SURPLUS LINE REPORTER & INSURANCE NEWS

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NEWS IN BRIEF

PEOPLE

Jeffrey "Jeff" M. Mohr was named chairman of the LSU Alumni Association board of directors at the organization's Annual Meeting and Past Chairs luncheon on Nov. 22. Mohr is president of Lewis Mohr Real Estate and Insurance Agency, based in Baton Rouge and founded by his father in 1968. "It is an honor to be elected by my fellow board members to lead the LSU Alumni Association, which is, without question, one of the finest alumni associations in the country," said Mohr. "But what really makes the LSU Alumni Association special is the dedicated staff that works so hard on behalf of our university and its alumni and loyal supporters." Mohr was elected to the LSU Alumni Association Global Board of Directors in 2016, for a term that began Jan. 1, 2017. He is a 1982 graduate of LSU with a bachelor's degree in management and administration, and earned a master's degree in insurance management from Boston University. Mohr is a past president of the Independent Insurance Agents and Brokers of Louisiana (IIABL). He holds the CPCU and ARM designations.

Mohr

Louisiana state representative, Edmond Jordan, a Baton Rouge Democrat, has been selected to chair the Financial Services and Multi-Lines Issues Committee of the National Council of Insurance Legislators. NCOIL President **Matt Lehman**, state representative from Indiana, announced the lineup of committee leaders for 2020 on Jan. 7. Jordan is an attorney and co-owner of Cypress Insurance Agency Inc. He serves on the House Committee on Insurance, the Commerce Committee, the Judiciary Committee, the Legislative Audit Advisory Council, the House Select Committee on Homeland Security, and is a member of the Acadiana Delegation, the Capital Region Legislative Delegation, the Democratic Caucus, the Louisiana Legislative Black Caucus and the Louisiana Rural Caucus. Jordan is a graduate of Brusly High School, Southern University A&M College and Southern University Law Center. He was

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LIGA board puts new claim system on hold

When the Louisiana Insurance Guaranty Association (LIGA) board of directors met Dec. 5, the board approved LIGA's budget for 2020, discussed the new claims system and received an update on claims.

At the meeting, LIGA Executive Director John Wells told the board about the new claims management system. Wells has been in discussions with several software development companies in Baton Rouge (Sparkhound, General Informatics and Anteres) and Jackson, Mississippi, (Connect Technologies). He told the board that the different firms bring slightly different ideas and resources to the table. He is anxious to get the project back on track, but the scope of the project and investment demand a thorough vetting of all aspects of the project plans and teams.

During the discussion of the proposed budget, Wells informed the board that, even though LIGA hasn't selected a vendor and a project plan, the 2020 budget allocates $1.5 million toward the project.

LIGA Board Member Stephen Schrempp told the board that he isn't comfortable voting to spend that much money on a project without more information and discussion on the topic. Schrempp asked Wells to submit a white paper to the board that has the specifications and plan for the creation of the new claims system.

In the end, the board voted to reduce the data processing budget by $1.25 million. Wells and the claims committee will meet in January to work to develop a plan for the creation of the new claim management system.

For 2020, LIGA expects $7.5 million in revenue and $14.4 million in expenditures.

Wells reported that as of Sept. 30, LIGA's investment account at Wells Fargo Advisors had a value of $146,088,134 on a cost basis, with a market value of $148,574,743.

As for staffing levels, Wells informed the board that LIGA currently has two managers, Deidre Arceneaux, claims manager, and Wells. There are five full-time adjusters and four full-time support staff employees. Additionally, LIGA employs one temporary support staff person.

According to Arceneaux, there are two workers' comp examiners, two auto examiners and one environmental examiner.

She reported to the board, that LIGA is experiencing the same trends seen since the beginning of the year in auto and workers' comp with no new claims received. LIGA continues to steadily decrease pending auto claims, mostly from the Affirmative liquidation from which LIGA has 209 claims

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Citizens seeks approval of personal lines rate

The Louisiana Citizens Property Insurance Corp. (LCPIC) board of directors voted at its Jan. 9 meeting to send the proposed 2020 personal lines rate filing to the Louisiana Department of Insurance, seeking the department's approval. In addition, the board voted to approve the proposed RFP and corresponding processes for the purpose of determining vendors for claims administration in the event of a catastrophe.

The proposed rate change is an overall average increase of 0.4 percent, expected to be implemented June 1. LCPIC is required by law to charge rates that are at least 10 percent above the voluntary market rates.

According to LCPIC CEO Richard Newberry, the market analysis rate was arrived at by surveying more than 100 companies for premium and policy count by parish for five different products: homeowners, dwelling, renters, mobile home and wind-only.

The surveyed data is aggregated by product and parish to determine which companies qualify for market rate comparison. Only the rates for admitted companies that qualified were considered in the rate-making calculation. A company qualifies when policy counts have increased by 25 or its premium makes up two percent of the market. Of the more than 100 companies surveyed, 48 companies qualified for market rate comparison compared to 60 last year.

The residual property writer uses its own historical non-catastrophe experience, along with modeled catastrophe wind losses, to calculate an actuarially sound rate by parish and product.

LCPIC may file for actuarially sound rates if those rates are more than 10 percent above the market rate.

In breaking out the 0.4 percent proposed overall average rate increase, the FAIR Plan indication is a 0.5 percent rate increase and affects about 90 percent of the LCPIC personal lines premium, or approximately 33,000 policies. The Coastal Plan rate indication is an overall average 0.1 percent rate reduction and affects about 10 percent

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Lawson installed president of PIA of New Orleans

Brent Lawson, the 2020 president of PIA of New Orleans, has been in the insurance business since 2006, when he joined Daul Insurance Agency. At first he declined to accept Ryan Daul's post Hurricane Katrina job offer. Nonetheless, Lawson was installed to lead the Professional Insurance Agents of New Orleans Dec. 4 during ceremonies at New Orleans Country Club.

Lawson and Daul were longtime basketball buddies, and in 2006 Lawson was living in Houston after the 2005 Hurricane ruined New Orleans. When Lawson made a trip to his hometown of Gretna to interview for a sales manager position (not in the insurance business), Daul and he went to lunch to catch up. On Lawson's way back to Houston, he got a call from Daul who offered him a job with the Daul agency. Lawson previously had taken a management course where he learned that working for a friend can be a prescription for disaster. When Daul told Lawson that he (Daul) didn't plan to stay long with the agency and he thought Lawson could help out Daul's father, who owned the agency, Lawson decided to take the job despite what he had learned in the management course. As it turned out, Daul still works at the agency, and the two are still friends.

Coincidentally, Ryan Daul will be installed president of the Independent Insurance Agents of Greater New Orleans Jan. 24 at the Royal Sonesta, and Daul was the installing officer for Lawson's installation.

When Lawson started at the agency, he answered the telephone, then became an assistant customer service representative, then a CSR and then a producer, a job he still holds. Eleven months into the job, Lawson obtained a property and casualty producer's license.

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Brent Lawson, left, succeeds Eric Vocke as president of PIA of New Orleans.

Auditors are here to audit opportunity management
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Reinsurers keep their pens in their pockets
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A 33-year veteran of the insurance business dies
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What worries workers' compensation executives
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LIGA board

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pending. LIGA finally concluded two complex commercial auto claims from the Castlepoint insolvency and an additional nine workers' comp claims have closed in the last quarter.

Arceneaux informed the board that LIGA has reopened and will resume handling a previously denied workers' comp claim from the Lumbermens Mutual insolvency. LIGA originally denied coverage back in 2013 due to the LIGA statute's net worth exclusion. The high net worth insured has now filed bankruptcy and has ceased funding the loss. LIGA is working with its recovery vendor to qualify for coverage with the Second Injury Fund for this loss.

She also reported that LIGA was notified of a commercial auto insurer domiciled in Illinois that was placed in rehabilitation. Data from the company shows that the insurer has 234 open claims in Louisiana, mostly on policies that cover taxi cabs, Uber/Lyft and non-emergency para-transit vehicles. She informed the board that LIGA staffing has the capacity to handle these files.

As Arceneaux expected, new environmental claims continue to be reported at a steady pace. LIGA has now surpassed 2018's new claims count, and as of the end of October, LIGA has received 122 environmental claims.

Capson Physicians Insurance Company, a Texas-domiciled carrier writing medical malpractice insurance, was declared insolvent on June 28, 2019. LIGA continues to review the 54 open claims before the automatic stay period is lifted or ends on Dec. 28, 2019. Since the policies were claims-made policies and the liquidation order canceled all policies, including tail/extended reporting policies effective July 28, 2019, Arceneaux does not expect to receive additional claims.

LIGA continues to do net worth investigations for four Capson insureds, one of which is a large medical group with multiple locations across south Louisiana and Mississippi. LIGA has hired the LaPorte CPA firm to assist in determining the net worth of this medical group.

In the Affirmative Insurance/Affirmative Casualty Insurance liquidation, LIGA has closed 2,770 of the 2,979 claims received, or 93 percent of the files received.

In the Guarantee Insurance liquidation, LIGA received 75 workers' compensation claims, 10 of which remain open. LIGA has concluded the net worth investigations on all Guarantee insureds, and LIGA is collecting reimbursement from two insureds deemed to have a net worth more than $25 million. LIGA has collected reimbursement of $376,165.64 to date.

In Arceneaux's report to the board, from Feb. 28, 2019, to Oct. 31, 2019, open claims decreased from 1,217 to 1,151.

Of the Claims Department's 1,151 pending files, 706 are environmental, 160 are workers' comp, and 285 are auto and others.

LIGA's current reserves, according to Arceneaux's report, amount to $115,312,699.

She reported that LIGA's current filings with the Second Injury Fund are $379,488.22. There were $268,705.33 in recoveries in 2015, $501,010.11 in 2016, $502,984.94 in 2017, $420,844.81 in 2018, and $278,094.50 through the end of October 2019. LIGA currently has 18 Second Injury Fund cases open.

Surplus Line Reporter & Insurance News

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The auditors are here!

By Michael G. Manes
Manes and Associates

It was the ARM Partner's Conference in New Orleans on April 18, 2012. I was to speak on Change – Its Management. I relied on two premises. My own: Solving problems and capitalizing on opportunities is the way to transition from today through tomorrows. And Peter Drucker's: "The best way to predict the future is to create it."

The attendees, many with bloodshot eyes slowly filled the room. The program was the first of the morning at a conference in New Orleans. Slow and bloodshot are part of the early morning culture in The Big Easy. I placed a trash can in front of the group and a bottle of baby aspirins on the podium. I explained, "My intention today is to create chest pains since chest pains change behavior. If the chest pains get too serious, take a baby aspirin. If I upset your already queasy stomach, you can throw up in the garbage can." Nervous laughter followed.

A year later I presented a somewhat similar program to a Louisiana Bankers Association Conference in Las Vegas. The major difference between these two groups is "regulation" and "tolerance for risk." Agents tend to be more entrepreneurial (at risk) and have or should have a culture of sales, and bankers usually include a culture of bureaucracy and regulation. Bankers are risk averse. After the event, when surveyed about the program many of the bankers said to their association executive who planned the speaking program, "The comments about change were accurate. We just don't know how to change."

An early slide in the ARM program included two quotes – "Fat, dumb, and happy, commercial banks are being quickly replaced as financial intermediaries." (Time Magazine , Bernard Baumohl, June 28, 1993). This was my admonition to the bankers. Agencies today should consider this same warning.

The second quote was from Peter Drucker, "Whom the gods want to destroy they send 40 years of success." This applied to both groups. Bankers use the regulations of their industry as an excuse to remain in their comfort zone, and many agents are made comfortable because of the recurring revenue from their renewals.

John F. Kennedy could have been speaking to both groups when he said, "There are costs and risks to a program of action, but they are far less than the long range risks and costs of comfortable inaction."

Now before you continue reading, consider: What if banks and agencies were audited for their management of the opportunities in their marketplace? Consider the following when thinking of your organization/opportunity audit: Is your organization about performance, sales, marketing and customer intimacy, or is it focused on the daily transactions and the routine comfort of your staff and yourself?

For perspective, an auditor with the CDC in Atlanta defined the auditing process as follows: "When the war is over, the auditor steps onto the battlefield and bayonets the survivors." Is your agency and your team bruised and bloodied from battles of yesterday or up and running forward into the future, to the opportunities and possibilities that are tomorrow? Will the marketplace, the ultimate arbiter of success, bayonet you or reward you? Are you the past or the future?

In the late 1980s, I worked with a bank owned agency grandfathered into the insurance industry. It was one of two banks in the state with owned insurance agencies. In those days the bank was audited annually or biannually by state or federal regulators in addition to our own auditor. Fred (not his real name) was a "very traditional auditor." He wore both a belt and suspenders.

In a moment of frustration, I asked him to define the "audit function." He said, "It is an objective snapshot of the organization's financials/performance at a specific point in time." I asked how he would describe his CPA firm. He said, "We're very conservative." I responded, "When you quantify yourself or your firm as very conservative, in my opinion, you are no longer objective." I further suggested that his "conservative objective" model was giving us a false starting point for our next year. When I walked away, he was stuttering.

Max DePree says, "The first responsibility of a leader is to define reality." The following questions may help you begin to define your starting point for tomorrow:

-Do you and your team share understanding of and commit to the vision, values, mission and objectives established for your future? Will each of you and all of you be accountable for your performance and re-

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Auditors are here

FROM PAGE 3

sults? Are these your Ten Commandments or Ten Suggestions? Are these right for the world as it is and as it will be?

-Is the marketplace you serve or hope to serve in decline, level or in ascendancy? If you answer in decline or "flat lining," can you find new products to offer your existing clients? Can you offer your existing products to new clients? Or, even better, can you offer new products and services to new clients?

-Is your team compatible with the market niches you serve? If you are blessed with some really experienced and wise baby boomers, will they be right for the Gen X and Gen Y that is your tomorrow? Will your English speaking producers be right for a Laotian population? Will your clients shop producers based upon their knowledge or their cultural and gender compatibility?

-How will you sell in a nonverbal world? Is your delivery process, the preference of your clients and prospective clients? Are they comfortable with what and how you do business? Are you comfortable with what and how they want the relationship to be? Can you adapt to their future?

-What products, important today, might not be available tomorrow for you to sell? Is the NFIP sustainable or will its vulnerability to adverse selection ultimately cause its collapse? Will auto liability coverage be needed with self-driving cars? Will Gen Y's prefer private ownership of cars or Uber or public transportation? Will they have the appetite for home ownership that we had? Will your community survive? Will coastal properties be readily available or will global warming have moved them all off of the coast?

-What new opportunities might be available to you that are not in your briefcase today?

-Will the advances in technology allow you to do more with your clients and prospects more efficiently and effectively? In a virtual world, might 7.5 percent commission be adequate where today you are blessed with 12 percent? Who will dictate commission levels in the future? You or your clients? Will carriers determine your commissions on what you need or what the market is willing to pay? Could you sell effectively with full disclosure of commission or quotes net of commission?

-What will the world of retail (Malls and Main Street) be like tomorrow? Will all the action be on the banks of the Amazon?

-Will the government finally move to a single payer health care system? Will your local doctors now satisfy their needs through their network or as individual business owners? Will they be entrepreneurs or employees? Will they be in the business of business and the business of medicine or will they specialize in only medicine?

-In the future, will it be necessary for you to be too big to fail for you not to be too small to succeed?

I don't know the answers. I don't even know the questions that are appropriate for tomorrow. Your future is not dependent upon me. It is dependent upon you. What do you know? What should you know? What will you do? Can you be profitable regardless of what the market is willing to pay?

In closing, about 20 years ago I was speaking to an agency conference – one of the attendees was over 75, very traditional, successful, conservative and very comfortable in his ways. I asked if his exit from his agency by death or retirement would increase or decrease the value of his agency. His response was immediate, "Boy, you done gone from preaching to meddling." I now offer you the same question. Are you and the agency you own or work with ready, willing and able to transition from yesterday and today, into tomorrow? Really?

It's your future.

Postscript: As I finished this article five minutes ago, I received a post from Time.com commenting, "How White Male 2020 Candidates Are Struggling with Questions of White Privilege." If you consider the article crazy, you may want to reconsider.

MICHAEL G. MANES is the owner of Manes and Associates, a New Iberia, Louisiana-based consulting business focusing on planning, sales and operations, and change. He has over 46 years of insurance industry experience, including serving as an instructor of Risk and Insurance at Louisiana State University.

Business groups, GOP lawmakers expected to push for tort reform

Business groups and GOP lawmakers are expected to push hard for tort reform in the 2020 Regular Session of the Louisiana Legislature, which begins March 9.

The tort reform measure currently in businesses' crosshairs is limiting in some way the lawsuits that they say drive up the state's car insurance rates.

The state's litigious climate ostensibly fueled by personal injury lawyers' advertising has served to discourage auto writers, particularly commercial lines insurers, from writing business in Louisiana.

Proponents of change believe that changing the rules for accessing civil courts and suing over injuries could help draw more companies to Louisiana, create a more competitive environment and reduce rates.

On the other side, critics of change contend there is no proof that legal system changes would bring down rates. They say that the proposed changes could keep people injured in vehicle accidents from getting compensated adequately. At the same time, other reasons for high rates could be ignored.

During the 2019 session, the Senate Judiciary A Committee, almost entirely composed of attorneys, killed a bill that was expected to reduce automobile rates, and the issue resurfaced during the October/November elections. Gov. John Bel Edwards, a Democrat, took some heat from his Re-

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Personal lines rates

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of the residual market insurer's personal lines premium, or approximately 3,000 policies.

By category, the proposed overall rate change for homeowners is a decrease of 0.3 percent; dwelling fire will increase 1.7 percent; renter/condominium unit owners will decrease 2.6 percent; mobile home coverage will decrease 21.9 percent, and wind-only rates will increase 3.2 percent, according to documents provided by LCPIC.

The proposed rate changes differ between the two plans. In the FAIR Plan, the residual property insurer proposes to decrease homeowners rates by an overall average 0.6 percent; increase dwelling fire rates by 0.8 percent; decrease renter/condominium unit owners by 2.5 percent; decrease mobile home rates by 14.7 percent, and increase wind-only rates by 3.1 percent.

In the Coastal Plan, LCPIC proposes an overall average rate increase for homeowners of 13.3 percent; increase dwelling fire by 7.7 percent; decrease renter/condominium owner rates by 5.7 percent; decrease mobile home rates by 42.1 percent, and wind-only rates overall will increase by 5.8 percent.

The percentage of premium change driven by market analysis versus actuarial review is: homeowners, 99.5 percent by market analysis and 0.5 percent by actuarial review; dwelling fire, 95.8 percent market analysis and 4.2 percent actuarial review; renter/condominium, 99.5 percent market analysis and 0.5 percent actuarial review; mobile home, 87.3 percent market analysis and 12.7 percent actuarial review, and wind only, 26.6 percent market analysis and 73.4 percent actuarial review.

Policyholders in Orleans Parish will pay more for their personal lines homeowners insurance in the FAIR Plan. According to LCPIC, the proposed rate change in Orleans will be a 5.7 percent increase on $3,049,058 in premium. According to the report to the board, the rate change is market analysis driven. For other LCPIC homeowners policyholders in the FAIR Plan, the premium changes for the other parishes in the top five largest parishes by premium volume are: Jefferson will see a market analysis driven rate increase of 2.6 percent on $827,953 in premium; St. Tammany will see a market driven rate decrease of 5.9 percent on $352,149 in premium; East Baton Rouge will see a market driven rate decrease of 9.5 percent on $332,105 in premium, and St. John the Baptist will see a market driven rate decrease of 10.4 percent on $258,361 in premium.

In this year's personal lines rate filing, no parish will have a premium increase for homeowners in the FAIR Plan greater than 10 percent.

For dwelling policyholders in the FAIR Plan, the premium changes for the five largest parishes by premium volume are: Orleans with a market analysis driven rate increase of 5.1 percent on $9,690,370 in premium; Jefferson with a market analysis driven rate will see a rate increase of 10.2 percent on $6,396,048 in premium; Lafayette with a market analysis driven rate decrease of 1.6 percent on $1,310,748 in premium; Terrebonne with a market analysis driven rate increase of 3.7 percent on $1,103,853 in premium, and St. Tammany with a market analysis driven rate decrease

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Personal lines rates

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of 0.7 percent on $1,103,277 in premium.

The parish that will have the largest premium change for dwelling policyholders in the FAIR Plan and have more than $100,000 in premium is Jefferson, and according to Citizens, the increase is attributed to American National Property and Casualty now qualifying as a market rate comparison company and having the highest market rate for Jefferson.

The two parishes that will have the largest premium change in renter/condominium unitowners coverage in the FAIR Plan are Orleans and Jefferson. Renter/condominium unit owners in Orleans will see a market analysis driven 1.4 percent rate increase on $187,827 in premium, and those in Jefferson will see a market analysis driven 11.3 percent rate decrease on $119,291 in premium.

The two parishes that will have the largest premium change in mobile home coverage in the FAIR Plan are Calcasieu and Vermilion. Mobile home policies in Calcasieu will see a market analysis driven 21.6 percent rate decrease on $303,216 in premium, and Vermilion will see a market analysis driven 9.6 percent rate decrease on $276,778 in premium.

For wind-only policyholders in the FAIR Plan, the premium changes for the five largest parishes by premium volume are: Jefferson with an actuarial driven rate increase of 2.4 percent on $4,907,242 in premium; Orleans with an actuarial driven rate increase of 4.5 percent on $2,911,432 in premium; St. Tammany with a market driven rate increase of 5.5 percent on $1,126,063 in premium; Lafayette with a market analysis driven rate increase of 4.7 percent on $670,576 in premium, and Terrebonne with an actuarial driven rate increase of 2.3 percent on $639,062 in premium.

Included in the rate filing is a proposal that LCPIC will give discounts based on the number of years since a policy's inception. The discounts will be five percent in the second year of the policy and 10 percent in the third year and beyond. LCPIC's review of the 48 companies qualifying for this year's homeowners market survey indicates that approximately 50 percent of premium is written by a company which uses the tenure of a policy within its ratemaking. According to LCPIC, implementing these discounts will more closely align LCPIC's ratemaking with the approach used by some of the state's largest insurers.

The board voted unanimously to implement the new rates if the department approves rates that are within 0.5 percent of the proposed rates, up or down.

Newberry updated the board on Round 13 of depopulation, informing board members that, even though four companies expressed interest this round, SafePoint Insurance Company and Spinnaker Insurance were the only companies that requested policies.

SafePoint requested 2,381 of the 4,000 policies offered for take-out by LCPIC, and Spinnaker requested 325 of the 4,000 policies offered for take-out by LCPIC. Of the 2,381 requested by SafePoint, only 102 were authorized. Of the 325 requested by Spinnaker, only 12 were authorized. Spinnaker decided not to execute the contract due to low authorization.

The ceded policies represent an annualized premium of $145,000 with an insured value of $16.0 million. Allstate agents authorized 80 of the policies, State Farm authorized five policies, Farm Bureau authorized six, and independent agents authorized 23. Policyholders have until Feb. 29 to opt out of the assumption and choose to stay with LCPIC.

LCPIC's Request for Proposal for vendor services includes a primary catastrophe claims administrator, a secondary (back-up) catastrophe claims administrator, catastrophe adjusting services and a CAT first notice of loss call center. The current contract ends March 2020. All current vendors were provided notice of termination of the contract on Nov. 29 and that a new RFP would be released.

The proposed structure is the same as the current structure: one CAT administrator with 400 adjusters, one back-up CAT administrator with 125 adjusters, additional adjusting firms for added resources with 200 adjusters, and a first notice of loss call center which could be one of the already selected administrator/adjusting firms. The proposals were due by Jan. 10 with the evaluation of the proposals to be done by Feb. 7 and the Evaluation Committee selection on Feb. 10.

The Evaluation Committee will be Stephanie Jackson, LCPIC senior director of claims; Joey Credeur, LCPIC claim supervisor; Rickey Lindsey, LCPIC chief information officer, and Nhuong Nguyen, LCPIC manager of quality and processes.

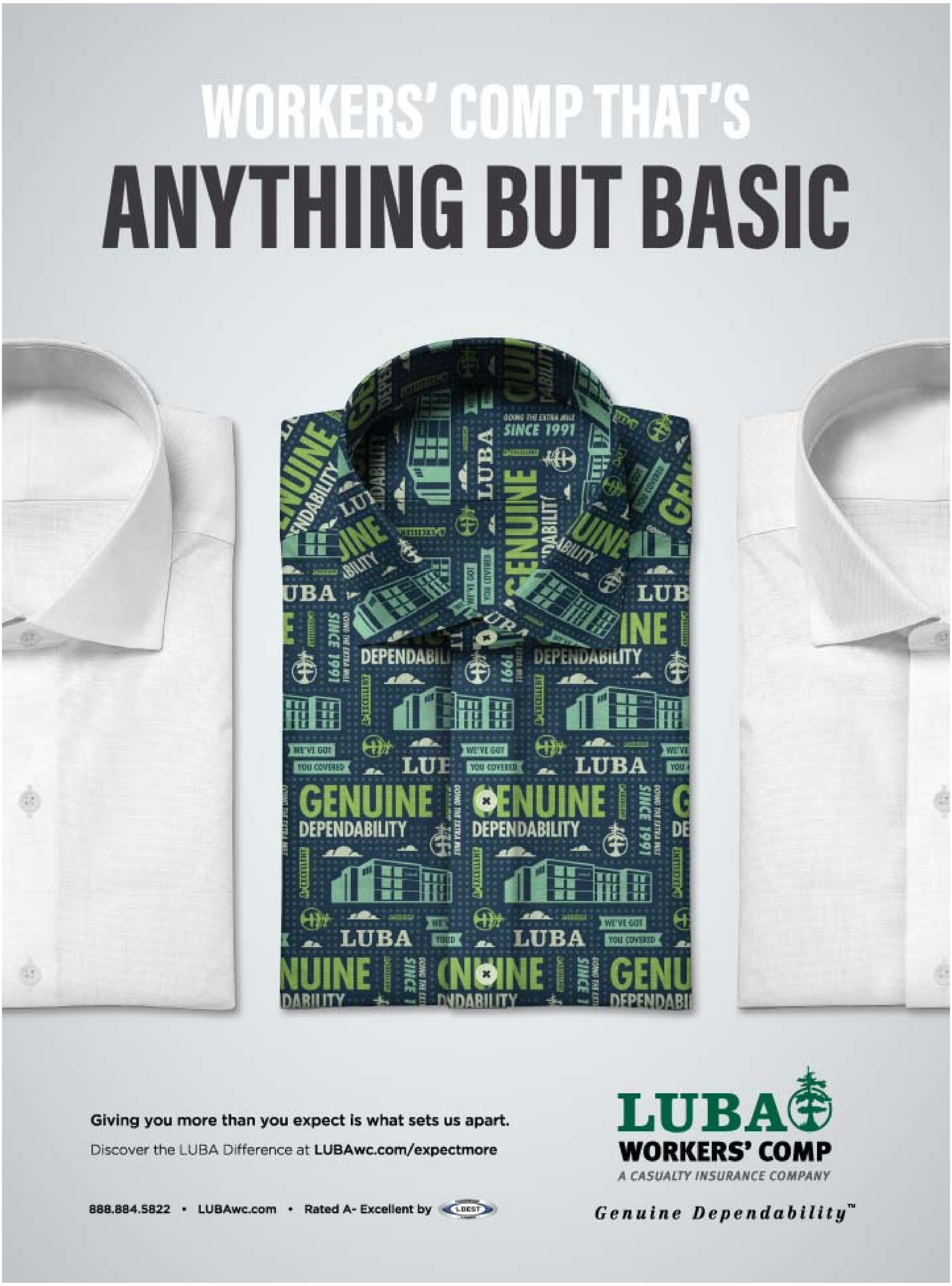
The combined contracts will provide LCPIC with more than 700 core team adjusters with 50 claims per independent adjuster, or 30,000 claims. LCPIC currently has 38,000 policies.

LCPIC's Vice President of Accounting and Finance Joe Sciortino reported to the board that on Nov. 30, LCPIC had $138.2 million in operating cash and $80.0 million in cash investments, for a total of $218.3 million in cash and investments, compared to the beginning of 2019 when LCPIC had $125.5 million in operating cash and $84.2 million in cash investments, for a total of $209.7 million in cash and investments.

When the December numbers are included, Sciortino expects to end 2019 with $139.1 million in operating cash and $81.2 million in investments for a total of $220.3 million in cash and investments.

Sciortino also reported that LCPIC's policyholder surplus at the end of November was $187.7 million compared to $174.4 million at the beginning of 2019.

Additionally, he reported that LCPIC's net income at the end of November was $11.5 million, $6.6 million more than the expected income of $4.9 million that was budgeted for the end of November.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The Insurance Professionals of Shreveport Bossier and The Northwest Chapter of PIA celebrated the holidays at Red River Brewery

From left are Mike Sullivan, Stonetrust; Rachel Kight, Stonetrust; Kenny Aucoin, Stonetrust, and Kay Wessel, RISCOM.

David Wood, left, Specialty Risk Associates, with Jody Boudreaux, PIA of Louisiana, and Brad Wood, Specialty Risk Associates.

Greeting guests were Ami Edwards, left, Risk Services of Louisiana, and IPSB President Donna Rice, RISCOM.

The folks from the RPS Interstate, from left, front row, Logan Calhoun, Tricia Massey and Taylor Calhoun; back row, Becky Byler, Melissa Reneau, Holly Wright, Andrew Maestrini and Lawrence Calhoun.


Representing RISCOM are Linda Lee, left, David Grice and Carol Rizzo.


With the Hudson-Silver Agency are, from left, Charlene Kuntz, Lance Hudson and Julie Freeman.


Emily Hardinge, left, Specialty Risk Associates, and Sharon Peoples, Moreman, Moore and Company, handled registrations.


Brandy Watts, left, Moreman, Moore and Company, with Susan Fulton, RISCOM, and Elliott Maples, Moreman, Moore and Company.


Glenda and Gary Williams, Williams Insurance Group.


From left are Kim Ebey, Moreman, Moore and Company; Tracy Price, Moreman, Moore and Company, and Loni Beasley, McIntyre and Associates.


Cheryl Richardson, left, and Cindy Lofton, both with Parnell-Robinson.


Rep. Alan Seabaugh, vice chairman of the House Committee on Insurance, and his wife, Laura Seabaugh, the Attorney General's Office.


Mike Whittenbarger, left, Hudson-Silver Agency, with Brenda Owens and Cade Gautreau, both of HomeBuilders-SIF.


From left are Myriam Victoria, Arthur J. Gallagher; Curtis Crenshaw, MJ Kelly; Bryan Willis, Moreman, Moore and Company; Lynne Raley, McGriff Insurance Services, and Tim Raley, Arthur J. Gallagher.

Brad Craft becomes president of Northwest Chapter of PIA

Brad Craft, left, presents Logan Calhoun with the past president's plaque.

Answering a help wanted ad that Deep South Surplus placed at helpwanted.com is what got the new president of the Northwest Chapter of PIA into the insurance business 15 years ago. He was fresh out of college and looking for work.

Fifteen years after he got his first job in the insurance business, Brad Craft, RISCOM, was installed president of the Northwest Chapter of PIA during the Christmas social sponsored by the Northwest Chapter and the Insurance Professionals of Shreveport Bossier and held at the Red River Brewery in Shreveport on Dec. 4.

Craft succeeds Logan Calhoun, RPS Interstate, who remains on the Northwest Chapter's board of directors.

Craft's first job in the insurance business consisted of processing policy cancellations and endorsements for Deep South. In 2005, Deep South recognized Craft by naming him as the agency's Rookie of the Year. After a stint as a junior underwriter, he became a lead underwriter for package lines of business, but since 2011, he has worked for RISCOM.

A graduate of LSU-Shreveport, Craft earned a bachelor's degree in political science. He is a past president of the student government and was active in a local fraternity during his tenure at the university. He holds the CISR and CIC designations and volunteers at his place of worship, the Church at Red River.

During the coming year, Craft hopes to boost agency involvement in the Northwest Chapter. He plans to schedule a crawfish boil sometime in April.

Taking office along with Craft was Gary Williams, The Williams Insurance Group, who is the chapter's secretary/treasurer. Serving on the 2020 board of directors are Jim Gulett, Advanced Insurance Planning in Monroe, and Clint and Cliff Gulett, who are with Advanced Insurance Planning in Shreveport, as well as Janice Hopkins, National General Insurance Company.

The chapter meets quarterly and will hold its next meeting March 3 at 4:00 p.m. at the Red River Brewery.

Stephenson continues as the president of the Northeast Chapter of PIA

Bryan Stephenson, Gene Galligan Insurance Agency, Monroe, continues for a second year as president of the Northeast Chapter of PIA. He was installed during the association's Christmas Party Dec. 3 at the Catfish Cabin in Monroe.

In addition, a past president of PIA of Louisiana, Gene Galligan, Gene Galligan Insurance Agency, returns for another term as secretary/treasurer of the Northeast Chapter of PIA.

Returning to the board are directors Janice Hopkins, National General Insurance Company, Bossier City, and Vikki Wilder, Summit Holdings, Baton Rouge. New to the board of directors is Mike Swinney, Southern General Agency, Alexandria.

Stephenson, a producer, has been with the Gene Galligan Insurance Agency for nearly seven years, having started in April of 2013.

In their garish holiday attire, Gene Galligan, left, recognizes Bryan Stephenson for his year of service as president of the Northeast Chapter of PIA.

He has held a property and casualty producer's license since 2012.

Stephenson plans to spearhead a membership drive focusing on smaller local independent agencies, which he believes are becoming fewer and fewer as acquisitions seem to be the preferred means for agencies to grow. He perceives that the agencies which aren't being acquired by larger agencies are being gobbled up by banks. The M&A activity is "changing the landscape of the insurance business," he said, which means small independent agencies have to work harder than ever to support their markets.

Under Stephenson's leadership, the Northeast Chapter expects to host a Pig Out in May, including a continuing education opportunity, but the logistics have not been decided.

The Northeast Chapter meets quarterly in March, June, September and December for lunch at the Catfish Cabin in Monroe.

The Northeast Chapter of PIA installed officers and celebrated the holidays at the Catfish Cabin in Monroe


Chelsea DeCourte, Gene Galligan Insurance Agency, and Kevin Brown, Safeco Insurance Company.


Craig West, left, executive director of the Monroe Symphony, who was the luncheon speaker, and Mike Swinney, SGA.


Representing The Lincoln Agency are, from left, Nikki Dailey, Linda Gortemiller and Tricia Risinger.


Jody Boudreaux, PIA of Louisiana, and Lyle LeJeune, Imperial PFS.


From Scottish American are Dev Altic, left, and Judy Sonnier.


From left are Ron Lasyone, LCI Workers' Comp; Northeast Chapter President Bryan Stephenson, Gene Galligan Insurance Agency; Vikki Wilder, Summit; Gene Galligan, Northeast Chapter secretary/treasurer, Gene Galligan Insurance Agency; Janice Hopkins, National General, and Leisa Harrison, Summit.

PIA of Baton Rouge held an officer installation luncheon and Christmas party at the Oak Lodge

Phil Dimattia, left, and Duane Dimattia, both with Dimattia Insurance Agency.

Laurie Whipp, Gulf States Insurance Company, with PIA of Louisiana President Bryan Duplantier, Alpha Insurance Agency.

Jay Jodah, left, LCI Workers' Comp, with Dana Myers, Gulf South Insurance, and Jeffery Tate, Juban Insurance Group.

Drew Fourrier and Sheri Lindsey, both with Fourrier Insurance.

Robert Broussard, Greater Louisiana Insurance Group, with Keith Summers, LCI Workers' Comp.

Bill Guider, left, and Frank Lewis, both with Liberty Mutual Insurance Company.

Michelle Stewart, left, Burns and Wilcox, with Andrew Strohm, Agile Premium Finance, and Kim Berthelot, Burns and Wilcox.


Dan O'Brien, left, SafePoint Insurance, with Shay Robinson, UPC Insurance, and Gus Fernandez, SafePoint Insurance.


Dianna Sessums, left, Wright Flood, with Sonia Romero, Gabisa Insurance Agency, and her husband, Pedro.


From left are Ruth Damaré, UIG; Heather Folks, Guarantee Restoration; Gayle Marks, Gayle Marks Agency, and Jack Duke, UIG.


With Gulf South Insurance are, from left, Codi Myers, Shelbie Richard, Angie Isaac, Ava Bizzell, Ana Myers, Ericka Schnebelen, Melanie Michael and Lauri Murphy.

Dana Myers to lead PIA of Baton Rouge for 2020 term

Dana Myers, Gulf South Insurance Agency, was installed president of PIA of Baton Rouge during the association's holiday installation luncheon held at Oak Lodge in Baton Rouge on Dec. 11.

She succeeds Jamal "Jay" Jodah, LCI Workers' Comp, who remains on the board of directors.

Myers, chief operating officer at Gulf South Insurance Agency, has been in the insurance industry for over 10 years after spending almost 20 years in the trucking industry where she worked as a corporate director of safety and risk management. She received her property and casualty license and began her career in insurance as an agent and risk management/loss control consultant specializing in trucking insurance.

Dana Myers presents Jay Jodah with the PIA of Baton Rouge past president's plaque.

She has been with Gulf South Insurance Agency for the last four years, and she and her staff specialize in trucking and transportation insurance. "Coming from an extensive trucking and risk management background, I know the value of working with an insurance agent and agency that truly understands the trucking industry," Myers said in an interview.

Myers received her Certified Director of Safety (CDS) designation from the University of Florida, and is a qualified risk management loss control specialist.

She became active with PIA of Baton Rouge two years ago.

In addition to her service with PIA of Baton Rouge, Myers serves on the board of directors of the Louisiana Motor Transport Association.

Her goals for the coming year for PIA of Baton Rouge are to improve agent participation within the organization. She wants to get agents in the Baton Rouge area "to see the value of being a member of PIA of Baton Rouge."

When asked by the Reporter about the difficulties facing insurance agents in Louisiana, Myers responded, "The commercial auto market in Louisiana is in a crisis. But, I am very hopeful after the last election that the legislature can enact some form of tort reform legislation that will help with the commercial auto crisis in Louisiana."

Taking office along with Myers were Dan O'Brien, SafePoint Insurance Company, president-elect, and Sonia Romero, Gabisa Insurance Agency, secretary/treasurer. Elected to the board were Robert Broussard, Greater Louisiana Insurance Group; Trish Bump, Foremost Insurance Company; Sheri Lindsey, Fourrier Insurance, and Gayle Marks, Gayle Marks Agency.

PIA of Louisiana President Bryan Duplantier, Alpha Insurance Agency, installed the officers.

At the installation, the association collected unwrapped toys to donate to a local charity.

Agent of the Year awarded to Romero

In addition to installing the officers, an award was given to a member of PIA of Baton Rouge for her outstanding service to the association.

Romero, a producer/owner of Gabisa Insurance Agency, received the Agent of the Year award.

She has been active with PIA of Baton Rouge since 2010, has served as the secretary/treasurer for the last two years, and served on the board of directors for the last three years. In addition to her job on the board and as secretary/treasurer she helps with the PIA of Baton Rouge crawfish boil that is held every year in April.

Romero got her start in the insurance

See **AGENT OF YEAR** Page **20**


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Reinsurers keep their pens in their pockets this renewal

London Views
by Len Wilkins
London Correspondent

If you had a relaxed and enjoyable Christmas, spare a thought for the London brokers, underwriters and backroom staff who were working frantically throughout December and early January to complete the 2019/2020 reinsurance renewal season. This time around the renewal season concluded later than in previous years, and some placements were not complete at year-end despite everyone's efforts.

The demand for reinsurance has been strong, and the market, as usual, has been mixed between the price that insurers are prepared to pay and the price that reinsurers demand.

Toward the middle of last year, both primary and reinsurance rates turned, and the trend continued during the renewal season, with reinsurers being more cautious about who they want to cover and what they want to charge. Reinsurers were also aware that primary carriers had more money in their pockets to buy reinsurance. With primary rates rising, reinsurers saw a greater chance to make money.

As a result, there were significant differences in pricing across the London market as well as diversity in the amount of cover reinsurers were prepared to grant. Reinsurance underwriters kept their pens in their pockets unless the premium, the underwriting capacity, the geographic exposure, the risks being reinsured and the client's loss record suited their mood. Often the individual client relationships among the primary carrier, broker and reinsurer determined what, and how much was written.

This led to a confused picture, with the market moving in a number of different directions. Placing U.S. business has been a challenge, while European and other international business was easier. Property catastrophe contracts were simpler to place as most had gone loss free during the year, which reinsurers found attractive. One area that brokers found difficult was excess of loss casualty contracts. Where previous years' losses appeared, these were more expensive to renew. It didn't help that some reinsurers withdrew from writing certain casualty long-tail business, squeezing capacity even more.

One pleasing factor for the traditional London market was the lack of growth in the Insurance-Linked Securities capacity, which stayed at nearly the same level. It seems the ILS market has been held back by loss development from previous years' catastrophe losses.

Bushfires burning in Australia

The world has been shocked by the huge bushfires presently burning across Australia. The cost in human terms is mercifully light, but the loss to local wildlife is horrific. Lloyd's writes many Australian reinsurance treaties and will be heavily involved in paying claims. In monetary terms the cost is not significant compared to U.S. hurricanes. Losses are expected to reach between $1 billion and $2 billion.

End of year and decade messages

The usual end-of-year and end-of-decade messages have been circulating around the market, and Lloyd's is no exception. Lloyd's CEO John Neal reminded the market that there are three main priorities: a return to sound underwriting performance; the market's development of a long-term success strategy, and building a diverse and inclusive culture. He said there was a much more positive feel at Lloyd's than when the year began.

Neal referred to Lloyd's 2019 business planning process and Decile 10, which aimed to get rid of worst performing business.

Some $9.1 billion of new business was written by the market, and there is a new long-term strategy, the Future at Lloyd's Blueprint. On the downside, there was the shame of the cultural survey, which showed that many Lloyd's market workers had negative experiences. At least Lloyd's reacted quickly to the findings.

Neal referred to 2020 as one of the most important years at Lloyd's. The merger of the Lloyd's Board and Council will make decision-making more efficient and quicker.

Brexit – The U.K. leaves at last

Following the U.K.'s recent General Election, the new Parliament has finally voted through the European Withdrawal Bill. The U.K. is going to leave the European Union (EU) on Jan. 31, 2020, later than the original date of March 2019. This is only a stepping stone along the way, as next comes a transition period until December 2020 when trade talks between the U.K. and the EU begin, and the U.K.'s financial services industry, including Lloyd's and the London market insurers, learns its fate about trading in Europe.

The U.K.'s trading relationship with the EU will remain the same while the two sides negotiate a free trade deal. If a trade deal is ready in time, the U.K.'s new relationship with the EU can begin immediately after the transition. If not, trade between the EU and the U.K. will suddenly become more difficult. At present, any authorized U.K. insurer (including Lloyd's) can write business in Europe. If trade talks fail, the insurers' authorization will be cancelled, and they cannot trade in Europe. For this reason, most insurers have already set up local European subsidiaries, such as Lloyd's European operation in Belgium, which will enable them to trade as normal, albeit as a European authorized insurer rather than a U.K. authorized insurer.

At the moment both sides are playing hard to get. The EU insists a free trade deal

See **LONDON VIEWS** Page **28**

PIA of New Orleans held its Annual Installation and Holiday Banquet at the New Orleans Country Club


From left are Nick Farley, Ann Sagona Insurance Agency; Brian Henderson; Kelly and Brent Lawson, Daul Insurance Agency.


Shaun Norris, left, HUB International, with JV Franks, center, and Blaine LeBlanc, both with Hull and Company.

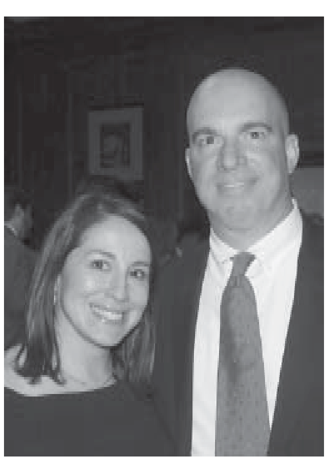

Marie Meyers, left, Insurance Underwriters Ltd., with Karen Crouch, Gillis, Ellis and Baker, a Gallagher Company.


Monique and Eric Vocke, Capstone Insurance Agency.


PIA of Louisiana President Bryan Duplantier, Alpha Insurance Agency, and his wife, Julie.


Laurie Lagasse with Eddie Story, Allied Trust Insurance Company.


Courtney and Casey Lane, Lane and Associates.


Natasha and Matthew Forest, Forest Insurance Facilities.


Lyndsey Manalla Graham, Servpro of Metairie, with Chad Harrington, Hull and Company.


Donna Thornton, left, TIPS Agency, with Michael Couvillon, Esplanade Insurance, and Amy Hope.


Lisa Orlando, left, Emergency Restoration, with Ronald Lorio and Ann Sagona Lorio, Ann Sagona Insurance Agency.

Tiffany and Dan O'Brien, SafePoint Insurance Company, with Coleen Brooks, PIA of Louisiana.

Brittany Stoudt and Mike Orlando, both with Emergency Restoration.

From left are Ryan Daul, Daul Insurance Agency, and his wife, Christine; Jerry Daul, Daul Insurance Agency; Brandy and Kelly Daul, Daul Insurance Agency.

Jordana Richmond, Acadian Managers, with Butsy Martin, center, G. Martin Insurance, and Brian Keefer, Allied Trust Insurance Company.

From left are Wayne Forest Jr., Forest Insurance Facilities, and his wife, Casey; Mary Katherine Leach, Legion Claims Solutions, and Christian Leach, Tompson, Smith and Leach Insurance.

Brittany Schule Orlando, Emergency Restoration, with Skip Bordelon, TWFG - Skip Bordelon Insurance.

Tim Clements, left, Clements Insurance Services, and his wife, Malinda, with Charlie Eshleman, Gillis, Ellis and Baker, a Gallagher Company.

From left are Jessica Clayton, Classic Insurance Agency, and her husband, Jason; Jason DiMaggio, SageSure Insurance Managers, and Rebecca Boudreau, Esplanade Insurance.

PIA of New Orleans

FROM PAGE 1

"I have never had to sell a policy," Lawson said. "I couldn't be a producer if I had to (hard) sell. I just try to help people and have been very, very successful." It seems "weird" to Lawson, but "in my field people can have integrity and get paid for it."

He is pumped about the agents associations. "Where else can you go (and interact) with your direct competitors?"

Prior to Lawson getting into the insurance business, he managed restaurants in Atlanta and Houston and Broussard's in New Orleans. He also was the executive assistant to the mayor of Gretna through Katrina.

Lawson attended Delgado Community College, then the New Orleans Baptist Seminary; his goal was to become a youth pastor. Eventually, he earned a bachelor's degree in business from the University of New Orleans. He holds the AMIM, ASLI, AIS, AU and AINS designations.

Lawson is a past president of the Westbank Rotary Club, and for five years he chaired the Gretna Jubilee, which is an annual restaurant tasting, live concert and evening under the stars benefiting the Westbank's four advanced study academies with, among other projects, a teacher grant program. He is in year two serving on the board of the jubilee's foundation. Lawson chairs the golf tournament for the Westbank ARC and has been on the ARC's board of directors for eight years. Still, most of his volunteer work is through the Rotary Club.

A former president of the Dad's Club where his son attends school, Lawson believes that parents who are active in their children's education give the children a "huge benefit" and that those children do better in school than children whose parents are not involved.

Lawson believes that the biggest issues facing south Louisiana insurance agents include long-term re-authorization of the National Flood Insurance Program and the state's automobile insurance market, both personal and commercial. He expects there to be a push in the state legislature this year to pass something like last year's omnibus tort reform bill that failed to get out of the state Senate's Judiciary A Committee.

"You know there is a problem with automobile rates when agents are pushing for lower rates," he said, especially since that means less commission for those agents. "When carriers stop taking your money, you should worry," Lawson said, and that is the situation that has evolved in Louisiana.

Lawson will encourage PIA member agency owners to invite their service staffs to be engaged in association events and commented that in agencies where the principal does not pay for employees to take classes, the employees may not know where to go to get continuing education.

Taking office along with Lawson were Lyndsey Manalla Graham, Servpro of Metairie, president-elect, and Nicholas A. Farley, Ann Sagona Insurance Agency, secretary/treasurer. As immediate past president, Eric Vocke, Capstone Insurance Agency, remains on the board of directors.

The 2020 directors are Jessica M. Clayton, Classic Insurance Agency; Michael C. Couvillon, Esplanade Insurance Agency; Crystal DePascual, AmWINS Access; Brittany Schule Orlando, Emergency Restoration, and Donna D. Thornton, TIPS Agency. Debbie Harrington, Americas Insurance, serves the association as executive director.

Agent of Year

FROM PAGE 14

industry more than 20 years ago as a licensed property and casualty agent with a local Allstate agency. She opened Gabisa Insurance Agency in 2008 and currently has three locations, in Kenner, Lafayette and Baton Rouge.

She believes one of the difficulties facing independent agents in Louisiana is that "everything is moving to on-line. Storefront agencies will also need to have an on-line presence to attract business."


Romero

Romero feels that the PIA of Louisiana convention is one of the benefits of being a member of the association. The annual convention "is a great way" to see representatives of a wide range of insurance industry organizations. She also believes that PIA's Market Access Program is a big benefit as well because it has given her agency access to commercial lines insurance companies.

The PIA of Louisiana 77th Annual Convention is scheduled for July 11-13 at The Grand Hotel in Point Clear, Alabama. The theme for the 2020 convention is Sportsman's Paradise.

Tort reform

FROM PAGE 4

publican opponent, Eddie Rispone, for being a trial lawyer.

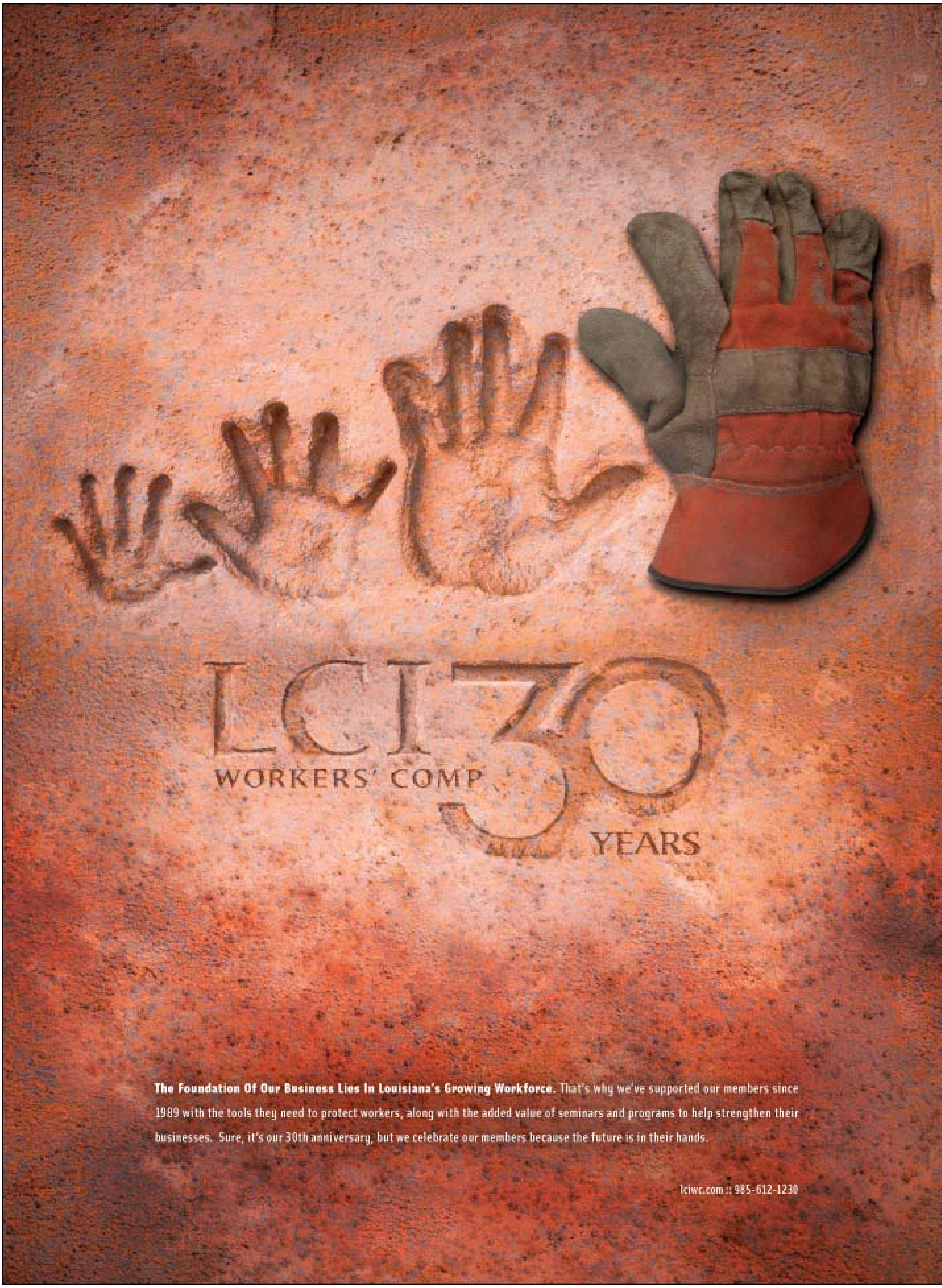
Nonetheless, a compromise may be a possibility. Edwards told the Associated Press that he is willing to negotiate with lawmakers ahead of the next legislative session about possible changes he could support.

Proposals this year are expected to mirror the Omnibus Premium Reduction Act of 2019, HB 372, proposed during the last session, sponsored by then Rep. Kirk Talbot, which received only one favorable vote in the Senate Judiciary A Committee meeting after passing the House 69-30.

Talbot returns to the legislature in 2020 as a senator.

The 2019 Talbot bill would have decreased the jury threshold from $50,000 to $5,000, eliminated the collateral source rule, eliminated direct action, increased the prescriptive period to two years from one year and required vehicle insurers to file for rates at least once a year for three years.

The bill was dubbed by Stephen Waguespack, CEO of the Louisiana Association of Business and Industry, as the most important bill of the legislative session.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PIA of Acadiana installed officers at The City Club at River Ranch

From left are PIA of Louisiana President-elect Charlie Williams, Daly Williams Insurance Agency, and his wife, Dana, with Ashley Badeaux and Blaine Prejean, Affordable Insurance of Acadiana.

Jay Jodah, left, LCI Workers' Comp; Lisa Knight, TWFG-Lisa Knight Insurance, and Keith Summers, LCI Workers' Comp.

Tyler Redd, Family Insurance Center, with Anna Gauthier, center, and Krystal Mouton, both with Core Insurance.

Brooke Bishop and Jared Denais, Affordable Insurance of Acadiana.

Lauri Beth Stough, left, Howard Risk Advisors, with Karra LeFleur, RB Services.

Lisa Donlon, Arthur J. Gallagher, with Jason DiMaggio, of SageSure Insurance Managers.

Tyler Wied, left, and Christi Andrus, both with Dwight Andrus Insurance.

Sara Coker, left, Acadiana Specialty Risks, and her husband, Phil, with Sandra Charles, Sandra Charles Insurance Agency.

Jordana Richmond, left, Acadian Managers, with Kara Roy, TWFG-Lisa Knight Insurance.

Jody Boudreaux, PIA of Louisiana, with Noel Bunol, Gulf States Insurance Company.

Marti and John Erny, Erny Insurance Agency.

Lindsey Trahan, left, and Arlene Wyche, both with Erny Insurance Agency.

Barry Neal, left, TWFG-Lisa Knight Insurance, with Paige Hebert, Core Insurance, and Conner Perryman, Guarantee Restoration.

Stough installed president of PIA of Acadiana

Lauri Beth Stough, an operations and production assistant with Howard Risk Advisors, was installed president of PIA of Acadiana during ceremonies held Dec. 17 at the City Club at River Ranch in Lafayette.

Stough succeeds Blaine Prejean, co-owner of Affordable Insurance of Acadiana, who remains on the chapter's board of directors.

She started in the insurance industry as an underwriting assistant at RISCOM in 2016 after graduating from the University of Mississippi. "I always said I would never work in Insurance because I always heard about it growing up," Stough told the Reporter.

"My parents have been in the insurance business my entire life. They both worked at Deep South and opened RISCOM when I was in high school. I moved home after graduating from college and worked at RISCOM. I thought my job there would be temporary but ended up catching the insurance bug."

Stough worked at RISCOM until 2017 when she moved to Lafayette and joined Howard Risk Advisors. She wanted to learn about the agency side of the business.

Since joining Howard Risk Advisors she has worked on the operations side of the business. When asked what the one accomplishment is that she was most proud of, Stough told the Reporter, "I'm most proud of our workflow and processes documentation. When I started we did not have many processes documented, and now we have workflows for every process. This has allowed us to train employees faster, create standardization throughout our agency and, most importantly, provide a better product for our customers."

She earned an MBA from Louisiana State University – Shreveport in December 2018 and is currently working on obtaining the CIC designation.

Stough has been an active member of PIA since joining the insurance industry in 2016, and has been a board member of PIA of Acadiana for the past two years and previously served as the chapter's secretary.

She told the Reporter, "PIA has been a great way to network with others in the industry, especially once I moved to Lafayette."

Stough's goals for the coming year, "Beyond throwing a great crawfish boil, my goal for the coming year is to continue to increase participation from our local members and encourage young professionals to become involved, or become more involved, in our local chapter," she said.

"Our annual crawfish boil is a fundraiser for scholarships for UL Lafayette students in the Insurance and Risk Management degree program. We also try to support the Catholic Charities of Acadiana through donations from our members," she added.

Stough feels that one of the obstacles the insurance industry faces in the coming years is an increasingly competitive labor market. "There are many people working in the industry that are reaching the age of retirement, or soon will, and there seems to be a lack of interest in working in the industry by younger generations. This is why I think our fundraiser is so important. I hope that younger generations, mine included, are exposed to the amazing opportunities in a career in insurance," Stough told the Reporter.

Installed along with Stough was Sara Coker, Acadiana Specialty Risks Inc., secretary/treasurer. Serving on the board of directors for 2020 are Clay Perret, Quality Plus Insurance; Connor Perryman, Guarantee Restoration; Krystal Mouton, Core Insurance Solutions LLC; Scott Erny, Erny Insurance, and Tyler Redd, The Family Insurance Center.

PIA of Louisiana President-elect Charlie Williams, Daly Williams Insurance Agency, installed the officers and directors.

As his last official act, Immediate Past President Prejean presented Coker with a President's Award for her outstanding service through the years to PIA of Acadiana as the treasurer and now the secretary/treasurer.

Lauri Beth Stough presented Blaine Prejean with the past president's plaque.

Northshore Chapter of PIA installed officers at Pinewood Plantation

Ruth Damaré, left, UIG, with Stephanie Plescia, Plescia Insurance Agency.

From left are Natalie Cooper, PIA of Louisiana; Brittany Stoudt, Emergency Restoration, and Laurie Whipp, Gulf States Insurance Company.

David Bulloch, Bankers Insurance Group, with Brittany Schule Orlando, Emergency Restoration.

With UIG are Johana Orlando, left, Ricky Jenkins and Jessica Cathey.

Jason Howell, left, H&A Insurance Agency, with Mike Orlando, center, Emergency Restoration, and Dale Jones, Central Claims.

From left are Jason DiMaggio, SageSure Insurance Managers; Britt Grieme, Connor Sykes and Crystal DePascual, all three with AmWINS Access.

From left are Casey Fernandez and Ian Bush, both with Johnson and Johnson, and Trey Rosch, Fassbender Insurance.

Baylie Babin, left, Imperial PFS, and Alicia Stanley, Employers.

Rock Ruiz, left, Rock Ruiz Insurance and Retirement Services, with David Moragas, center, Galloway, Johnson, Tompkins, Burr and Smith, and Danny Gendusa, RT Specialty.

Jordy Bloodsworth, Cajun Navy, with Jennifer Cochran, Lighthouse Property Insurance Company, and Mike Orlando, Emergency Restoration.

Alison Cuevas, left, Alison Cuevas Insurance; Leeann Manalla, center, SageSure Insurance Managers, and Dawn Duhé, Stiel Insurance.

Danielle Wagner, of Gendusa Insurance Agency, with Andrew Strohm, Agile Premium Finance.

Brian Cook, left, Brian Cook Insurance, and Eddie Story, Allied Trust Insurance Company.

Jordana Richmond, Acadian Managers, with Matthew Monson, The Monson Law Firm.

Tim Boston, left, RISCOM, with Jack Duke, UIG.

With Frazier Insurance are, from left, Marcella Lewis, Angela Gremillion and Nicole Collins.

With Burns and Wilcox are, from left, Traci Simmons, Vee Frichter and Sharesse Zimmer.

Dawn Lee, left, Burns and Wilcox, with Teri Scamardo, center, ARM Insurance, and Wanda Dartus, Burns and Wilcox.

Keri Meyer, left, and Deshae Mouton, both with Continuum Restoration.

Joyce Shugg, left, and Denise Thomas, both with Eagan Insurance Agency.

With Fassbender Insurance are, from left, Bryan Fassbender, Krystal Fassbender and Jason White.

DiMaggio succeeds Orlando as Northshore PIA president

With experience on the agency and company sides of the insurance business, Jason DiMaggio, SageSure Insurance Managers, was installed president of the Northshore Chapter of PIA during a lunch meeting held Dec. 3 at Pinewood Plantation in Slidell.

DiMaggio succeeds Mike Orlando, Emergency Restoration, who remains on the Northshore Chapter's board of directors.

DiMaggio's career in insurance began nearly 20 years ago when he went to work at Guardian Insurance Agency, which was owned by his mother-in-law. He was a producer for Guardian for eight years, handling personal and commercial lines of business, and then he managed a satellite office in Chalmette for New Iberia-based Dorsey Insurance Agency. Next, he worked as an underwriter/marketing rep for Slidell-based Southeast Safety Association, and that was followed by four years with SafePoint Insurance Company, where he was the Florida-based company's agency relations manager for Louisiana. Recently, he went to work for SageSure Insurance Managers as the south and west Louisiana territory sales manager.

In addition to his position with the Northshore Chapter of PIA, DiMaggio is on the boards of the Young Insurance Professionals (YIPs) and the 1752 Club.

He was the 1752 Club's 2019 Marketing Representative of the Year, an award that is presented during PIA of Louisiana's annual convention, and he holds a property and casualty agents license.

DiMaggio is a past president of the Slidell Youth Basketball Association.

As for plans for the Northshore Chapter of PIA's year under his leadership, not much will change. DiMaggio said he's "not going to fix things that are not broken." Despite that, he will urge the chapter and its members to get more involved in their community – become more visible. And he will push to increase membership. Finally, the Kevin Cole Poker Run will return to June. The poker run was postponed to September last year due to inclement weather.

Taking office along with DiMaggio are Stephanie Plescia, Plescia Insurance Agency, president-elect; Jason Howell, H&A Insurance Agency, treasurer, and David Morages, Galloway, Johnson, Tompkins, Burr and Smith, secretary. Serving as directors for 2020 are George Bernard, Gulfstream Insurance Company; Brian P. Cook, Brian P. Cook Insurance and Notary; Staci Cooper, Cooper Insurance Agency, and Ruth Demaré, UIG.

Jason DiMaggio, left, succeeds Mike Orlando as president of Northshore PIA.

NEWS IN BRIEF

FROM PAGE 1

elected to the Louisiana House of Representatives in 2016 and is eligible to serve through the 2024 term.

MEETINGS/EDUCATION

The Louisiana Department of Insurance's Annual Conference is scheduled for March 4-5 at the Crowne Plaza Hotel in Baton Rouge. For the first time, the event will cover health insurance, property and casualty insurance, and insurance fraud. There will be expert speakers in nearly 20 breakout sessions during which attendees can learn about the current landscape of the health care system on the federal and state levels, discover emerging innovations in the property and casualty insurance industry and explore ongoing efforts to combat insurance fraud. Continuing education credits are available for insurance producers, insurance adjusters and lawyers. The registration fee is $125 for individual and business attendees and $50 for government employees. Those interested in exhibiting at the conference should contact **Julie Freeman** at 225-219-4772 or Julie.Freeman@ldi.gov.

RATINGS

In separate news releases, Demotech Inc. announced Jan. 15 that the financial stability ratings of A Exceptional assigned to Centauri National Insurance Company and to Centauri Specialty Insurance Company are being sustained based upon their pending acquisition by Avatar Partners LP, parent of Florida-based Avatar Property and Casualty Insurance Company. According to **Joseph L. Petrelli**, ACAS, MAAA, president and co-founder of Demotech, "We have been frequently briefed by Centauri and Avatar personnel throughout the process and assured that both parties desire to effect a transaction that will enhance the 2019 year-end annual statement of Centauri National. It appears that consumer, claimant, agency and reinsurer relationships should be enhanced by the introduction of Avatar's ownership, management expertise, philosophy and financial resources." Centauri National is a Louisiana domiciled subsidiary of Centauri Specialty Insurance Company and part of Centauri Specialty Insurance Holdings Inc., a

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Mike Migliore, a 33-year veteran of the insurance business died Jan. 6

Michael Gerard Migliore was born Dec. 17, 1954, and died Jan. 6. He was in the insurance business for 33 years, and his experience included adjusting claims, owning and managing an agency and working on the company side of the business.

Most recently he was the Southeast Louisiana territory sales manager for Maison Insurance Company.

Prior to that he was the Louisiana Senior Territory Sales manager for National General Insurance Company for six and one-half years. As the Louisiana sales manager for National General/GMAC Insurance preferred auto program, he handled sales and account management of specialty insurance products for financial institutions.

Miigliore

He was Access Insurance Company's regional sales manager, managing eight territory sales managers in Louisiana, Texas, Mississippi and Oklahoma.

Earlier, 2009 and 2010, he was regional director and Louisiana sales manager, and did sales and account management of personal auto, homeowners and flood insurance programs marketed through independent agents for the Access Insurance non-standard insurance program, appointing 300 agency locations in Louisiana prior to the program's inception. He was Access Insurance Company's Louisiana sales manager from 2008 to 2009.

He was the regional sales manager for Kemper/Unitrin Specialty Insurance, where he managed five territory sales managers in Louisiana and Texas. Prior to that, he was the senior territory sales manager for Unitrin Specialty Insurance, Midland Risk Insurance Company from 1997 to 2005.

He started in the insurance business as a claims representative for Progressive in 1985 when he answered a newspaper classified ad, and then spent more than 10 years as an account manager for Progressive Insurance Company in New Orleans before moving to the agency side of the business and opening Financial Insurance Network in 1996.

Migliore held Louisiana insurance agent licenses in property and casualty and life and health. He was a member of the 1752 Club, and he was named the 2012 Company Representative of the Year by the 1752 Club.

Migliore attended the University of New Orleans where he earned a Bachelor of Arts degree in geography. While at UNO, Migliore was on the dean's list and was active in the national and local Geography Society.

A New Orleans native, Migliore began high school at Martin Behrman, the last year it was a high school, and graduated from O. Perry Walker High School.

What worries workers' comp execs

Looking ahead toward the new decade, NCCI reveals its Focus on 5, the definitive list of issues that are top of mind for workers' compensation industry leaders. These are the critical questions that the more than 100 executives surveyed are asking:

-Will insurers be able to react quickly enough to preserve rate adequacy if trends shift?

To address rating adequacy, many are investing in predictive analytics to help with pricing and dedicating more resources to actuarial research and analysis. Insurers are closely evaluating and monitoring risks for the purposes of acceptability, pricing and coverage.

-How does an aging and changing workforce affect key industry drivers such as claims frequency and severity, along with wage and employment levels?

An overall focus on workplace safety and education remain important priorities in the new year.

-What does the future hold for medical care costs given so many variables, such as emerging healthcare technology and treatments, issues related to opioids and marijuana in the workplace, and mega-claims associated with seriously ill or injured workers?

-Will the gig economy ever grow to the extent that it affects the traditional workforce? And will insurers develop innovative products to serve that market?

-How will rapidly changing workplace technology affect American jobs and the workers comp industry? Can regulation and legislation keep pace?

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is impossible by December, and the U.K. insists it will be done. The U.K. wants to distance itself from the EU, and the EU insists it wants to stay close to the U.K. The aim of both sides is to keep access to each other's markets. Currently, U.K. insurers and Lloyd's meet all EU regulations and requirements, including the stringent Solvency II rules. Provided they can convince EU regulators that they will keep to this, there should not be any problems.

Effectively, Lloyd's and the London market are in a "heads we win; tails they lose" position. If trade talks succeed, things will go back to normal, and if they fail, Lloyd's and U.K. insurers will write European insurance and reinsurance business through the subsidiaries they have already set up.

Marine Hull and Casualty lead the way

The modernization of Lloyd's continues, and leading the way are marine hull and casualty underwriters. They were selected by Lloyd's and the board of the Lloyd's Market Association (LMA) to act as the pilot classes for the modernization of all Lloyd's syndicates.

With over 60 lines of insurance and reinsurance to choose from, one might wonder why marine and casualty got the nod. Arguably, Lloyd's began with marine hull, and casualty business came along hundreds of years later. Apparently, Lloyd's carried out an extensive analysis on a wide range of possible classes that could form part of the pilot. Lloyd's looked at the performance of the class; the materiality of premium in the class (i.e. the importance of the premium produced by this class of business); the number and concentration of leaders and followers in the class; the number and concentration of brokers in the class, and the method of placement split within the class.

These classes both have a large number of syndicates writing and a number of leaders and followers. The business is placed by many brokers, so the LMA board and Lloyd's jointly agreed that they are the most suitable classes for the modernized syndication pilot.

The aim of the pilot is to make life easier for leaders and followers in Lloyd's. This should lead to improved performance, reduced duplication and proportionate oversight. Lloyd's has the difficult job of deciding how much control it has over syndicates. Already, there are rules on underwriting, risk management and claims settlements, but Lloyd's needs to decide if its market supervision of all Lloyd's business is too much, too little or just right.

The LMA will consult the two classes of business during the first two quarters of this year and will make further details available in due course. Eventually, new rules for all syndicates will be rolled out, and all classes of business are expected to benefit from new leader and follower standards.

How to set up a syndicate in a box

One of the new innovations announced in Lloyd's Future of Lloyd's Blueprint One was the syndicate in a box. At the time, it was announced that the Munich Re Innovation Syndicate would become the first new entrant in the market to use the syndicate-in-a-box (SIAB). More of these new syndicates are expected for 2020, and Lloyd's CEO John Neal said that Lloyd's has received applications from around 40

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Delaware holding company. The company was formed in 2017 and offers a variety of residential products in Louisiana, including homeowners, dwelling and fire, in addition to specialty lines, such as flood, hurricane and wind.

LUBA Workers' Comp, which writes workers' compensation insurance in Louisiana, Mississippi, Arkansas, Texas and Oklahoma, recently received an A- Excellent rating with a stable outlook from AM Best for the 16th consecutive year. LUBA's A- Excellent rating demonstrates its financial strength, strong operating performance, sound claims handling practices and long-term stability, according to AM Best. The workers' comp insurer has held the rating since 2003, proving its long-standing position as a trusted insurance carrier in the marketplace. LUBA is the second largest writer of workers' comp in Louisiana, the fourth largest in Mississippi and continues to expand its footprint across the region. "This reinforces LUBA's dedication to genuine dependability, sound business practices and superior customer service," **Mike DePaul**, COO of LUBA Workers' Comp said.

CAT LOSSES

AM Best reports that a significant decline in activity in 2019 following two years of elevated catastrophe losses gave a boost to the homeowners insurance segment despite threats from numerous storms and major wildfires in California. Many (re)insurers have responded to this potential for a new normal trend in perils, such as wildfire, by re-evaluating their underwriting strategies and enhancing reinsurance programs while limiting exposure concentrations. AM Best also indicates that enhanced data analytics on some perils, including cat models and risk scoring, can help companies better manage this risk. Enhanced pricing segmentation, rate increases to match risks, and overall improved exposure and concentration management have helped the market as well. In addition, AM Best says efforts to promote the use of in-home, tech-enabled water detection tools may help limit losses, but some concerns remain about how such devices would be distributed and factored into pricing.

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new syndicates for this year. So far, only Munich Re has been named, so to encourage others to come forward Lloyd's gave details on how to apply for an SIAB. Lloyd's hopes that in 2020 up to two percent of total planned market GWP can be written through syndicates in a box.

The first thing Lloyd's recommends for new entrants is to start the process with a discussion with its Business Development Team. Lloyd's strongly encourages this before spending any time, money or resources on any proposal. While most applications will be straightforward, this will prevent any misunderstandings and unnecessary costs. Lloyd's warns that the application will take at least three months to validate. Applicants will need an existing managing agent to sponsor the application (in the same way as for binding authorities) and a statement from the managing agents assessing the applicant's ability to comply with Lloyd's minimum standards.

Lloyd's warns that the internal review of a new business plan and capital assessment involves multiple teams within Lloyd's. The Lloyd's New Entrants team will coordinate the review with other teams. The SIAB process will encourage all of the Lloyd's teams to raise any queries or issues via the New Entrants manager who will collate the queries to reduce iterative discussions and streamline the process.

Anyone getting this far is in the final stages of the application and now has agreement in principle. At the end of this stage, Lloyd's will consider the outputs from the review stage, and how the operational and administrative aspects have been addressed, with a view to granting formal permission to underwrite.

Finally, comes official approval and the go-ahead to trade. Once this occurs, Lloyd's will be back to follow up on the deliverables in a post approval action plan. In addition, Lloyd's will regularly review how the business is performing against the agreed SIAB success criteria and business plan, Lloyd's minimum standards and Lloyd's guidance.

These things don't come cheap. The application fee for an SIAB is £100,000, plus £52,000 if the applicant is a new member. The difference between the syndicate in a box and syndicate application fee will be payable only when the syndicate in a box graduates to a full syndicate.

Whistle-blowing systems inadequate

The Prudential Regulation Authority (PRA) is the part of the Bank of England that regulates insurance providers such as London insurance organizations and Lloyd's. While consumer protection is left to the Financial Conduct Authority, the security of the U.K.'s insurance organizations is part of the PRA's responsibility. To ensure that suspected wrongdoings are reported, the PRA operates a confidential whistle-blowing system.

Unfortunately for Lloyd's, and to the market's great embarrassment, Lloyd's has failed to provide an effective system, and the Society of Lloyd's had to go cap-in-hand before the U.K.'s most powerful regulator to confess that the only anonymous whistle-blowing system provided for Lloyd's staff has not been operational since October 2017 and that Lloyd's has not produced the expected annual whistle-blowing report.

The PRA regulators are not happy bunnies with this news and have decided that their arrangements for Lloyd's requires enhanced monitoring and scrutiny. They did note that other whistle-blowing avenues were available for the staff of Lloyd's over this period.

Personal grievances, such as bullying, harassment or discrimination, aren't covered by whistle-blowing laws but would be investigated if an investigation was in the public interest. The lack of an anonymous system between 2017 and now means that about 1,000 staff had no way to report incognito issues such as sexual harassment or bullying.

Lloyd's said it was "disappointed" by the failure in its controls.

Chaucer to write U.S. E&S lines

Like many managing agents Chaucer operates both as a Lloyd's operation and an insurance company. Chaucer Insurance Company DAC is domiciled in Dublin and writes an international specialty insurance and reinsurance business that mirrors that of its Chaucer Syndicate 1084 in London. This enables brokers, coverholders and clients to select syndicate or company paper.

The company recently received confirmation from the NAIC that it can write excess and surplus lines business across the United States. Chaucer hasn't said if any of the new business will be reinsured into Lloyd's.

TIPOGNO hosted a Christmas celebration at The Ridgeway of Old Metairie

Casey Darden, left, Gillis, Ellis and Baker, a Gallagher Company, with Pam Geraci, Donnaway Insurance.

James Asher and Liz LaGrange Asher, Gillis, Ellis and Baker, a Gallagher Company, check in attendees.

Nicole Arceneaux, All Risks Ltd., and Roderick Darensburg.

Brandt Aymond, left, with Chad Harrington, Hull and Company, and Nanette Giraud, Robert L. Giraud Insurance.

From left are Brittany Schule Orlando, Emergency Restoration; Monique O'Neill, Donnaway Insurance; Brittany Stoudt, Emergency Restoration, and Tiffany Forest, Forest Insurance Facilities.

With CRC are, from left, Amber Townsend, Pam Miller and Jennifer Nagle.

Josie Smith, left, and Gwen Gibbs, both with Martin Insurance.

Giselle Budde, left, with Jessica Clayton, center, Classic Insurance Agency, and Dawn Duhé, Stiel Insurance.

Tom Langmeade, left, and Stacey Campo, both with The Hartford, with Wayne Forest Jr., Forest Insurance Facilities.

Karen Crouch, left, and Katy Green, both with Gillis, Ellis and Baker, a Gallagher Company.

From left are Jamie Renton, Imperial PFS; Marie Meyers, Insurance Underwriters Ltd.; Steve and Gloria Bruno.

Katie Liljeberg, left, Dave Millet Insurance, with Sheral Robinson, center, RODCO Worldwide, and Louise Butler, G&M Marine.

Gayle Collins, Gallagher, and her husband, Shane.

From left are Darlene Z. Nelson and Tammy Caro, both with Martin Insurance; Lorelai Augustine and Debbie Poleman, both with Burns and Wilcox.

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