



Independent Insurance
Agents of West Virginia

THE WEST VIRGINIA INSUROR

Trusted Choice Presents A Make-A-Wish Grant to Huntington Girl



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**A publication of
Independent Insurance Agents
of West Virginia**

A NOTE FROM President Terri Dodrill



Hello and Happy New Year Everyone!

It is my honor to serve as the president of our IIAWV Association. I consider this to be one of the highlights of my career. I look forward to continuing with the same energy and drive as my predecessors, while working to further strengthen the Association with some new ideas that I believe are worthwhile as well. I'm looking forward to a great year ahead!

I've learned so much about this industry since I began working as an associate agent in 1990, while still in college. I didn't realize at the time what wonderful opportunities would be afforded me as I continued to work hard and learn all I could about insurance. Without having had the introduction into insurance by my dad, Bob Payne, a now retired Nationwide agent, I doubt I would have sought out a career in insurance. My experiences of nearly 30 years in the industry, however, have helped me realize that we have a unique opportunity to introduce insurance to our youth as a dynamic and lucrative career path. Business models predict that we will all face exceptional hiring needs within the next 5-7 years. I believe our voices, and our examples to young people, can and will be instrumental in cultivating new talent for the insurance community.

I want to continue the commitment to our Young Agents initiative and expand it

somewhat by offering information to and participation in local high schools, colleges and technical schools to assist in sharing the message that our insurance industry in West Virginia is a great choice!

Please schedule time in the coming year to participate in as many Association events as you can. I'm excited to bring a Lunch and Learn event scheduled at Stonewall Resort as well as a women's event to be held at The Retreat here in Charleston- both are new additions to our events calendar. My hope is that all of our events will be exceptional, well attended, fun and meaningful. In the end, increased camaraderie is the goal! The list below highlights our schedule for the coming year:

- Young Insurance Professionals Winter Retreat – 2020 InsurTech Trends, Snowshoe Mountain, February 20th & 21st
- IIABA National Legislative Conference, Washington D.C., May 13th – 15th
- Women in Insurance Luncheon, The Retreat WV in Charleston, May 21st
- Regional Lunch and Learn, Stonewall Resort, June 24th
- Young Insurance Professionals Summer Retreat, Chief Logan State Park, August 20th & 21st
- 2020 Annual Convention, The Greenbrier Resort, October 12th – 14th

As you can see, we have big plans for 2020! The level to which we rise will be a reflection of our entire agency force. Here are simple ways you can help:

- Renew your IIAWV membership.
- Encourage one colleague to join. If every IIAWV member recruits just one member, we will quickly exceed our 2020 membership goal.
- Attend IIAWV events, meet fellow IIAWV members, and network with insurance carrier representatives.

I want to extend a big thank you to those who were able to participate in our 2020 Insurance Day at the Capitol. I appreciate the energy and support that we have within our organization. While attendance was down somewhat, I felt that the programs, reception, speakers, venue and participation were all excellent. We missed those of you who weren't able to make it this year!

Although I'm asking a lot, know that I ask as a fully committed member who is filled with passion and enthusiasm for our Association. So in closing, thank you for all that you have done and will continue to do to help move our organization to the next level. Thank you for the work you do day in and day out for your insureds. And most importantly, thank you for being a member of IIAWV. It is an incredible honor and pleasure to serve you and our IIAWV family.

Terri

New Slate of Officers for 2020

A new slate of officers will be leading the Association in 2020. We are grateful to have this slate of volunteers to lead the Association.

Board of Directors:

President: **Terri Dodrill, McGriff Insurance Services**

Vice President: **Chad Nuzum, Hood Insurance Group, LLC**

Serving on the Executive Committee will be:

Immediate Past President: **Michael Winter, Bray and Oakley Insurance Agency**

IIABA National Director: **Ross Johnson, Mountain State Insurance Agency**

Treasurer: **Suzette Ashley, Ashley Insurance Agency**

Agency Category Directors:

- *Closely held, privately owned independent insurance agencies with less than \$500,000 in annualized commission income.*
 - ◇ **Brett Andrews, Glessner Wharton Andrews Insurance**
- *Closely held, privately owned independent insurance agencies with less than \$1,500,000 in annualized commission income but more than \$500,001*
 - ◇ **Chris Parker, Ferrell & Hill Insurance Agency, LLC**
- *Closely held, privately owned independent insurance agencies with more than \$1,500,001 in annualized commission income.*
 - ◇ **Robbie Skinner, Dyer Insurance Group dba Mountain Lakes Insurance Agency**
- *Independent insurance agencies that are owned by banks.*
 - ◇ **Robert F. Groom, McGriff Insurance Services**
- *Independent insurance agencies with ownership structure other than those defined in categories (a) through (d) above.*
 - ◇ **Dave Stacy, USI Insurance Services**
 - ◇ **Chuck Turner, Jim Lively Insurance**

SAVE THE DATE
**2020 BIG “I” LEGISLATIVE
CONFERENCE**
May 13—15, 2020

Thank you to our Associate Members Who Support IIAWV!

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We hope you will support them!



West Virginia News

Perdue Sending \$20 Million to General Revenue Fund to Help with Current State Budget

The current state budget is going to get a \$20 million boost from revenues currently held by state Treasurer John Perdue. Perdue and Gov. Jim Justice announced the transfer of the money to the state's general revenue fund at a recent news conference at the state capitol.

Perdue said half of the money will come from his office's Banking Services account because of some positive investment returns while the other \$10 million from the Unclaimed Property Fund. "We were able to get good interest rates from the Board of Treasury investments and from the legal settlements we've been able to accomplish in unclaimed property," he said.

The transfer will help with the current budget year. The state was \$33 million behind estimates in revenue collections for the fiscal year at the end of December.

Gov. Justice said the transfer will help stay away from possible cuts in the current fiscal year budget. "Hopefully we're not going have to cut anything whatsoever," he said, claiming he's been keeping a close eye on revenues since last July. "That's what the business guy does, The business guy manages the store every day."

The current state budget already has \$7 million from the Unclaimed Property Fund. Perdue said a total of \$150 million has been returned to the general revenue fund over the last several years.


"We know that this is definitely needed in the general revenue fund to help not only maybe not to have those budget cuts down the road but also fund some of those important projects you mentioned in your State of the State Address," Perdue told Justice.

Justice said the money transfer, which still has to be approved by state lawmakers, would not change the proposed state budget for next fiscal year that he forwarded to lawmakers recently.

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GOP States, Justice Department Argue Against Immediate Review of “Obamacare” Case

Republican states and the U.S. Department of Justice want the Supreme Court to reject a request to consider the legal challenge to the federal health care law before the court’s current term ends.

Eighteen states — including West Virginia — and the department filed two separate briefs in response to petitions that Democratic states and the House of Representatives filed recently regarding “Obamacare” and an appellate court’s verdict.

The Democratic parties requested justices consider the matter and issue a ruling before the court’s term ends in late June.

The Supreme Court recently asked for responses from Republican states and the Trump administration, who are arguing the entire health care law should be nullified; the GOP group has said Congress’ zeroing out of the individual mandate penalty in the 2017 tax law makes the health care statute unconstitutional.

The 5th Circuit Court of Appeals in December struck down the individual mandate, but asked a lower court to determine which parts of “Obamacare” are separable from the provision.

Solicitor General Noel Francisco wrote in the Justice Department brief the appeals court’s ruling still leaves most of the Affordable Care Act in place.

“Rather than intervene to interrupt that process and decide the validity and severability of the ACA’s provisions in the first instance — in an interlocutory posture, without the benefit of a decision from the court of appeals on that issue — this Court should defer any review pending a final Fifth Circuit decision,” Francisco argued.

The Democratic states and the House have argued the December verdict created a “cloud of uncertainty” on health care, yet the Republican states — led by Texas Attorney General Ken Paxton — said that argument is not enough to justify a Supreme Court review.

“The district court has stayed its judgment, and that stay remains in place today,” Paxton noted.

The Department of Justice announced last March it agreed with the original December 2018 decision by Judge Reed O’Connor of the Northern District of Texas. O’Connor’s court will be responsible for reviewing the law.

West Virginia Attorney General Patrick Morrisey and Republicans in the state Legislature announced has announced a bill to protect coverage for pre-existing conditions. The West Virginia Healthcare Continuity Act would prohibit restricting insurance enrollment because of a pre-existing condition.

Morrisey previously told MetroNews he wants protections in place for pre-existing conditions as well as individuals needing Medicaid coverage, but he supports ending “Obamacare” because of increasing premiums. Four of the nine Supreme Court justices must vote in favor of accepting a case for it to happen. Five justices have to approve expediting the process.

WELCOME!

New Associate Partner



Trusted Choice Presents A Make-A-Wish Grant to Huntington Girl

During the 2020 Insurance Day at the Capitol Event, Trusted Choice Independent Insurance Agents of West Virginia presented a Make-A-Wish Grant to Huntington Girl through Make-A-Wish Greater Pennsylvania and West Virginia.

A Cabell County teenager will get her wish to celebrate her 16th birthday on a Caribbean cruise with her family this summer.

Hannah, a Huntington girl who has cancer, is one of the young people in the Mountain State who will benefit from a \$7,500 grant courtesy of the Trusted Choice Independent Insurance Agents of West Virginia for Make-A-Wish Greater Pennsylvania and West Virginia.

"I am so incredibly grateful for your generosity that you've shown all of us kids," Hannah said via video during a Tuesday check presentation at the state Culture Center in Charleston.

Make-A-Wish works to fulfill the wishes of children with life-threatening conditions.

"We could not do this work without donors such as Trusted Choice and others in the community who support us," said Jo Beth Smith, southern West Virginia Regional Manager for Make-A-Wish Greater Pennsylvania and West Virginia.

"It allows us to spend time working on the wish and thinking about positive things that we can do with the family. The \$7,500 grant is part of a national commitment Trusted Choice Independent Insurance Agents of West Virginia makes to support local Make-A-Wish chapters each year.

"We have a remarkable opportunity to give back to children who are in need who are in our area," said Terri Dodrill, President of the Independent Insurance Agents of WV.

"What you can see in any child's face or their eyes or their family, to have that kind of opportunity when all likelihood is, they've had a pretty tough road before they get to a presentation like this, it is joyous."

At any given time, between 550 and 650 wishes are pending with Make-A-Wish Greater Pennsylvania and West Virginia.



The Earle S. Dillard Agent of the Year Recognized on Senate Floor



During 2020 Insurance Day at the Capitol, Senator Roman Prezioso recognized Chad Nuzum of Hood Insurance Group, LLC in Fairmont for earning the 2019 “Earle S. Dillard Agent of the Year” award at the Association’s annual convention held at The Greenbrier in October. Chad Nuzum was honored with Senate Resolution 18 on the West Virginia Senate Floor.

“The Earle S. Dillard award is presented annually to those association member agents who, throughout their career, have personified the qualities most admired by the profession,” said Traci Nelson, chief executive officer of the IIAWV. “Chad not only is an agent held in high regard by his peers in West Virginia, but also by the many clients he serves in his community. Chad Nuzum is a fourth-generation insurance agency owner. In 2018, he became the President of the Hood Insurance Group, LLC.

Chad Nuzum graduated from Fairmont Senior High School then attended Fairmont State University and West Virginia University. Shortly after, he moved to Boulder Colorado for a few years. Missing almost heaven he came back home in 1998 and decided to go to work at his father’s insurance agency, thus becoming the 4th generation to do so. In 2018 he became the President of the Hood Insurance Group, LLC.

He is on the Board of Directors of the Boys and Girls Club and the Marion Co. Chamber of Commerce. He is also an elected official in his 3rd term as councilman for the City of Pleasant Valley and has been the Co-Chairman of the Marion Co. Chamber of Commerce Annual Dinner for the last 10yrs. He sponsors a row of seats at Fairmont State University basketball games for underprivileged children. He also sponsors the Fairmont Senior High football team and many of his clients activities. He is presently on the board of the IIAWV as Vice President and has been its Treasurer for the past three years.

He loves to fish and hunt every chance he gets and loves to spend time on the river where he lives. Additionally, he follows all sports that are related to WVU.



Federal & Miscellaneous

New Federal Law Aimed at Decreasing Number of Robocalls

A new federal law is aimed at addressing the vast number of robocalls.

President Donald Trump signed the Pallone-Thune Telephone Robocall Abuse Criminal Enforcement and Deterrence Act on Monday. The statute authorizes the Federal Communications Commission to issue additional penalties and push for authentication. The agency and the Federal Trade Commission also has four years to address scammers.

The measure received overwhelming approval in the U.S. House of Representatives, who passed it in a 417-3 vote in early December. The Senate approved the bill through a voice vote.

Sens. Joe Manchin, D-W.Va., and Shelley Moore Capito, R-W.Va., co-sponsored the measure in their respective chamber.

145,000 U.S. Jobs Added in December

At the start of the new decade, the country's unemployment rate remains at 3.5%.

The Department of Labor reports that the United States added 145,000 jobs in December 2019, according to the Washington Post. Going into a new decade, the unemployment rate remains at 3.5%, which is below the Federal Reserve's full employment benchmark of 4.7%.

The December 2019 report shows gains in retail and health care. Amid the busy holiday season, retail added 41,000 jobs—even at a time when many retailers are shutting their doors: Pier 1 is closing as many as 450 locations and Macy's is closing 29 stores. Employment increased in clothing and accessories stores (up 33,000) and in building material and garden supply stores (up 7,000), the labor department said.

The average hourly earnings for private sector workers in the U.S. rose by 3 cents to \$28.32 per hour. During the past 12 months, average hourly earnings have risen 2.9%.

The number of women on nonfarm payrolls exceeded men in December for the first time since mid-2010. Women held 50.04% of jobs last month, surpassing men on payrolls by 109,000.

**2020 Election Season
is coming soon!**

DONATE TODAY!

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INSURPAC



**BIG "I" LEGISLATIVE
CONFERENCE
May 13—15, 2020**

**Hyatt Regency Washington
on Capitol Hill,
Washington DC, USA**

Registration Open Soon!

**Members are invited to attend.
Scholarships are available for first time
attendees and young agents.**



Big "I" Update

InsurPac Breaks Its All-Time Record

InsurPac, the Big "I" political action committee (PAC), raised \$1,196,822 during the 2019 calendar year making it the largest fundraising year in its history. A total of 3,789 total donors invested an average of \$316 per person.

The year concluded with more than \$225,000 being raised in the month of December alone, a record for the most money raised in a single month. That haul was largely driven by South Carolina and Massachusetts, who went down to the wire competing for the National Championship Award, given annually to the state that raises the most total money for InsurPac. When the dust settled, South Carolina stood victorious with \$115,647, followed by Massachusetts with \$111,293. They became the first two states to ever top six figures, a true testament to the culture of participation that has been developed and strengthened through each state's respective leadership.

Rounding out the top five in total dollars raised were Texas (\$73,490), Illinois (\$55,510) and Georgia (\$46,163). Overall, a total of 33 states achieved their InsurPac goal.

Also coming down to the wire was the race for the Big "I" Presidents Cup, given annually to the state whose past and current state presidents/chairs contribute the most money to InsurPac. In that race, Massachusetts came out on top, edging South Carolina \$25,325 to \$23,560.

During the fundraising campaign, a record 14 states became "InsurPac Eagle" states by contributing an average of \$100 or more per agency member. Those states were Arkansas, Georgia, Idaho, Louisiana, Maine, Maryland, Montana, Nebraska, Nevada, New Hampshire, North Dakota, South Carolina, South Dakota and Tennessee.

Young agents across the country also stepped up their game and contributed more than \$175,000 with the average contribution being \$237. South Carolina led the way with \$25,560, which secured the Young Agent National Championship Award. Finishing second and third were perennial powerhouses Georgia and Massachusetts, with \$15,468 and \$14,599, respectively. Thirty-three states achieved their young agent InsurPac goal.

InsurPac remains one of the largest small business PACs in the country and is credited with making the Big "I" one of the most well-respected lobbying associations on Capitol Hill.

Relationships that are developed and strengthened with elected officials through InsurPac are critically important. While these relationships obviously don't guarantee votes, they do provide opportunities to meet with key decision-makers at appropriate times and to provide the independent agent perspective.

Cases Before the Supreme Court to Watch in 2020

By many measures, the U.S. Supreme Court has a full load of weighty cases to consider this term. And depending on whether five justices approve, it may add another Affordable Care Act (ACA) case to its docket after petitions to expedite the ACA case to the Supreme Court were brought by 20 Democrat attorneys general and the U.S. House of Representatives.

In December 2019, the U.S. Court of Appeals for the Fifth Circuit in New Orleans declared the ACA's individual mandate unconstitutional and remanded the matter back down to a district court to determine whether that provision can be removed from the rest of the healthcare law or the entire law must be declared unconstitutional in a 2-1 ruling.

Twenty Republican state attorneys general and governors initially challenged the constitutionality of the individual mandate after Congress enacted the Tax Cuts and Jobs Act of 2017, which "zeroed out" the individual mandate penalty beginning in 2019.

The appeals court found the individual mandate is now unconstitutional because it can no longer be read as a tax, which the Supreme Court had previously allowed as the only constitutional provision allowing the mandate.

The Supreme Court ordered those who challenged the law, to include the Trump Administration, filed a response recently. It is unclear as to how the court will decide on the petition, but the court does not generally accept cases that come to it before lower-court rulings are complete.

The Supreme Court also will decide on the constitutionality of the Consumer Financial Protection Bureau (CFPB). Created in 2011 by the Dodd-Frank Act, the CFPB operates with an unusual level of independence for a government agency. The case boils down to the statutory restrictions on the ability of the President to remove the director.

If the justices agree that the restrictions on removal violate the separation of powers doctrine—the idea that the Constitution divides the different functions of government among the executive, judicial and legislative branches—the entire agency could be declared unconstitutional. If the court finds it is not severable from the rest of Dodd-Frank, all its decisions over the past nine years may become invalid. The case is scheduled for March 3.

Of particular interest to insurance producers and agency owners, on Dec.12, 2019, the Supreme Court declined to hear *Jammal et al. v. American Family Insurance Company, et al.*, a case involving a federal class action that challenges the independent contractor classification of American Family agency owners.

The case started in 2013, filed by four former American Family agents in an Ohio U.S. District Court. The Ohio court later certified the case as a class action, adding approximately 7,000 current and former agency owners as plaintiffs and precluding them from withdrawing from the case.

In 2017, the district court ruled that members of the class should have been classified as employees. However, the judge allowed an immediate appeal of that decision, acknowledging past court decisions had been nearly unanimous in ruling that insurance agents are independent contractors.

In January 2019, the U.S. Court of Appeals for the Sixth Circuit determined that American Family agency owners are independent contractors, overturning the district court ruling which will now stand. The circuit court found that the independent contractor status was supported by the agreement between American Family and its agents. American Family agents are paid by commission. They also hire and pay their staff, set their work hours, and file taxes as independent contractors.

BUILD. GROW. THRIVE.

WELCOME!

New Agency Member

CITYWIDE

INSURANCE & REAL ESTATE

SECURE Act is Signed into Law

The Setting Every Community Up for Retirement Enhancement (SECURE) Act was signed into law Dec. 20 as part of the 1700-page appropriations package passed at the end of last year. Most of the provisions in the new law take effect Jan. 1, 2020 but several others became effective on the date of enactment. It contains significant incentives for small and mid-sized businesses to offer retirement plans and regulatory changes to provide options for individuals planning for retirement.

The SECURE Act includes provisions to encourage employers to offer annuities as options within a retirement plan and provides for disclosure to employees of their expected monthly income in retirement to enable them to better prepare for lifetime income. One provision provides a safe harbor for employers in selecting an annuity provider under a qualified plan. The bill also grants greater portability for lifetime income products such as an annuity into an IRA or other retirement plan. Other provisions include:

- providing a tax credit of \$500 per year to employers who create a 401(k) or SIMPLE IRA plan with automatic enrollment;
- increasing the auto enrollment safe harbor cap from 10% to 15% of pay;
- allowing long-term part-time workers to participate in 401(k) plans;
- pushing back the age at which retirement plan participants need to take required minimum distributions (RMDs), from 70½ to 72, for those who are not 70½ by the end of 2019;
- allowing the use of tax-advantaged 529 accounts for qualified student loan repayments (up to \$10,000 annually);
- permitting penalty-free withdrawals of \$5,000 from 401(k) accounts to defray the costs of having or adopting a child;
- expanding multiple employer plans (MEPs) through the establishment of “open” MEPs.

The legislation also includes a few provisions that are designed to raise revenue. Among those are increasing the penalties for late filing of retirement plan returns and notices and eliminating the so-called “stretch IRA.” The new “stretch IRA” restrictions rules say beneficiaries of qualified retirement accounts must withdraw all of the money out of those accounts, and thus incur taxes on the payouts, within 10 years instead of over their life expectancy as was previously allowed.

Insurance Asset Freeze Bill Considered by House Subcommittee

The U.S. House Financial Services Subcommittee on National Security, International Development and Monetary Policy held a hearing last week on the financing of domestic terrorism and extremism. During the hearing, there was brief discussion as to how insurance products could be used to finance terrorist groups.

Three bills were considered at the hearing, including the “Freezing Assets of Suspected Terrorists and Enemy Recruits Act” draft bill, which would require financial institutions to freeze the assets of people “arrested under suspicion of participating in domestic terrorism or providing material support to terrorists,” according to the draft language.

Reps. Josh Gottheimer (D-NJ), Brian Fitzpatrick (R-PA) and Tom Reed (R-NY) are cosponsors of the draft, which would also establish a clearinghouse to collect and share information on incidents of lone-wolf terrorism and violent extremism. It also applies to individuals who provide material support to terrorist groups, including ISIS and al Qaeda, as well as individuals suspected of domestic terrorism.

For purposes of domestic terrorism asset freezes, the term “financial institution” would have the meaning given in Section 5312 of Title 31 in the U.S. Code, according to the draft bill. The Title 31 Section 5312 definition of financial institutions includes insurance companies. In practice, most asset freeze requests would most likely involve annuities and cash-value life insurance policies.



**2020 Young Insurance Professionals
Winter Retreat— 2020 InsurTech Trends**

February 20 & 21
Snowshoe Mountain
Snowshoe, WV

Women in Insurance Luncheon

May 21st
The Retreat
Charleston, WV

Regional Lunch & Learn Meeting

June 24th
Stonewall Resort

**2020 Young Insurance Professionals
Summer Retreat**

August 20 & 21
Chief Logan State Park
Logan, WV

2020 Annual Convention

October 12 - 14
The Greenbrier Resort
White Sulphur Springs, WV

5 Ways Big Data Can Boost Employee Engagement

A single disengaged employee may cost a company almost \$16,000 a year, according to Forbes. And although employee engagement is at an all-time high, 53% of workers are still not engaged, and another 13% are “actively disengaged,” according to Gallup.

What does that have to do with big data?

Big data represents a large amount of information, both unstructured and structured that accumulate throughout different work activities. Big data’s greatest benefit is allowing businesses to access predictive capabilities via different processing systems.

Acquiring big data from multiple sources provides organizations with deep insights into consumer and client characteristics, along with internal enterprise performance. Using the data and records of buying trends, customer interactions, online communities, social media and surveys allows businesses to quickly and accurately predict behaviors and actions.

Many businesses forget that their biggest customer is their employees. Employers need to build a healthy and long-term relationship with their employees the same way they do with their customers.

With the right analytics and tools, you can easily measure everything from individual performance, team spirit, interactions, collaboration between different departments and the overall company culture.

Big data is here already. The HR department just needs to decide what information they can use to the advantage of the business. Here are five ways you can use big data to boost employee engagement:

- 1) **Get to know your employees.** Employers can motivate their teams to perform with more efficiency by finding out what inspires, impacts and disappoints them. With huge reserves of HR data at hand, employers can collect the relevant metrics and then understand, analyze and act on them. The application of the right metrics is important. You can pick the simplest metrics to get insights. Start with answers for basic questions, like “Are my employees happy working with me?” or “Do I, as an employer, try to keep employees’ motivation levels up?”
- 2) **Cast the vision.** By using big data performance analytics, employees are in a better position to envision the connection between organizational goals and their daily operations. This includes them as an active participant in the organization’s processes. Managers can formulate individual career development plans for each employee. Every task completed by the employee creates logs that assist in reviewing and comparing the desired goals. Employers can gauge employee capabilities and share performance outcomes and departmental goals.
- 3) **Encourage employees to engage.** Who doesn’t want to have a successful career and work at a job where there is growth? Big data helps employees take an active approach in this regard. Employers can use big data tracking tools to access employee’s performance metrics through an internal career portal or a virtual assistant. The employees can control and calculate the quality of their work. Workers can also select particular areas to track their performance and the performance metrics of their colleagues, further encouraging employees to become more efficient and engaged. Organizations that allow for this kind of empowerment benefit from the highest levels of employee engagement in the long run. It also saves both the employer and employee from openly discussing workplace shortcomings. Through this application of big data, you can identify and support your unsatisfied employees and try to retain them. Using the predictive capabilities of big data, you can know which employees are susceptible to accidents, health issues and even demonstrate signs of demotivation.
- 4) **Course-correct efficiency.** Big data, coupled with an efficient employee monitoring solution, such as Xnspsy, can highlight immediate issues that threaten productivity. For example, Xnspsy calculates the time employees spend on Facebook or other social media apps. This insight can help managers enact short breaks between assignments. If the habits are too addictive, employers could disable or block apps and websites that hinder performance and are a source of constant distraction. In most cases, when employees know that the company is monitoring their activities on company-owned phones, they act more responsibly and efficiently.
- 5) **Include employees in data-driven decisions.** The effective use of big data requires collaboration from workers at all levels of the company. You can encourage and train your employees to contribute to data. Gathering and storing the information at every consumer contact is crucial for an effective data-driven organizational culture. Organizational leaders can train, evaluate and supervise employees during the information collection process. With the right tools and strategies in place, employees can make the most of every opportunity that comes their way.

How Agency Management Systems Can Help Defend E&O Claims

Electronic communication is nothing new; independent insurance agencies have widely used e-mail and the internet for about 20 years, and there are many choices of agency management systems available. Despite this, too many errors & omissions claims still end up as a "he said/she said" credibility dispute. Documenting all interactions with customers and carriers and every insurance transaction can be critically important to the defense of an E&O claim. Without time-stamped documentation, an agency will be left with little more than its employees' memories of conversations that may have taken place years earlier, and your E&O carrier may recommend that you settle your claim.

Agency management systems provide many benefits, not the least of which is the contemporaneous documentation they provide. Electronic documentation more definitively establishes what occurred than handwritten or paper files. Documenting a customer's file through an agency management system is more credible evidence than paper files because the automated system creates a record of the date and time of the entries, which cannot be manipulated later. All employees should make electronic notes documenting every conversation with customers, carriers, or anyone else with whom they discuss coverage. Electronic documentation of coverages offered and declined or the specific type of coverage requested can be very persuasive evidence to defend an E&O claim.

Of course, while the quantity and consistency of documentation is important, so is the quality. Each entry about a conversation should include:

- Who - The names and roles of the person at your customer and at the agency involved
- What - The specific topics discussed and any actions or decisions reached
- When - The date and time of the conversation and any deadlines or next steps
- Why - The reason the conversation took place
- Where - Where are you in the process? If the activity can be closed, close it
- How - Was it a phone call? Email? In office visit? On location?

Many agency management systems also integrate with other agency applications, such as e-mail and word processing systems. This can ensure that documents such as applications, quotes, change endorsements, rejections, checklists, and other correspondence is immediately placed in the customer's electronic file. If an agency's agency management system does not do this automatically, such documents should be scanned and routed to the system. Emails forwarding a copy of the policy to the customer or even just forwarding a link to the policy on the carrier's website can be documented in many systems, which can be used to confirm that the customer received a copy of the policy. Every certificate of insurance the agency issues for an insured should also automatically be entered as an activity into the agency management system. Some systems will even synchronize with the agency's phone systems to send voice mail messages to the file.

Consider the following example in which electronic notes or a time stamped letter in the file would have helped defend an E&O claim. An agent procuring a new policy neglected to have his customer complete a required form. After realizing the mistake, the agent called the customer and asked her to come sign the form, but the customer did not do so and later had an uncovered claim. Documentation that the customer was given an opportunity to sign the form, but failed to do so, would be key to defending the resulting E&O claim. The agent said he had a log where he keeps that kind of information, which the E&O claims handler thought might establish that the agent gave his customer an opportunity to correct the initial oversight, putting at least some of the responsibility for the lack of coverage on the customer.

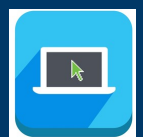
However, the log the agent sent the claims handler to review turned out to be handwritten notes, which did not provide proof of when the agent made them. Without any other documentation that the customer was informed of the need to come sign the document, the claim became a simple swearing match between the customer's version of events and the agent's, on a claim in which the agent had admittedly neglected to have the customer sign in the first place. The E&O claims handler recommended settling the claim.

Handwritten notes or paper files should not be any modern agency's methods of documentation. An agency management system, when consistently and properly used, can increase an agency's efficiency and will be invaluable in successfully defending any E&O claims that arise.

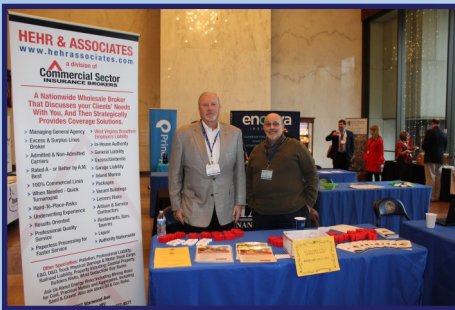
John Nesbitt is an assistant vice president, claims specialist with Swiss Re Corporate Solutions and works out of the Overland Park office.



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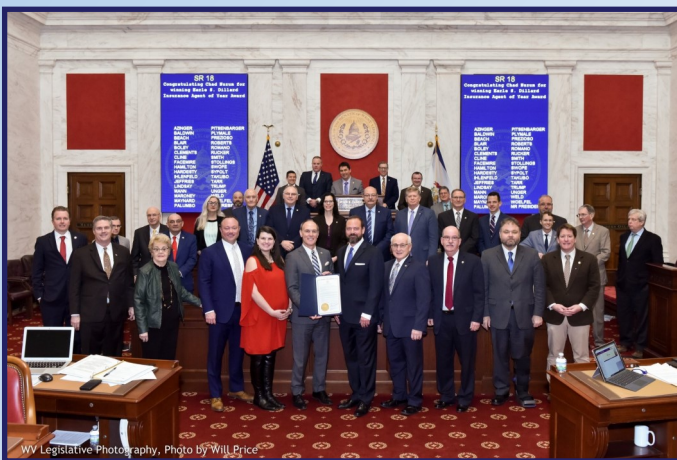
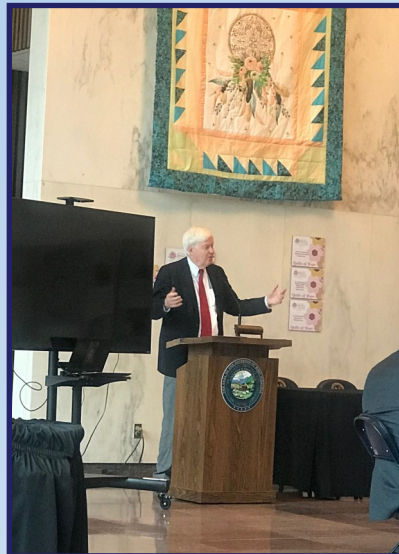
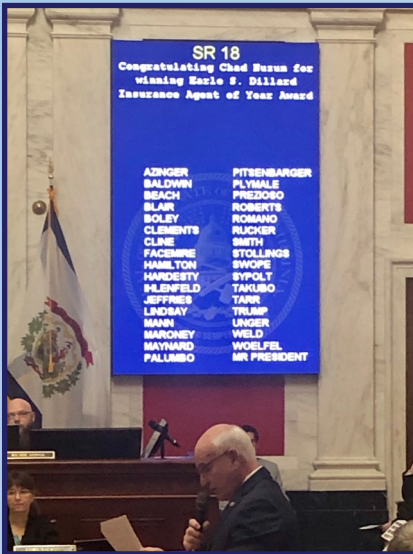
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- ◆ Not all Workers' Comp policies provide WV Broad Form EL. Make sure you have the coverage on all your Workers' Comp. policies. **OR**
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