

# Member Newsletter

Issue 30 | October 2017

## President's Message

### SAVE THE DATE - April 26 – 28th - Fort Worth Texas

Please plan to attend the 2018 AAIMCo Conference. The ability to interact and speak with other members of AAIMCo can lead to valuable social and professional relationships.

Within the last few weeks I was reading an article published by one of the insurance publications that I found interesting and I would like to share for your thoughts and input. The article was quoting “successful insurance brokers” and all of the persons quoted were from large brokerages. I believe several were quoted but only two of those quoted stood out to me. The question posed to each broker was: What type of advice would you give to those either new or just entering the profession?

#### What would you say?

One person responded that he wished he would have spent more time learning and studying insurance forms, to better understand the coverages and how to help his clients. The second broker said that her advice was to learn to play golf. She found the time spent with Risk Managers and CFO's on the links invaluable for growing her business.

Which one of these brokers are you seeing in your practice the most? Are you noticing any trends less, more or about the same level of professionalism in the Insurance Industry?

#### What role should we play...if any regarding

Just spend some time looking at our website ([www.aaimco.com](http://www.aaimco.com)) and our members and their backgrounds, you will find a wealth of experience few professional organization offer today. In addition, you are likely to find the members of AAIMCo outgoing and helpful when you have a question outside your expertise or even seek a second opinion about a topic.

We are fortunate that the organization is of a size that anyone can become an active participant (it is your organization – you can make of it what you will)...yet broad enough for you to find any expertise across the spectrum of Insurance. Our annual conference is an opportunity for you to share with other members via presentation or during many of the opportunities to socialize with other members. We are currently putting the program together for 2018 and we welcome your input and participation. Please contact Kevin Hromas as he is developing the Annual program agenda.

For example; our members have combined in excess of 54 Degrees / Designations. Services provided by our members range from A- Actuary to V- valuation.



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# Association News

## Nancy Germond - Professor

Arizona member, **Nancy Germond**, has recently accepted a position as a Residential Faculty at Glendale Community College. She will be teaching insurance and business courses throughout her tenure.

## Kevin Quinley – Prolific Publisher

Over the past few months, Virginia member **Kevin Quinley**, has published two articles: “Managing Cyber Risks in Medical Practices (Part 1 of 2)” in the publication Medical Malpractice Law & Strategy, July and August, 2017 editions, as well as “Managing the Risk of Institutional Bad Faith Claims” in CPCU Insights, Fall 2017. He has also been interviewed twice for podcast published by the Claims Journal: “Seven Habits of Highly Effective Coverage Adjusters, published June, 2017 and “A Contrarian View of Claim File Documentation”, published August, 2017.

## Roy Phillips – IIA Dallas

Longtime member, **Roy Phillips** was recently asked to speak at the upcoming IIA Dallas CE & CSR / Account Manager Appreciation Luncheon on October 18th. Mr. Phillips will be presenting along with Robert McCabe with the law firm, Thompson Coe Cousins & Irons on the subject of Cyber Security. The luncheon is sponsored by Myron Steves Surplus Lines GA.

## Al Diamond – Perpetuation Planning

Our long term New Jersey member, **Al Diamond** has signed a five year contract with Professional Insurance Agents to provide succession perpetuation planning seminars and consulting with PIA members through State Affiliates countrywide through a seminar titled “Agency Journey Mapping” with special website support by both PIA and Al’s firm, Agency Consulting Group, Inc. For more information, please contact Mr. Diamond.

## Andy Barile – Top Ten Questions

Georgia member, **Andy Barile**, recently released an article specifying the “Top Ten Questions To Ask Prior To Retaining An Insurance Expert”. Mr. Barile gives excellent advice on a subject that will allow attorneys to retain very capable insurance and reinsurance experts. For a copy of the article, please click here.

## Charles Comiskey – Contractor’s Insurance Expertise

Houston Member, **Charles Comiskey**, will be presenting at an upcoming Continuing Education seminar through the Independent Agents of Houston titled “Construction Part 1”. The course highlights include construction industry hazards, safety programs, contractor v. sub-contractor, GL coverage with regard to construction exposures. Mr. Comiskey will be presenting along with Craig Witherpoon (Texas Mutual Safety Group) and Nick Lanza (Lanza Law Firm, PC).

## 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](mailto:lesley.perkins@aaimco.com)

# Membership Report »

Membership invitations have been sent to about five individuals over the past month, individuals who appear to be good candidates for AAIMCo membership. Please look at colleagues in your professional associations and those with whom you come across in your work who have insurance expertise as possible candidates. We would like 2017-18 to be the year where each person reaches out to a candidate.

Alternatively, send me the name and contact information of the candidate and I will take it from there. A number of you have done that already and follow-up has been made.

Let's continue our efforts to expand our membership base!



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## « 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

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In reviewing the accompanying financial reports, you will find that our total income for the first three quarters of 2017 is within \$700 of last year's result for the same period. Thanks to the growth in members during the past couple of years, our dues income has increased almost \$3,200 (21%) for the past nine months. Income from conference registrations was down about \$1,100 compared to last year, because of several last-minute cancellations due to unexpected conflicts or illness. Also note that income from voluntary contributions for referrals is down by almost \$1,500 compared to last year. That's disappointing, considering that a number of members have benefitted from referral opportunities posted by fellow members or through contacts via their listing on AAIMCo's website.

As a reminder, 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. Proceeds from the referral fee contributions help defray the cost of our annual conference and enables us to keep the cost of registration at a minimum.

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 total expenses are about \$800 higher than last year.

Overall, bottom line, we are \$160 below last year's net income for the same period, and should end the year on a positive note.

# Treasurer's Report



## Russell M. Taylor

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## Balance Sheet

	Sept, 2017	Sept, 2016
<b>ASSETS</b>		
Current Assets		
Checking / Savings (Woodforest)	27,962.25	22,251.77
Total Current Assets	27,962.25	22,251.77
Accounts Receivable	0.00	725.00
Other Assets		
Accum Depr - Sect 179	-600.35	-600.35
Epson Projector	600.35	600.35
Total Other Assets	0.00	0.00
<b>TOTAL ASSETS</b>	<b>27,962.25</b>	<b>22,976.77</b>
<b>LIABILITIES &amp; EQUITIES</b>		
Equity		
Opening Balance Equity	5,265.39	5,265.39
Retained Earnings	15,786.38	10,642.79
Net Income	6,910.48	7,068.59
Total Equity	27,962.25	22,976.77
<b>TOTAL LIABILITIES &amp; EQUITIES</b>	<b>27,962.25</b>	<b>22,976.77</b>

## Profit & Loss Statement

	Sept, 2017	Sept, 2016
<b>INCOME</b>		
Dues		
Dues - New Affiliate Member	225.00	400.00
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	60.00	0.00
Dues - New Professional Member	1,900.00	750.00
Dues - Professional Member	14,185.00	13,125.00
Total Dues	18,260.00	15,055.00
Referral Fees	250.00	1,700.00
Application Fees	225.00	200.00
Conference Registrations	11,850.00	12,950.00
<b>TOTAL INCOME</b>	<b>30,585.00</b>	<b>29,905.00</b>
<b>EXPENSE</b>		
Administrative Services	800.00	900.00
Banking Expense	0.00	10.00
Conference Expense	17,291.73	13,143.24
Executive Director Services	3,200.00	3,450.00
Insurance	1,681.00	2,261.00
IT Services and Hosting Fees	650.00	827.76
Legal & Filing Fees	20.00	20.00
Office Supplies	9.98	0.00
Other - Misc. Expense	0.00	1,374.41
Postage & Delivery	21.81	0.00
Research Services	0.00	850.00
<b>TOTAL EXPENSE</b>	<b>23,674.52</b>	<b>22,836.41</b>
<b>NET INCOME</b>	<b>6,910.48</b>	<b>7,068.59</b>

# Member Spotlight »

## The Bill Wilson Story

**“Life’s but a walking shadow, a poor player that struts and frets his hour upon the stage and then is heard no more. It is a tale told by an idiot, full of sound and fury, signifying nothing.”**

– William Shakespeare, Macbeth, Act 5, Scene 5

Thanks for the opportunity to enjoy my 15 minutes (or 5-10 if you’re an Evelyn Wood graduate) of AAIMCo fame, my “hour upon the stage” before I am heard no more. Lesley tells me that there are actually people who might be interested in my industry story. If you subscribe to my blog (InsuranceCommentary.com, hint, hint), you know that my tale is increasingly full of sound and fury about industry changes, though I hope it doesn’t signify nothing and that I don’t come across as an idiot or as the angry old man on his front porch yelling at the ‘disrupter’ kids to get out of his yard.

Before I go there, let me take you back to 1969....



I was fortunate to be a good high school student though I kept a low academic profile, relying on my good looks, hot car, and natural Paul Le Mat-like coolness (see above). My good friends didn’t even know that my grades were usually at the left end of the alphabet until senior class rankings came out and they were convinced I had somehow hacked the ranking system (even though ‘hacking’ at that time was limited to awkward butchers and serial killers).

As a result, I was able to land a 4-year, full-ride academic scholarship to Illinois Institute of Technology in Chicago, majoring in fire protection engineering. At the time, I knew nothing about the school, the city, or engineering and had no particular interest in them. My plan before the scholarship popped up in the Summer of ’69 (great Bryan Adams song by the way) was to be a high school math and/or science teacher. I think I always had education in my blood, going back to the inspiration of my 3rd and 4th grade teacher, Miss Jennings. That compulsion would resurrect itself later in my career. So, my parents loaded this 125 lbs. of twisted steel and sex appeal Tennessee boy (and my father’s usual two cases of iced-down beer, one in the back seat, one in the trunk) in the Pontiac, drove me to the campus, dropped me off, and wished me well.

Somehow, I managed to survive college and a father who, as a professional redneck, was not happy with my decision to campaign for George McGovern, participate in peace marches, and not get a haircut for over 3 years:



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I won't elaborate on my college experience. It was rocky at first but, thanks to the mentoring of a college buddy, Mungo (see photo below), I found myself and along the way inventing time management (really, I did, kind of), but that story (including who and what "Mungo" was) will be told in my book 7 Maxims of Time Management that will be available on Amazon in a couple of months (hint, hint). Somehow, I managed to survive college and a father who, as a professional redneck, was not happy with my decision to campaign for George McGovern, participate in peace marches, and not get a haircut for over 3 years:



L. to R., Sickie, me, Master, Mungo, Leroy

My scholarship had been funded by the Western Actuarial Bureau and the Tennessee Inspection Bureau, two of a multitude of regional and state industry statistical, rating, and inspection organizations who merged in 1971 to create Insurance Services Office (ISO). I had a scholarship commitment to work for ISO for at least 3 years that ended up lasting 15 years. Out of college, I was assigned to the Memphis office where the delighted field staff split up the territories in the area so that I had exclusive access to the commercial and industrial equivalents of Belfast in 1969 or present-day areas of the Middle East. I also handled inspecting and reporting on HPR (highly protected risks) properties where I could put my engineering education to work, as illustrated in this photo of an ISO crew circa the late '70s:



L. to R., Bubba, me, The Harv, Dirty Dave

I did that kind of work for a couple of years, then moved into public fire protection for about 5 years where I inspected cities, counties, fire districts, etc. in order to set their PPC class from 1-10. That involved working with the fire department, water works, and codes enforcement. A very small town could be surveyed in a day or two, larger cities in 1-3 weeks by a 3-person crew. Most of my work was in Tennessee and, as many of you may know, fire fighters are a different breed...fire chiefs across Tennessee introduced me to most of the VFWs and American Legion clubs across the state, from Frog Jump to Skullbone, Tennessee.

In 1980, ISO introduced their FMDP...Field Management Development Program. This was a formal 1-2 year management development program that provided training and mentoring for regional and state office personnel. I was fortunate to be selected in the first group of a dozen or so fast-tracked "rising stars." A year or so later, I became the assistant manager of operations in Tennessee. Not long thereafter, ISO went through its first national corporate restructuring. The Tennessee state manager became the Southern Regional VP and I became the manager of field operations in Tennessee and Kentucky. We had an office staff of 10 people in Nashville and 28 resident field reps in Tennessee and Kentucky.

During this time, I got my CPCU, ARM, AIM, and AAM designations and published my first article in the CPCU Journal called "The Underwriting Cycle and Investment Income." This was when there actually was an underwriting cycle. If anyone wants to read it for its historical and humorous relevance, let me know and I'll email you a copy. What the article did was get me noticed by the ISO executive suite. That led to multiple offers to relocate to NYC or transfer as manager of larger ISO operations in San Francisco, Detroit, and a couple of other locations. However, I had something else on my mind that I felt compelled to do.

In the mid '80s, I was approached by the Tennessee affiliate of the Independent Insurance Agents & Brokers of America about replacing their director of education and technical affairs who was in line to move into the association's executive director position upon the retirement in 1988 of the current exec. I declined a couple of approaches, but in early 1988, smitten by the education bug that had probably been laying low since high school (and maybe even the 4th grade), I decided to make a career change and accepted the position at the Insurors of Tennessee.



During my 11-year tenure at the Insurors, I was responsible for developing and presenting seminars across the state, writing the bi-weekly 4-page newsletter, editing the monthly magazine, and being involved in other association activities, from Young Agents to technical affairs and other committees. Near the end of my employment there, I became the assistant executive director. And then the internet came along.

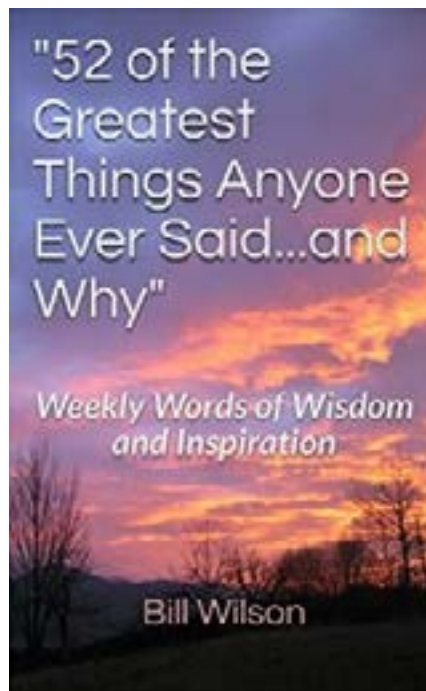
Early on, I could see the educational and informational promise of the internet, so I pitched the idea of a Virtual University to the national Big "I" association. Association leadership and management bought into the idea and I was hired in 1999 as a staff member to create and develop the "VU," the only nonnegotiable item being me moving to the DC area. The VU began with me and a \$125 copy of Microsoft Frontpage that I used to create the first version of the website. I also started an email newsletter, The VUpoint, with a subscriber base of 32 people. At its peak, the newsletter had 30,000 subscribers and the VU today, I'm told, totals about 17,000 pages. Most of that came from these 10 fat, stubby little fingers and it was a creative joy to build from the seven original HTML pages. My wife used to tell me that I was the only person she knew that looked forward to Monday mornings instead of Friday afternoons because I enjoyed the work so much. Mark Twain was right, "Find a job you love and you'll never have to work a day in your life."



But, all good things must come to an end. Last year, I became Medicare-eligible and this year I started collecting social security, so I am now officially a ward of the state. After 17 years of building the VU, it was time to turn it over to a new master, so I decided to retire from IIABA last December. Officially, I'm retired, but I'm finding it difficult to really "retire" and, to be honest, have no desire to disassociate from an industry that has been so good to me and that I understand, appreciate, and love for what it does. I tell people all the time, no matter what your role is in the industry, never forget that the reason we exist is to assist individuals, families, and organizations in risk managing their exposures to serious or catastrophic financial loss.

So, with retirement scheduled, last fall I hired industry technology guru Steve Anderson's web mistress Sissy Haner to create a web site for me where I could blog and offer my services to the industry. I blog pretty much on a weekly basis and still do some seminars and webinars, primarily to fund my participation in AAIMCo, CPCU, and other organizations. I try to split my blog topics between coverage issues and emerging industry issues like so-called "disrupters," the myth of personal lines commoditization, "big data," etc. I also post a lot on my LinkedIn InsuranceCommentary.com discussion group and via LinkedIn Pulse articles. If you're selling your services, I encourage you to write thought-provoking articles and distribute them through Pulse...I've gotten over 8,000 views on one of my most popular and brief articles, "Insurance and Paper Towels," which is reproduced below at Lesley's request.

I'm also writing some books, the first two on non-insurance topics. I just published an ebook called "52 of the Greatest Things Anyone Ever Said...and Why" which consists (I hope) of weekly words of wisdom and inspiration...each week is a quotation and a very short essay. It also includes a free download of a book I self-published 20 years ago with 1,500 of my favorite quotations, indexed and cross-referenced, with an introduction about how to use quotations in speaking and writing. I had the endorsement of people like Zig Ziglar and Brian Tracy but never could get a publisher interested beyond a proposal.



I'm currently working on a book I mentioned earlier on time management based on discoveries I made in college and during my career (especially the management phase) on how to get things done more effectively and with less stress. I'm shooting for an Amazon publication date hopefully in November.

Early next year, I plan on writing a book with a May publication target on my experiences over the past 30 years in assisting agents get contested claims covered. The seminar it's based on is currently called "When Words Collide...Resolving Coverage and Claims Disputes." My target audience is agents, adjusters, underwriters, risk managers, consultants, and attorneys.

Finally, on a personal note, in 1976 I met my life partner, my wife Gail. Given my aforementioned charisma and manly Victor Mature-like scent, she was immediately smitten. I succumbed to her charms shortly thereafter. In 1988, we introduced the world to our son Daniel who is now a graduate of Vanderbilt University (his 2011 graduation being the biggest raise I ever got) and a data scientist for a large medical provider. While my wife still has a couple more years to go before her retirement from the IT industry, we moved into our retirement home a few years ago on Old Hickory lake in Tennessee:



About the time I decided to retire last year, I learned that Buddy Holly's original drummer lives 2-3 blocks from me. Having been in a band in college (Drippa and the Gumdrops...we actually had an offer to open for Styx and REO Speedwagon, but that's another story), this seemed like the opportune time to get back into guitar playing. So, we found a singer and rhythm guitar player and a bass player (still looking for a keyboard player) and have been rehearsing for a few months as:



If AAIMCo meets in the Nashville area sometime, perhaps we can provide the “entertainment.” But hurry...our drummer is 78.

Well, that about covers my career and life for the past almost half century. I'm hoping my health allows me to continue to be active in the industry for many years to come...unless The Old Dogs get the chance to tour with Heart or Iron Maiden. If that happens, be assured that I will get stage passes for any AAIMCo member when we come to your town. Rock on!

# Spotlight Article ▶

**William C. Wilson**

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## Insurance And Paper Towels

### **An Open Letter to Everyone Writing About “Disrupters” and the Insurance “Customer Experience” and Citing “Industry Experts” and “Top Insurance Executives”**

For the love of God, please, please, PLEASE stop comparing buying insurance to buying a consumer product on Amazon!

Case in point from an “industry expert”:

“What’s holding most insurers back from meeting the speed and performance of a customer experience leader like Amazon? In a nutshell, siloed legacy systems.”

No, siloed legacy systems are NOT why the insurance industry doesn’t meet the “customer experience” speed and performance of Amazon. The reason the insurance industry doesn’t meet the “customer experience” provided by Amazon is because WE DON’T SELL WHAT AMAZON SELLS! Amazon sells consumer products. “Insurance” is not a “product.” If you’re compelled to label it, insurance is a process, not a product.

Another case in point from a recent Reuters article that quoted Ajit Jain, Berkshire Hathaway’s “top insurance executive” as saying:

“Amazon.com can deliver something to you in four hours. If people can buy paper towels on the internet, why not insurance?”

Sorry, sir, but buying insurance is NOT the same as buying paper towels. Yes, technology can and should be used to improve the effectiveness and efficiency of the insurance process, but phone apps and “big data” are not going to make a silk purse out of a sow’s ear. (BTW, there are some great silk purse bargains on Amazon right now if you hurry, and the good news is, choosing the wrong one likely won’t bankrupt you, as can happen if you choose the wrong insurance “product.”)

Not every buying transaction can or should be reduced to an Amazon-like “1-click” purchase. If I want to buy paper towels, does Amazon need to ask me to explain what I’m going to use them for? Or who is going to use them? Or where I’m going to use them? Or...? The insurance PROCESS starts with assisting individuals, families, and organizations in identifying their many, and often unique, exposures to financial loss. That information is then used to determine what is the best combination of insurance policy forms and risk management techniques to minimize the likelihood of a serious or even catastrophic financial loss. And if there is a loss occurrence, the process continues in both a financial and emotional way.

“Insurance” is not a commodity product. It’s a regulated, service-oriented process where the “product,” if you will, is a complex, detailed legal contract that is highly litigated. To compare it to paper towels or any other online consumer purchase is infantile. How many bad Amazon purchasing decisions can lead you to financial ruin?

**“Technology is a tool and a means to an end, the ‘end’ being protecting individuals, families and organizations from financial catastrophe.”**

Why do we listen to and enable people that lack historical perspective and clearly are fundamentally clueless about how the insurance industry works and why it works that way, who really don’t understand the overriding mission of this industry? Technology is a tool and a means to an end, the “end” being protecting individuals, families and organizations from financial catastrophe. Unless it’s the product “disrupters” and consultants are selling...then it’s the end in and of itself. Caveat emptor.



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