# Main Street
## INDUSTRY NEWS

**ANNUAL HOLIDAY PARTY**

**Benefiting**
**Toys for Tots**
**December 13, 2017**

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## INSIDE



PROFESSIONAL INSURANCE AGENTS
NEBRASKA IOWA
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*Cover Image: Carl Wycoff, Halloween Tree*

**October 2017 | Published Monthly**

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# Did you know?

**<u>Did you know</u>** that PIA's company council, The PIA Partnership, has conducted nationwide research about the insurance buying preferences of small business owners?

The research is encouraging because it found that small business owners strongly prefer independent insurance agents as they make choices in today's online world.

However, the results also serve as a wake-up call that agents must take steps to continue to demonstrate their value and also be more engaged online.

PIA and the companies belonging to The PIA Partnership have created a public website that helps agents understand PIA's findings.

PIA members also have access to a private website containing a series of strategies and tools to help them stay ahead of online competition in commercial lines.

To access the newest PIA Partnership project, ***Small Business Insurance & The Internet — The Voice of the Commercial Lines Customer***, visit us at ***www.pianet.com/voiceoftheclcustomer***.

If you are not a PIA member and want to access all of the tools available through this program, contact us for a membership application or visit us online at ***www.pianet.com/joinpia***.

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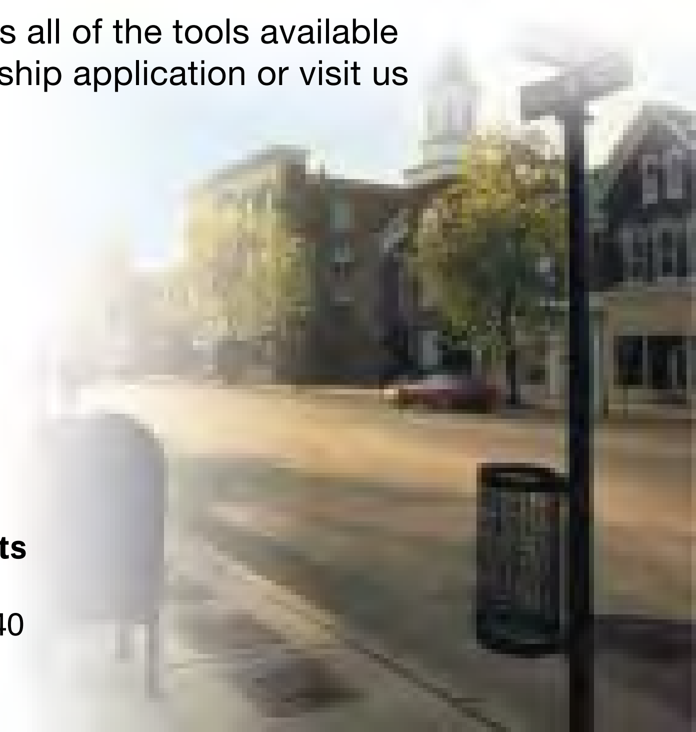

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# National Flood Insurance Program

## Hurricane Harvey will be Expensive

Roy Wright is the Federal Emergency Management Agency's (FEMA) deputy association administrator for insurance and mitigation. In other words, he heads up FEMA's National Flood Insurance Program (NFIP). Wright said Hurricane Harvey is going to end up costing the NFIP $11 billion in payouts.

The good news is that it's not as bad as Hurricane Katrina's $16 billion-plus. The bad news is the NFIP is currently $25 billion in debt to the U.S. Treasury.

While the NFIP hasn't officially released figures for Hurricane Irma, it appears that payouts will hit $5 billion to $8 billion for insured residential flood losses and $4 to $8 billion for commercial losses. But most of that will be covered by private insurers so the Hurricane Irma losses will not come close to being as significant as Hurricane Harvey.

In his comments, Wright said he thinks Hurricane Irma will end up costing the NFIP about $9 billion which will rival what was paid out for Superstorm Sandy in 2012. While that's good news, it is — again — important to remember that the NFIP is currently heavily in the hole.

Right now, the NFIP has enough cash on hand to pay the initial claims. After a month or so that money will run out. "Congress has never turned their back on a flood insurance holder, and I cannot imagine them looking away now. I am confident there will be no break in the flow of funds," Wright said.

# Could Hurricane Harvey End the Soft Market?

Willis Towers Watson made an interesting prediction last week. It said Hurricane Harvey would end up doing away with the flat commercial insurance prices we've seen since 2015.

Spokesman Pierre Laurin said "Insurers are bracing for a significant volume of complex commercial property claims, as well as significant business interruption, commercial auto and multiple peril activity stemming from Harvey-related losses."

This all came from the 2017 second quarter Commercial Lines Insurance Pricing Survey or CLIPS as it is better known. For eight consecutive quarters, the CLIPS survey has found less than 1% price changes.

The current survey found decreases in workers' compensation, property and D&O but commercial auto continues to see meaningful price increases. Plus, price changes ticked slightly upward for small accounts.

Mid-market and large accounts stayed flat.

***Source: Carrier Management***

He also commented on the number of homes with flood insurance. It has dropped by 10% in the last five years to close to 4.9 million. That decline came about when Congress did reforms with the Biggert-Waters Act in 2012. About 500,000 people dropped their coverage.

If they live in the Houston, Texas area that may have been a mistake.

Wright also says nationally there are 10 million more residential structures that need to be covered that aren't. "Collectively, we need more people covered. We have to get beyond this conversation about what I have to do and what I'm mandated to do, and put folks in an educated position by which they are making a back-pocket economic decision," he noted.

***Sources: Carrier Management, Bradenton***

# AIG Off the Hook

## No Longer too Big to Fail

The Financial Stability Oversight Council (FSOC) has changed its mind. AIG is no longer considered too-big-to-fail and is now out from under the financial restrictions and regulations of the designation. Treasury Secretary Steven Mnuchin — who chairs the FSOC — explained why AIG isn't considered a systemically important financial institution (SIFI).

"This action demonstrates our commitment to act decisively to remove any designation if a company does not pose a threat to financial stability," he said.

The committee vote to remove AIG from the designation went 6 to 3 and Federal Reserve Chair Janet Yellen voted yes. So did the other new regulators recently appointed to the committee by President Trump.

AIG CEO Brian Duperreault is thrilled with the decision. "The council's decision reflects the substantial and successful de-risking that AIG's employees have achieved since 2008. The company is committed to continued vigilant risk management and to working closely with our numerous regulators to enable a strong AIG to continue to serve our clients," he said.

AIG joins General Electric and MetLife as the third firm to lose the designation. MetLife won a court case and GE and AIG shed themselves of units and assets that caused the designation in the first place.

Prudential — the other insurer given the SIFI designation — is still on the SIFI list but is now working toward its own escape.

AIG will now be regulated by the New York Department of Financial Services. Its superintendent is Maria Vullo. Not exactly sounding positive, Vullo said her department will "continue to conduct in-depth and rigorous supervision of AIG's insurance companies to ensure their financial soundness and compliance with law. This state-based regulation will continue to keep our financial markets strong and robust while protecting consumers."

Bartlet Naylor of Public Citizen — a financial policy advocate — is very unhappy with the decision. "Letting AIG escape oversight as a systemically important financial institution insults Americans who financed what was the biggest bailout of the 2008 Wall Street crash," he said.

The Federal Reserve's Yellen disagrees. "AIG has largely sold off or wound down its capital markets businesses, and has become a smaller firm that poses less of a threat. The possibility of de-designation provides an incentive for designated firms to significantly reduce their systemic footprint," she said.

Just before the SIFI announcement, Duperreault said the company is doing a major reorganization. AIG will no longer have commercial and consumer segments. They are being sent to General Insurance and Life & Retirement. Each will have distinct business units.

- General Insurance will have commercial, personal insurance and U.S. and international field operations
- Life & Retirement is going to contain group retirement, individual retirement, life and institutional markets

"These changes are designed to best position AIG for the future, as a growing, profitable leader in the insurance industry that is famous for its underwriting excellence. We believe this structure will maximize our global platform by empowering our local geographies, and provide our businesses with the greatest competitive advantage and ability to serve our clients," Duperreault said.

***Sources: Insurance Business America, Fox Business, Insurance Journal, PropertyCasualty360.com***

# More Struggles for the National Flood Insurance Program

The National Flood Insurance Program (NFIP) is over $25 billion in debt and the Office of Management and Budget (OMB) says by the end of October, it will be completely out of money.

Congress is looking at a fix. However, those in the know will tell you in the last decade — and after Hurricane Katrina put the NFIP in debt — Congress has been struggling to find some sort of an answer to the nation's flood insurance disaster.

The latest effort is a $36.5 billion rescue bill passed by the U.S. House last week. New Jersey Republican and House Appropriations Chairman Rep. Rodney Frelinghuysen said it will provide relief for Hurricane's Harvey and Irma and send a small patch of money for wildfire relief.

"These funds are vital right now, in the near term, to get the aid where it is needed most. However, the recovery in Puerto Rico, the U.S. Virgin Islands, Texas and Florida will be ongoing, and more assistance will be required in the near future," Frelinghuysen said.

The Senate will now have to act.

As for the NFIP, OMB Director Mick Mulvaney said the NFIP will have fully exhausted its financial resources — including its $30 billion borrowing limit — before the end of October. After that it will be unable to pay claims. He emphasizes it's time for Congress to really address the issue. "The NFIP is simply not financially sustainable in its present form," Mulvaney said.

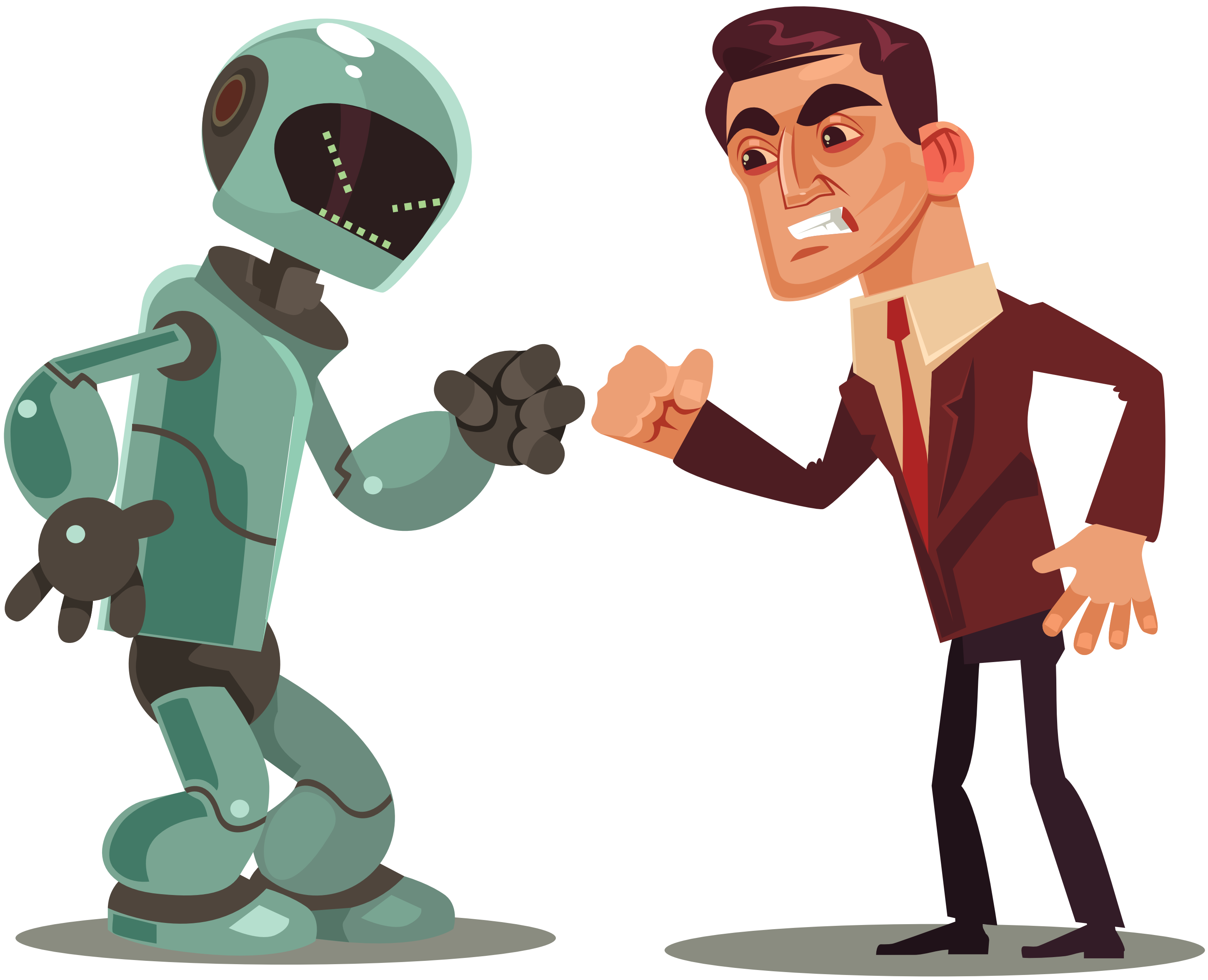
He suggests:

- Discontinue coverage for properties that have been flooded multiple times
- Increase the NFIP reserve fund and exempt it from annual rate increase caps
- Do away — on a gradual basis — with NFIP coverage of newly constructed property in areas designated as special flood hazard areas and allow private insurers to sell in those areas
- Require total disclosure of flood risks in any real estate transaction

***Sources: Carrier Management, Insurance Business America, The New York Times***

# Surprise

## CONSUMERS WORRY ABOUT INSURANCE PERSONNEL



## Though more and more jobs are being automated and done by robots, most of us don't think our jobs are in danger.

A new Pew Research Center poll said:

- 30% say it is just somewhat likely their jobs will be taken over by automation or robots
- 70% say it is not likely at all or not very likely their jobs will be taken over by automation or robots

However — surprise — a large percentage worry that robots or automation is going to take the jobs of insurance company and agency workers.

Digging a little deeper, and finding that we don't all think we're out of the woods, Pew Research said 75% of those surveyed say it is "somewhat realistic" that robots or computers will "eventually" perform most of the jobs now done by people.

Pew researcher Aaron Smith talked about the eventual performance of jobs by automation or robots. "The public expects a number of different jobs and occupations to be replaced by technology in the coming decades, but few think their own job is heading in that direction," he said.

Who's likely to be impacted? This is where insurance comes into play. Those surveyed think insurance claims processors are toward the top of the list. Others?

- Fast food workers
- Legal clerks
- Most retailers

And that robotic dip — those surveyed say — means most think there will be little or no human interaction between customers and employers.

The subject is serious but the people talking to Pew Research may have it pegged correctly. A report from educator company Pearson and Oxford University and the Nesta Foundation. It found just one in five workers are in occupations that will see human employment shrink by 2030.

In fact, analysts from McKinsey say individual jobs aren't as much in danger as individual tasks. It's study concludes:

- Less than 5% of occupations will be fully automated
- 60% of occupations will see a third of their tasks automated

With that McKinsey suggested that workers would be better off if they keep upgrading their skills as their jobs evolve technologically.

Back to the Pew Research survey:

- Just 6% said they have lost jobs or have seen their income or hours drop
- That group has a much more negative view of technology than those that haven't been impacted
- Close to 50% of those responded point out that technology has made it harder for them to advance in their careers

Here's another fascinating stat from the study:

- The stereotype is that older workers are unable to keep up with technology
- Yet younger workers — age 18-24 — are most likely to say automation cost them a job or income
- 11% of workers in that group have seen income cut or hours dropped
- That's twice the number of those 50 to 64

***Source: Insurance Business America***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# Annual Holiday Party

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The U.S. House of Representatives has passed the SELF DRIVING ACT. The caps are deliberate. The act's title is Safely Ensuring Lives Future Deployment and Research In Vehicle Evolution. It sets federal standards for self-driving vehicles and basically says individual states cannot limit or expand what should be in a vehicle or have a say in how it operates.

To date self-driving vehicles are a mixed-bag with the public. Or so says a new study from AIG titled ***AIG's Autonomous Vehicle Insights***. Concerns range from feeling safe inside a vehicle that drives itself to hacking of the computer system that runs the vehicle.

And the positives and negatives are a dead heat:

- 41% are uncomfortable sharing the road with a vehicle that drives itself
- 42% are pretty okay with the thought of sharing the road with one that drives itself

A whopping 75% are concerned that hackers can take over a vehicle and control emergency braking, lane departure avoidance and other features. Another worry — by 67% — is a cyber breach that gives hackers access to credit card information, when and where people travel and control of the vehicle's computer system.

Then there's privacy issues like knowledge of who is in the vehicle and the potential to record private conversations.

When it comes to actual driving:

- 39% think an autonomous vehicle operates more safely than a vehicle where someone is behind the wheel
- 27% don't think they are as safe as one driven by a human
- 31% don't think an automated vehicle can drive as safely as they do

At that point, the researchers asked people to give them three benefits and what appeals most to them about a driverless vehicle:

- 44% said easier, less-stressful transportation
- 42% said increased safety on the roads
- 39% listed lower insurance costs

Responsibility is another positive. AIG's Lex Baugh said many responding like the idea of shifting the responsibility for accidents from individual drivers to auto manufacturers and software developers.

"As we move from autonomous features to fully driverless vehicles, risk does not disappear — it shifts from humans to machines. Understanding consumer perceptions of where risk with new technology ultimately resides today will help industry and insurers understand where liability may lie tomorrow," he said.

He listed the example of a driverless vehicle striking a pedestrian:

- 50% think the automaker is most liable
- 37% say it's the software provider
- 23% believe the driver is responsible
- 19% say it is the vehicle's owner

For vehicles in an accident that aren't totally self-driving but have automated assistance via technology:

- 54% say the driver is most liable
- 33% say it's the software provider
- 27% go with the automaker

Good news for insurers and for insurance agents. AIG's Gaurav Garg said 81% think no matter what, whoever purchases or rides in a fully automated vehicle must have insurance. And a whopping 35% believe those premiums should be lower than those for humans behind the wheel.

"The need for personal auto insurance will not go away as driverless cars emerge. Though without doubt, we will see shifting of liability in certain scenarios. There are many ways for the driverless vehicle story to unfold over the next several years. It is critical for insurers to carefully watch the trend to help prepare clients — both consumers and businesses," he said.

All of this — AIG says — is maybe a moot point. On average those taking the survey say it'll be 22-years before 20% autos on the road are run completely without human assistance. They think it'll be 34-years before they make up the majority of vehicles on the road.

Here's why:

- 55% say they'll be too expensive
- 41% say computers won't be secure enough
- 41% say people just like driving themselves too much
- 35% say the vehicles won't be safe enough

***Sources: Insurance Journal, Wire***

# Federal Insurance Office Reform Introduced


Last week a bill was introduced — to the cheers of many in the insurance industry and state insurance regulators — in the Housing and Insurance Subcommittee of the House Financial Services committee to limit the power of the Federal Office of Insurance.

It's H.R. 3861 or by title, the Federal Insurance Office Reform Act of 2017. Washington Democrat Rep. Denny Heck of the PIA Western Alliance state of Washington is one of the two sponsors. The other is the subcommittee's chair and Republican Sean Duffy of Wisconsin. So, it is a bipartisan bill.

If it eventually passes the House and gets to the Senate and then to the president, the bill limits the FIO's power in international insurance business and says the FIO can only speak for the U.S. Treasury and not for any other federal agencies.

Even more importantly to insurance and its regulators, the bill forces the FIO to communicate with state regulators and get consensus from states before advocating a U.S. position on international matters with international groups like the International Association of Insurance Supervisors.

The FIO can continue to negotiate covered agreements under supervision of the Treasury. But the Treasury Secretary and not the FIO director will decide if any agreements reached preempts state law.

The bill also does away with some of the FIO's responsibility. This includes the authority to gather broad information on insurance and does away with some of its reporting duties. At the same time, it keeps the FIO's authority to monitor the insurance industry and to advise the Treasury Secretary about those issues.

Property Casualty Insurers Association of America (PCI) Vice President Nat Wienecke said his group is very happy at the bill's introduction. "This bipartisan legislation will reduce FIO's domestic footprint, eliminate its quasi-regulatory authority, and refocus the FIO on international matters, where it can play an appropriate role in coordinating with the states to develop consensus on U.S. international insurance policy. The bill also limits the bureaucracy from expanding beyond its core mission," he said.

PIA National has not issued a statement on the bill but the association does have strong opinions on the FIO and opposes any federal regulation or international standards that destabilize or supplant state-based regulations.

In its policy statement, PIA said actions "by certain federal and international bodies have raised alarm that the state-based insurance regulatory system may be needlessly eroded in the face of new global challenges. In response to this, PIA is working diligently to ensure that our dynamic state-based system of U.S. regulation is not undermined."

Thus, the PIA is:

- Monitoring the activities of the Department of Treasury, including the Federal Insurance Office (FIO) and the Financial Stability Oversight Council (FSOC), to ensure that the federal government is not encroaching on state based insurance regulation or placing an undue burden on independent agents.
- Monitoring international standard setting developments, trade negotiations, and FIO efforts on certain international agreements to ensure there is no negative impact on state insurance regulation.

Much of the introduction of this bill relates to a new covered agreement with the European Union on the lack of equivalency of the U.S. in Solvency II. At the urging of the National Association of Insurance Commissioners (NAIC) and others some provisions of the agreement were revisited.

NAIC President Ted Nickel — Wisconsin's Insurance Commissioner — said the NAIC is pleased "to see Treasury and USTR clarify their interpretation of the covered agreement, as we have asked, in key areas like capital, group supervision, reinsurance and the joint committee. We've worked closely with Treasury and USTR on these clarifications and appreciate their affirmation of the primacy of state regulation. In the months ahead, NAIC members will assess the impact of the covered agreement on state regulation consistent with our open and transparent process, and consider any changes to insurance regulation that may be necessary."

***Source: Business Insurance***

# A Positive Report

## Millennials & Insurance

Vertafore has released the fourth annual ***Millennials in Insurance Survey***. It's a bit of good news for an industry whose talent is aging and retiring at a rapid rate. Current estimates are that 25% of insurance agents will leave the business in the next two years.

The bad news there is a lot of insurance history and insurance experience is going out the door. Here's the good news. Those millennials working in insurance — with a millennial being someone born between 1982 and 2002 — love their jobs. It appears the future has arrived.

- A whopping 82% of them will recommend insurance as a career to their friends
- 40% say they were recruited into insurance by friends
- 67% say they've been in the industry three-years or more
- That same 67% say they'll stay in insurance as long as possible

Here's what else the survey found:

- 63% see insurance as offering opportunity for growth
- 55% love the compensation
- 50% like the work/life balance offered by insurance employment
- 39% like the account management and customer service insurance roles the best
- 23% like sales and love being a producer
- They are 2.5 times more likely to be an underwriter or adjuster than their baby boomer colleagues
- 86% are somewhat or very optimistic that the industry will attract more millennials in the future

Vertafore's BJ Schaknowski said, "This year's survey reveals that the millennial generation is not only thriving in the insurance industry, but the vast majority — 82% — would go so far as to recommend a career in insurance to friends and family. These results build an encouraging roadmap for insurance companies to use as a guide for attracting and retaining next-generation talent."

One of the real attractions for millennials has to do with the strides the industry has made with technology. Social media use has jumped and firms are improving the communications support in that area to retain positive customer relationships. That's a huge turn-on for millennials.

- Just a dash under 60% say they are good with the company's use of technology
- 78% say the company's technology efforts give them the tools they need to compete and succeed

Breaking that down. Insurance companies have increased their use of:

- Video messaging — 75%
- Instagram — 50%
- Instant messaging/chatting — 41%
- Texting — 14%

Schaknowski added, "Between the strides made in technology adoption and the benefits that a career in insurance offers, young professionals are looking to insurance for lifelong careers. We couldn't agree more that the insurance industry, and particularly the independent insurance agent, has a strong future."

The Vertafore survey checked in with 3,500 industry professionals and 1,556 of them are millennials. By the way, the statistics say there are 81 or so million millennials in the U.S.

***Sources: Carrier Management, PropertyCasualty360.com***


# CYBER CRIME
## Scams & Passwords

Every day we hear of a new cyber space attack. It's a company or a government agency or a ransomware attack. Something. Always something. Worse, individuals, business and government seem powerless to stop the onslaught. Firewalls and other protections — like limiting and carefully checking email and personal and employee restrictions — don't really work since the attacks are relentless.

ZeroFOX is a social media security company. It just posted a study titled ***External Social and Digital Threats to Financial Institutions*** that points out a year ago there were 250,000 financing and bank scams at work on social media platforms like Twitter and Facebook. Today — one year later — that number is nearly double at 437,165.

Those scams are run by 18,175 individuals and groups. If each scam claimed one victim it would cost — globally — about $181 million. That doesn't happen but you can see the loss potential from the sheer volume of scams designed to attack bank accounts, financial data and cash funds.

The report believes the average victim ends up losing $414 per scam.

ZeroFOX researchers say, "Attackers use FinServ hashtags & follower monitoring, the process of engaging with the followers of an organization's brand account, to segment and deliver convincing advertisements to sympathetic user audiences. The most lucrative targets include FinServ customers or prospective customers, whose card-holder or other membership status, available funds, and general interest increases their probability to engage with a malicious offer or fall for a social engineering ploy."

The problem is deeper than just scams. It has a lot to do with who can or cannot access a computer or computer system. Along those lines the U.S. Supreme Court refused last week to take on the subject of who has the right to give permission to access a computer.

It's what many say is a key to what constitutes hacking. However, the decision not to take on the subject might be a victory of sorts for those deep in the fight.

Not pursuing the case leaves in place a decision by The 9th U.S. Circuit Court of Appeals that said the only permission that can be given to access a computer belongs to the computer owner. This came as a result of suits involving Facebook and an executive recruiter. The court held that account holders and employees with legitimate credentials cannot give access permission.

Those arguing against that decision — like the Electronic Frontier Foundation — say this means an act like sharing a bank password with a spouse is illegal and prosecutable. Besides, the groups say, the 1986 Computer Fraud and Abuse Act made it a crime to access a computer without authorization. The act also allows victims to sue for damages if that happens.

Passwords are — indeed — problematic. Taking it a bit deeper, LastPass and Ovum recently checked in with 335 IT executives and 550 corporate employees about passwords. The IT leaders — 61% of them — say they rely on their employees to pick strong passwords.

And employees aren't so good at it. A whopping 76% report they regularly struggle with passwords and managing their passwords. Over a third of that 76% need password-related help desk support once a month or more.

Ovum's analyst Andrew Kellett said even more problematic is the cloud. Close to 78% of IT managers say they have no ability to access and control Software as a Service (SaaS) apps that are used by employees. "This research has clearly identified an urgent need to close the password security gap," he said.

- 40% of companies surveyed said they rely entirely on manual processes to manage passwords for cloud applications
- 64% say they have no technology in place to control password sharing
- 14% use an automated program to control password sharing

LastPass' Matt Kaplan said, "In many cases, an organization's password management practices are overly reliant on manual processes and far too often place an excessive level of trust in employees to use safe password practices. The threat posed by human behavior coupled with the absence of technology to underpin policy is leaving companies unnecessarily at risk from weak or shared passwords. Organizations need to focus on solving for both obstacles in order to significantly improve their overall security."

***Sources: Carrier Management, ZD Net, TechRepublic***

# Is the Social Security Number System Antiquated?


Social Security recipients will get a 2% hike in benefits next year. It's not large and is small by historical standards, but it is the biggest jump since 2012. On average recipients will see an increase of about $27 a month.

The hike is determined by the rate of inflation in the 3rd quarter and then uses the Bureau of Labor Statistics measures for the price of food, housing, clothing, transportation, energy, medical care, recreation and education for the percentage of increase.

The Trump administration is looking at ways to do away with the use of Social Security numbers as the main form of assuring someone's identification. This is an administration response to the Equifax data breach.

Special assistant to the president Rob Joyce said all federal departments and agencies have been told to look for ways to minimize SSN vulnerabilities and ideas on how to replace the system.

He made the suggestion at a cyber conference put together by ***The Washington Post***. "I feel very strongly that the Social Security number has outlived its usefulness. Every time we use the Social Security number, you put it at risk," he said.

To prove his point, he noted the rising number of compromises due to hackers like those who hit Equifax. "The concept of a Social Security number in this environment being private and secure — I think it's time as a country to think beyond that. What is a better way to identify consumers in our country in a very secure way? I think that way is something different than a SSN, a date of birth and a name."

Whatever we do, we need to do something. "It's a flawed system that we can't roll back that risk after we know we've had a compromise. I personally know my Social Security number has been compromised at least four times in my lifetime. That's just untenable," Joyce added.

Joyce thinks maybe a modern cryptographic identifier would work better. The cryptographic identifier idea — says Joseph Lorenzo Hall of the Center for Democracy and Technology — isn't a bad one. Individuals would be given a private key embedded in a physical token like a credit card chip. A pin would be required to use and thus making sure the person using the number is really the person owning the number.

"Your pin unlocks your ability to use that big number. It's very promising and it's possible to technically design something like this," he said. But to do it will be expensive.

Expensive or not, Joyce said, "It's really clear, there needs to be a change, but we'll have to look at the details of what's being proposed."

***Sources: Bloomberg, Insurance Journal***

# Upcoming Events Calendar 2017

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

| Date | Class/Webinar | Where | When |
|---|---|---|---|
| October 4 - 6, 2017 | CIC: Commercial Multiline Institute | Lincoln | Marriott Courtyard |
| October 10, 2017 | CPIA 2: Implement for Success | Omaha | Hilton Garden Inn- Omaha |
| October 11 - 13, 2017 | CIC: Commercial Casualty Institute | West Des Moines | Holiday Inn Hotel & Suites |
| October 11-13, 2017 | CIC: Commercial Casualty Institute | West Des Moines | Holiday Inn Hotel & Suites |
| October 11, 2017 | Street Level Ethics | NE/IA | Webinar: 12:00PM - 3:00PM |
| October 11, 2017 | CPIA 2: Implement for Success | Des Moines | Hilton Garden Inn Des Moines/Urbandale |
| October 13, 2017 | Tricks to Fix: Closing Coverage Gaps in Home, Work and Auto | Iowa | Webinar: 8:00AM - 11:00AM |
| October 16 - December 8, 2017 | MERG: Commercial Lines Coverage Basics | NE/IA | Online Course |
| October 16 - November 24, 2017 | MERG: Delivering Quality Service (to the Customer and the Employer) | NE/IA | Online Course |
| October 18, 2017 | CISR: Agency Operations | Des Moines | Hilton Garden Inn Des Moines/Urbandale |
| October 18, 2017 | CISR: Agency Operations | Des Moines | Hilton Garden Inn Des Moines/Urbandale |
| October 19, 2017 | Cyber Liability - the 21st Century Peril | NE/IA | Webinar: 12:00PM - 3:00PM |
| October 19, 2017 | E&O Loss Prevention | NE/IA | Webinar: 8:00AM - 11:00AM |
| October 20, 2017 | Insuring the Building Project - Builders & Risk Installation Coverage | NE/IA | Webinar: 8:00AM - 11:00AM |
| October 24, 2017 | CPSR: Commercial Casualty | Kearney | Holiday Inn Express |
| October 24, 2017 | Additional Insureds: The Quandry | NE/IA | Webinar: 12:00PM - 3:00PM |
| October 25, 2017 | Construction Defects: Property Damage and the ISO CGL | NE/IA | Webinar: 12:00PM - 3:00PM |
| October 26, 2017 | CISR: Personal Lines Miscellaneous | Davenport | Saint Ambrose University |
| October 26, 2017 | CISR: Personal Lines Miscellaneous | Davenport | Saint Ambrose University |
| October 26, 2017 | Current Trends & Changes: The Homeowner & Auto Marketplace | NE/IA | Webinar: 12:00PM - 3:00PM |

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| November 2, 2017 | Certificates and Additional Insureds: Navigating the Maze | NE/IA | Webinar: 12:00PM - 3:00PM |
| November 6, 2017 | FLOOD INSURANCE | Nebraska | Webinar: 12:00PM - 3:00PM |
| November 9, 2017 | CISR: Commercial Casualty 2 | Hiawatha | Kirkwood Linn Regional Center |
| November 9, 2017 | Home Business vs. Home Insurance | NE/IA | Webinar: 12:00PM - 3:00PM |
| November 14, 2017 | CISR: Insuring Commercial Property | Des Moines | Hilton Garden Inn Des Moines/Urbandale |
| November 14, 2017 | How to be the Agent Advocate at Claim Time | NE/IA | Webinar: 12:00PM - 3:00PM |
| November 14, 2017 | Leases & Contracts Vs. The Insurance Policy | NE/IA | Webinar: 8:00AM - 11:00AM |
| November 15-17, 2017 | CIC: Life & Health Institute | Omaha | Hilton Double Tree Omaha SouthWest |
| November 16, 2017 | Top 12 Coverage Countdown | NE/IA | Webinar: 12:00PM - 3:00PM |
| November 28, 2017 | Regarding Ethics | NE/IA | Webinar: 1:00PM - 4:00PM |
| November 30, 2017 | Commercial Property Claims that Cause Problems | NE/IA | Webinar: 12:00PM - 3:00PM |
| December 7, 2017 | Street Level Ethics | NE/IA | Webinar: 12:00PM - 3:00PM |
| December 7, 2017 | Tricks to Fix: Closing Coverage Gaps in Home, Work and Auto | NE/IA | Webinar: 8:00AM - 11:00AM |
| December 7, 2017 | Street Level Ethics (NE) | NE/IA | Webinar: 12:00PM - 3:00PM |
| December 11, 2017 | Commercial Liability Endorsements To Watch Out For | NE/IA | Webinar: 12:00PM - 3:00PM |
| December 13, 2017 | 2017 PIA Annual Holiday Party | Omaha | Happy Hollow Country Club |
| January 10, 2018 | Insuring the Building Project: Builders Risk and Installation Coverage | NE/IA | Webinar: 12:00PM - 3:00PM |
| January 11, 2018 | Cyber Liability - the 21st Century Peril | NE/IA | Webinar: 8:00AM - 11:00AM |
| January 11, 2018 | Regarding Ethics | NE | Webinar: 12:00PM - 3:00PM |
| January 16, 2018 | Current Trends & Changes: The Homeowner & Auto Marketplace | NE/IA | Webinar: 12:00PM - 3:00PM |
| January 23, 2018 | And the CHAOS Continues | NE | Webinar: 8:00AM - 11:00AM |
| January 23, 2018 | Commercial Property Claims that Cause Problems | NE/IA | Webinar: 12:00PM - 3:00PM |
| January 24, 2018 | Additional Insureds: The Quandry | NE/IA | Webinar: 12:00PM - 3:00PM |
| January 25, 2018 | How to be the Agent Advocate at Claim Time | NE | Webinar: 12:00PM - 3:00PM |

# A Happy Staff MORE PROFIT

Workplace happiness is critical to productivity. We all know that. But define happiness. It's a subjective definition. What one manager defines as happy would be misery for another.

Defining worker happiness is also splitting hairs. Reality is a much better measuring stick. Happy employees are more loyal, more willing to work for less and they're way more productive.

A study done in 2015 said insurance workers — on the happy-unhappy scale — sit close to the bottom when it comes to workplace happiness. Just 22% of them say they are happy at work.

***The Broken Bridges of the Workplace*** is a study done this year by TINYpulse that emphasizes the point. It found some disturbing corporate trends in corporate America and these are trends that are making employees very unhappy. Here are a few points of the study:

- Employees value interpersonal relationships
- Employees value a positive work environment
- They don't value money as much as appreciation and positivity
- Benefits and flexible schedules are nice but not much of an impact

The TINYpulse researchers said, "A positive work culture breeds happy employees. In return, those happy employees are more likely to stick around for the long haul and even refer other great talent to the organization. While we're not ruling out compensation, benefits, and promotions as factors for turnover … the data shows that interpersonal relationships and work environment do play huge roles in employee engagement and retention."

The biggest area that employers fail? Employee recognition. It's getting worse. Just one in four workers feel valued. Mangers are failing in recognition efforts.

Want to know how happy your employees are or — if you're an employee — learn more about what makes you happy? There are websites where you can grade the workplace and the boss.

One of them is GlassDoor. It ranks companies and supervisors on a zero to five scale.

## Allstate

- From 3,500 reviews the company rates a 3.4
- 61% of employees will recommend the company to others for employment
- 74% approve of the CEO Tom Wilson

## Arthur J. Gallagher

- The company has a 3.2 rating
- 54% will recommend the company for employment
- 79% approve of CEO Pat Gallagher

## Aon

- It has a 3.4 rating
- 66% recommend employment
- 84% like CEO Greg Case

You get the point. But what is it that makes them happy? Andrew Horton is the president of specialty insurer Beazely. It has underwriting and claims teams all over the world. Horton has some definite thoughts on employee happiness.

"Let them do what you've employed them to do. You empower them. Most people like the fact that you are entrusted, you're empowered, and you can just get on with it, rather than having things signed off in triplicate or going to committees, where every single decision you worry about someone else questioning whether your decision is right," he said.

Horton said that empowerment is something he thinks works well for his company.

"We give our underwriters a lot of authority, so they don't have to keep requesting from their boss a review before they go back to the


"Did someone order takeout?"

broker. That also means you win business, because your underwriters can respond really quickly, and claims managers can settle claims really quickly," he added.

Trey Taylor is the CEO of Taylor Insurance Services. He points to the annual employee review that ought not to be done annually. It needs to be much more regularly.

"The annual survey is R.I.P. It's simply too late. The guy who you're trying to understand, his motivation to be with the firm or not, he's already left the firm by the time his annual survey comes around," he said.

Taylor — interestingly — suggests a biweekly and anonymous survey to track employee happiness. "People want to be able to tell you what their feelings and opinions are, but they want to be able to do that in an anonymous fashion so that there's no personal repercussion to them. And what it does for us, it gives me the roadmap to what my people aren't happy with, and I can begin to do something about that," Taylor said.

To accomplish his goals Taylor has taken some interesting — and very serious — steps:

- No vacation policy for salaried staff
- They can vacation whenever they want as long as they have the free time
- Commission-based employees can take vacations because the company pays a percentage of their time

***Source: Insurance Business America***

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