



**PROFESSIONAL  
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AGENTS**

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## **An open letter to our carriers from PIANY, PIANJ, PIACT**

Jan. 2, 2013

To Our Carrier Partners:

Storm Sandy has given our industry a chance to show its value to the policyholders who entrusted us with their insurance needs. It has also created havoc for many PIA member agencies in storm-affected areas, as they and their dedicated employees have had to help their clients deal with the storm's aftermath while, in many cases, coping with the devastation of their own homes and belongings. The storm, larger than 2005's Hurricane Katrina, has devastated our members' businesses and their homes; it's affected our region to an extent none of us dreamed possible. As you know, it will be years before anyone affected by the storm fully recovers. And, writing on behalf of all of the agents which represent your company, we are asking for your help.

Despite the very difficult personal situations they face, agents have kept their promise to you, our carriers, and to our mutual clients: We proudly report that the carriers we represent made the right business decision to work with professional independent agents to market, sell, underwrite and assist our customers with the claims process.

For two months now, agents in Sandy-affected areas have focused almost exclusively on helping their customers with their claims from the storm. They have been working 24-hours-a-day, seven-days-a-week; truly empathizing with their clients' losses, helping them recover with their own hands and resources to mitigate damage, reassuring them that their insurance purchase was everything they were promised. Your agents—those with boots on the ground—are your best source of good will with the insurance-buying public in this time of need.

But we need your help—quickly, before our industry gets more battered in the public eye than it already has. As FEMA rushed to help those whose homes were destroyed by Sandy's waters, they quickly distributed checks to those who needed them—to those homeowners who didn't have the foresight—or the legal requirement—to purchase flood insurance. Likewise, many direct writer companies were quick to adjust claims and provide checks to their policyholders, while many of our insureds—*our mutual customers*—continue to wait to receive an advance claim check as companies work to adjust their

losses. Without these advances, repairs can't be made; homes can't be restored; families can't begin to rebuild their lives.

Frustration is mounting. Any delay in issuance of advance checks—any effort to *not* provide coverage when it isn't clear the cause of the damage—these are at best a PR hit to our business. We need quicker action, better triage and more support in the way of publicity.

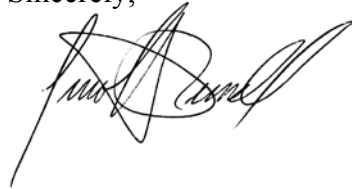
Certainly, we recognize that the storm impacts everyone—policyholders, agents and companies alike. But we also need your consideration and support for our agencies' financial well-being. People and businesses in storm-affected areas simply are not prospective clients for new policies at this time. They aren't thinking about getting insurance or moving their policies—many are still trying to find a habitable place to reside, from which they can continue to make a living and pay their bills, including their insurance premiums.

Most of all, we need companies to consider the unique circumstances of our members at this time, with regard to our compensation structure. Business decisions made by some carriers to change commission levels on certain types of policies were painful enough before Sandy hit. But now, they endanger the very survival of your agents-- your best distribution option.

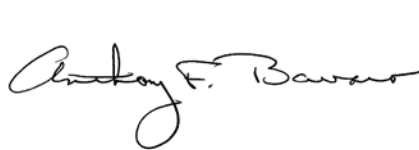
Now is the time for us all to work together, to support each other in any way possible, to provide our clients the coverage they deserve, and to show the insurance-buying public the benefits of doing business with the American agency system—with the agencies and companies best-suited to serve the needs of the local insurance consumer.

As we enter 2013, we look forward to a continued positive and fruitful relationship that benefits our business. Your investment in the best marketing and distribution system in our industry will facilitate that goal.

Sincerely,



Timothy G. Russell, CPCU  
PIACT President



Anthony F. Bavaro, CIC, CRM  
PIANJ President



Michael J. Skeele, CIC, CPIA  
PIANY President