Dear IIAV Young Agent,

Hope everyone has a great Halloween!

3 Ways the Digital Consumer is Evolving
by Jacquelyn Connelly, IA assistant editor

ComScore data shows that the consumer base loyal to local insurance agents is narrowing.

Online shopping is nothing new. But that doesn’t mean consumers haven’t found innovative ways to explore the digital landscape.

According to recent data from comScore, one of the top 25 market research firms in the world, the insurance industry can take advantage of a variety of routes to reach consumers, who are adopting new digital behaviors in ever-increasing numbers. At last month’s Big “I” Young Agents Leadership Institute in San Antonio, Susan Engleson, senior director at comScore, noted three important ways today’s consumers are continuing to go digital.

Learn more...

A Lock Without a Key
by Bill Wilson, director of the Big “I” Virtual University

"If you surrender to the wind – you can ride it."

~Toni Morrison, American novelist

A member agent asks, “I insure an apartment building on the current ISO CP 00 10. The insured’s office was burglarized and they took keys to all 18 apartments, so each had to be rekeyed. I have argued unsuccessfully (the claim was denied) that the locks were damaged as a result of the theft of the keys which essentially made the locks useless. I understand there was no direct physical loss to the locks but what good is a lock if the key has been stolen?”

Our consensus on similar claims has been, unfortunately, to agree with the insurer. “Direct physical loss” means just that. The cost to rekey the locks is a consequential loss. Many homeowners policies include an additional coverage for rekeying locks because it isn’t covered otherwise.
Sign up for classes and events online at www.iiav.com.

To register at member prices, you MUST enter your member ID and password. If you do not have this information, please call IIAV at 804-747-9300.

Contact

Kristina Preisner
IIAV Education Director and VAIA Executive Director

804-747-9300
kpreisner@iiav.com
www.iiav.com

The best bet to make a case for coverage would be the “Duties In The Event Of Loss Or Damage” provision which says that you must “Take all reasonable steps to protect the Covered Property from further damage, and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim.”

The argument would be that rekeying the locks was necessary to protect property from further damage. Without restricting the ability of the thieves to re-enter the premises and apartments repeatedly during the remainder of the term of the policy, theft and vandalism could continue unabated. One other possibility would be a claim based on the Extra Expenses coverage under a business income form. The problem with that could be the 72-hour waiting period and the “period of restoration.”

Yes to Direct, No to Indirect

by Bill Wilson, director of the Big “I” Virtual University

An insured’s car was hit by a deer, causing damage to a tire which needs to be replaced. He has a 4-wheel drive vehicle and the manufacturer recommends that if there is more than 3/32 difference in tread wear it can cause damage to the drive train. The company will only pay for one tire (with depreciation) and has denied coverage for any undamaged tires based on the PAP language “we will pay for direct and accidental loss to your covered auto or any non owned auto.” The insured responded that he thought that the idea of coverage was to put him back into the position he was prior to the loss.

The company is correct. It’s like hail damage to aluminum siding or shingles—absent statutory or case law to the contrary, only the damaged components are covered, not indirect, consequential financial loss. The insured is citing a generality about insurance. But in order to restore you to your prior financial condition, the loss you want covered must be covered by the policy.

The reality is that the policy covers what the contract says it covers. First, the insuring agreement must be triggered, then there can’t be an exclusion that applies. In this case, the cost to replace any other tires isn’t covered because that expense isn’t triggered by the insuring agreement—it isn’t direct damage. It’s not a question of fairness because no part of auto physical damage premiums pay for consequential losses of this type. You can’t get what you don’t pay for.

The Wild and Wonderful World of Claims...

Ever wonder what happens when you turn in a claim? IIAV’s Young Agents’ Committee is hosting a Claims Panel on November 14 at 3:30 p.m. at IIAV in Richmond, Virginia.

This panel will showcase insurance professionals that have expertise...
in the claims world. The goal of this panel is to help you better understand the processes surrounding claims and get your questions answered.

This panel consists of:

- Eric Director, Claims Manager, Atlantic Specialty Lines
- John Moss, Process Specialist, ServiceMaster
- Ralph Sitterson, V.P. Claims Management, Keystone Insurance Group

There will be a networking social following the panel discussion.

Click here to register.

2013 Young Agents’ Conference Makes a Splash at the Beach

Independent Insurance Agents of Virginia just wrapped up its annual Young Agents’ Conference. The event took place on October 3-4, 2013 at the Holiday Inn and Suites North Beach in Virginia Beach, VA.

Thursday began with a fast-paced game of Insurance Jeopardy to figure out who were the smartest insurance professionals at the conference. Danny Mitchell, IIAV, served as our very own Alex Trebek. John Geary, Retired, Joe Hudgins, IIAV, and Charlie Nusbaum, S.L. Nusbaum Insurance Agency, served as judges for the competition. The afternoon featured an educational seminar on Social Media Investigations and Use with Patty Reynolds, Alfa Alliance Insurance Corporation. Attendees learned how social media fraud is committed and how to use social media in claims made by insureds.

Business cards were out and ready for distribution at the Thursday afternoon trade show. Twenty insurance companies were represented for agents to network with. Following the trade show was the Agency & Company Dinner. Here, the 2013 IIAV Young Agent of the Year award was presented to Matt Slye, Middle Peninsula Insurance Agency, Williamsburg, VA.

The conference concluded Friday after a morning C.E. session. Joe Hudgins, CPCU, IIAV, led the group in discussions about ethical behavior in Ethics 101.

Make sure you save the date for next year’s conference taking place October 9-10, 2014 in Virginia Beach.

For more information on IIAV’s Young Agent Program or this conference please contact Independent Insurance Agents of Virginia at 804-747-9300.
Save the Date – 6th Annual Holiday Appreciation Party

You are cordially invited to the 6th Annual IIAV Young Agents’ Holiday & Company Appreciation Party.

**When:** Friday, December 6  
**Time:** 5:00-7:30 pm  
**Where:** IIAV—8600 Mayland Dr. Richmond, VA 23294  
**Pricing:** $10 for IIAV Members & Guest(s)

Come celebrate the holidays and give thanks to the 2013 Young Agents’ company partners. There will be food and tasty beverages. Family and friends are encouraged to attend.

**Please register by November 29, 2013.**

**Link to register:**  
http://www.iiaba.net/cbsupx/education/evtpreview.aspx?evt=18075

**Thank you to the following companies who supported the IIAV Young Agents’ program in 2013:**  
Amerisafe; AmTrust North America; Atlantic Specialty Lines; Berkley Mid-Atlantic Group; Builders Mutual; Commonwealth Underwriters; First Atlantic Restoration; First Comp; Guard Insurance; Hanover Insurance; Imperial PFS; Insurance House; Jackson, Sumner, & Associates; Johnson & Johnson; Keystone Insurers Group; Liberty Mutual; Loudoun Mutual; Markel; Northern Neck Insurance Company; Penn National Insurance; Progressive Insurance; Safeco Insurance; Selective; Southern Insurance Company of Virginia; State Auto Insurance; TFA Benefits; Utica National Insurance Group; VFSC

Hope to see you there!