



May 2010

Strickland Appoints Brown to Chief Justice

Gov. Ted Strickland recently appointed Eric Brown to serve the remaining term of Ohio Supreme Court Chief Justice Thomas Moyer, who died unexpectedly in April after serving as chief justice for nearly 24 years.

Judge Brown, a Democrat, was already running against current Republican Supreme Court Justice Maureen O'Connor for the chief justice seat in this year's General Election. Strickland's appointment is viewed by many as a political move designed to give his candidate an upper-hand in the election. Because he will have served in office for several months, Brown's campaign will be asking voters to retain him as chief justice. Justice O'Connor, meanwhile, has nearly eight years experience as an Ohio Supreme Court justice.

Brown, the husband of Franklin County Commissioner Marilyn Brown, was most recently a Franklin County probate judge. He has a reputation as one of the more political judges on the bench. *The Columbus Dispatch* and *The Plain Dealer* have both decried the appointment as a blatant political move. Brown was sworn in as chief justice May 3.

Recent Supreme Court Decisions on Workplace Intentional Tort May Have Implications

Recently, in two separate decisions, the Ohio Supreme Court upheld the constitutionality of a 2005 state law that limits the ability of workers who are injured on the job to bring suit against their employers for a "workplace intentional tort."

The statute under challenge required that workers asserting intentional tort claims needed to demonstrate that the employer committed the tortious act with the deliberate intent to cause the employee to suffer an injury. The two decisions represent a significant change from the common law that had been developed by Ohio courts over the past 25 to 30 years.

The decisions in *Kaminski v. Metal & Wire Prods. Co.* and *Stetter v. R.J. Corman Derailment Services* potentially have wide-ranging implications in the insurance industry. Insurance carriers have typically justified their higher premiums for stop-gap liability coverage on commercial policies as a result of the significant exposure to employers which had been created by the case law developed over the past 30 years. The decisions will certainly limit the exposure of employers to private claims made by employees as a result of workplace injuries. The decisions could also have an impact upon the willingness of the carriers to continue to provide stop-gap liability coverage where presumably, premiums may be significantly reduced due to the reduced number of claims and reduced exposure.

Agents who sell commercial policies should be cautious of reacting to hearsay and should wait until a formal response to the rulings is issued in writing by their carriers. Right now, carriers are having their legal

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teams examine the court's rulings to determine things like what exposures remain; are these remaining exposures insurable?; and if so, what coverage will they offer and how much will they charge? Each carrier is working on developing their position on this issue following these rulings and positions will vary from carrier to carrier. It is expected that the ramifications from these rulings will be determined soon.

Register Now for PIA's Internship Program Golf Outing Fundraiser

PIA will be hosting this year's Internship Program Golf Outing Fundraiser June 14, 2010, at Rattlesnake Ridge Golf Club in



Sunbury, Ohio. This golf outing is the signature annual fundraising event sponsored by the Foundation for the Advancement of Insurance Professionals. We hope to build on the success of last year's golf outing fundraiser and raise even more funds to help support PIA's Internship Program. The internship program, in its fifth year, continues to attract outstanding college students who will have a unique exposure to the insurance industry via their internship.

To download a sponsorship/registration form, or learn more about the internship program and the foundation, visit www.ohiopia.com.

To register by phone, contact Kelly Lause at (800) 555-1742.

States Responsible for Implementing Large Part of Health Care Reforms

While the federal government was responsible for passing legislation to overhaul health care, a large part of implementing the new reforms will fall to the states. Most provisions of the bills, which have been touted to extend coverage to millions of uninsured Americans, will not take effect until 2014 (including state insurance exchanges). At that time, most Americans will be required to purchase health insurance or pay a fine, and insurance companies will be banned from denying coverage to individuals with pre-existing conditions. Medicaid, the government-run program for the poor, will be expanded to help cover insurance costs for low-income Americans and tax credits will be available to offset premium costs for families earning up to \$88,000 per year. By the end of this September, insurers will be required to extend coverage to children on their parents' plans until the age of 26; will be forbidden from denying coverage for sick children; and will no longer be able to place lifetime dollar limits on policies.

States will be responsible for overseeing the expansion of Medicaid, enforcing the new insurance reforms, and setting up and running the new insurance exchanges for small businesses and people who aren't offered health coverage through an employer. States have the option of deciding whether or not they want to run the new exchanges; they can choose to let the federal government run it instead. This decision needs to be made by 2013, a year ahead of the start of the exchanges.

The most immediate decisions states face is whether to participate in temporary high-risk pools designed to provide coverage to people with pre-existing conditions. The pools would start as early as July and last until the federal ban on denying coverage for pre-existing conditions begins in 2014. If states do not want to run their own program, there will be a federal fallback option. Ohio will be establishing a high-risk pool.

Right now, the Ohio Department of Insurance is focused on the most immediate implementation items and synching the new federal reforms with state guidelines. While the federal law requires insurers to extend coverage to children on their parents' plans until the age of 26, a state law takes effect July 1 allowing coverage until the age of 28. Ohio is also requiring health insurers to meet a quota during their open enrollment period.

PIA will provide more information on the implementation of the health care reforms as it becomes available.

Bill to Ban Text Messaging Statewide Advances

The Ohio House of Representatives has passed legislation to ban texting while driving statewide. House Bill 415, sponsored by Reps. Michael DeBose (D-Cleveland) and Nancy Garland (D-New Albany), would prohibit driving a vehicle while using an electronic wireless communications device to write, send or read a text-based communication.

According to Rep. Garland, the bill has wide support among motorists, safety-minded groups and others, and it incorporates parts of model legislation prepared by the National Highway Traffic Safety Administration.

Bans on texting while driving have already been put in place in several Ohio cities.

House Bill 415 now goes to the Ohio Senate for consideration.

PIA Insurance Company Satisfaction Survey Coming Soon

On June 14, PIA will mail its ninth consecutive Insurance Company Satisfaction Survey. The survey, designed to show your collective opinion to carriers, is a vital part of PIA's company relations efforts and demonstrates the importance we

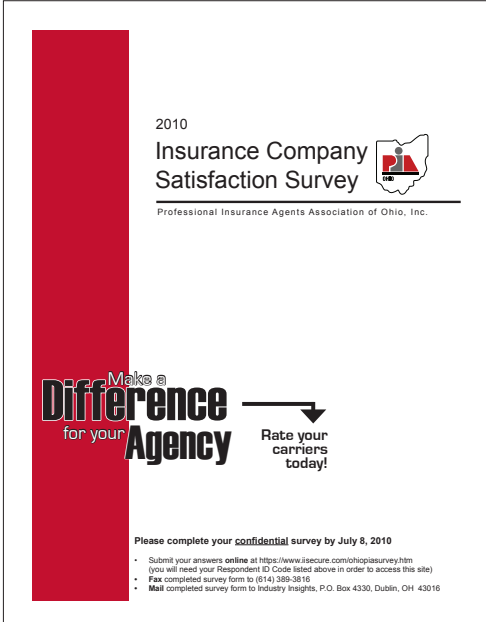
place on agent/carrier relations. Survey results can help you see how your carriers have performed over the last five years; determine if your carriers are performing above average; or to evaluate carriers before taking on new contracts. To view last year's survey results, visit www.ohiopia.com.

The value companies place on the feedback the survey provides is demonstrated by the fact that so many promote the survey to their agencies. Each year, companies look at their results very closely to determine how they performed in various areas such as marketing, underwriting and compensation. Survey results have led to companies evaluating the way they do business with you, and ultimately, this feedback helps them make better decisions. Last year, Central Mutual Insurance Co. was anxious for the survey results to learn feedback on a new billing system they had just rolled out.

"The Central Companies uses PIA's Insurance Company Satisfaction Survey Report as a key measure to validate our initiatives and system enhancements, like our new billing system. The 2009 survey results confirmed the improvements realized by our agency plant, while at the same time helping to quantify our competitive advantage relative to the industry."

*Pat Jackson, Regional Vice President
Central Mutual Insurance Co.*

PIA's survey is conducted by an independent research firm, so it's completely confidential. **Completing the survey is both fast and easy...it can even be completed online.** Let your carriers know what you think and take time to complete the survey.



2010
Insurance Company Satisfaction Survey

Professional Insurance Agents Association of Ohio, Inc.

Make a Difference for your Agency

Rate your carriers today!

Please complete your confidential survey by July 8, 2010

- Submit your answers online at <https://www.issure.com/ohiopia/survey.htm> (you will need your Respondent ID Code listed above in order to access this site)
- Fax completed survey form to (614) 389-3816
- Mail completed survey form to Industry Insights, P.O. Box 4330, Dublin, OH 43016

Is Your Name on Our Contributors List?

The stakes are high this year with so many offices up for election. The outcomes of this year's mid-term elections can have a profound impact on the insurance industry.

IMPACT

Insurance for Your Future!

While fundraising for IMPACT, PIA's political action committee is off to a strong start, it is important we reach our goal so we can provide meaningful support for candidates who share PIA's views on critical issues and support small businesses and the independent agent profession. Is your name on our contributors list?

Our goal is to raise **\$25,000** this year, and we need your help to reach that goal. To date, **\$14,265** has been raised.

To view a list of 2010 contributors, visit www.ohiopia.com.

To contribute to IMPACT, you can mail a personal check to PIA, made payable to IMPACT, or call Carolyn Mangas at (800) 555-1742 to make your contribution over the phone. **Please remember that corporate contributions are prohibited by law.**

Nominate the Best in the Business for a PIA Industry Award

This is your chance to honor standouts in the association - professionals who go above and beyond to make an impact in the industry and among your peers. Show your appreciation by nominating someone for Excellence in Leadership, Industry Person of the Year or the Community Service award. Visit www.ohiopia.com to read award descriptions and to complete a nomination form. The award winners will be recognized at this year's PIA Industry Awards Dinner Sept. 23,

held in conjunction with this year's Agency Management and Profitability Conference at The Columbus, a Renaissance Hotel, in downtown Columbus. **Nominations are due June 15.**

2010 AMPC, Sept. 23-24, Downtown Columbus

This year's Agency Management and Profitability Conference (AMPC) will be at a new location, with a new agenda and a

new experience. At this year's convention, held at The Columbus, a Renaissance Hotel, in downtown Columbus, you can experience:



- **Kick-off Luncheon with Keynote Speaker Robert Hartwig**, president of the Insurance Information Institute, who will discuss the economic climate and its impact on the insurance industry.
- **Insurance Industry Panel Discussion** about several state and federal issues facing the insurance industry.
- **Professional Development Sessions** to better your business.
- **Marketplace Exhibit Hall** which features more than 35 exhibitors.
- **PIA Industry Awards Dinner** featuring a prominent keynote speaker.
- **Annual Business Meeting Breakfast and Conferment Ceremony** to listen to the State of the Association Address and honor the newest classes of CIC, CRM and CISR designees.

PIA has events like no other insurance association in the state. Whether you're a veteran agent or a new producer getting into the business, AMPC is the only conference that gives you the most for your money. More information will be available in the coming months or visit www.ohiopia.com for the most current information.

Industry & Company

Notes

Kaufman Appointed Executive Vice President of Motorists Mutual

The Motorists Insurance Group board of directors recently appointed **David L. Kaufman**, ACAS, MAAA, executive vice president during the annual policyholder meeting for Motorists Mutual Insurance Co. Kaufman was also elected to the Motorists Mutual and American Hardware Mutual Insurance Co. boards of directors.

Kaufman previously served as senior vice president and chief information officer. Since joining Motorists in 1986, he has also served as actuarial manager and vice president, vice president of commercial lines and vice president of information technology.

Central's Jackson Named Regional Vice President; Gress Retires

Central Mutual Insurance Company recently announced the promotion of **Patrick J. Jackson**, CPCU, to regional vice president. Jackson previously held the position of commercial lines underwriting manager and marketing manager for the central regional office. He holds an MBA from Bowling Green State University.

Jackson began his new role April 12 following the retirement of **George Gress**, who was with Central for 15 years. Gress, a graduate of North Dakota State University, began his career with Central in 1995 as the central regional office manager and vice president.

Grange Insurance and The Hartford Win Quantum Awards for Agent Technology

Grange Insurance and The Hartford were recently named recipients of the 2010 *Quantum Award*. Grange Insurance was the award recipient for regional carriers and The Hartford for national carriers. The awards were presented by NetVU (formerly AMS Users Group) at its national convention in Nashville, Tenn., and recognize the companies achievements in providing superior technology in workflow productivity and profitability for member insurance agencies.

Progressive Launches Industry's First Android App for Car Insurance

Progressive Insurance Companies recently introduced an app for smart phones using the Google Android™ operating system. Progressive is the first major U.S. car insurance group to introduce an Android app specifically for car insurance. The company also has an Apple iPhone app and a mobile Web site.

With the free Android app, users can: get car insurance quotes and buy a policy; make payments and update policy information; get directions to a local independent insurance agent; get directions to the closest service center; research crash test results and recall notices; calculate and budget for monthly car loan payments; compare the relative costs to insure different types of cars; report and track claims; and watch the latest Progressive TV commercials.

CPCU Society's Columbus Chapter Awards Scholarships

The Columbus Chapter of the CPCU Society (Chartered Property Casualty Underwriters) recently awarded three scholarships to deserving CPCU students to help offset the costs of their study materials. The scholarship recipients were Carly Fortman, of Bowling Green State University; Allyson Beam, of Ohio University; and Cynthia Lu and Judy Blyumin, both of The Ohio State University. The scholarships were awarded at the annual Insurance Education Day.

For more information on the Columbus Chapter, visit their Web site, www.columbus.cpcusociety.org.



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