### Intersections: Where E&O Safety Meets Agency Growth

By Virginia M. Bates, March 2018 Issue of ia Magazine

How many errors & omissions classes have you attended? How many times did you walk away thinking, “What a great idea for agency revenue generation?”

The industry offers some great E&O sessions and somewhat fewer great sales seminars. But very few, if any, make the connection between E&O and increasing agency revenue.

In reality, the two business strategies can align well.

The biggest E&O exposure in the industry is failing to offer coverage. “Recommend” and “policy interpretation” allegations make up more than 35% of agency E&O incidents, according to stories from Westport and other carriers.

The biggest agency growth challenge, on the other hand, is improving revenue to match and exceed inflationary cost increases. Sales velocity averages only 12% more before natural attrition of 5-7%, and even Best Practices agencies averaged only 6.9% growth in 2015, according to the latest Best Practices Study.

Agency growth depends largely on three factors: new commission per producer, increased policies per account, and average increase in revenue per account. When producers write more coverage for each new client and CSRs incorporate account development into account management, an agency not only grows, but also protects itself from “failure to offer” allegations.

[Read full article here...](#)

Remember to visit the [E&O Happens](#) Website for exclusive agency risk management resources.

Return to table of contents
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Monthly 2017 Legislative Changes Webinars!
When: Third Thursday of Each Month in 2018
Where: Online Webinar
Instructor: Scott Tuxbury  
Cost: $30.00  
CE: 1 MT

SAVE THE DATE!
IIAAM & PIA Montana Joint Conference  
October 25 & 26, 2018
•Awards Luncheon
•”Board Game” Trade Show
•Workshop Topics: Technology, EPLI & Much More
•More Continuing Education as Requested!
•Bingo/Poker Night
Come join us for a fun, informative and educational convention.
On Saturday, October 27, 2018 there will be a Tailgate Party at the UM Griz vs. UC Davis football game. Go Griz! Limited tickets will be available for purchase with conference registration.
Look for the conference registration to be open on our Montana Joint Conference Website soon!

Commercial Property Institute CIC  
Radisson Colonial Hotel, Helena, MT  
April 9-12, 2018
Call for Details: 406-442-9555 Ext 101
REGISTER HERE!

**Title Sponsorship Available!!**
HELENA, Mont. – Insurance Commissioner Matt Rosendale has approved a nearly 11 percent reduction in Montana workers compensation loss costs. The approved loss costs will be used by both private workers compensation insurers and the Montana State Fund in establishing premiums. The 10.7 percent overall average decrease was filed by the National Council on Compensation Insurance (NCCI) and will take effect on July 1, 2018.

“This is fantastic news for Montana’s businesses, from small mom and pop shops to large companies,” Rosendale said. “This is the biggest decrease we’ve seen in seven years, following the bipartisan reforms I helped pass in the 2011 legislative session.”

“As someone who spent years in the private sector, I’m incredibly pleased to report this good news. By lowering the cost of doing business in our state, we improve the environment for creating jobs and opportunity for Montanans,” Rosendale continued.

The approved loss costs will be used by both private workers compensation insurers and the Montana State Fund in establishing premiums.

CSI News:
Commissioner Rosendale Approves Significant Decrease In Work Comp Loss Costs
-10.7% Is Largest Decrease in Seven Years

Reasons to Buy Your E&O Insurance from the Big “I” Professional Liability Program

Big “I” members enjoy exclusive access to policies designed just for independent agents.

#2

For an E&O Proposal contact Natalia Rogers at (406) 442-9555 x106 or nrogers@iiamt.org, or visit
You asked, and we listened! We are excited to announce that the RLI Personal Umbrella policy will be making some major eligibility and underwriting changes for new and renewal business with an effective date of June 1, 2018 and later.

The major changes to our eligibility guidelines are summarized below:

- **Drivers under the age of 20 will be eligible with one (1) incident (violation OR at-fault accident).** Previously, drivers age 20-21 were eligible with one incident, while those under the age of 20 were ineligible. As a result, the yes/no question pertaining to a driver under the age of 20 with an incident has been removed.

- **Drivers under the age of 22 will be eligible with basic underlying automobile limit B (250/500/50 OR 300/300/50 OR 300 CSL).** Previously, drivers under the age of 22 required basic underlying automobile limit of A (500/500/50 OR 500 CSL). Note that basic underlying auto limit A will continue to give a discount.

- **Up to $5M limits will be available for certain PUP Special risks.** If a risk is in PUP Special due to the number of autos and/or properties (questions 1 and 2), and no other response(s) make the risk PUP Special, up to $5M limits will be available. Previously, any response that made the risk PUP Special was limited to $1M.

- **Up to nine (9) residential properties rented to others that are not occupied in whole or in part at any time will be eligible.** Previously, ownership of six (6) or more of these properties was ineligible. As a result, the yes/no question pertaining to six or more rental properties has been removed.

(Continued on page 5)
Simplification of the farm/timberland question. Previously, we asked for how many acres of timberland and/or land that is farmed. We have removed that distinction and instead ask for how many acres of land are owned or leased.

Simplification of the target political figure question. In most states, appointed or elected political figures lower than the state level in a political subdivision with a population above 100,000 were previously ineligible. That distinction has been removed.

Increase of the prior liability loss amount for eligibility. Previously, the prior liability loss amount for eligibility was $25,000. Along with re-wording the question to include open liability claims or lawsuits, the prior liability loss amount has been increased to $50,000.

All of the changes described above necessitated a paper application refresh. While doing so, we also clarified the wording on several questions and definitions. Download new application

It is important to note that the new business applications should NOT be used unless you are requesting an effective date of at least June 1, 2018. We cannot accept the new 10/17 version of the new business application for any business effective prior to June 1, 2018.

Visit the IIAAM website for the most current rates and quoting portal.

E&O Roadmap to Policy Analysis* Class Coming To Helena! April 3, 2018 · Helena · 9am-4pm

The incomparable Casey Roberts is coming to Helena to teach the E&O Roadmap to Policy Analysis class. This course is designed to guide experienced professionals step by step through the process of reading policy language, applying a basic coverage analysis to look for possible gaps in coverage, and understanding advanced coverage issues. It will explain what to look for in terms of wording, punctuation, and formatting, including negative and positive implications of specific wording. In addition, the course will address E&O loss control issues and help the agency look at ways to obtain and retain business.

Learning Objectives

Upon completion of this course, the student should be able to

• understand important contract features in general as well as those specific to insurance policies and how they may or may not affect coverage;
• know the general sections of a policy, their purpose, how they can be modified, and the importance of each;
• understand how the sections of a policy interact and explain how they work together to determine coverage;
• explain the importance of each area of special interest and how they can affect coverage;
• understand and explain how a program of insurance should be coordinated and why it is important; and understand how all the above impact errors and omissions (E&O) loss control, new sales, and retention of existing business.

When: April 3, 2018, 9am-4pm
Where: Holiday Inn Express, Helena
Questions?
Email: education@iiamt.org
Phone: (406) 442-9555 x 101

6 CE Credits approved

*This course is eligible for the 10% SwissRE/Fireman’s Fund Loss Control Credit.
## March/April Schedule

<table>
<thead>
<tr>
<th>Date</th>
<th>Topic</th>
<th>CE</th>
<th>LINK</th>
<th>Location</th>
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<tbody>
<tr>
<td>03/15/2018</td>
<td>Cyber Gaps, UASs and TNCs</td>
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<td>03/16/2018</td>
<td>Shake, Rattle, and Roll with it—Earthquake Basics</td>
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<td>03/20/2018</td>
<td>Ethics in Today’s Changing Times</td>
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<td>Register</td>
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<td>Personal Fraud Protection</td>
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<td>The Guy in the Bar is Back</td>
<td>3</td>
<td>Register</td>
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<td>04/05/2018</td>
<td>Insurance and the BBQ—The Hidden Connection</td>
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<tr>
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<td>Business Auto Claims that Cause Problems</td>
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<td>04/12/2018</td>
<td>Workers Compensation Beyond the Basics</td>
<td>3</td>
<td>Register</td>
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The above calendar is a snapshot of the classes that MIEF offers. For the full calendar, click here.

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**AFIS 3: Farm Auto, Workers Compensation & Umbrella Insurance**

**Returns to Great Falls!**

When: April 4, 2018, 9am to 4pm  
Where: Holiday Inn, Great Falls  
Instructor: Casey Roberts  
Continuing Education: 6 Credits

This course examines forms of liability insurance that play an important role in protecting farm and agribusiness operations: vehicle insurance, workers compensation and employers liability insurance, and umbrella/excess policies.

AFIS is a Designation Program. To learn more click here.
## 2018 CISR Schedule

<table>
<thead>
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<th>Date</th>
<th>Title</th>
<th>Location</th>
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<td>Billings</td>
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<td>Billings</td>
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<td><a href="#">register</a></td>
<td>7</td>
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</table>

### Additional Information

- **Commercial Casualty II CISR**
  - Missoula
  - [Register](#)

- **Insuring Personal Auto Exposures (CISR)**
  - Billings
  - [Register](#)

- **Personal Residential (CISR)**
  - Great Falls
  - [Register](#)

- **Insuring Commercial Property (CISR)**
  - Billings
  - [Register](#)

- **Agency Operations (CISR)**
  - Missoula
  - [Register](#)

- **Personal Lines Miscellaneous (CISR)**
  - Helena
  - [Register](#)

- **Commercial Casualty I (CISR)**
  - Kalispell
  - [Register](#)

- **Commercial Casualty II (CISR)**
  - Bozeman
  - [Register](#)

- **Insuring Personal Auto Exposures (CISR)**
  - Helena
  - [Register](#)

- **Commercial Casualty II (CISR)**
  - Great Falls
  - [Register](#)

- **Insuring Personal Auto Exposures (CISR)**
  - Kalispell
  - [Register](#)

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**Commercial Property Institute**

**April 9-12, 2018 – Radisson Colonial Hotel, Helena**

[Register Here](#)