income was \$51,017.

Impact of Credit Scoring

WalletHub.com conducted a [study on the impact of credit scoring](#) of five of the largest auto insurance providers in the country. The fluctuation in premiums between an auto insurance applicant with excellent credit and one with no history is 65%. Allstate's rates fluctuated the most (116%), followed by Farmer's (90%), Geico (55%), Progressive (45%) and State Farm (45%).

The rate fluctuation varied by geographic location. The rates for Washington D.C. varied the most (126%) compared to Vermont which varied the least (18%). Washington State's rates fluctuated 74%.

Need an Affluent Market?

If you need a market for an affluent customer, Big I Markets has coverage available through ACE Private Risk Services, Chubb Group of Insurance Companies, Fireman's Fund and AIG. Learn more about this product at www.bigimarkets.com

Are You Using the Virtual University?

[Virtual University](#) is an exclusive Big I member benefit which gives members access to insurance, business and technology articles, full sample ISO forms, white papers and information on issues affecting

Habitational - Apartment, Condo

Bonds - Surety, Performance, Bid and Misc.

Travelers - Select (Contractor Pac, Auto, Garage, BOP, Religious, Tech)

Community Banks Business Insurance

Real Estate Agents E&O

Excess Flood

Hartford Specialized Affinity Programs In-Home Business

Appointments

[Eagle Agency](#) gives you access to four premier personal lines markets: Travelers, MetLife Auto and Home, Hartford and Progressive. For an appointment you only need to submit 2 new lines policies a month.

Homeowners DIC

Earthquake and incidental flood coverage for residential properties is offered by Trustco, through Lloyd's of London. Owner occupied one and two family homes may be covered with limits up to \$1 million. For an agent/broker brochure, consumer brochure and application, [click here](#).

Flood Insurance

Federal flood (write your own) program. 18%/15% new/renewal commission. For more information, go to [IIABA's Web Site](#).

today's insurance marketplace. But, maybe the best feature is "ASK AN EXPERT". Just post your insurance question and a panel of insurance professionals will review and respond within 48 hours!

Teen Drivers in Washington State

Using data from the U.S. Census Bureau, NHTSA, and FHA, WalletHub weighed 16 key metrics to identify [the best states for teen drivers](#). Washington State ranked 9th overall for teen drivers: 13th in safety conditions, 36th in economic environment and 3rd in driving laws. Washington ranked 5th in the lowest teen driver fatalities per licensed teen driver.

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