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*The Voice of Independent Insurance Agents<sup>SM</sup>*

## The Torch: January 2018 Monthly Newsletter!



### President's Message

It's the start of a brand new year and your Board of Directors have been working feverishly in planning another "Home Run" year for the LAAIA. Florida finally decided to participate in winter but we have been keeping the "fire burning" by completing the 5 Hour Property & Casualty CE class last week for all those that joined in. I heard from many that it was a fantastic class and instructor. I hope we all take advantage of this benefit in our upcoming webinars. We will be hosting a webinar in Business Income and Extra Expense. Said webinar has been written specifically for our association. You won't want to miss this one, so please sign up as soon as you receive the invite. Additionally, we will be holding a membership drive in April. As our membership continues to grow our voices will be louder than ever, while making more of an impact in our industry. Speaking of louder voices, our Legislative Team is getting ready to go to Tallahassee this week for our 2018 Fly In. Let's hope our Legislators decide to make a difference this year and finally get on board with our consumers' (their constituents') needs! On March 18th there will be a "Makeup Class" for our female audience benefiting the kids at Holtz Children's Hospital.

As you can see, we already have a full agenda and the year is just getting started. I'm looking forward to seeing you all of you at our February Networking Dinner.

*-David Gil*

# Upcoming Events

**JAN**  
**31**  
**Wed**

**Power Lunch Hour with Citizens**  
Jan 31 @ 12:00 pm - 1:00 pm



## **Webinar - Citizens Power Lunch Hour - January 31, 2018**

Join Citizens and the LAAIA for another great Power Lunch Hour where we will discuss the following:

1. Irma Update
2. Underwriting Update
3. 2018 Rate Changes Effective May 1
4. Assignment of Benefits Update
5. Policyholder Choice/Clearinghouse
6. Agency Performance Standards
7. Q&A Session

**Carl Rockman, Director of Agent Services for Citizens Insurance Company and Dulce Suarez-Resnick, CPIA, AIS, CPIW - LAAIA's Citizens Liaison** will guide us for this informative hour...So bring all your questions and sharpen your pencils so you can take notes!

### **When**

Wednesday, January 31, 2018  
12:00 PM - 1:00 PM

### **Where**

Webinar  
In Your Office, Miami, Florida 33176, USA

### **Fees**

LAAIA Member - Complimentary  
Non-Member - \$25.00

### **Registration Deadline**

Tuesday, January 30, 2018

[\*\*Click Here to Register\*\*](#)

**FEB**  
**7**  
**Wed**

**February Networking Dinner Meeting**  
Feb 7 @ 6:30 pm - 9:30 pm

## February Networking Dinner Meeting - February 7, 2018

Join us for another great networking event. This month our friends at **Progressive** will be our speakers and they will be giving us the **"Ins and Outs of Commercial Auto"**

Network with the best professionals of South Florida and "Breakthrough To Excellence!"

### **When**

Wednesday, February 7, 2018  
6:30 PM - 9:30 PM

### **Where**

Casa Juancho Restaurant  
2436 SW 8th Street, Miami, Florida 33155, USA

### **Fees**

#### **Dinner Meeting**

First Member Registration - Complimentary  
Member - \$25.00  
Non-Member \$35.00  
Walk In - \$45.00

### **Registration Deadline**

Monday, February 5, 2018

[Click Here to Register](#)



**CE Webinar - Business Income: How Much Is Enough?**

Feb 27 @ 2:00pm - 4:00pm

### **CE Webinar - Business Income: How Much is Enough? - February 27, 2018**

Hurricane Irma was an unfortunate reminder that property insurance isn't just about fixing buildings. Many businesses will fail for the simple reason that the damage has crippled their revenue stream, making it impossible to continue paying bills and payroll. This course dives into the essentials of Business Income insurance: an often misunderstood, undersold product that is key to keeping businesses afloat in the wake of disaster.

DFS Course Number: 78584

Approved for 2 CE Credits

for 20-44, 2-14, 2-15, 2-16, 2-18, 2-20, 2-33, 2-40, 4-40, 4-41, 4-42, 5-20, 6-20. Course Level:  
Intermediate

INSTRUCTOR: Catherine Trischan,  
CPCU, CRM, CIC, ARM, AU, AAI, CRIS, MLIS

**When**

Tuesday, February 27, 2018

2:00 PM - 4:00 PM

**Where**

Webinar

In Your Office, Miami, Florida 33176, USA

**Fees**

Non-Member \$25.00

LAAIA Member \$19.00

**Registration Deadline**

Monday, February 26, 2018

[Click Here to Register](#)



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# Ready for the LAAIA's 48th Annual Convention?

**START BY RESERVING YOUR ROOM AT  
THE DIPLOMAT BEACH RESORT TODAY!**



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TO RESERVE**

August 1st - 4th, 2018  
Convention Registration coming soon!

48th LAAIA Annual Convention  
**PEOPLE PURPOSE  
& PASSION** THE PATHWAY  
TO SUCCESS  
August 01st - August 04th, 2018 at The Diplomat Beach Resort



# Introducing Chad LaTour, VP, Emerging Markets



Chad will focus on increasing geographic distribution and sales of our existing suite of optional coverages. In addition to his focus on existing products, Chad will lead the initiative to create new optional coverages to sharpen the competitive edge for our agents.

[Chad.LaTour@ngic.com](mailto:Chad.LaTour@ngic.com)

941-226-4212

Chad started his career nearly 14 years ago as an Inside Sales Rep for Bankers and was promoted to Regional Sales Manager for the Northeast Florida region at Wright Flood. Most notably, Chad served in the U.S. Navy for six years and was honorably discharged in 1998.

## Agent Tips & Tools

### Do you have a New Year's Resolution to do more on Social Media?

#### Here are some tips:

##### Client testimonials

Use a short video of a satisfied client.

##### Show before and after pictures

If you're working with a client and see something that can make a big difference, share it.

##### Give weekly tips

Every Tuesday share tips on information that the public is unfamiliar with. "Insurance Tips Tuesday".

##### Use Snapchat's messaging feature

Snapchat goes beyond pictures and videos. It allows people to message quickly and it's a way to communicate that stands out from the crowd.

##### Show what's not covered

Provide knowledge to your followers before a claim happens by sharing with them what would *not* be a covered peril. Think about the claims you've come across recently that have been declined and share what can be done to cover it.

##### Use it for market research

Engage by asking followers, "What's the most difficult thing about your insurance?" or "Have you had the same agent for a while? If so, what do you like most about their service?" Engage! Engage! Engage!

##### Promote other content

Do you have a blog? A YouTube channel? A Facebook page? Twitter? Snapchat? Instagram? Keeping them all connected and relevant with updated information weekly is the key with links to your website.

##### Answer questions

Part of our job is to be an adviser, Social Media gives you the ability to provide advice to those who follow you and have questions; keep it simple.

## Showcase yourself as a person

When people think of our industry, it's not usually in light of being very funny or entertaining, but that's not always the case; insurance agents can be humorous and charismatic too! Snap a picture or a video of you and your staff having fun at the office with a sign that says "We're Open" or "It's Coffee Time at XYZ Insurance Agency"!

Try it. You just might like it!

## Additional Insured Hints We Must Consider

The **biggest problem** with additional insured requests is that we generally leave these requests to the least experienced among us. The requests may come in and get reviewed by someone with experience, or they may be sent directly to the additional insured person. You know, the one that we all push these tasks to because we don't want to do it ourselves?

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### LAAIA's Charity Corner

# Make Up Class with Nikki Oxley

Benefiting the kids at Holtz Children's Hospital



March 18, 2018  
12:00pm to 3pm  
Academy of Glam  
8698 Griffin Road - Cooper City, FL

Cost: \$125

[Click Here to Register](#)

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## Legislative Corner

### Legislation News

We couldn't be more excited for our annual fly-in. The LAAIA, in conjunction with the PIA are heading up to Tallahassee on January 23rd-26th to meet with legislators and discuss numerous insurance bills that our associations are tracking. Leading this year's topics are PIP Reform, Workers Compensation, Assignment of Benefits (AOB), and Diligent Effort Requisites for Commercial Residential Policies. These bills are being tracked diligently by our associations, and we are looking forward to continuing the dialogue with our legislators, keeping the best interest of our agents and clients in the forefront. Stay tuned in to next month's Torch for updates and a re-cap of the Tallahassee fly-in.

Lissette Delgado

## **In Other Legislative News:**

### **Lawmakers to consider replacing PIP insurance with bodily injury coverage requirement**

Is it time for Florida to repeal its decades-old requirement that all drivers carry personal-injury protection coverage?

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Legislature may expand Miami needle exchange

TALLAHASSEE - Two years after lawmakers approved a needle-and-syringe exchange program in Miami-Dade County, the House and Senate are considering taking it statewide and expanding the types of providers who can offer the services.

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## **Top Insurance Headlines**

### **Florida Agents March on State Capitol in Lawmaker Push to Reform AOB**

More than 125 insurance agents from across Florida, along with members of the Consumer Protection Coalition (CPC), march to the Florida Capitol this week to highlight the need for Assignment of Benefits (AOB) reform

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### **Coastal Sea Rise Threatening Florida's Historic Resources**

The Castillo de San Marcos withstood two sieges in 330 years and changed hands five times, but its latest invader - the rising Atlantic Ocean - threatens to erode the historic St. Augustine fortress. The coquina shell walls of the oldest masonry fort in the United States once absorbed cannonballs but will be susceptible to the buffeting of the sea.

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### **Insured Natural Disaster Losses in 2017 Were 38% of Economic Costs of \$353B: Aon**

Insured losses for last year's 330 natural catastrophes reached US\$134 billion, or 38 percent of their economic price tag of \$353 billion, according to a report published by Impact Forecasting, Aon Benfield's catastrophe model development team.

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### **AIG to Expand Pension, Hedge Fund Ties After \$5.56 Billion Deal**

American International Group Inc. will expand its relationships with alternative-asset managers after it completes a \$5.56 billion deal to buy Validus Holdings Ltd., Chief Executive Officer Brian Duperreault said.

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## Keeping Flood Insurance Above Water

With the National Flood Insurance Program (NFIP) currently set to expire on February 9, and many communities still recovering from this summer's hurricanes, it's no surprise that the 21st Century Flood Reform Act has passed the House and moved to the Senate. But it's important to note that Hurricane Harvey-which is estimated to have caused \$65 billion to \$75 billion in damage in Texas, according to AIR Worldwide-is only the latest in a string of disasters that highlight two major issues in U.S. flood insurance: the underestimated geographical spread of the threat, and the millions of uninsured and underinsured Americans who don't even know they're at risk.

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## A Refresher on the Named Storm Deductible

Hurricanes Harvey and Irma caused massive devastation to Texas and Florida and now frustration for policyholders, their attorneys and public adjusters due to the named storm deductible on some policies.

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## Florida House Passes Bill To Address Assignment of Benefits Abuse

TALLAHASSEE, Fla. - The Florida House of Representatives passed legislation to address assignment of benefits abuses the insurance industry say are driving up insurance costs for consumers.

House Bill 7015, which changes provisions related to AOB and legal fee awards, was passed 82-20. An AOB agreement transfers the insurance claims rights or benefits of a policy to a third party, giving the third party authority to file a claim, make repair decisions and collect insurance payments without the involvement of the homeowner. Abuses of AOB include inflated claim costs, followed by lawsuits when insurers dispute the bill, the industry has said.

The bill allows policyholders to rescind AOB contracts without penalties or fees and also requires cost estimates for work and notices a vendor will sue an insurer, according to the Consumer Protection Coalition, which includes insurance industry groups such as the National Association of Mutual Insurance Companies, the Property Casualty Insurers Association of America and the Personal Insurance Federation of Florida. Also, the group said the bill contains provisions changing payment for attorney's fees in order to discourage filing of frivolous lawsuits over inflated claims. The coalition cited state Office of Insurance Regulation data showing without AOB reform, owners of a \$150,000 home can expect their premiums to rise an average of 29% by 2022.

This year, Citizens Property Insurance Corp., the state-run insurer of last resort, will raise premiums an average of 6.6% statewide and nearly 10% in the South Florida tri-county area. Christine Ashburn, chief

of communication, legislative and external affairs for Citizens, said the insurer was encouraged the House moved the bill early in the session. "It provides meaningful reforms to address the issues of skyrocketing litigation and assignment of benefit abuse that raise rates for our customers," she said. "We urge the Senate to consider this bill or similar versions introduced in that chamber."

The OIR also praised the vote, citing a report showing frequency and severity of water damage claims has jumped 44% and 18%, respectively, since 2015. The average 42.1% annual increase in water losses is nearly three times the 14.2% average annual increase shown in the prior report. Water damage claims that ultimately become AOB cases have risen from 12.8% to 17% since 2015, the report said. "Without a legislative remedy, this problem will lead to an increase in homeowners' insurance premiums and lack of consumer choice as insurers stop writing or renewing policies in areas with high water losses," Commissioner David Altmaier said.

PCI has voiced its support for another AOB bill, Senate Bill 396, that would allow insurers to mandate automobile windshield inspections prior to repairs or replacements (Best's News Service, Dec. 5, 2017). The bill is scheduled for discussion by the Senate Banking & Insurance Committee on Jan. 16. Altmaier last year told the Florida Cabinet the number of auto windshield glass damage claims accounted for nearly 19,000 of the state's 28,000 AOB-related lawsuits in 2016.

The top five writers of homeowners multiperil insurance in Florida during 2016 were Universal Insurance Holdings Group, with an 8.95% market share; Tower Hill Group, with 6.90%; State Farm Group, with 6.60%; Federated National Insurance Co., with 4.88%; and Citizens Property Insurance Corp., with 4.87%, according to BestLink.

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## Citizens Updates



### Performance Standards Program Updates

December 29, 2017

Citizens will make two updates to its Performance Standards program in 2018 for Personal Lines new-business submissions. This program measures the number of late submissions and binding violations incurred by an agent, because providing our Underwriters with complete and correct submissions enables them to make decisions about risks in a timely manner and helps Citizens provide the fastest service possible.

The updates include:

- After a brief hiatus, during which we made system enhancements, Citizens will reimplement the disciplinary action for late submissions bound on or after January 1, 2018.
- In addition to the four binding violation types listed in the [June 27, 2016, Personal Lines Bulletin](#), Citizens will expand the types later in 2018 to include:

- Failure to upload a premium finance company contract (when applicable)
- Incorrect application of credits
- Failure to acquire policyholder signature(s) on the application

*Notes:*

- The disciplinary thresholds for warning, suspension and termination will not change and are outlined in the [December 20, 2013, agent communication](#).
- Violations cannot be:
  - Removed through corrective action taken after the violation occurs
  - Reassigned to a licensed customer representative
- Citizens will communicate more about the new binding violations later in 2018.

### Appeal Process

Agents can appeal violations within:

- Five business days from the receipt of the *Late-Submission Violation Notice*
- Five calendar days from the receipt of the *Binding Violation - Issued* activity

*Note:* Currently, the binding violation activity on the *My Activities* screen indicates a window of five business days, but the *Dispute* button displays for only five calendar days. This system defect will be corrected later in 2018; the *Dispute* button then will be visible for five business days.

Citizens' staff has developed many training pieces and frequently asked questions (FAQs) to help agents stay in compliance with new-business processes and to avoid disciplinary action. See below for more information.

### Resources

Log in to the **Agents** site, and select **Training > PolicyCenter > Servicing Policies** for the following:

- [Managing Late-Submission Violations](#) job aid for preventing and disputing a late-submission violations
- [Disputing a Binding Violation](#) job aid
- [New Business: Submission through Issuance](#) module
- [Uploading and Linking Documents](#) job aid
- [Creating an Effective Date Change Request](#) job aid

Use the *Personal Lines Required Document Guides*, which are on the *Personal* page of the *Training* section and the *PR-M* and *PR-W* pages of the *Personal* section.

From the website's top menu, select **Search > Search Frequently Asked Questions (FAQs)**, and enter the following in the search field:

- *Late-submission*
- *Binding violation*
- *Withdrawn*
- *Bound Submission*
- *Change Date*

*Note:* Agents also can access the FAQs via the *Knowledge Base* link at the top-right corner of every screen in PolicyCenter.

Appointed agents can submit questions to Citizens by logging in to the *Agents* website and choosing the *Contact Us* link on the top of the website. Citizens should respond within three business days.



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