National News:
Gramm-Leach-Bliley Mandates for Insurance Agencies Change ...

Title V of the Gramm-Leach-Bliley Act (GLBA), adopted in 2000, established a series of privacy requirements for financial institutions, including insurance agencies. Among the GLBA privacy mandates was a requirement that financial entities, including insurance agencies, disclose their privacy policies and practices at the time a customer relationship is established and at least annually during the continuation of the relationship.

In December 2015, Congress passed and President Obama signed into law an amendment to the privacy provisions of GLBA that is intended to alleviate some of the burden imposed by the annual notice requirement. The new provision establishes an exemption from the annual privacy notice requirement for an insurance agency that “has not changed its policies and practices with regard to disclosing non-public personal information from the policies and practices that were disclosed in the most recent disclosure sent to consumers.”

If your agency has not changed its privacy policies and practices since the last time you notified your clients of these policies and practices, you will no longer be required to provide such a notice to your clients annually.

A privacy notice will have to be provided to all new clients of your agency. Also, if your privacy policies change, all agency clients will have to be notified of the new policies.

Thanks to our national association, the Independent Insurance Agents & Brokers of America (IIABA), who helped to have this amendment adopted in Congress. Should you have any questions regarding this change, please contact Frank Mancini or Dan Foley by phone at 800.972.9312 or 508.634.2900 or by email at fmancini@massagent.com or dfoley@massagent.com.

Office of Consumer Affairs & Business Regulation News:
Consumer Affairs And Business Regulation Wants to Hear From You!

Massachusetts Consumer Affairs Undersecretary John Chapman and representatives from the regulatory agencies his office oversees are engaging in a summer listening tour with consumers at locations across the Commonwealth. Five scheduled consumer listening sessions seek to hear what issues consumers are concerned with and their recommendations for improvements to consumer protections and rights.

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OCABR News ... continued from page 1

Topics on the table include, but are not limited to:

- Massachusetts Do Not Call List/Telemarketers/Call Spoofing;
- Predatory Lending Practices & Debt Collectors;
- Broadband & Wireless Coverage;
- Licensing for Professional Services;
- ANY OTHER ISSUES CONSUMERS CHOOSE TO RAISE!

Listening Session Dates and Locations - All Listening Sessions are 11:30 am to 1:30 pm

**Springfield**, Tuesday, July 19th
UMass Center at Springfield, Tower Square, 1500 Main Street, Suite 260

**Worcester**, Wednesday, July 20th
Worcester Public Library, 3 Salem Street, Saxe Room

**Lowell**, Wednesday, July 27th
Lowell City Hall, Mayor’s Reception Room, 2nd Floor

**Plymouth**, Thursday, July 28th
Plymouth Center for Active Living, 44 Nook Road

**Worcester**, Wednesday, July 20th
Worcester Public Library, 3 Salem Street, Saxe Room

**Lowell**, Wednesday, July 27th
Lowell City Hall, Mayor’s Reception Room, 2nd Floor

**Boston**, Tuesday, August 2nd
1000 Washington Street, Hearing Room 1E, First Floor

Member Milestones:

**Skelly Appointed to MA Insurers Insolvency Fund Board of Directors ...**

Insurance Commissioner Daniel Judson has appointed Thomas F. Skelly, Jr. to the Board of Directors of the Massachusetts Insurers Insolvency Fund. Tom Skelly is Vice President of Sales and Operations at Deland Gibson Insurance Associates in Wellesley and is a former Chairman of MAIA. Skelly fills a vacant position on the Board which is reserved for a representative of insurance producers. The Insolvency Fund is responsible for the payment of claims of property/casualty insurers, which are domestic in Massachusetts, and have been declared insolvent by the Division of Insurance. Funds for the payment of claims are generated by assessments on all companies writing property/casualty insurance in the Commonwealth.

**J. Bruce Cochrane Named Chair of WCRIBMA Governing Committee ...**

Renaissance Alliance is pleased to announce that president J. Bruce Cochrane has been named Chair of the Governing Committee, Workers’ Compensation Rating & Inspection Bureau of Massachusetts (WCRIBMA) for a one-year term as an insurance carrier representative for Meadowbrook Insurance. This marks Cochrane’s 26th year of service to WCRIBMA. During those years, he is the only person to have served as Chair five times and to hold the Chair for two consecutive terms.

For the first 17 years, Cochrane served as the representative of the Massachusetts Association of Insurance Agents (MAIA) and the next nine years, as an insurance carrier representative for Meadowbrook Insurance.

During his tenure, Cochrane was heavily involved with the passage of the state’s landmark 1991 Workers’ Compensation Reform Act, which served as a model for numerous similar states’ reform legislation across the country. This legislation has been credited for the dramatic turn-around in the Massachusetts workers’ compensation market, transforming from one of the nation’s most crisis-ridden workers’ compensation systems in 1990 to becoming one of the most stable workers’ compensation markets in the country. This stability continues to the present time: Workers’ compensation rates in MA today are 66 percent lower than they were in 1991, an achievement unparalleled by any other economic expense measurement in the country.

In addition to his work with WCRIB, Cochrane has pioneered numerous workers’ compensation innovations in Massachusetts, including the formation and management of successful self-insurance groups (SIG) and captives. Cochrane is president and founder of Renaissance Alliance, one of the fastest growing insurance organizations in New England.

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Arbella Insurance Group Named One of BBJ’s “Best Places to Work” for Eighth Consecutive Year

The Arbella Insurance Group (“Arbella”) today announced that it has been recognized as one of the Boston Business Journal’s “Best Places to Work” for 2016 in the extra large business category, marking the eighth consecutive year in a row the company has been honored. The award program recognizes extra small, small, medium, large and extra large-sized businesses with high levels of employee satisfaction and positive workplace cultures.

“We are thrilled to once again be recognized as a Best Place to Work,” said Ellen Mann, director of human resources at the Arbella Insurance Group. “Our employees’ satisfaction and well-being is vital to the success of our company, as it consistently translates into outstanding customer service. We’re so proud of the exceptional culture Arbella is renowned for and look forward to celebrating this fantastic achievement together.”

Based in Quincy, the Arbella Insurance Group is a mutual insurance company that employs more than 1000 workers in the state and is affiliated with a network of approximately 500 independent insurance agents. Arbella prides itself on its commitment to employees and its strong retention rate, with 55 percent of Arbella employees staying with the company for five or more years and 30 percent for at least 15 years. The company is known for its exceptional customer service and its commitment to giving back to the communities it serves through the Arbella Insurance Foundation.

Comp. Corner:
Circular Letter No. 2291 - WCRIBMA PRESIDENT, PAUL MEAGHER

With great sadness, we regret to report that Paul Meagher, President of the WCRIBMA, died suddenly on Saturday while on vacation with his family of a heart attack.

Paul had a long and distinguished career with the WCRIBMA, starting in 1990 as General Counsel and being elected President in 2000. Earlier in his career he served as Senior Counsel at Associated Industries of Massachusetts and was on the staff of State Senator Robert D. Wetmore. He was also one of the original gubernatorial appointees to the Workers’ Compensation Advisory Council.

Paul will be greatly missed by all those who knew and worked with him. He was a true champion of the Massachusetts workers’ compensation industry and known for his abilities to work with and gain consensus among the many workers’ compensation industry constituencies.

The management and staff of the WCRIBMA want to extend our sincere thanks for the expressions of sympathy you have shared.

MAIA Statement: MAIA is saddened by the untimely passing of Paul Meagher, President of the WCRIB. Paul was a fair-minded leader who independent insurance agents could count on to always be available to listen to our concerns and help in resolving our issues.

Shortly after Paul became WCRIB President, MAIA approached him with the idea of creating a Workers’ Compensation Producer Advisory Council. The council would meet with WCRIB staff and company representatives to address issues facing independent agents in the workers’ compensation marketplace, in general, and the assigned risk pool, in particular. Paul eagerly embraced the idea and the Producer Council was created and continues to function today.

In recent years workers’ compensation commissions have become a target of the Office of the Attorney General and the State Rating Bureau during the workers’ compensation rate hearings. Paul made certain that the WCRIB presented expert witnesses and placed in testimony actuarial studies that supported the current workers’ compensation commission structure of insurers. The result was no changes in the commission structure.

Paul Meagher appreciated the significant role that independent insurance agents play in the Massachusetts workers’ compensation marketplace. He proved this by his support of positions that MAIA would take on workers’ compensation matters, even when it may not have been a popular position with some WCRIB member companies.

Being President of the WCRIB is a tough balancing act. Regulators, Legislators, member companies (direct writers and agency companies), independent agents, the business community, consumer groups, the Office of the Attorney General --- all have their opinions on how the market should operate. Paul Meagher balanced these interests well. Thank you Paul. Your leadership and friendship will be missed by the independent insurance agent community.
Beacon Hill News:
Industry Organizations Express Opposition to a Measure Requiring All HO Insurance Filings to be a Public Record at the Time of Initial Filing … BILL KILLED!!

Representatives of five insurance associations – the American Insurance Association, MAIA, the Massachusetts Insurance Federation, the National Association of Mutual Insurance Companies, and the Property Casualty Insurers Association of America – recently voiced their strenuous opposition to Section 214 of the Senate Budget (S. 2305) which would require all Homeowners insurance filings to be a public record at the time of initial filing in a letter to Senator Karen Spilka, Chair of the Senate Committee on Ways & Means, and Representative Brian Dempsey, Chairman of the House Committee on Ways and Means.

The provisions below outline some of the major reasons for the insurance industry organizations' vehement opposition to this measure:

• The major, unprecedented change in the regulatory regime for homeowners’ insurance rate filings, envisions by Section 214, should be betted through the full legislatived process before the appropriate committee of subject matter jurisdiction, i.e., the Joint Committee on Financial Services and not through the budget. Such a dramatic change demands the careful analysis and review that occurs through the normal legislative process.

• Making all homeowners’ insurance rate filings public from the moment they are submitted may cause more consumer confusion than clarity. Rate filings frequently are revised -- sometimes substantially -- as they undergo a rigorous regulatory review process by the Division. The end product can be significantly different from the original proposal. Once the Division completes its review, the filing becomes public and its provisions final.

• The average consumer will gain little if any value from accessing a rate filing from the moment of submission. Aside from its inherent complexity and the fact that the filing could change significantly based on feedback from the Division, the rate filing will not provide much insight into the homeowners’ insurance premium. The premium that a policyholder pays will be based on the carrier’s rates but tailored for the type of coverage desired and risk presented by the policyholder.

• Massachusetts has a highly competitive market with over 70 individual companies offering homeowners’ insurance. This vibrant marketplace serves to keep prices down as carriers aggressively compete for market share. Massachusetts’ statutory rate regulatory structure -- which is based on a competitive market model -- is working as intended and is consistent with the laws in every other state.

• Making rate filings public at the time of filing will politicize the rate review process to the detriment of the marketplace. New companies will be more reluctant to enter the market and existing writers may be reluctant to commit additional capital to this market.

MAIA News:
MAIA is Looking for a Few Great Agents …

MAIA is looking for agents interested in joining the Association’s Board of Directors. A couple of Board vacancies are expected this fall. If you are interested, please forward a brief resume of your accomplishments for consideration to MAIA President and CEO Frank Mancini before July 31, 2016. Feel free to email Frank at fmancini@massagent.com or by phone at 800.972.9312 or 508.634.2900 if you have questions about what being a member of the Board entails.

Trusted Choice News:
Zero to 7,000,000 Visitors: Looking Back at the First Three Years of TrustedChoice.com …

On June 30th, 2016, TrustedChoice.com celebrated the third anniversary of its launching the TrustedChoice.com website, the only referral generation platform focused solely on growing the independent insurance agency channel.
How Strong is Your Errors & Omissions Prevention Culture?

by Curtis M. Pearsall, CPCU, AIAF, CPIA
President – Pearsall Associates, Inc
and Special Consultant to the Utica National E&O Program

Assessing an agency’s errors and omissions (E&O) risk management culture is easier said than done. While there is no real established formula that provides a grade, there are some valid ways to determine where the agency is on the continuum to achieving a solid E&O prevention culture.

Staff Assessment and Training
Agencies don’t make mistakes. People do. Start with an assessment of the agency’s staff. Does each staff member possess the necessary expertise and knowledge to professionally perform his or her duties? This evaluation should be done for each staff member. The results will help to determine if more training is needed. The insurance industry is constantly evolving with new coverages and forms, so dedicating a significant amount of energy to staff training helps ensure that they have the proper level of education on technical knowledge, systems, sales training, etc.

An additional evaluation, focused on E&O prevention commitment, should also be performed. Agencies with employees truly committed to E&O loss prevention have achieved a solid step in the right direction.

Job Descriptions
In addition to having knowledgeable and professional employees, a strong E&O prevention culture includes employees knowing what is expected of them via documented job descriptions. Without job descriptions, there is the chance that staff members will do what they think they should. This increases the risk that certain tasks and activities will not be completed because the staff may think “that’s not my job.”

Each employee should be aware of what role he or she plays and how various functions are to be performed. It is common for an agency with a strong E&O culture to have a written procedural manual. Without it, staff will handle a task the way they want to. Consistency is a key word in defining a strong E&O culture. The potential for inconsistency increases without a manual defining how the task should be done.

Exposure Analysis Checklists Job Performance
An important yet often overlooked area involves an ongoing review and evaluation of the staff’s job performance. Having the right people and a solid game plan does not guarantee success. To a large degree, the agency’s success depends heavily on whether the staff performs the necessary tasks using the expected procedures. Insurance agencies are fairly complex organizations and, for this reason, they need an internal audit process that periodically verifies to what degree staff members are meeting the firm’s expectations. Without this auditing process, mistakes will occur that can have a significant cost to the agency.

The development of a strong E&O prevention culture and commitment doesn’t just happen. It requires a concerted effort from the leadership and every member of the team.