
BONDS - TOO MANY QUESTIONS?, THE IMPORTANCE OF MENTAL TOUGHNESS & FOUR NEW SURPLUS LINES ENHANCEMENTS

Bonds - Too Many Questions?

One of the most commonly asked questions Goldleaf Surety's team receives is, "Do you really need all that information?" The answer: **YES**.

Surety bonds are underwritten as an extension of credit, and the underwriting considerations are similar to those used by a banker in evaluating a customer.

There are many factors involved when a surety is underwriting to determine if they are willing to entertain a particular risk - the type of work being performed, the breakdown on the costs, the bid spread, the bond forms being used, the form of the contract to be bonded, the financial/credit position of the company that needs the bond, the financial/credit position or the company's owners, etc.

The more thorough and comprehensive an underwriting file is when submitted to a surety for review, the more likely it is the surety will get a complete understanding of the company, its owners and its capability. With a comprehensive submission, Goldleaf is able to help you obtain the surety capacity you need.

So, even though the initial list of underwriting items can seem a bit overwhelming, all the information is an essential part of Goldleaf's process in obtaining the best surety relationship available for your client.

For assistance with all of your bond needs, you can access Goldleaf Surety through Big "I" Markets. Simply log in to www.bigimarkets.com or email us at bigimarkets@iiaba.net and an underwriter will contact you.

SPECIAL FEATURE

The Importance of Mental Toughness

Running a small business is demanding - it comes with a considerable amount of risks and challenges to tackle. If that deal doesn't go through, where will the money come from?

One of the most important things your small business can do is hire top-performing salespeople. After all, your business would not exist if it weren't for your sales. In fact, 82% of businesses fail due to cash flow problems. In order to push your business to success, you must be able to hire and develop mentally tough sales professionals who can be effective even under the stressful, high-stake conditions of a small business.

What is Mental Toughness?

Mental toughness refers to the unique quality found in many professional athletes that allows them to maintain fortitude under stressful conditions. While sales don't require physical athletic ability, it does require a tough mindset to stay motivated and successfully sell your product or service.

The specific personality traits that contribute to mental toughness are:

- Ego-strength
- Level-headedness
- Stress tolerance
- Thoroughness
- Energy/Persistence
- Self-structure

That's not to say that there's no hope for those on your small business team who don't exhibit mental toughness. By surrounding your employees with uplifting, supportive coaches, these traits can be trained in your sales professionals and their performance will drastically improve.

Learn more on this topic at Caliper's blog.

Big "I" members receive exclusive discounts on Caliper's profiles, assessment and reports. To learn more, visit www.calipercorp.com/iiaba or email Brett Sutch.

Four New Surplus Lines Enhancements

Recent reporting shows that enabling Multi-Factor Authentication (MFA) can block up to 99.9% of automated cyber attacks. We are very excited to announce that Coalition is the first cyber insurer to further incentivize this essential security practice. **For all Surplus Lines policies in-force as of 10/01/2019, Coalition will automatically add the Multi-Factor Authentication (MFA) Retention Reduction endorsement effective 10/01/2019.** This non-premium bearing endorsement will reward policyholders with a 50% reduction in retention (up to \$10,000), if the policyholder has MFA enabled and requires MFA on business emails, but then suffers a funds transfer fraud, security failure or data breach event due to a business email compromise. Implementing MFA is easy and free. To learn more, [CLICK HERE](#) to register for one of the two upcoming 45 minute webinars Coalition is hosting on 9/18 & 9/25 at 2:00pm EDT. Coalition has more information about MFA (aka 2FA) on their website, starting here <https://help.thecoalition.com/en/articles/2371946-multi-factor-authentication>

Coalition began adding the MFA Retention Reduction endorsement and the following 3 new enhancement endorsements to all Surplus Lines quotes created on 9/09/2019 or later:

- Your Obligations As An Insured - The provisions for the discovery of a claim increased from the last 30 to the last 60 days of the policy period. Also, the window to provide written notice of claim or incident discovered in the last 60 days of the policy period is extended from 60 to 90 days after the end of the policy period.
- Duty To Cooperate - This endorsement removes the requirement for the insured to promptly address any computer system vulnerabilities that a senior executive becomes aware of during the policy period. The endorsement also removes the insured's obligation to make every effort not to divulge they have cyber extortion coverage without securing prior consent.
- Invoice Manipulation - If the insured suffers a security failure and a third party pays a fraudulent invoice due to the security failure, this endorsement provides coverage for the insured's inability to collect payment for any form of goods, products, or services provided to a customer.

Agents can Create A New Option to generate an alternative quote to include the enhancements. Coalition has not yet scheduled these endorsements to be available in the Admitted policy.

Surplus Lines Premium Bearing Endorsement Policy Fees

If during the policy period, more than two premium bearing endorsements are processed, a \$50 policy fee will apply to the 3rd premium bearing endorsement and each premium bearing endorsement thereafter, in states where allowable. Coalition does not add taxes or fees to the premium bearing endorsements. Please review the Cyber Insurance - Coalition Underwriting & Coverage page for applicable taxes and fees or reach out to your dedicated Cyber Insurance Program Manager, Carla McGee, 703-706-5495.

WEBINARS

VU Webinars and Lightning Learning

Virtual University

WEBINARS - Two-hours with CE in select states.

- September 18 - 11:30 a.m. EDT - 9 Rules for Reading an Insurance Policy Based on the Law of Insurance Contracts
- September 25 - 1:00 p.m. EDT - Rules for Developing the Correct Premium
- September 27 - 11:30 a.m. EDT - 3 Keys to Getting the Named Insured Correct

View the complete calendar, registration links and see what states have CE approval online. Registration includes live webinar, on-demand recording and a transcript.

LIGHTNING LEARNING - Twenty minutes each with a focus on ACV: Bad Things Happen if You Don't Use Replacement Cost

- September 19 - 11:30 a.m. ET - What is the TRUE Meaning of ACV?
- September 26 - 11:30 a.m. ET - Can Labor be Depreciated?

Register once for the monthly Lightning Learning package and receive all sessions for one low price. Registration includes live

presentations and on-demand recordings.

VU Webinar and Lightning Learning questions can be sent to VU staff. The 2019 calendar and all links are available here.

Agency Risk Management

E&O Risk Management

- September 18 - 2:00 p.m. EDT - Agency Risk Management Essentials: Personal Lines Back to Basics

Personal lines coverage placements are one of the leading causes of insurance agents errors & omissions claims. Agencies that have an exposure to these types of coverages will not want to miss this webinar!

During the session, to take place Wednesday, Sept. 18 at 2 p.m. EDT, panelists will talk about why these types of claims keep happening to good agents, and how agencies can avoid becoming another statistic.

TWO FOR TUESDAY TRIVIA

Prizes will be to the first response with the correct answers and then four selected at random from all received by 6 p.m. EDT on Wednesday. Win a \$5 gift card (Starbucks, Dunkin' Donuts, Baskin Robbins, or Krispy Kreme).

Don't forget to answer the Tie Breaker!

1. According to Goldleaf, a surety bond is needed in conjunction with what type of contracts?
2. On this day in 1897 London taxi driver George Smith is the first to be fined for what?
3. One of Caliper's key components for mental toughness is ego-strength. What does the word ego mean in Latin?

TIE BREAKER

TB - Singer Sir Tom Jones reportedly had what unusual body part insured for \$7 million by Lloyds of London?

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. [AIG Natural Disaster and Horses Preparedness List](#)
2. [Equine Emergency Evacuation Checklist](#)
3. ["9 Rules for Reading an Insurance Policy Based on the Law of Insurance Contracts" Webinar Link - 9/18](#)

BIG "I" MARKETS SALE OF THE WEEK

Congratulations to our agent in Nebraska on a [Bonds - Bid, Contractor, Performance, Surety](#) sale of **\$11,230** in premium!