

# EXPANDED COALITION CYBER LIABILITY MARKETS, IF YOU DON'T ANSWER THEIR CALL... SOMEBODY ELSE WILL & POLLUTION AFTER A HURRICANE

## Expanded Coalition Cyber Liability Markets

### Newly added to Admitted lineup: Ohio

Coalition's admitted cyber product is now available in 38 states: AL, AR, AZ, CA, CO, CT, DC, DE, HI, IA, ID, IL, IN, MD, MI, MN, MO, MS, NC, NE, NH, NJ, NM, NV, NY, OH, OK, OR, PA, RI, SC, SD, TN, TX, UT, WA, WI & WV.

With the introduction of the admitted product, Coalition has become a one-stop shop to offer cyber coverage to standard and non-standard commercial risks. The flexibility of the surplus lines market allows Coalition to introduce coverages and offer higher limits to respond to the evolving complexity of cyber threats. As Coalition adds new coverages/enhancements to the non-admitted policy form, the admitted policy maybe lacking these coverages/enhancements for some time, pending the state insurance department's approval. If the new coverages/limits are not yet approved in the admitted product, offering an admitted and non-admitted option may be advantageous, if state regulations allow.

Coalition updated their resource article Are there any differences between Coalition's admitted and surplus lines products? to reflect the new surplus lines enhancement endorsements recently announced, as well as the current state of their admitted filing progress.

### Middle Market is live for organizations with of up to \$1 billion in revenue / gross profit

Coalition is now accepting submissions for middle market risks with between \$250 million to \$1 billion of revenue/gross profit. Limits up to \$15 million are offered to middle market risks. Policies for middle market risks are currently backed by Swiss Re Corporate Solutions (A.M. Best A+). Coalition simplifies the quote process for these large, complex risks. Middle Market business submissions can be entered through Coalition's quote platform, as done with other risks, or by using the Coalition chat to upload an application. Coalition will accept any carrier's cyber application. All Coalition benefits (24/7 security monitoring, dedicated in-house incident response team, pre-breach services, among others) continue to be available for all policyholders, no matter their size.

Login to Big "I" Markets and quote your commercial book today! Reach out to Carla McGee, your dedicated cyber liability program manager, at 800-221-7917, ext. 5495 if you have any questions or to walk through a quote.

Carla M. McGee, RPLU, ACSR

## SPECIAL FEATURE

### If You Don't Answer Their Call... Somebody Else Will.

With the ubiquity of technology in business doesn't it make sense to rely on your web presence and apps to find and keep your customers happy? Self-service is what they want, right? Well, not really. What they want is options. In fact, while the majority of Americans go to the web or an app to initiate a purchase, over two-thirds of them still contact customer service by phone.

The primary reason customers report for not wanting to communicate by phone is that it has become increasingly troublesome to get in touch with a real person right away. If faced with enough phone tree options customers can be forced into using self-help tools, but is that what you really want to do? Force them to do something they clearly didn't want to do in the first place? Isn't one of the biggest selling points of an independent agency providing customers with a personal touch and service?

Well of course the answer to that is "Yes" but you just can't be available all the time; not if you want to have a life, that is. But hiring someone to cover the phones when you can't is expensive, especially when there aren't that many calls after-hours and weekends anyway. *Or are there?* You can't just count the number of voicemails you get and assume that accounts for all of the customers that tried to reach your agency. In a previous article, "Voicemail = Death" we shared the fact that 86% of callers hang up when they get a voicemail and a lot of those don't call back again. Well they don't call your agency again anyway, they just call someone else.

Having a trained professional answer your calls at all hours gives the customer what they want. Not having to be on call all the time is what you want. Not paying more than you have to is what your agency needs. Insure Response has two call centers located in the USA with insurance trained staff, many of whom are licensed and can answer your calls with a

branded greeting and take care of your customers according to your instructions. Insure Response can capture basic caller information for lead generation and set expectations for the caller of what will happen next. With proper system access they can answer billing questions, post payments, print and send certificates and much more...giving you more time to focus on growing your book.

With special pricing for Big "I" members you get a low monthly minimum of just \$99/month and only pay for the actual time our CSRs spend on the phone with your customers. Insure Response records all calls and provides you with call notes and daily, weekly and monthly service level reports.

For more information, call 866-466-7891 or visit [insureresponse.com/IIABA](http://insureresponse.com/IIABA). Of course, as we just learned, you will probably go to the website first and THEN give us a call. Either way, Insure Response can help your agency grow!

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## Pollution After A Hurricane

*Examining increased environmental exposures due to weather events.*

By Kari A. Dybdahl, Executive Vice President, American Risk Management Resources Network, LLC

We've all seen the news or have spoken to others about the current weather events. For some of us, we dodged the bullet. But millions of people and businesses were and are right in harm's way.

Hurricanes cause an extensive amount of damage to economies, cultures and infrastructures. They pose an enormous amount of environmental loss exposures to both homes and commercial properties. Distribution warehouses, for example, that hold various chemicals that were in a safe place prior to the weather events, may have now been compromised, with chemicals released into flood waters or burned by the wild fires. Depending on the reaction a certain chemical has with water or fire, it could be immediately harmful to the nearby natural resources and people.

Hurricanes pose even more of an environmental loss exposure with the sheer amount of water intruding into commercial properties and homes. Mold can colonize rapidly within 72 hours of water damage, if the conditions are perfect. Since mold is naturally occurring, it needs a food source, water and heat to colonize and grow. Drywall is a great food source for mold as it is easy for the spores to digest. With the right amount of food, water and heat a commercial property can become a petri dish very fast if relative humidity is not under 40%. Bacteria is even more of a threat to humans and reproduces faster than mold. Bacteria colonies can grow 100% every 20 minutes with the right conditions. It is said that there are over one million different species of bacteria, and legionella is just one of those. Hurricanes and rainstorms are the ideal situation for mold and bacteria growth, resulting in almost every fungi and bacteria sublimit and exclusion to trigger GL and property policies for commercial properties.

We know that General Liability and Property policies sold to commercial property owners have various pollution exclusions. What happens when mold starts to grow on the walls or the bacteria needs to be remediated? A fire and water restoration contractor must step in to help. I recently spotted a photo online of a whole neighborhood in Houston that appeared to be a ghost town. Not a restoration contractor in sight. I started to wonder how that could be, when many restoration contractors had been in Houston helping rebuild. I learned that restoration contractors generally will not work on a property (home or commercial space) if that property is not insured for fungi or bacteria, due to fact that the chance they will end up being paid for their work is slim to none.

In 2017 PBS.org reported that 80% of homeowners in Houston that were underwater due to hurricane Harvey did not have flood insurance even though coverage was readily available. The National Flood Insurance Program is currently \$20 billion in debt. Rep. Jeb Hensarling, R-Texas and others stated that the national flood program in its current form is not sustainable. Even if commercial properties could buy flood insurance that would include the effects from fungi, mold and bacteria, they are still taking a massive risk on environmental loss exposures in the program.

What about the commercial properties that didn't purchase flood insurance from the national program? The majority of property policies sold to commercial property owners and managers have \$15,000 sub limits, according to a recent webinar cohosted by Swiss Re Corporate Solutions. ISO forms have a have this \$15,000 sublimit to highlight that mold, bacteria and fungi is not something they want to cover on ISO forms. The issue here is the average mold job on a commercial property is \$250,000.

Commercial properties are going to feel the effects for many years to come. The more the flood waters linger, the more mold and bacteria growth in those commercial properties trigger the pollution, fungi and bacteria exclusions on GL and property policies.

As we see a shift in weather patterns, I anticipate more flooding in cities that do not have a storm water system infrastructure

to support the amount of rain fall, resulting in more mass flooding and more environmental loss exposures for commercial properties.

### What's an Agency to Do? Document...Document...Document

Protect yourself and make the offer and, of course, document it! Just like you would with someone in a special hazard flood zone that didn't purchase coverage or someone that turns down uninsured motorist. Make the offer to investigate. Ask them if they have risk management processes for environmental loss exposures for liability and property. Offer the ARMR Property Environmental Risk Management program (PERM). If they say "yes," Big "I" Markets makes it easy. If they say "no thanks," document with DocuSign. (Pro tip: Big "I" members new to DocuSign receive 20% off of their Standard or Business Pro plans. Find out more at [www.docusign.com/iiaba](http://www.docusign.com/iiaba).)

Over the past three years we have been creating a risk management and insurance program for commercial properties that incorporates a proactive environmental loss exposure management plan prior to a loss as well as the procurement of a specially designed environmental site pollution liability policy if a loss were to occur. This program is exclusive through ARMR.Network. For more information along with agency specific sell sheets for you to pass along to your commercial property owner and manager prospects and clients, please reach out to us on Big "I" Markets under **Pollution Contractors-FarmUSTs-Other**.

To provide you with an indication we just need to see the statement of values for the property portfolio. The information you send your property underwriter will work great. It will take us about 24 hours to turn around an indication for site pollution liability, including mold, fungus, bacteria as well as incorporating the proactive emergency response plan at no cost to your client. If the client or prospect is interested, you will gather the additional underwriting information needed and we will release a formal option to bind. It is that simple!

With the increase in weather events, commercial property owners and managers must be looking into how to better manage their environmental loss exposures. What is stopping barrels of alcohol being blown into a river and killing the natural resources for miles when a storm hits? Nothing.

To close the gap in coverage for environmental loss exposures caused by GL and property policies, every commercial property owner and manager should consider the ARMR commercial property program or else they will be unknowingly underinsured for those exposures. Your commercial property owners and manager clients and prospects are relying on you as the insurance professional to inform them they have a problem. I do not want to see you caught up in a potential E&O situation because the solution of covering environmental loss exposures was not offered to them.

ARMR.Network is your environmental insurance resource. You can find us on Big "I" Markets or just reach out to me with any questions you may have at [kari@armr.net](mailto:kari@armr.net). We look forward to hearing from you!

## WEBINARS

### VU Webinars and Lightning Learning

Virtual University

**WEBINARS** - Two-hours with CE in select states.

- 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
- October 30 - 11:30 a.m. EDT - 9 Rules for Reading an Insurance Policy Based on the Law of Insurance Contracts

*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 Answering Key Work Comp Questions - A Work Comp Primer

- October 9 - 11:30 a.m. EDT - Who Counts as an "Employee" in Work Comp?
- October 16 - 11:30 a.m. EDT - What Injuries are Compensable Under Work Comp?
- October 23 - 11:30 a.m. EDT - How Do YOU Prepare Your Clients for the Premium Audit?

*Register once for the monthly Lightning Learning package and receive all three 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.

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## **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 Insure Response what percentage of calls that go to voicemail are hang-ups?
2. What hour-long TV show debuted on this day in 1968?
3. In the Pollution article above, what is the cost of the average mold job on a commercial property?

### **TIE BREAKER**

TB - Against what event was soccer player Paul Hucker insured in 2002 & 2006?

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## **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. 10 Most Common Mistakes Employers make Regarding The FMLA
2. List of Suggestions to Avoid FMLA Mistakes
3. The Family and Medical Leave Act (FMLA)

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## **BIG "I" MARKETS SALE OF THE WEEK**

Congratulations to our agent in South Dakota on a Non-standard Homeowners, Renters, Condominium, Rental Dwellings, Vacant Dwellings sale of **\$5,274** in premium!