

TWO FOR TUESDAY from Big "I" Markets

MORE PERSONAL UMBRELLA MYTHBUSTING, CELEBRATE NATIONAL CUSTOMER SERVICE WEEK & NO ARTIFICIAL DMEPOS BONDS

MORE PERSONAL UMBRELLA MYTHBUSTING

In our first installment of personal umbrella mythbusting back in April, we busted the myth that a personal umbrella is something that agents only need to offer to wealthy customers. In fact, because anyone can be sued, everyone needs a personal umbrella. Check out the first of the mythbusting articles [here](#).

In the second installment, we'll tackle another myth:

MYTH: Millions of dollars in liability coverage must be really expensive.

TRUTH: A personal umbrella liability policy is a very affordable way to obtain a lot of coverage.

Since other kinds of policies that provide a few hundred thousand in coverage can cost thousands of dollars per year, it seems logical to assume that a policy which provides millions of dollars in coverage must be even more expensive. In fact, the opposite is usually true when it comes to a personal umbrella.

The purpose of a personal umbrella policy is to provide coverage only once a customer's underlying policy (homeowners, auto, watercraft, etc.) has paid out at the full minimum required limit, and has been exhausted. Since a personal umbrella isn't meant to provide coverage from the first dollar, and usually only comes into play when the injury costs several hundreds of thousands of dollars, claims (though very costly) are infrequent, relative to home or auto claims.

For that reason, and others, umbrella rates for the average household tend to be quite affordable. For a household with 1 home, 2 cars, and 2 drivers with clean driving records, \$1 million of personal liability coverage can cost just \$150-250 annually. Households that present greater risk will pay more but arguably have a greater need for the coverage as well. Examples would be households with a teen driver, a DUI, multiple jet skis, an international seasonal home, or those who live in a particularly litigious region.

Having a personal umbrella is vital to protecting a customer's assets (including future earnings), in the event that they are sued. A personal umbrella also covers defense costs. In light of what it can cost a customer who doesn't have the extra liability from a personal umbrella, agents should be quoting a personal umbrella to every client. It's also wise to document that offer and if the customer declines the coverage. Visit www.iiaba.net/RLI for a form which makes it easy to offer an umbrella and document your customer's decision.

Keep in mind that you have access to the IIABA-endorsed RLI Personal Umbrella, which offers limits of up to \$5M (\$1M in NM) and excess UM/UIM nationwide. Obtain a quote today at www.bigimarkets.com or at www.iiaba.net/RLI.

SPECIAL FEATURE:

Celebrate National Customer Service Week

By Ginny Pierson, Director of Big I Advantage® Marketing and Flood

National Customer Service Week will be celebrated this year between October 5 - 9. To help support your agency's customer experience journey, check out two complimentary webinars provided by Selective and the Temkin Group:

- An Agent's Guide to Customer Experience
- Key Trends in Customer Experience

In addition, take this opportunity to remind your customers of the benefits of using Selective's flood self-service site.

Customers who have signed up have the flexibility to manage their policy 24/7 with convenient features like:

- Paying their bill online
- Obtaining copies of their declarations page
- Reporting flood claims
- Changing their mailing address
- And more!

To get started, simply direct your customers to www.myselectiveflood.com and click on Create an account now. Not yet appointed with Selective Flood? Contact the Selective Sales Center at floodsales@selective.com or 877.348.0552, option 5. Be sure to identify yourself as a Big "I" member.

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DURABLE MEDICAL EQUIPMENT, PROSTHETICS, ORTHOTICS AND SUPPLIES BOND

By Lori Olsen - New Business Intake Manager *GoldLeaf Surety Services*

What is a DMEPOS Bond?

Medicare Bonds, often referred to as DMEPOS Bonds, are mandatory for manufacturers and suppliers of durable medical equipment, prosthetics, orthotics and supplies (DMEPOS). The Centers for Medicare & Medicaid Services (CMS) published a final rule titled, "Medicare Program: Surety Bond Requirement for Suppliers of Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS)" in the Federal Register on January 2, 2009. This final rule implemented Section 4312(a) of the Balanced Budget Act of 1997 and requires certain DMEPOS suppliers to obtain and maintain a surety bond on continuing basis. This surety bond aims to prevent fraudulent activity within the industry.

What is the bond amount?

Section 4312(b) requires that a surety bond be in the amount of not be less than \$50,000. Most suppliers are required to obtain a \$50,000 surety bond. However there are several exceptions.

- The bond amount will increase beyond the \$50,000 for suppliers who are deemed high risk.
- Suppliers with multiple locations are required to obtain a bond for each National Provider Identifier (NPI). For example, a larger DMEPOS supplier with 20 practice locations would be required to secure a \$1 million Medicare (DMEPOS) Bond, one for each location.

Who is exempt?

Suppliers who are exempt from the bonding requirement include:

- Government-owned suppliers that have provided CMS with comparable surety bond under state law. The surety bond shall state that CMS is an obligee and cover obligations concerning claims
- State-licensed orthotic and prosthetic personnel in private practice making custom orthotics and prosthetics if the business is solely-owned and operated by said personnel and is billing only for orthotic and prosthetics, and supplies
- Physicians and non-physician practitioners if the DMEPOS items are furnished only to his or her patients as part of his or her professional services
- Physical and occupation therapists if: (1) the business is solely-owned and operated by the therapist, and (2) if the DMEPOS items are furnished only to his or her patients as part of his or her professional service.

Goldleaf has a number of good surety markets that write Medicare bonds or DMEPOS. And for DMEPOS - or all types of bonds - you can access Goldleaf through Big I Markets.

WEBINARS

CGL Contractual Liability Issues in the Construction Industry

October 21, 2015

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

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

Participants will review the basic underpinnings of contractual liability - the difference between breach of contract and liability assumed by contract as well as assuming the liability of others in a contract. Emphasis will be on hold harmless and indemnity agreements often used in the construction industry, including the meaning of hold harmless and indemnity agreements, the parties to the agreement and the notion of performance of an obligation to hold harmless and indemnify another. With illustrations of each type of indemnity clause, the participants will explore the differences among the broad form, intermediate form and limited form indemnity clauses, including how such clauses affect third parties not a party to the indemnity. By way of certain examples, a review of limitations on indemnity agreements, including select state statute and case law, as well as a review of some statutes' "insurance exceptions" and how they may apply.

The course will examine in detail the contractual liability exclusion in the CGL policy, including whether the exclusion applies only to indemnity agreements or to other types of liability assumed by contract. A detailed review of the exceptions to the contractual liability exclusion, with emphasis on "insured contracts" will be undertaken. Also discussed will be the CGL policy's provision for defense of an indemnitee and what types of indemnity agreements are not "insured contracts." The course will conclude with a review of the fundamental differences between indemnification and additional insured, including the rights of each, and the issues created with tying additional insured coverage to an indemnity provision. VU webinar questions can be sent to bestpractices@iiaba.net.

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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
- Real Estate E&O
- RLI Personal Umbrella
- "Oh, by the way...Flood Sale"
- Habitational
- Non-standard Homeowner
- Student Housing

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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, October 8 @ 2 p.m. EDT
- Thursday, October 15 @ 2 p.m. EDT

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!**

1. The myth of the mermaid is most commonly believed to have come from lonely sailors sighting what?
2. The Reno brothers were the first to do this in peacetime on this date (October 6) in 1866.
3. In 1978 a KGB agent fatally poisoned Bulgarian president Georgi Markov using what common item?

TIE BREAKER

Seven year old Alex Pring recently received a unique bionic arm. What was so special about it?

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. Love/Hate Life Insurance article
 2. Real Estate E&O Claims examples
 3. Habitational - Apartment Program
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BIG "I" MARKETS SALE OF THE WEEK

Congrats to our agent in Florida on a commercial recreational vehicle sale of **\$1,941** in premium.