

ACSR Newsletter

“Reaching Out, Communicating, Knowledge”



INDEPENDENT INSURANCE AGENTS OF VIRGINIA

Big ‘I’ Continues Fighting ‘Cadillac’ Tax

Earlier this year, the IRS issued a 24-page notice requesting comments by May 15 in advance of regulatory guidance for the excise tax on employer-sponsored health coverage. The week of May 11, in addition to sending its own [official comments to the IRS](#) regarding the Affordable Care Act’s (ACA) controversial “Cadillac” tax or excise tax, the Big “I” also joined 22 other organizations in sending a [joint letter](#).

The organizations represent a diverse group of public- and private-sector employers, unions, and other entities that support employer-sponsored health coverage, and have concerns with this tax. The Big “I” will continue to participate in such requests and advocate against this damaging provision.

Beginning in 2018, the ACA will impose a 40% tax on health benefits that exceed an established annual cost. Over time, this tax will impact more and more individuals because Congress tied the threshold to a slow measure of inflation that will not keep up with the rising cost of health care. The threshold will increase by the Consumer Price Index (CPI) plus 1 for the first two years, 2018 and 2019, and then just by the CPI thereafter.

According to a March survey by Mercer, a benefits consulting firm, about one-third of employers will face the tax in 2018 if they do nothing to change their plans. By 2022, almost 60% will face the levy. As a result, although this provision of the ACA is billed as a tax on high-cost plans, it will have a huge impact on middle-income Americans.

This tax will cause an increase in health insurance costs for both employers and employees and a significant decrease in the quality of health insurance coverage for many employees as employers are forced to reduce benefits to avoid this tax increase. The Brookings Institution recently drew attention to the financial impact this tax will have on cities and towns as the health care plans of many local governments will also face the tax in 2018.

[Wyatt Stewart](#) is Big “I” director of federal government affairs.

ACSR Newsletter
May 2015

Upcoming Events:

- May 25: Memorial Day
- May 31: Trinity Sunday
- June 6: D-Day
- June 14: Flag Day
- June 18: Ramadan Starts
- June 21: Summer Solstice
- June 21: Father’s Day
- June 21-23: [IIAV Annual Convention & Exhibition](#)

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ACSR Newsletter

ISO Files New PAP “Car Sharing” Endorsements

By: Bill Wilson

ISO has made two countrywide filings in response to the increasing use of Transportation Network Companies (TNCs) such as Uber and Lyft by PAP and PUP insureds driving for these organizations:

PAP Forms Filing PP-2015-OTNFR

“Introduction of a Reinforced Public or Livery Conveyance Exclusion and Related Optional Coverage Endorsements”

- PP 23 40 10 15 – Public Or Livery Conveyance Exclusion Endorsement
- PP 23 41 10 15 – Transportation Network Driver Coverage (No Passenger)
- PP 23 45 10 15 – Limited Transportation Network Driver Coverage (No Passenger)

PUP Forms Filing DL-2015-OTNFR

“Introduction of a Reinforced Public or Livery Conveyance Exclusion”

- DL 99 12 10 15 – Personal Umbrella Liability Policy Public Or Livery Conveyance Exclusion Endorsement

Each forms filing also has a companion rules filing and the proposed countrywide effective date for these changes is October 1, 2015, though the actual implementation date could vary in specific states.

The Personal Umbrella Policy (PUP) endorsement follows the reinforced Personal Auto Policy (PAP) “public or livery conveyance” exclusion introduced with the PP 23 40 PAP endorsement. There are apparently no options at this time to extend even limited coverage under ISO’s PUP to TNC drivers. This article focuses on the three PAP endorsements.

PP 23 40 10 15 – Public Or Livery Conveyance Exclusion Endorsement

This endorsement revises the existing ISO PAP exclusion for the use of a vehicle as a public or livery conveyance to clarify, according to the filing explanation, that it applies to any period of time that an insured is logged into a “transportation network platform” as a driver and that such exclusion applies whether or not a passenger is occupying the vehicle.

A “transportation network platform” is defined in the endorsement to mean:

“Transportation network platform” means an online-enabled application or digital network used to connect passengers with drivers using vehicles for the purpose of providing prearranged transportation services for compensation.”

The new Part A – Liability Coverage “public or livery conveyance” exclusion reads as follows (new language is **highlighted**):

5. We do not provide Liability Coverage for any “insured”:

For that “insured’s” liability arising out of the ownership or operation of a vehicle while it is being used as a public or livery conveyance. **This includes but is not limited to any period of time that “insured” is logged into a “transportation network platform” as a driver, whether or not a passenger is “occupying” the vehicle.**

This exclusion **(A.5.)** does not apply to a share-the-expense car pool.

The implication of the language “but is not limited to” is not yet known.

ISO is also making the same revision to the “public or livery conveyance” exclusion that appears in similar form under Part B – Medical Payments Coverage and Part D – Coverage For Damage To Your Auto in the PAP. Since UM and UIM coverages are statutory and provided by state-specific endorsements in most states, ISO is filing a similar change, to the extent permitted by law, to each state’s UM/UIM endorsements.

PP 23 41 10 15 – Transportation Network Driver Coverage (No Passenger)

This optional premium-bearing endorsement would replace the PP 23 40 and, according to the filing explanation, extends PAP coverage to an insured TNC driver for the period of time from when the driver logs into a “transportation network platform” up until a passenger has entered the vehicle.

The endorsement modifies the “public or livery conveyance” exclusions in Parts A, B, C, and D of the PAP. It includes a schedule of the following information:

- Identity of the “transportation network platform(s)” for which the insured drives;
- A description of the vehicle being driven for the TNC(s); and
- A list of the coverages being provided, triggered by a premium entry for each desired coverage.

PP 23 45 10 15 – Limited Transportation Network Driver Coverage (No Passenger)

This optional premium-bearing endorsement would replace the PP 23 40 and, according to the filing explanation, extends PAP coverage to an insured TNC driver for the period of time from when the driver logs into a “transportation network platform” up until the driver accepts a request through the “transportation network platform” to transport a passenger. It obviously differs from the PP 23 41 in that it does not cover the time period between accepting a TNC request and the entry into the vehicle of a passenger.

The endorsement modified the “public or livery conveyance” exclusion in Parts A, B, C, and D of the PAP and includes the same schedule as shown above for the PP 23 41.

Neither optional endorsement extends PAP coverage while a passenger is in the vehicle...a driver with only an ISO PAP must rely on whatever coverage is provided by a TNC. That may or may not include medical payments or UM/UIM for the driver or passenger(s) or physical damage coverage.

Any advice about these endorsements should be provided to insureds with great care. Even under the PP 23 41, the full TNC driver exposure is not fully covered and the insured may not elect to extend limited coverage to all PAP coverage parts. If TNC drivers are independent contractors, they are basically operating a business and might be advised by legal counsel to do so as a corporation or LLC and purchase a BAP rather than rely on a PAP.

In addition, there may be situations where a claim or suit is filed against a TNC driver that is more appropriately addressed by a CGL, BOP or other commercial policy rather than a BAP. For example, a claim for slander, invasion of privacy, wrongful eviction, etc. might be unrelated to the use of an auto and unlikely constitute BI or PD. Since the driver is engaged in a business activity, a homeowners policy would likely not respond.

Last Updated: April 22, 2015

ACSR Newsletter

UPDATES AND UPCOMING EVENTS



Thank You for Attending Cocktails for a Cause

Thank you to everyone who attended IIAV's Cocktails for a Cause event to support Huntington's Disease Society of America on May 7, at Hardywood Park Brewery in Richmond. IIAV's Young Agents' Committee hosted this event in tribute for Eddie Benson of Saunders & Benson.

We had our largest turn out to date with over 80 people in attendance and raised \$1100 for Huntington's Disease Society of America.

[Click here to view pictures from this event.](#)

If you have any questions contact Kristina Preisner, kpreisner@iiav.com.

IIAV to Offer Free Biggert Waters Update Webinars

Did you know there have been modifications made to the National Flood Insurance Program that affect your client's premiums? On April 1, 2015 new flood insurance rates and charges went into effect.

IIAV is offering two free webinars on June 9, 2015 for its members to better understand the changes that took place.

There will be two time slots to choose from:

- June 9 (12:30-1:00 pm): Biggert Waters April 2015 Update-What These Changes Mean?
- June 9 (3:30-4:00 pm): Biggert Waters April 2015 Update-What These Changes Mean?

If you have any questions contact Kristina Preisner, kpreisner@iiav.com.

Joint Networking Socials Starting This Summer

IIAV Young Agents' Committee is hosting free networking socials throughout Virginia and hopes you will be able to attend. This year we have teamed up with the young professional groups at the Virginia Society of CPAs (VSCPA), Virginia Bar Association and Virginia Bankers Association for some of these socials.

Come out for a casual get together and bring your family and friends.

- **Roanoke:**
[July 16, 2015 \(5:30-7:30\) - Soaring Ridge Craft Brewery](#)
- **Richmond:**
[Aug. 6, 2015 \(5:30-7:30\) - Casa Del Barco *](#)
[Feb. 4, 2016 \(5:30-7:30\) - Tobacco Company *](#)
- **Virginia Beach:**
[Aug. 27, 2015 \(5:30-7:30\) - Yard House *](#)
- **McLean:**
[Sept. 3, 2015 \(5:30-7:30\) - Gordon Biersch *](#)

* These are joint networking events between the Virginia Society of CPAs (VSCPA), Virginia Bar Association and Virginia Bankers Association.

Thank you to our sponsors: JSA, Loudoun Mutual, Progressive, and State Auto

If you have any questions please contact Kristina Preisner, kpreisner@iiav.com.

Education....Continuing Your Road to Success

Upcoming Classes

Cedar Bluffs - 724 Community College Rd, Cedar Bluff, VA 24609
[June 22-25 \(8:30-4:30\): Property & Casualty Pre-Licensing](#) (NA) \$300

Chesapeake 1 - Homewood Suites-1569 Crossways Blvd. (23320)
[June 11 \(9:00-4:00\): ACSR Mod 7-Com. Liability](#)-Course # 208292 (6 P&C) \$105/\$135

Chesapeake 2 - Chubb Insurance - 600 Independence Pkwy. (23320)
[August 24-27 \(8:30-4:30\): Property & Casualty Pre-Licensing](#) (NA) \$300

Manassas 1 - Hampton Inn - 7295 Williamson Blvd. (20109)
[June 11 \(9:00-4:00\): ACSR Mod 7-Com. Liability](#)-Course # 208292 (6 P&C) \$105/\$135

Manassas 2-NOVA Com. College: Innovation Park-9485 Innovation Dr. (20110)
[June 8-9 \(9:00-6:00\): Life & Annuities Pre-Licensing](#) (NA) \$175
[June 10 \(9:00-6:00\): Health Pre-Licensing](#) (NA) \$125
[July 27-29 \(9:00-6:00\): Property & Casualty Pre-Licensing](#) (NA) \$300

Richmond - IIAV – 8600 Mayland Dr. (23294)
[June 3 \(8:30-5:00\): AAI 81 B-Personal Insurance](#)-Course # 208297 (6 P&C, 2 L&H) \$165/\$215
[June 8 \(9:00-4:00\): PL Week: ACSR Mod 1-Homeowners](#)-Course # 208297 (6 P&C) \$105
[June 9 \(9:00-12:00\): PL Week: Flood Basic-FEMA Approved](#)-Course # 208545 (3 LR) \$45
[June 9 \(1:00-4:00\): PL Week: Ethics & Business](#)-Course # 208317 (3 Ethics) \$45
[June 10 \(9:00-4:00\): PL Week: ACSR Mod 2-Personal Auto](#)-Course # 208286 (6 P&C) \$105
[June 11 \(9:00-4:00\): PL Week: ACSR Mod 3-Personal Lines](#)-Course # 208289 (6 P&C) \$105
[June 12 \(9:00-4:00\): PL Week: ACSR Mod 4-E&O](#)-Course # 208289 (6 OGI) \$105
[June 18 \(9:00-4:00\): ACSR Mod 7-Com. Liability](#)-Course # 208292 (6 P&C) \$105/\$135
[June 22-25 \(8:30-4:30\): Property & Casualty Pre-Licensing](#) (NA) \$300
[July 27-30 \(8:30-4:30\): Property & Casualty Pre-Licensing](#) (NA) \$300
[August 20 \(8:30-5:00\): AAI 82 B Commercial Lines](#)-Course # 208361
[August 24-27 \(8:30-4:30\): Property & Casualty Pre-Licensing](#) (NA) \$300

Webinars (Computer and phone required, no exam)
[June 3-4 \(9:00-12:00\): ACSR Mod 3-Pers Lines Related](#)-Course # 208287 (6 P&C) \$105/\$135
[June 5 \(9:30-10:30\): Waiver of Subrogation](#)-Course #212021 (1 P&C) \$25/\$35
[June 9 \(12:30-1:00\): Biggert Waters April 2015 Update-What Changes Mean?](#) (NA) Free
[June 9 \(3:30-4:00\): Biggert Waters April 2015 Update-What Changes Mean?](#) (NA) Free
[June 10 \(9:30-11:30\): Traps & Tricks of Homeowners](#)-Course #211902 (2 P&C) \$40/\$55
[June 16 & 17 \(9:00-12:00\): E&O: Challenge of Change](#)-Course # 208589 (6 OGI) \$105/\$135
[June 19 \(9:30-10:30\): Insuring the College Experience](#)-Course # 208554 (1 P&C) \$25/\$35
[June 22 \(1:00-3:00\): ACT Presents: The Customer Experience Journey](#) (NA) \$59
[June 25 \(9:30-10:30\): Dealing with Fluctuations in Com Prop](#)-Course # 211629 (1 P&C) \$25/\$35
[July 8 \(3:00-4:00\): Biggest Homeowners Ins. Change in 40 Years Explained](#) (NA) Free
[July 14 & 15 \(9:00-12:00\): E&O: Challenge of Change](#)-Course # 208589 \$105/\$135 **
[July 15 \(1:00-4:00\): Data Breach, The New Wild West: Cyber Risk Exposures & Ins](#) \$79
[July 20 \(9:30-10:30\): Debris Removal: The Hidden Jewel](#)-Course # 212026 (1 P&C) \$25/\$35
[July 22 & 23 \(9:00-12:00\): ACSR Mod 2-Personal Auto](#)-Course # 208286 (6 P&C) \$105/\$135
[July 24 \(9:30-10:30\): Employee Theft -Who is an Employee?](#)-Course # 208480 (1 P&C) \$25/\$35

[Click here for the full list of classes.](#)

** This class may qualify your agency for a loss control credit through IIAV's Westport and Fireman's Fund E&O programs.

ABEN Webcasts

[June 9 \(10:00-12:00\): ACSR Mod 5: Professional Development & Account Mgmt-Pt. 1](#)
(NA) \$36

[June 11 \(10:00-12:00\): ACSR Mod 5: Professional Development & Account Mgmt-Pt. 2](#)
(NA) \$36

[Jun. 11 \(11:00-12:00\): IRA Fundamentals & Small Business Retirement Plans](#)
Course # 210953 (1 VA L&H) \$24/\$34

[Jun. 11 \(1:00-2:00\) Annuity Basics & Where They Fit](#)
Course # 210954 (1 VA L&H) \$24/\$34

[July 17 \(11:00-12:00\): IRA Fundamentals & Small Business Retirement Plans](#)
Course # 210953 (1 VA L&H) \$24/\$34

[July 17 \(1:00-2:00\) Annuity Basics & Where They Fit](#)
Course # 210954 (1 VA L&H) \$24/\$34

[July 21 \(11:00-1:00\): ACSR Mod 5: Professional Development & Account Mgmt-Pt. 1](#)
(NA) \$36

[July 23 \(11:00-1:00\): ACSR Mod 5: Professional Development & Account Mgmt-Pt. 2](#)
(NA) \$36

Designation Programs

Here are the designation programs that IIAV will be offering in 2015 to help you meet your educational and career goals.

- **Accredited Advisor in Insurance (AAI)**
- **Accredited Customer Service Representative (ACSR)**
- **Agribusiness & Farm Insurance Specialist (AFIS)**
- **Associate in Insurance Account Management (AIAM)**
- **Associate in Insurance Supervisory Management (AISM)**
- **Construction Risk and Insurance Specialist (CRIS)**
- **Management Liability Insurance Specialist (MLIS)**

[Click here to find out dates and pricing for these designations](#)

Virginia's Independent Spirit Since 1898!

INDEPENDENT INSURANCE AGENTS OF VIRGINIA

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Fax: 804-747-6557
Website: www.iiav.com



Take A Moment To Relax:

Random Facts for Your Next Conversation

Here are a few interesting facts for the next time you are at a dinner party .

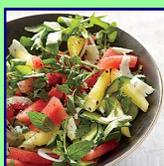
1. Johnny's Cash's "A Boy Named Sue" was written by Shel Silverstein.
2. Sesame Streets Oscar the Grouch started off orange.
3. Hydrox cookies came before Oreos.
4. The dot over a lowercase "i" is called a tittle.
5. The plural of Prius is Prii.

IIVAV Services:

- **Find a Market:**
Find the coverage you need for your client
- **Criminal Background Checks:**
Completed in 3-5 days rather than 6 weeks.
- **Career Center:**
Find your next great hire or intern.
- **Virtual University:**
Articles relating to insurance, business, technology and more.

These services and more can be found at www.iiav.com

Recipe of the Month



Watermelon-Cucumber Salad
Enjoy this colorful summer salad.

[Click here to view!](#)

Quote of the Month

"If you don't get everything you want, think of the things you don't get that you don't want. "

~ Oscar Wilde, Irish author, playwright, & poet