

Member Newsletter

Issue 28 | June 2017

President's Message

Our 2017 annual conference was held in Seattle, Washington and had 20 members attend and 14 spouses. This was the first conference on the West Coast. Next Year's Conference will be held in Fort Worth, Texas.

For those of you who were unable to attend the conference several members participated and presented the following topics:

Kevin Hormas - "Property Appraisals – the New Era of Settling Claims"
Matthew Richter from Live Oak Bank discussing financing Mergers and Acquisitions
Bill Wilson – "Industry Commoditization and Disruption: Fact or Fiction?"
Neal Bordenave – How I Developed an Insurance Expert Witness Practice
Gary Jacobson – "Using Shareholders Agreements in Agency Succession Planning."
Dave Mandt – "Cautionary Tales for the Claims Professional."
Danette Leonhardi – "Choosing, Carefully, Your 30(b)(6) Witness: An Expert's View."
Greg Deimling - Elements of Change
Akos Swierkiewicz-Overview of IRCOS, LLC and Insurance Expert Network, LLC
Van Hedges – "Ethical Standards in The Insurance Industry How Can (or should) AAIMCo Lead the Way?"

As you can see the topics covered a broad range and provided something for everyone. I would like to encourage those of you who have not attended a conference to attend. Here are a few quotes made by attendees at this year's conference:

"Nice variety of topics at every conference. Great opportunity to socialize and meet others."

"Probably the best value of any conference I've attended."

"Over the years, I've been to many conferences and conventions and none offered a better organized and valuable experience for the financial investment...Our plan right now is to be the first to register for the conference next year."

"Structured but informal with lots of time for discussion."

"For those of you attending your first conference, now you know why I never miss one. They are always enjoyable and I cannot put a value on the knowledge I gain every year from the presentations and just socializing - priceless is close."

You won't want to miss next year's conference in Fort Worth. So mark your calendar NOW for April 26-28, 2018. We are actively soliciting speakers for the 2018 conference. If you would like to be a speaker, contact Kevin Hromas who will be organizing the agenda.



Peter Marchel

JD, MBA, CDR, RPLU
CPCU, AIM, AIS

Marchel & Associates Risk Consulting

Carnation, Washington

(425) 788-4349

peterm@
marchelassociates.com



Association News

Mary LaPorte – E&O Publications

Mary LaPorte, Michigan member and AAIMCO Secretary, has just published a pair of books on Errors and Omissions. The first is titled *Mission: EXCELLENCE – Creating an Internal E&O Loss Control Program*. The book was created to walk agencies through the process of creating an internal Errors and Omissions program. The easy-to-follow manual breaks down the major areas of E&O concern in the agency environment and outlines simple steps to follow in cultivating employee awareness. The second book is titled *Mission: EXCELLENCE – Agency Errors and Omissions Checklist* and is designed to be a companion to the first book. The checklist is in workbook format and will aid agencies in identifying areas of concern which create E&O exposure in the agency. Visit Mary's website for more information: www@lpinsuranceconsult.com

Andy Barile – Fox News

Georgia Member, **Andy Barile**, recently joined a segment on Fox Business New TV on "Game Changing Consulting Solutions to the Insurance Industry / Alternative Risk Insurance Products / Cell Captives/ Manuscript Policies / Rent A Captive Programs / Joint Venturing With Third Party Administrators. For more information, please contact Mr. Barile by clicking [here](#).

Jason Murgio – Top SNL Rankings

Jason Murgio, Member from New York, is pleased to announce that his firm Merger & Acquisition Services, Inc. is once again to be ranked in the top of the SNL Rankings as the number one advisor for insurance carrier transactions, based upon completed deals in 2016 in the United States and Canada. His firm is closing in on serving the insurance industry for 20 years and to be noted as a top advisor based on deal volume is a noteworthy accomplishment for his firm and team.

Michael Manes – Gospel of Change

Louisiana Member, **Michael Manes**, published an article in the April edition of the Texas Surplus Lines Reporter entitled "I Told You So", in which he espouses on the concept of five transformational changes that are impacting the insurance world: Generational Change, Big Data and Artificial Intelligence, Global / Virtual Marketplace, Language and Diversity and Innovation of Products / Service Competitors. He also gives a piece of advice that despite an advancing world of technology, people often still long for personal contact. He encourages everyone to continue to be a professional and trusted resource within the insurance industry.

Have news for the next edition?

We want to know what's been going on in your practice. Received an award? In the middle of a really interesting assignment? Published an article?

Email your news to
Lesley Perkins.

lesley.perkins@aaimco.com

Membership Report »

"Each One - Reach One!" - Growing AAIMCo's Membership

As the new Second Vice President, my chief focus will be on continuing Kevin Hromas' excellent work in growing membership for our vibrant organization. However, let me "deputize" each and every AAIMCo member to join that recruiting effort.

When you encounter knowledgeable individuals with subject matter expertise in insurance and risk management, send me their name and contact information so I can follow up to invite them to apply for AAIMCo membership.

Each of us is an AAIMCo ambassador. We rely on each other -- our members -- to "feed the pipeline" with prospects. A broader membership base enriches AAIMCo, not just financially, but through circulation of new talent, expertise and perspectives brought by a wide range of subject matter experts.

So, I will borrow an old recruiting slogan from the CPCU Society from a few years back:

"Each One Reach One!"

My challenge and respectful request is that, during the following year, each one of our members nominate a prospect to me for AAIMCo membership and I will take it from there.

"Each One Reach One!"

Many hands make for short work. Let's extend our hands figuratively to expand and deepen our AAIMCo membership base!



Kevin Quinley
CPCU, AIC, ARM, AIM, ARE,
RPA

Quinley Risk Associates,
LLC

Chesterfield, Virginia

(804) 796-1939

kevin@kevinquinley.com

« **Know of someone who would make a great member?**

AAIMCo is always working to expand its membership with highly qualified consultants and associates.

Contact Membership Chair Kevin Hromas with your recommendation.

Treasurer's Report »



Russell M. Taylor

Risk Management
Tactix

Spring, Texas

(281) 257-8585

russ.taylor@
riskmanagementx.com

The accompanying exhibits provide a snapshot of AAIMCo's financial position for the first five months of 2017 compared to the same period last year. This year's 23% growth in dues income reflects the addition of new members during the last two years, including both Professional and Affiliate categories. Although we had many new members in attendance, our registration fees for this year's Seattle conference were down about 10% from 2016. However Seattle was still well attended by twenty members and fourteen spouses, making it our second largest conference ever.

Referral fee contributions are about the same as last year, reflecting only one contribution in the first five months of both 2017 and 2016. I am aware that several engagements or new projects have been the result of referrals from fellow members or contact via the AAIMCo website. While participation is entirely voluntary, the Board encourages you to consider making a small contribution each time you receive work from one of these sources, with the recommended amount being equal to an hour of your billing.

On the expense side, conference expenses increased somewhat due to the higher costs in the Seattle area. All other expenses are in line with projections, and we should be on target for the rest of the year.

As evidenced by the positive net income for the first five months, and the increase in total equity in the Balance Sheet, AAIMCo continues to be in good financial shape.

Treasurer's Report



Russell M. Taylor

Risk Management
Tactix

Spring, Texas

(281) 257-8585

russ.taylor@
riskmanagementx.com

Balance Sheet

	May, 2017	May, 2016
ASSETS		
Current Assets		
Checking / Savings (Woodforest)	29,905.53	23,655.97
Total Current Assets	29,905.53	23,655.97
Other Assets		
Accum Depr - Sect 179	-600.35	-600.35
Epson Projector	600.35	600.35
Total Other Assets	0.00	0.00
TOTAL ASSETS	29,905.53	23,655.97
LIABILITIES & EQUITIES		
Equity		
Opening Balance Equity	5,2658.39	5,265.39
Retained Earnings	15,786.38	10,642.79
Net Income	8,853.76	7,747.79
Total Equity	29,905.53	23,655.97
TOTAL LIABILITIES & EQUITIES	29,905.53	23,655.97

Profit & Loss Statement

	May, 2017	May, 2016
INCOME		
Dues		
Dues - New Affiliate Member	225.00	0.00
Dues - Affiliate Member	1,800.00	600.00
Dues - Associate Member	0.00	0.00
Dues - Retired Member	90.00	180.00
Dues - New Associate Member	0.00	0.00
Dues - New Professional Member	1,450.00	400.00
Dues - Professional Member	14,100.00	13,125.00
Total Dues	17,665.00	14,305.00
Referral Fees	250.00	200.00
Application Fees	150.00	50.00
Conference Registrations	11,850.00	12,950.00
TOTAL INCOME	29,915.00	27,505.00
EXPENSE		
Administrative Services	400.00	500.00
Banking Expense	0.00	10.00
Conference Expense	16,720.26	13,043.24
Executive Director Services	1,600.00	1,850.00
Insurance	1681.00	2,261.00
IT Services and Hosting Fees	650.00	0.00
Office Supplies	9.98	0.00
Other - Misc. Expense	0.00	1,242.97
Research Services	0.00	850.00
TOTAL EXPENSE	21,061.24	19,757.21
NET INCOME	8,853.76	7,747.79

Annual Conference 2017 Seattle, Washington















Annual Conference 2017

Cruise Report

AAIMCo members and their wives ventured forth from Seattle aboard the Holland America cruise ship, MS Eurodam right after the close of the AAIMCo conference. The members who cruised were Bruce Heffner, Bill Wilson and Kevin Quinley plus spouses. Despite rough seas at the beginning, the cruise turned out to be a fantastic. Winter is slow to release its grip even in early May in Alaska. The experience was like living in a luxury hotel that happened float. The first port stop was Juneau, where there was plenty of what the locals call "liquid sunshine." Among the side excursions in Juneau was a whale-watching journey out to sea and a trip to the nearby Mendenhall Glacier and Little Nugget Falls, the latter provided spectacular viewing.

The second port stop was Ketchikan, Alaska. Some cruisers went on an off-road Jeep safari excursions, a "Duck Boat amphibious tour and a canoe trip along nearby lakes. The weather was sunny despite the fact that this town receives about 163 inches of rain annually. As an interesting note, the arrival of our cruise ship made the front page of the local newspaper.

En route back to Seattle the cruise ship made a final port call at the city of Victoria, British Columbia. This was a picturesque town offering a multitude of interesting visits, including the famous Victoria Gardens.

Aboard ship, there was an amazing menu of activities to sample, including various music venues (jazz, classical, rhythm and blues, etc.), comedians, jugglers, lectures, and shopping seminars. For those who wanted to "nerd out," there were even computer classes.

In all, the cruising experience was fun and wonderful, adding an extra dimension to this year's excellent AAIMCo Conference!

Top 10 Observations on Post-AAIMCo Alaskan Cruise

10. Alaskans call it "liquid sunshine." I call it "constant rain."
9. "Ketchikan" is an ancient Inuit word for "Land of Endless Jewelry Shops."
8. Our cruise ship, the MS Eurodam, made front-page news in the local Ketchikan paper, "First Holland America Cruise Ship Arrives for the Season."
7. Next day's headline: "Cruise Ship Leaves Ketchikan."
6. On morning one of the cruise — a Sunday — choppy seas caused me (and many others) to worship on my knees at the altar of St. John the Commode.
5. I still don't know what "Tanzanite" is, but I suspect it is the second-cousin of Cubic Zirconium.
4. On a cruise, you lose track of time and determine the day's date by looking at the changing carpet in the ship elevators.
3. Taking a cruise is the wrong time to start your diet.
2. Memo to self: next cruise, sign up for the "Sasquatch-Watching Tour."
1. The offshore whale-watching tours spotted few whales, but plenty of blow-holes. If I wanted to see blow-holes, though, I'd just stay home and watch Congress in session on C-SPAN.



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CPCU, AIC, ARM, AIM, ARE, RPA

Quinley Risk Associates, LLC

Chesterfield, Virginia

(804) 796-1939

kevin@kevinquinley.com