

The Massachusetts Agent

Official Newsletter of the Massachusetts Association of Insurance Agents

February 22, 2012

Managed Competition Update:

New Direct Writer Plans are Definitely "In" ...

Two direct writers recently announced new marketing programs which they hope will gain market share at the vehicle point of sale.

Metropolitan's "In the Car"™ Program:

The "In the Car"™ Program, which was recently approved for use in Massachusetts and has been filed in all other states, works with vehicle manufacturers to provide those who purchase or lease eligible new vehicles to be provided a Met policy paid for by the manufacturer for the first year. The Met program approved in Massachusetts is for General Motors vehicles.

Customers participating in the program are not subject to traditional underwriting criteria, and the only eligibility requirements are that the customer have a valid driver's license, that the new vehicle be registered in a state where the program is in effect, that the vehicle not be primarily used for commercial, fleet, or livery purposes, and that the new vehicle be one of the makes and models designated by the manufacturer as eligible for the program.

The coverages provided under the "In the Car"™ Program have been combined into two offerings, Basic and Enhanced. The Basic package is provided to new vehicle purchasers/lessees and is paid for solely by the vehicle manufacturer. The cost to the manufacturer is \$1,200 for the Basic package. If the customer desires higher limits, the Enhanced package is available for an additional premium payable by the insured. The cost to the vehicle owner/lessee for the Enhanced package is \$105.

There is no application to be completed, nor does the customer go through any underwriting or acceptability process. Policy issuance is initiated by Met when the customer contacts Met's call center. According to the Met filing, the dealership is not selling, soliciting, or negotiating the sale of insurance, nor discussing coverage, and is not collecting any compensation for the insurance coverage offered to the customer. The dealership does not ask any underwriting or coverage questions, and does not gather or provide any information that is not already part of the vehicle purchase or lease process.

Upon expiration of the manufacturer-paid policy term, Met will notify vehicle owners of their upcoming expiration dates and discuss options available to them for continuing coverage for their vehicles.

Subsequent policy terms will be issued at the customer's expense and are subject to underwriting guidelines.

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Allstate to Open Offices In Car Dealerships:

According to a press release issued earlier this week, Allstate plans to open full-service agent offices at auto dealerships across the country. According to the release ...

The next time a consumer buys a car from a dealer, they may be able to insure their new car, home and discuss their insurance protection needs with an Allstate agent before they drive off the lot. Allstate Insurance Company and Allstate Dealer Services announced today that auto dealers have the opportunity to open full-service Allstate agencies inside their dealerships.

"Allstate's dealer program seamlessly integrates the purchase and service of a vehicle with the opportunity to price your auto insurance with Allstate and work with a licensed insurance professional on all your coverage needs in a way that's never been done before," said Mark LaNeve, Allstate senior executive vice president and chief marketing officer. "Our agency owners are at the heart of Allstate's business and this program allows us to attract new customers at a time and location that's convenient for the customer."

"Agency offices will be placed inside the dealership, typically on the showroom floor and operate during regular hours of the dealership. Licensed insurance professionals and a team of support staff employed by the agency owner will be onsite to help customers assess their insurance portfolio and help make sure they have the protection they want. The program combines the power of an Allstate Exclusive Agency, a Good Hands® Network Repair Facility and Allstate Dealer Service products with dealer F&I offerings and the ability to integrate Allstate Benefits into the dealer's employee benefits platform.

"Many times there is a short waiting time between when a customer purchases a car and when they drive off the lot. During this time, the customer can talk with a licensed insurance professional about their insurance needs not only for their new vehicle, but also their home and other protection needs," said Doug Herberger, president of Allstate Dealer Services. "With a continued focus on our partners, we are bringing Allstate's suite of products and services to the consumer and giving auto dealers an opportunity to deepen their relationship with customers."

"Allstate and Allstate Dealer Services tested and modified this unique program during the past two years with Allstate agents in 11 dealerships around the country. The pilot revealed that the dealer program delivers the convenience of a one-stop-shop, the comprehensive and affordable coverage and the face-to-face interaction customers want ..."

Massachusetts has not permitted insurance agents to be physically housed in an auto dealership in the past. But with managed competition, we have seen things approved that we never dreamed possible.

So, why are we telling you all this? Two words ... Project CAP. Although our market share here in Massachusetts is much higher than the national average, we have lost market share since the start of managed competition. In December 2007, independent agents wrote 77.7% of the private passenger auto insurance in the state. By September 2011, our share of the personal lines auto market shrunk to 72.4%.

While our market share is still much higher than the countrywide figure, there is no denying that we are now losing market share at a higher rate than the countrywide average of one percent every two years.

MAIA Education ...

We've Got What You Need, When & Where You Need It!

Check out these great programs. MAIA has quality training for your entire staff available in a number of different formats.

Not sure what you need, contact Heather Kramer, MAIA VP of Training by phone at 800.222.2699 or 508.634.2900 or by email at hkramer@massagent.com.





Project CAP is an industry initiative to increase the online market presence and visibility of independent agencies, brokers and carriers in order to regain and grow market share in personal lines insurance. The stakes are high. On a countrywide basis, each 1% market share gain translates to \$2.8B for the independent channel.

Today, nearly 75% of personal insurance consumers will begin their search for new coverage online. Will they find you? The insurance marketing experts at Project CAP can help ensure they will. From new Agency Marketing Programs to a new online Consumer Portal, Project CAP is leading the charge to provide independent agents with everything they need to attract and interact with today's digital consumer.

Project CAP is driven by the leadership vision and funding of IIABA, Trusted Choice®, affiliated state associations including MAIA, and independent insurance carriers.

Project CAP's goal is to help you navigate the world of Internet marketing. If your agency website could use an update, Project CAP is for you. (Maybe you have yet to create a website!) If you don't know the difference between a blog and a tweet, Project CAP is for you. If a phrase like 'Search Engine Optimization' makes your eyes glaze, Project CAP is for you.

Choose a Plan that's Right for You

With Project CAP, there are many options to choose from:

- Free Bronze program offers a complete overview of online marketing with content and tools you can start using right away.
- Silver and Gold packages build on the free resources with even more education for you and a content library for your customers, among other things.
- Full-service Platinum and Diamond programs are with you every step of the digital way, from personal consultation and social media, to custom blogs and email marketing.
- An exciting new Trusted Choice® Mobile app customized for your agency can boost your credibility in this smartphone age. With it, consumers can dial or email you with one touch, create a home inventory, document an accident and more.

No matter which plan you choose, you'll have access to the Consumer Portal where insurance consumers can:

- Learn more about the insurance they're shopping for
- Get an auto insurance quote
- Find an agent in their area (you pay a nominal fee for prospects)

It's a new year and there's a new way to find and serve customers. It's called Project CAP.

The time is now to take action. Visit ProjectCapMarketing.com and get started today or tune in to MAIA's Informational Streaming Live program on Project CAP. If you still have questions, feel free to contact Donna McKenna or Kathy Cormier at the MAIA by phone at 800.972.9312 or 508.634.2900 or email at dmckenna@massagent.com or kcormier@massagent.com.



Number One Insurance ...

Visit massagent.com and click on NUMBER ONE AGENCY, and we'll help you navigate your way through the markets offered by MAIA and the Number One Insurance Agency, Inc. We have markets for your agency and markets for your clients.

Got questions? Call or email Agency Manager Ann Tobin at 800.742.6363 or atobin@massagent.com.



CAR/MAIP News:

CAR Files for Use of Massachusetts Mandatory Endorsement ...

Commonwealth Automobile Reinsurers has filed with the Division of Insurance to adopt the Massachusetts Mandatory Endorsement M-0099-S for use with assigned risk Massachusetts Automobile Insurance Policies (AIB 2008 Version) and MM 99 11 10 11) for ceded Massachusetts Commercial Automobile Policies and Forms for ceded policies with effective dates of April 1, 2012 and subsequent. The change introduces language relative to the determination of actual cash value as set forth in 211 CMR 133.05(1) to comply with Division of Insurance Bulletin 2011-14.

Following is the change of wording in the endorsement:

MAP General Provision 21. Actual Cash Value (personal auto)

6. Actual Cash Value (commercial auto)

Whenever the appraised cost of repair of an auto plus the probable salvage value of the auto may be reasonably expected to exceed the actual cash value of the auto, we shall determine the auto's actual cash value. Our determination shall be based on a consideration of all of the following factors:

1. the retail book value for an auto of like kind and quality, but for the damage incurred;
2. the price paid for the auto plus the value of prior improvements to the auto at the time of the accident, less appropriate depreciation;
3. the decrease in value of the auto resulting from prior unrelated damage which is detected by the appraiser; and
4. the actual cost of purchase of an available auto of like kind and quality but for the damage sustained.

Do YOU Know the Answer to Today's



Every week day, MAIA posts a question from an MAIA member and the answer to that question by a member of the MAIA Staff.

Here's a sample of the kinds of questions that are posted on MAIA's ? of the Day:

Q. We have a RMV question, one of our insured's called the RMV and was told they need to put a Livery Plate on there 15 Passenger van. The insured is a church and will only be

using it twice a week. Is this true or can they simply put a commercial plate?

A. Donna McKenna: The RMV representative is correct.

I've attached the livery plate definition along with some frequently asked questions from our digital Registry Procedures Manual. Hope this helps. Please feel free to email or call if you have further questions.

If you haven't checked out our Question of the Day, click on the little black bug and see if you know the answer. As an added bonus, you can keyword search previous questions on a particular subject or check our archived questions if you happened to miss a day.

MAIA's ? of the Day is posted in the members-only section of our website, so you will need to login to access the information. If you've already registered on massagent.com, then you're good to go. If not, the registration process is simple and will take you less than five minutes. You can use your email address and a password of your choice to set up your account. Click here to register now.

Member Benefits:

Here are just a few of the benefits of your MAIA membership:



Online shopping portal that pays YOU on purchases you're already making. Click here to set up your account today!

MAIA Publications ...

MAIA is committed to providing you with the most up-to-date information through a number of timely newsletters and other publications including:

- The Massachusetts Agent
- Tech Talk
- Registry News
- Flash Bulletins
- Government Affairs Updates
- The Marsh-Berry Letter



A library of important information for MAIA members only (registration and login required) ... Click here to see available documents.



MAIA has posted information on each company's private passenger auto insurance rules, rates and forms. Click here to check out the latest filings from your companies and your competitors.

MAIA Update:

Dempsey Agency Employee is 10,000th Person to Register on massagent.com ...

Susan Manfredi was surprised when she received a call from MAIA VP of Marketing and Convention Services Melinda Corder informing her that she was the ten thousandth person to register on MAIA's website - massagent.com -- and the winner of a \$100 gift card.

Manfredi, a personal lines account representative with Dempsey Insurance Agency, Inc. in Norwood, said she registered on the MAIA website because of an email received from MAIA instructing members who not yet registered on massagent.com to do so.

Said Manfredi, "I never win anything, so this is a pleasant surprise." She said she planned to use the gift card for a nice dinner out.

Manfredi has worked in the agency business for 30 years, starting part-time when her children were small and adding hours along the way as the kids became more independent. She has been at Dempsey Insurance for 23 years. Congratulations, Susan, and enjoy your dinner on MAIA!

Need Help??

We've Got Two People Looking for Internships ...

MAIA has heard from a couple of people who are looking to do an internship in an agency. If you think you could use an intern and want to make contact with the two we have, visit the "Interns Looking for Agencies" section of Job Central on massagent.com and take a look. If you have a specific need for an intern, it's FREE to add your post to the "Agencies Looking for Interns" section of Job Central.

We Have Agencies Looking for Interns ...

College and high school students will be out before we know it, and they'll be hot on the trail of available jobs and internships. We encourage to post your internship on our Job Central Internship Opportunity Board.

IIABA News:

IIABA and Swiss RE Announce "E&O Happens" Website ...

The Big "I" Professional Liability Program and Swiss Re Corporate Solutions recently launched a new and improved risk management "E&O Happens" website available exclusively to agency E&O Swiss Re Corporate Solutions policyholders.

"On average, about one in seven agents will report a potential E&O incident to their carrier every year according to Swiss Re Corporate Solution claims data," says Big "I" President and CEO Robert Rusboldt. "The Big "I" Professional Liability Program joined forces with Swiss Re Corporate Solutions to create this industry-leading risk management program to help Swiss Re Corporate Solutions policyholders avoid E&O claims and improve their agency's operation."

"The resources available on the E&O Happens website are very practical and can help agencies create greater awareness with agency staff of the need to proactively avoid E&O claims," says Sabrena Sally, CPCU, Swiss Re Corporate Solutions senior vice president. "We want to offer our insureds more than just a policy but a comprehensive program. Every agent needs to think about their own E&O exposure and the good news is that a well-run agency operation is one that can avoid claims and successfully defend itself should one occur."

The site -- www.iiaba.net/eohappens -- is designed to help SwissRe policyholders find risk management information and tools to help them avoid future claims. Some of the information and tools available include: understanding the root cause of E&O claims, prevention tips for all agency staff, sample disclaimers, sample procedures and customer letters, operational self-assessments, real-life case studies for learning, E&O-related articles, and more.

The website also offers expanded E&O-related content with the the inclusion of the Big "I" Agents Council for Technology (ACT) and Big "I" Virtual University (VU) E&O -related materials.

MAIA would like to acknowledge our 2011 Agent Awareness Campaign Diamond and Platinum company partners. Please support those companies that support the Independent Insurance Agent.

**Massachusetts Association of Insurance Agents
Agent Awareness Campaign
2011**

Diamond Partners

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INSURANCE GROUP

The Hanover
Insurance Group.

Safety Insurance
AUTO • HOME • BUSINESS

Platinum Partners

THE ANDOVER COMPANIES

MAPFRE | **Commerce**
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ND.

Peerless
Insurance.
Member of Liberty Mutual Group

More Than Just Insurance.
Plymouth Rock
assurance.

QUINCY MUTUAL GROUP