DOI News:

Daniel Judson Steps Down as Insurance Commissioner ...

Daniel Judson has announced that he will step down as Commissioner of Insurance at the end of February to take the position as President of the Workers’ Compensation Rating and Inspection Bureau of MA (WCRIB). Judson is set to begin at the WCRIB in March.

First deputy insurance commissioner Gary Anderson will run the MA Division of Insurance until a replacement for Judson is named.

Judson was appointed as Commissioner of Insurance in 2015. Prior to this appointment, Judson was president of the Commonwealth Automobile Reinsurers (CAR). He previously served the Division in the roles of attorney, deputy commissioner, and general counsel. In the private sector Judson was a partner at Morrison Mahoney LLP and compliance manager at Coverys.

MAIA is eager to see who Governor Baker will appoint to the newly vacated seat, which oversees the regulation of the insurance industry in Massachusetts. This position plays a vital role in the state and the association looks forward to continuing a healthy working relationship with the Division.

Auto News:

2016 MAP Now on File ...

As outlined by the Automobile Insurers of Massachusetts (AIB), the Massachusetts Division of Insurance (DOI) has placed on file and approved the 2016 Massachusetts Automobile Policy (MAP). A significant number of changes from the 2008 policy are now in effect. MAIA strongly suggests that agents selling auto insurance understand the differences in the new policy form.

Included below is a snapshot of changes in the 2016 form, some of which were outlined in the December 2016 edition of the Tech Talk newsletter.

Snapshot of Changes:
- **Definition and Agreement changes**
- **Compulsory Auto changes**
  - **Part 1 Bodily Injury to Others:** Adding exclusions, Punitive damages, Transportation network exclusion, Defense
  - **Part 2 PIP:** Adding Exclusions, Transportation network exclusion, Racing
  - **Part 3: Bodily Injury Caused by an Uninsured Auto:** Adding exclusions, Transportation network exclusion, Racing, Restriction of when coverage applies,
  - Changes to reduction of coverage to 35/80 discussion, Additional language added

2016 MAP ...continues on page 2
February 8, 2017

2016 MAP ...continued from page 1

- **Part 4: Damage to Someone Else’s Property**: Insuring agreement changes. Problems for when rent/borrow vehicles, Add'l language excluding damage/loss to rented/borrowed vehicles, Add'l language excluding diminution in value, Revised exclusion for transportation network, delivery, Add complete exclusion for racing
- **Optional Coverages**: General exclusion changes, Transportation network, Add racing exclusion for all optional coverages
- **Part 5 Optional Bodily Injury**: Add Punitive damages exclusion, Add defense exclusion, Modify delivery exclusion, Add exclusion for assumption of liability
- **Part 6 Medical Payments**: Add exclusions, DWI/felony/intentional injury, W/C
- **Part 7, Collision, Part 8, Limited Collision, Part 9 Comprehensive**: Add language regarding determining ACV, assumption of liability, towing/storing/recovery costs, modify exclusionary language for diminution in value
- **Part 10 Substitute Transportation**: Restrict length of time pay rental charges, Determination for any loss, Total loss to 7 days from offer
- **Part 12 Bodily Injury by Underinsured Auto**: Revises exclusions, Removes exclusions made generic optional
- **General Exclusions and Conditions changes**
- **Cancellation changes**

Registration is now open for MAP 2016- Differences from 2008 (2 CE) with Irene Morrill, VP of Technical Affairs. The 2-hour streaming live presentation will be streamed live on the following dates: March 13th, March 24th, April 27th and May 19th.

<table>
<thead>
<tr>
<th>Streaming Class- MAP 2016- Differences from 2008 - 2 CEU</th>
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<tbody>
<tr>
<td>Register for 3/13/17</td>
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**DOI News:**

**LTCI Rate Increases Announced ...**

On January 20, 2017, the Massachusetts Division of Insurance (DOI) announced that it has placed 16 long-term-care insurance carriers amended rate increases on file for more than 30 LTCI products. Rate increases were permitted up to 40%, with annual increases limited to 10%.

In a statement on the Division website, Insurance Commissioner Daniel Judson discussed the lengthy carrier negotiations which aimed to protect consumers and provide solvency in the market saying, “Through extensive and collaborative negotiations with insurance carriers, we’ve been able to place reasonable limits on long-term care insurance rate increases, and empower policyholders with new coverage flexibility and new consumer choices.”

Negotiations with carriers also included “enhanced, uniform consumer protections and policy options for newly issued LTCI policies”. These new protection options include:
- Carriers must send policyholders a Division-approved rate increase notice letter and a Division-approved Question and Answer document at least 90 days before new rates take effect.
- Carriers must offer LTCI policyholders options to lessen the impact of a rate increase through changes to policy benefits.
- Consumers may choose to alter their LTCI benefits by increasing the period before benefits begin, by reducing their policy’s maximum benefit period, by reducing or eliminating their policy’s inflation protection, and by reducing their policy’s daily benefit amount.
- Carriers must provide a paid-up coverage should a policyholder choose not to renew due to a rate increase.
- Carriers must establish dedicated toll-free phone numbers for their LTCI policyholders to answer consumer questions about the new rates and benefit choices.

The premium increases do not come as a surprise for those who specialize in Long Term Care Insurance. States across the nation have allowed much more aggressive increases in the past several years, while Commissioner Judson and his predecessor Joe Murphy have managed to maintain significantly more conservative rate increases here in Massachusetts.

“These increases are very conservative, compared with other states, and were allowed after a tremendous amount of due diligence, and careful actuarial reviews.” says independent agent Mark Baron, of Baron Long Term Care Planning in Andover. Speaking on behalf of the Massachusetts Association of Health Underwriters (MassAHU), Baron also cited the effect of extremely low interest rates on reserves, the number of policies in force, the purchase of inflation protection and claim activity as factors in the LTCI market.
It is important to note that currently the Commissioner of Insurance has no oversight on the pricing of Group Long Term Care plans, which are negotiated between the employer and the insurance company. While Commissioner Judson hopes to have oversight on these group plans in the near future, Group Long Term Care Insurance rates will experience much higher rate increases as they are not under the state’s control.

**Comp Corner:**

**WCRIB Revision, Changes & Updates Effective January 1, 2017**

Revisions and changes went into effect on January 1, 2017 for the Massachusetts Assigned Risk Pool Application and several supplements. The changes were approved and announced by the Commissioner of Insurance in Circular Letter 2300. All can be found for use on the [WCRIB website](http://wcrib.org).

- Massachusetts Assigned Risk Pool Application
- Massachusetts Workers’ Compensation Insurance - Employee Leasing Supplemental Application
- Massachusetts Exclusion of Coverage for Leased Employees Endorsement - WC200305

Four new supplemental applications also took effect on January 1, 2017:

- Client of Labor Contractor Supplemental Application
- Labor Contractor Supplemental Application
- Construction Contractor Supplemental Application
- Trucker/Delivery Supplemental Application

**act News:**

**On-Demand Webinars ... Improving Cyber Security in 4 Simple Steps**

A reminder that ACT (Agents Council for Technology) has a library of Pre-recorded Webinars for on-demand viewing.

The most recent webinar, “Improving Cyber Security in 4 Simple Steps” was recorded in October of 2016, in a partnership with the Center for Internet Security (CIS) to offer a set of ‘Cyber Hygiene’ tools to help agencies count, configure, control and patch all software, hardware, and security-related aspects of agency business. Learn about these exciting security tools so that you have the necessary plans in place to protect your valuable agency hardware and data.

View the library of pre-recorded webinars on the [act webpage](http://actwebpage).

**Flood News:**

**Announcement of FEMA Letters ...**

As part of the Homeowner Flood Affordability Insurance Act of 2014 flood policyholders will begin to receive a letter directly from FEMA regarding their property’s flood risk. Mailings were set to begin in January 2017. The letters will “communicate their known flood risk and how it relates to the premium being charged.”

Letters will be sent within two months of policy renewal or the purchase of a new policy and FEMA will continue to mail these letters after each renewal. Letters will identify their zone, their flood risk and how their premium is currently rated (Grandfathering, Discounts, Elevation Certificates). Based on the situation, different topics are addressed and suggested to be reviewed/considered with the assistance of their insurance agent.
FEMA has published guide for policyholders, flood companies and insurance agents on their website: https://www.fema.gov/cost-of-flood. The categories and sample letters are as follows:

<table>
<thead>
<tr>
<th>LETTER A</th>
<th>Buildings Newly Mapped Into A High-Risk Flood Area</th>
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<tbody>
<tr>
<td>LETTER B</td>
<td>Buildings Standard-Rated, And Outside Of The High-Risk Flood Area</td>
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<tr>
<td>LETTER C</td>
<td>Buildings Grandfather Rated, And In A High-Risk Flood Area</td>
</tr>
<tr>
<td>LETTER D</td>
<td>Primary Residential Pre-FIRM Buildings In A High-Risk Flood Area, Paying A Discounted Rate</td>
</tr>
<tr>
<td>LETTER E</td>
<td>Non-Primary Pre-FIRM Buildings In A High-Risk Flood Area, Paying A Discounted Rate</td>
</tr>
<tr>
<td>LETTER F</td>
<td>(sample letter not available- more info about PRP on this page) Buildings Mapped Outside Of A High-Risk Flood Area, And Insured With A Preferred Risk Policy [PRP]</td>
</tr>
<tr>
<td>LETTER G</td>
<td>(sample not yet available) Buildings That Are Post-FIRM, In A High-Risk Flood Area, And Paying A Rate Based On True Flood Risk</td>
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Additional Flood Resources
Members are reminded to utilize the flood insurance resources provided by MAIA and the Number One Insurance Agency.

WYO Market –
MAIA members may sign up to write business in our WYO Flood Insurance Program with The Hartford through Number One Insurance. MAIA member agents receive top-dollar commissions (20% and 19%) and excellent support. Sign up or receive assistance with your book roll today. For additional information please contact Judy Carlson at the Number One Agency, Inc. at 800-742-6363 or jcarlson@massagent.com.

Flood Classes –
Catch Flood 101 on Friday mornings at MAIA's Training Center Video Room. This pre-recorded session runs weekly and provides 3 continuing education credits which satisfy the state requirements for flood training.

Talking with Clients –
Flood Client Offer & Sign Off (Customizable Form)
Flood Stickers for Homeowners Policies (Available for purchase)

MAIA News ...

New Staff Members Join MAIA and Number One Insurance Agency
MAIA is happy to announce the addition of two staff members to MAIA and the Number One Insurance Agency.

Donna Goncalves joined the Number One Insurance team in November and is transitioning into the role of E&O Program Manager. Donna comes to the Number One E&O team with 20+ years of insurance experience and is excited to work with MAIA member agents on their E&O coverage. Donna will be working closely with long-time E&O Program Manager, Ellen Stoppel on Utica and Swiss RE Corporate Solutions accounts as she transitions into her new role.

Ashleigh McDonald joined MAIA's Marketing/Communications team on January 1st. Ashleigh comes to the association with a background in customer service, corporate marketing and social media management. As a marketing/events coordinator she will assist in all aspects of the associations marketing and communications program, planning of MAIA's annual conference and trade show, The Big Event, and will take the lead on the association's social media presence.
Save the date for the 5th Annual Young Agents Invitational

The Young Agents Committee will host the 6th annual Young Agents Invitational Golf Tournament on June 28, 2017 at Pinehills Golf Club in Plymouth, MA. Please save the date. Registration will open in March.

Thanks Company Partners

MAIA would like to acknowledge our 2016 Agent Awareness Campaign Diamond and Platinum company partners. Please support those companies that support the Independent Insurance Agent.
How to Protect Your Agency from Employee Lawsuits

by Terese L. Palumbo, Esq., CCLA

Smaller employers like insurance agencies may find themselves defending against accusations of wrongful termination, discrimination and/or harassment from employees who they once considered to be like family. While it may not be possible to avoid employment-related practices claims entirely, the following dos and don'ts may help your agency be better prepared if an employment-practices liability claim is filed against you or your agency.

**DO**

› **Conduct regular performance evaluations.**
  - Include goals for employees to achieve by the next review.
  - Allow for discussion and the opportunity to comment on each review and/or goal.
  - Document the evaluations in writing and have them signed by the employee and their supervisor.

› **Maintain a current employee handbook.**
  - Set forth the agency’s procedures for employment-related complaints. For example, complaints can be made verbally or in writing to an employee’s direct supervisor, management and/or the Human Resources Department; a one-on-one meeting will follow within a reasonable amount of time to discuss the specifics of an employee’s complaint; and the agency will provide a formal response to the complaint.

› **Implement employment-related training** annually and for all new hires on what constitutes harassment in the workplace. This can be done through guest speakers or webinars.

› **Document all work-related issues with each employee**, regardless of their position within the agency (e.g., tardiness, unexcused or excessive absences, poor performance, insubordination, complaints from co-workers and/or customers).
  - Allow your employee to acknowledge and/or respond to the issue brought to their attention

› **Clearly set forth grounds for termination of employment** including violations that may result in immediate termination, such as criminal behavior, and/or the number of warnings allowed for violations that may result in termination of employment.

› **Address or investigate complaints** involving employment-related practices or accommodations by your employees.

**DON'T**

› **Engage in, encourage, or ignore** questionably offensive behavior such as sexist or racist remarks.

› **Rely on verbal conversations** regarding any aspect of an employee's job such as salary, bonuses, or mistakes. This includes making promises concerning the term or length of employment.

› **Assume your employees are already aware of, or will remain current on**, acceptable work conduct and behavior in today’s changing and diverse workforce.

The above dos and don'ts are only a few suggestions to assist in the review of your agency’s employment procedures. Any additional precautionary efforts that might reasonably protect the agency from future employment-related practices claims can also be implemented.