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Agent Newsletter December 12, 2022

BIG i® | IOWA



The lineup is set and we are certain you will agree with us that you will not want to miss our 2023 Rural Agents Conference

Visit our [website](#) and checkout our great group of speakers scheduled to speak to all of you on a variety of topics from our current economy to Ag related laws. Our keynote speaker, Jordan Montgomery from right here in Iowa who will both captivate you and motivate you.

We will also have the hospitality suites for you to visit with our company partners as well. It will truly be the Wild West of insurance events this winter.

commitment to community

Could \$1,000 help your agency make an impact in your community?

This year's Commitment to Community Marketing Reimbursement Program has a larger reimbursement limit. The program is still a 50% reimbursement, however if your agency spends \$2,000 on a community project, they could be eligible to be reimbursed up to \$1,000.

Please review the [flyer and application](#) for additional details. Then put on your thinking caps as to what kind of impact you could make in your

community with this higher reimbursement limit.

National Dues Deductibility

Membership Dues to the Independent Insurance Agents & Brokers of America (IIABA) are not deductible as a charitable contribution but may be deductible as an ordinary and necessary business expense. To the extent that IIABA engages in lobbying, the portion of the membership dues that relate to lobbying expenses is not deductible as an ordinary and necessary business expense. This law was enacted in 1993, effective January 1, 1994 [Section 13222 of the Omnibus Budget Reconciliation Act of 1993 (OBRA 1993)].

The following is a recap of the non-deductible portion of dues for the past several years:

FY 2014-15	Estimated 25.21%	Actual 25.03%
FY 2015-16	Estimated 25.07%	Actual 22.61%
FY 2016-17	Estimated 22.04%	Actual 18.72%
FY 2017-18	Estimated 19.15%	Actual 18.52%
FY 2018-19	Estimated 18.46%	Actual 18.35%
FY 2019-20	Estimated 18.90%	Actual 19.82%
FY 2020-21	Estimated 19.64%	Actual 16.22%
FY 2021-22	Estimated 15.49%	Actual 20.20%
FY 2022-23	Estimated 19.35%	

NAIC Passes Pet Insurance Model Act

The National Association of Insurance Commissioners (NAIC) members pass a Pet Insurance Model Act to establish appropriate regulatory standards for the pet insurance industry, which has annual premiums of approximately \$2.8 billion in total in-force premiums in 2021 (up over 30.5% from \$2.175 billion in 2020) and over 4.41 million insured pets across North America, up 27.7% from over 3.45 million pets insured in 2020, according to the North American Pet Health Insurance Association.

"This model law establishes clear rules for the sale of pet insurance and provides important disclosures to pet owners interested in purchasing this product," said Beth Dwyer, Superintendent of Insurance for the Rhode Island Department of Business Regulation. "Now, it is up to the states to see if they would like to adopt or modify the model law for this regulatory framework to be in effect."

Key elements of the model include:

Consumer Protections: The model codifies several consumer protections related to policy renewals, required disclosures of waiting periods, policy limits, conditions, benefit schedules, and more. Robust disclosures allow consumers to affirmatively choose the policy that is best for them in a world with dozens of available options.

Preexisting Conditions: The model limits how insurers can deny pet insurance claims related to preexisting conditions of covered pets. And the onus is put on the insurer to prove those preexisting condition limitation applies.

Wellness Programs: The model explicitly requires insurers and their producers to clearly differentiate pet wellness programs from insurance policies to help eliminate consumer confusion between insurance policies and non-insurance wellness programs.

Training Requirements: The model codifies training for insurance producers to ensure that producers are appropriately prepared to present information to consumers.

Workers Compensation Rates

Effective January 1, 2023

Big I Announces Inaugural InsureTech Summit

Big "I" InsurTech Summit on Jan. 20, 2023, in Savannah, Georgia, as part of the Big "I" Winter Meeting which runs Jan. 18-21.

The 90-minute InsurTech Summit will feature two panels of groundbreaking InsurTechs, forward-thinking agents and other digital thought leaders in the independent agency space. It will be the first in a series of events held throughout the year to encourage independent agents and brokers to learn about and embrace the game-changing InsurTech technology that is increasingly available to them.

"Our intent is to demystify InsurTech for agents and brokers and lay out what it is—and isn't—for them," says Bob Rusbuldt, Big "I" president & CEO. "InsurTech is here to stay and will continue to evolve, just as the independent agent channel will. The innovation and advantages it brings to Big 'I' members and their clients is important to understand and embrace. This will be a great chance for agents and brokers to learn about the best ways to make InsurTech work for them."

The summit will provide insights on different facets of InsurTech and their relevance and role in the future of the independent agency channel.

The summit is presented in partnership with [TrustedChoice.com](https://www.TrustedChoice.com) and the Agents Council for Technology (ACT), and Travelers is serving as the Diamond sponsor.

Panels will be moderated by Chip Bacciocco, CEO, [TrustedChoice.com](https://www.TrustedChoice.com)

"We want to challenge and encourage independent insurance agents across the U.S. to learn about and embrace the amazing InsurTech technology that is increasingly available to them," Bacciocco says. "And we want to do so in lockstep with our insurance company partners, such as Travelers. This summit will help agents and stakeholders learn more about defining a path forward, together, in this exciting digital age."

"With so many innovative solutions available in the marketplace, InsurTechs can provide great value to the independent agent channel," said Sean Ramalho, senior vice president, enterprise distribution, Travelers. "As a carrier committed to the industry's transformation and success, Travelers is proud to sponsor an event dedicated to helping agents and brokers better understand the ever-expanding InsurTech landscape."

The morning of the summit, the Big "I" and [TrustedChoice.com](https://www.TrustedChoice.com) also plan to host a series of InsurTech podcasts featuring several hosts and participants from the summit.

Agents and others who are interested in learning more about InsurTech trends should [register](#) for the summit in advance by visiting the [Big "I" Winter Meeting website](#). Registration is free and open to all.

Elite Force Sales Academy - Registration Open!



The most comprehensive insurance sales training course available! The Elite Force Sales program is designed to be complete training **for young and new producers** who have a basic understanding of sales and need the foundation of a strong education to transform them into superstars in production. This course is recommended for agents with less than 3 years of experience in sales and less than 5 in the industry.

Class dates are:

Quarter 1: January 30-February 1, 2023

Quarter 2: May 1-3, 2023

Quarter 3: July 17-19, 2023

Quarter 4: November 6-8, 2023

[Registration](#) deadline: Dec. 30, 2022

Economic Inflation, Social Inflation and Your Agency

The Big "I" Professional Liability Risk Management team invites Big "I" members to attend a complimentary new webinar, "[Economic and Social Inflation: What You Need to Know for Your Agency and Your Clients.](#)"

This session will answer the questions: What is economic inflation and what is social inflation? The 30-minute panel discussion will outline the importance of these concepts to your agency and your clients, as well as

provide practical advice for your agency staff to avoid errors & omissions allegations and claims.

Join Big "I" Professional Liability and the session panelists, including Beth Whitney, head of the U.S. agents team at Swiss Re Corporate Solutions; Matt Davis, vice president and claims manager, Swiss Re Corporate Solutions; and Jerry Theodorou, director of the finance, insurance and trade policy program, R Street.

The webinar will run three times, with all sessions containing the same content. All Big "I" members are welcome and encouraged to participate. Register now:

- [Jan. 17, 2023](#)
- [Feb. 7, 2023](#)

Learn more about agency risk management and review additional resources at [E&O Guardian](#). Reach out to the [Big "I" Professional liability team](#) with any questions.

CMS Releases FAQ on Medicare Regulations

The Centers for Medicare & Medicaid Services (CMS) issued a final rule titled, "Medicare Program: Contract Year 2023 Policy and Technical Changes to the Medicare Advantage and Medicare Prescription Drug Benefit Programs."

The final rule revised the Medicare Advantage (Part C) program and Medicare Prescription Drug Benefit (Part D) program regulations. Among other things, the rule redefined third-party marketing organizations (TPMOs) to include individual agents and brokers and requires them to record enrollment conversations and prominently display a standard disclaimer. The rule took effect on Oct. 1.

Find more information [here](#).



Insurance Illustrated

The Big 'I' Virtual University weekly newsletter, Insurance Illustrated, is published every Friday and has more than 12,000 subscribers. Content is technical in nature and features articles on personal lines coverages, commercial lines coverages, agency management, and more. The publication is organized by category to allow you to focus on and bolster knowledge in areas specific to your needs and the needs of your clients.

Members and nonmembers alike can take advantage of the content in this newsletter although some features may be for members only.

Subscribe [here](#).

Former Big I Chair Inducted into IBA Hall of Fame

Jon Jensen, CEO of Correll Insurance Group in Spartanburg, South Carolina, and 2019-2021 Big "I" chairman, has been inducted into [Insurance Business America's Hall of Fame](#).

The sixth annual Hall of Fame special report recognizes industry pioneers and leaders with over 35 years in the industry. Inductees demonstrate distinguished service to the insurance profession, leadership in the industry, and a role in guiding future generations of business leaders.

Jensen served as Big "I" chairman during the onset and height of the coronavirus pandemic. At the Big "I" Fall Meeting in September, he was also awarded a [chairman's citation](#) by Big "I" immediate past chair Bob Fee to recognize his outstanding service to the association.

Question of the Week



Q. Are agencies still exempt from sales tax on the purchase of office computers and software?

A. Great question and the short answer is **YES**, but only until January 31, 2023. Last legislative session, the Iowa Legislature took away all (almost) sales tax exemptions on these purchases. The reason given was to help offset costs associated with the tax reductions passed for all Iowans. We argued strongly against this provision at the Capitol last year however agencies; corporations; companies; and manufacturers all lost out on this sales tax exemption to make way for the tax cuts coming our way. So, the bottom line is, if your office is in need of new computers or system upgrades, **make your purchase before January 1, 2024**. If you have specific questions on this, please contact Tom at the association. He can be reached at either tom.omeara@iiaiaowa.org or 515-402-4032.

Turn to Big I Markets for Pet Care Business Coverage

Did you know 70% of households own a pet, according to the American Pet Products Association? The demand for pet services is on the rise, with pet services spending expected to grow 143% by 2030, according to Morgan Stanley.

Turn to Big "I" Markets to place coverage for those thriving pet care businesses.

Big "I" Markets registered agents have access to several carriers offering business owners policy coverage, workers compensation, commercial auto and umbrella coverage for pet care businesses. Target businesses include, but are not limited to, pet stores, pet sitters, daycare and overnight boarding, veterinarians and pet groomers.

Tailored optional coverages may include pet grooming liability, boarding kennel coverage, veterinarians' professional liability, animal bailee coverage and business income for mobile operations.

Reach out to Claire McCormack with any questions about this or other commercial markets.

To submit a quote, log in to Big "I" Markets.



Please know that no matter the time of year, the Big I is here to serve you in any way we can. To the more than 700 of you that reached out for tickets to the Jolly Holiday Lights, we hope you enjoyed the show and noticed the Big "I" light display with pride.

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