

TWO FOR TUESDAY from Big "I" Markets

HELPING YOUR CLIENTS PREVENT WATER DAMAGE, HIRING ISN'T THE LAST STEP, & BICYCLES VS. HIT-AND-RUN DRIVERS

HELPING YOUR CLIENTS PREVENT WATER DAMAGE IN THEIR HOMES

By Stephen G. Poux

Unlike a burglary or fire, a malfunctioning icemaker is not likely to make the evening news. Yet anyone who has experienced a plumbing leak at home knows the drama all too well.

When it comes to homeowners insurance claims, water damage from a plumbing leak is six times more likely to occur than fire, and seven times more likely than theft.* Here are just a few real-life examples:

- A wedding celebration had to be relocated after a pipe in a third-story bathroom leaked throughout the first and second floors of the home.
- A leaking air-conditioning unit destroyed a painting when water saturated the drywall behind the canvas.
- A vacation home was destroyed when a frozen pipe ruptured. Water ran continuously for several days, dumping thousands of gallons and turning the basement into a swimming pool.

In addition to costly damage and overall frustration, these scenarios share a common theme: They could have been avoided or minimized significantly. Following are insights and recommendations that you can share with your personal lines clients.

Take advantage of technology

In most cases, the severity of water damage relates to occupancy, or a lack thereof. No one was home when the bathroom pipe leaked, the air conditioner leaked or the washing machine hose broke. Had immediate steps been taken, the homeowners involved could have used a mop instead of a claims adjuster.

"Whole-house" water shut-off systems can detect or prevent water damage due to plumbing malfunctions or leaks. They are designed to respond when no one is home and often connect to a central security system. Generally, there are two types:

- Flow-based devices monitor water flow in the pipes, allowing water to flow continuously for a set volume or length of time.
- Sensor-based devices are placed in high-risk locations, such as near artwork or appliances that use water.

Sensors signal the valves to close when they get wet or fall below a critical temperature. Devices can be used in combination for maximum protection.

If a home is not equipped for holistic detection, point-of-use devices can be applied directly to the supply lines of toilets, sinks, dishwashers, washing machines and more. Vendors such as Water Security Solutions can advise on appropriate device choices for each homeowners' needs.

More mitigation measures

Here are additional actions homeowners can take to reduce the likelihood of water damage:

- For those who own secondary or seasonal residences, have a caretaker check in every day. A walkthrough should include every floor and room with a water-consuming appliance. During sub-freezing temperatures, have rooms checked twice a day.
- Replace the washing machine's rubber hoses with steel-braided ones, and replace them every five-to-seven years.
- Have a maintenance service agreement for air-conditioning units and water heaters. Ideally, they should be checked on a semi-annual basis.
- Inspect water-supply lines under sinks and appliances regularly. Replace inexpensive plastic tubing and valves with metal or steel-braided connections.
- Install a basement sump pump and keep a back-up power supply. Examples include systems with battery back-up or ones powered by water pressure.
- Install a permanent back-up electrical generator to power the critical systems in the home, such as the furnace, alarm system and sump pump.

TWO FOR TUESDAY from Big "I" Markets

- Schedule an annual inspection of the roof and flashing. Caulk joints around doors and windows should be inspected as well.
- Clean gutters and drains twice a year to ensure that water from rainstorms is channeled away from the home quickly.

Insurance considerations

Even with a robust mitigation plan, we all know that damage can and does occur. As trusted independent insurance agents, you can ensure that homeowners policy limits reflect the breadth of your clients' assets, and work with providers that support proactive measures to safeguard their properties.

*Source: <http://leakdefensesystem.com/>

Stephen G. Poux is Senior Vice President, Head of Risk Management Services and Loss Prevention for AIG Private Client Group, a division of the member companies of American International Group, Inc. (AIG). Steve oversees a team of more than 70 seasoned risk management specialists who help high net worth individuals and families maximize their safety and proactively reduce the likelihood of loss. He has over 25 years of property casualty insurance experience.

SPECIAL FEATURE:

You Aren't Finished When You Hire the Right Person: You're Only Getting Started

A mistake that many professionals make when hiring is thinking that the hiring process is over when they've found the right fit, made the offer, and received acceptance.

Nothing could be farther from the truth.

However, not everyone has the budget for formalized, robust, and extensive training programs - especially if you're an insurance agency leader wearing numerous hats.

But there is an easy and cost-effective way to get your new hires off on the right foot. All that entails is making the new hire aware of their strengths, areas of development, and some training opportunities. Having a conversation like this not only opens the door to a better working relationship, but it also builds trust and employee engagement.

It all starts with an Individual Developmental Guide.

This guide is special report derived from the results of the Caliper Profile (which you may already be using to assess for new employees).

The Individual Developmental Guide offers a wide range of practical suggestions to help individuals improve in areas that might be holding them back.

When using an Individual Developmental Guide (IDG), you are able to:

- Identify what really motivates each individual
- Highlight job-related strengths
- Pinpoint areas of developmental opportunity
- Utilize practical suggestions for improving performance
- Improve your ability to coach individual employees

As a valued IIBA partner, Caliper is offering a free Individual Developmental Guide with the purchase of your next Caliper Profile. This is a \$100 value! To take advantage of this offer, [click here](#).

BICYCLES VS. HIT-AND-RUN DRIVERS

Hit and run drivers. We all hate them because unless they are caught, repairing the damage they do falls on the victim. For bicyclists this can be a total loss which could mean thousands of dollars, not to mention any injuries, or worse they could be killed. Some cyclists have taken to wearing cameras which help catch some drivers, but without cameras or a quick-thinking witness there may be no way to catch them. As this series of vehicle-bicycle & pedestrian-bicycle accidents show, they can happen fast and leave the cyclist stunned, unable to get a plate number. The average homeowners policy may not cover damage to a bicycle away from the home.

TWO FOR TUESDAY from Big "I" Markets

A few months ago we pointed out the comparison between bicycle coverage and just counting on your HO policy. This great article also talks about the need for bicycle insurance. It lists the top ten states for per capita cyclist deaths saying such insurance "is vital" for cyclists in those states. Lastly, it mentions the great Markel Bicycle Insurance program, which you have access to through Big "I" Markets.

The **Bicycle Insurance** policy has all this over simple HO coverage:

- Vehicle Contact Protection (similar to UM/UIM)
- Liability primary coverage with CSL limits at \$25k, \$50k, or \$100k
- Rental reimbursement
- Theft (away from home)
- Replacement cost for physical damage including accessories
- Competitive fee reimbursement
- Spare parts coverage
- Cyclist apparel
- Medical payments
- Roadside Assistance
- Electric Assist bicycles
- Deductibles as low as \$100
- Worldwide coverage available

Here is a Bicycle vs. Homeowners comparison chart.
Feel free to use this handy Sell Sheet.

The Bicycle program is available on Big "I" Markets in all states except AK & HI.

WEBINARS

"Beyond the Basics: Emerging Personal Lines Issues"

August 26, 2015

1:00 to 4:00 p.m. Eastern Time

\$79 - [Click here to register](#)

This VU webinar examines a number of critical policy form changes that agents must know and communicate to the consuming public. The first hour focuses on ISO's planned new Personal Auto Program and a major change in their homeowners program. The second hour examines emerging issues, including car and home sharing, hydraulic fracking, and often misunderstood exposures and coverage gaps in ISO's homeowners program involving vehicles of various types. The third hour is devoted to two major auto exposures - family member vehicles and rental cars - and to insuring vacation risks such as motor homes, cruise ships, and overseas travel. Approved for CE in MD, MI, MT, NC, ND, NY, OH, OK, WA with AR, LA and NJ pending. See registration page for details.

Also planned is Certificates of Insurance - 2015 Edition. VU webinar questions can be sent to bestpractices@iiaba.net.

+++++

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
- Real Estate E&O
- RLI Personal Umbrella
- "Oh, by the way...Flood Sale"

TWO FOR TUESDAY from Big "I" Markets

- Habitational
- Non-standard Homeowner
- Student Housing

+++++

BIM WEBSITE TRAINING WEBINAR

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. EDT we'll show you how to navigate the Big "I" Markets platform, including how to submit a quote! A recording of this webinar can be found under "Publications" after logging into Big "I" Markets.

- Thursday, July 23 @ 2 p.m. EDT
- Thursday, July 30 @ 2 p.m. EDT

STUDENT OF THE INDUSTRY PARTING SHOT

Independent Agency Validation: Compare.com

By Paul Buse, *President of Big I Advantage®*

How many of you remember the GEICO advertisements, circa 1999, that showed an insurance agent and his desk being dropped off on side of the road as so much excess baggage? Those advertisements were pulled and claimed to be a mistake. The Louisiana Insurance Depart agreed so strongly, they made sure the mistake would not happen again with a formal "Consent Agreement" with GEICO. Fast forward to today and you would get the idea that far from excess baggage, the independent agency model is **THE business model of choice**. Many (all?) of the aggressive new entrants in insurance are not direct writers or exclusive to one insurer group but based on the independent insurance agency model. Check out the logos from a new entrant being advertised on CNBC, Compare.com. Many of the insurance companies might be insurers your agency uses. In fact, in checking agency licenses and insurer appointments, the agent licensing and appointments with multiple insurers was validated. The agency's formal name is "Compare.com Insurance Agency, LLC" and they are based in Glen Allen, VA.



Click Graph for larger version

Source: Compare.com

TWO FOR TUESDAY from Big "I" Markets

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. Certificates of Insurance - 2015 Edition
 2. 2014 Scottish Christmas Walk pictures
 3. ACE Marine - Charter Boats
-

BIG "I" MARKETS SALE OF THE WEEK

Congrats to our agent in Colorado on a travel insurance sale of **\$716** in premium.