IIAH 2012
Installation of Officers
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*Houston Insurance News*  

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2012-13 / 1st Edition
The Magazine Committee, Officers, Directors, Executive Director and the staff of IIAH reserve the right to review all information submitted for publication and to refuse such publication at their sole discretion.
A recent decision by a Houston court of appeals in an agency E&O case provides some lessons for agents making decisions regarding their own E&O coverage. In Guidry vs. Environmental Procedures, Inc., the agent was sued in 2003 for selling insurance through a financially unstable surplus lines carrier, alleging that the insurer was financially unable to contribute anything toward a settlement of claims against them related to patent infringement and unfair competition. The jury in the original trial agreed with the plaintiffs and the trial court rendered judgment against the agent for $4.5 million in actual damages, $1 million in punitive damages and $350,000 in attorneys’ fees, plus pre- and post-judgment interest. The agent appealed the decision to the Fourteenth Court of Appeals in Houston and the appeals court overturned the judgment primarily because of a 2009 Texas Supreme Court decision in Metro Allied Insurance Agency vs. Lin. In that decision, the Court said a plaintiff must produce evidence that a policy was available to cover the underlying claims before an agent can be liable for failure to procure coverage for those claims.

Even though the agent (and his E&O carrier) won this case and the plaintiffs are walking away with nothing, here are some important lessons for Texas agents who agonize over a cost-benefits analysis when purchasing E&O coverage for their agencies. (1) The jury’s verdict against the agent was well in excess of $5 million. If a similar verdict were rendered against your agency and not successfully appealed, would the limits on your E&O policy be sufficient? (2) This case began in 2003 and didn’t end until 2012. Can you imagine how much it cost to defend the agent over those nine years? Based on our experience in E&O claims, we imagine it was well in excess of $1 million. If your E&O policy pays for defense costs within your limit of liability, would you have any limits left to pay a judgment after a case drags on for years. (3) The jury awarded $1 million in punitive damages to the plaintiffs in this case. If your E&O policy excludes punitive and multiplied damages, where will the money come from to pay those damages if it happens to you?

If these questions cause some discomfort, review your policy and coverage options with the professional staff in the IIAT Advantage E&O department – associate director Jennifer Fudge or E&O specialist Gunnar Kephart. They can help you consider the consequences of your current policy language and find solutions to fit your budget.
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www.iiah.org

NEW MEMBERS

Agents

Accord Texaswide Insurance Agency
1100 Nasa Parkway
Suite 102
Houston, TX
Janet Rose
832-225-8002

A.J. Leday Independent Insurance Agency
700 University Drive
Praire View, TX 77446
Aaron Leday
936-857-9011

New Affiliates

Belfor Property Restoration
8758 Clay Road
Suite 430
Houston, TX 77080
Erica Schmied
713-399-2425

Burke-Daniels Company
2277 Plaza Drive
Suite 200
Sugar Land, TX 77479
Debra King
281-340-4000

Columbia Insurance Group
3420 Executive Center Drive
Suite 200
Austin, TX 78731
Katrin Christal
512-345-7500

Lanza Law Firm
4950 Bissonnet
Bellaire, TX 77401
Nicholas Lanza
713-523-0400

Mercury Brokerage Group
9600 Great Hills Trail
Suite 150W
Austin, TX 78759
Ricci Nelson
512-657-8995

Coit Cleaning & Restoration Services
9001 Spring Branch
Houston, TX 77080
Kathy Baba
713-461-0846

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houston insurance news
It is a great privilege to serve as President for the IIAH. I am honored and appreciate the opportunity to work with the Association and all the great people involved.

IIAH is the largest local Independent Insurance Agents Association in the Country. We have grown to over 200 members that represent both Agents and Affiliates. We currently have nine active committees with over 100 volunteers. The participation of our members in your Association plays a large role in our continued success.

We have two main goals this coming year. First is to grow our membership and the second is to focus on developing future leaders in our industry. Our membership is strong but over the last couple of years we have remained flat and in fact, have had a small decrease in membership. Because of this we have developed a Membership Task Force that will focus on bringing in more members and at the same time be sure we continue to bring value to those members, both current and new.

The future of our Association’s success is influenced dramatically by our current members and our future leaders. We have formed a second task force that will be reaching out to our members to become more involved and to be encouraged to take on leadership roles.

The Executive Committee and the Board of Directors welcome your suggestions for new programs and community involvement opportunities. We also appreciate your time and service toward our activities. We cannot continue to achieve great results without the participation of our membership.

Thank you again for allowing me to serve and I look forward to working with each of you this coming year.
It came time again to usher out and pay tribute to 2011-2012 officers as we brought in our 2012-2013 officers. The event was held at Hotel ZaZa on September 22, 2012 where the Young Agents sponsored a silent auction benefiting Panther Creek Inspiration Ranch and Dream Catcher Stables and raising $3,320.

2011-2012
• President: Brent Borgstedte
• President-Elect: Mark Bauer
• Vice-President: Phil Swift
• Treasurer: Bill Baycroft
• Past President: Mickie Comiskey
• Secretary/Executive Dir.: Carole Shelton

2012-2013
• President: Mark Bauer
• President-Elect: Phil Swift
• Vice-President: Fred Barrera (not present)
• Treasurer: Bill Baycroft
• Past President: Brent Borgstedte
• Secretary/Executive Dir.: Carole Shelton

As always, we want to thank our generous sponsors for all they do for IIAH:

- The Hartford
- Our 2012-2013 Platinum Partners for Excellence
- Our 2012-2013 Gold Patrons
- Fidelity/WRIGHT FLOOD
- HARCO Insurance Services
- Central Insurance Companies
- VIP Insurance
- Infinity Insurance Companies
- Bunker Hill Underwriters

This year’s event had 4 special guests join the banquet, M.G. Tindall and Sondra Himmer with Panther Creek Inspiration Ranch and Lynne Trumper and Elaine Brown, board members of Dream Catcher Stables.

Let’s not forget the honorable Past President’s of IIAH: Tom Branniff, Mike Stroman, Lenny Bauer, Jeff Brady, Mickie Comiskey, Gerri Rougeau (Past President of IIAH and PIA Houston), Jim Berger and Tim Brady who were also Past Presidents of IIAT.

Fred Steves and Anna Kizer had a special presentation for Mark Bauer: a beautiful, personalized golf bag for the new president!

After much applause, the dance floor was opened for any and all to visit with friends and colleagues and enjoy entertainment by the Jackson Truett Quartet.

Please enjoy the pictures of this impressive and elegant evening enjoyed by all.

By Amy Weimer

The Oath

“I swear that I will uphold and administer the offices to which I have been elected to the best of my abilities and judgment in conformity with the Constitution and Bylaws’ of the Independent Insurance Agents of Houston. That I will uphold and support the Association in all acts, and in all my actions I will be governed by the principles of honesty, justice and fair play, and in every manner possible promote and safeguard the purposes of my Association and the welfare of its members, always keeping in mind that I represent all the members of the Independent Insurance Agents of Houston, so help me God.”
At our annual Charity Bowl, we asked our members and affiliates, “What is your favorite Christmas tradition?”

Allison Grant  
Hartford Steamboiler  
Tradition: Big Family “Feast” on Christmas Eve every year

Jerome Nash  
MHI - Houston  
Tradition: Going home to Ohio to spend Christmas with Mom.

Stacey Campo  
The Hartford  
Favorite memory: Going to the Grandparents house and seeing Paw Paw Fred playing Santa Clause for us kids complete with outfit.

Kevin Kimmel  
Insurance Alliance  
Tradition: Wash our hands with a $100 bill. Why? You’ll have to ask him! Just kidding…it’s for prosperity in the New Year.

Carole Smith  
HARCO  
Tradition: The entire family gets together for dinner.

Janet Wrenn  
Hotchkiss  
Tradition: Christmas Eve Service and then coming home and opening one gift.

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How to Become a Midlands Producer  
If you would like to become a producer for Midlands, please contact Rebecca DeYoung at rdeyoung@midman.com.
ENERGY SYMPOSIUM

Once again the Education Committee organized a very successful Energy Symposium that was held at the Omni Houston Hotel on August 9th, 2012. A special thank you goes out to Quirk and Company who sponsored the continental breakfast while Crump sponsored the reception. There were 2 full tracks of speakers and education classes. Thank you to the speakers for giving their valuable time; Richard Bobigian President of Marshfield Oil & Gas, LLC kicked off the event with an overview of the Oil & Gas Energy industry by giving a State of the Union for the Energy Industry.

Scott Barnard of Berkley Offshore Underwriting Managers held an interactive workshop of analyzing and problem solving an Upstream case study. Bob Holloway of USI Southwest had the attendees participate in an interactive workshop that analyzed a Downstream case study that involved problem solving. Paul Finlay and Derek Thrumble of Alesco Risk Management Services, Ltd., London ended the event with a discussion on the property catastrophe, models RMS 2001 (flood/wind), environment issues and reinsurance.

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AmWINS Brokerage of Texas
CRC Insurance Services, Inc.
Ironshore
Oxford Insurance Services Limited
Global Special Risks, LLC
U.S. Risk, Inc.
Zurich North America

Gold
Chartis

Silver
Houston Mariners Club
One Beacon Insurance
SeaBright Insurance Company
Woodlands Insurance Services

Bronze
Aspen Specialty Insurance
Chubb Group of Insurance Cos.
J.H. Blades & Co., Inc.
James River Insurance Company
M.D. Jensvold & Co., Inc.

Notebooks
Southwest Risk, LP

Continental Breakfast
Quirk & Company

Receptionist
Crump Insurance Services, Inc.
Total Raised $17,943!!!

Award Winners!

**Most $$$ Raised - Team**
1st Place - HARCO Insurance Services, “Red Hot Chili Peppers”
2nd Place - Delta General Agency, “Nacho Mama”

**Most $$$ Raised - Company**
1st Place - HARCO Insurance Services
2nd Place - RPS-Leicht

**Most $$$ Raised - Individual**
1st Place - Linda Drake, HARCO Insurance Services
2nd Place - Heather Shores, Delta General Agency

**Company Spirit Award**
1st Place - McClelland & Hine - Houston

**Best Theme - Company**
1st Place - HUB International Rigg

**Best Theme - Company**
2nd Place - HARCO Insurance Services

**High Individual Score (Female)**
Sarah Beck, Imperial PFS

**High Individual Score (Male)**
Tony Gibson, Imperial PFS

**High Team Score**
RPS Leicht, “Rolling Fiestas”

Charity Bowl XX
“Mexican Fiesta”
8/04/2012

Special Thanks to our Raffle and Door Prize Contributors . . . YOU MADE IT HAPPEN!!!

Burns & Wilcox
Chartis
Chubb Group of Insurance Cos.
Copperfield Bowl
CRC/ Crump Insurance
Dee-Cal Advertising
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HUB International Rigg

Imperial PFS
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Delta General Agency
Focus Insurance & Financial Services
HARCO Insurance Services
Hotchkiss Insurance Agency
HUB International Rigg
IIAH Young Agents

Imperial PFS
InsGroup
Insurance Alliance
McClelland & Hine - Houston
Pathfinder Insurance Group
RPS Leicht
Select Insurance Markets
The Hartford
US Speciality Insurance

Thanks to our team players, spectators, contributors, volunteers, Copperfield Bowl and our IIAH Chartiable Committee, our 20th Annual “Charity Bowl” was the best ever!!!
CHARITY BOWL XX
Have You Heard

**Service Lloyds Insurance Company** celebrates 30 years! They have come a long way since their start 30 years ago. Look for Service Lloyds in an upcoming Affiliate Member Spotlight!

This year marks the 50th anniversary of IIAT’s **Joe Vincent Management Seminar**. And on that note: **Joe Vincent’s birthday** was August 15!

Happy Birthday to **Kender Mackey** of RPS Leicht who’s celebrating one of those big “O” birthdays! – She’s not telling which one though . . .

Congratulations and well done to **Sandra Greer** of Independent Insurance Agents of Houston and her husband **David** on the birth of their son, **Easton Layne Greer**. He was born Sept. 9, 2012 at 12:59 pm and weighed in at 8 lbs 3 oz measuring 20.5 inches.

**Deb McRae’s** niece **Lilly Gene** was born Sept. 29th. She was 5 pounds, 11.6 ounces and 18 inches long. Lilly and her Mom Ryndie are all doing great. Congratulations!

**CRC Houston** celebrates their 15th Anniversary. Congratulations!

**Joyce Witmer**’s granddaughter, **Leah Williams**, turned 5 on October 20th. They took her to the zoo and had a great time. Joyce is an underwriter with Texas Mutual Insurance Company. **Happy Birthday Leah!**

Happy Birthday to **Kender Mackey** of RPS Leicht who’s celebrating one of those big “O” birthdays! – She’s not telling which one though . . .

Congratulations on your successful careers at Wortham and we wish you a long and happy retirement: **Lillian Wright** who started with Wortham in February 1984 and has been with our Casualty Department, **Connie Weiher** who started at Wortham in August 1984 and has worked in our Personal Lines Department, and **Charlotte Holubeck** who began with us in September 2002 in our Casualty Department.

Many happy returns to **Amy Rose** and **Shannon McPartland** who were married Sept 4th, 2012!
IIAH’s Charitable Projects Committee was formed in conjunction with IIAH’s Charitable Foundation, to organize and host activities to raise funds that will be donated to Houston-area charities as well as foster networking within the insurance industry. In addition, the committee coordinates with the Houston Fire Department through various functions to promote fire prevention in area schools and honor/recognition Houston firefighters for their support and contributions to our community.

Our annual events include:

- Fire Poster Contest held in October annually: this year will mark our 38th year
- Firefighter of the Year Award; our 2012 award marked our 34th year in presenting the award
- IIAH Charity Bowl held in July annually; this year we celebrated our 20th event raising over $11,000 for our Foundation.
- IIAH Charity Gala: after a 3 year hiatus, we are excited to announce our 23rd IIAH Charity Gala will be held on October 18, 2013!

Other events our Committee has held over the past couple of years include:

- Backpack Buddies School Supplies Drive to benefit Houston Area Women’s Center
- Joplin Relief Clothes and Food Drive where we filled an 18’ U-Haul truck with supplies
- Radio Lollipop Drive where we partnered with Radio Lollipop at the Texas Children’s Hospital to collect gift cards, craft supplies and prizes for the nightly entertainment for the children staying in the hospital.

We would love to have you join us on our Committee! For more information contact our Committee Chairman, Marilyn Calhoun, marilyn.calhoun@hubinternational.com, or Vice-Chairman, Kathy Havey, kathleen.havey@hubinternational.com

SAVE THE DATE FOR THE 17TH ANNUAL CHARITY CHILI COOK OFF! JANUARY 26, 2013

IIAH Charitable Projects Committee is excited to announce we have scheduled our 23rd Annual Charity Gala on October 18, 2013

- Country & Western theme
- Live Country & Western Band
- BYOB (liquor & wine)
- Bar-B-Que Buffet dinner
- Silent Auction
Here’s to another year of doing great things together.
Planning what has been touted “the most successful trade show in Texas” is exactly what the Houston Insurance Day (HID) committee members spend all year doing. The committee was formed in 1984 and since then has worked alongside the IIAH staff to plan, organize and execute the annual Houston Insurance Day event. Our committee is proud to have several members who have been with us for many years and some even beyond retirement. Houston Insurance Day Committee is committed to showcasing an event that will benefit our industry, encourage new relationships and celebrate old ones.

Houston Insurance Day provides excellent networking opportunities for insurance professionals along with educational seminars for attendees through a one-day industry wide convention. The Houston Insurance Day Committee is responsible for all event planning, including marketing and promotion of the venue. We work hard to select relevant educational topics that will create interest. We search to select keynote speakers that will engage and entertain. We work with over 100 vendors and sponsors to make this a memorable event for all. On the day of the event, we work behind the scenes to ensure it will run as smoothly as possible so that our attendees, sponsors and exhibitors benefit from the experience and are excited to return the following year.

We are already preparing for HID 2013 to ensure another great show. We will celebrate the season Mardi Gras style – Laissez les bon temps rouler! Translation: Let the good times roll! Keynote speaker Garrison Wynn will share “The Real Truth About Success” and what most influential people do differently. Morning and afternoon education sessions “Debunking the Myths of Addressing Overseas Exposures” are sponsored by ACE USA Foreign Casualty Division. Mark your calendars and plan to join us February 19th at the Marriott-Westchase. We continue to look for ways to improve your experience!

We are actively searching for new committee members to join our team. It’s a great way to meet new people and become more involved in our industry at the local level! If you are interested or know someone who might be, please contact:

Amy Leicht at amy_leicht@rpsins.com or Catherine McKay at catherine.mckay@bch-insurance.com

Committee Members:
Amy Leicht
Catherine McKay
Christine Huckels
Gary Banks
Jeannette Baugh-Smith
Max Johnson
Renee Stager
Rose Trapolino
Sandra Greer
Thomas Mraz
Wes Crawford
Fred Barrera

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Bert Dionne, CPC
President

www.rainbowjobs.com
It is September 25, 2012 at Maggiano's Little Italy and the newly seated President of IIAH, Mark Bauer, welcomes everyone to the 2012 – 2013 Member Luncheon. Today, the focal point will be the legislative state of affairs in the insurance industry.

As an additional means to recognize Platinum Partners for Excellence and Gold Patron Sponsors, a video presentation listing sponsors for refreshments during the afternoon’s free CE class and also the Mix & Mingle reception held before the luncheon was shown during introductions. As always, THANK YOU to all our sponsors, who are listed below.

**Platinum Partners for Excellence**
- AmWins Brokerage of Texas
- Blais Excess & Surplus Agency of Texas, Ltd.
- Burns & Wilcox, Ltd
- Chubb Group of Insurance Companies
- Delta General Agency
- Imperial PFS
- Myron Steves
- Texas Mutual Insurance Company

**Gold Patron Sponsors**
- Blackmon Mooring of Houston
- CNA Insurance Companies

Phil Blais of Blais Excess & Surplus Agency of Texas was announced as the instructor for the CE Class, “Understanding the Financial Ratings of Insurance Companies.” Phil was invited up to accept a token of appreciation from IIAH. IIAH had several new member companies and attendees at the luncheons:

**New Members:**
- Kathy Baba and Gus Velasco of Coit Cleaning & Restoration
- Aaron Leday of A.J. Leday Independent Insurance Agency
- Brandon Bowles, Josh Loyd and David McIntyre of Magnolia Total Restoration
- Ricci Nelson of Mercury Insurance Group

Mark then introduced Dr. Wendy Braniff, Director of the University of Downtown Insurance and Risk Management Center who brought several of her students currently enrolled in the program. Tom Braniff who teaches at the University was also present for the luncheon. The crowd welcomed them with a round of applause.

**Special Visitor Announcement:** We were pleased to have several legislators with us for the meeting: Representative Wayne Smith, Texas House District 128, Wilma Jordan from Representative Alma Allen’s office, Texas House District 131, Representative Bill Callegari, Texas House District 132, Representative Sarah Davis, Texas House District 134, Representatives Dwayne Bohac and Bradley Pepper, Texas House District 138, Representative Amando Walle, Texas House District 140, Crystal Ford, Chief of Staff for Representative Carol Alvarado, Texas House District 145, Representative Garnet Coleman, Texas House District 147, Steve Toth, Texas House District 15, Jay Guerrero, US Senator John Cornyn’s Regional Director for S.E. Texas, and our Keynote Speaker, John Culberson, U.S. District 7 and his District Director, Brittany Seabury.

President Bauer also welcomed Lee Loftis, IIAIT Director of Governmental Affairs and Annie Spilman, IIAIT Governmental Affairs Manager, to the luncheon.

Kyle Dean, IMPACT Committee Chairman for the Houston region offered the invocation and bid us all to enjoy our lunch. After lunch, Kyle Dean presented 2012 IMPACT Solicitation Drive Awards:

**Agency Member Largest Percentage Increase:**
- Swantner & Gordon Insurance Agency

**Affiliate Member Largest Contribution:**
- Myron Steves

**Agency Member Largest Contribution:**
- Brady Chapman Holland and Associates

**Honorable Mention with a minimum of 25% increase in 2012 contribution:**
- AFCO Credit Corp
- Alliance Insurance Agency
- Allrisc
- Al Thurmond Agency
- Associated Insurance Advisors
- Assurance One of Texas
- Burns & Wilcox
- Carroll Insurance Agency
- CBA Insurance Services
- Cravens Warren & Company
- Frost Insurance Agency
- IMS/London American
- Insurance Network of Texas
- The Miller Agency
- New First Insurance Services
- Pathfinder LL & D Insurance
- Ted W. Allen & Associates
- Texas Associates Insurers
- The University of Houston
- Ward Business Insurance Agency
- Weatherton Cole Insurance Agency

(continued on page 24)
Kyle called upon Scott West, Pathfinder/LL&D Insurance Group, LLC to introduce the Keynote Speaker, John Culberson. Serving since 2001, John is the U.S. Representative for Texas’s 7th congressional district. He is a member of the House Appropriations Committee which is responsible for funding the federal government and also serves as Vice Chair of the Homeland Security Subcommittee. A lifelong Texan, John earned his Bachelor of Arts degree in History from Southern Methodist University in Dallas in 1981 and was elected to the Texas House of Representatives in 1986. John began his speech by delivering the colossal news about a national crises; Texas was not playing A&M this year! And the fun begins!

John spoke about the condition of the state offering scenarios for all sides to consider with use of empirical examples leaving us with quite a few issues to reflect on: Social Security, Medicaid, and other unfunded liabilities such as Medicare, and the U.S. Veterans to name a few. What should we as an industry expect? What adjustments will we as an industry have to make? This unfortunately, remains to be seen.

In closing, John reminded us we are not only Americans; we are Texans – which always brings a feeling of pride after all - WE ARE TEXANS!

Marc thanked Congressman Culberson for being with us and presented him with a token of appreciation. Asking the congressman to assist in the customary drawings for Members and Affiliates, the winners are as follows:

Henry A. Vogel of EFG Insurance Agency, Inc. is the recipient of one free registration to the IIAH Introduction to Operators Extra Expense/Control of Well on November 7th 2012

Cooper B. Wallach of Bunker Hill Underwriters Agency, Inc. will have access to a complementary business card ad in the upcoming issue of Houston Insurance News.

Marc ended with a reminder of upcoming events and a last expression of gratitude to all those in attendance at the September “Legislative Day” Member Luncheon.
The Texas Legislative Session begins again in early January, 2013. Of course, the Texas Legislature is unique in that it meets only once every two (2) years; and only for a specific period of 140 days.

There will be thousands of Bills filed, and hundreds of them will have some impact on the insurance industry and the insurance buying public.

Again in 2013, independent insurance agents will be represented by Lee Loftis, IIAT’s Governmental Affairs Director, and his able assistant, Annie Spilman, who will monitor the myriad of proposals that come forth.

“Giving money and power to government is like giving whiskey and the car keys to a teenager.”

- P. J. O’Rourke
Civil Libertarian

Members of IIAH’s Legislative Committee will also be involved in reviewing key legislative proposals, making our position known to our representatives, and drafting amendments to provisions that are contrary to agents and/or policy holders.

**2013 LEGISLATIVE ISSUES**

Following is a list of a few insurance-related issues that our association will be monitoring …

**Minimum Coverage Standards For Homeowners Policies.**

The proliferation of unique Homeowners policy forms over the past few years has caused great confusion among insurance buyers, and a significant E&O exposure for independent agents. We will support development of 3 to 5 minimum coverage standard Homeowners forms, which all insurers in Texas would be required to use. Insurance companies would be given the ability to enhance… but not reduce…the coverage provided by the approved coverage forms.

**TWIA Legislation.** Insurance companies continue to retreat from Tier 1 counties, resulting in an unsustainable growth rate in TWIA’s exposure. Our association is encouraging reforms to protect local consumers and provide incentives for insurers to write in Tier 1, as well as a strengthening of TWIA’s financial ability to pay claims.

**Named Driver Policies.**

Currently, a “name driver” auto policy does not require disclosure or acceptance of the named insured. We will support legislation to require that all named driver policies contain signed acknowledgements by the insured, similar to named driver exclusion endorsements in standard auto policies.

**PEO Release Of Health Insurance Loss Information.**

The inability to get a client’s health loss information from staff leasing companies (“PEO’s”) affects an agent’s ability to make alternative coverage proposals if a client wishes to discontinue using a PEO. We are supporting legislation to require PEO’s to release such information to their clients within a specific number of days following a request.

**Roofer Registration.**

Roofers have no registration or licensing requirements in Texas. Unscrupulous roofers routinely prey on consumers following wind and hail catastrophes. We support industry efforts to pass legislation requiring registration and licensing of roofers, especially for out of state roofers.

## LEGISLATIVE UPDATE

by Thomas M. Braniff, JD, CPCU

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The inability to get a client’s health loss information from staff leasing companies (“PEO’s”) affects an agent’s ability to make alternative coverage proposals if a client wishes to discontinue using a PEO. We are supporting legislation to require PEO’s to release such information to their clients within a specific number of days following a request.

**Roofer Registration.**

Roofers have no registration or licensing requirements in Texas. Unscrupulous roofers routinely prey on consumers following wind and hail catastrophes. We support industry efforts to pass legislation requiring registration and licensing of roofers, especially for out of state roofers.

The Independent Insurance Agents of Houston’s 2012 Legislative Luncheon featured Congressman John Culberson, who discussed issues of national impact in the insurnace and risk management industry.

UHD students enrolled in the online Legal and Political Aspects of IRM were invited to attend the luncheon as part of the high-impact learning strategies that the program employs to introduce its students to key industry leaders and provide a reality-based education.

Students also had the opportunity to connect with their elected state officials and industry professionals to discuss the impact of governance on the industry. The spring 2013 class will visit the Texas Legislature during its 83rd session.

IIAH Hosts UHD Students at Legislative Luncheon

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Delta General Agency Corporation has enjoyed over 52 years of success as a managing general agency, and many of its employees have witnessed at least 25-30 of those years. As a matter of fact, almost 20% of Delta’s employees have 20 plus years tenure, and over 12% with 25-31 years with the company. Interestingly, 88% of the employees have been with Delta at least 10 years. Mr. Bill Fink, President and CEO, believes that the “key to Delta’s success has been a staff of extraordinary professionals, who directly contribute to the excellence and high standards that our agents and carriers have come to expect.”

If you ask Delta employees what makes us so uniquely different, they will tell you that the company cares about its employees, provides a challenging and rewarding work environment and is a company with integrity, which gives them a lot of pride. It is an environment where talent and hard work is recognized and rewarded. “Delta makes a deliberate effort to both add new talent and retain employees,” says Bill Fink, “which is evident in our benefit program, including longevity bonuses, ESOP tenured benefit, general leave tenured progression and a highly competitive group insurance program.”

Brenda Anderson, VP of HR & Administration, further explains, “Besides, we have a heck of a lot of fun here, which is why I’m unofficially called the ‘Director of Fun.’” It’s a given fact that our employees work very hard here, but we also know how to laugh during our day and enjoy each other. If we’re not preparing for our annual employee appreciation day with a whole day of food, fun, games and skits, we’re painting haunted bird houses for our Halloween contest, sneaking a surprise valentine candy bag to our co-worker or gathering food for the needy.

We value the relationships with our agents and encourage our staff to take an active role in partnering with agents, establishing friendships and getting involved in the insurance community. We love to bowl for the IIAH Charity Bowl, cook gumbo for their cookouts and participate in other affiliate events.

Delta General Agency Corporation was formed in 1959 by Avrohm Wisenberg, a long-time, well respected Houston retail agent, as a means of providing access to agents in Texas to certain specialized facilities. In 1971, Delta Lloyds Insurance Company of Houston Texas was organized to provide “admitted” insurance coverage in a more competitive and less controlled environment. Today, the Company enjoys an “A-” rating from A. M. Best and writes personal lines property statewide.

Throughout the years, additional general agency facilities were added and at the present time, Delta acts as a wholesale intermediary for over thirty admitted standard lines and non-standard special risk carriers. In addition, Delta holds binding authority from Underwriters at Lloyds, London.

During 52 years in business, Delta is most proud of the friendships and relationships with its carriers and especially with its agents and CSR’s in over 200 cities throughout Texas and of course, its employees.
ASSURANCE ONE OF TEXAS, LLC

Assurance One of Texas, LLC began business January 1, 2002 with the merging of agencies owned by Noel Braniff, Jr., Bob and Cherie Young and recently retired Paul Jensen. The remaining three principals are today’s managing partners of AOT.

Focusing on Property and Casualty insurance in both Personal and Commercial, we strive to provide excellent customer service and present competitive pricing to our clients and prospects. And each location is proud of the longevity and quality of its staff. The two local offices are ACSR Honor Roll Agencies.

Assurance One of Texas, LLC, especially the local offices, find the placement of competitive insurance very challenging in the market place today but approach this as an opportunity to demonstrate to our customers and prospects that we are here to serve them and deliver for the “long haul” for all their P&C needs. We are proud of our close working relationships with our company partners and many others vendors that provide valuable services for us and our customers.

Assurance One of TX, LLC has been a member of the IIAH since it was established and its principals have been members since the 60’s when Noel and Bob were partners in Harrell, Young and Braniff Insurance Agency.

We are proud of our agencies contributions to IMPACT and were honored at one of last year’s luncheons for our growing campaign.

Noel Braniff, Jr.
Assurance One - Houston

Noel Braniff, Jr. has charge of the office in Houston and Bob & Cherie Young run the office in Sugar Land. Assurance One of Texas, LLC formed a modified “cluster plan” early on and have “member partners” in other communities around Texas that include: Willard and PJ Ulbricht (Assurance One of Texas in Edna); Linda Reagor (Frio Canyon Insurance Agency in Leakey and Raine Insurance Agency in Uvalde); Charles Leopold and Wendy Janak (Leopold Insurance Agency in Hallettsville and Victoria); First Victoria Bank (First Victoria Insurance Agency in Victoria); and our newest member partner, Bruce and Michael Ward (Ward Brothers & Associates in Kingwood). Assurance One welcomes the opportunity to expand its membership to qualifying agencies.

Focusing on Property and Casualty insurance in both Personal and Commercial, we strive to provide excellent

Cherie & Bob Young
Assurance One - Sugar Land

Cherie Young has served on the IIAH Board of Directors and several committees within the IIAH and IIAT, and was awarded Committee Chairman of the Year during her 97-98 term. She also serves on the Fort Bend Literacy Council. She and Bob serve as Life Bible Study Directors at Houston’s First Baptist Church and volunteer in several other community areas.
Young Agents participate in many IIAH Events with a strong focus on giving back to our community….. But we still know how to kick back, enjoy a few refreshments, do some networking, and have a lot of fun! Access our events on the IIAH Website calendar for upcoming events and look for emails from us for the next networking function.

Introducing Jason Billingslea as Chairman and AJ Perez as Vice Chairman of the Young Agents Committee. Both new to their employers and new officers on the committee, we thought it fitting to present them along with an informal bio.

Jason Graduated from Red McCombs School of Business, The University of Texas at Austin, with a BBA in Marketing and Minor in Management Information Systems. Jason spent the last four and a half years working in both Marketing and Claims at The Republic Group in both Dallas and Houston. He recently joined The Hartford in July as a Sales Representative. In his free time, he enjoys watching sports and playing golf.

Vice-Chairman AJ Perez, CIC is six years into the insurance industry and three months with his new company, USG Insurance Services. There he helps to facilitate innovative commercial lines solutions for retail agents’ hard to place accounts across the country. Previously with RPS, AJ was brought into the business by going through the IIAH’s Insurance Service Associate program. Other organizations that he participates in include IIAH’s Recreation Committee and TSLA’s Texans Under Forty. When not working, AJ can be found helping coach his son’s select baseball and basketball teams as well as adamantly defending the Dallas Cowboys.

Put the reoccurring YA committee meeting on your calendar for the second Tuesday of the month from 12:00 – 1:00 PM. In these meetings we organize events such as IIAH Be An Angel Snow Day, Young Agents Socials, and our Silent Auction at IIAH Installation Dinner. If you have any questions about our committee and would like to find out more, email Jason Billingslea at Jason.billingslea@thehartford.com

Bring us your creative mind and able body and we can give you a genuine opportunity to affect your peers and as well as serve the community. Remember: Anyone can attend a Young Agents event so invite your co-workers to come with you!
This was **Brent Borgstedt’s** last Member Luncheon as President of IIAH. Best wishes to Brent and thank you for your service as IIAH President for 2011-2012.

Brent welcomed everyone to the 34th Annual IIAH Firefighter of the Year Award presentation at Maggiano’s Little Italy. Thanking the “Big I” for sponsoring this annual ceremony he recognized the individuals who participated in this year’s selection process: **Marilyn Calhoun, Kathy Havey, Brent Borgstedt, Carole Shelton and Shannon Marks.**

We would like to thank our Platinum Partners for Excellence and Gold Patrons sponsors for their continued support. As you know the refreshments for the Free CE seminars and Mix & Mingle reception before each luncheon are sponsored by them respectively. Their names were presented in a video presentation near the podium and are also listed below.

**Platinum Partners for Excellence**
- AmWins Brokerage of Texas
- Blais Excess & Surplus Agency of Texas, Ltd
- Burns & Wilcox, Ltd
- Chubb Group of Insurance Companies
- Delta General Agency
- Imperial PFS
- Myron Steves
- Texas Mutual Insurance Company
- VIP Insurance

**Gold Patron Sponsors**
- Blackmon Mooring of Houston
- CNA Insurance Companies

President Borgstedte introduced **Rachel Simon**, Assistant Vice President Executive Liability for Chartis as the Free CE Seminar instructor who would be discussing “Identity Theft & Social Media Insurance”. Rachel was asked to come forward to receive a token of appreciation from IIAH. He then introduced the new IIAH members:

**Brandon Bowles** and **Wade Bowles** with Magnolia Total Restoration
**Matt Galtney** with Oxford Insurance Services
**Wayne Pickering** with Martin Disiere Jefferson & Wisdom law firm

President Borgstedte proudly announced the Houston Fire Department dignitaries in attendance: **Fire Chief Terry Garrison**, **Executive Assistant Chief Richard Mann**, **Assistant Chief Thomas Munoz**, **HFD Valor Awards Committee Chairman, Captain Ruy Lozano**, **Assistant Chief Lisa Campbell** and **Alicia Whitehead, Sr. Communication Specialists, HFD Public Information Office.**

He expressed his tremendous honor to host a special group such as the 2011 Firefighter of the Year Award finalists: **Engineer Operator Scotch Blair** and his wife **Mercedes, Senior Communication

**Captain David Keller, Jr.** and his wife **Adrienne, Firefighter/EMT Jared Keith** and his wife **Amber, Captain David Pate** and his wife **Ashley.**

**Jeff Brady** was asked to come forward and offer our invocation. With blessings and remembrances for those in our industry we enjoyed a delicious lunch. President Borgstedte resumed the program by saying that every year the board recognizes one of IIAH’s committee chairmen with a Committee Chairman of the Year Award. If you consider that IIAH has 9 standing committees, and IIAH has had an outstanding year with many accomplishments in all committee areas, it’s always a tough decision . . . Congratulations to **Dan Shearer of Chartis** for being named the Committee Chairman of the Year for 2011-2012!

President Borgstedte introduced **Shane Carter** who presented the 2012 Myron Steves Scholarship Award (The 12 finalists are named below)

**Lourdes Albarran**, Mcclelland & Hine, **Deshonda Bennett**, HUB International Rigg (not in attendance),
**Jen Bowers**, Assurance One of Texas,
**Sunnie Dent**, HARCO Insurance Services, **Kim Golafshan**, Brady Chapman Holland (not in attendance),

Shane continued by presenting a check from Myron Steves for $100 in honor of **William Barmore** to our 2nd Place runner up: **Jenna Bowers** of Assurance One of Texas. And our 1st Place recipient of the Myron Steves Scholarship Award is **Jenna Myers** with **Brady Chapman Holland**. Congratulations to you both!

President Borgstedte introduced **Phil Swift of Insurance Alliance** to present the 2011 Fire Fighter of the Year Award. “They do their job with a passion and sense of duty,” says Phil. As he speaks about these individuals, he exemplifies the pride we all feel about what the Houston Fire Fighters do – saving others & helping others. In conclusion Phil announced the winner as Jared Keith and presented him with an IIAH plaque and cash award for his heroic act as described below.

**Fire Fighter/EMT Jared Keith**
Jared has been with the Houston Fire Department for four years. Thursday morning July 28th, FF Keith was on the 610 Loop when he came upon a motor vehicle accident involving a pick-up and a large truck. Although he was off duty, he stopped to render aid and call 9-1-1. The driver of the pickup was

(continued on page 30)
trapped inside the vehicle and the small fire that started under the hood was growing larger. Jared realized the driver was disoriented and could not open the door to his truck. The fire began spreading up the windshield so with no regard for his own safety, Jared reached in the cab and after several attempts was able to lift the man up and out of the driver-side window.

After the driver was placed out of harm’s way, he told Firefighter Keith there was a pistol still in the vehicle. Jared quickly donned his bunker coat and returned to the truck. He located the pistol and removed it so it would not be a danger to responding personnel.

Fortunately, the driver was unharmed and for his heroic efforts Firefighter Keith was awarded the HFD Medal of Valor.

President Borgstedte introduced Fire Chief Garrison who thanked IIAH for taking the time to honor the Firefighters every year and that they too felt it was an important recognition. “Public Safety – Public Service Business – We are partners” said Chief Garrison. He concluded by noting that they get 850 calls a day and have an average of 12 working fires daily. “It’s an opportunity to serve you and our community”.

President Borgstedte asked Fire Fighter Jared Keith to assist with the Affiliate Member and Agency Member drawings. Wayne Pickering of Martin Disiere

President Borgstedte wished his last farewell as President of IIAH to members and guests.

Jefferson & Wisdom L.L.P. was selected to receive a complimentary business card ad in a future issue of the Houston Insurance News Magazine (HIN). Andrea Penaloza of Hotchkiss Insurance Agency LLC was picked to receive one complimentary registration to Camp Big I, July 24th & 25th. Ginny Alden of Alden Enterprises was chosen to receive one complimentary registration to the Energy Symposium on August 9th.

Peanut butter and jelly. Cookies and milk. CRC and Crump. Sometimes when two great things come together, it just makes sense.

Two of the best names in the wholesale insurance industry are now united, creating one team to better serve you. With $3.5 billion in annual premium and 1700 employees in 55 office locations, our new family of companies will be there for you, wherever you are. We will find solutions faster, smarter, and better than the rest.

For retailers, we now offer an even broader range of property, casualty, and professional products available through open market placements, MGA and MGU facilities, and exclusive programs. For markets, we now offer the enhanced ability to distribute your products through one of the largest wholesale insurance networks available.

Just like PB&J, this dynamic duo just made life a whole lot sweeter.
Why should I purchase business income insurance?

That’s an excellent question, and it’s a question asked by many business owners like you. Business income insurance (sometimes called business interruption insurance) can make the difference between “life and death” of a business following a catastrophic loss. It can be as vital to your survival as fire insurance on your buildings and personal property. Just ask IIAH staff the difference it made for our Association after Hurricane Ike!!

Most business owners would never consider opening a business without buying insurance to cover damage due to fire and windstorms. But too many small business owners fail to think about how they would manage if a fire or other disaster damaged their business premises so that they were temporarily unusable. A business that has to close down completely while the premises are being repaired may lose out to competitors. A quick resumption of business after a disaster is essential.

Business income insurance compensates you for lost income if your company has to vacate the premises due to disaster-related damage that is covered under your property insurance policy, such as a fire. It covers the profits you would have earned, based on your financial records, had the disaster not occurred. It also covers operating expenses, like rent or mortgage payments, that continue even though business activities have come to a temporary halt. And, it pays for extra expenses you incur to expedite recovery or continue operations, such as a move to a temporary location.

Make sure the policy limits are sufficient to cover your company for more than a few days. After a major disaster, it can take more time than many people anticipate to get the business back on track. There is generally a 48-hour waiting period before business income insurance kicks in.

Business income insurance is surprisingly affordable. In fact, some package policies provide the coverage automatically without additional cost. Ask your agent for a proposal and premium quote.

This article was prepared and made available to IIAH by the Independent Insurance Agents of Texas, which is solely responsible for its content. Please read your insurance policy. If there is any conflict between the information in this article and the actual terms and conditions of your policy, the terms and conditions of your policy will apply. The Independent Insurance Agents of Texas is a non-profit association of more than 1,800 insurance agencies in Texas, dedicated to helping its members succeed, in part by providing technical resources that explain insurance policies sold to their customers.

The 2011 Texas Market Share Report is now available at iiat.org. The report tells a story of stability in company market share percentages, rising premiums and higher property loss ratios. Premium levels jumped back in 2011, indicating the economy mended itself and businesses are back in business. That’s good news for Texas independent agents as well as companies. The bad news is on the loss ratio side, increasing in all lines except workers’ compensation. Bad weather and wildfires contributed to double-digit percentage increases in the homeowners and commercial multiperil lines, while personal and commercial auto showed more modest increases. Here are some highlights in the report:

- Texas independent agencies took a big bite out of direct writers’ pockets in 2011, with the largest percentage increase in personal lines market share since 2004. Independent agency market share increased to 26.9 percent in 2011 compared to 25.9 percent in 2010. Since 2002 the market share for independent agencies has increased from 24.7 percent to this year’s 26.9 percent.

- The aggregate loss ratio for all Texas companies for all lines of business was 63.5 percent (up from 56.3 percent in 2010), compared to the national aggregate loss ratio of 64.9 percent (up from 59.6 percent in 2010).

- The Texas loss ratio was lower than the national average in all lines except commercial multiperil.

The annual market share report has been compiled and prepared by IIAH staff since 2001.

In Memoriam

Kathy Havey’s (IIAH Charitable Projects Committee Vice-Chairman) mother, Bertha Donnelly, passed away on October 9, 2012. The funeral was held on Thursday, October 11th at Sparkman-Crane Funeral Home in Dallas Texas.

IIAH Charitable Committee Chairman, Marilyn Calhoun’s mother, Annie Laurie McLean Wight, passed away Friday, October 20, 2012. Funeral services were held on Sunday, October 21, 2012 at the Strickland Funeral Home Chapel in Somerville.

IIAH and the IIAH HIN Magazine Committee extends their sincere condolences to each of our committee members and their families.
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UHD INTRODUCES ONLINE INSURANCE AND RISK MANAGEMENT CLASSES

By Dr. Wendall Braniff

The University of Houston Downtown’s insurance and risk management program recently announced the launch of online insurance and risk management classes, and ultimately, an online major.

The idea that students could take online classes in their pajamas before a computer screen at home and consider themselves ready to enter the insurance business is a ridiculous notion to anyone in the industry. But the fact that today’s students – especially UHD’s more mature, working students - need online courses is irrefutable. UHD tackled the challenge with a commitment to maintain its signature reality-based education.

Curriculum development requires talented and experienced educators. UHD has formed an alliance with Dr. William T. Hold, CIC, CPCU, CLU, founder of the esteemed National Alliance for Insurance Education and Research, whose 43-year commitment to quality education for insurance and risk management professionals has earned him recognition as a Top 25 Living Legends of Insurance. Dr. Hold is collaborating with Professor Stephanie Degreve Gaffron, MBA, CRM, Senior Risk Analyst at Swift Energy Operating, and developer of the UHD risk management series, to create CRM-related online courses. Dr. Christopher H. Ketcham, CPCU, CRM, CIC, CISR, CFP, whose curricula development, publication, and professional insurance experience includes research and program development for online, classroom and self-study courses joined the UHD faculty to build out UHD’s CPCU related courses. Dr. Ketcham likewise collaborated with Professors Steven Halterman and Erik Konicki to develop online CLU-related courses based upon The American College’s curriculum. Student projects, chat rooms and other online interactive devices are built into each course.

This fall, UHD conducted six online classes. For spring 2013, four additional online courses will be offered. As part of their online classes, IRM majors are required to interact with industry professionals through attendance at industry meetings, such as the IIAH Legislative Luncheon and internships in insurance agencies and companies.

Now more than ever, insurance professionals have the opportunity to obtain a bachelor’s degree in this dynamic and economically resilient field. UHD invites everyone who works in the industry and has ever considered completing an undergraduate degree to consider UHD’s Bachelor in Business Administration with a major in insurance and risk management degree program and online classes. For more information, contact Dr. Wendall Braniff at braniffw@uhd.edu or go to www.uhd.edu/irm.

UHD Seeks Instructors for January 2013

The University of Houston Downtown is seeking qualified adjunct faculty to teach in its Insurance and Risk Management undergraduate degree program. Qualified applicants must have earned a PhD, Juris Doctorate, or a master’s degree, preferably in business from an AACSB-accredited business program. Candidates with a master’s degree must also have at least three years of industry experience.

Courses are offered either one or two evenings per week or online, accommodating the schedules of professionals working in the industry who have a desire to teach in a university program. Adjunct faculty members are compensated up to $3,000 per course per semester. The text books and teaching content replicate those of premier industry designations including the Chartered Property and Casualty Underwriter (CPCU), Certified Life Underwriter (CLU) Registered Health Underwriter (RHU), Registered Employee Benefits Consultant (REBC) and the Certified Risk Manager (CRM). Ideal candidates also possess appropriate designations for the courses taught. Faculty must be committed to student success and are expected to mentor students to attain professional designations and career positions within the industry.

Interested persons may apply online for the position of Adjunct Lecturer, College of Business, MMBA Department, Requisition Number 05239 at http://jobs.uhd.edu.

For more information concerning the UHD IRM program, or when you have filed an online application, please contact Dr. Wendall Braniff, Director, Insurance and Risk Management Center at (512) 924-2216 or brainiffw@uhd.edu.
On October 18, 2012, the Houston CPCU Society conferred Jeremiah Bailey, CPCU; Amy Espinoza, CPCU; Chris Florence, CPCU; Connie Garrett, CPCU; Denise Heather, CPCU; Noah Klein, CPCU; Sarah Lernor, CPCU; Sheila Lum, CPCU; Laura Muske, CPCU; Bruce Parks, CPCU; Andrew Perez, CPCU; and Tracy Walker, CPCU at Lakeside Country Club.

Cindy Baroway, CPCU, CPCU Society President-Elect served as the Conferring Officer. Dr. William Flores, University of Houston Downtown President, served as the Luncheon Speaker. Brad Harmes, Houston Society CPCU President welcomed all.

No annual conferment is complete without Myron Steves Company presenting each new designee with a very handsome engraved, portfolio.

We look forward to this day every year and welcome wholeheartedly our new additions to this important organization.

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Restaurant & Deli coverage in a five-minute phone call

Call. Quote. Bind. Using TAPCO’s courteous and prompt call center, Restaurant & Deli coverage can be quoted, bound and delivered to your e-mail inbox quickly and accurately during one five-minute phone call.

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- Visa, MasterCard and ACH payments accepted

1,000 Strong

More than 1,000 classes of P&C business written under binding authority.
Houston Insurance Associations

Houston NAIW, Inc. affiliated with of the International Association of Insurance Professionals (IAIP) the International trade name for the National Association of Insurance Women (International) (NAIW) meets on the fourth Tuesday of the month at Christie's Seafood & Steaks Restaurant at 6029 Westheimer, Houston, Texas. The association is active at state, regional & national levels.

Houston NAIW had their established monthly meeting October 23rd featuring some of the fire fighters pictured in the calendar. As customary we sold calendars to help raise money for the Houston Fire Fighters Burned and Crippled Children’s Fund. If you would like to help support the Houston Fire Fighters direct go to www.firefighterscalendar.org

November was also a regular business meeting where we held an Ethics CE class. For any who would like to attend CE classes with us in the future, please contact Linda Beckner at lbeckner@windstream.net

And then there are the Holidays – meet with us December 18th for NAIW’s annual Holiday Party!!

2012-2013 Board Members: Judy Koudelka, CISR, President; Sharon Klein, ACSR, CIIP, President-Elect; Melba Monroe, AAM, ARM, CPIW, Vice President; Jane Bock, Secretary; Terry Webb, CPIW, Director 1- Immediate Past President; Margaret Parker, Director 2-Treasurer; Renee Glidewell, Director 3-Public Relations; Mary Browder, Director 4-Finance; Linda Beckner, Director 5-Program.

For more information or to join the Houston NAIW, please contact Judy Koudelka at jkoudelka@hubinternational.com

We are “Houston Insurance Professionals”- HIP for short! We host quarterly events to help us facilitate community service projects and networking opportunities. Membership is open to all individuals in the insurance industry. We are a part of FIWT and continue to uphold the objectives that are our foundation.

Our trip to Coushatta on August 18th was a great success once again. Thank you to all who attended and assisted on the bus to make it a fun, prize filled trip! We are discussing how we can do another in the future for members and any guests. You don’t have to be in the insurance industry to participate – it’s just for fun! For information and reservations contact Carolyn Tennison at 713-462-6558/cell 713-594-0761 e-mail: wayneandcarolynt@earthlink.net

The FIWT Convention was held October 18th - 21st, 2012 in Dallas. We had many members attend this convention. We also put on a Christmas event for the children at the Kinder Emergency Shelter on December 8th and the kids really enjoyed the gifts and activities we planned for them. This shelter is a part of the Harris County CPS division and has long been a favorite community service activity of HIP.

If you want more information about HIP or FIWT, go to www.houstoninsuranceprofessionals.org.

If you are interested in attending our meetings or events, contact Bob Havey at bobh@mhi-tx.com

Officers for 2012: Chairman, Bob Havey (McClelland & Hine Inc. – Houston) Co- Chairman, Mary Travis (IMS/ London American) and Treasurer, Carole Smith (HARCO Insurance Services).
As a member of IIAH you will have access to specialized education programs, advocacy, publications, networking through meetings and events

**Education**

IIAH Provides 5 – three hour FREE seminars annually for all member licensed personnel – a total of 15 hours per employee – a value of $360 per employee. Members receive a 50% discount on all education programs (Energy Symposium excluded)

**Houston Insurance Day (HID)**

When a member agency purchases 1 full registration inclusive of all seminars, lunch and exhibit hall they may obtain additional full registrations for all agency personnel with no lunch for FREE or pay for additional full registrations with lunch.

**Houston Insurance News**

Receive the Houston Insurance News publication four times annually that includes industry events, articles and advertisements

**IIAH Website Advertising**

All IIAH Member Agents and Affiliates are automatically in the Find an Agent/Service search engine on the IIAH website. Members may purchase additional options to include searches by lines of business, direct links to member’s website and logo banner ads. This service is exclusive to IIAH Members only.

**Legislative Advocacy & Political Action**

Priceless

**Merchant Accounts**

Through the IIAH Program you can accept every form of payment and provide your clients with the convenience of paying by debit and credit card. Payments can be accepted in person, by mail, over the phone, by fax and even on-line. You will receive discounted enrollment and monthly fees – reduced processing and transaction fees are volume based. Value $100 minimum

**Member Discounts**

IIAH Members receive a 50% discount on all events and services

**EVENTS**

- January 15th IIAH Member Luncheon Maggiano’s Little Italy
- January 26th 17th Annual Charity Chili Cook-Off Bayou Sports Bar & Grill
- January 27th and 28th IIAT Joe Vincent 50th Anniversary of the program, Austin, TX
- February 19th Houston Insurance Day Marriott Westchase

**EDUCATION**

- January 8th Business Ethics Brady Chapman Holland
- January 15th IIAH Member Free CE Seminar Maggiano’s Little Italy
FIFTH CIRCUIT ALLOCATES DEFENSE COSTS AMONG THREE PRIMARY INSURERS, ALLOWS EXCESS INSURER TO RECOVER ON CONTRACTUAL SUBROGATION CLAIM

The Fifth Circuit reversed a lower court’s ruling and found that an excess insurer could recover from three primary insurers who refused to defend. In Continental Casualty Co. v. North American Capacity Insurance Co., 2012 WL 19641842 (5th Cir. (Tex.), May 30, 2012), Valero Refining Company contracted with Encompass Power Services to design and construct a co-generation facility at a refinery. Power outages and a fire resulted in significant damages to the refinery and Valero sought recovery against Encompass who was covered by three primary policies and an excess policy. Two of the primary insurers denied coverage; one ended its defense after paying its policy limits and then the excess insurer took over the defense until the case settled. The excess insurer then sought recovery for defense costs from the underlying insurers. The trial court held that because of a bankruptcy, assignment of claims, and the settlement, the excess insurer “stood in empty shoes” in trying to assert subrogation rights.

On appeal, the Fifth Circuit affirmed the lower court’s ruling that the two primary insurers, who denied coverage, had a duty to defend. And, that the third insurer who refused to defend after paying its policy limit in a separate deal with Valero that did not end the litigation, still had a duty to defend. The Fifth Circuit then examined the contractual subrogation clause in the excess insurer’s policy and determined that the excess insurer was entitled to pursue contractual subrogation against the primary insurers “who should have borne the costs that it paid.” Lastly, the court found that even though the three primary insurers had vastly different policy limits, they should each bare the defense costs equally. Accordingly, the Fifth Circuit affirmed the allocation of defense costs, and reversed the lower court’s decision concerning the excess insurer’s subrogation claim and remanded the case for further proceedings.

COURT DENIES MOTION TO REOPEN APPRAISAL PROCESS

Recently, a federal District Court judge in the Galveston Division of the Southern District of Texas denied an insured’s motion to abate an adverse appraisal award and to reopen the appraisal process to conduct discovery. In KLM Resources, LLC v. Ohio Casualty Insurance Co., 2012 WL 1911801 (S.D. Tex. May 25, 2012), the insurer invoked the appraisal process to resolve a dispute over the amount owed on a business interruption claim following Hurricane Ike. The insurer’s appraiser and the umpire set the amount of loss at $5,000, substantially less than the $92,000 estimated by the insured’s appraiser and less than the $10,000 already advanced by the insurer. Facing a summary judgment on all of its claims, the insured sought an abatement of the award to conduct discovery on the issue of whether the award resulted from mistake.

Judge Froeschner observed that the insured did not challenge the umpire’s credentials, nor offered any evidence of collusion or dishonesty. The sole basis for the insured’s motion was based upon a belief that the methodology used by the umpire and insurer’s appraiser in reaching the amount owed was flawed. The court noted that the insured’s appraiser’s affidavit “simply expresses his disagreement” with the assessment methods used. Accordingly, the court denied the insured’s motion to reopen the appraisal process.

COURT REJECTS THIRD-PARTY BREACH OF ORAL CONTRACT CLAIM AGAINST INSURER

Recently, the Tyler Court of Appeals rejected a third-party claimant’s direct action against an insurer’s managing general agent alleging breach of oral contract, after finding that the third-party lacked standing to bring the lawsuit. In Haygood v. Hawkeye Insurance services, Inc., 2012 WL 1883811 (Tex.App. – Tyler, May 23, 2012), the insured vehicle rear ended the Haygood vehicle and the car was determined to be a total loss. Extensive negotiations over the next two years failed to settle the claim for damage to the vehicle and Haygood ultimately filed suit against the insured for negligence and, also Hawkeye Insurance alleging they breached three oral agreements reached during settlement negotiations. The trial court granted summary judgment in favor of Hawkeye Insurance and this appeal followed.

On appeal, the court observed that Texas law will not allow a third-party to enforce a policy directly against the insurer until the insured’s obligation to pay has been finally determined. The court construed the rule as one of standing and found that there was no evidence to show any written agreement or judgment of liability against the insured. And, because this condition precedent had not been met, the court affirmed summary judgment in favor of Hawkeye Insurance.
Q. Are you a morning or a night person?  
A. Morning

Q. If you could have dinner with a person (dead or alive) who would it be?  
A. My parents have been gone for awhile now so it would be nice to have dinner with them one more time.

Q. Koozie or no Koozie?  
A. Koozie

Q. What’s your favorite sporting event of the year?  
A. Aggie Football

Q. What is something that people don’t know about you?  
A. I like to garden.

Q. Cat, Dog or Lizard person?  
A. 2 dogs, 1 cat

Q. What was your first car?  
A. 1973 VW Superbeetle

Q. Did you have insurance on it?  
A. Of course

Q. How much was the price of gas?  
A. A lot less than today!!

Q. If you weren’t in insurance, what would you be doing?  
A. Math Teacher Bob

Bob Havey
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