WILL SMART ROBOTS TAKE YOUR JOB?

The Momentum of MARIJUANA

IMPLICATIONS OF DRONES

THE GOOGLIZATION OF INSURANCE

74th ANNUAL CONVENTION
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Editor’s Note
Are You Ready for the Risks?

This summer issue of Today’s Insurance Professionals features a discussion of various types of emerging risk and the impact they may have on our future. The world of risk is changing at an amazing rate. Volatility in world events, fast-changing technology, and challenging economic times are leaving individuals, companies, and organizations more vulnerable than ever. It’s getting much harder to predict where new risks will come from. But, businesses are adapting and evolving and so should we. Education is key to become future risk resilient and future risk ready.

Planning for future risk events all boils down to reducing uncertainty. The risks that get you are the ones you’re not expecting. For some reason, people do not always just say: Time out. How does this work? What’s the problem here? Maybe it is time to start thinking more about emerging technology and expectations for the future. This means taking a broader, deeper look into future risk. A better understanding of emerging, new risk will result in greater confidence and agility in the way you respond to the threats associated with future risk.

We hope you also enjoy some highlights of the 74th Annual IAIP Convention in the Association News section of this issue. With this section you will also find the 2015-2016 Board of Directors, the International Award Winners, our new association members, and those who have successfully achieved the CLP, DAE and CIIP designations. Finally, don’t forget to look for “The Last Line” for the latest member news.

We hope you enjoy the summer edition of Today’s Insurance Professionals magazine. And please don’t forget to stay connected with us on the IAIP Website; join the conversation on our LinkedIn, Facebook and Twitter accounts – just a few more ways we are...

...Connecting Members... Building Careers.

Betsey Blimline
Editor, Today’s Insurance Professionals Magazine
Outgoing President’s Message

Well my fellow team members, this is my final letter to you as President. It has been a tremendous year culminating with the impressive Convention we enjoyed in Minneapolis. For those of you who were unable to attend here is a short recap of some of the things you missed.

There were numerous educational opportunities, in various tracks of interest, from Industry Trends to Association Leadership to CLP designation classes. We provided a variety of programs that increased our attendees’ knowledge of the industry and our association. Our hope was all of this education, in turn, would provide attendees the confidence to succeed in a current career, an opportunity to move in another direction, or to seek other educational endeavors.

Networking! Oh we are so good at networking. So, we gave members the opportunity to practice their skills of face-to-face conversation and interaction. There were plenty of chances at the “Go All In” Welcome Party. Attendees met and talked with the Executive Committee, Board of Directors, Secretarial Candidates and our Exhibitors and Sponsors. And, of course, we networked throughout the convention with each other. We are such a diverse association we can always learn something new from one another.

We had extraordinary keynote speakers, and participated in the rewarding community project “Tote-A-Towel”, worked out every morning with our FIT Insurance professionals program, listened to excellent speakers during the CWC competition, and recognized our Regional and International Award winners at the closing luncheon. Want to know more? Find a fellow member who came to Minneapolis, look through their program and see what is in your future when you come to Richmond, Virginia in 2016. As PT Barnum said: “It is The Greatest Show on Earth” that gives our members and colleagues benefits and memories which will last forever.

I started my journey with this association in 1992 and it has benefited me to the extreme. The education, networking and leadership development I received positioned me to be recognized by my company, colleagues and peers in numerous ways. The fellowship and camaraderie will sustain me going forward through my retirement years. I have retired from full-time work, but will never fully retire my association with Insurance Professionals.

Our new members need mentoring and education about where we came from, and where we are going; and it is up to seasoned members, like me, to provide this. In the process we must listen to their ideas and concerns and blend history and future together. I have two excellent mentors in E. Faye Evans, Past National President and Sylvia Robinson, Education Task Force Chair, who taught me (and continue to counsel me) on the things I needed to know along this 23-year journey.

Even though my term is over, my phone is always on and my email is yours to use. I look forward to assisting this association when called upon, for as long as I can. Thanks again for this year of transition and learning. With all of you serving as my mentors, team members and dedicated support group – there was no way we, as an IAIP Team, would not succeed!

Now it is time for us to “GO ALL IN” and continue the revitalization of our local associations so that our organization can thrive and continue to serve our members and industry colleagues into the years that follow.

rosalyn (roz) horton
CIIP, PIAM
IAIP President 2014-2015
Welcome to the 2015-2016 term of International Association of Insurance Professionals! I appreciate the opportunity to serve as your International President.

This is going to be a year of continuity as we continue to streamline processes, stay focused on goals and objectives, add to our educational offerings and continue with the Association Revitalization initiative we began in 2014. It will be through all these endeavors that we will attract new members and retain current ones.

I’m especially excited to see that our new member recruitment marketing campaign is taking off and we are attracting individuals who want to “Go All In.” It’s up to each and every member to help promote the association and its benefits of belonging.

As Terrence Mann said in the movie Field of Dreams – “If you build it they will come.” If we continue to build and promote our offerings, how can an individual deny themselves the opportunity to join IAIP when it can provide them with so much career support and opportunities to form everlasting friendships?

I’m very excited about the coming year and what we will be able to accomplish as we “Go All In” to Connect Members and Build Careers.

...Connecting Members... Building Careers.

Debra C. Kuhne
IAIP President 2015-2016
ARE YOU AN INSURANCE PROFESSIONAL?

**YES**

Would you like to advance your career?

Y

Would you like to become a leader in the industry?

Y

The CLP Program would be perfect for you!

What about taking on a leadership role within an industry leading association?

N

How about education to stay on top of industry trends?

Y

IAIP Education is key. To secure the lowest prices...

N

How about serving as a volunteer? Less time commitment and you’ll learn new skills.

N

What are you waiting for? To get started, just...

**NO**

Do you provide a service to an Insurance Professional?

Y

Do you travel a lot?

Y

Great! We have tons of local events for you! Simply...

N

We may not be a good fit right now. Keep us in mind for the future!

Y

Perhaps you’ve missed your calling!

**?**

Do you want to connect with others in similar professional roles?

Y

Our Member-At-Large membership is perfect for you! It’s time to...

N

Simply need an industry association listed on your resume?

Y

IAP Membership is affordable! All you need to do now is...

N

Not ready yet? We get it. Why not join a local association first to get a feel for all of the leadership opportunities? All you need to do is...

N

What are you waiting for? To get started, just...

**?**

Are you interested in building your business and expanding your network?

Y

Do you enjoy learning new things about the insurance industry or enhancing your professional development skills?

Y

Online learning is for you! IAIP’s self study or webinar courses are your best bets. For the best prices...

N

Join us at the local, state, regional or international level for high impact education!

N

To get started...

**GO ALL IN**
The relationships, education, leadership and networking provided by IAIP help me grow both personally and professionally. IAIP has opened my eyes to the fascinating world of insurance and the endless opportunities within. This organization has enhanced my education, networking and professionalism, while making life-long friendships.

Paige S.

Membership in IAIP has afforded me connections and friendships that have been instrumental in my career and professional development. From the support of my local association while I worked toward a bachelor’s degree to the leadership opportunities I’ve enjoyed through my Council and Region, I wouldn’t be where I am today without IAIP.

Jennifer K.

Join Today at GoAllInWithIAIP.org
Ridesharing uses a smartphone application and geo-positioning technology to locate available rides in the area. Payment can often be made via a stored credit card. Uber and Lyft are two of the biggest ridesharing services.

Ridesharing is a growing industry. For example, 75,000 New Yorkers downloaded Lyft’s application in 2014 in anticipation of its launch in the city. Uber, founded in 2009, is now operating in 70 cities worldwide. There are a number of reasons for this rapid growth. Ridesharing can be a convenient and low cost way to get around.

Statistics also show that the number of young adults who are not licensed drivers is increasing. According to a University of Michigan survey, in 1983, eight in 10 Americans ages 17-19 were licensed, versus only six in 10 today.

According to U.S. Department of Transportation statistics, the average cost to own and maintain a car in 2012 was $9,122. The high cost of owning and operating a vehicle, or the availability of friends or family to provide transportation, are contributing factors to the decreasing percentage of licensed young adults. Lack of close and affordable parking for city dwellers is another factor.

Personal auto coverage does not apply to use of the vehicle when passengers are being carried for a fee (ridesharing), other than a share the expense carpool. Vehicle owners that are considering participating in ridesharing may need to look to the ridesharing service to provide coverage for damage to their vehicle as well as liability for damage to any third parties while the vehicle is being operated as part of the ridesharing agreement. To avoid any confusion or gap in coverage, coverage should apply from the time the driver accepts the ride request until the ride is ended in the app. Some ride sharing companies also require regular inspection and maintenance of the vehicles that are used in the service.

Insurance coverage is only part of the issue. Safety of the driver and passengers is also a concern. Some ridesharing companies screen their drivers, including background checks. However, they may not screen the riders. Social media tools such as Facebook can be a way to check out potential riders prior to accepting their ride request. However, there is always a risk when allowing a stranger in your car, or accepting a ride with a stranger.

Ridesharing may seem to be an attractive way to earn extra money, but it is not without its downside. Helping clients understand and mitigate possible problems is another sign of the true insurance professional.

About the Author
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Need a ride? There’s an app for that! Technology is changing the face of on demand transportation. While ridesharing offers a money making opportunity for automobile owners, there are some important issues to be aware of. These include coverage gaps and personal safety. Helping clients understand and address the exposures is another value-added service of the professional insurance agent.
Driving

Distracted driving is a hazard to everyone. National Highway Transportation Association (NHTSA) statistics show that, in 2011, distracted driving was the cause of more than 3,300 deaths and 387,000 injuries in the United States. Distracted driving can lead to serious consequences. Educating your clients about these dangers is another value-added service of the professional insurance agent.

What is distracted driving? Any time drivers take their eyes off the road, hands off the wheel, or engage in any non driving activity, they are distracted. Although a lot of attention has been paid to the dangers of talking on the phone or texting while driving, distracted driving also includes activities such as eating, grooming, reading, talking to other occupants of the vehicle, adjusting the radio, or driving while drowsy.

According to the National Highway Traffic Safety Administration’s (NHTSA) National Occupant Protection Use Survey (NOPUS), at any given daylight moment, approximately 660,000 drivers (or about 5 percent of total drivers) are using cell phones or manipulating electronic devices. And 7 percent of drivers age 16-24 admitted to using such devices while driving. Only 1 percent of drivers over 70 years of age use electronic devices while driving.

There are three classes of distraction: visual (taking your eyes off the road); manual (taking your hands off the wheel) and cognitive (taking your mind off driving). Texting requires visual, manual and mental participation, so it is probably the most dangerous of all distractions. Sending a text takes the driver’s eyes off the road for about 4.6 seconds, or the same amount of time it takes to travel the length of a football field at 55 miles per hour. Many states have speed limits far in excess of 55 mph, so in 4.6 seconds, depending upon the actual driving speed, that football field distance could easily double or more.

Most states have laws about the use of cell phones while driving. For example, New York bans the use of handheld devices and texting while driving. Convictions for texting while driving or cell phone use will result in five driver violation points against the driver’s record. For drivers with probationary licenses or learners’ permits, such as teenagers, a conviction means loss of license or permit for 60 days. (www.safeny.ny.gov) New Jersey and Connecticut ban texting for all drivers. They also prohibit cellphone use (handheld and hands-free) for bus drivers and novice drivers. On a federal level, the Federal Motor Carrier Safety Administration prohibits texting while driving by commercial vehicle operators. Federal employees are not allowed to text while driving on business or using government equipment.

Distracted driving is a significant hazard to everyone on the road, and it can injure or kill innocent people. Using a hands-free device is only slightly less dangerous than a handheld, so the best way to avoid distracted driving from a cell phone is to turn it off when the ignition is turned on. Educating your clients to the true dangers and potential consequences of distracted driving from the use of electronic devices and other activities, is another sign of the true insurance professional.

About the Author
This article was previously published in the Insurance Advocate® and is provided courtesy of MSO, Inc. (The Mutual Service Office, Inc.). MSO provides custom rate, form and statistical services for all property and casualty insurance lines except workers compensation. This includes customized forms and manuals for insurers, MGAs and agents/brokers. MSO’s goal is to provide a simpler, more profitable way to underwrite risks. Additional information is available at www.msonet.com or send an email to squimby@msonet.com.
NEW PERSPECTIVES

A VIEW FROM ABOVE

IMPLICATIONS OF DRONES

by: Kevin Quinley, CPCU

“Falling Skies” is a television science fiction series on TNT that portrays a cluster of civilians and fighters fleeing Boston after a post-apocalyptic alien invasion. Falling skies might take a more prosaic but real-life meaning, however, with the popularization of drone technology. Increasingly, drones have civilian and commercial applications. While some have commented on the impact of drones on property insurance claims, little has been written about how drones will alter the landscape of liability claims adjusting.

In late December 2013, Amazon's Jeff Bezos disclosed in a “60 Minutes” interview his company plans to use drones in its fulfillment operations. Currently, the Federal Aviation Administration (FAA) has approved 80 law enforcement agencies to use drones, leading many observers to believe that widespread drone use is not a question of if, but rather when. While the FAA has tried to ban commercial drones, its rules for small drones are not expected to be ready until late 2015. Meanwhile, hobbyists and enthusiasts have successfully challenged the FAA's legal authority to regulate drones at all.

Outside the U.S., other countries have been early adopters, taking a more permissive view. For example, Dubai's government plans to start delivering drivers' licenses, passports and other documents within the next year. In London, Domino's Pizza already has served pies using a drone. A Shanghai bakery in China delivers cakes the same way. A large online reseller of remote-control toys launched a competition—now in its second year—to see who could lift the most beer into the air via a drone (perhaps to help wash down those airborne pizzas?) FedEx is exploring drone technology to augment its delivery system.

What impact might all of this drone technology have in the claims industry? At least four come to mind.

An Investigative Tool
Insurance companies could deploy drones to rapidly travel to traffic accident scenes and capture photos of the position of cars post-accident, road debris, skid marks, and even footage of accident participants after a collision.

Such evidence can help evaluate how an accident occurred and facilitate informed liability assessments. A current constraint is the cost and manpower needed to dispatch adjusters to accident scenes. Years ago, having an adjuster drive to an accident scene to investigate was common. With the advent of telephone adjusting, such “boots on the ground” are rarer. Drone technology enables rapid deployment of electronic eyes and ears to capture information within minutes of an accident, information that may help determine liability.

Eye in the Sky
Insurers also could use drones for surveillance on bodily injury claimants who assert disability. This would be a controversial approach, though, as it smacks of an Orwellian state. Currently, adjusters questioning injury and disability claims can conduct activity checks and sub rosa investigations to assess the veracity of disability claims.

Drones can arm claims units with more sophisticated and unobtrusive ways to gauge the physical activities of targeted claimants to impeach claims of disability. In the past, it has been awkward for surveillance firms to unobtrusively position vans near a residence to monitor activities. Drones potentially eliminate that need, replacing it with aerial surveillance that can record a “disabled” claimant mowing the lawn, climbing ladders, cleaning gutters, or kicking it on off-road mud-bogging jaunts. Admittedly, such evidence may evoke outrage from the personal injury bar. However, drone technology may refine insurance carriers’ abilities to fight fraud and validate claims.

“Your Check is in the Air”
Drones offer more ability to rapidly settle claims. Imagine situations in which an adjuster talks by phone to a claimant and promises that, if she signs a proof of loss or release, the adjuster will deliver a settlement check in hours or minutes via a drone. Instead of waiting for an insurance payment in the mail, claimants and policyholders would get the instant
gratification of same-day payment. The prospect of rapid check delivery may incline policyholders and claimants toward early claims resolution.

Adjusters often say, “The only good file is a closed file.” The ability to close files may be enhanced by drones, which can deliver settlement papers and checks. This may boost the ability to effectuate rapid turnover in an office’s pending claims inventory.

**New Technology? New Liabilities**

Of course, drones have liability risks and could spawn new claims. For example, commercial drones likely would fly at low altitudes, probably at the same level as helicopters. According to an article in the Wall Street Journal that quoted Nick McMahon of McMahon Helicopters in Canton, Miss., extending authority to fly drones commercially could be interpreted by some as a “license to kill” and could risk unexpected flight incursions on civil aircraft. While military drones can “see and avoid” other air traffic, most advanced commercial drones lack such features.

One liability concern is the risk of drones or packages dropping from the sky on unsuspecting humans or damaging property. When drones crash, various parties will point fingers at each other. Was it due to operator training and competence? Was it a product defect? Was it an Act of God?

Drones might sound neat, until one crashes through your car window or strikes an unwitting pedestrian. In such instances, rest assured the inevitable liability lawsuits based in tort will increase. Such collisions—whether airborne or terrestrial—will spawn claims and lawsuits. In addition, one can envision civil suits regarding invasion of privacy when drones conduct surveillance on injured claimants for disability validation purposes. Plaintiffs will not want for targets, either.

An Austrian videographer was fined $10,000 for allegedly operating a drone recklessly in Virginia. He recorded a promotional video of the University of Virginia campus in Charlottesville. The FAA claims he flew the drone recklessly close to buildings, pedestrians, and cars.

In Petersburg, Va., Eileen Peskoff was attending a festival in 2013 when she was leveled by a four-foot-wide drone helicopter that was filming the event before it lost control (the batteries died). Elsewhere, a hobbyist launched his radio-controlled drone from a Manhattan apartment balcony, oblivious to the fact that the signal interference would cause the drone to quickly crash, caroming off the side of a building.

Drones will create a new subspecialty for personal injury attorneys who bring claims against manufacturers and/or operators. Claims against manufacturers will flow from allegations of defective design, manufacturing, or failure to warn—or some combination of all three. Liability against drone operators will be rooted in negligence for failing to safeguard the operation of such aircraft.

In addition, privacy issues abound. How do drones find us? Who wants to look out their apartment windows and see a hovering “peeping Tom” octopod? Partly in response to such concerns, in September 2013, Texas’ state legislature outlawed drone photography of private entities without the latter’s consent.

While drones might spawn liability claims, a silver lining is that this creates a need for liability insurance. While the marketplace often reacts slowly, one can envision specialized liability policies designed to provide coverage for those who deploy drones. Insurance companies are looking warily at the market for drones but have no idea how to price or cost the coverage.

As commercial drone use increases, there will be a need for insurance coverage. In both first-party physical damage coverage and liability protection, a whole new market will emerge due to drone commercialization and popularization.

Chicken Little was wrong—the sky isn’t falling. That’s the good news. The bad news? Objects may drop from the sky, creating new challenges and opportunities for the insurance claims industry.

**About the Author**

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“Do not go where the path may lead, go instead where there is no path and leave a trail.”

– Ralph Waldo Emerson

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PaceSetter Program—exceptional training for your producers

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It is likely you have heard the news that Google has jumped into the insurance industry in the United States. They announced last month "Google Compare for Auto Insurance" currently available in California. It’s expected this service for rollout in other states in the near future. Providing comparative pricing for insurance is not new for Google. Google Compare for auto and travel insurance quotes, as well as mortgage quotes have been available in the U.K. for several years. Google also operates a credit card comparison site in the U.S., all of which fall under the "Google Compare" branding.

Recent job postings have hinted that Google is also looking to bring a similar mortgage comparison service to the United States. Forrester Research indicated earlier this year that it expected Google would roll out a car insurance comparison service, beginning with California. That prediction has come true.

The auto comparison U.K. site has been live since 2012, but the U.S. launch has been rumored for quite a while. As of January, Google Compare Auto Insurance Services, Inc. was licensed to do business in more than half of U.S. states, Forrester noted. The firm also found that Google was working with San Francisco-based car insurance comparison startup CoverHound.

Google Compare
The current site is located at: google.com/compare. I urge you to review this site. The site offers a simple and easy to use layout. The first step is to enter a zip code. The compare tool asks for the usual underwriting information. When completing the initial name and address information the user can elect to “speed things up.”

When selected, this option gives Google permission to look up and individual’s public information and enter it automatically. The option will “share your name, address, and date of birth with third party data providers to prefill the answers in our questionnaire about you, your car and any additional registered drivers. You can review and edit this information before you submit it.” After selecting the desired coverage, the site displays quotes from 14 insurers.

The fine print at the bottom of the site states: “Our service is free to you but to operate this service, we are compensated by the insurance providers on our panel. We always welcome new members. If you’re a U.S. insurance provider, please contact us if you would like to join. This service for comparing insurance quotes is provided by Google Compare Auto Insurance Services Inc., which is a licensed producer acting as an independent agent of the insurance providers on our panel. Each insurance provider is solely responsible for its own products (including the ads for those products).” This is similar wording to what is on the U.K. compare site. I am not sure Google is using the term “independent agent” in the same way as independent agents in the United States.

Here is a list of the states where Google is licensed: google.com/compare/autoinsurance/form?p=license

While the Compare site is yet another revenue stream for Google, it might also be a way to gain a deeper understand of the U.S. insurance marketplace. While they do have five years of experience in the U.K., the insurance environment there is very different from the United States.

That knowledge could be very valuable down the road when it comes time to put the company’s autonomous vehicle into customer’s garages. Deep insurance expertise could also come in handy if the rumored Uber competitor happens, as well.

The question looms – what are Google’s intentions for entering the insurance space in the U.S.? Moreover, how concerned should the insurance industry be about this new entrant to an already crowded space. Google is not sharing much information about its intentions. Let’s look at some of the possible implications for the insurance industry and ultimately your organization. Google currently makes a lot of money from the insurance industry through their Google Ads platform. According to the Google 10K filing with the Security and Exchange Commission, for 2014 their total revenue was $66 billion. $28.1 billion of that came directly from U.S. operations. 89% of that revenue (according to the 10K) comes from the Google Ad Words advertising platform – $25 billion dollars.
For at least the last five years, insurance search terms are the most expensive paid terms on the advertising platform. Thanks to GEICO, Progressive, Esurance and the many other advertisers looking for a lead from Internet searches, the top PPC (pay per click) fee is $54.91 (just for one click). While Google does not publish how much revenue is generated by particular keywords, it is estimated that revenue from insurance search terms represents 24% of their total revenue.

This means that Google is making about $6 billion directly from the insurance industry in the United States. Why would they jeopardize making their top revenue-producing clients mad by competing against them? Will the Google Compare service just become another way for them to generate additional review from the industry by selling the leads captured through the site? The lead aggregators like NetQuote and Insurme might have more to worry about. While I don’t see Google seeking to jeopardize its advertising revenue, there are some other factors that you should consider.

Google spends a lot of money on far out ideas, experimentation, testing, and research and development. Some of these projects will have implications for the insurance industry in the U.S. and worldwide. Here are two I am following.

**WAZE**

Waze is my GPS of choice. Like a standard GPS, it provides turn-by-turn information. What makes Waze unique is it is community driven. Individual users submit real-time updates about road conditions, travel times, police locations, route details, and map errors that become immediately available to all other users. As a mobile application, it also gathers anonymous data about driving conditions and habits.

Progressive is the pioneer in using real-time driving information as a factor in setting automobile insurance premium. Their SnapShot product allows many drivers to lower their auto insurance premium by allowing Progressive to track their driving habits. However, the Progressive program is expensive. They have to physically mail out a device you plug into your car data port.

Waze, on the other hand, has millions of drivers using their app every day – at no cost to Google. The same driving data could be tracked – number of miles driven, how fast, where you drive, when you drive, and how fast you drive and brake. Google collects massive amounts of data. And, if there is one thing that Google is excellent at it is analyzing massive amounts of data and making intelligent and informed decisions. What can Google do with this type of driving information from millions of app users?

**GOOGLE CARS**

You have heard a lot about autonomous cars – also known as driverless cars. Google has been on the leading edge of this technology advancement. The technology is progressing faster than most anyone anticipated. However, from an insurance standpoint if the car is driving itself who is liable if something goes wrong? The car owner? The manufacturer? The software developer? Could Google’s move deeper into the insurance industry be the beginning of their education on how to provide insurance for a Google car? Would Google provide the car insurance as part of the lease program? What’s the industry to do?

There is no need to panic, but you had better not be complacent either.

Master your Internet Presence. You cannot out Google Google, but you can out local Google. Agents and insurance companies should concentrate on mastering your Internet presence in local areas. Continue to be involved with local activities. Facebook and LinkedIn are great tools to be more visible to the on-line consumer.

Don’t be lazy. Do your existing clients and prospects understand what you do offer? I see too many in this industry take their clients for granted. Do an annual account review on every account – personal and commercial. If you are not providing proactive service why would they stay with you?

Fix your follow-up failure. What are you doing to communicate regularly with prospects and clients? A discussion on a vendor user group forum highlighted this issue. The question? What do other agents do with the information for people who request a quote but did not purchase. Most people responded that they didn’t do anything with that information. The prospect reached out to you. You spend the time and effort to put information together. And you are not going to follow-up with that person?

The insurance industry is changing – faster than it ever has. Consumers will find the information they need to make informed decisions. Will they find that information and advice through Google or in a conversation with you and your staff? That is your challenge – to be visible to the on-line consumer.

Should you be afraid of Google? Maybe not yet, but you better respect what they do and pay attention to how you need to adapt.

“The only constant is change and the pace of change is increasing.” Peter Diamandis (founder of the X-Prize)

**About the Author**

Steve Anderson works at Franklin Rail Depot. Steve received his Bachelor’s of Arts with a double major in business administration and economics from Taylor University and a Master’s Degree in Insurance Law from Antioch School of Law.

Steve Anderson provides information to insurance agents about how they can use technology to increase revenue and/or reduce expenses. He speaks professionally to hundreds of agents and technology forums on the future of technology, the social web, and how insurance agencies can establish their internet presence. He has authored many articles that have appeared in virtually every insurance industry publication.

Make sure you check out Steve Anderson’s TechTips, a free weekly emailed newsletter that covers one topic or tip each week that insurance agents’ should know about.

steveanderson.com/sign-up-for-techtips
Will Smart Robots Take Your Job?

by: Professor Edward D. Hess

Artificial intelligence is the biggest discovery since fire. As technology advances, more and more American jobs are in danger of being eliminated. Is your job at risk? Here, I explain what you can do to become more employable as smart machines and robots become more prevalent in today’s companies.

Technology is replacing real jobs and will continue to do so at a record pace over the next couple of decades. We’re accustomed to seeing this kind of thing in certain industries such as manufacturing, healthcare, and banking. But now technology will be coming for white collar jobs, too. Technology will be replacing more jobs at an ever-increasing pace, particularly with this next round of technology, which includes artificial intelligence (AI). AI is the game changer. It is the biggest discovery since fire! It effectively threatens to wipe out a whole new group of jobs, including white collar positions.

These assertions are backed up by a recent University of Oxford study by researchers Carl Benedikt Frey and Michael Osborne. They found that over the next 10 to 20 years, 66 percent of U.S. employees have a medium-to-high risk of being displaced by smart robots and machines powered by artificial intelligence.

So, what can you do to keep your job?

When the AI tech tsunami hits, the only jobs that will be safe are the ones that require a human element. The things that humans will be able to do better than robots is creative, innovative, and complex critical thinking and engaging emotionally with other humans. You must take up your skills in these areas in order to make yourself more irreplaceable. Read on for my advice on how to strengthen the skill set that could save your career:

Overcome cognitive blindness.

Humans are lazy, sub-optimal thinkers. We seek to confirm what we already believe, and we tend not to be open-minded or rational. We take what we already know, replicate it, improve it, and repeat. It is easier than thinking critically or innovatively, but it makes us cognitively blind.
If you give two people a set of data, each will process the information in ways that confirm their own existing knowledge. We all have these cognitive blind spots. Cognitive blindness to different interpretations of the information is one reason change is so hard for people. It’s why smart people make bad decisions, and it’s why companies miss competitive shifts or new trends. You can overcome your cognitive blindness by strengthening your critical thinking. Start asking yourself: Why do I believe this? What do I truly know? What don’t I know? What do I need to know?

Get good at not knowing. We have to change our mindset about what being smart really is. In the technology-enabled world, how much you know will be irrelevant, because smart machines and the Internet will always know more than you. What will be more important is knowing what you don’t know and knowing how to use best learning processes—in other words, the smartest people will be focused on continuously learning.

Again, this is an area where strong critical thinking skills will be essential. Our thinking will need to become more intentional and deliberate. Rather than pride yourself on what you think you know, become an adaptive learner—someone who knows what you don’t know and how to learn it by asking the right questions, someone who can think critically and innovatively, someone who can really listen with an open mind and collaborate well with others.

Humility is a “silver bullet.” Quiet your ego. Humility will help you really hear what your customers and colleagues are saying, and humility will help you be open-minded and more willing to try new ways. Both make innovation and entrepreneurial activities more likely to be successful. Humility is also necessary for good critical thinking and collaboration. Curb your tendency to interrupt people and instead focus on becoming a better listener. Work on reading people’s emotional cues and picking up on what they’re saying and not saying. Don’t be so consumed with being right—be consumed with constantly stress testing what you believe against new data. Treat everything you think you know as conditional, subject to modification by better data.

Become an egoless collaborator. Emotional intelligence plays an important role in your ability to recognize and appraise verbal and nonverbal information, to access emotions in order to aid in creativity and problem solving, to process your own feelings and assess those of others, and to regulate your own emotions and manage those of others.

The ability to collaborate effectively will be an essential skill in years to come. The powerful work connections that will be needed to build successful organizations will result from relationships that are built by authentically relating to another person, recognizing their uniqueness, and doing so in a respectful way that builds trust. If you can’t manage your own emotions and ego, read those of others, or connect with the people around you on more than a superficial level, then you won’t be a successful collaborator.

Sharpen your hands-on skills. The trade professions are at greater risk, because their jobs are often easy to replicate with an algorithm. This group must hone their perceptual diagnosis, real-time reaction, and physical dexterity skills to fix problems. Robots won’t likely be able to replicate this in the near future.

Artificial intelligence will in many ways make our lives better. But it will also challenge all of us to take our skills to a higher level in order to compete and stay relevant. We humans need to focus on continually developing the skills that are ours and ours alone—at least for the near future.

About the Author
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Even though hydraulic fracturing, also known as hydro-fracking or simply fracking, is not taking place in New York on an official basis, the possibility of the state sanctioning the practice has kept the various parties that would be impacted greatly interested and on alert. If you're not familiar with how hydro-fracking works, the following is a quick definition (I'll get into a more detailed explanation later). Fracking is the process used to extract the large amounts of natural gas that are trapped in underground shale formations. High pressure fractures the rock that is trapping the natural gas deposit. Fracking can be done with either vertical or horizontal wells. Vertical drilling is already occurring in the state. The horizontal component is what has brought the practice and debate around drilling to a whole new level.

Contrary to what many people may think, fracking is not a new process, as it has been done commercially in the United States since 1949. Recent advances in technology, including the ability to drill horizontally, coupled with rising gas prices, have made it economically feasible to frack. As of 2011, fracking was estimated to account for more than 30 percent of all oil and natural gas reserves in the United States. From an insurance standpoint, it is important to understand the exposures and risks involved to make an educated underwriting decision. Land that was previously not used for drilling or a commercial purpose at all is of particular concern. Landowners are sometimes entering into land use agreements without understanding the associated risks.

Like many environmental issues, there are two distinct and vocal viewpoints being offered. Proponents of fracking cite the economic boon as well as the reduction of dependence on foreign oil. Those in favor also say that hydro-fracking would be a powerful economic driver in some of the most destitute areas of upstate New York. Environmentalists counter that the pollution damage could last indefinitely. These opponents' concerns include pollution of the groundwater, possible earthquake generation and increased greenhouse gas emissions, in the form of
methane and ozone, as well as methane leaching out from the well underground into the water supply. Recent research in Texas indicates that ozone creation in areas where fracking occurs is significantly greater than production in non-fracking areas. Some believe that the process of injecting the wastewater into deep wells is causing increased earthquake activity. Researchers point to increased seismic movements in Oklahoma as a possible negative side effect of fracking.

The process of fracking is fairly straightforward. Water is collected from ground water or wells, or trucked onto the site. A combination of water, sand or other proppant materials and chemicals, also known as fracking fluid, are injected under high pressure into a pipeline drilled into the ground. Proppant materials, such as treated sand or man made ceramic, are used to help keep the fissures open, allowing gas to pass more freely. When the fracking fluid reaches the end of the pipeline, the pressure create cracks or fissures in the nearby shale, allowing the natural gas to escape back up the pipeline. As I mentioned earlier, unlike conventional drilling, fracking operations are often horizontal in nature.

Once the fracking process is complete, the wastewater or flowback (also known as pit water) comes back out of the well. The flowback must be dealt with, either by storing in open air ponds, or put back into the ground in deep injection wells. Recent research shows that these fracking waste fluids can travel as far as 20 miles from the actual injection site. In some cases, the wastewater is trucked off site, sometimes to other states. There are currently more than 500,000 natural gas wells in the United States, with each well requiring about 400 tanker trucks to carry the water to and from the site. The chemicals used perform various functions, such as dissolving minerals and eliminating bacteria to reduce corrosion. There can be up to 600 different chemicals. Each time a well is fractured, the typical recipe includes two to eight million gallons of water and 40,000 gallons of chemicals. Each well can be fracked up to 18 times.

The Marcellus Shale is one of the current hot beds of activity—running from West Virginia to western New York. It is estimated that the gas reserves contained in these deposits could provide clean natural gas energy to supply the entire United States’ demand for six years. This has created economic opportunities for local economies. For example, in Pennsylvania, Marcellus Shale-related industry employed more than 237,700 people at the end of 2013.

Regulations vary from state to state regarding fracking. Currently, more than 30 states allow the practice. Others have moratoriums, while some, such as Vermont, ban the practice outright. New York’s first fracking moratorium was instated in 2008. The moratorium has been extended twice, but has no definitive deadline. The state reports that it is in the process of studying the health impacts of fracking. In New York, individual cities and communities are able to implement their own fracking regulations. On a federal level, “green completions” is an Environmental Protection Agency regulation that requires companies to cap their emissions rather than allow them to escape into the atmosphere.

There have been a number of recent developments that may significantly impact the future of fracking. In August 2014, Pennsylvania’s Department of Environmental Protection released details of 243 water contamination incidents that occurred in 22 counties in the state, going back to 2008. Issues ranged from methane gas contamination and wastewater spills to wells that went dry or became undrinkable, and include both conventional drilling as well as fracking operations. It was revealed that there were cases of multiple well contaminations from a single drilling operation. One major drilling company subsequently abandoned its efforts to “force pool.” Force pooling is a Pennsylvania law that gives a drilling company the right to force drilling in an area once they have a certain number of landowners who agree to the practice.

An Ohio case filed in 2012 that has insurance implications is Warren Drilling v. ACE American. Warren was found guilty of contaminating a homeowner’s well. Warren’s insurer, ACE, provided an energy pollution liability coverage endorsement, but refused to defend Warren or indemnify them for the claims payment. Warren Drilling sued ACE. In August 2014, a judge upheld a prior finding that the natural gas well owner EQT must pay Warren’s attorney fees.

Fracking presents a number of risks for insurers, with the risks varying depending on the type of well (vertical or horizontal) and the company doing the fracking. If the fracking company is cutting costs by ignoring regulations, there is an increased chance of a loss. In addition, personal lines carriers may have homeowners customers who are leasing their land for fracking. This represents a business exposure to the homeowner, which is excluded under standard personal lines policies. While insurers have looked to the standard pollution and earth movement exclusions to protect them in such instances, specific fracking exclusions are starting to appear.

Not all of the exposure comes from the fracking operation itself. In April 2014, a truck carrying diesel fuel slammed into two tankers carrying fracking wastewater, resulting in a spill of diesel fuel and wastewater into Chartiers Creek in Pennsylvania. In another case, a New Mexico state court awarded damages of $58.5 million to a family whose loved one was hit and killed by a truck hauling fracking fluids. Court records indicate the driver was improperly trained and the company repeatedly violated state and federal regulations.

Fracking is increasingly being looked to as a source of natural gas and oil with its core and ancillary industries becoming a more significant component of our economy. For insurance companies and reinsurers, proper underwriting can be key to balancing and controlling risks while still maintaining a profitable book of business.

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“Look Ma, No Hands!”

by: Diane Bauer, JD, CPCU

Earlier this year, at the North American International Auto Show, Mercedes-Benz introduced their model F 015, a concept car which gave a peek into the future of autonomous (self-driving) vehicles. The vehicle, which runs on hydrogen, has an interior that looks more like a small luxury living room. There are four seats that can turn so that the occupants can face each other and touch screens are used to control both the vehicle and entertainment. The outside of the vehicle is lit with different colors to indicate how the vehicle is operating, either by a human driver or by itself. The look of the vehicle is so sleek and futuristic that we would still expect to see something like this only in a sci-fi movie.

The reality of autonomous vehicles is that they are no longer something we envision in a faraway sci-fi world. Google, Inc. and other companies have created self-driving vehicle prototypes and, although they are not nearly as flashy as the Mercedes F 015, they are an example of what we may see on the road in the next couple of decades, if not sooner.

Today's vehicles already have aspects of self-driving or autonomous operation. Cruise control, as we know it today, existed as a technology in the 1950s, became popular in the 1970s and is now standard on most vehicles. More current examples of self-driving features are blind-spot detectors, lane shifting monitors, automatic braking and collision alerts if a vehicle is too close in front. Many of these features are common place on newer vehicles and the overall effect is positive because they reduce the likelihood of accidents. Even with these modern features, cars are still operated by an individual and the National Highway Traffic Safety Administration (NHTSA) still attributes 90% of all accidents to human error.

At first blush, a vehicle that can drive itself could have endless benefits. Reducing or eliminating collisions could mean lower insurance rates (not just auto but health, if injuries are similarly reduced or eliminated). Individuals that are not able to drive may have a new option for transportation. Traffic patterns may be altered by a vehicle that can detect a blocked road and choose a different route. If the vehicle controls all aspects of driving, including speed, traffic violations would become a thing of the past. These are only a few of the many potential positive outcomes. While the benefits of new technology are what drive the
IMPLICATIONS OF VEHICLES THAT DRIVE THEMSELVES

development, society grapples with the implications of that same technology. Autonomous vehicles present many unique challenges for car manufacturers, software and hardware engineers, legislators, regulators, and insurance companies, just to name a few.

What follows is a discussion of the unique risks associated with autonomous vehicles and the insurance implications of such risks. There are no immediate answers but society has a funny way of finding solutions to deal with new technology. After all, we have managed to survive the arrival of personal computers, cell phones, and streaming movies into our lives.

The Policy
Automobile insurance policies cover vehicles and drivers. Autonomous vehicles would impact the auto policy in a number of ways:

Coverages. Today’s policy combines liability coverages – which protect the driver’s assets – and physical damage coverages – which are used to repair damages to the insured vehicle. Autonomous vehicles have a significant amount of computer hardware and software installed for the operation of the vehicle. Would that equipment be adequately covered with today’s policy or would new endorsements and product offerings be needed to account for the large amount of hardware and software? Should an endorsement be available in case an owner’s computer system is hacked and private information is stolen? Would today’s minimum property damage liability limits be sufficient to repair another autonomous vehicle?

Rating. Today we rate a policy primarily on factors associated with the vehicle and the operator’s driving record. We still have very little, if any, actuarial data on the cost to fix an autonomous vehicle. The physical damage rates could be extremely expensive while the technology is in its infancy. Since the car drives itself, how relevant is the owner’s driving record and would it eventually not be counted as a rating factor? We do know that rates can’t be excessive, inadequate or unfairly discriminatory. What we don’t know is – what rating factors should be used and how they should apply.

Claims. Will claims expertise be developed so that adjusters are equipped to handle claims that will undoubtedly involve sophisticated and complex computer hardware and software issues? What repair facilities are advanced enough to handle the damages on these vehicles? Some of the concept cars have carbon fiber reinforced plastic in the body and hydrogen tanks – would
those items be handled only as original equipment manufacturer (OEM) parts or would they eventually become aftermarket? The claim may be impacted if the owner failed to update software with the manufacturer’s latest version. If subrogation is relevant, who do you subrogate against: the vehicle owner, the hardware or software manufacturer, or the vehicle manufacturer?

**Who is responsible?**
This aspect of the conversation has been going on for some years now, but it is worth repeating. Who is ultimately responsible when there is an accident involving an autonomous vehicle? The owner may be responsible if the expectation was that they would take over operation of the vehicle at some critical point before the accident. The accident may have been the result of a computer glitch which prevented the vehicle from detecting a hazardous condition. The vehicle itself may have defective parts. The intricacies associated with product liability litigation would become even more complex with a vehicle that has so many components installed at varying manufacturing stages.

While the theories of legal liability would not necessarily have to be reinvented, lawsuits alleging fault on the part of a driver as well as a computer would present new issues for the courts. At a minimum, the need for expert witnesses would increase litigation costs as the parties seek to determine who (or what) is responsible for the accident and who should pay damages.

**Legislation/Regulations**
As autonomous vehicles continue to develop, our lawmakers are making every effort to draft new rules that protect the public without stifling technological innovation. This is not always an easy balance. All of the current laws that apply to vehicles, like financial responsibility limits, would have to apply regardless of whether there is a driver. New regulations are being drafted to govern how these vehicles are tested on our public roadways. Once the vehicles enter the mainstream, another set of laws will be required to address actual operation. This discussion is occurring today at both the federal and state level.

In 2013, NHTSA issued a preliminary statement of policy concerning automated vehicles.1 In a May 2013 press release, the NHTSA explains how the statement of policy defines five levels of vehicle automation:

- **No-Automation (Level 0):** The driver is in complete and sole control of the primary vehicle controls – brake, steering, throttle, and motive power – at all times.
- **Function-specific Automation (Level 1):** Automation at this level involves one or more specific control functions. Examples include electronic stability control or pre-charged brakes, where the vehicle automatically assists with braking to enable the driver to regain control of the vehicle or stop faster than possible by acting alone.
Combined Function Automation (Level 2): This level involves automation of at least two primary control functions designed to work in unison to relieve the driver of control of those functions. An example of combined functions enabling a Level 2 system is adaptive cruise control in combination with lane centering.

Limited Self-Driving Automation (Level 3): Vehicles at this level of automation enable the driver to cede full control of all safety-critical functions under certain traffic or environmental conditions and in those conditions to rely heavily on the vehicle to monitor for changes in those conditions requiring transition back to driver control. The driver is expected to be available for occasional control, but with sufficiently comfortable transition time. The Google car is an example of limited self-driving automation.

Full Self-Driving Automation (Level 4): The vehicle is designed to perform all safety-critical driving functions and monitor roadway conditions for an entire trip. Such a design anticipates that the driver will provide destination or navigation input, but is not expected to be available for control at any time during the trip. This includes both occupied and unoccupied vehicles.2

The statement of policy also references the need for research and the establishment of safety standards. NHTSA acknowledges the potential for reduced crashes and injuries but also underlines the importance of the individual states addressing the testing, licensing and regulation of these vehicles.

California, not surprisingly, has been a leader in such regulations. New regulations were adopted and were effective on September 16, 2014. These regulations pertain to the testing of autonomous vehicles on public roadways. The new regulations require testing companies to carry $5 million liability coverage. This can be met through insurance, surety bonds, or certificate of self-insurance. There must also be a human in the driver’s seat to control, should that become necessary.

The California Department of Insurance has held an informational hearing for insurance product purposes as well as outstanding insurance issues. The California Department of Motor Vehicles (DMV) recently held a workshop to address safety standards for autonomous vehicles. The DMV was to provide a second stage of regulations around the safety standards by the end of 2014, however they remain outstanding. The DMV is grappling with establishing safety standards around this ground-breaking technology. At the workshop, Google, Inc. testified that, since they possess the expertise, they should be able to self-certify as to safety standards as opposed to mandatory regulations. Consumer advocates are concerned with this approach. The DMV has considered using a third party to assist in the drafting of the safety standard regulations but no final decision has been made.

Other states including Nevada, Michigan, Florida and the District of Columbia have enacted regulations around the testing of autonomous vehicles. Many states have introduced legislation in the 2015-16 session covering issues from establishing committees to study autonomous vehicles to allowing their operation on public roadways. The following states are just an example of how lawmakers are taking on the challenge of balancing public policy with technological advancement:

Georgia – SB 113 – This bill provides definitions for autonomous vehicles and sets forth testing requirements.

Hawaii – HB 632/SB 630/HB 1458 – These bills address (1) the operation of autonomous vehicles on the roadway, (2) driver’s license requirements, (3) safety standards and (4) authorized testing.

New Jersey – A 1326/S 734 – These duplicate bills require the New Jersey Motor Vehicle Commission to create a driver’s license endorsement for autonomous vehicles.

New York – A 00031 – This bill authorizes the testing and operation of autonomous vehicles on public highways.

Oregon – SB 620 – This bill establishes a process for certifying manufacturers for testing and operating autonomous vehicles on state highways. Vehicle and operator requirements are also addressed.

Washington – HB 2106 – This bill addresses autonomous vehicle testing in designated areas.

Is the Future Soon?
If we think about autonomous vehicles like a pie, the insurance implications are only a small slice. Many other state agencies (i.e. public transportation, law enforcement and motor vehicle departments) face a whole different set of challenges with this new way of operating a car. I attended a conference early in 2014 and one side of the room had attendees that felt autonomous vehicles were decades away and that it was more of an exercise in daydreaming. The other side of the room said they are here now and we are running the risk of lagging behind the technology.

Many people may feel we are at some point in between. From an insurance standpoint, the industry needs to be mindful of how quickly the technology is advancing and the implications on underwriting, product development and claims. Our legislators recognize the need to be proactive and this is evident in the introduced legislation and proposed regulations across the country.

Society is no stranger to advancing technology (personal computers, cell phones, streaming movies). We enjoy the benefits, but often forget all of the effort that went into incorporating those items into our lives. There will come a time when drivers have minimal participation in the operation of a car. We will expect to see less accidents, less deaths and maybe even lower insurance rates. However, before we get to those benefits, there is much work to be done. How lucky we are to be in an industry that sits on the cutting edge of such exciting technology.


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The significant momentum for the legalization of marijuana in the United States is impossible to ignore. Twenty-three states have legalized medical cannabis and another 11 have limited-access product laws, according to the National Conference of State Legislatures as of March 1, 2015. Alaska, Colorado Oregon, Washington, and the District of Columbia, along with other municipalities, have legalized recreational use.

Social implications can be derived from polling data and both intended and unintended consequences in states where marijuana is legal.

According to an October 2014 Pew Research Center national poll, 52 percent of respondents said marijuana should be legal while 45 percent want it to remain illegal. In 1969, when Gallup asked essentially the same question, only 12 percent favored legalization. In the period between 2010 and 2013 alone, the opinion favoring legalization increased by 11 points. Nearly half of the survey respondents confirmed they had at least tried marijuana, 11 percent within the past year. The 2012 National Survey of Drug Use and Health confirmed 18.9 million Americans 12 or older, more than seven percent of the total population, had used marijuana within the past month. With those polling numbers and statistics and trends, it should come as no surprise that the tide has turned since the Marihuana Tax Act of 1937 made possession or transfer of cannabis illegal throughout the U.S. under federal law.

The primary intended consequence for Colorado, beyond voters’ desire to legalize use, was tax revenue to the state, counties and cities. The Colorado Department of Revenue reported total tax revenues from marijuana in 2014 of $63,415,383. The revenue breakdown offers interesting insight:

- 82 percent, or $52,528,417, was from recreational (“retail”) use, leaving 18 percent for medical use.
- With the only exceptions being September and November each month’s retail tax use increased from the prior month starting in January at $2,013,576 and ending in December at $6,422,995.
- The median tax revenue from medical use was $901,384 with the most being $1,022,176 in February and the least being $772,472 in November.
Bottom line: Retail revenue showed tremendous growth while medical revenue stayed relatively static.

There were a variety of unintended consequences as well. Among those reported:

- **The underground market still flourishes** – The common rationale for legalization is that the illegal marketplace will diminish if it is not eradicated. That isn’t happening in Colorado. In some areas, state and local taxes amount to a 30 percent surcharge on weed. Question: Is it worth a 30 percent surcharge to buy something legally that an individual has been buying illegally for months or years? “I don’t know who is buying for recreational use at dispensaries unless it’s white, middle-class people and out-of-towners,” Rudy Reddog Balles, a longtime community activist and mediator. “Everyone I know still has the guy on the street that they hook up with.”

- **“Surround and drown”** – After two firemen almost lost their lives when a house used for processing marijuana exploded while they battled the fire, fire departments now have this unofficial policy. If the fire is at a building where marijuana manufacturing or growth is suspected, firemen will encircle the structure and douse the flames before entering.

- **Animals are hurt** – Since recreational use has been legalized in Colorado, there has been an increase in veterinary visits due to pets eating their owner’s stash.

- **Impact on K-9 Units** – Because states have legalized different amounts of marijuana, the concept of “probable cause” becomes much less predictable when police dogs catch a scent, especially if the individuals are using marijuana to cover the fact they’re carrying illicit drugs. Some police dogs trained to detect marijuana either have to be re-trained or retire.

- **Banks have opted out** – Many large and small banks refuse to open accounts for marijuana manufacturers or dispensaries because marijuana is illegal at the federal level. RICO and the possibility of being accused of money laundering are real. Financial institutions are required to file a Suspicious Activity Report, so banks have a choice of monitoring the sources of funds (including the aroma coming from the cash) and reporting it or just deciding to not support it at all. With many credit cards included in that category, this means that the marijuana industry is an intensely cash business, and to bridge the gap are considering the creation of their own credit unions.

The chaos created by the legal dissonance between the federal Controlled Substances Act and laws enacted by states is significant. Beyond the issues between financial institutions and the marijuana industry, other activity is brewing:

- **Colorado is a pariah** – The sheriff of Larimer County Colorado, Justin Smith, has filed a lawsuit asking a federal court to reverse Colorado’s legalization. According to a March 5, 2015 USA Today article, Smith says that each day he must decide whether to violate the Colorado Constitution or the U.S. Constitution. There is another lawsuit from sheriffs in Kansas and Nebraska, as well as one from the attorneys general in Nebraska and Oklahoma, both saying Colorado’s legalization has had significant impacts on their criminal justice systems and budgets.

- **Schedule I is unlawful** – The U.S. v. Schweder et al. case in California claims there is no rationale for marijuana to be a Schedule I (illegal) drug because research shows it does actually have some accepted medical use in the U.S. because medical marijuana is legal in 23 states and the District of Columbia. Somewhat surprisingly, the U.S. district judge allowed a hearing on the constitutionality of the Schedule I classification, with a final decision expected in March 2015. To say a decision in favor of the defendants would complicate matters even further would be an understatement.

- **The CARERS Act** – The Compassionate Access, Research, Expansion, and Respect States Act (S.683), a bipartisan Congressional bill to reclassify marijuana as a Schedule II drug, was introduced on March 10, 201511. This would in essence accept the fact that marijuana has some medical application and place it on the same schedule level as opioids. It would allow states to implement regulations as they see fit and enable the Veterans Administration to consider its use by veterans. The Drug Enforcement Agency requested the Federal Drug Administration to evaluate the re-scheduling in 2013 and that study is apparently ongoing, but the insertion of Congress increases the likelihood of legalizing at least medical use sooner than later.

However there is currently no consensus on the short- or long-term clinical implications of marijuana use. Following are some uses and research highlights:

- **Marinol® and Cesamet®** – Both of these drugs have been approved by the FDA and can legitimately be prescribed and dispensed without any new medical marijuana laws. Dronabinol (Marinol®) was approved for nausea in 1985 and appetite stimulation in 1992, contains THC, and is a Schedule III drug. Nabixim (Cesamet®) was approved for the same purposes in 1985, is a synthetic cannabinoid similar to THC, and is a Schedule II drug. They may be used off-label, as the FDA allows any prescriber to do with any FDA-approved drug, and they have been available for almost three decades.

- **Charlotte’s Web** – This marijuana extract high in Cannabidiol or CBD is the rock star of marijuana legalization. The product name came from a five-year-old named Charlotte Figi who was born with Dravet Syndrome, a form of epilepsy. No mainstream, FDA-approved treatment was effective and she suffered as many as 300 seizures per week. After application of the CBD oil, her seizures were reduced to two to three per month. The same story has been repeated with various children in many states and has proven to be an emotional hot button to spur legalization. Demand is so high that the Stanley Brothers Social Enterprise, which produces the oil, has expanded into a hot button to spur legalization. Demand is so high that the Stanley Brothers Social Enterprise, which produces the oil, has expanded into a

- **Brain changes** – Northwestern Medicine and Massachusetts General Hospital/Harvard Medical School conducted a study on casual use14, defined as once or twice a week. While it was a small study, including 20 adults of ages 18-25 who smoked marijuana and 20 who did not, the study found that the nucleus accumbens and the amygdala, key regions of the brain for emotion and motivation and associated with addiction, physically changed for users. The study concluded that “the more joints a person smoked, the more abnormal the shape, volume and density of the brain regions.” Considering that amotivational syndrome feeds into the stereotype of a marijuana user, these brain changes could be considered to corroborate that opinion.
• **A mixed bag** – A 20-year (1993-2013) study in Australia by Dr. Wayne Hall, director of the Centre for Youth Substance Abuse Research at the University of Queensland\(^\text{15}\), had five major findings:

1. It’s essentially impossible to overdose: Requires 15-70 grams
2. It doubles the chance of a driving accident: DUI for marijuana not as understood as from alcohol
3. Addiction/dependence can occur: One in 10 adults, one in six adolescents; Strongly associated with use of other illicit drugs
4. Negatively impacts IQ: Only where initiated in adolescence and continued into adulthood
5. Effect on respiratory health is inconclusive: Typically smoke tobacco as well

• **Medical leadership consensus** – The American Medical Association and American Society of Addiction Medicine both agree that cannabis is a dangerous drug, dependency or addiction can be an issue, and more evidence-based research is required. The ASAM went so far as to define cannabis as “unstable and unpredictable.”\(^\text{16}\) The Official Disability Guidelines do not recommend its use for pain. But yet there are as many studies that “prove” its effectiveness as those that “disprove” it, and both opponents and advocates can find studies that fit their paradigms. The fact is, without marijuana being re-scheduled by the DEA, there is little incentive for rigorous high-quality and unbiased studies to be done that would yield more than anecdotal evidence.

• **Nobody ever dies from smoking weed** – This is not exactly true as there have been deaths related to over dosing with an edible, which is relatively easy to do by eating more than recommended since the effects take longer to process through the digestive system. However, pot has been used for several decades by high-profile musicians, actors, athletes and even politicians with no apparent disastrous impact. As mentioned earlier, 18.9 million Americans admitted to using marijuana within the past month, so deaths are very uncommon. Comparatively, per the Centers for Disease Control and Prevention, 16,235 overdose deaths in 2013 involved opioid analgesics and 6,973 involved benzodiazepines\(^\text{17}\). When comparing just the statistics, an objective case could be made that marijuana is a safer mechanism for managing pain and anxiety. However, the current science indicates it is not as benign as advocates present and offers serious consequences to regular users. Thus, the full truth is yet to be told.

With all of that foundational background, the question then is how does legalization affect the workplace and workers' compensation? The quick answer is it complicates things. For example:

• Did the work injury occur because they were intoxicated from marijuana? Did being stoned make the injury worse? In other words, is there proximate cause, that is, an act from which an injury results as a natural, direct, uninterrupted consequence and without which the injury would not have occurred?\(^\text{18}\) And who is responsible for proving that – the employee or the employer?

• Speaking of intoxication, since a urine drug test can detect THC from one to seven-plus days for single use or seven to 100 days for regular use\(^\text{19}\), does a positive test result mean they were actually intoxicated at the time of injury?

• Should someone using legalized medical marijuana in a job that requires focused cognitive abilities like driving, roofing or welding be considered for less dangerous duties? Should potential intoxication from marijuana be treated any differently than intoxication from alcohol or prescription drugs?

• With the current dissonance between federal and state laws around legality, if an employer allows or reimburses use of marijuana for medical purposes, does that make them subject to legal prosecution?

• If an employer has a zero tolerance policy that may or may not explicitly list marijuana, can that employer terminate or discipline an employee who is a registered medical marijuana user in a state where that is legal? Fourteen of the 24 existing medical marijuana laws explicitly prohibit marijuana use at work, but eight include anti-discrimination provisions\(^\text{20}\) for hiring or firing decisions.

• If recreational use is legal and is used off-hours and/or off-worksites, does that remove the possibility of termination?

• What kind of pharmacy benefit manager formulary should be in place to deal with FDA-approved medical marijuana? Will the policies be the same or different for medical marijuana that is not FDA approved but is legal in individual jurisdictions?

• Although cancer and seizures are not prevalent diagnoses in workers' compensation, should they be individual decisions, given the anecdotal evidence that medical marijuana can be helpful?

According to a December 2, 2014 article posted by the Association of Corporate Counsel\(^\text{21}\), following are the top 10 considerations for employers in states with medical or otherwise legal marijuana:

1. Generally, employers are not required to accommodate employees' use of medical marijuana in those states where its use is legal.
2. Employers are not required to accommodate employees' use of recreational marijuana where it is legal.
3. Employers are not required to permit employee use of medical marijuana under the Americans with Disabilities Act (ADA).
may need to be completely reconfigured.

Whatever the timeline or solution, employers and the entities that help them manage their policies for employees have no choice but to stay vigilant and adaptable. Resolving the question of marijuana legalization and its clinical efficacy is an issue that is here to stay.

2 http://www.pewresearch.org/fact-tank/2014/11/05/6-facts-about-marijuana/
4 http://www.druglibrary.org/schaffer/hemp/taxact/mjtaxact.htm
5 https://www.colorado.gov/pacific/revenue/colorado-marijuana-tax-data
9 http://www.nytimes.com/2014/01/12/us/banks-say-no-to-marijuana-money-legal-or-not.html?_r=0
12 http://en.wikipedia.org/wiki/Charlotte%27s_Web_%28cannabis%29
13 http://marijuana.heraldtribune.com/2014/12/04/stanley-brothers-producers-charlottes-web-cannabis-expand/
14 http://www.sciencenewsline.com/articles/2014041523060034.html
17 http://www.cdc.gov/homeandrecreationalsafety/overdose/facts.html
18 http://legal-dictionary.thefreedictionary.com/proximate+cause
19 http://www.canorml.org/healthfacts/drugtestguide/drugetestdetection.html

Almost every day brings a new publication, research study, lawsuit, or legislative action that influences the impact of medical and recreational marijuana at either the federal or state levels. Keeping up with that amount of change and altering risk management, human resource and workers’ compensation policies to reflect these changes can be daunting for an employer in a single state much less one with a regional or national presence. This requires an investment in legal counsel to ensure there are no surprises.

The only thing that is certain is change, and with so many moving parts on so many levels, it is almost as if the issue of marijuana is being played on a three-dimensional chess board. That change is very difficult to predict or manage. While legalization of marijuana may have been a relatively academic issue in the past, it is a very real and present pragmatic issue now and into the foreseeable future.

A very likely resolution to the current chaos is for the FDA to change medical marijuana to Schedule II and decriminalizing recreational use at the federal level. In fact, at this point, the question is not if but when. While that may lessen the chaos, it may create other and new problems as have already been seen. For example, drug-free workplace and zero tolerance policies may need to be completely reconfigured.

About the Author
Mark Pew is Senior Vice President of PRIUM, a medical intervention company active in the workers’ compensation industry. A popular author and speaker, Pew can be reached at mpew@prium.net or @ RxProfessor or linkedin.com/in/markpew.
IAIP 74th Annual Convention

The International Association of Insurance Professionals' 74th Annual Convention began on Thursday, June 4th in Bloomington-Minneapolis, Minnesota with almost 300 members and industry professionals in attendance. We enjoyed all of our attendees, speakers, educators, and sponsors and thank you for your participation and contributions. This year we were excited to enjoy a particularly large group of over 70 first time attendees or “First Timers!”

On Thursday, the convention was off to a great start with Jon Petz’s Opening Session “It’s Showtime… And Life Isn’t a Dress Rehearsal.” Jon’s contagious enthusiasm inspired and challenged everyone in attendance. The momentum lasted throughout the convention as attendees had the opportunity to participate in about 20 diverse educational workshops and sessions spanning topics on everything from the insurance implications of medicinal marijuana to the use of emotional intelligence in the workplace. Other options for professional development and networking included: a trade show; a lively welcome reception, several networking breaks, two keynote addresses, and an industry panel discussion. The IAIP business meeting, which included the vote and election of the 2015-2016 International Secretary, rounded out a full convention schedule.

Several CE qualifying courses were offered within the Industry Trends track. Some of those included topics such as umbrella/excess liability, flood insurance, forensic accident reconstruction, cyber liability, medical marijuana, ethics, and rental reimbursement. Within the Career Development track, topics such as critical thinking, project management, and instructor certification were covered. Lastly, under the association management track experts presented the latest information on Professional Leadership, Building and Sustaining Successful Business Environments, Enhancing the Member Experience, Mentoring as well as an attendee-led solution room. The exhibit hall provided attendees the opportunity to meet with the exhibitors and network. As usual, the international award winners were announced as follows during the recognition luncheon. The winners are:

Client Service Professional of the Year:
Therease L. Thompson, AIT, AINS, AIS, CIIP, CLP

Professional Underwriter of the Year:
Alison Holmes, AIS, AINS, CISR, CPIW, DAE

Claims Professional of the Year:
Bonnie Merz, AIC, AIS, ARM, CIC, CRM, CIIP, CRIS, DAE

Risk Management Professional of the Year:
Jennifer Christensen, CISR, CIC, CRM, CIIP, CRIS, CPIW, DAE

Rookie of the Year:
Christopher Bell, AINS, AIS

Insurance Professional of the Year:
Ellen Schwindaman, AU, CPCU, CPIW

Confidence While Communicating Speak-Off:
Chenise Blalock

In addition to these awards, scholarship recipients from The National Alliance and the International Risk Management Institute (IRMI) were also announced and those in attendance were recognized along with a standing recognition of all new designees. During the closing general session, The 2014-2015 Board of Directors were recognized and honored for their inspiring service over the past 12 months, and Margaret Wildi led the installation of the 2015-2016 officers:

The 2015-2016 Board of Directors

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<tr>
<th>Position</th>
<th>Name</th>
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<tbody>
<tr>
<td>President</td>
<td>Debra Kuhne, AAI, CPIW, AIC, AIS, PWCA, DAE, CELS, CRIS</td>
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<tr>
<td>President-Elect</td>
<td>Tish Riley, CIIP, DAE, CLP</td>
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<td>Vice President</td>
<td>Linda H. Luka, CPCU, CIIP, AAI, AINS, CLP, DAE, CISR</td>
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<td>Secretary</td>
<td>Angie Sullivan, AIC, CIIP</td>
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<td>RVP I</td>
<td>Kim Fitzgerald, CPCU, CLP, CPIW, API</td>
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<td>RVP II</td>
<td>Brenda Lawhorn, CIC, CPIW, AINS</td>
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<td>RVP III</td>
<td>Kimberly Shattuck, CISR, CPIW, CPIA, DAE</td>
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<td>RVP IV</td>
<td>Tammy Wascher, CIC, CIIP, CPIA, CLP</td>
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<td>RVP V</td>
<td>Pam Haakenson, CIIP, DAE, AIS</td>
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<td>RVP VI</td>
<td>Beth Walters, CIIP, DAE, AINS</td>
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<td>RVP VII</td>
<td>Martha Elliott, CISR, CIIP</td>
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<td>RVP VIII</td>
<td>Lauri Oakden, CLP</td>
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<td>RVP IX</td>
<td>Patty Neil, CPCU, CIC, CRM, AIAF, AIT, ARM</td>
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The convention wrapped up with a thought-provoking and inspiring closing session by Steve Gilliland, on Saturday morning ending the convention with a wonderful life lesson to remember: “Making a difference is a matter of Purpose: it drives you; Passion: it fuels you; and Pride: it defines you.”

The International Association of Insurance Professionals sincerely appreciates all of our 2015 attendees, sponsors, exhibitors, speakers and guests for their support this year. We look forward to next year’s event and hope you will make plans to join us in Richmond, Virginia at the Richmond Marriott, on June 16-18, 2016 for yet another personally and professionally enriching convention.
2015 International Award Winners

CLIENT SERVICE PROFESSIONAL OF THE YEAR
Therease L. Thompson
AIT, AINS, AIS, CIIP, CLP

PROFESSIONAL UNDERWRITER OF THE YEAR
Alison Holmes
AIS, AINS, CISR, CPIW, DAE

CLAIMS PROFESSIONAL OF THE YEAR
Bonnie Merz
AIC, AIS, ARM, CIC, CRM, CIIP, CRIS, DAE

INSURANCE PROFESSIONAL OF THE YEAR
Ellen Schwindaman
AU, CPCU, CPIW

RISK MANAGEMENT PROFESSIONAL OF THE YEAR
Jennifer Christensen
CISR, CIC, CRM, CRIS, CPIW, DAE

ROOKIE OF THE YEAR
Christopher Bell
AINS, AIS

CONFIDENCE WHILE COMMUNICATING SPEAK-OFF
Chenise Blalock
Convention Candids
Meet the 2015-2016 Board of Directors

Debra C. Kuhne, AAI, AIC, AIS, CIIP, DAE, CELS
President
Debbi has been a member of IAIP since September 1992 and is a member of the Waterbury Association of Insurance Professionals. Debbi was named Region I Insurance Professional of the year in 2009. She has served in many positions on her local level, was Connecticut Council Director 2008-2010, Region I RVP from 2010 to 2012, International Secretary 2012-2013 and most recently International Vice President 2013-2014.

Debbi is an avid supporter of the IAIP Legacy Foundation. Debbi is an Injury Management Consultant at Litchfield Insurance Group in Torrington, CT. In her position she is responsible for Workers’ Compensation Claim Management for their clients as well as providing "back office" HR assistance for clients. Debbi’s expertise in Workers Compensation Claim Management and cost reduction strategies helps to mitigate the impact workers’ compensation claims have on the client's bottom line. With so many employment laws and regulations in effect today, Debbi’s extensive training in the areas of FMLA, ADA and Sexual Harassment gives her the unique ability to advise employers on day-to-day workplace issues to ensure client’s HR policies and practices comply with state and federal requirements and are free of flaws that can put their businesses at risk. Debbi holds the AAI, AIC, AIS, CIIP DAE, and CELS designations. She has taken several of IAIP’s courses, competed in two regional CWC Speak-Offs and this year she became an instructor for CLP courses. Debbi loves to garden, perform home renovations, read and spend time with her two cats – Sarah and Phoebe.

Tish Riley, CIIP, DAE, CLP
President-Elect
Tish Riley’s career in insurance spans 30+ years working for three different P&C companies. Like many of us in the industry, she had not intended to make insurance her career, but in 1974 she landed a job as a file clerk for St. Paul Fire and Marine Insurance in their Southern California office and worked her way up to manual rater over the next couple of years. Tish left insurance and began working for the Los Angeles Times where she was employed as an accounts receivable lead. After her second son was born, Tish and her family moved to Northern California where she spent time as a stay-at-home mom before rejoining the workforce in the retail sales field, eventually becoming a sales manager for Macy’s. Tish returned to insurance in 1983 when she became an operations supervisor at Crum and Forster Personal Insurance. Over the next seven years, Tish supervised various operations units then moved into an underwriting position. When Crum and Forster moved to another state in 1990, Tish went to work for a small, niche-market company, Western Pioneer, as an underwriter. The company was later purchased by the national carrier, Commerce Insurance Group, which was subsequently obtained by MAPFRE Insurance, an international insurance carrier. Tish spent 21 years with the company serving in various roles from Underwriting Manager to Underwriting Specialist to Compliance Analyst and eventually as Senior Business Analyst.

In 1998, a prior co-worker invited Tish to dinner with some friends who worked in the insurance industry. The “dinner with friends” turned out to be the monthly meeting of Tri-Valley Insurance Professionals, the local association of NAIW. She was so impressed with this group of people that she joined the association immediately. Tish took the CWC course three months later and represented TVIP at the following California Council Meeting. Since then, Tish has served in every elected position in TVIP, chaired numerous committees and been TVIP’s CWC instructor since 2005.

Beyond the local level, Tish has served as the California council’s Education Liaison, Public Relations Chair and two terms as Council Director. She was elected Region VIII Vice President in 2009 and International Secretary in 2013. She has served/chaired committees at every council meeting, regional conference and international convention she’s attended since 2001 and chaired the 2012-13 Mentoring Task Force. Tish was the winner of the 2004 Region VIII CWC Speak-off, the
Linda H. Luka, CPCU, CIIP, AAI, AINS, AIS, DAE, CISR
Vice President
For the past six years, Linda has been the Agent Education Coordinator at West Bend Mutual Insurance Company. This 120-year-old mutual property and casualty insurance company has allowed her many personal and professional opportunities. Her duties now include coordinating continuing education classes in the home office as well as on site, using both in-house and outside presenters. Some of these classes qualify for continuing education credits in the eleven states where they conduct business. She is responsible for finding new topics, speakers and then filing new courses for approval, renewing of current courses along with overseeing registering CE credits for all attendees. She is responsible for various specialty producer and agency staff programs. She works with various Office of Commissioners of Insurance, PIA, National Alliance, BIG I and THE Institutes staff. She began her insurance career as a personal lines typist. She moved on to become one of four data entry specialists for homeowners and inland marine policies. Later, she supervised this unit, until moving into personal lines rating, and then underwriting. She has been a personal lines underwriter for fifteen years, spending sixteen years in commercial lines underwriting. This year marks her thirty eighth year with the company.

Linda has taught many courses for West Bend and her local and council IAIP groups. Topics include Ethics, CLP and Customer Service. She is a certified instructor for the Dynamics of Service for the National Alliance. Her industry designations include, CIIP, DAE, CPCU, AIS, AAI, AINS, CISR and most recently, CLP. Linda is the charter and founding president of her local association, Kettle Moraine Insurance Professionals. She is part of Wisconsin Council, Region V. Linda competed in her local and council CWC competitions. Linda was the Wisconsin Council Director in 2007 and Region V Vice President in 2011. In 2008, she won the regional Professional Underwriter of the Year award. She was co-winner of the international Insurance Professional of the Year in 2013.

Linda loves to travel having attended eleven council meetings, ten regional meetings and six international conventions. As RVP, she also attended the Region IV conference. Linda is a past member of Toastmasters International and is currently involved in the Society of Insurance Trainers and Educators, Greater Milwaukee chapter of CPCU and PR chair of Chix 4 a Cause, LTD., a non-profit organization, which helps people fight cancer in the local area. Linda is on the CISR Board of Governors for the National Alliance. She is active in her church and loves to spend time with her family and travel to Mexico. Talk to her about her beloved Green Bay Packers too! Linda is married to a former insurance underwriter and they have a son, Willy. She will be a Grandma sometime in early July. Her newest goal is to be a cool Grandma.

Angie Sullivan, AIC, CPIW
Secretary
Angie has been in the insurance industry for 23 years, working in various departments and capacities of the insurance field which have developed her professionally and personally. She has worked as a team member and a consultant in insurance agents’ offices. She created, developed, facilitated/trained various educational programs for agents and their team members in a six-state area (WI, MN, ND, SD, IA and NE), as well as operations center employees in the insurance field across the nation. She has worked with various members and leaders of the insurance industry from service levels up to senior vice presidents on personal and professional development and goal setting.

Angie has held various leadership roles in IAIP and in the insurance industry. As a member of IAIR she has held every local level office, was a Council Director in Nebraska for two years and the Regional Vice President of Region VII from 2013-2015. Angie chaired numerous agency conventions for her company and an number of agent and team member universities, which required setting up food services, hiring keynote speakers, facilitating classes, arranging extra activities such as golf events, and making sure the agenda stays on time and runs smoothly for up to 500 attendees. Angie developed her insurance knowledge through the various courses and designations she has obtained, including AIC designation, four parts of the LUTCF, and four parts of the CPCU. Angie was variable licensed for her company, holding the Series 6 and 63 license from 1998 to 2006 (Federal and State licenses for securities products).

Angie is committed to her personal and professional development through her membership in IAIP and the various classes and workshops she attends each year. In 2011, she participated in the Confidence While Communicating program giving the three-minute speech and a one-minute impromptu, and was well received. Her speech allowed her the opportunity to participate at the various levels of IAIP competition - the local, council, regional and international levels. Angie holds her CPIW and is currently working on her Leadership designation via IAIP’s new leadership courses. Angie has been a member of NAIW from 1992 to 1999, and then from 2006 until the present time. She left from 1999 to 2006 due to a position change in her employment that required travel, which prevented her from attending the monthly meetings. Angie realized the value of IAIP and therefore once her travels began to slow down and her role changed, she once again became a member.
Kim Fitzgerald, CPCU, API, CLP, CPIW Region I Vice President

Kim joined IAIP as a member of the Waterbury Association of Insurance Professionals in November, 2004. She has served as Secretary, Vice President and President of WAIP. Kim has worked on many committees while a member of WAIP and has been on Regional Conference committees. Kim was tri-chair of the 2015 Region I Conference in New Haven, CT.

Kim has 26 years of experience in the insurance industry. She is the Vice President of Montagno Insurance Agency, in Waterbury, CT where she began her career part-time in 1989, obtained her Producer’s license in 1995, and purchased ownership interest in 2011. In addition to administrative responsibilities, Kim spends her work day building sound insurance portfolios and providing quality customer service for her clients.


Kim holds the CPCU, API, CLP and CPIW designations. She has taken several IAIP courses, and is working on completing the Train the Trainer course to become a CLP instructor. In her free time she enjoys traveling, reading and cooking, but mostly spending time with her son Zachary.

Brenda Lawhorn, CIC, CPIW, AINS Region II Vice President

Brenda began her insurance career with Wright and Company in Washington, DC in November of 1987. Her focus has been in Commercial Insurance with an emphasis in international exposures and association coverages. She has a 26-year track record as an Account Manager, Account Executive, Marketing, Sales Representative, Agency Management and Underwriting.

She possesses leadership, supervisory, interpersonal, communication and coaching skills. Brenda is currently the Commercial Lines Insurance Manager in the Servicing Department with Walker and Dunlop, LLC. Her responsibilities include managing the front-end insurance review for Fannie Mae, Freddie Mac and HUD loans. Brenda performs high-end reviews for master policy programs for concentration of risk, limits, deductibles, etc. for borrowers who wish to utilize these programs for their insurance coverage. She assists with the monitoring and supervising of their third-party compliance company for compliance with current lender coverage requirements and coverage waivers for over 4,000 loans. She also assists other members of the Servicing Department, answering their questions regarding procedures and coverage requirements.

Brenda has taught licensing classes for Property and Casualty and Life and Health coverages for the states of Maryland, Virginia and the District of Columbia. She has also taught classes at local, state and regional meetings and conferences for the International Association of Insurance Professionals (IAIP). She has served in all positions in the local DC Chapter and as the State Council Director for the District of Columbia and Maryland for IAIP. She is the Regional Vice President for the 2013 – 2014 term for Region II, comprised of DE, MD, VA, WV and NC. She holds professional memberships in International Association of Insurance Professionals, National Association for Female Executives, Chartered Property and Casualty Underwriter Society, Professional Liability Underwriters Society and National Association of Professional Women.

Kimberly Shattuck, CISR, CPIA, CPIW, DAE Region III Vice President

Kimberly is a southern girl from Atlanta, Georgia. She is the second generation in her family to hold a Georgia Property and Casualty license who began her insurance journey over 25 years ago. She is an accomplished insurance sales and marketing professional with an impressive track record of organic growth in new business sales of commercial lines products. In March, 2015 she joined Grange Mutual Insurance Company as a Regional Sales Relationship Manager responsible for managing all aspects of field sales, marketing and agency management to achieve profitable growth of the commercial package market for partner agencies in Georgia, Kentucky, and Tennessee. She holds the CISR, CPIA, CPIW, and DAE designations. She is a recognized keynote speaker and insurance industry social media influencer who instructs state Certified Educational courses and webinars.

Kimberly has been an active Member-at-large for seven years. In 2015, she joined Insurance Professionals of Atlanta Georgia. She has had the opportunity to actively serve at the local, council, and regional levels of the association including, Region III RVP Assistant 2013-15, Georgia Public Relations Chair 2014-15, Georgia Council Director 2011-12, Georgia Membership Chair 2010-11, Young Professional Liaison-Georgia to Region III 2008-09. Also, chairing and serving on the International Member-at-large Task Force 2014-15 and Marketing and Re-Branding 2012-13. She has completed many IAIP courses, served on numerous committees, competed in two Council Confidence While Communicating speak-offs and in 2015 became an instructor for the CLP course. She has attended six International Conventions, nine Regional Conventions, and 20 plus Council meetings in multiple Regions.
In 2014, she was presented with the prestigious Region III Award of Merit (formally AAMGA) and Georgia Distinguished Service Award of Excellence. The Independent Insurance Agents of Georgia awarded her in 2013 with the Ted Carleton Award of Excellence for an outstanding service by a company partner. In 2012, Region III awarded Kimberly T.J. Mims Award of Excellence and the Georgia Council of Insurance Professionals named her Insurance Professional of the Year. She was honored to win the Insurance Professionals International campaign contest to “name the new leadership designation” known as (CLP) Certified Leadership Professional designation. In 2011, the Georgia (PIA) Professional Insurance Association named her the Company Representative of the Year and in Las Vegas, NV, Kimberly was honored to win Insurance Professionals International Rookie of the Year.

Personal interests include motivational and leadership media, social networking, golfing for charitable industry events, volunteering and fund raising for children age 6-18 years who are in need of a stronger family support system. She loves to have fun, travel, and build special memories with her husband of 26 years, Stephen. She is especially proud of her son Chris, a recent honors graduate of Georgia State University, and Nicole, who is a talented art entrepreneur college student. Last but not least we can’t forget the backyard fun she enjoys playing with her favorite dogs Kona and Bear who are two year old German Shepherds.

Tammy Wascher, CIC, CIIP, CPIA, CLP
Region IV Vice President
Tammy has been in the insurance business since 1995 when she started working for a Direct Writer. In 1997, she went to work for Frankenmuth Insurance in the Personal Lines Department. She held several positions in the Personal Lines Department and in 2003, Tammy transferred to the Commercial Lines Department. She worked as a Commercial Lines Underwriter until August 2005 when she transferred to the Marketing Department as a Field Manager for the Southeast Michigan Territory. In June of 2014, she moved back into the main office as a Commercial Lines Supervisor for the SE Region, supervising 20 individuals.

Tammy holds a Bachelor's Degree in Business Administration from Davenport University and earned by CIC designation in November 2010 and her CIIP designation in August 2012. She also earned her CLP designation in January of 2014 and her CPIA designation in November of 2013.

In her spare time, Tammy teaches continuing education classes and has put together some agency training classes for employer, Frankenmuth Insurance, as well.

Tammy has been very involved in the International Association of Insurance Professionals since 2006. She is a member of the Monroe County Association as well as the Frankenmuth Association which she started in 2013. Tammy has served as the Michigan Council Director of IAIP for the last two years. She has held numerous positions on the local and state level and has been involved in committees on the Regional and International level as well. She was awarded Region IV Insurance Professional of the year in 2015.

Pam Haakenson, CIIP, DAE, AIS
Region V Vice President
Pam received her Bachelor of Science in Business Management from Southwest State University in 1987, and earned her Minnesota licensed insurance agent in 1993. She has been in the insurance industry since 1988 when she began her career in commercial lines at Tri State Insurance Company. In 1992, she became a licensed insurance agent/CSR for Buffalo Ridge Insurance. She has been an agency manager for Buffalo Ridge Insurance in Luverne, Minnesota since 2007. Her responsibilities include agency management, accounting, technology maintenance, employee management, and all aspects of customer service within the agency.

She has been an active member of IAIP since 1993 and has held all offices on the local and council level, including acting as chair and/or a member of every committee. She has completed several of the education courses offered by IAIP and currently holds the CIIP and DAE designations. She was chosen as Insurance Professionals of Greater Sioux Falls's Insurance Professional of the Year in 1999 and 2007. Recent activity on the regional level includes: 2007-2008 Assistant to the Region V RVP, 2012 Conference meeting secretary, and 2012 Conference parliamentarian. Recent activity on national level includes work on the Mentors Task Force Chair in 2013.

Her current community volunteer activities include: Book-n-Buddies at Luverne Public Elementary School, MN Veterans Home Catholic Services volunteer, and her work as a Luverne Area Community Hospice Volunteer. In her personal time, she enjoys spending time with family and friends, traveling, sporting events, concerts, theatre, dancing, and running in 5k and 10K races. Her motto is “Your life is your message to the world, make sure it’s inspiring”.

Today's Insurance Professionals® Summer 2015 Vol. 72 Issue 2
Beth Walters, AINS, DAE, CIIP, MCM  
Region VI Vice President

Beth has been in the insurance industry for 42 years, working in various capacities of the insurance field. She has worked as an assistant to producers and agency principals, as well as worked in the accounting departments of several agencies. She also held a producers license in both Health and Life and Property and Casualty Lines. She worked as a producer for many years. In the recent 24 years, she has worked with a local workers’ compensation insurer in several capacities beginning as underwriter and progressing to position of management. She has held management positions for accounting, underwriting, loss control, and the audit departments and has helped develop procedures for each department. Beth currently holds the position of Senior Vice President, Compliance and Internal Controls. Beth is currently employed and has been for the past 24 years at LUBA Workers’ Comp, a regional WC insurer. At LUBA, she is responsible for Regulatory Compliance, Forms and Rate filings for Louisiana, Mississippi, Arkansas and Texas. She assists management with annual reports and is responsible for internal controls for procedures in all departments. She has extensive knowledge of rating and regulatory rules, classifications, experience ratings and basic-manual rules in Louisiana and neighboring states. Beth holds AINS, DAE and CIIP designations.

She is a member and past president of the Insurance Professionals of Baton Rouge, member of Institute of Internal Auditors, past Council Director, Louisiana IAIP International, a member of Association of Insurance Compliance Professionals, and a member of IAIP International. Beth has held all offices in IAIP – on the local level, office of State Director on council level and is current RVP for Region VI, IAIP International. She is committed to her personal and professional development and in addition to the already attained designations; she is currently working on her CLP designation and ACP Designation (accreditation program Associations of Insurance Compliance Professionals). Beth has been a member of IAIP since the 1980s. She did have a break in her membership for a number of years, however rejoined to help her local association when membership dropped in recent years.

Beth’s personal interests are reading and spending time with her husband of 42 years, her two daughters and her five grandchildren. She is a member of St. Alphonsus Catholic Church. She participates in local community activities and charitable works and fundraisers such as La. Public Broadcasting, Junior Achievement (work-readiness developing student skills to realize opportunities of work), and St. Jude Research Hospital.

Martha Elliott, CIIP, CISR  
Region VII Vice President

Martha has been a member of IAIP since February 2011, and is a member of Insurance Association of Suburban Kansas City. Martha was named International Rookie of the Year in 2013, Outstanding CSR for the State of Kansas in 2014 by the National Alliance and recently named Region VII Client Service Professional of the Year for 2015. She was elected to her local board and is completing the 2014-2015 term as Immediate Past President. She also worked with the Region VII Vice Presidents as RVP Assistant for 2012 and again for the 2013-2015 term. She has chaired and/or served on numerous committees for local, state, regional and national levels; continuing to chair/serve committees as time permits.

As a proponent for education, she takes advantage of IAIP educational opportunities whenever possible, and is working towards the CLP designation, and is one class away from achieving the CIC designation.

Martha is developing her instructor skills and hopes to be a certified instructor for IAIP classes in the near future. Martha is an Account Manager at Cretcher Heartland, a growing regional agency, in Overland Park, KS. In her position she services commercial accounts and builds relationships with clients for the best possible service. Martha and her husband, John, enjoy watching movies, reading, “glamping”, and taking care of their cats, Max and Victor.

Lauri Oakden, RWCS, CLP  
Region VIII Vice President

Working in the risk management industry for more than 20 years, Lauri has observed and experienced the many changes in the Southwest’s diverse business environment. Careers in the legal and medical communities evolved into management positions in the risk management/insurance fields, including managed care and workers’ compensation. Lauri’s niche specialty is workers’ compensation. She is a Branch Manager for ICW Group Insurances Companies. Also a licensed casualty and property producer in Nevada, California and Arizona, Lauri participates in various insurance industry professional organizations.

She firmly believes that sustaining her membership and active participation in IAIP is an investment in her professional and personal development, and has served IAIP in various local, state and national capacities, including Nevada Council Director and past Regional Vice President of Region VIII, 2012-2013, 2014-2015. An advocate of professional development, continuing

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Region VIII Vice President

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education and mentoring, Lauri enjoys sharing her avid interest in the insurance industry through developing, facilitating and conducting workshops, continuing education classes, mentoring activities and speaking engagements to insurance agencies, industry groups, associations and Chambers of Commerce.

Lauri resides in Las Vegas, Nevada. Her local association affiliation is with the Las Vegas Insurance Professionals. Community involvement includes participation in projects that make Nevada a great place to live, promote education and foster resources. In her spare time, she enjoys exploring the back roads of Route 66; ghost towns, Nevada history, National Parks, junking, travel, spending time and adventures with extended family and friends.

Patty Neil, M.A., CPCU, CIC, CRM, AIAF, AIT, ARM
Region IX Vice President
Patty Neil is an insurance professional with 20 years of industry experience and a deep appreciation for personal and professional development. She brings curiosity and a systemic approach to organizational leadership development and risk analysis. She currently manages an agency in Seattle which is owned by a parent insurance company. Her internal work with PEMCO Insurance and PEMCO Insurance Agency and external work with non-profit organizations and boards is designed to foster potential, to nurture, grow and challenge individuals while facilitating the achievement of strategic organizational objectives and goals. She empowers innovation through the application of adaptive leadership skills.

She is excited to support the revitalization of IAIP as it continues to develop leaders, influence careers and connect members. Patty believes it is important to honor the past while leaning forward to the future. She has been a member of the Greater Seattle Insurance Professionals for two years and has served as the president of the board during that time.

Patty holds a Master of Arts in Organizational Leadership from Seattle University and is currently in a doctoral program at Saybrook University with a focus on Organizational Leadership and Transformation. She chairs the Organization Systems Renewal Alumni Association Board and works in partnership with the Fielding University Alumni Association.
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Contact the Director of Marketing at 800-766-6249 extension 4, or email marketing@iaip-ins.org today to find out how your company can benefit from partnering with IAIP.
Thank you to our generous donors from March 2, 2015 through June 6, 2015:

All financial contributions to the Legacy Foundation are tax-deductible as a charitable contribution.

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The Legacy Foundation was formed in 2006 as the philanthropic arm of the International Association of Insurance Professionals, an association of insurance and risk management professionals dedicated to the...
Welcome our new members from March 2, 2015 through June 1, 2015

**Region I**
Sheila Abreau, CIC, CRIS, CISR
Jay Aguiar, CRIS
Mindy Bero, CLLS
Lynette Campbell
Maria Carney, AIC, AINS, AIS, CAP-TA, MOS
Lizzette Cruz
Patricia Daly, AINS, CRIS, CISR
Kelly Gallo
Patrick Gein, MBA
Caityn Hurren
Karen Kocjancic
Brandy LaPrade
Robyn Palardis
Shannon Panella
Denise Russo
Gabrielle Sikora
Sandy Srodin Lewis
Allena Tomasi
Erika Wilhelm
Jean Witham

Karolyn Scheib
Kelly Wilmoth, CISR

**Region V**
Trevor Blanchard
Angela Cooper, CLCS, AINS
Theresa Eiden
Nickie Johnson
Richard Ollis

**Region VI**
Baylie Babin
Misty Duffey, CIC, CISR
Kelly Gilliland
Susan Green
Sherry Hoppmann
Larry Johns
Shelly Landes
Vanessa Phillips
Amy Stewart
Kimberly Turner

**Region VII**
Alora Schreiber

**Region VIII**
Woody Aghnatios
Matthew Andrews
Kelle Bailey
Jason Balogh
Suzanne Bush
Silvia Chen
Lauri Clerico
Cecilia Espineli
Charles Espinosa
Christine Glynn, CPCU
Josefina Gonzalez
Laura Lei Kekauoha
Amie Russ
Joan Stiehl
Alana Viertel, CPCU, ARC

**Region IX**
Norah Culbertson
Shannon LaFleur
Crystal Pitney
Michael Rovito
Karla Schoeni
Jessica Villa

International Association of Insurance Professionals is a professional association open to individuals in the insurance and risk management industries, and provides insurance education, skills enhancement and leadership development. Membership provides you the opportunity to increase your business productivity and profitability by participating in educational offerings and making business connections with other industry professionals. More than 70% of our members have advanced their careers through belonging to IAIP.

*To join, contact John McColloch, Director of Membership, at 800-766-6249 extension 2, or email membership@iaip-ins.org.*
Advance Your Career

IAIP offers the following prestigious industry designations:

Certified Insurance Industry Professional (CIIP)

Members may choose to earn the CIIP or the:

- Certified Professional Insurance Woman (CPIW)
- Certified Professional Insurance Man (CPIM)

Diversified Advanced Education (DAE)

Certified Leadership Professional (CLP)

CONGRATULATIONS!

NEW CLPs

Nancy Clarke, CISR, CLP – Region I
Tracey Colonair, CLP – Region I
Dawn Halkyard, ACSR, CIIP, CLP – Region I
Jocelyn Rineer, CIC, CLP – Region I
Brenda Lawhorn, CIC, CPIW, AINS, CLP – Region II
Geraldine Plott, CPCU, CPD, FCLA, SCLA, AIC, ARM, AIS, AINS, CIIP, DAE, CLP – Region II
Tonya Burris, CPCU, ASLI, AU, CIC, CIW, AIS, CIIP, AINS, DAE, CLP – Region III
Laurie Fite, AU, CIC, TRS, CISR, AINS, DAE, CPIW, AIAM, CLP – Region III
Vickie Harmon, CMA, CIIP, PIAM, CLP – Region III
Kimberly Shattuck, CISR, CPIW, CPIA, DAE, CLP – Region III
Sheila Caproni, CLP – Region IV
Jolene Gilbert, ACSR, CPIW, CISR, AIS, CPSR, AINS, DAE, CLP – Region VIII
Shirley Leone, AFIS, CISR, CPIW, DAE, CLP – Region VIII
Miles Adams, JD, RPA, ITI, FCLS, AU, AIC, AINS, CLP – Region IX

NEW DAEs

Krista Reed, AIS, CISR, CPIA, AINS, CPIW, DAE – Region I
Tonya Burris, CPCU, ASLI, AU, CIC, CIW, AIS, CIIP, AINS, DAE, CLP – Region III
Jennifer Malone, CISR, CPIW, RCSR, DAE, AU, AINS – Region III
Penny Haworth-Rich, CIC, AU, CPIW, DAE – Region VIII
Sarina Kowall, CISR, CIIP, DAE – Region VIII
Rae Lynn Zachary, ARM, CPCU, CPIW, DAE – Region VIII

NEW CIIPs | CPIWs | CPIMs

Haylee Covey, CIIP – Region I
Angelina Fair, MS, OSH, CIIP – Region II
Lisa Kirkpatrick, CPIW, AIAM, AINS – Region III
Sharon Wood, ACS, CISR, CIIP – Region IV

To learn more about these designations, including how to qualify, visit internationalinsuranceprofessionals.org and click on Designations under the Education tab. Contact Rebecca Clusserath, Director of Education at 800-766-6249 extension 18 for more information.
Montagno Insurance Agency is proud to announce that out of the 3,700 licensed insurance agents in Connecticut, Kimberly Fitzgerald is one of the 107 Agents selected by the Five Star Professional Award Program as a 2015 Award Recipient. This is Kim’s fourth year winning. Why we are bragging: the award program is conducted in 40 Markets throughout North America. Extensive research is done amongst consumers and peers throughout the country to find Candidates who qualify for this award; less than 7 percent of those professionals receive the award. Recipients demonstrate the following characteristics: professional excellence, a deep knowledge of the industry, have earned the respect of their peers, provide exceptional care for their clients.

Donna Varin  
Region I  
Waterbury Association of Insurance Professionals

San Diego Association of Insurance Professionals recently attended the Business Women’s Mega Mixer held in San Diego on March 26th. This event had approximately 40 vendors that attended including SDAIP. We made some great connections with other individuals in the insurance industry. One of the things that we were surprised about was that many of the individuals did not know that our organization existed. Since our team had just attended the IAIP Region VIII Conference in San Francisco, we felt that this would be a great way to incorporate the new IAIP marketing materials into our exhibit booth. This was a great way to draw people in and converse about what SDAIP/IAIP can offer them as well as what the organization is all about. I challenge you all: if you know of other associations or groups that would welcome us, please reach out to one of the board members and see if this might be another great networking event to participate in.

Dawn Manzano  
Region VIII  
San Diego Association of Insurance Professionals

MSO, Inc. (The Mutual Service Office, Inc.) is pleased to announce the promotion of Sue C. Quimby, CPCU, AU, CIC, CPIW, DAE to the position of Assistant Vice President, Media Editor, Client Services & Training; Senior Product Development Analyst. Ms. Quimby has been in the insurance industry since May 1977, and is a licensed property/casualty producer. Prior to her work at MSO, Ms. Quimby spent over 14 years as an employee of several New Jersey insurance agencies, handling all aspects of property and casualty insurance from the application submission to policy issuance and servicing to claims handling. She is a graduate of Cook College/Rutgers University.

Sue earned her CIC (Certified Insurance Counselor) designation in 1987 and is a tenured CIC. She completed her CPCU (Chartered Property Casualty Underwriter) designation in 1989. She has also earned the AU (Associate in Underwriting), CPIW and DAE designations. She is the Director of MSO’s Continuing Education school. She has also served as Director for the NJ Council of IAIP. According to Chairman of the Board, Robert Gage, “Ms. Quimby has been instrumental in building the MSO media presence in the P&C industry. She is an excellent writer and very well respected for her product knowledge by the MSO member companies and others in the industry. The Board was delighted to promote her to Assistant Vice President. She is a very valuable member of the team.”

Sue Quimby  
Region I  
Insurance Professionals of Central NJ

Tabatha Mets, Client Specialist with American National, has recently earned the CPCU designation after a year and a half of hard work. Tabatha is very dedicated to her educational and professional goals in the insurance industry. She is well respected by her employer and by her fellow IAIP members in this area for this accomplishment.

Christopher Bell  
Region V  
Insurance Association of the Ozarks
Are you an insurance professional looking to advance your career?

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The Legacy Foundation was formed in 2006 as the philanthropic arm of the International Association of Insurance Professionals, best known for providing insurance education, skills enhancement and leadership development to its members. Make a contribution by mail or online at:

Legacy Foundation
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The NAIW (International) Legacy Foundation is an IRS approved 501(c)3 foundation.

Contributions to the NAIW (International) Legacy Foundation are tax deductible as a charitable contribution.