

PIANY Weekly

Thursday, Aug. 2, 2012

Cuomo Announces Grants To Help Communities Rebuild After Irene, Lee. Gov. Andrew Cuomo announced additional community recovery planning grants to upstate communities hit by Tropical Storms Irene and Lee. "Similar to the first round of funding, these grants will go directly to communities that were impacted by the devastating floods last summer. This funding will help towns and villages rebuild and find ways to make sure they are better prepared for future flooding," said Cuomo. [More ...](#)

Force-Placed Profit To Decline Amid Reviews. Assurant Inc. claims earnings from residential coverage that borrowers must buy when they miss payments on their initial policies will slip as the firm introduces a new insurance product amid regulatory reviews. "The changes, and ultimately a more normal housing market, will mean that our lender-placed revenues will decline, and so too will our profits in this business," said Chief Executive Officer Robert Pollock. "The returns, though lower than recent years, will continue to be attractive." [More ...](#)

WCB Reports To Governor On Insolvent GSITs. Legislation passed in 2011 requires the Workers' Compensation Board to prepare a semi-annual report to the governor and the Legislature regarding the status of the various insolvent group self-insured trusts. The [June 2012 Report](#) shows that the current outstanding liabilities as set forth in the most recent audited financial statement are at \$856.4 million, up from \$810 million reported six months ago. The total number of open claims is 3,786 as of May 31, 2012. Included in this report are the efforts of the board's Litigation Unit is to facilitate the extinguishment of the liabilities of insolvent GSITs. The Litigation Unit employs a variety of methods to accomplish this goal, which include: 1.) the collection of funds from the former employer members of the insolvent GSIT; 2.) the recoupment of damages from the former management of the insolvent GSIT; and 3.) the transfer of the liabilities to a commercial insurer by way of an assumption of liability policy.

Universities To Test Self-Funding Of Student Health Insurance. New York state is letting four of its largest universities—New York University, Columbia University, Cornell University and the University of Rochester—test the waters of self-insurance in order to offer lower-cost health insurance coverage to students. [More ...](#)

Study: Lawsuits Extract \$1B From Localities A Year. According to preliminary data from Rockefeller College, commercial insurers are estimated to pay out at least \$1 billion for lawsuits and litigation costs in New York state each year. Any number of disputes or accidents can spark a lawsuit. Motorists have sued municipalities claiming that the roads were poorly plowed in winter, leading to accidents. Additionally, the Scaffold Law, which says a property owner is responsible for injuries on a property regardless of who is at fault, is another common basis for litigation. PIANY historically has supported legislative proposals designed to reform New York's tort system and Scaffold Law. [More ...](#)

New Health Benefits For Women In Effect. Beginning yesterday, new health insurance plans will be required to provide eight preventive health benefits to women for free. The benefits include contraceptives, breast-feeding supplies and screenings for gestational diabetes, sexually transmitted infections and domestic violence, as well as routine check-ups for breast and pelvic exams, Pap tests and prenatal care. The services are a requirement of the health-care reform law Congress passed in 2010. A new report released Monday by the Department of Health and Human Services estimates 47 million women are in health plans that must offer the new benefits. [More ...](#)

PPACA Compliance Timeline. Now that the U.S. Supreme Court has ruled on the Patient Protection and Affordable Care Act, the U.S. Department of Health & Human Services' website HealthCare.gov has

created a [timeline](#) of key features of the PPACA by year, which includes effective dates. The website also includes a section on [small businesses and the PPACA](#) and other resources.

FEMA Clarifies Rebating Rule And Updates NFIP Manual. The Federal Emergency Management Agency has clarified in [Memorandum No. W-12046](#) that the no-rebating rule applies to all National Flood Insurance Program business, new and renewal, written with an effective date of Oct. 1, 2012, and later. This applies in all cases, even those where the premium payment is received before Oct. 1, 2012. In addition, FEMA has posted online the [October 2012 Revisions to the NFIP Flood Insurance Manual](#). Some of the revisions included are: a new effective date rule requirement for policies issued in connection with a lender; clarification of rules regarding tenant's coverage; revised rates for policies written or renewed on or after Oct. 1, 2012; additional guidance for the conversion of a PRP to a standard-rated policy; updates to the cancellation rules and new signature requirement for the cancellation request; and new re-underwriting requirement for Severe Repetitive Loss property policies transferred to the NFIP Special Direct Facility for processing.

July ACORD Forms Update. In the latest ACORD forms [update](#), countrywide forms 130 (2012/07) Workers' Compensation Application and 133 (2012/04) Workers' Compensation Application, Assigned Risk Section are revised. These and other ACORD forms now are available directly under the [ACORD Advantage Program](#). If you are already registered for the ACORD website, simply enter your username and password [here](#).

Join The ACORD Advantage Program For Access To ACORD Forms. All agents, brokers and distributors are eligible to join the ACORD Advantage Program to access ACORD forms. Printable forms are available at no cost on the ACORD website, but you must register on its website to gain access. Log on to [www.pia.org/IRC/acord](#) to get started. If it's the computer fillable forms you would like, PIA members receive a \$20 discount off new subscriptions to ACORD's Advantage *Participant* Program giving online access. Information and an enrollment form are available at: [www.acord.org](#). To receive your discount, please be sure to check the box indicating you are a PIA member. For questions relating to the ACORD *Participant* Program, please contact ACORD directly at (800) 444-3341.

ACORD: New Strategic Analysis Sheds Light On E-Signature And Standards. ACORD released a new Strategic Analysis on e-Signatures and e-Delivery in the insurance industry. The Strategic Analysis suggests that implementers start with one process and product. To further support such efforts, it lists a number of general best practices, as well as specific ones for insurers and producers. [More ...](#)

NCCI Updates TTD Benefit Study. The National Council on Compensation Insurance found in its previous study that the average duration of Temporary Total Disability indemnity benefits began to increase at the onset of the recent recession, and that the rate of increase had moderated for injuries occurring during the first six months of 2010. Using an additional 12 months of reported data, the NCCI finds in its latest [update](#) to the previous study that this more moderate rate of increase continues for injuries occurring through the first six months of 2011.

Heavy Advertising Not Always Paying Off For Carriers. A report in *USA Today* notes that while heavy advertising has boosted market share for discounters GEICO and Progressive, ad campaigns for Allstate, Farmers Insurance Group and Nationwide Mutual appear to be generating little more than expensive chuckles for the big carriers who control 50 percent of the \$160 billion automotive market. Industry leader State Farm's market share has remained flat for three consecutive years. Allstate has lost market share for five consecutive years. [More ...](#)

EEOC Issues Guidance On Consideration Of Arrests, Convictions In Employment Decisions. The U.S.

Equal Employment Opportunity Commission issued [guidance on the consideration of arrest and conviction records in employment decisions](#). The guidance follows prior statements by the EEOC concerning employers' use of arrest and conviction information when making employment decisions, including whether to hire, retain, or promote individuals. The EEOC has also published additional information concerning its new enforcement guidance in a [Q&A summary](#). [More ...](#)

Second-Quarter Results. Net income attributable to Aon shareholders decreased 5 percent to \$246 million, or \$0.73 per share, compared to \$258 million, or \$0.75 per share, for the prior year quarter. [More ...](#) Arthur J. Gallagher reported a net income was \$71.7 million, or \$0.59 per diluted share, for the second quarter of 2012, compared to \$41.7 million, or \$0.37 per diluted share in the previous year's quarter. [More ...](#) The Chubb Corp. reported that net income in the second quarter of 2012 was \$404 million compared to \$419 million in the second quarter of 2011. Net income per share increased 4 percent to \$1.48 from \$1.42. [More ...](#) Cincinnati Financial reported a second-quarter 2012 net income of \$32 million, or \$0.20 per share, compared with a net loss of \$50 million, or \$0.31 per share, in the second quarter of 2011. [More ...](#) CNA Financial Corp. announced second-quarter 2012 net income of \$166 million, or \$0.62 per share. [More ...](#) The Hanover Insurance Group reported a net income of \$20.8 million, or \$0.46 per diluted share for the second quarter of 2012, compared to \$32.2 million, or \$0.71 per diluted share, in the same period a year ago. [More ...](#)

More Second-Quarter Results. The Hartford reported a net loss of \$101 million, or \$0.26 per diluted share, for the second quarter of 2012, which included a \$587 million loss on extinguishment of debt, compared with net income of \$33 million, or \$0.05 per diluted share, in the second quarter of 2011. [More ...](#) Liberty Mutual Holding Co. Inc. reported net income of \$139 million for the second quarter of 2012, an increase of \$318 million over the same period in 2011. [More ...](#) MetLife reported a net income of \$2.3 billion, or \$2.12 per diluted share for the second quarter of 2012, compared to \$1.069 billion, or \$1.00 per diluted share, in the same period a year ago. [More ...](#) Selective reported a net income was \$0.3 million, or \$0.01 per diluted share, for the second quarter of 2012, compared to \$1.5 million, or \$0.03 per diluted share in the previous year's quarter. [More ...](#) Willis Group Holdings reported net income from continuing operations for the quarter ended June 30, 2012 was \$107 million, or \$0.61 per diluted share, compared with \$84 million, or \$0.48 per diluted share, in the same period a year ago. [More ...](#)

A.M. Best News. A.M. Best has withdrawn the financial strength rating of "A" of Underwriters at Lloyd's London and Underwriters at Lloyd's London (Kentucky) as these offices do not issue insurance policies. Underwriters, which took advantage of the U.S. licenses for the Lloyd's market, as well as in the U.S. Virgin Islands, issue policies on behalf of Lloyd's. These policies are supported by the financial strength of the Lloyd's market. [More ...](#)

Ask PIA: Defensive-Driving Courses—Not Retroactive. Q. I have an insured who is in the New York Automobile Insurance Plan. He had a clean record and took the state-approved defensive-driving course in January 2011, receiving a credit on his premium effective February 2011. By November 2011, this client had accumulated eight DMV points. His insurance was canceled for nonpayment, and then he was convicted of DWI. Since he had taken the defensive-driving course earlier, would it remove four points from this record? A. No. There is no retroactive effect on offenses occurring after the course was taken. The DMV now allows the course to be re-taken every 18 months. If your client takes it again voluntarily (i.e., not as required by a court), he can have points removed for DMV purposes only. The re-take will not affect the surcharge on his insurance premium. For a comprehensive answer to this question, click [here](#). To access our entire Ask PIA library of frequently asked questions and expert answers by PIANY's technical staff,

click [here](#).

PIA Marketing Tip—For August. PIANY's [Agency Marketing Tool Kit](#) says ... With the kids heading back to school or off to college, cell phones can be invaluable. Now is the perfect time to send your clients the consumer flier, [Cell phone safety—driving home the importance](#). This consumer flier offers basic safety tips and the laws surrounding the use of cell phones that your insured may not know. The Agency Marketing Tool Kit provides members with free marketing tools and strategies that coordinate with PIANY's public relations efforts to remind the public why their professional independent agent is the best way to purchase insurance—check out the resources available to you, including consumer fliers, print-ready advertisements, sales letters, social-media tips and more.

Regional Advisory Councils Are Your Direct Link To PIANY. As a PIANY member agency, you have a voice in your association. Use that voice as a member of one of the association's Regional Advisory Councils. Twice a year, PIA conducts meetings throughout the state to provide interested agency principals/officers the chance to talk about their issues of concern. The advisory council meetings are informal, round-table discussions during which members give their opinions on the industry's hottest issues; provide input regarding the association's positions, programs and services; and network with peers. For more information or to apply to join a council, click [here](#) or email PIANY Executive Director Diane Fowler at dfowler@pia.org.

NEO Series: *New Employee Orientation For Agency Personnel*. Give your rookies the training they need to succeed—without interrupting your daily sales and service activities. If you have a new employee or plan to hire, the *New Employee Orientation for Agency Personnel* is for you. This program is designed for unlicensed employees with less than 12 months' experience in the agency. Your employees log on to the course via the computer each week to get the training they need. There's no travel, no interruption to daily agency activity and, most importantly, no time out of the office. Through this "virtual classroom," your new hire can connect with other rookies, bounce questions off the facilitator and learn in manageable pieces in the comfort of their home or office. PIA will host this eight-week online course for unlicensed/new employees Monday, Aug. 13, 2012. For more information, or to register, click [here](#).

Earn CE And Improve Your Business With Business Income Webinar. Learn how to improve the key elements pertaining to business income and earn CE credit with the PIA Webinar, *Business Income—Learning From Claims of the Past* on Thursday, Aug. 16, 2012. This course covers: definition and goals of business income; time element; insuring agreement formula; real-life components of a loss; the three parts to a BI/EE claim; civil authority coverage; dependent properties; and more. There also will be a question-and-answer period with instructor Steven D. Lyon, CPCU, CIC, CRM, AAI, ARM, AIS, of Lyon Consulting Services LLC. For more information, or to register, click [here](#), or call PIA at (800) 424-4244.

NY-YIP Annual Golf Open Is Approaching Fast. The New York Young Insurance Professionals' 20th annual Golf Open will be Monday, Aug. 20, 2012, at The Seawane Club in Hewlett Harbor. For more information, or to register for the event, click [here](#). Join event sponsor Morstan General Agency Inc. in supporting NY-YIP. Sponsorships, ranging from \$175 to \$1,000, provide exposure for your agency or company. A portion of the event's proceeds will benefit St. Jude Children's Research Hospital. Contact NY-YIP at (800) 424-4244, ext. 273, for sponsorship opportunities.

P/C Small Business Guide. Running a small business has many challenges. Business owners must try and maximize the financial risks their businesses face. To assist your small-business clients, you may want to offer them QuickSource document No. [QS31167](#), which outlines many important facts and coverages they may need. To obtain a copy, log on to the PIANY [website](#) and type QS31167 in the Google-facilitated search box, or fax a request to PIANY's Industry Resource Center at (888) 225-6935.

Phone: (800) 424-4244 • Fax: (888) 225-6935 • Email: publications@pia.org • Website: www.pia.org