Dear Christi,

We’re thrilled to invite you to our Annual Meeting on June 5th and 6th, being held at The Campbell House, Curio Collection in Lexington. As our president Jared Morgan promises, this will not be your usual annual meeting. Our industry is changing, and PIA of Kentucky is evolving to increase our value to our members. Join us to learn more about ways you can best succeed in partnership with PIA.

Questions? Email us at info@piaky.org.

A New Kind of Annual Meeting
We all know that the insurance industry is in transition, and PIA of Kentucky is positioned to help you succeed in this new era. Join us for our 2017 Annual Meeting and take away information and tools to immediately benefit your career and your agency.

View the President’s Message by clicking on video to the right.

**Register Now**

**Location**
The Campbell House, Curio Collection
1375 South Broadway Road
Lexington, KY 40504

Reservations: [thecampbellhouse.com](http://thecampbellhouse.com)
859-255-4281

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**Survey: We Need You!**

In order to provide additional opportunities for PIAK members, we’re conducting a brief survey. You should have received an email earlier this week, but if you didn’t get it, or haven’t had a chance to reply yet, please take a moment now to respond to this very brief, three-question survey.

Agents: [click here](#) Carriers: [click here](#)
A Night at Red Mile
Monday, June 5 ~ 5:30 PM
1200 Red Mile Rd, Lexington, KY 40504

Meet up with your colleagues from across the state and see what companies have on offer for PIA members. Talk one-on-one with experts in their fields and meet with carriers interested in new appointments.

Our Annual Meeting welcome event, the networking reception is a short distance from The Campbell House. Join us in the beautiful atrium area, which is located close to all the action, including the casino. If you haven't been to Red Mile recently, then you'll be impressed!

5 Ways to Approach Social Media

From PropertyCasualty360.com by Sam Ford

1. Use Social Media Primarily as a Listening Tool
What are some of the issues about which you want to understand public sentiment? What are your target audiences talking about the 99.99% of the time they aren't talking about you? Use the open nature of online communication to keep track of those discussions, and ensure that those insights are circulated around your organization. There’s much to be learned from the conversation outside our walls.

2. Prioritize Answering Your Customers' Needs
When people come to your official presence, it is often because they want or need something. You want to make sure you respect their needs. Social media is a place for two-way dialogue. But rapid response is crucial here.

3. Show People, Rather than Tell People, About Your Passion and Dedication
When we can help open a conversation among our target audience, it allows them to see what we care about and stand for, without overt marketing.

4. Focus on the Underlying Issues in People’s Lives That Your Services/Policies Seek to Address
Too often, insurance companies struggle for content, in part because they are focused on "what" rather than "why."

5. Create a Master Narrative Which Establishes a Sense of Continuity for All Parts of Your Company
This master narrative helps contextualize everything the company does, across a wide range of practices, sectors, and geographies, and share that narrative with the whole team, making sure they understand their part of the story.

Annual Meeting Featured Event
"Ethical Challenges in the Digital Age"
Speaker: Mark Reilly, CPCU, CIC, CRM
Tuesday, June 6th ~ 9:00 AM to 12:00 PM
3 KY CE Hours

This three hour course will discuss the challenges that agencies and their staff face in this era of "Digital Darwinism." The class will cover consumer behavior and agency responsibility in the virtual and physical marketplace. What are the ethical challenges that agents and agencies face in this new economy.

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Motivation

How to Get It and Keep It
by John Chapin

Sales is a profession that requires you to be "up" and motivated most of the time. It is also a profession in which you can get knocked down very quickly from the amount of rejection that's required for success. As a result, one of the biggest questions I get from salespeople is: "How do I get and stay motivated?" Here's my answer.

4 Paths to Motivation
There are only four forms of motivation. They are: external negative, external positive, intrinsic, and peer motivation.

Motivation Source #1: External Negative
Or as my first manager used to say, "If I put a gun to your head you'd do business." This is a negative consequence or penalty for not doing something. This was third place in Glengarry Glen Ross, or as Alec Baldwin's character said in the movie, "Third prize: You're fired!" This motivation is all about accountability and consequences.

When motivating others a sales manager usually starts with a probation period followed by loss of one's job for failing to do the necessary work or make quota. When motivating oneself, the most effective form is usually a financial penalty. For example, when putting off some scary calls to big prospects, I finally told a friend that if I didn't make the calls in the next 30 days, I owed her $1000. By the way, I made the calls on day 29. Yes, sometimes I struggle with this stuff too.

Motivation Source #2: External Positive
External positive was first and second place in the Glengarry Contest: "First prize: a brand new Cadillac. Second prize: this fine set of steak knives." This is a reward for work done or a goal achieved. This is not as powerful as the first motivator as generally we respond more to pain, but is still a way to get leverage on ourselves and others.

To motivate others this could be $100 for the person who makes the most calls in the next hour or a limo lunch for whoever closes the most business this week. To motivate ourselves this can be dinner at our favorite restaurant, a dream vacation, or some other indulgence upon the completion of a goal.

**Motivation Source #3: Intrinsic**
This is the most powerful motivation among high-achievers. This form has the most potential power and, if strong enough, can be used all by itself. This is the "personal WHY". In other words, what are the personal reasons you need to be successful?

To motivate yourself, decide what you really want out of life. What do you want your life to ultimately look like? What do you want for your family and your kids? What do you want to do and be? If you had no limitations on time or money, how would your life be different? What will your perfect day look like 20 years from now? What drives you? Is it your dream lifestyle, taking care of your kids and future generations, to leave a lasting legacy, a combination?

To motivate others, help them find their WHY. Where do they want to be in their career 5, 10, or 20 years from now? Ask them: If they had no limits on time or money, what would they have and do with their life? What is their endgame? Do they want to retire and to where?

**Motivation Source #4: Peer**
This is who you spend your time with personally and professionally. People usually rise to, but rarely above their peer group. "Birds of a feather do flock together." This also relates to your environment. If you have an office of negative people in which no one is held accountable, any success will be fleeting or completely non-existent.

To motivate others provide a work environment that is positive and professional and one in which people are held accountable. Have them look at the people they hang out with. Aaron Hernandez and Tom Brady have/had different peer groups.

To motivate yourself means hanging out with positive people who have goals and are achieving big things. It also means getting rid of negative people and negativity in general.

Realize that you won't always be motivated. That's why it's important to form good habits through self-discipline. If you have an ingrained habit of making all your prospecting calls every day from 9 to noon, then on the day you feel a little down, that habit will help carry you through.

Also, whether or not you are motivated, you have a job to do and promises and obligations to live up to. You have to find a way to get the job done. In life there are things we don't want to do that we have to do anyway. If you simply put in
the hours, make the calls, and do the necessary activity, you will be successful...read full article

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E&O Risk Management Alert

What is Your Memory Worth in the Courtroom?
by Curt Pearsall, CPCU, AIAF, CPIA, "Special Consultant to the Utica National Errors & Omissions' Program"

The answer to the question posed in the headline is "not much." When errors and omissions (E&O) claims occur, the discovery process involves sworn statements provided in depositions or in the actual courtroom in the vast majority of the cases. When these statements are provided, the best scenario is that there is documentation, such as agency system notes, letters, emails, etc., to support them. However, all too often, statements are based on the memory of the people providing them.

Using the scenario in which the producer alleges that the client declined a specific coverage from the proposal, which of the following has more credibility: the producer relies on his or her memory or a document that memorialized the decision to decline a specific coverage?

Document, document, document
A common phrase often used in litigation matters is "if it is not in the file, it didn't happen." It would be challenging to find a more accurate phrase when it comes to E&O loss prevention. When an E&O matter develops, both of the attorneys have a right to all of the various pieces of a file. This includes agency notes, e-mails, letters, the proposal, and more. The goal is that the documentation will tell a story that aids in the agency's defense. Therefore, a lack of documentation significantly impacts that defense.

The courts typically do not look favorably on a person's use of their memory; it is referred to as "hearsay" and does not carry the same weight as actual written documentation. There is the definite possibility that testimony based on memory may be considered inadmissible.

Done right
For insurance producers, there should be concise documentation of producer-client meetings. This can be at the initial stage of the relationship or at the numerous times when the interaction occurs. Notes should be taken detailing the discussion and then memorialized not only in the agency system but also, as noted above, through some form of written communication back to the customer or prospect. The documentation should include who was present for the meetings, what was discussed, and what was agreed upon.

Quality and effective documentation may not be easy and will be time consuming, especially if it is done right. However, it really is that important.

For a checklist of the key elements of good documentation...read full article
Industry Updates

Paths to Partnership
Building upon its $1 billion acquisition of home carrier American Strategic Insurance (ASI), Progressive announced additional compensation opportunities for independent agents through Paths to Partnership, featuring a new national auto commission schedule and performance bonuses to reward agents who build larger personal auto books, and place longer-retaining personal auto business, with Progressive.

Motorists Commercial Insurance Company
Motorists Insurance Group launched its new commercial lines company - Motorists Insurance - in Michigan and Tennessee.

The company features state-of-the-art technology to make the process from quoting to issuance and policy servicing simple and streamlined via Guidewire InsuranceSuite™, which Motorists Insurance Group purchased in 2014. The suite includes underwriting, claims management, billing, rating and policy administration. Motorists also purchased Guidewire portals to improve its agency and policyholder interactions.

The products Motorists Insurance offers are unique in the industry. The MiChoice Business Program offers tiers to choose the right coverage to fit the size and unique liability needs of a company. Policyholders won't pay for coverage they don't want or need, and agents will have more power to customize a policy to satisfy their customers’ needs and budget. Plans are in place to continuously expand Motorists Insurance products to the group's full operating footprint...read full article

Acuity Projects Win Top Creative Awards
The Association of Marketing and Communication Professionals (AMCP) presented Acuity with two Platinum Hermes Creative Awards, the highest awards given by the international association. One award was earned for the continuing education video Face to Face, and the second was earned for Acuity's 2015 annual report.

Face to Face highlights Acuity's unique and innovative program that builds relationships between commercial insureds and key Acuity personnel, using custom-created puppets to tell the story of the program. Acuity’s 2015 annual report, The Year That Soared,
featured a kite-shaped booklet that was packaged with a custom-printed sport kite... [read full article]

**Insurance Marketing: 2017**

**The Four P’s**

**P3: Price**

*by Sally Davisson*

**Are you in control?**

Or do you feel like:

- The carriers set the rates. I just have to adjust my agency as they adjust the pricing.
- My focus is customer service. My staff can deal with the accounting.
- I already spend way too much time dealing with changing rates and reimbursement. I did not go into business for this!

Depending on when I ask, almost every independent agency owner I meet feels all of the above at times, and often verbalizes those feelings much more colorfully...and vehemently...than I have here.

Although just about everything has changed over the last several years, the "how much" and "who pays" parts of this third P have arguably had the most dramatic impact on agencies. As a consumer you certainly understand that your clients are just as unsure about making wise choices as you are. While this can create anxiety, it also creates opportunity for agents willing to include financial literacy as part of the customer education they provide.

I contend that agencies who think of "price" strictly in terms of the rates the carriers set will have a harder time than ever staying afloat in the coming years. Perceived value of the service received is critical in clients' decision making. As we discussed in the "product" blog, this is not just about you and the service you provide. It's also hugely affected by the experience your team provides to your customers. They need to be thoroughly familiar with all of your agency's, and your competitors, most current offerings and be able to explain it in an understandable way, minimizing any "industry jargon".

And billing errors, even when not your fault, or even in your control, can be a major reason for customer attrition. Get involved any time there is a problem, and let your client know you are on their side.

Most importantly, be the trusted professional that helps them understand their options and benefits, including coverage they may have elsewhere. If you show that you care about their overall fiscal well-being and protection, they will care less and less about the price tag.

Consumers increasingly have the tools and motivation to understand what they are paying for. Those who feel valued as a person, well-cared for by everyone at your agency and know you are available to them any time are likely to be satisfied with the value received for their money.
Next Month: The Four P's-P4 Promotion

Sally Davisson is owner of Sally Advertising, LLC, and is currently assisting PIA of Kentucky with their marketing communications. If you have a question for Sally call 859-361-5004 or email sally@sallyadvertising.com.

Education

Featured Class
Agency Mapping Journey: Special Two-Part Afternoon Series
Register for Annual Meeting Now

Speaker Al Diamond, President of Agency Consulting Group, Inc
June 6, 2017
Location: The Campbell House
Lexington, KY 40504

Part One: "Perpetuation and Succession Planning for Agencies"
1:00 PM to 4:00 PM
Transitioning an agency from one generation of owners to another is something that most agents do only once in their career. This session will explain the various methods of perpetuating agencies internally and externally to provide the best results to both the successors and to the perpetuators.

Part Two: "Internal Perpetuation Methods for the Independent Agent"
4:00 PM to 5:30 PM
Learn strategies for identifying training and implementing agency succession and developing contingency buy/sell agreements to remedy crisis situations in the event of the death or disability of an agency owner.

Upcoming Classes
CISR Insuring Commercial Property
May 10, 2017 ~ Louisville
PIA of Kentucky Newsletter

CISR Personal Lines-Miscellaneous
May 16, 2017 ~ Lexington

CISR Agency Operations
May 17, 2017 ~ Paducah

CISR Life & Health Essentials
August 15, 2017 ~ Lexington

CIC Personal Lines
August 16, 2017 ~ Louisville

CISR Insuring Commercial Property
August 16, 2017 ~ Paducah

CISR Commercial Casualty II-BAP, WC, Excess
August 23, 2017 ~ Louisville

Live Webinars

Additional Insureds: The Quandary
June 15, 2017 ~ 2:00-5:00 PM ET

Visit full event calendar

National

Draft Flood Bill Released in Senate
A discussion draft of a bill has been released (not yet introduced) by Senators Kirsten Gillibrand (D-NY) and Bill Cassidy (R-LA) that would reauthorize the National Flood Insurance Program (NFIP) for 10 years and make several reforms to the program, such as, but not limited to, revamping the claims and appeals process for consumers, incentivizing private market growth, allowing mitigation to lower premiums, and providing affordability vouchers to certain policyholders...more

PIA Continues to Fight Against Insurance Czar in CHOICE Act
The Financial CHOICE Act, the Republican alternative to the Dodd-Frank Wall Street Reform and Consumer Protection Act, was introduced in the House last week and had a markup before the Financial Services Committee on Tuesday May 2. Intended as legislation to rein in what is called the regulatory excesses of Dodd-Frank, the CHOICE Act contains a provision that lays the groundwork for creation of a federal insurance czar....more

Q1 a Disaster for Insurance Payouts
Aon Benfield reports that insured damage from all natural disasters in the United States in the first quarter is currently estimated to total nearly $7 billion, and of that, about $6 billion is from severe storms. That makes this year’s opening three months
the most expensive first quarter on record for the insurance industry in paying out severe thunderstorm-related claims... more

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