

IIA WNY

I-WAYS

MAGAZINE

November
2017

INDEPENDENT INSURANCE AGENTS ASSOCIATION OF WESTERN NEW YORK, INC.

keeping you
up to
speed



wnyagent.com



A Message from the **PRESIDENT**

Wow! In 2013 when I first joined the Board I really had not envisioned myself at this moment in my life. I tell you that it feels good! It's an opportunity of a lifetime and I am going to cherish every moment! So let's get this year started!

Our Directors and Officers Installation dinner held at The Foundry last month was a great success. It was so nice to see our members and affiliates as well as a lot of first timers there. The turnout was fantastic and the staff at the Foundry was wonderful. Thank you to our WNY Regional Director, Lou Atti, for being our Master of Ceremonies and installing our Directors and thank you to Big I New York President & CEO, Lisa Lounsbury, for speaking and installing me as IIAAWNY President.

To our departing Directors I would like to say thank you for your commitment and shared knowledge! They have been instrumental in propelling our Board forward with ideas and contributions that will continue our efforts for years to come.

I am excited to be your President this year and will do my best to keep IIAAWNY moving forward. I feel truly blessed to have this opportunity! The Board is excited about our new Directors who will provide us with their ideas to help us do even bigger and better for our community!

So as time seems to go by so fast we are not slowing down.

On October 12th we had our annual Legislative breakfast and this year we changed it up a bit. We went to a roundtable platform with four key discussion points. Based on the turn out I would say it was a success. We were so happy to see Senators Michael Ratzenhofer and Chris Jacobs and Assemblymen Robin Schimminger and Ray Walter at our event. You will not want to miss this opportunity in October 2018!

On October 14th at the 127th Annual Buffalo Fire Fighters Awards Ball, I had the honor to present Lt. Joseph Kalinowski with the IIAAWNY Bravery Award. The ceremony was a very humbling one. What those men and women do on a daily basis to save others is truly heroic even though they see it as their duty and do it without hesitation. Congratulations to Lt. Kalinowski and all those that were honored that night. Check out more on this at <https://www.facebook.com/BPFFA/posts/1649287965106018>

October 16th IIAAWNY sponsored and attended the CPCU Society Chapter's 2017 Conferment Ceremony for five of their new designees. Congratulations, a very admirable achievement.

We have some great events coming up for our members and affiliates to enjoy. Please get out and attend as you will meet great people and who knows what opportunities may arise!

On November 9th we have another NeXtGen and YIPs Networking Event at Osteria 166 – this is not just for our young professionals, but also those young at heart. It is a great way to meet new people, establish connections, and perhaps find an answer to that road block you may have run into. So come join us and bring a friend!

Also don't forget our annual Holiday luncheon on December 1st at Park Country Club. We will also be taking monetary donations for the Food Bank of WNY! Always a great event and one of our biggest! The food is absolutely delicious! Treat yourself to this wonderful luncheon and bring a colleague or two! What a great way to say thank you to staff and friends!

Our Board is here to help and serve you, our members and affiliates. Please reach out to any one of us. We welcome your ideas to help keep our IIAAWNY Board one of the best in the State!

Please take care of yourself and others this Holiday Season! Remember there is Uber/Lyft now so stay safe!



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Kathleen Rapasadi
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GENERAL ENQUIRIES

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Contact our Board at:
[www.wnyagent.com/
officers-directors/](http://www.wnyagent.com/officers-directors/)

Tamara Storch, ACSR, AINS
President IIAAWNY



Friday December 1, 2017

Park Country Club, Williamsville, NY



Cocktails 12:00pm

Luncheon 1:00 pm

Entrée Choices:

- Chophouse New York Prime Strip
- Atlantic Salmon Filet with Dill Buerre Blanc
- Chargrilled Chicken "Saltimbocca" – fresh sage, prosciutto, gruyere cheese, herb demi
- Grilled Vegetable Flower with Boursin Cheese

Early Bird Pricing (until Friday November 17th): \$65

Registration: \$75

Click **HERE** to register for the luncheon, we hope to see you there! If you are unable to attend yourself, please extend this invitation to your staff.

Sponsorship packages available!

\$250 – Includes 1 ticket to our event plus recognition that includes your company logo in our powerpoint presentation, your marketing materials at a sponsor display table

\$500 – Includes 3 tickets to our event plus recognition that includes your company logo in our powerpoint presentation, your marketing materials at a sponsor display table

Registration deadline is 11/24/17

In keeping with our tradition, we will be collecting for the WNY Food Bank. Your cash/check contributions are greatly appreciated. All contributors will be eligible for our door prize drawing.



Together with Young Insurance Professionals of NY, NeXtGen invites you to attend a

WNY Young Professionals Networking Event

Thursday, Nov. 9th 5PM - 7PM

Osteria 166 - 2nd Floor (166 Franklin Street, Buffalo, NY 14202)

Registration: \$25 per person, includes light appetizers and open bar

Event Overview:

- Registration and open networking with local Insurance Professionals
- Enjoy food, drinks, and networking which is broken into 3 sessions
- Each session offers you time to talk about where you work/your role and to meet and learn from other young professionals working in the insurance industry
- After the rotations, hopefully you will win a prize and open networking will continue!

Click to Register:

<https://icob.wufoo.com/forms/nextgen-and-yips-networking-event/>

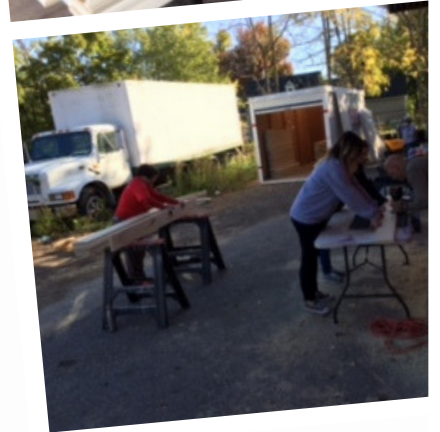
Please contact Ashley Engl at aengl@lawleyinsurance.com with any questions or concerns

Beds for Buffalo

On Friday October 20th, NeXtGen Buffalo spent the day at The Foundry volunteering our time to assist with the Beds for Buffalo project. The Beds for Buffalo project will build and furnish 100 twin beds for children in need throughout WNY. The Service Collaborative of WNY (TSC) will distribute completed beds through identified community partners that serve families surviving poverty. NextGen volunteers assisted with sawing, planing, sanding, drilling, and much more. The Service Collaborative appreciated all of the work that NeXtGen members were able to accomplish, and everyone had a great time working together to prepare the wood for the children's beds!

The Service Collaborative of WNY shared the attached snapshot of our day, and expressed their appreciation for our service. For anyone interested in supporting the #Beds4Buffalo project, they are seeking donations of Twin Size Mattress Sheet Sets, Twin Size Comforters, Blankets, Standard Pillows, and Bed Bug Covers that will be delivered along with the beds to families in need. Please click [HERE](#) to complete an online donation form. For more information, you can also contact Adam Bartoszek at 716-418-8500 or abartoszek@tscwny.org.





#Beds4Buffalo

Thank You NextGen Volunteers

On Friday, October 20, NextGen volunteers supported the #Beds4Buffalo project by milling rough cut lumber into bed rails & posts. Completed twin beds will be provided to children in need. The Service Collaborative of WNY, Inc. would like to thank NextGen volunteers for their service!



THE SERVICE COLLABORATIVE
OF WESTERN NEW YORK



Total Amount of Volunteers:

26

Total Hours Served:

93

The Value of Volunteer Time:

\$2,609.58

Did you know...

The **IIAAWNY Distracted Driving Simulator** is available to you, our valued members, to showcase the dangers of driving while texting? Please make a reservation to use the Simulator at your next event! Simply call our local office at 716.207.3886 or email iiaawny@gmail.com to schedule your date and time. Please plan on about 45 minutes to an hour of training to learn the proper set up and program features of the simulator.

Recently, the simulator was used at Forestville High School. The students loved using the simulator saying that it was cool and that it was hard to avoid hitting objects under the drunk driving simulation. The teacher, Mike O'Leary, thanks IIAAWNY for the use of the simulator and thought it helped the students understand the perils of driving under the influence.



Safeco Shares Results From Their Agent for the Future Survey

Safeco recently conducted an Agent for the Future survey. Safeco asked 600 independent agents for input about how they are adapting to current changes, what they think will be important in the future and what they are doing today to prepare for tomorrow.

One key finding: agents want to spend substantially less time responding to service needs and shift their focus to growing their business.

- IAs currently allocate 21% of their time providing customer service, but they want to cut that in half to just 10% in 2020.
- Today, agents spend only 9% of their time prospecting for new clients. In 2020 agents want to spend 16% of their time pursuing new clients – making it the second highest priority in 2020, right after spending 26% of their time quoting new business.

This significant shift in priorities signals the beginning of an exciting era for the independent agency channel. It also raises the question: how can agents grow their business without compromising service or jeopardizing retention? A new report from Safeco – [“Independent Agents Shift Focus from Service to Growth”](#) – tackles the issue.

Check Page 8 for an article from Victor Pepin, Safeco’s vice president and general manager of the North-east region. The article highlights a few of the key findings and looks at how digital technology and carrier service programs can help drive agency business.

New Research Reveals IAs' Priorities are Changing

by Victor Pepin, Vice President and General Manager, Northeast Region, Safeco Insurance

I believe in the enduring value of independent agents. After all, in an era of rapid change and new risks, consumers need a trusted advisor who can guide and advocate for them. They need an independent agent.

At Safeco Insurance, we're constantly looking forward to uncover opportunities and challenges that lie ahead for the independent agent channel. By knowing what's around the corner, we can share actionable insights and help develop capabilities that enable you to be an Agent for the Future – one who is not only thriving today but is also continuously evolving to take advantage of new opportunities.

Safeco's recent Agent for the Future survey asked 600 independent agents about how they are adapting to current industry trends and how those trends are expected to shape insurance through the year 2020.

One key finding -- agents want to spend substantially less time responding to service needs and shift their focus to growing their business.

IAs have new priorities for 2020

I wasn't surprised by how much time agents currently spend servicing and retaining clients – and I certainly



appreciate the challenge of finding time for new business. However, in 2020 – just two years from now – agents indicate they want to make a complete 180° and spend the majority of their time quoting and pursuing new business.

This shift in priorities signals compelling opportunities for growth and the beginning of an exciting new era for the independent agency channel. It also raises the question: *how can IAs grow their business without compromising service or jeopardizing retention?*

The answer: divide and conquer

I believe this is where harnessing the power of digital solutions and expanding your partnership with trusted carriers comes in. Leveraging carrier customer service programs will support your customer service needs and aid retention; they can also boost your efforts to grow the business.

Today's consumers want more ways to engage and do business whenever they want, from wherever they are and on whatever devices they have handy. This doesn't come as a surprise to IAs. Safeco's Agent for the Future survey revealed that **60 percent** of agents recognize consumers' need for



online and mobile solutions is of major importance.

Traditionally, it's been thought that every interaction with a customer is an opportunity to build long-term loyalty. While that may once have been true, that's no longer the case. However, the likelihood of an agent building long-term loyalty over low-value transactions – such as sending new ID cards or changing a method of payment – is relatively small. That's where mobile and online account management tools come in. Customers get the access they expect, and your team can focus on growing the business.

A growth mindset

Agents have identified a compelling mix of strategies to drive growth and they don't need to tackle this on their own. Not only does leveraging customer service programs satisfy customers' changing needs and aid retention, but they can also boost efforts to grow the business. I'd like to focus for a moment on two areas: cross-sales and attracting new market segments.

Cross-sales

The majority of agents we surveyed believe increasing cross-sales could be a key driver for growth. This is a prime example of where working with a carrier service program can make a big impact.

For example, did you know that 1 in 12 customer calls to Safeco Gold leads to a cross-sell opportunity? Better yet, we close nearly **50%** of the time. In 2016 the company generated \$39 million in new business for Safeco Gold agencies.

New market segments

For **31 percent** of agents surveyed, the path for growth includes pursuing new market segments. Now, you've likely been hearing ad nauseam about the importance of the millennial market (**54%** of

agents surveyed said 'millennial' is the buzzword they're MOST sick of hearing about!).

Given all of the discussion about the size of the millennial population, it could be easy to overlook the emergence of other important demographics. However, **67 percent** of agents surveyed recognize that change in ethnic impact could have some effect on their agency in the next two years.

For instance, the United States Census Bureau estimates that there are **55 million Hispanic people** in the country, making up more than **17 percent** of the U.S. population.

I appreciate that it might seem daunting or cost-prohibitive for agencies to hire to meet the needs of non-English speaking customers. Today, **only 25 percent** of agents surveyed offer non-English-speaking options and **42 percent** say non-English communication tools are not a necessity.

This is another example of where carrier service programs can become an extension of your agency and support your efforts to attract new customers. The Safeco Gold team offers Spanish language support, with other languages supported via interpreters.

Go Confidently together!

Safeco has and will continue to be exclusively focused on independent agents and their success. I believe that working together, we will continue to win in the marketplace.

Earlier this year, Safeco launched AgentfortheFuture.com, a new resource providing all IAs with data, insights and inspiration to help you succeed today and prepare for the future. I invite you to check out the site and read [Safeco's new report -- "Independent Agents Shift Focus from Service to Growth."](#)

The Fourth Department Allows Legal Action Against Broker To Proceed Based On Alleged Communications Between Insured And Broker

Recently, the Appellate Division, Fourth Department denied summary judgment to an insurance broker and found that an issue of fact existed as to whether an insured had made a specific request for flood insurance coverage based on the insured's claim that he allegedly requested flood insurance coverage three years before a loss occurred. See *Petri Baking Prod., Inc. v. Hatch Leonard Naples, Inc.*, 151 A.D.3d 1902, 57 N.Y.S.3d 838 (4th Dep't 2017).

In *Petri*, the plaintiff, a commercial bakery, hired defendant First Niagara as its insurance broker in September 2003. An insurance broker from First Niagara summarized the coverage specifications in the plaintiff's projected insurance policy, as received from the plaintiff's insurance carrier. The summary incorrectly indicated that the plaintiff carried flood insurance. The broker never brought the error to the plaintiff's attention, nor did the plaintiff notice it did not have flood insurance. Between 2003 and 2006, the plaintiff's annual policies contained a provision excluding flood insurance coverage. In September 2006, the plaintiff's chief financial officer's brother called the broker and asked about the flood insurance provisions stating, "We have flood insurance, right? Because we want it." The broker replied that he would "get back to him" but never did. There was evidence, however, that the First Niagara employee in charge of obtaining flood insurance certificates retrieved plaintiff's certificate the day after the conver-

sation, at the broker's request. In August 2009, the plaintiff's business was damaged by a flood and the plaintiff was informed that flood coverage was excluded from its policy. The plaintiff brought suit against the insurance broker for breach of contract, fraud, and negligent misrepresentation premised upon the failure of the broker to procure flood insurance coverage prior to the flood. Both parties moved for summary judgment. The trial court dismissed plaintiff's fraud claim and determined that no "special relationship" existed between the parties. The court denied the defendant's motion in all other respects and denied plaintiff's motion as well.

On Appeal, the Fourth Department upheld the trial court's decision, reiterating that "insurance brokers have a common-law duty to obtain requested coverage for their clients within a reasonable time or inform the client of the inability to do so" but "absent a specific request for coverage not already in a client's policy or the existence of a special relationship with the client, an insurance agent or broker has no continuing duty to advise, guide[] or direct a client to obtain additional coverage." *Petri Baking Prod., Inc. v. Hatch Leonard Naples, Inc.*, 151 A.D.3d 1902, 1903-1904, 57 N.Y.S.3d 838 (4th Dep't 2017). In this case, none of the prerequisites for a special relationship were met, and therefore the issue was the purported conversation from approximately three years before the loss. The Court held that while

"[a] general request for coverage will not satisfy the requirement of a specific request for a certain type of coverage," there was an issue of fact whether or not the conversation from 2006 constituted a specific request for flood insurance coverage prior to the flood.

Practice Pointer: The *Petri* decision should serve as yet another reminder to insurance professionals to follow up on and document customer inquiries in a timely fashion. In this case, the plaintiff's annual policy contained an exclusion for flood insurance, but the Court still found a question of fact premised almost entirely on one alleged conversation in 2006 and the broker's failure to act thereafter. Had the broker documented the conversation and its file, the broker may have been able to secure summary judgment with proof that it acted on the insured's request and did exactly as the insured asked. Proper file documentation and follow-up can be an effective tool is thwarting litigation predicated on an agent/broker's alleged negligence.

For answers to your legal questions, feel free to contact Marco Cercione, Esq. or Nicholas Vona, Esq.

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Installation



Moondance



Legislative Breakfast



**IIAAWNY is a proud
supporting sponsor of this
networking holiday celebration**

The poster features a dark background with a starry night sky and a string of white stars. At the top left is the logo for Buffalo Niagara Sales & Marketing Executives (BNSME), which consists of orange diagonal lines above the text "BUFFALO NIAGARA Sales & Marketing Executives". To the right is a "CELEBRATING 75 YEARS" graphic, with "1942" and "2017" on either side of a large "75". The main text "We're Celebrating" is in a large, white, bubbly font with a green glitter effect. Below this is a teal banner with the text "BNSME's 75th Anniversary". The date "THURSDAY, DECEMBER 7, 2017" is in white. The time and location "5:30 p.m. – 7:30 p.m. | 500 Seneca Street Atrium" are in white, followed by "\$25 includes drinks and food" in white. The registration link "Register at www.bnsme.org" is in orange. A horizontal line separates the event details from the sponsors. Below the line, the text "Supporting Organization Sponsors:" is centered. At the bottom, there are logos for Leadership Buffalo, Amherst Chamber of Commerce, Buffalo Niagara Human Resource Association, InfoTech WNY, NAWBO Buffalo Niagara, and Buffalo Business First. The text "Ad Space Provided By:" is followed by the Buffalo Business First logo.

BNSME's 75th Anniversary

THURSDAY, DECEMBER 7, 2017

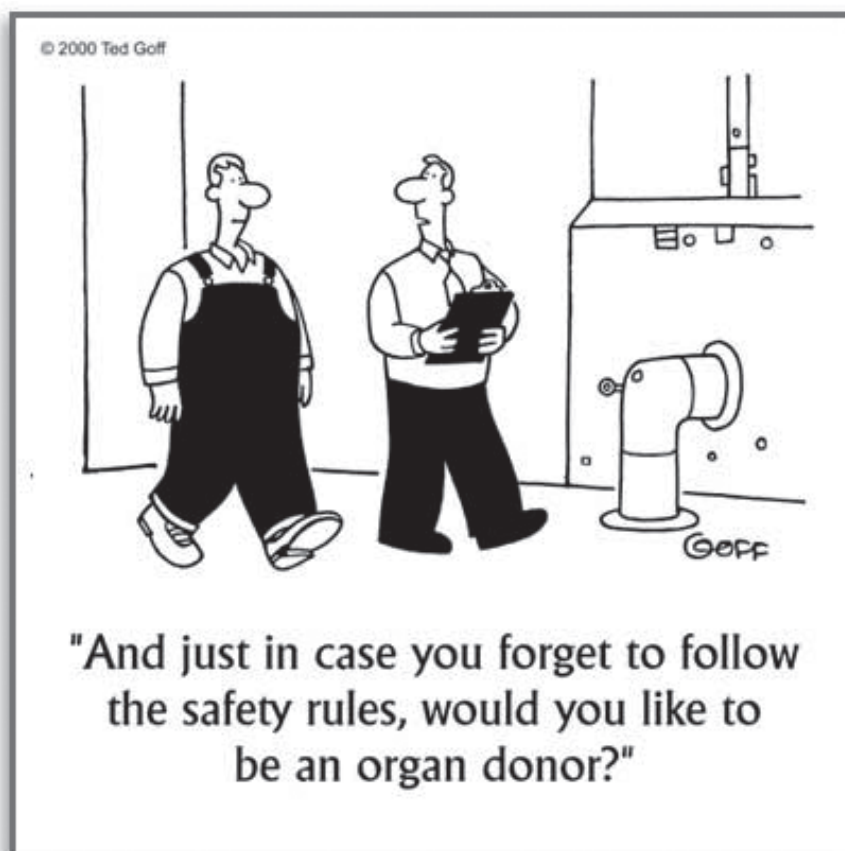
5:30 p.m. – 7:30 p.m. | 500 Seneca Street Atrium
\$25 includes drinks and food
Register at www.bnsme.org

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