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Aggregation Can Create Scale and Growth Opportunities

SSIIAA Members Discuss Strategies for Agency Growth

WEYMOUTH, MASS. — Aside from gaining access to markets and participating in profit sharing, aggregators, clusters and alliances should be helping member agencies grow, according to Renaissance Alliance's Heather Cochrane Russo, VP of public relations and development, and Michael Cooney, CIC, VP of agency recruitment.

Cooney told members of the South Shore Independent Insurance Agents Association that "the purpose of an aggregator has to go beyond a financial consideration. It has to help agents grow."

Growth is a term that means many things to many people and can be measured in numerous ways — premium growth, revenue growth, policy count, net income, etc. All aggregations are fueled by premium growth, noted Cochrane Russo. At their core, aggregations center around creating scale. From a premium standpoint, scale can move agencies to a higher profit-sharing tier, which could lead to earning overrides. With scale, also comes opportunity.

Because aggregators are not involved in the day-to-day running of agencies, they should be able to provide their members with help with more complex issues than simply placing a piece of business with

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Taking a Closer Look at Captive Insurance

BOSTON — The commercial lines insurance marketplace has numerous ways to transfer risk, one of which is captive insurance companies. Over the past four decades, the captive insurance industry has become an increasingly important part of the overall market, according to Jeff Packard, assistant vice president, PMA Companies.

What is a captive? An insurance company that provides insurance to and is controlled by its owner. Packard recently spoke to members of the Boston CPCU Society Chapter about the captive insurance market. Although the term captive insurance company was coined in the 1950s, there has been significant growth in the market in the past 30 years. Today, there are over 7,000 captives globally compared to approximately 1,000 in 1980.

There are various economic and market forces at play that contribute to the insurance industry's profit and loss cycles. In 1974, a stock market crash caused the market to lose 40% of its value, drastically reducing the insurance industry's

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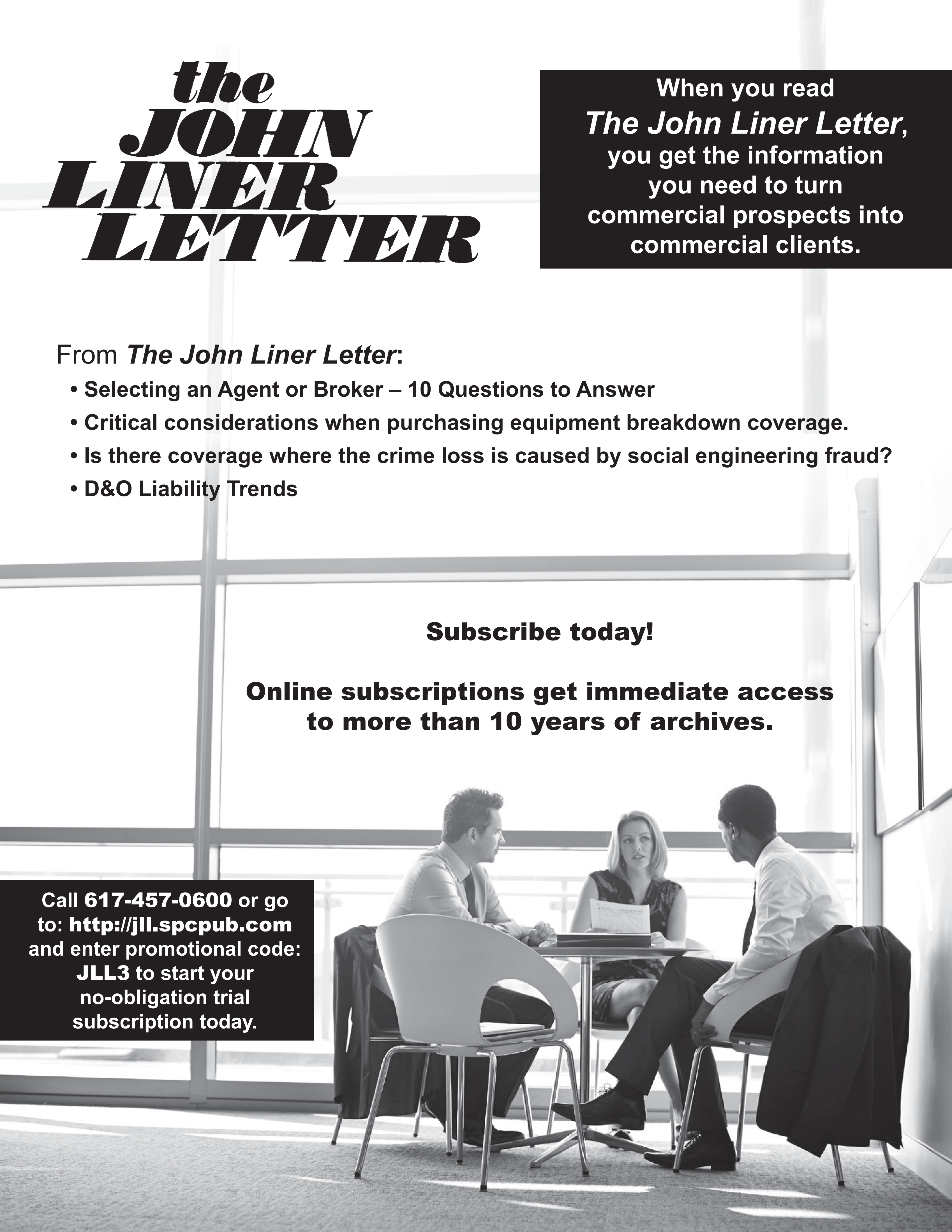
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Deborah Dukeshire

In this week's issue, one of the hot topics we cover is geospatial technology. For the past several years, consumers have become increasingly comfortable with the idea of geospatial data — even if they are unfamiliar with the term itself. Joggers wear watches to track how far they have run. Drivers use GPS to find the fastest routes, and seemingly all of us use our smartphones to locate everything from restaurants to potential dates.

Consumers aren't the only ones taking advantage of geospatial technologies. Companies are realizing how geospatial data can help lead to better business decisions and to better client service. Location analytics now are becoming a powerful tool for insurance carriers.

Geospatial capabilities can help insurers accurately price risk when writing policies, but they can do much more than that. They can help insurers better understand how to best allocate resources before, during and after catastrophes or natural disasters, such as a hurricane, hail storm, tornado or wild fire, because so much of the data is available in real time. This technology is incredibly exciting because it can allow underwriters, actuaries and claims professionals among others to visualize data in ways they haven't been able to before.

Insurers can be more proactive in helping insureds understand what natural disasters they are in danger of — even in the direct path of — to help prevent damage or injury. Carriers can more accurately and more quickly determine how to deploy needed loss adjustment and recovery resources. Carriers can identify businesses that are likely to be affected by a catastrophic storm and allocate emergency resources to reduce business continuity claims.

As more of this kind of data becomes available through partnerships with other organizations, such as the National Insurance Crime Bureau's Geospatial Intelligence Center, insurers can make strides in mitigating fraudulent claims. While claims that fall in the midst of disaster zones could be settled faster, geospatial technology could help determine which claims are fraudulent. Claims adjusters could more easily identify claims on the edges of the disaster to determine if they are legitimate.

Settling claims quickly and efficiently deploying resources can help improve customer satisfaction during the claims process, improve customer retention and spot more fraudulent claims, all of which are big wins for the industry.

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Dedicated Reinsurance Capital Dropped 5% in 2018, Says Willis

LONDON — Capital dedicated to the global reinsurance industry fell 5% in 2018, ending the year at $462 billion, according to a report from Willis Towers Watson. The decrease was due in part to merger and acquisition (M&A) activity.

The total shareholders' equity of the 32 reinsurance companies tracked in the Willis Reinsurance index decreased 10% to $335.7 billion, compared with 8% growth in 2017. Investment market volatility was the main driver, according to the report. Unlike shareholders' equity, alternative capital grew by 6% to $93 billion.

Swiss Re recorded the largest drop in shareholder equity among the carriers in the index at 18.2%. Renaissance Re experienced the biggest gain at 14.9%.

The exits of Validus and XL Catlin through M&A reduced index capital by $13.7 billion. However, that was partly offset as the total capital figure includes the "pro-rated capital of these two companies' acquirers, AIG and AXA."

Companies paid out the majority of the $20.5 billion of net income as dividends and buy-backs, which reduced index capital by $17.6 billion. This equated to a pay-out ratio of 86% of net income. The overall decrease in index capital was due to unrealised investment depreciation of $21.4 billion, mainly due to falling equity markets and rising bond yields.

The combined ratio for the index improved to 99.0% from 104.8% in 2017, due to lower natural catastrophe losses.

"Overall shareholders equity figures for the index suffered a negative impact due to unrealized investment losses, owing to external factors largely beyond the control of risk carriers, as well as shareholder buy backs and dividends," said James Kent, Global CEO, Willis Re. ■

As Risk Awareness Grows, Cyber Insurance Purchasing Increases

NEW YORK — The number of all U.S. clients purchasing cyber insurance from Marsh doubled from 19% in 2014 to 38% in 2018. Growth was seen across all key industries, with an average rate of 15% growth since 2016, according a new report.

In 2018, cyber insurance purchases grew the most among hospitality and gaming (67%) and education (34%) organizations.

Marsh looked at changes in cyber insurance purchasing, limits and pricing among its U.S. clients as well as longer-term trends over the past three to five years by industry. It found that several recent high-profile cyber attacks, drove recognition of cyber risk among industries not traditionally viewed as at risk.

The report found that carriers were increasing exclusion of coverage for cyber events in property or other policies.

In addition, the development of cyber insurance products that address a variety of operational and privacy exposures made coverage more attractive to a wider range of industries.

Cyber policy limits grew in 2018, with average limits purchased by all companies rising 11% to $20.9 million in 2018, noted Marsh. Among companies with more than $1 billion in revenues, average limits purchased increased by more than 25% in 2018, to $62.4 million.

While demand is up, pricing remains competitive due to an increase in supply.

"As risk awareness has grown, more organizations, particularly those focused on their business interruption risk, are turning to the cyber insurance market for protection," said Tom Reagan, U.S. cyber practice leader. ■

Thefts of Vehicles with Keys Left Inside Rise

DES PLAINES, ILL. — An average of 209 vehicles were stolen every day in the U.S. from January 1, 2016, through December 31, 2018, because drivers left their keys or key fobs in their vehicles, according to a new report form the National Insurance Crime Bureau (NICB).

These "complacency thefts" range from leaving an unattended vehicle running outside on a cold morning to defrost the windshield to drivers running into a convenience store to get a cup of coffee to go. The report revealed that a total of 229,339 vehicles were stolen in this manner — a 56% increase since 2015. When the figures from 2013 are added, the increase swells to 88%.

The number of thefts with keys left inside could actually be substantially higher. Many drivers do not admit to making the mistake, so the cause of theft does not get reported in the police report or insurance claim.

While national vehicle thefts have had a steep decline since 2003, in recent years, there have been some upticks. Three years ago, 765,484 vehicles were reported stolen — an increase of 57,726 from 2015. According to the recent NICB report, 69,351 vehicles were stolen in that same year as a result of keys or fobs remaining in the vehicle.

"We can't stress enough the importance of locking your vehicle and taking the key or fob with you when you leave it," said NICB President and CEO Joe Wehrle. "Anti-theft technology works, but only if you use it." ■

Aggregation Can Create Scale and Growth Opportunities

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a particular carrier. They should be providing operational support, back-end support and data analytics capabilities in an effort to providing intentional, sustainable, achievable growth.

"If all you do is aggregate premium together, you're missing the opportunity to grow the business in other ways — like addressing data analytics and the industry's staffing issue," said Cochrane Russo. "That's what we think all aggregators should be doing — providing this level of value."

Analyzing data and presenting it to agents to help them better understand what is in their current book of business can help determine if agency growth is the result of writing more policies or rate increases and whether it is sustainable.

Key Strategies for Agency Growth

Several factors govern bottom-line growth. Although these strategies are not unique to aggregators — any agent can do most of these things — the issue for many agents is that the running of an agency often leaves little time to analyze, design and implement a growth strategy plan, which is where an aggregator can provide assistance.

To realize bottom-line growth, agents should concentrate on these strategies:

Maximize your revenue. Earn increased commissions, new profit sharing and new overrides. "It's important to realize that there is only so much capacity you as an agent have. There's only so much willingness that a carrier has to continue to pay more for a book of business. So once you've maximized what you currently have, you need to talk about growing that premium size to continue growing," said Cochrane Russo.

Optimize profits from your existing book. Increase revenue on existing premium through carrier management and increase policies bound per customer. Intentionally place business with carriers with whom you work best.

South Shore Independent Insurance Agents Association President John Hegarty with Renaissance Alliance's Heather Cochrane Russo and Michael Cooney.

"There's no need to spread your business thin. Sometimes agents do themselves a disservice by trying to manage all of the markets. Aggregation should be able to help you understand your book and know where to put that business but also have a stable of additional carriers for the one-offs you might have that you wouldn't be able to support on your own from a volume standpoint," said Cochrane Russo.

Achieve higher retention. Develop and execute a streamlined, strategic remarketing process. Look at retention to ensure that specific customer-facing strategies are implemented throughout the year.

Boost your close ratio. Increase your written premium with more markets and improved placement expertise. Obtain higher quality leads.

"There's no such thing as buying a better lead list. Everything has already been picked over by other agents. You need to be able to create your own lead list, and that's one of the biggest ways in which analyzing data can help," according to Cochrane Russo.

Maximize your staff. Focus agency staff on revenue-generating, customer-facing activities. Outsource marketing and placing, technology, billing and other operational activities. "Make sure you're not wasting valuable staff on tasks such as policy checking," said Cochrane Russo.

Harness analytics. Make analyzing agency data a priority and translate data-driven insights directly into action to maximize growth.

"Harnessing data analytics is the key to unlocking your agency's potential," said Cochrane Russo. "It's not easy. Agency management systems aren't really set up to provide the 'clean' data that you need. You could hire a data analyst yourself, but we think that's something that aggregation should be doing for members."

Key Metrics

Five key metrics can help agents determine if their agency is improving: retention, cross selling, close ratio, carrier optimization and lead generation.

Although taken together, these areas look daunting, the key is to make small changes in each.

"If you increase each area by 5% over the course of a year, it results in agency growth of 15%. It doesn't take monumental change. It takes focus, but it's not insurmountable. It's 100% achievable," said Cochrane Russo. "Making incremental changes in those areas that truly affect your growth rate can add up to huge changes for your agency over time." ■

Geospatial Technology Can Help Insurers Better Manage Risk

HARTFORD, CONN. — As new geospatial technologies evolve along with cloud capability and third-party data, insurance carriers will be able to use real-time data to improve decision making at a faster pace than ever before, according to speakers at a presentation to the Connecticut CPCU Society chapter.

Much of the data in the property-casualty (P-C) industry has a spatial component to it, making exact location information key to understanding risk, according to Dr. Adam Sobek, director of geospatial capabilities, enterprise business intelligence and analytics, Travelers, and John Peleponuk, second VP of third-party data strategy, Travelers. Take, for example, the growing volatility associated with weather patterns and conditions that are making weather events more common, damaging homes, businesses and other property. When severe weather strikes, knowing what happened, where it happened and what is needed to help is critical.

Sobek and Peleponuk explained that geospatial technologies can aggregate millions of data points from weather services, satellite imagery and location information. Combined with data from sophisticated weather models, carriers are better able to see how patterns develop days in advance, enabling them to track storms.

Geospatial capabilities allow insurers to assess weather events to understand the footprint of an event, how many customers are affected and the probable severity of the losses. Geospatial technologies can give carriers an early evaluation of storm damage by applying location analytics, aerial surveys and user-generated photos to understand the type of damage that occurred. Combined with data from other sources, such as local and government agencies, news sites and social media, carriers can get the right help to insureds as quickly as possible.

Visual imagery for one city alone can be one or two petabytes big. It took 1.2 petabytes of imagery just to map the city of Tucson, Arizona, noted Sobek. When there are massive amounts of data that sit in isolation like this, carriers depend on vendors and cloud technology to enable that geospatial capability for their business partners.

Key Components of Success

It is not enough for carriers to have access to geospatial technology; a case must be made for how it can be used throughout an organization to produce actual results.

The speakers highlighted seven key factors that drive success in adopting geospatial technologies:

Executive Support: The first crucial step is getting a buy-in from the top levels of the organization. Without executive support, the value of the tool to the business will not come to fruition.

Set Up Guardrails: Decision-making guardrails take the form of governing bodies, standards and regulations.

Demystify Geospatial Technology: Educating people about what geospatial technology actually is, is vital to better understanding it and how it can be used.

Define Capabilities: Generic terms that explain what geospatial capabilities are can go a long way in helping educate people. Defining it as a form of advanced visualization or an analytic tool can help decision makers better understand it. "When bringing in a new capability, identify it with business language," said Sobek.

Visualize the Ecosystem: Figure out where and how the capability fits in with the business.

Provide Relevant Use Cases: As an example, a hail dashboard can monitor a live weather event so carriers know what happened, how it affects policyholders and how they need to respond. A hail storm was the use case that drove the capability into Travelers, noted Sobek.

Have an Enterprise Mindset: The biggest component to engaging with third-party vendors and building new capabilities is having an enterprise mindset. "When you say, 'This is what my team and I do, and I need a vendor to help me do X,' that will limit success. You need to think more like this, 'If we bring this capability, how can we get other people involved to make the company as a whole more successful?,'" said Sobek.

Asking What If?

One challenge associated with a new capability is how the information can be used to gain insight and to integrate it into existing systems. How can carriers embed capabilities into everyday work flow, whether it be through a web page, an application dashboard, or a warehouse that data can be continually pulled from? "We want to be there. We don't want to have you come to us because linking systems is very difficult," said Sobek.

Carriers should strive to identify and capture location information through existing business processes, gain visual awareness of relationships in the data and unlock hidden value in company data by integrating location data with other internal and external data assets.

Hail Storm: A Perfect Use Case

The speakers referenced a spatial visualization of a radar-based hail model overlaid with policyholder and claim locations. Set up in this way, geospatial information allows insurers to access the impact of a weather event more quickly, target appropriate staffing and provide a single view focused on where to deploy resources.

Consider a large hail storm that hit the Dallas area a few years ago. News programs showed reporters in the field in the midst of the storm, which looked severe. The carrier (in this case Travelers) is trying to determine how big an event it is, how much exposure it has and how many people it needs to send there.

Once they made a map with an overlay of policyholders, Travelers realized that instead of needing to deploy more than 100 people — who would all need airplane tickets, hotel rooms, etc. — only 20 were needed.

"We saved about $1 million in less than an hour just from understanding the information and what the impact would be to us," said Sobek. The geospatial

Speakers John Peleponuk and Adam Sobek, with Conn. CPCU Society Director of Education Cassandra Krawczynski and President Deborah Bartucca.

capability provided a single view of the event throughout the enterprise from a financial point of view.

"We had to think about how to link everything in a geospatial way to be able to put our exposures in — which just happened — and geocode everything to understand all the data internally and externally to be able to reach a conclusion quickly," explained Peleponuk. Data sources came in from five vendors via the cloud to create that visual and to tell one story. Cloud-based technology made that possible.

Saving $1 million in less than hour underscores the value (and potential) of geospatial technologies. How else can it help carriers? In looking at usage from a holistic perspective, geospatial capabilities could help determine frequency, which could drive pricing models. Underwriters could be informed about past exposures. Think about pricing and underwriting aggregation of risk, enterprise risk management, reinsurance purchase decision making, ratemaking and annual financial plans.

"The most important thing is to drive the value to the business," said Sobek.

The Future of Geospatial Technology

Geospatial technology is already being used to detect fraudulent claims. In the future, its possibilities could expand. Square footage is the number one driver of replacement cost; however, determining the square footage of a building can be challenging. Assessors, third-party vendors and engineers could come up with different answers.

Geospatial technology could soon have the capability of viewing nearly every aspect of a location — square footage, materials, age, etc., to provide a better level of detail to underwriters.

"The world is exploding with data that tracks where you've driven or walked. Our phones leave a trail of breadcrumbs wherever we go. All of that data is being collected, so there is a wide swath of new data available that we are trying to look at to see how we can back test it against our history to make sure we're not overspending," said Peleponuk.

The company Airbus, which is well known for its airplanes, is involved with image acquisition as well. Companies can go online and order images of an event, such as a wildfire, whenever and wherever they want. That capability changes the business immensely, according to Sobek. When coupled with artificial intelligence, it is a new world in terms of what insurers will be able to see.

"In the past, actuaries just worked with numbers, spreadsheets, databases, bar charts and trend lines. Now, they can look at real stuff, which is fun, but how do you look at it when there are millions of customers and data points? You're not going to hire people to look at them all. So, we have to build automated ways to do it. This is where I see a big part of our industry going from underwriting, pricing and response perspectives," said Sobek. ■

Taking a Closer Look at Captive Insurance

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surplus. When there is a reduction of capital, the laws of supply and demand dictate that prices have to go up, noted Packard. That year, the prime rate — the rate at which banks loan preferred customers funds for mortgages, loans and credit cards — was 9.5%.

By 1978, the prime rate increased to 10%, and it started to influence investment income. The industry began to cut rates to write more business, but it created a problem, according to Packard. "To get more business, I have to cut the rate. The moment I cut the rate from an actuarial standpoint, I have made it inadequate."

A year later, additional capital began to enter the insurance market. With the additional capital, rates started to go down. Foreign and alien insurers came into the industry, bringing money in from Bermuda, the Cayman Islands and Europe, noted Packard.

In 1980, the prime rate reached 21%, giving birth to cash flow underwriting. It is a type of underwriting in which an insurer will price premiums lower than usual in order to generate more business and thus more cash flow. The carrier then invests that additional cash flow to take advantage of the investment opportunities, hoping that its investment gains will more than make up for any underwriting loss. When the prime rate hits 21%, "underwriting goes out the window," said Packard. "You can operate to a combined ratio of 120 and still be making money. That tells you that underwriting is gone, and that's exactly what happened." The market began to soften.

Price cutting continued in 1981, but the prime dipped to 19%.

In February 1982, the prime rate was 16.5%. By November, it had dropped to 11.5%. In less than two years, the prime rate decreased 10 points. Why? "Losses came home in 1982 and 1983 from all of the business carriers wrote in 1980 and 1981, thinking they were going to get 21% on," explained Packard. When the prime rate decreased to 11% in 1984, the alternative risk market began to grow. "This is what happens when you get away from an underwriting discipline."

In 1985, Cigna, where Packard worked at the time, announced that it would increase reserves by $1.2 billion to cover losses. "They had put themselves in a hole and had to reestablish their reserves to have the ability to pay claims, but it was too late. We didn't have enough surplus to cover the reserves." So, price increases began. Cigna increased rates 35% across the board on every coverage they wrote, noted Packard. Other carriers stopped writing some businesses like ski resorts or businesses that had products liability. Many businesses shut their doors.

The 1980s were a desperate time for the insurance industry, according to Packard, as evidenced by the March 24, 1986, cover of Time magazine, which read, "Sorry, America, Your Insurance Has Been Canceled."

"We could not write business because of the sins of the early eighties. Those businesses either had to go out of business or find insurance somehow. They said: 'If I can't get first dollar and fixed costs, I'm going to have to take some risk.' This is the birth of the alternative market. A lot of people don't understand how close our industry was to going bankrupt," said Packard.

Captive Structures

Although there are various types of captive structures today, prior to the 1970s there was only one type of captive, called a single parent captive. It remains the most common form of captive.

Single Parent Captive: Sometimes referred to as a pure captive, a single parent captive insures the risks of related companies and is owned and controlled by the parent organization or related affiliates. It is often the choice of larger insureds with sophisticated risk management profiles, such as Exxon Mobil. Large corporations like Exxon Mobil do not rely on the insurance industry because they have enough capital to fund their claims.

Rent-a-Captive: A rent-a-captive is owned by unrelated sponsors that provide a captive insurer program for a fee. If a business is too small to capitalize its own insurance company, it can rent someone else's capital. "Say you're paying $3 million in premium. I'll charge you roughly 2% or $60,000 to get into a captive that you will rent from me. It's a good deal because typically it costs between $120,000 to $150,000 per year in expenses to run a captive. If you rent

Jeff Packard of PMA Companies with Boston CPCU Society Chapter President Jeff Couden of the Quincy Mutual Group.

it for $60,000, you get all those services with a 90% reduction in cost," said Packard.

Group Captive: Group captives are formed by members of an industry or trade association. Why would anyone consider grouping together? To share the risk, cost and profits. "You get the benefits of having your own insurance company. If you have underwriting profit or investment income on reserves, they will come back to the group," said Packard.

Agency Captive: An agency captive is a reinsurance company owned by an agent or group of agents. Through an agreement with a fronting carrier, the captive receives a share of premiums written and has an obligation to pay a portion of claims. Unlike other captive types, agency captives are not designed to provide underwriting profits directly to the insureds.

Why Form a Captive?

There are a variety of reasons to look to the alternative risk market. When set up properly and used effectively, captives can reduce costs, provide multistate capabilities and offer enhanced loss prevention as well as some protection from the cyclical nature of the commercial insurance market.

The combined ratio for the insurance industry as a whole is about 103% currently. For the captive industry, the combined ratio is 88%. The differential of 15 points is due to better claims management, according to Packard. "Behavior changes when it's your capital. When you're putting up a few million dollars to subsidize your own insurance company, you start to pay attention to where losses are going."

Captive Pitfalls

Captives are not without risk; there are downsides. Risk tolerance is essential. For many people, it is easier to write a premium check and know that an insurance carrier is handling claims.

Captives require a substantial amount of initial capital to enter into and can be difficult to exit. They must be properly formed and operated to withstand potential IRS scrutiny. There is the potential for financial loss if there are inadequate loss reserves. In addition, captives are dependent on the quality of third-party service providers.

"A captive isn't for everybody. People have to understand that it is an investment. It's a long-term solution to solve whatever problems they have or to give them better control over their own destiny," said Packard. ■

Biometric Information Privacy Laws Could Have Major Consequences

By: David J. Pellegrino, Lawrence J. Sheh and Brian J. Reilly

The Illinois Biometric Information Privacy Act (BIPA) was the first state statute to restrict when and how entities can collect, purchase and obtain biometric identifiers (e.g., fingerprints, voiceprints and retinal scans). BIPA requires private entities to:

1. inform individuals that their biometric information is being collected or stored;

2. notify the individuals in writing of the specific purpose and length of time for which the biometric information is being collected, stored and used; and

3. receive written releases from the individuals to collect, store and use such biometric information.

Other states, including Texas and Washington, have since enacted biometric privacy statutes, but BIPA is unique because it provides individuals with a private right of action to assert claims against entities. To date, most BIPA-related lawsuits have arisen in the employment context — specifically where an employer replaces "punching a time-clock" with a time-card system dependent on collecting and storing employees' biometric identifiers.

However, in the recent case of **Rosenbach v. Six Flags Entertainment Corp.**, which addressed Six Flags' collection of biometric data from its season pass holders, the Illinois Supreme Court held that individuals have standing to sue for BIPA violations, even if they suffered no actual harm as a result of such violations. Because of **Rosenbach**, consumer lawsuits under BIPA are expected to increase dramatically.

Following Illinois' Lead

Other states are beginning to follow Illinois' example. Most notably, on January 11, 2019, Massachusetts State Senator Cynthia Creem introduced a consumer data privacy bill that, while broader in scope than BIPA, places similar restrictions on the collection and use of consumers' biometric information. The proposed law expressly provides consumers with a private right of action, regardless of whether the consumer can show any loss of property or money arising from the violation.

Although the proposed law is still in its legislative infancy and would not go into effect until 2023 if passed, it is inevitable that states will continue to enact more restrictive data privacy laws. The proliferation of more restrictive data privacy laws is of interest to all insurers for two reasons. The first is that insurers will be subject to these laws, just like every other entity that collects, stores or uses individuals' personal data. The second is that alleged violators of such laws are likely to seek coverage under their insurance policies.

Compliance with Data Privacy Laws by Insurers

Most state data privacy laws apply based on the consumer's state of residency and not on where the entity collecting the data is domiciled. For instance, a company headquartered in Rhode Island but with employees who reside in Massachusetts must comply with Massachusetts' data privacy laws with respect to its Massachusetts resident employees, even if those employees work at the company's Rhode Island office. Similarly, if the Rhode Island-headquartered company collects private information on Massachusetts consumers, it must comply with Massachusetts' data privacy laws with respect to those consumers.

Because many insurers operate at an interstate or sometimes national level, they may be particularly susceptible to unintentionally violating the privacy laws of the states in which their employees and customers reside. Rather than merely complying with state laws in the states where they maintain offices, they will need to comply with a patchwork of different state laws governing the collection, storage and use of data from employees and customers living in different states. As more states provide consumers with private causes of action regardless of actual harm, engaging in interstate business operations will greatly increase such businesses' potential exposure.

Insurers may also be at heightened risk because of the highly sensitive personal data and health information collected as part of the underwriting process. Some insurers may even collect biometric data. Insurers that collect any kind of biometric data from their employees or customers should proactively consider the risks associated with collecting such information in light of BIPA and other similar statutes that are sure to follow (including the Massachusetts proposed law).

Compliance with Data Privacy Laws by Insureds

Unlike many other businesses, insurers are also exposed to potential liability through the activities of their customers. BIPA lawsuits are bringing to light new questions regarding the scope of coverage under existing insurance policies. As additional states pass biometric information privacy laws, disputes over the scope and amount of insurance coverage for such claims will inevitably increase.

Using BIPA as an example, violations by insureds could potentially lead to coverage exposure. For instance, an insured could claim that its improper use of biometric identifiers for time-tracking purposes should be covered by employers' employment practices liability insurance (EPLI) policies, and such liability would be significant. The penalty for BIPA violations is the higher of actual damages or $1,000 per negligent violation or $5,000 per intentional or reckless violation.

Thus, putting aside the question of whether each check-in and check-out constitutes a separate violation, an employer with 100 employees could easily face damages in excess of $100,000 for implementing a time-card system that improperly utilizes biometric data. Unless the industry takes affirmative action to clarify policy language, the courts will likely determine the scope of coverage.

It is less likely that typical commercial general liability (CGL) policies would cover BIPA violations, because approximately five years ago, most insurers began inserting exclusionary language to preclude coverage under CGL policies for data breach and cybersecurity liability and offering them as separate additional coverage. However, if an insurer's CGL exclusion language has not been updated, the earliest violations might still be covered by its CGL policies.

In the consumer context, a consumer may claim that bodily injury coverage contained in standard CGL policies should cover claims alleging infliction of emotional distress arising from the improper collection of biometric data. As with EPLI policies, questions related to coverage will likely be decided by the courts. Consequently, it is even more important for insurers to clearly define the exclusions from coverage in their policies.

Certain cybersecurity liability insurance policies might include definitions of "confidential information" or "personal information" that were drafted so generally or broadly that biometric data could be deemed included. In such cases, these policies could be interpreted to cover breaches of biometric privacy laws. There is also a stronger argument for coverage if the insured transmits such information to third parties (for instance, a data processor that assists with maintaining the insured's customer records) because such policies typically cover disclosures to third parties. Because cybersecurity liability insurance policies are relatively new and often vary from policy to policy, whether a given policy will apply to a particular scenario is likely to be a fact-intensive question. Insurers should consider whether and how their cybersecurity liability insurance policies might be construed with respect to claims related to biometric data and modify their policy language as necessary.

Finally, there are also less common insurance policies (such as media liability insurance policies) that tend to be tailored to a particular customer's business and which may trigger coverage for violations of biometric information privacy laws. To the extent that insurers offer such customized or infrequently issued policies, they should evaluate the policy language to make sure that they are not bound to insure against risks for which the policies were not intended.

Conclusion

Because biometric information privacy statutes are relatively new, there are still many unknowns regarding where, when and how they will be implemented and how they will impact the industry. It is clear, however, that such legislation will continue to gain traction, with unfavorable consequences for the unwary. Therefore, insurers would be wise to consider the risks associated with both their current data collection, retention and usage practices and the practices of their insureds. Policy language should also be reviewed in light of the additional coverage exposure posed by biometric information privacy laws. ■

David J. Pellegrino, partner with Partridge Snow & Hahn, serves as chair of the firm's insurance practice.

Lawrence J. Sheh, partner with Partridge Snow & Hahn, serves as outside corporate counsel to emerging and established businesses in a broad range of industries.

Brian J. Reilly is an associate with Partridge Snow & Hahn, concentrating on corporate and real estate matters.

Risk Managers Rank Economic Slowdown as Top Risk, Says Aon

LONDON — Economic and global trade concerns are challenging organizations' ability to invest adequately in preparing for and protecting the continuity of their operations, according to findings from Aon's latest global risk management survey. Respondents ranked economic slowdown as their number one risk.

Economic slowdown was followed by damage to reputation/brand, which reflects the potential for significant consequences when corporate mishaps occur amidst a 24/7 news cycle on social medial platforms. Accelerated rates of change in market factors stemming from an increase in protectionist international trade policies, including greater regulatory activity and geopolitical tension, rounded out the top three concerns on the list.

The 2019 survey was conducted in the fall of 2018, during a time of enormous uncertainty around the globe, fueled by stock market declines, trade policy disputes, aggressive regulatory actions, massive recalls, an active cycle of devastating natural disasters, far-reaching cyber-attacks and corporate scandals, noted Aon. These broader macroeconomic risks, combined with the speed of technology change, are contributing to a growing prominence of new threats that can disrupt supply chains and overall business operations. As a result, one-third of the top 15 risks are new entrants, including accelerated rates of change in market factors and disruptive technologies.

Risk managers are reporting their lowest level of risk readiness in 12 years, as many of the top risks, such as economic slowdown and increasing competition are uninsurable. As a result, risk managers need to embrace risk management as opposed to risk transfer in order to mitigate these threats and protect their organizations from potential volatility, noted Aon.

In addition, the survey revealed that the aging workforce climbed from a ranking of 37 in 2017 to 20 in 2019. It is predicted to rise to 13 by 2022. Overall, aging populations coupled with workforce shortages not only change the social and economic trajectory of a country, but also create volatility within organizations.

Climate change moved from a ranking of 45 in 2017 to 31 in 2019, as the frequency and severity of natural catastrophes contribute to rising concerns about the impact on the global economy.

Cyber attacks/data breaches ranked as the sixth highest risk and are expected to jump to the third highest in 2022. Cyber continues to hold the number one spot among North American respondents. For the first time, cyber risk is predicted to be in the top 10 for Latin America. It is also predicted to rise in Europe from a ranking of eight to four, and in the Middle East and Africa from eight to two.

Disruptive technologies are a growing concern for survey respondents, rising from a ranking of 20 in 2017 to 14 in 2019 globally. It is cited as a top-10 risk for half of all industry sectors. ■

In Memoriam

Francis J. Cain

Francis Joseph Cain, CPCU, of Vermont, has died. He was 97. Cain was the first person in Vermont to achieve his CPCU designation.

Born in Colchester, Vt., Cain graduated from Cathedral High School and earned a B.A. in English literature from St Michael's College. Following graduation, he enlisted in the U.S. Navy, later taking part in the D-Day Landing at Normandy Beach, France.

After the war, Cain returned to Burlington and married Mary Jane Allen, of Essex Junction. With the help of his father, Cain entered the property-casualty insurance business in Burlington, later establishing Cain Insurance Agency. In 1969, Cain merged his agency with Hickok and Boardman Inc. He remained active in the Hickock and Boardman Agency for the remainder of his professional career, serving as general manager for the P-C division until he retired in 1988.

Cain was mayor of Burlington from 1965-1971. In addition, he served on the board of directors of the Chamber of Commerce, Greater Burlington Industrial Corporation, the United Way of Chittenden County and the University of Vermont Medical Center. Cain initiated the Burlington International Games with the mayor of Burlington, Ontario. The B.I.G. games were a free athletic competition available to Burlington kids for more than 30 years.

Cain is survived by his wife, 10 children, 27 grandchildren and 20 great grandchildren. Donations in his name may be made to Mercy Connections, 255 South Champlain St., Burlington, Vt., 05401 or UVM Health Network (VNA), 1110 Prim Road, Colchester, Vt., 05446.

James H. Haagsma

James H. Haagsma of Whitinsville, Mass., has died. He was 64.

Haagsma owned Haagsma Insurance Co. in Whitinsville for many years. Born in Whitinsville, Haagsma graduated from Northbridge High School and also attended Lowell Technical School.

Haagsma was a lifelong member and past deacon at Fairlawn Christian Reformed Church. He is survived by his daughter, Brandis Haagsma of Whitinsville, two sisters and several sisters.

Memorial donations in his name may be made to Fairlawn Christian Reformed Church, 305 Goldthwaite Road, Whitinsville, Mass., 01588 or to Peace of Bread, c/o United Presbyterian Church, 7 Spring Street, Whitinsville, Mass., 01588.

U.S. Drivers Average 1.5 Hours a Week Driving While Distracted, Finds Study

COLUMBUS, OHIO — Nearly half of drivers who took part in a recent survey (47%) cited distracted driving as their top concern when behind the wheel, according to Root Insurance.

The results of Root's second annual distracted driving study revealed that drivers know using their phone while driving is wrong, but they do it anyway. Drivers admit to spending an average of 13 minutes a day — or 91 minutes a week — using their devices while driving. Additionally, nearly two in five drivers (38%) who check their mobile devices while driving said they do not put their phones down when they see law enforcement.

Almost all drivers (99%) pointed to phones as being among the top three distractions while driving. Distractions that are most likely to turn their attention away from the road and to their phone include:

- Group chats, such as a text or an email chain with multiple people (52%)
- Social media, such as memes or newsfeed (33%)
- Streaming video, such as a show or movie trailer (18%)

Despite their own behavior, respondents remained intolerant of distracted driving by others. The majority of drivers (89%) would give an Uber/Lyft driver a bad rating for texting while driving, although 39% admit they have done that themselves. Meanwhile, nearly all drivers (90%) believe they are better behind the wheel than Uber/Lyft drivers.

Other Unsafe Activities

In addition to mobile phone use, the study found other unsafe activities taking place on U.S. roads and highways. Approximately 29% of respondents do not keep their hands on the wheel, admitting they have steered with a different body part, such as a knee or chin.

Additional activities include:

- Grooming while driving, doing hair/makeup or shaving (18%)
- Playing with a pet (13%)
- Changing clothes (12%)

The latest report follows Root's "2019 Focused Driving Report," which found that Gen Z drivers (18- to 24-year-olds) used their mobile devices while driving 20 times per 100 miles driven.

"Using a mobile device while driving has become second nature. As Root's study confirms, too many drivers don't think twice about this behavior, even when they should," said Root Insurance's director of Data Science for Telematics, Joe Plattenburg. "The number of distractions are increasing, and so is the need for companies and drivers to find new ways to encourage focused driving."

Methodology

The Root Insurance Survey was conducted online by Wakefield Research. Data is based on responses from 1,819 U.S. adult drivers between March 20 and March 26, 2019. ■

executive suite


James Hutchinson

Hub International Northeast Limited recently announced it has rehired **James Hutchinson** as executive vice president of commercial lines. He will be part of the region's executive management team and will report directly to Hub Northeast President and CEO Paul Collins.

Hutchinson will have responsibility for the management of internal efforts within the commercial lines division of Hub Northeast, including the oversight of marketing efforts and working closely with Hub's client service departments. He will work in partnership with Ken Schreiber, who will continue to serve as Hub Northeast's commercial lines president.

Hutchinson previously held a variety of marketing roles at Hub Northeast from 1996 to 2014, including chief marketing officer and senior vice president. Most recently, he served as senior vice president of field operations for The Navigators Group Inc.

Hutchinson started his insurance career as a personal and commercial lines producer at Hobbs Group, later starting his own agency, Kaye Insurance Associates, which he subsequently sold before first joining Hub Northeast.

"James has a proven track record of success, both within the Hub organization and beyond," said Collins. "His deep industry knowledge and the strength of his relationships will be immediate assets to our team and the clients we serve."

BroGue Insurance and Financial Services of Bangor, Maine, recently promoted **Heather Kinney** to agency manager and hired **Derek Cole**, ACSR, as an outside sales agent for commercial, personal and marine insurance.


Heather Kinney

Kinney began her insurance career in 1990 and has been a licensed agent since 1999, with experience in both personal and commercial lines. She is a graduate of Eastern Maine Community College and Husson University.

Cole is a graduate of the New England School of Communications at Husson University. He has been a licensed insurance agent since 2009. He previously worked for BroGue's sister company Brown, Holmes and Milliken Agency in Ellsworth, Maine.


Derek Cole

Phillips Insurance Agency Inc., of Chicopee, Mass., announced that Commercial Lines Manager Chrystal Greenleaf, CLCS, CRIS, recently earned the certificate in captive insurance (CCI) designation.

"We have developed a niche in the growing field of alternative risk transfer mechanisms, and Chrystal is leading that effort. Her commitment to being an expert in captives is of great benefit to our future and current clients," said Joseph Phillips, president of Phillips Insurance.

Deep Customer Connections in Ashfield, Mass., recently announced **Jason Bogart**, CPCU, ARM, as CEO. "Jason has achieved an exceptional understanding of the dynamics that motivate agents to write their best business with preferred carriers," said DCC founder Nort Salz.

Commonwealth of Massachusetts
Division of Insurance

April 19, 2019

SERVICE AMERICAN INDEMNITY COMPANY
201 Robert S. Kerr Ave., Suite 600
Oklahoma City, OK 73102

The above company has made application to the Division of Insurance to amend their Foreign Company License to transact Property and Casualty insurance in the Commonwealth.

Any person having any information regarding the company which relates to its suitability for the license or authority the applicant has requested is asked to notify the Division by personal letter to the Commissioner of Insurance, 1000 Washington Street, Suite 810, Boston, MA, 02118-6200, Attn: Financial Surveillance and Company Licensing within 14 days of the date of this notice.

Commonwealth of Massachusetts
Division of Insurance

May 3, 2019

UNION INSURANCE COMPANY
11201 Douglas Avenue
Urbandale, IA 50322

The above company has made application to the Division of Insurance to amend their Foreign Company License to transact Property and Casualty insurance in the Commonwealth.

Any person having any information regarding the company which relates to its suitability for the license or authority the applicant has requested is asked to notify the Division by personal letter to the Commissioner of Insurance, 1000 Washington Street, Suite 810, Boston, MA, 02118-6200, Attn: Financial Surveillance and Company Licensing within 14 days of the date of this notice.

Commonwealth of Massachusetts
Division of Insurance

May 3, 2019

LEMONADE INSURANCE COMPANY
5 Crosby Street, Floor 3
New York, NY 10013

The above company has made application to the Division of Insurance to obtain a Foreign Company License to transact Property and Casualty insurance in the Commonwealth.

Any person having any information regarding the company which relates to its suitability for the license or authority the applicant has requested is asked to notify the Division by personal letter to the Commissioner of Insurance, 1000 Washington Street, Suite 810, Boston, MA, 02118-6200, Attn: Financial Surveillance and Company Licensing within 14 days of the date of this notice.

calendar

New England 1752 Club Meeting, May 3rd

The New England 1752 Club will meet on Friday, May 3rd, at the Worcester Club, 1 Oak Street, Worcester, Mass., at 11:30 a.m. Guest speaker David Siekman, Agency Performance Partners, will discuss the key objectives for a successful agency. RSVP to Patty Mellon at PMellon@plymouthrock.com.

W.I.N.E. Tacos, Tequila and Trivia Fundraiser, May 8th

The Women of Insurance in New England (W.I.N.E.) will hold a tacos, tequila and trivia night on Wednesday, May 8th, at Women's Lunch Place, 67 Newbury Street, Boston from 5:00 p.m. to 8:00 p.m. It will benefit the Women's Lunch Place day shelter. Register online at www.womenininsuranceinne.org.

CCIAA Spring Social, May 9th

The Cape Cod Insurance Agents Association will hold its annual spring cocktail hour networking and social event on Thursday, May 9th, from 5:30 p.m. to 8:00 p.m. at the Hyannis Yacht Club, located at 490 Ocean Street in Hyannis. Register online at www.capeagents.com.

Maine CPCU Society Meeting, May 16th

The Maine chapter of the CPCU Society will present its annual Lee Allen Award and host a leadership panel on Thursday, May 16th. The meeting will take place at 11:30 a.m. at the Double Tree Portland, 363 Maine Mall Road, Portland. RSVP to Rachel Derosier at MaineCPCU@gmail.com.

Conn. CPCU Society Diversity Panel, May 16th

The Conn. chapter of the CPCU Society will host a diversity and inclusion panel breakfast discussion on Thursday, May 16th. The meeting will take place at Holiday Inn, 100 East River Drive, East Hartford, at 7:30 a.m. Register online at connecticut.cpcusociety.org.

N.H. CPCU Society Meeting, May 21st

The New Hampshire chapter of the CPCU Society will host a breakfast meeting with Insurance Commissioner John Elias on Tuesday, May 21st. The meeting will take place at the Courtyard Marriott at the Grappone Conference Center, 70 Constitution Ave., Concord, N.H. Registration begins at 8:00 a.m. RSVP to NHCPCU@yahoo.com.

Mass. Young Agents Committee Golf Clinic, May 22nd

The Massachusetts Young Agents Committee will host a free golf clinic and cocktails on Wednesday, May 22nd, at Granite Links, 100 Quarry Hills Drive, Quincy, from 5:00 p.m. – 7:00 p.m. RSVP to Jamie Leslie at jleslie@massagent.com.

IIFC Boston Chapter Industry Reunion Event, May 22nd

The Boston Chapter of the Insurance Industry Charitable Foundation will host its annual spring fundraiser on Wednesday, May 22nd, at 5:00 p.m. at Joe's at the Waterfront, 100 Atlantic Avenue in Boston. Proceeds will be used to fund the IICF's grant program, which awards upwards of $70,000 to local nonprofits each year.

To purchase tickets, visit Eventbrite.com and enter "Insurance Reunion" in the search field. For additional information, contact Lauren Pincus, associate director, Northeast Division, IICF at (973) 879-5497 or lpincus@iicf.com.

R.I. CPCU Chapter Education Forum, May 23rd

The Rhode Island chapter of the CPCU Society will host its annual 2019 "State of the Industry" education forum on Thursday, May 23rd, at 9:00 a.m. at the Amica Mutual Insurance Company, 100 Amica Way in Lincoln. Registration begins at 8:30 a.m.

Topics to be covered include recruiting and professional development, the residual market and technology.

Register online at www.rhodeislandchapter.cpcusociety.org.

CVAIP Insurance Industry Mixer, May 30th

The Champlain Valley Association of Insurance Professionals will host an insurance industry mixer on Thursday, May 30th, from 5:00 p.m. – 8:30 p.m. at the Courtyard Burlington Harbor, 25 Cherry Street, Burlington, Vt.

Register online at www.eventbrite.com/e/cvaip-insurance-industry-may-mixer-tickets-59887125003.

Maine CPCU Society Chapter Golf Tournament, June 6th

The Maine chapter of the CPCU Society will host its annual golf tournament on Thursday, June 6th, at the Falmouth Country Club. The rain date is June 17th. The format will be a four-player team scramble with 9:00 a.m. shotgun start.

Register online at mainecpcusociety.org.

Conn. CPCU Society Chapter Golf Tournament, June 10th

The Conn. chapter of the CPCU Society will host its annual golf tournament on Monday, June 10th, at the Wampanoag Country Club, 60 Wampanoag Drive, West Hartford, at 10:30 a.m. There will be a shotgun start at noon. There is a dinner and reception option for nongolfers who want to take part in the event. Register online at connecticut.cpcusociety.org.

IIARI Annual Convention, June 10th – 12th

The Independent Insurance Agents of Rhode Island's annual convention will take place June 10th – 12th at the Wyndham Atlantic Resort, 240 Aquidneck Ave, Middletown, R.I. Events include a golf outing, exhibit hall, awards luncheon, continuing education classes and multiple guest speakers. See details online at www.iiari.com.

New England AICP Education Day, June 12th

The New England chapter of the Association of Insurance Compliance Professionals will hold its annual education day on Wednesday, June 12th, at the Sheraton Springfield Monarch Place Hotel in Springfield, Mass. The meeting will run from 8:00 a.m. to 4:15 p.m. and include educational sessions and networking opportunities with industry professionals and regulators from every New England state. N.H. Insurance Commissioner John Elias is keynote speaker. Register at http://www.aicp.net/chapters/newengland.cfm. Direct questions to Melissa Cote at Melissa.Cote@TheHartford.com.

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SIDELIGHTS

Insurance Library Names Nancy Bender Insurance Professional of the Year

The Insurance Library Association of Boston will honor Nancy Bender, president of Bender Hatch Insurance, as its 18th annual insurance professional of the year. The agency has locations in Boston, Roslindale and Charlestown, Mass. The event will take place on October 11, 2019, at the InterContinental Boston. For more details, visit insurancelibrary.org.

Starkweather & Shepley Insurance Acquires Wilson Agency

Starkweather & Shepley Insurance Brokerage, headquartered in East Providence, R.I., announced a new partnership with the Wilson Agency of Shelton, Conn., a third generation, family owned and operated agency serving Fairfield County and the Naugatuck Valley for over 65 years.

Principals Charlie Wilson Jr., Thomas Wilson and James Wilson, along with personal lines associate, Diane Lucas, will continue to service clients from Starkweather's Shelton location.

"We are most excited to have Charlie, Tom and James joining forces with us to continue to serve the Greater Shelton community. Our firm is celebrating 140 years in business, and we take great pride in providing quality insurance products and excellent customer service, which aligns perfectly with the Wilsons' rich family legacy," said Larry Keefe, chairman & CEO of Starkweather & Shepley.

"We are so proud to have partnered with Starkweather & Shepley, which shares our core values of commitment to community and respect for our valued clients," said Thomas Wilson. "We look forward to many more years as a stable presence in our community and hometown."

World Insurance Associates Acquires Lampe-Batkin Associates

World Insurance Associates, an independent insurance agency headquartered in Tinton Falls, N.J., recently completed its 40th acquisition with Lampe-Batkin Associates of Greenwich, Conn.

Lampe-Batkin Associates is a family-run insurance agency serving Connecticut and New York. Hy Lampe founded the agency in the 1950s, and his son-in-law, Steve Batkin, runs the business. Batkin will continue at the Greenwich location.

"It's exciting to be part of a larger organization that allows us to offer more to our customers, including access to carriers and products we didn't have before," said Batkin.

"Lampe Batkin adds a prominent location for us," said Rich Eknoian, CEO and cofounder of World Insurance Associates LLC.

Liberty Mutual Buys AmTrust's Surety Business

Liberty Mutual Insurance announced it has signed a definitive agreement to acquire the global surety and credit reinsurance operations of AmTrust Financial Services Inc., a multinational property-casualty insurer specializing in coverage for small to midsized businesses.

Liberty Mutual will acquire four AmTrust businesses: AmTrust Surety, previously managed by Insco Dico, AmTrust Insurance Spain, Nationale Borg and Nationale Borg Reinsurance.

The AmTrust Surety portion of the acquisition is expected to close in the second quarter of 2019, with the three other businesses expected to close in the second half of 2019.

"The transaction will further enhance our strong global surety and reinsurance expertise, market leadership and geographic footprint," said Dennis Langwell, president, Global Risk Solutions, Liberty Mutual. "Once the transaction closes, we'll integrate the acquired operations into our current structure."

Vermont Mutual Named a "Best Place to Work in Vermont"

Vermont Mutual Insurance Group has been named one of the best places to work in Vermont for 2019. This is the fourth consecutive year that the company has participated in the comprehensive evaluation that was created by Vermont Business Magazine, the Vermont Chamber of Commerce, the Vermont Department of Economic Development, the Society for Human Resource Management — Vermont State Council and Best Companies Group.

Companies from across the state enter a survey process that consists of evaluating each nominated company's workplace policies, practices, philosophy, systems and demographics as well as an employee survey to measure employee satisfaction.

"To be recognized as a 'Best Places to Work in Vermont' is as much a tribute to our employees as it is to Vermont Mutual as a company," said Dan Bridge, Vermont Mutual's president and CEO. "Our recognition as a top 50 insurer in the U.S. and our financial strength rating of A+ speaks to the competence in which we execute in the insurance space; but it is the 'Best Places to Work' recognition that speaks to Vermont Mutual as a company where employees are appreciated and allowed to excel."

Partners insurance Group Renews Five Star Agency Designation

The Massachusetts Association of Insurance Agents (MAIA) recently announced that Partners Insurance Group has renewed its Five Star Agency Designation. The agency has Mass. offices in Fairhaven, Fall River, New Bedford, Seekonk, Somerset and Swansea, as well as an office in Tiverton, R.I.

Partners Insurance Group has been a Five Star Agency since 2015. "There is a great deal of trust, respect and confidence that exists throughout the agency. We are fortunate to have a focused and dedicated team, and we are all working towards the same goal — to grow the agency, provide for our customers and create the best workplace possible," said President and CEO Larry Wilson.

MAIA awards the Five Star Agency Designation to independent agencies that go through a vigorous review based on key criteria that affect an insurance agency and how it operates. Upon earning a qualifying score, an agency becomes a Five Star Agency Designee and must go through an intensive review process every three years to prove that they continue to provide superior service, knowledge and value.

"The Partners Insurance Group not only renewed their Five Star Designation but significantly improved since their last review, which is not an easy task!" said Heather Kramer, Five Star consultant and COO/vice president of MAIA. "They have clearly demonstrated a commitment to continuous improvement and the belief that being good is not good enough. They continue to look inwardly and evolve positively in staff, structure, technology, sales, claims, communication and more. They are achieving continuous positive financial results and truly can be recognized as a premier workplace."

The Hartford Named a Best Place To Work For LGBTQ Equality

The Human Rights Campaign Foundation recently gave The Hartford a perfect score on its 2019 Corporate Equality Index, a national benchmarking survey and report on corporate policies and practices related to lesbian, gay, bisexual, transgender and queer (LGBTQ) workplace equality. It marks the 11th year The Hartford has received this recognition.

The 2019 index evaluated LGBTQ-related policies and practices including nondiscrimination workplace protections, domestic partner benefits, transgender-inclusive health-care benefits, competency programs and public engagement with the LGBTQ community. The Hartford's efforts in satisfying all of the criteria results in a 100% ranking and the designation as a best place to work for LGBTQ equality.

"The Hartford has a long history of proudly supporting and advocating for the LGBTQ community," said The Hartford's Chief Diversity and Inclusion Officer Susan Johnson. "We are honored to be recognized for the work we do every day to cultivate a diverse workforce and inclusive workplace where all employees are empowered to engage and contribute to the company's long-term success."

In addition to strong leadership support, the company's employees are actively engaged in LGBTQ advocacy, including sponsoring and marching in local pride parades and participating in GLOBE (Gay, Lesbian, Bisexual and Transgendered Organization Benefiting Everyone), the first of the company's nine employee resource groups. GLOBE, which was founded in 1996, champions the growth and development of its members by providing the company with a center of expertise for LGBTQ awareness, networking and business practices.

VTAIP Member Wins Educational Scholarship

The Vermont Association of Insurance Professionals (VTAIP) is pleased to announce that **Audrey Macie**, CIC, CISR, CPIA, CIIP, CLP, from the Noyle Johnson Group was recently awarded an educational scholarship at the Region 1 IAIP conference held in Erie, Pa., in April.

The scholarship was sponsored by New England Excess Exchange and recognizes a Region 1 IAIP member who is committed to furthering educational pursuits.

Macie is currently working towards obtaining her CPCU designation.

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