



# Main Street

---

## INDUSTRY NEWS

### INSIDE

The Soft but *Maybe*  
Growing Hard Market >>7

.....

Small Business Sees  
Hiring Increases >>11

.....

How would you assess  
your agency's overall  
E&O culture? >>14

.....

The Unaffordable  
Care Act >>16

.....

Out of This World  
Now Out of the Solar  
System — Finally! >>24



*We wish you all a  
happy and blessed  
Holiday Season!*







# FIRST COMP

*Insuring America's Small Business®*

A MARKEL® Company



## WORKERS' COMP *for America's Small Business*



- Exceptional customer service
- State-of-the-art technology
- Instant online quotes
- Online renewals



FOR MORE INFORMATION

Call: **(888) 500-3344**

Visit: **[www.firstcomp.com](http://www.firstcomp.com)**

Email: **[sales@firstcomp.com](mailto:sales@firstcomp.com)**

FirstComp Underwriters Group, Inc. is a servicing entity for Deerfield Insurance Company.

FirstComp is a registered trademark of Markel Aspen, Inc. used under license by its affiliates including but not limited to those doing business as FirstComp Insurance Company, FirstComp Underwriters Group, Inc., FirstComp Group Inc., FirstComp Group, FirstComp Insurance Agency, and Risk Exchange Insurance Services, Inc., a subsidiary of REX, Inc. also doing business as Risk Exchange Insurance Agency Services, Inc.

FC1128(0112)\_PIA of NE\_IA



## **Flood Is The New Hot Insurance Product!!**

Interest in flood insurance is growing since Superstorm Sandy or Tropical Cyclone or whatever you want to call it. You may be getting calls and queries about flood insurance. Selling flood insurance already? Then you're ready to go. If you're not selling through the PIA, read on and then visit PIA National's Flood Insurance Marketing Support Center.

Agencies flirting with selling flood can get help from the PIA. We offer flood insurance through The Hartford. The program is available in all states.

The Hartford Flood program offers an easy enrollment process, competitive commissions and allows you to broaden what you can offer to customers in areas susceptible to flooding.

For PIA members enrolled in The Hartford Flood Program, the following Surplus Lines flood insurance coverages are available through WNC First Insurance Services:

- Excess Flood Insurance with policy limits in excess of the maximum NFIP limits are property coverage up to \$15,000,000 in all states and contents coverage up to \$1,000,000. There is no commercial contents coverage excess.
- CBRA & OPA Areas with eligible properties including residential properties and condominium units and townhouses.

Want information? Contact Joseph Surowiecki, Jr. of The Hartford at 860-547-5006 or [joseph.surowiecki@thehartford.com](mailto:joseph.surowiecki@thehartford.com).

Have a question for PIA? Contact us at [alexipa@pianet.org](mailto:alexipa@pianet.org).



Local  
Agents  
Serving  
Main Street  
America™

### **National Association of Professional Insurance Agents**

400 N. Washington St., Alexandria, VA 22314-2353

[www.pianet.com](http://www.pianet.com) | [membership@pianet.org](mailto:membership@pianet.org) | (703) 836-9340





# Contents

---

---

## TOP STORIES

---

### **The Soft but Maybe Growing Hard Market | 7**

The year 2012 has been mostly positive for the industry in terms of growing business and increasing rates.

### **The Fiscal Cliff — A Week Closer | 8**

We are a week closer to the fiscal cliff.

### **The Fiscal Cliff, the People, Business & the Polls | 11**

The polls say the people are with President Obama when it comes to the tax rates for the “rich.”

### **Your Tax Dollars & the Fiscal Cliff | 10**

Cuts are coming to some entitlement programs like Medicare and to the defense budget on January 1, 2014 if the president and Congress don't come up with an agreement to avoid what is being called a fiscal cliff.

### **Small Business Sees Hiring Increases | 11**

Small business hiring rose 0.14% in November.

### **PIA National's Ted Besesparis on Gridlock in Washington D.C. | 12**

PIA National Senior Vice President Ted Besesparis engaged in a little post-election analysis and political speculation in the December issue of *American Agent & Broker* magazine.

### **How would you assess your agency's overall E&O culture? | 14**

The question posed in the headline is probably not easy to answer. After all, there are many issues to factor in making this determination.

### **The Unaffordable Care Act | 16**

The idea behind the Patient Protection and Affordable Care Act is to get health insurance coverage to those that don't have it now and to those who can't afford to pay for the coverage.

### **Info on yet Another ObamaCare Tax | 17**

If you're an employee, your company will likely pass this new ObamaCare tax onto you. Or it might not.

### **Insurers & Federal Government Run Exchanges | 18**

The Patient Protection and Affordable Care Act (ObamaCare) sets up health insurance exchanges where individuals and small businesses will be required to purchase health insurance.

---

## PIA NE IA EVENTS

---

### **Annual Holiday Party | 20**

### **Upcoming Events Calendar 2013 | 22**



Your protection. Your program. Your PIAPRO E & O.



## ADVERTISEMENTS

### Wanted, For Sale and Opportunities | 23

Contact us to place a classified ad.

## JUST FOR FUN

### Out of This World

#### Now Out of the Solar System — Finally! | 24

Let's start with the Sun. It is 92.9-million miles from Earth. The distance is so great that at 186,000 miles per second, sunlight takes 8.3 minutes to travel from there to here. That distance is unfathomable. But it pales in comparison to how far into space the Sun's influence is felt.

## EDUCATION



**Register Online**  
for PIA NE IA education:

[Click here](#) or  
call (402) 392-1611

# ADVERTISE

### **Main Street Industry News**

format is done  
in an ultra high  
quality style that  
makes your ad  
stand out.



We are one  
of the most  
popular and  
best-read  
insurance news publications in  
Nebraska and Iowa.

**Main Street Industry News** is  
issued electronically to over 8,000  
Professional Insurance Agents  
throughout NE & IA, PIA state and  
national associations and other  
organizations that provide products or  
services to insurance agencies.

**To advertise contact PIA of Nebraska  
and Iowa — Executive Director,  
Cathy Klasi at (402) 392-1611.**



Local  
Agents  
Serving  
Main Street  
America™



# Main Street INDUSTRY NEWS

---

## PIA FOR NEBRASKA AND IOWA

---

PIA Association for Nebraska and Iowa is committed to focusing its resources in ways that cast the most favorable light on its constituents. We are dedicated to providing the type of programs, the level of advocacy, and the dissemination of information that best supports the perpetuation and prosperity of our members. We pledge to always conduct ourselves in a manner that enhances the public image of PIA and adds real value to our members.

---

## SUBSCRIBE OR COMMENT

---

Professional Insurance Agents NE IA  
Attention: Editorial  
Main Street Industry News  
920 S 107 Avenue, Ste. 305  
Omaha, NE 68114

Email: [office@pianeia.com](mailto:office@pianeia.com)  
Ph: 402-392-1611  
[www.pianeia.com](http://www.pianeia.com)

The PIA NE IA, **Main Street Industry News** reserves the right to edit your comments to fit space available. We respectfully ask that you keep the comments to 200-300 words.



**Join Our Facebook Fan Page**  
Professional Insurance Agents of NE IA

---

## ADVERTISING QUESTIONS

---

**Cathy Klasi, Executive Director**  
(402) 392-1611

---

This publication is designed by ***Strubel Studios***.

## IS YOUR E&O X-DATE HERE?

### *Considering a change?*

Let the PIA  
quote your E&O

**Phil Fried**  
**(402) 392-1611**  
[Phil@pianeia.com](mailto:Phil@pianeia.com)



*E&O Coordinator  
Phil Fried*



# The Soft but Maybe Growing Hard Market



The year 2012 has been mostly positive for the industry in terms of growing business and increasing rates. MarketScout released its November ratings a few days ago and found the composite rate for commercial accounts to be up 5% over last year in the same time period.

Good news. Here's how things shaped up in the various lines. The figures are all increases:

Commercial Property	5%
Business Interruption	3%
BOP	4%
Inland Marine	3%
General Liability	5%
Umbrella/Excess	5%
Commercial Auto	5%
Workers' Compensation	5%
Professional Liability	4%
D&O Liability	4%
EPLI	4%
Fiduciary	2%
Crime	2%
Surety	1%

By Industry Class — all numbers are positive:

Manufacturing	6%
Contracting	5%
Service	5%
Habitational	5%
Public Entity	4%
Transportation	6%
Energy	5%

By Account Size. All numbers are positive:

Small accounts — up to \$25,000	5%
Medium accounts — up to \$250,000	5%
Large accounts — to \$1 million	5%
Jumbo accounts — \$1 million or more	2%

Personal lines also did well in November with a composite rate increase of 4% compared to November of last year.

Fitch Ratings said most U.S. brokers had a pretty good year with organic growth hitting a low to mid-single digit increase. Profit margins were good, too.

The Fitch report is titled **2013 Outlook: U.S. Insurance Broker Industry** and it points out that 2013 will be better than 2012 because of firmer prices, stable industry credit fundamentals and increasing acquisitions.

And the economy is improving.

The report focuses on Aon, Marsh & McLennan Companies and Willis Group Holdings and gave each a positive outlook for next year. Fitch noted that two of the three will have new CEOs. Dan Glaser will take over for Brian Dupperreault at Marsh and Dominic Casserly replaces Joseph Plumeri at Willis. ■



# FISCAL CLIFF

## COUNTDOWN

---

### *The Fiscal Cliff*

## A WEEK CLOSER

#### *We are a week closer to the fiscal cliff.*

House Speaker John Boehner called last week's posturing and lack of negotiation a wasted week. But was it? How can you call a week of name calling, posturing, posing and position staking by leaders in both parties wasted?

President Obama and Boehner are the key players. They'll do the agreement if one is to be reached. Over the weekend — after 23 days of not talking face to face and just 23 days before we fall over the fiscal cliff — Obama and Boehner finally met. Both were tight-lipped on the discussion and vow not to talk about their talk until an agreement is reached.

Negotiations are fluid. Things change by the minute. They may reach an agreement before you read this. We sincerely hope they so.

On the cliff's cusp is the expiration of the so-called Bush tax cuts and the end of the temporary payroll tax cut of 2%. On January 1, those making over

\$200,000 or families with incomes of \$250,000, a tax increase of 3.8% goes into effect from ObamaCare. Tax hikes go into effect on investment income, wages and salaries.

There is a 27% cut in Medicare payment rates to doctors and hospitals and medical care providers and a 10% cut in defense spending. Last — but not least — there is an 8% cut in non-defense spending and emergency unemployment benefits end.

Economists, the Congressional Budget Office (CBO) and others say going over the cliff means falling back into recession, millions of jobs lost and a tanking stock market.

Republicans and Democrats are both backed into corners. President Obama refuses to negotiate anything that doesn't include a tax hike to individuals making over \$200,000 a year and for families with incomes of \$250,000 or more. He's not locked into going to the highest rate of 39.6% but does want to see a jump for that group.

*“If we’re serious about reducing our deficit while still investing in things like education and research that are important to growing our economy — and if we’re serious about protecting middle-class families — then we’re also going to have to ask the wealthiest Americans to pay higher tax rates. After all, this was a central question in the election,”* the president said.

In other words, I won and I think this is my mandate.

Republicans disagree. Florida Sen. Mark Rubio sums up what other Republicans said over the weekend, “Tax increases will not solve our \$16 trillion debt. Only economic growth and a reform of entitlement programs will help control the debt. We must reform our complicated, uncertain, job-killing tax code, by getting rid of unjustified loopholes. But our goal should be to generate new revenue by creating new taxpayers, not new taxes.”

Obama said he’s willing to look at everything. Later. But first let’s stop the fiscal cliff run and fix the tax cut issue. The middle class will suffer if we don’t.

One reason Republicans may be balking is the 3.8% ObamaCare hike for individuals making over \$200,000 and for families with a \$250,000 or more income. Add that to the expiring Bush tax cuts and you have an increase of close to 8%. Even for the “rich” that’s a pretty big, all-at-once leap.

So what happens if they can’t make a deal? Not much at first. Starting January 1, stocks will drop and Wall Street will complain. The downhill ride begins. The administration — via the U.S. Treasury — can stave off the tax hikes for at least a couple of weeks and that will likely happen.

Moody’s top economist Mark Zandi says the economy can handle a couple of weeks of uncertainty until the new Congress — which looks pretty much like the old Congress — and the administration come up with an agreement.

That’s January. By February the lack of an agreement is a disaster. The U.S. will face the borrowing limit which is now \$16.39 trillion. It expires at the end of December. Fears would be seen in February that the U.S. is going to default on its debt.

Not good. ■



## ***The Fiscal Cliff*** **THE PEOPLE, BUSINESS & THE POLLS**

The polls say the people are with President Obama when it comes to the tax rates for the “rich.” President Obama refuses to avoid sending the nation over the fiscal cliff of tax rate hikes and budget cuts unless Republicans agree to keep the so-called Bush tax cuts for the middle and lower classes and raise taxes on individuals making over \$200,000 a year and families with incomes of \$250,000 and more.

An Associated Press-GfK poll says under half of the Republicans polled think the tax cuts should be extended for the rich. They also do not want cuts in Social Security, Medicare or defense programs.



**REPUBLICANS POLLED:**

- 48% say the cuts should expire on those upper income groups.
- 32% say continue the tax cuts for everyone.
- 13% say end them for everyone.

**DEMOCRATS POLLED:**

- 61% say let them expire for the “rich.”

**BOTH PARTIES:**

- Just 30% of Democrats say cut government services and don't raise taxes.
- 46% of Republicans want a combination of both.

Pew Research did its own poll last week, too. It found that 49% of us think the president and Republicans will cut a deal to avoid going over the fiscal cliff.

***If NO DEAL is done 53% will blame Republicans.***

That may be the case for the short term. Author and famed Watergate reporter Bob Woodward over the weekend said the American public would blame Republicans for about a month. Once a recession starts it's owned by a president, not a political party.

McClatchy newspapers did a survey of small and large businesses. It found the tax hikes being talked about have mixed reaction. Some small business people said they report their business income through their personal income so they'll face higher rates and aren't happy about that.

Corporate execs surveyed said corporations aren't impacted by the Bush tax cuts or by much in the tax structure of the fiscal cliff. ■

# YOUR TAX DOLLARS

## & The Fiscal Cliff

Cuts are coming to some entitlement programs like Medicare and to the defense budget on January 1, 2014 if the president and Congress don't come up with an agreement to avoid what is being called a fiscal cliff.

Tax hikes for individuals are also on the table. Speaking of tables. Here's where your federal tax dollars go according to the U.S. federal government's budget:

21%	\$581 billion	Social Security
21%	\$561 billion	Medicare & Medicaid
20%	\$549 billion	Defense spending
19%	\$493 billion	Discretionary spending
10%	\$309 billion	Other/mandatory spending
09%	\$237 billion	Interest on the federal debt





# Small Business Sees Hiring Increases

Small business hiring rose 0.14% in November. Intuit Payroll tracks these things and spokeswoman Susan Woodward said that's 30,000 jobs and a nice hike when compared to October's 0.05% drop.

*"The results are definitely mixed for small businesses. We began seeing some employment gains in April 2010, but between March and September 2012, the numbers began to drop again. The good news is they are back up for October and November," she said.*

Small business is defined as a company with less than 20 employees.

More good news Intuit said. Along with more jobs, those that are working for small business worked more hours and got paid more. The average work month was 110.1 hours in November, a jump of 0.11%. Monthly pay rose 0.5% to \$2,861 — a \$14 average increase. ■

*Photo Credit: Some rights reserved by bgottsab*



# PIA National's Ted Besesparis on **GRIDLOCK** in Washington D.C.



PIA National Senior Vice  
President Ted Besesparis

PIA National Senior Vice President Ted Besesparis engaged in a little post-election analysis and political speculation in the December issue of **American Agent & Broker** magazine.

Besesparis said both parties were convinced they were going to come out on

top in November's election. He contends that partisans think the world will end if their party does not prevail.

The end of the world — he says — is not the end of the world.

For the insurance industry many hoped President Obama would be defeated and ObamaCare done could away with. That didn't happen. It's not a good thing for member independent insurance agents also selling health care because of their commissions being locked into the medical loss ratios.

*"The ability of professional insurance agents to continue selling health insurance and to be fairly*

*compensated for doing so remains up in the air. ACA creates strict medical loss ratio (MLR) formulas that have led to health insurance sales placing limits on agent compensation. While legislation to curb this is still at play in Congress, we are skeptical that it could be enacted in the new political environment,"* Besesparis wrote.

There are also worries about independent agents being able to be involved in the soon-to-be-established insurance exchanges. *"Participation and fair compensation from health sales through a health exchange are also at play. While Mitt Romney campaigned on offering state exemptions from the ACA, states must now decide, if they haven't already done so, whether to offer a state-based health exchange or allow the federal government to manage and regulate one in their state. As a result, the focal point for ACA implementation will shift to the states. This is a positive development, as many states have been supportive of including agents as part of their exchanges."*

Taxes were also on Besesparis' mind.

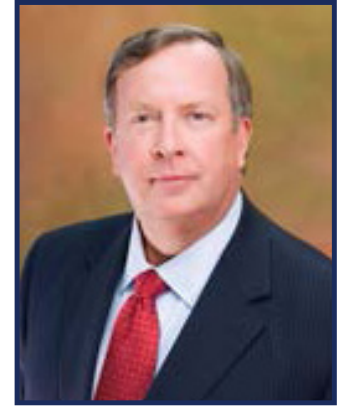
*"Independent insurance agencies could face higher taxes, depending on the specifics of various tax reform proposals that may be considered in the effort to avoid plunging off*

*this fiscal cliff. Although both Democrats and Republicans have said that small businesses should not face unfair tax burdens, many agencies file as pass-through entities and pay at the individual tax rates — something that will be in play this December. PIA will be fully engaged in the legislative process to protect the business interests of our members and ensure that they do not get caught in the fiscal buzz saw in Washington, D.C.”*

So will gridlock continue? In the same article PIA National President Andrew Harris thinks there will be more of the same unless someone blinks. And both sides — he advises — should blink.

*“With the election over, it is time to put the interests of the entire country first. I think the most important thing President Obama can do*

*is hold a summit of all divergent interests to move the economy forward. A grand bargain where both sides give to get our deficit under control is something I believe most conservatives as well as liberals could agree with. All the talk in the world about social issues isn’t going to start the engine of business back in gear. Right now, the engine of business is in neutral, and we need to stick it into drive and step on the gas.” ■*



**PIA National President  
Andrew Harris**

**Photo Credit: © Photographer: jedphoto**

## We're not just another agent's E&O insurer, We're your insurer.



### A Main Street E&O Solution for Main Street PIA Agents

#### Designed by and for PIA Agents

- Tailored Coverage for PIA Members with Standard & Enhanced Forms
- Fairness and Competitive Pricing
- Policyholder Services, Our Highest Priority
- Stability of Your E&O Market
- Ownership in Your E&O Program with Direct Input from You

For more information and a quote, find your state PIA affiliate association at:

**[www.pia-pro.com](http://www.pia-pro.com)**



PIA Membership must be in good standing at all times. This brochure is not intended to provide full coverage details. A complete listing of these coverages including exclusions and limitations can be found in the policy forms. If differences exist between these summaries and the policy forms, the policy forms will govern. The policies may vary or be unavailable in some states.



# HOW WOULD YOU ASSESS YOUR AGENCY'S OVERALL E&O CULTURE?



by Curtis M. Pearsall,  
CPCU, AIAF, CPIA,  
President – Pearsall  
Associates, Inc., and  
Special Consultant  
to the Utica National  
E&O Program

The question posed in the headline is probably not easy to answer. After all, there are many issues to factor in making this determination. A better way to look at this is by comparing your E&O culture today with a certain point in the past. The question then becomes *“is your E&O culture stronger today than it was last year at this time?”* In a recent industry survey, 85 percent of the agencies that responded indicated an improvement over the previous year, with 70 percent of that 85 percent indicating a substantial improvement was made.

Creating and maintaining a culture of constant improvement is key. It is probably best to evaluate your agency on a continuum. As you may not know where the end is, the goal is to be confident you are making progress and improving.

If your agency is unsure where it stands or if you have not given it much thought, here are some areas to consider:

## Management/Leadership

As with most businesses, the culture of the organization starts with management/leadership.

The staff will follow suit to the degree that management *“walks the walk”* and *“talks the talk.”* Thus, where it is readily apparent that agency management is committed to a strong errors-and-omissions culture, that message will heavily drive staff behavior.

Conversely, if agency management does not truly embrace an E&O culture, the agency is only fooling itself and will never achieve the desired level of E&O commitment.

## Staff Engagement

This area will undoubtedly heavily determine an agency's E&O culture. Why? Agencies don't make mistakes, people do. Two agencies could have the same procedures and expectations, yet have a different culture within their respective shops. E&O is serious stuff, requiring every staff member that believes in the cause to perform their duties ethically and professionally.

Because an agency's staff involves many different functions and disciplines, assessing the agency's culture requires an assessment of each person. While producers and CSRs are heavy drivers of E&O claims, virtually everyone in an agency, including the receptionist and claims team, has the potential to cause, and are causing, E&O claims.

## Educating Your Staff

For the staff to perform their jobs professionally and efficiently, they must possess a high level of proficiency in the technical aspects of their positions. Your customers count on the staff's expertise on an insurance matters. In addition, training in the areas of sales, customer service and systems is also extremely important. As you develop goals for each of your staff for 2013, identify educational opportunities

based on your assessment. This may include courses, designations, seminars, etc. Your local agents' association is a great resource for this type of material.

Moreover, exposure analysis checklists are an excellent tool for agencies to totally understand classes of business, and the various insurance issues and exposures.

### Educating Your Customers

Many agencies would contend that the best customer is an educated customer. Has your agency undertaken a campaign to educate customers on various coverages and how these coverages respond? There are many approaches to accomplish this, including producing a printed or electronic newsletter to send to customers. There are many topics to address. Some apply regardless of the time of year, while others are more seasonal (e.g., boating, children going off to college, etc.).

A great approach is to perform an annual agency review for each of your customers. This will help your customers understand their coverage and may also identify any exposures the customer has that are not properly insured. It is definitely better to discover and discuss these issues before a loss occurs as opposed to afterward.

### Documentation

What is the quality and timeliness of the documentation in the customer's file? For example, documentation stating "spoke with insured regarding their homeowners insurance" is unacceptable as it does not provide any real details. The best rule of thumb for documentation is that another staff member should be able to review the documentation and know exactly what the issues are as well as any open items.

### Auditing

To truly assess the E&O culture and commitment of the agency staff, it is necessary to review their files and the detail each contains. How well are agency procedures being adhered to? What is

the level and quality of the file documentation? To effectively perform this function, develop an audit form addressing the key issues, and then perform periodic reviews of a pre-determined number of files for each staff member. While this takes time, it is critical to discover any issues before they become a problem.

### Customer Accountability

It seems that with many E&O claims, the customer does not take any responsibility for the decisions made regarding his or her insurance program. Some possible approaches:

- Provide options for the customer to consider and require the customer to sign off on the coverages and limits selected and rejected.
- Send a cover letter with the policy to the customer requesting that the customer reviews the policy and advises your agency of any questions or problems. An example of such a letter:

Enclosed please find the renewal of your Business Owners package written with XYZ Insurance Co. You will be receiving your premium invoice shortly.

It is important that you take the time to read this policy to ensure your understanding of the limits and the coverages. If there are any questions, or if you wish to make any changes to this policy, please contact the agency promptly.

The limits of insurance have been selected by you and we can't guarantee that the limit selected will be sufficient in the event of a major loss. Higher limits are available upon your request.

Thank you for your confidence in our agency. We appreciate your business.

Sincerely,

### Growth and Improvement

If you are unsure that the agency's culture has been enhanced compared to last year, or even has regressed, don't be disheartened. Start today on a path to growth and improvement. It will be time and energy well spent. ■



# *The Unaffordable* **CARE ACT**

---

The idea behind the Patient Protection and Affordable Care Act is to get health insurance coverage to those that don't have it now and to those who can't afford to pay for the coverage. Sounds good. ObamaCare — as it is known — gives government subsidies to the poorest among us and helps them “afford” health insurance.

Or does it?

Families USA — a consumer group that likes and supported ObamaCare's creation — is critical and complaining. Group head Ron Pollack said a couple with a combined income of \$25,000 will pay out about \$1,000 a year for insurance and will have to cough up the usual out-of-pocket expenses and co-pays of those with insurance.

His conclusion — a significant number of people will still be unable to afford health insurance. And those people face fines if they don't make the required purchase.

Kaiser Family Foundation's Karen Pollitz said, *“A family of four making about \$75,000 a year will have to come up with \$7,125 for premiums each year and their co-pays and deductibles are going to be \$8,333. That's more than \$15,000 a year. A single person with income of \$30,000 will pay \$2,509 for insurance and around \$3,125 for the deductibles and co-pays. A person 60 and making \$40,000 will owe \$3,800 in premiums and \$4,167 in out of pocket expenses.”*

Pollitz said, *“People are often surprised at how expensive health insurance is once they have to*

*pay for their own. The subsidies will make that better, but they won't make the cost disappear.”*

There are — however — outs. The law says if insurance costs you 8% or more of your income, you don't have to make the purchase. Others may opt to just pay the penalty for not carrying health insurance. The fine is \$695 or 2.5% of your income whichever is greater.

After looking at what insurance might cost, a lot of people are going to go that direction.

America's Health Insurance Plans — AHIP — commissioned a study on the new taxes that will go along with full implementation of ObamaCare. Those taxes will raise about \$100 billion in the next decade. They will also increase the cost of health insurance purchases for individuals and families. The AHIP study thinks families will pay \$7,000 more for insurance in the next decade and that it will increase the average payout for families with insurance by \$720 a year.

WG consulting did a study of U.S. voters and their take on ObamaCare when it goes into full effect a year from now. The picture isn't pretty:

- 75% think the cost, quality of care, access to doctors and medicine and cost of insurance will either stay like it is now or deteriorate.
- Those without insurance are more optimistic and 33% expect an improvement. The other 66% do not.

The firm's CEO Claire Gillis said, *“There also are major differences among age groups, with 39% of voters under 35 anticipating cost of care will get better — a view shared by just 19% of those 50 and older. It will be important to continue monitoring voters to see how perceptions change as the ACA becomes reality — and if experiences with the ACA closes or widens the gaps among audiences.”* ■



## *Info on yet another* **OBAMACARE TAX**

If you're an employee, your company will likely pass this new ObamaCare tax onto you. Or it might not. Some employers may not even be aware of the tax. It's a \$63 tax per person on a health plan. The money goes to pay the coverage cost of people with pre-existing conditions.

The administration's goal with this tax is to amass \$25 billion over the next three years to cover those costs. Each year the taxed amount drops until the \$25 billion is gathered.

And yes. Congress could extend the tax for the 190-million people affected once the three-years is up.

The tax is just one of a bunch that are now going into effect or that will go into effect between now and 2014. All total the taxes and fees come to about \$700 billion over the next 10-years. That includes the Medicare tax of 3.8% for individuals making more than \$200,000 a year and families with incomes of over \$250,000. ■

# Who's Going to Introduce Online Insurance Buyers To YOU?

## We Are.

We're Agoragate. We know independent agents and we know the internet. We've built an extensive solution designed to get YOU, the independent agent, found online.



Your Independent Agent Web Solution

ENDORSED BY  
PIA NATIONAL



You, the local  
independent  
agent

[insuranceagoragate.com](http://insuranceagoragate.com)

Plymouth, MN | 763.450.9468



# INSURERS & FEDERAL GOVERNMENT RUN EXCHANGES

The Patient Protection and Affordable Care Act (ObamaCare) sets up health insurance exchanges where individuals and small businesses will be required to purchase health insurance. Some states have opted not to do their own exchanges. That means the federal government will run them when they go into effect January 1, 2014.

Insurers wanting to participate in federal run exchanges will pay a fee of about 3.5% of all insurance they sell in a particular exchange in exchange for being allowed to sell insurance in that state.

The exact percentage won't be officially stated until all states decide. The undecided states have until December 14th to tell the federal government what they're going to do.

Robert Zirkelbach of America's Health Insurance Plans (AHIP) said insurers will pass those fees onto customers. *"Any new fees to pay for the administration of exchanges will add to the cost of coverage, and that is why the focus needs to be on reducing administrative costs, streamlining operations, and avoiding regulatory duplication that will add complexity and increase costs."* ■



Help Build Your Family's  
Financial Future with  
**PIA Trust  
Insurance Plans**

---

**TRUST**  
PIA SERVICES GROUP  
INSURANCE FUND

*Insurance Plans Designed  
with PLA Members in Mind*  
[www.piatrust.com](http://www.piatrust.com)

---

Term Life • STD • AD&D  
Business Overhead Expense  
Hospital Indemnity

**(800) 336-4759**

---

Insurance Program Administered by Lockton Risk Services

**CINNINNATUS  
PARTNERS®**

Cinninnatus Partners I, LP  
\$30 Million of Committed Equity Capital

Focused on acquiring property-casualty independent insurance agencies with the following profile:

- Comprised predominately of personal lines, agriculture and small commercial coverages
- Annual commission income in the range of \$500K - \$5 million
- Based in Nebraska, Iowa and surrounding states

Partners | Carey Bush, Brandon Perry,  
William Re, John Ward

6279 Tri-Ridge Boulevard, Suite 150 Loveland, Ohio 45140  
513-381-2500 [www.cinninnatuspartners.com](http://www.cinninnatuspartners.com)



# FARMERS MUTUAL

---

## INSURANCE OF NEBRASKA



**Insuring the Midlands Since 1891**

Les Hileman, CPCU, AIC  
*Vice President of Agencies*  
800-742-7433  
[lhileman@fmne.com](mailto:lhileman@fmne.com)



# Annual Holiday Party

December 6, 2012

Professional Insurance Agents of NE IA had their Annual Holiday Party

Guests were charmed by the ambiance of the Champions Club, which was festively decorated for the Holiday Season. The sounds of Christmas Carols enhanced the evening, expertly performed by guest pianist, Linda Shirck. The hors-d'oeuvres were prepared by Champions Club and included Barbeque meatballs, Egg Rolls, Spinach-Artichoke dip and a roast with potatoes.

There were two Marines present to accept donations for "Toys for Tots." In addition to collecting the many generous donations from PIA guests, they also raffled off a signed Husker football. The winner of the football was Jim Barna. The PIA office staff decided to continue the gift-giving spirit by awarding two door prizes; a beautiful silver holiday bouquet (valued at \$120 from Kirklands) and 2 tickets for "Deathtrap" at the Omaha Community Playhouse (valued at \$70). Cap Peterson won the bouquet & Rob Hansen won the tickets.

The entire evening was a success and many commented on how much they appreciated the opportunity to network and visit with other PIA members. On behalf of the Professional Insurance Agents, we would like to thank everyone who attended and wish all of our members a happy and blessed Holiday season.









# Upcoming Events Calendar 2013

For information and to register [Click Here](#)  
or call (402) 392-1611.

Date	Event	City	State
February 26, 2013	Legislative Luncheon	Lincoln	NE
February 13, 2013	CISR Commercial Casualty I	Johnston	IA
February 20-22, 2013	CIC Life & Health Insitute	Des Moines	IA
February 27, 2013	CISR Insuring Commercial Property	Davenport	IA
March 6, 2013	CISR Insuring Personal Residential Property	Johnston	IA
March 12, 2013	CPIA 1 Position for Success	Omaha	NE
March 13-15, 2013	CIC Agency Management Institute	Omaha	NE
March 20, 2013	CISR Commercial Casualty II	Marion	IA
March 26, 2013	CISR Personal Lines/Miscellaneous	W Des Moines	IA
April 10, 2013	CISR Agency Operations	W Des Moines	IA
April 16, 2013	CPIA 1 Position for Success	Marion	IA
April 17-19, 2013	CIC Agency Management Institute	Cedar Rapids	IA
May 2, 2013	CISR Insuring Commercial Property	Marion	IA
May 8-10, 2013	CIC Commercial Property Institute	Lincoln	NE
May 15, 2013	CISR Insuring Personal Auto Exposures	Johnston	IA
May 22, 2013	CISR Insuring Personal Residential Property	Davenport	IA
June 4-5, 2013	Convention	Kearney	NE
June 19, 2013	CISR Agency Operations	Marion	IA
June 26-28, 2013	CIC Commercial Property Institute	Des Moines	IA
June 26, 2013	CISR William T. Hold Seminar	W Des Moines	IA
July 10, 2013	CISR Personal Lines/Miscellaneous	Marion	IA
July 17, 2013	CISR Insuring Personal Residential Property	Johnston	IA
July 17-19, 2013	CIC Personal Lines Institute	Omaha	NE
July 24, 2013	CISR Commercial Casualty I	Davenport	IA

August 7, 2013	CISR Insuring Personal Auto Exposures	Marion	IA
August 21-23, 2013	CIC Personal Lines Institute	Cedar Rapids	IA
August 28, 2013	CISR Insuring Commercial Property	W Des Moines	IA
September 10, 2013	Scholarship Golf Outing	Ashland	NE
September 12, 2013	CISR Commercial Casualty II	W Des Moines	IA
September 18-20, 2013	CIC Commercial Casualty Institute	Lincoln	NE
September 19, 2013	CISR Dynamics of Service Seminar	Johnston	IA
September 26, 2013	CISR Agency Operations	Davenport	IA
October 3, 2013	CISR Insuring Personal Residential Property	Marion	IA
October 16, 2013	CISR Insuring Personal Auto Exposures	Davenport	IA
October 16-18, 2013	CIC Commercial Casualty Institute	Des Moines	IA
November 13-15, 2013	CIC Life & Health Institute	Omaha	NE
November 21, 2013	CISR William T. Hold Seminar	Marion	IA

## ADVERTISEMENTS

SEEKING BUSINESSES

BUSINESS OPPORTUNITIES

SERVICES

COMMUNITY

## Post a classified ad?

Your ad will stand out! **Main Street Industry News** is issued electronically to over 8,000 Professional Insurance Agents throughout NE & IA, PIA state and national associations and other organizations that provide products or services to insurance agencies.

To advertise contact PIA of Nebraska and Iowa – Executive Director, Cathy Klasi at (402) 392-1611.



# Out of This World

## NOW OUT OF THE SOLAR SYSTEM — FINALLY!



*Voyager 1 Photo Credit: Wikipedia*

# THIS IS AN AMAZING STORY.

Let's start with the Sun. It is 92.9-million miles from Earth. The distance is so great that at 186,000 miles per second, sunlight takes 8.3 minutes to travel from there to here. That distance is unfathomable. But it pales in comparison to how far into space the Sun's influence is felt.

That leads us to Voyager 1. The planetary probe was launched 35-years ago. Today it is 11-billion miles from Earth. Unlike much of the crap made today, the technology aboard Voyager 1 was very, very well made and the craft is still sending radio signals. They take 17-hours to reach Earth.

At 11-billion miles from Earth the Sun's influence is still being felt. If you don't know where it is, at that distance the Sun — which is named, Sol — is just another star.

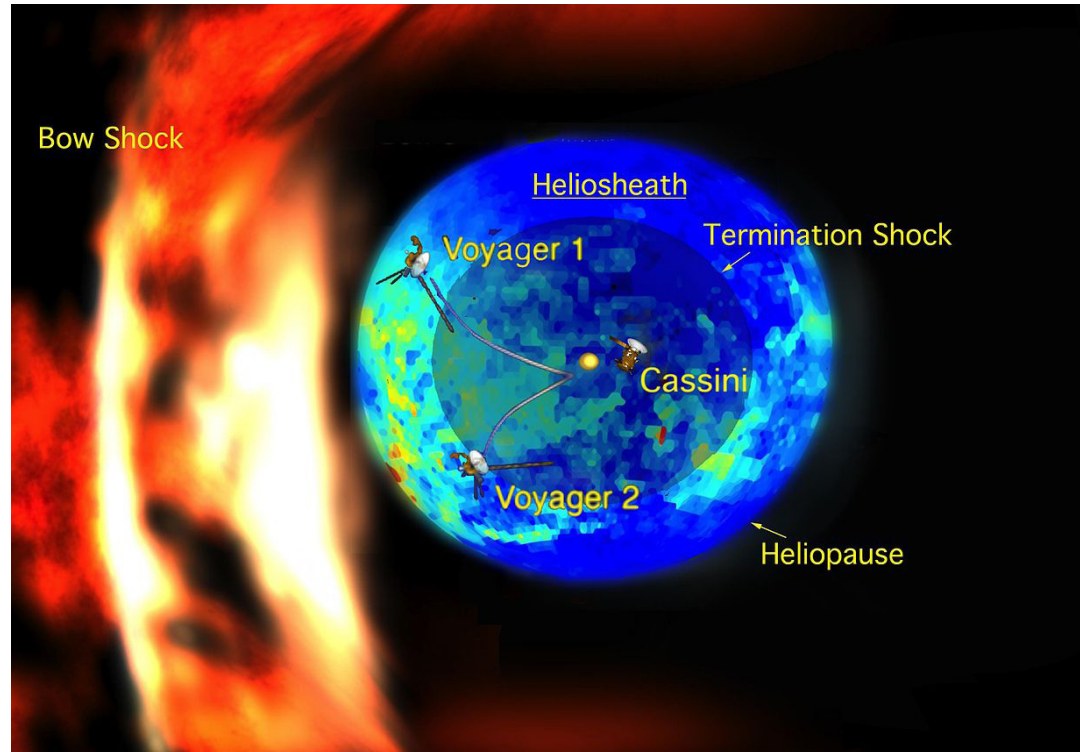
Voyager 1 is now at the border of the Sun's influence. In 2004 the satellite entered the heliosphere and passed into the heliosheath. That's where the solar wind ends and the collision with interstellar space causes turbulence. The journey through that area of the solar system took five years.

Now Voyager 1 has entered an area called the magnetic highway. It's the very edge of our solar system. No one knows how long Voyager 1 will be in the magnetic highway. NASA's Ed Stone said, *"Our best guess is it's likely just a few months to a couple years away."*

When it finally gets through the magnetic highway, Voyager 1 will officially be out of the solar system. It will be the first human made object to leave.

The satellite and it's sister Voyager 2 were launched 16 days apart in 1977 with Voyager 2 leaving first. They flew by Jupiter, Saturn, Uranus and Neptune and then took different paths to leave the solar system.

Voyager 2 is now 9-billion miles from the sun and Stone says it is now in the magnetic highway, too. ■



***Voyager 1 is currently within the heliosheath and approaching interstellar space.***  
***Photo Credit: Wikipedia***



# We're not just another agent's E&O insurer, We're your insurer.



## A Main Street E&O Solution for Main Street PIA Agents

Designed by and for PIA Agents

- Tailored Coverage for PIA Members with Standard & Enhanced Forms
- Fairness and Competitive Pricing
- Policyholder Services, Our Highest Priority
- Stability of Your E&O Market
- Ownership in Your E&O Program with Direct Input from You

For more information and a quote, find  
your state PIA affiliate association at:

[www.pia-pro.com](http://www.pia-pro.com)



PIA Membership must be in good standing at all times. This brochure is not intended to provide full coverage details. A complete listing of these coverages including exclusions and limitations can be found in the policy forms. If differences exist between these summaries and the policy forms, the policy forms will govern. The policies may vary or be unavailable in some states.