HABITATIONAL DISCOUNTS, COMPETING WITH DIRECT SALES WEBINAR & THE WORST CARS NEED LOVE TOO

OFFER YOUR COMMERCIAL HABITATIONAL CLIENTS THIS POWERFUL DISCOUNT WITH YOUR PROPOSALS!

By: Rick Cote - *MiddleOak*® Wholesale Distribution manager

Cooking fires are the #1 cause of home fires and injuries, resulting in millions of dollars in property damage. You can provide your client with the solution to mitigate this ongoing expense, tenant loss, and hassle! You can offer your client a way to:

- Reduce chance of injuries and tenant disruptions after a kitchen fire
- Strengthen relationships with tenants and increase retention
- Premium savings can equal thousands of dollars on the MiddleOak policy
- Short payback period for investment in devices - only three years or less
- Reduce the cost of cleaning and painting after property damage
- Improve claim history - and help keep future premiums low
- Devices are easy to install, with little to no maintenance (no batteries)

Please be sure to use this when reviewing your habitational proposals: Stove Top Fire Suppression video

Watch it in action - in the news!

MiddleOak's Habitational program for apartments and condominiums is currently available to member agents in AR, AZ, CO, DE, GA, IA, ID, IN, KY, MD, ME, MI, MO, MT, NH, NJ, NY, NV, OH, OR, PA, SC, TN, UT, VA, VT, WA, WI and can be found at www.bigimarkets.com.

SPECIAL FEATURE:

Big "I" Webinar
Competing with Direct Sales & Captive Agency Insurers in Personal (and Commercial) Lines

March 25, 2015; 1:00 to 4:00 p.m. Eastern Time
$79 - Click here to register.

Are you tired of all the insurance commercials that shout "Price! Price! Price!"? Are you sick of the silly claim that someone's exposures to loss can be analyzed and priced in 15 minutes or even 7 ½ minutes? How about losing business to someone selling an inferior product yet claiming, "SAME COVERAGE, Better Value"? If so, then sign up for the new 3-hour webinar called "Competing with Direct Sales and Captive Agency Insurers in Personal (and Commercial) Lines." While the focus is primarily on personal lines where direct sales and captive agency companies dominate the marketplace, the first hour addresses both P&C lines and many of the principles discussed throughout the webinar are applicable to both. VU webinar questions can be sent to bestpractices@iiaba.net.

THE WORST CARS NEED LOVE TOO

If you ask the average person on the street to name a great classic or collectible car you'll probably get names like Model T, Camaro, Mustang, T-Bird, Corvette, Trans Am, Cadillac, VW Beatle or foreign manufacturers such as Mercedes, Ferrari, Porsche, Lamborghini or Jaguar. But then if you ask them to name a car that was a bust expect to hear the Yugo, Pinto, Pacer, Gremlin, and in a classic case of massive over-hype - the entire Edsel line. I recall a contemporary review of the Yugo stating the only good thing about the car is the great radio which helped to drown out the loud noises made by the rest of the car. The Chevy Vega was said to start rusting as soon as it left the showroom. Deserved or not a car name can bring powerful or disturbing images to mind.

Ask the same two questions of people to whom cars are a passion and you might be surprised that the two lists combine. Perusing *Time*'s Top 50 and Edmunds.com Top 100 **Worst Cars of All Time** was interesting. Surprises leap out such as the underpowered '75 Corvette, '80 Ferrari Mondial, and '82 Camaro. While the Pinto made the list due to its unsafe fuel tank placement the '75 Morgan Plus 8 Propane had propane tanks behind the rear bumper. The ironically named Waldo Waterman flew the first Flying Car in 1934 and the last of his flew over 20 years later. How about an amphibious car that wasn't always watertight?

No matter how bad (or dangerous) the car is/was someone out there loves it, restored it, and keeps it running. These special cars need specialized insurance and you have access to Chubb's Collector Car program through Big "I" Markets. They can cover all of the classic & antique cars, trucks, tractors, fire trucks and even military vehicles. Chubb will entertain new collector car risks provided that they meet the following guidelines:

- All operators in the household must have good driving records.
- The vehicle should not be operated by anyone under the age of 25.
- All operators should have experience operating similar vehicles (i.e., high performance).
- There is one regular-use vehicle per operator.
- The vehicle should be used primarily for collector car purposes.
- The vehicle should not be used during instruction, practice, preparation for, or participation in any competitive, prearranged or organized racing or speed contest.
- The vehicle is not used on a racetrack, test track or any other course of any kind.
- The vehicle is garaged.

Minimum vehicle age for eligibility is 30 years old. Chubb will consider these vehicles on a monoline basis, but if that's the case, they generally do not accept newer special interest cars, i.e. 2007 and later Shelby GT500 (top of the line Mustang), Corvettes, etc. While these newer special interest vehicles can certainly be considered as part of a larger account situation, provided the usage and security are acceptable AND we also write the regular use vehicles, please note some examples of cars not quite 30 years old that have qualified in the past: early '90s Mercedes SL's, Porsche's (911, 928), Land Rover Defender 90's and 110's, etc.

Chubb's Collector Car program is available to members in all states except MA and SC. Learn more by logging into Big "I" Markets.

WEBINARS

Ethical and Legal Obligations

"Legal and Ethical Obligations for Insurance Professionals...Or 24 Ways to Get Into So Much Trouble Even Agent Jack Bauer Can't Save You"
February 11, 2015; 1:00 to 4:00 p.m. Eastern Time
$79 - Click here to register.

This webinar discusses the many ethical and legal obligations that insurance professionals have as a matter of statute, regulation, or case law (tort and breach of contract). Included are the types of legal and ethical obligations faced by agents and other insurance professionals, with a focus on how to make daily decisions within a legal and ethical framework. 24 specific areas of agency operation are examined, along with any legal and ethical components within those areas. VU webinar questions can be sent to bestpractices@iiaba.net.

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Free Risk Management Webinar Feb 18th
Avoiding E&O Exposure When Advocating For Customer Claims

The Big 'I' Professional Liability Program and Swiss Re Corporate Solutions are hosting a FREE risk management webinar on February 18th at 2 p.m. EST to provide members with the guidance on how to avoid E&O exposure when advocating for customer claims. The webinar will last about 45 minutes and share details on the "Do's" and "Don'ts" when advocating for customer claims after an initial denial. A 2012 survey of panel counsel attorneys for Swiss Re revealed that improperly advocating for customer claims was one of the most common errors and most dangerous things agents could do to expose themselves to E&O claims.

All agency staff can benefit from attending this webinar. Register today! Investments of Passion are on the Rise
AIG Offers Comprehensive Coverage and Pioneering Loss Prevention Solutions

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Remember that you can view the following webinars 24/7 by checking out the BIM Webinar Library. To do that log onto Big "I" Markets and click on "Publications".

- Personal Liability Trends - Fireman's Fund
- TravPay
- Commercial Lessor's Risk
- Affluent Homeowners
- Travelers Select Products (series)
- Travel Insurance
- Community Banks
- XS Flood
- Real Estate E&O
- RLI Personal Umbrella
- Affluent Homeowner
- "Oh, by the way...Flood Sale"
- Habitational
- Non-standard Homeowner
- Student Housing

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"OH BY THE WAY...FLOOD SALE" WEBINAR

Interested in learning flood marketing techniques? Participate in the "Oh, By the Way...Flood Sale" webinar presented by Big "I" Flood. Topics in the fast-paced 1 hour presentation include: Reasons to Sell Flood Insurance · Reasons Consumers Should Buy · Limited Product Knowledge · Misconceptions by Agents & Consumers · Talking Points & Myth Busters · The Flood Risk · Flood Resources – Facts & Statistics.

Webinar dates:

- **RESCHEDULED** - Wednesday, February 11th at 2:00 p.m. EDT

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For all you folks who recently registered for Big "I" Markets, remember you can participate in a webinar from the comfort of your office to help you learn how to navigate around the system. Every Thursday at 2:00 p.m. EST we'll show you how to navigate the Big "I" Markets platform, including how to submit a quote! Register for the webinar by sending an email with your name and company name to bigimarkets@iiaba.net. Include "Website Navigation Webinar" in the subject line or body of your email. A recording of this webinar can be found under "Publications" after logging into Big "I" Markets.

STUDENT OF THE INDUSTRY PARTING SHOT

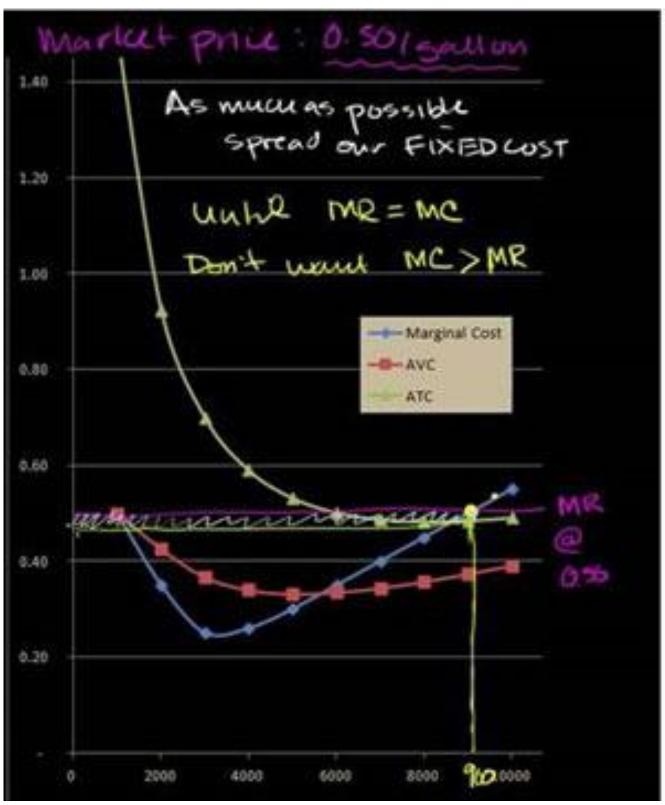
MR=MC or How Much to Pay for A Warm Lead?

By Paul Buse, *President of Big I Advantage*

This week I was discussing with staff of Trusted Choice, the concept of a seller of goods incurring added costs to make one more sale. Based on long accepted micro-economic theory, a seller with some fixed costs will continue to incur costs to sell more until the marginal revenue equals the marginal cost (below at MR=MC). "Marginal" in this context does not mean substandard or "edgy" but rather the cost associated only with that sale and the revenue at that sale "added at the margin." So with this theory and applied to a personal auto insurance I had the opportunity to revisit my micro-economics lessons compliments of Youtube and Khan Academy.

My re-education applied to insurance went like this. At an average premium of $850 for a personal auto policy and assuming a commission of 15%, an agent's marginal revenue on the sale is $127.50 (15% times $850). One would assume, then, that if an agent typically has a quote to bind ratio of 25% that the most the agent would pay for a quoting opportunity is $32 (that is, $127.50 ÷ 4). Note this assumes the only variable cost in the sale is the cost of the lead. For example, in this case there is no producer commission sharing or other costs incurred solely because of an added sale. If there are producer commissions, under this MR=MC theory, the amount an agent would pay for a lead would be reduced by that amount.

So, here's the question for students of insurance out there. Why might leads for "auto insurance" on Google regularly cost substantially more per quoting opportunity than the first year commissions would seem to justify? We've seen analysis per "warm lead" of well over $250 per lead. Have a theory? Email Paul.buse@iiaba.net.



Source: Source: Youtube and Khan Academy "Marginal Revenue and Marginal Cost"

TWO FOR TUESDAY TRIVIA

Be one of the first five with the correct answers and win an envy-inspiring *TFT* Trivia T-shirt. Don't forget to answer the Tie Breaker!

The Super Bowl questions tripped a lot of people up. Congratulations to this week's winners!

Rob Blakeley (FL), Milka Stanojevich (IL), Jessica Noell (VA), Nadine Dockstader (MI) & John C. King (MS)

1. Steve Winn accidentially poked his elbow throw which famous Picasso painting? **- LE RÊVE**

2. Sunday's Super Bowl XLIX. What will it be called next year? **- SUPER BOWL 50 (Not Super Bowl L)**

3. Would Philadelphia's Miscellaneous Professional Libility cover a Safety Consultant? **- YES**

TIE BREAKER

How many times in Super Bowl history has a kickoff been returned for a touchdown? **- TEN**

LAST WEEK'S MOST CLICKED LINKS

Here are the top three items that got BIM agents clicking from our last edition... see what you missed!

1. FREE Risk Management Webinar
2. Survey of Panel Counsel Attorneys
3. Dog Groomer gets sued

BIG "I" MARKETS SALE OF THE WEEK

Congrats to our agent in Washington on a bond sale of $**17,544** in premium!