

TWO FOR TUESDAY from Big "I" Markets

OPEN WINDOW DRIVEN RAIN, LOVE/HATE RELATIONSHIP WITH LIFE INSURANCE? & A WINDOW INTO VALUABLE ARTICLES

OPEN WINDOW DRIVEN RAIN

Apartment Insurance: Interior damage from wind driven rain is a coverage gap that you can close for your clients

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

Prior to 2002, the standard ISO Businessowner Coverage Form included coverage for damage to the interior of a building even if there is NO damage to the exterior roof or walls of the structure through which the water enters. That is not true today.

With MiddleOak, you can still get this valuable coverage for your clients and use it as a valuable advantage to obtain the account. Some examples of the types of claims that would be excluded without wind driven rain coverage are:

- Wind blows open a door allowing rain to damage the interior of a structure - the exterior was undamaged
- A tenant inadvertently leaves a window or door open slightly and does not notice the incoming water (rain)
- The seals around the doors or window frames have aged and no longer completely seal off the interior from rain.

Sometimes the amount of damage incurred is significant. We have had claims presented for this type of loss where the damage exceeded \$100,000. In comparison, the premium charge for the coverage is minimal; amounting to approximately 3% of the property premium. Be sure to explain to your clients this powerful coverage difference!

To qualify for the Apartment program the insured must own a **minimum of eleven residential rental units**, there is no maximum number of units or building/property size.

Eligible Classes / Occupancies

- 11+ Unit
- Apartment Buildings
- Dwelling Schedules
- Garden Apartments
- Mixed Apartment/Office or Apartment/Mercantile and Mercantile lessors risk or Office Lessors risk occupancies, where the office or mercantile represents 15% or less of the total square footage.
- Rental Condominiums
- Public Housing (Housing Authorities, low income, affordable, Tax credit, Section 8)
- Senior Housing (Not assisted living)
- Student Housing (privately owned off-campus housing, no fraternities or sororities)

Unless specifically outlined in the state-specific restrictions below, each state follows the general underwriting guidelines.

The Habitational - Apartment Program and also the Habitational - Condominium Program from MiddleOak are available 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, and WI on Big "I" Markets.

SPECIAL FEATURE:

Do You Have A Love/Hate Relationship With Life Insurance?

By Christine Muñoz *Director*, Retirement & Employee Benefits Big I Advantage®

If you do, then you are not alone. With September being Life Insurance Awareness Month, let's bring attention to your relationship with life insurance and show you how you can provide your clients with access to top life carriers, competitive prices and ultimately, financial security.

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According to the 2015 Insurance Barometer Study cost is the leading reason given as to why Americans don't own life insurance with 80% of consumers misjudging the price of term life insurance. As the study shows, 30% of American believe they need more life insurance but 54% of Americans struggle with prioritizing as other financial obligations often come first. As an agent, your commitment to your clients will ultimately result in you educating your clients about how affordable term life insurance is and to not let perceived complexities... **Read the rest of the article.**

[http://www.independentagent.com/SiteAssets/TFT/2015/Sep29/LoveHate_LifeInsurance.pdf]

For more information visit www.iiaba.net, *Products*, *Crump Life Insurance Services* or if you are ready to get started, log onto *Big "I" Markets and selecting Offline Products: Crump Life Insurance Services*. Contact Christine Muñoz christine.munoz@iiaba.net with any questions.

VALUABLES BEHIND GLASS

Other things besides wind driven rain can come in when windows are left open that can be also be expensive to remedy. Thirty percent of burglars gain entry through an open or unlocked window or door. One third simply kick in the front door. Overall the number of burglaries has dropped over the past 20 years but the median loss has increased by more than 50% with an average loss of over \$2,000.

The one thing that deters burglars the most is an alarm system. Most will simply bypass a house with an alarm and nearly all will leave immediately if an alarm sounds. That's what happened when thieves broke into the home of professional poker player Dan Bilzerian. Despite having obviously planned the break-in carefully, they couldn't get around his high-tech alarm system, failed to open a reinforced steel gun safe, and left mostly empty-handed.

The **Stand-alone Valuable Articles & Fine Arts** on Big "I" Markets usually requires some kind of theft deterrence (Central Station Alarm, gated community, Security Patrol, etc.) for any TIV over \$50,000.

Coverage can be designed to meet the client's needs with different policies available offering the following features:

- Agreed Value, Current Market Value or a combination of both with All-Risk, Worldwide Coverage (including breakage and mysterious disappearance).
- No per item limitations Coverage available for personal collections while on loan to museum exhibitions. No limitation on packers
- Consistent approach to loss in value
- Comprehensive forms to thoroughly address critical policy features rather than treat them as an afterthought to homeowners insurance.
- Blanket or scheduled items coverage
- No per item limit on blanket coverage
- Actual value or Current Market Value up to 150%
- \$75 million capacity
- Consideration for any type of collectible including wine, musical instruments, antiques, stamp and/or coin collections, sports memorabilia and collectible figurines
- Special wine coverage including mechanical breakdown and restoring/replacing damaged labels
- Optional deductibles available
- Coverage for breakage and mysterious disappearance
- Minimum Premium is \$1,500 in all states
- Worldwide coverage
- Admitted carrier

Coverage is not offered for the following items: Hearing Aids, Handbags, Professionally used Musical Instruments/Equipment, Electronic Equipment (including but not limited to: Video Game systems, Computers, iPods, Professionally used Cameras). Bicycles are covered under the Bicycle Program.

The Stand-Alone Fine Arts and Valuable Articles program is available to members in all states except AK and HI. Learn more by looking into the window of Big "I" Markets.

WEBINARS

TWO FOR TUESDAY from Big "I" Markets

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@iiba.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 1 @ 2 p.m. EDT
- Thursday, October 8 @ 2 p.m. EDT

TWO FOR TUESDAY from Big "I" Markets

STUDENT OF THE INDUSTRY PARTING SHOT

CoverHound Valued at \$100 Million:

What Might Sherlock Holmes Deduce?

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

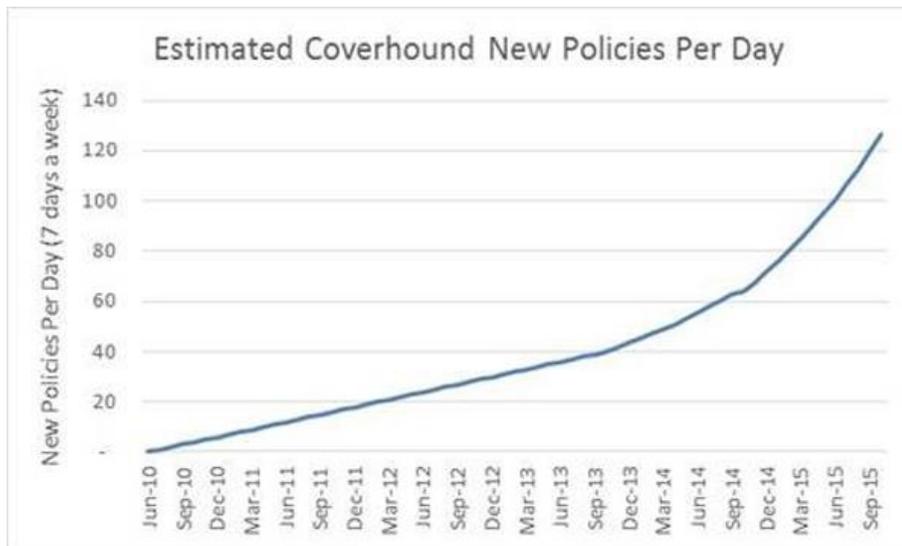
Sherlock Holmes: "Dr. Watson, *IA* magazine called while you were making tea and asked if we could determine how much a book of premiums would be worth if the valuation were similar to that placed on CoverHound by its venture capital partners when they invested \$33 million recently."

John Watson: "Mr. Holmes, naturally that would be a ratio of Coverhound's value to its premiums -- or revenues as a more usual standard in the industry -- but how could one possibly know that with such scant information?"

Holmes: "Elementary, my dear Watson, I already told them. The value of a \$1,000,000 agency would be \$600,000."

Watson: "Astonishingly high."

Holmes: "Indeed it is high but it's just mathematics and abductive reasoning...armed with a few assumptions, of course. You see, assuming a 90% retention rate tells me Coverhound has about 68,000 policies in force. If I then assume an average premium of \$2,500 per policy, 13.5% commission and I apply the IIABA Best Practices high performance standard of a 25% return on revenues, all I needed to arrive at the answer is a growth rate and the objective return of the venture capitalist. For those I chose 10% for growth and 15% for cost of capital. From there it is just basic mathematics applied from my good fellow Myron Gordon of the University Toronto and his "Gordon Growth Model" for establishing the intrinsic value of an investment. He graduated from the University of Wisconsin and then Harvard, as I'm sure you are aware. Please invoice the Big 'I' for our services..."



Source: Estimated from statement in Techcrunch where CEO Keith Moore tells TechCrunch "[the process] values the company at around \$103 million, after the company hit a milestone of 50,000 policies sold in the last two years, growing **170% in the last 12 months.**"

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. Real Estate E&O Claims examples
2. Standing Desk
3. Real Estate agents non-traditional roles

BIG "I" MARKETS SALE OF THE WEEK

Congrats to our agent in New Hampshire on a travel insurance sale of **\$2,158** in premium.