



NAPSLO NEXT GENERATION NEWS

2013 NAPSLO Events

NAPSLO E&S School

June 2-5
St. Louis, MO

2013 NAPSLO Annual Convention

September 30 - October 3
San Diego, CA

Marcus Payne Advanced School

November 3-6
St. Louis, MO

Please visit www.napslo.org for more details!

Letter from the Vice President:

Is it too soon to say the market is firming? Looking back on the first quarter of 2013 we can note consistent signs of better days ahead. The markets are getting increases, albeit small, almost across the board. The admitted market is slowly returning to its box, and many classes of business are drifting back to the E&S marketplace. Most importantly the economy continues to plod upward and we see insured's growing and returning to the market place. As we retool our operations to take advantage of this upturn, perhaps it's a good time to take stock. Who is NAPSLO's Next Generation as a group? How we can help each other to improve our great industry and capitalize on what it has to offer?

We are a very diverse group! Our group is made up of wholesalers, companies, and lawyers. From young talent fresh out of college, right on up to business owners and seasoned professionals, we have a lot to offer each other. Motivation, new ideas, experience, and in-depth knowledge of the industry, are all traits of our group. What joins us all, though, is that our careers are ahead of us. In our dynamic market, it is important that coworkers and competitors alike work together in order to grow and sustain the industry. NAPSLO's Next Generation is a wonderful opportunity to learn from our contemporaries and in-turn pay that knowledge forward.

There are many ways to be involved with Next Generation and promote the E&S industry. Join us for our leadership seminar, panel discussion and cocktail party at the Annual Convention each year. Tell a friend about the group and get them to join. Donate to the NAPSLO PAC. Contribute an article to our newsletter. Post to our LinkedIn and Facebook pages. Give a presentation at your alma mater or a local school or trade event about the E&S industry. Volunteer to be a committee member. All of these actions show commitment to our industry and give you an opportunity to learn from and teach current and future generations of the NAPSLO family.

I have high hopes for us all in 2013 as individuals and as a group. With hard work and determination we can find success in the growing market and build for a strong future. I encourage you to get more involved in Next Generation and extend all of our thanks for the contributions you make.



Wyeth Coburn
**Vice President, NAPSLO's
Next Generation**
CRC Insurance Services

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www.napslonextgen.org

The Next Gen Avenues for Continuing Education



By: Robert Sanders Jr.
Preferred Specialty, LLC
Executive Vice President

NAPSLO provides an abundance of surplus lines educational opportunities to the membership, including those of us who are members of NAPSLO's Next Generation. As the Next Generation Education Chair, I have been very encouraged by the overwhelming support that we have received from the NAPSLO Board, the Education Director and The Institutes.

I would first like to start out with the NAPSLO Schools and Continuing Education Courses offered through NAPSLO. Randall Jones is the NAPSLO Education Director. I first met Randy early in my insurance career back in 2004. It is exciting to me that I get to continue my business relationship with Randy through both of us being involved in the NAPSLO education process.

He has been very proactive by reaching out to me and other Next Generation board members. According to Randy, "The opportunity to have a Next Gen board member serve on the NAPSLO Education Committee allows the professional development needs of all Next Gen members to receive prompt consideration as NAPSLO new educational offerings are introduced and existing offerings are updated."

There are three levels of NAPSLO Schools:

The **Excess & Surplus Lines School** is a three-day school held in St. Louis, MO that provides a comprehensive foundation for understanding surplus lines issues and trends, and the roles of the various players in the surplus lines marketplace. The target students for the E&S School are insurance professionals with two to five years of overall insurance experience who may also be new to the surplus lines segment of our industry. The dates for the 2013 E&S School are June 2-5, 2013.

The **Marcus Payne NAPSLO Advanced School** is designed for insurance professionals with five or more years' experience and provides an extended course of study for experienced surplus lines professionals. It is offered each fall, and is also a three-day school located in St. Louis. The dates for the 2013 Advanced School are November 3-6, 2013.

The **Executive Leadership School** at the University of Virginia's Darden School of Business is designed for senior-level members who wish to broaden their perspectives on important social, political and economic issues influencing the insurance industry. The next Executive Leadership School will take place in April 2014.

In addition to the schools, NAPSLO offers online continuing education courses. Since

"...through its continuum of schools and online courses, NAPSLO is working hard to offer professional development tools throughout a NAPSLO member's career."

2011, NAPSLO has developed two online learning courses:

The **Surplus Lines Regulatory Compliance Course** is easy to use, offers the ability to ask questions online and covers a variety of subject material including: an overview of the surplus lines industry, licensing, record keeping, insurer eligibility, diligent search, tax remittance, policy disclosure and delivery, and independent procurement and industrial exemption. In addition, this course receives three hours CE credit in most states. This course is offered through Success CE and can be accessed through the NAPSLO web site at www.napslo.org. NAPSLO is currently subsidizing all registration costs for this course.

The **Surplus Lines Fundamentals Course** was developed in collaboration with The Institutes and NAPSLO, and was offered as a new online course in May 2012. The course was created based on recommendations

from NAPSLO members to produce an "excess & surplus lines primer" for anyone seeking to understand how the surplus lines market works. Surplus Lines Fundamentals is an ideal course for training new hires working for surplus lines insurers, wholesale brokers, managing general agents, and program managers. This course is offered on The Institutes web site at www.TheInstitutes.org. NAPSLO is also currently subsidizing all registration costs for this course too.

In finalizing my discussion with Randy, he added, "through its continuum of schools and online courses, NAPSLO is working hard to offer professional development tools throughout a NAPSLO member's career. Each of our professional development offerings are continually updated based upon feedback from our students and NAPSLO members. This feedback will also give us new training ideas for the future."

Another education opportunity is the **Associate in Surplus Lines Insurance (ASLI)** designation program. The ASLI designation is the culmination of a long-standing dream of the Derek Hughes/NAPSLO Educational Foundation. The Foundation formed a committee to determine the educational needs of people in the surplus lines business. The committee developed outlines for an educational program, identified authors for the study materials, and coordinated reviewers for those materials.

To earn the ASLI designation, a candidate must pass the examinations for ASLI 163, ASLI 164, Ethics 311 or 312, and two additional elective courses. The candidate chooses the two additional courses from a list of qualifying courses covering various insurance-related topics including risk management, claims, underwriting, and reinsurance.

The two additional courses are waived for candidates who have earned the Registered Professional Liability Underwriter (RPLU) designation granted by the Professional Liability Underwriting Society.

Per my conversation with Arthur Flitner at the Institutes, "The ASLI conferment ceremony takes place each year at the NAPSLO Annual Convention. Since the inception of the ASLI designation in 1996, NAPSLO has sponsored all of The Institutes' academic awards for this program."

I finished up my ASLI designation in 2005 and I was very excited about having the opportunity to attend the ASLI conferment ceremony in San Francisco. I strongly encourage Next Generation members to take a look at the ASLI designation. It is a goal of the Next Generation Education Committee to get more of our members on the ASLI track.

In summary, Next Generation members are very fortunate to have a wealth of education opportunities available to them. Please take the time to explore all education options and do not be afraid to ask questions. It has been my experience that NAPSLO members are very supportive of employees who take the initiative to further their education and experience in the industry. Go ahead and get started today by taking advantage of the schools, online classes and ASLI courses that will take your surplus lines career to the next level!

Helpful website Links:

[NAPSLO Schools](#)

http://www.napslo.org/imispublic/AM/Template.cfm?Section=Education_and_Schools

[Continuing Education & Online Courses](#)

http://www.napslo.org/imispublic/AM/Template.cfm?Section=CE_Credits&Template=/CM/HTMLDisplay.cfm&ContentID=10590

[Associate in Surplus Lines Insurance \(ASLI\)](#)

<http://www.TheInstitutes.org/ASLI>

Pictures from 2012 NAPSLO E&S School



NEW TREND - CYBER LIABILITY



By: Bevan Greibesland
Scottsdale Insurance Company
Transportation Underwriter



Cyber liability is like going to the dentist - it is highly recommended but nobody wants to go; but just like the dentist if you don't keep up with it, it could lead to much greater costs in the long run.

Cyber crime is on the rise and a real threat, in fact the FBI even has a Cyber Division devoted to cyber crimes. Everyone is at risk unless you live in a cave with no mobile device, no internet, and no personal information stored anywhere in the world on a computer.

A lot of smaller businesses don't feel that they have much exposure and they think cyber criminals are more likely to go after the corporate giants for a bigger pay off; however, large corporations are more likely to have better fire walls and protection from hackers. Criminals don't discriminate; they are just as likely to go after the easy targets.

Let's say you are a local pizza joint owner that has online ordering, operate a summer camp that lets you register your child through the web, or even own a company that has automated dvd rental machines; the damages could be devastating to both the customers and your business if a hacker was able to get into your system and steal your customer

data and credit card information. Every state has its own laws regarding who needs to be notified, how quickly and in what fashion in the event of a security breach. There could be costs associated with retaining attorneys to help navigate the proper course of action and to ensure that the company is responding in line with state and federal requirements. The company may also be responsible for paying to monitor the credit scores of all the potentially impacted individuals / customers as well as identity restoration services to those whose personal data was compromised by a breach.

Cyber coverage can help offset the costs of restoring an impacted business's reputation, notifying customers, as well as helping the business restore relationships with their customers.

As far as third parties are concerned, imagine if you are a grocery store that has an automated link set up with a supplier to place a reorder when the grocer's inventories fall below a certain level. The data transfer with the supplier could give the cyber criminal direct or indirect access to the supplier's system. With the cascading effect to the supplier's

business and further up the chain, there could be substantial financial and business losses to third parties as a result of a cyber crime.

Companies such as LinkedIn, Twitter, The New York Times, and eHarmony have all been victims of hackers. In order to protect yourself, you should remember to keep a strong password with the use of a combination of symbols, letters, and numbers. The following are steps that can be taken to minimize the chances of becoming a victim of cyber crime: changing passwords frequently; avoid using the same password for multiple accounts; having the appropriate anti-virus and firewall protection; not entering personal information or accessing links that are unsecure; and being extra careful when using unsecured wireless networks in public hot spots.

In summary, cyber crimes are a true threat and cyber liability coverage can help mitigate the damages from both first and third party losses associated with crimes that take place in cyber space.



WORD FROM THE WISE - ADVICE COLUMN



By:
Liz Furrer
USG Insurance
Marketing & Sales
Assistant



Contribution by:
Steven Gross
Preferred Concepts,
LLC
Chief Program Officer

“Networking is the ultimate game changer. This is a people business...Get involved and love what you do. Be yourself, make friends, and remember that as big of an industry it is, it is still a very small community.”

Interacting with fellow NAPSLO Next Generation members is not the sole networking benefit associated with a Next Generation membership. In addition to talking with accompanying Next Geners, members are often presented with the opportunity to connect with seasoned NAPSLO industry experts. Taking the time to chat with these experienced NAPSLO professionals arms you with invaluable knowledge and advice to potentially apply to your own personal career and goals. You never know when you may benefit from a word given to you by the wise.

In this edition, we will explore the career of Steven R. Gross who has achieved immense entrepreneurial and industry success. He is a native of Warren Township, NJ and an alumnus of Fairleigh Dickinson University. Mr. Gross currently is the Senior Executive Vice President & Chief Program Officer at Preferred Concepts, LLC. He is the founder of NAPSLO's Next Generation and holds a co-chair position for the 2012-2013 NAPSLO Career Awareness & Internship Committee.

What was your journey to your current position?

“I started out as a property claims adjuster for personal lines and small commercial policies. I then went to work for a retail agency where my father was the President. In 1983 I left United General Agency and started Metro Insurance Services. In November of 2012, I sold Metro to Preferred Concepts where I now serve as Sr. Executive Vice President and Chief Program Officer.”

What was your inspiration for your insurance career?

“My father always told me that insurance was a career where you could be compensated directly in proportion to your efforts and

work ethic. While he really wanted me to go into the life and health side of the business to avoid the cyclical nature of P&C, I never listened to my father!”

Did you have mentors throughout your career?

“Over the years I had many mentors, but the most influential was my Dad. He was always rooting for me and providing me with sound advice.”

What are the most rewarding aspects of your job?

“The most rewarding aspect of my career has been mentoring, challenging, and teaching young people both the art and science of insurance. Their successes have given me a true sense of satisfaction. Being able to give back to the community through my service to both the NJ Surplus Lines Association as well as NAPSLO has been very rewarding, particularly helping to create NAPSLO's Next Generation.”

What is your leadership style?

“I think that I tend to be very demanding, but I am always fair. Allowing people the latitude to make decisions and be independent thinkers is a strong part of the way I roll!”

What qualities do you think makes a successful leader?

“Honesty, integrity, fairness, courtesy, and kindness are all adjectives that come to mind.”

How important is networking to you?

“Networking is the ultimate game changer. This is a people business. If you don't know who, what, where and when, failure is inevitable.”

Do you have any advice to offer in obtaining new clients or maintaining relationships you already have?

“Become their trusted adviser. When people know they can count on you for product,

delivery, and knowledge, they will always come to you first.”

Do you have a specific method for dealing with rejection and how to move on from it?

“In order to be rejected, you have to have tried. It is a game of numbers. The more you persist, the less you will get rejected.”

What challenges have you faced throughout your career?

“As the owner of an agency for all of my adult life, I have faced many challenges. The most difficult were those which were outside of my control. Market cycles, carrier change in appetite, economy, and managing people are some of the more difficult things that one can experience.”

How do you believe NAPSLO and NAPSLO's Next Generation are affecting the excess & surplus lines industry?

“NAPSLO has been the leading excess and surplus lines organization for the last 25 years. The services and advocacy that NAPSLO provides including the Annual and Mid-Year meetings have allowed its members to succeed in a seamless way. The creation of NAPSLO's Next Generation is another initiative that has brought tremendous value to NAPSLO members. With more than 50% of our industry expected to retire over the next 15 years, the foresight to develop a breeding ground for future members of our industry was truly innovative, and the response has not only been extraordinary, but indeed overwhelming.”

What is your biggest piece of advice for the younger generation to lead a successful insurance career?

“Work hard and take the time to learn through your network, mentors, and formal education. Get involved and love what you do. Be yourself, make friends, and remember that as big of an industry it is, it is still a very small community.”

NAPSLO PAC Update!



By: John Farrey
Burns & Farrey Attorneys at Law
Attorney



On March 12, 2013, the National Association of Registered Agents & Brokers Reform Act of 2013 (commonly referred to as "NARAB II") was introduced in both the U.S. House of Representatives (H.R. 1064) and the Senate (S. 534). Identical bills were introduced by Housing and Insurance Subcommittee Chairman Randy Neugebauer (R-Texas) in the U.S. House of Representatives, and Senate Insurance Subcommittee Chairman Jon Tester (D-Montana) in the Senate.

The first effort for the reform sought under this act was attempted via the Gramm-Leach-Bliley Act in 2002. However, "NARAB I" was never created as too many states met reciprocal nonresident producer licensure requirements. Now, more than a decade later, NARAB II was introduced in response to concerns that uniformity and reciprocity among states was never fully achieved.

If enacted, NARAB II would create the National Association of Registered Agents and Brokers, a private, nonprofit entity with a primary goal of streamlining agent and broker licensing nationwide. This entity, to be created 24 months after the date of enactment of NARAB II, would function to streamline agent and broker licensing on a multistate basis, would not report to the federal government, and would preserve the primary role of the states in enforcing consumer protection and regulation of the insurance industry. NARAB's goal is to establish and apply standards for "licensing, continuing education, and other nonresident insurance producer qualification requirements" on a multi-state basis to members of the association while maintaining each state's individual laws. Membership would be on a voluntary basis and would be contingent upon meeting certain standards and ethical criteria.

National in scope, yet still maintaining a state-based system of insurance regulation, NARAB II would be a positive step towards a more efficient insurance market, as its measures would streamline non-resident market access for insurance agents and producers. NARAB II presents a practical, common sense step towards directly addressing the cost and administrative burdens associated with meeting the often times duplicative licensing requirements and procedures, all while continuing to emphasize consumer protection on a state by state basis.

The NAPSLO Next Generation PAC Committee is committed to involving young professionals in the critical issues and legislative endeavors affecting the surplus lines industry. It is crucial, even in the early stages of our careers, to be cognizant of the broader legislative context around which the surplus lines industry operates. As such, the NAPSLO Next Generation PAC Committee supports the NAPSLO PAC in advocating for and educating its members about the critical issues in Washington. The NAPSLO Next Generation PAC Committee provides a means to become an active participant in the conversations affecting the future landscape of our profession. For more information, or ways to get involved, please contact John Farrey (jfarrey@burnsandfarrey.com).

Also visit the NAPSLO PAC website at www.napslopac.org for more information or to make a contribution.



Want to be heard?

You've seen what we think is important, now we want to know what's important to you! The only way for Next Gen to improve is through feedback, so please let us know your thoughts.

Is there something you'd like to see? Tell us! We'll incorporate your ideas into future newsletters as we continue to grow this great organization! Please direct your comments or questions to Whitney Simonetti at wsimonetti@amsafety.com.

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What is NAPSLO's Next Generation?

NAPSLO's Next Generation is the under 40 segment of NAPSLO and has been created to a) recruit young talent into the industry, b) increase communication regarding important industry and educational information, c) encourage professional development amongst members, d) act as a liaison between NAPSLO and young talent, and e) create an avenue for young insurance professionals to become more involved in the E&S industry.

HOW CAN I GET INVOLVED?

General Membership

You can join NAPSLO's Next Generation as a member for free, which does not require you to perform any leadership tasks on behalf of the group. You will simply receive our newsletters and invites for webinars, events, and educational opportunities.

Leadership

By joining our group (which is free) you can also volunteer for one of our subcommittees. More details are available at www.napslonextgen.org. We are also seeking volunteers for college campus visits to make presentations about our industry.

WHAT ARE THE BENEFITS OF JOINING?

- NAPSLO's Next Generation offers a wide variety of opportunities and benefits to its members year round, communicated through a quarterly e-newsletter.
- Through social networking, young insurance professionals are able to communicate with each other and with more experienced NAPSLO members. Visit our Facebook and LinkedIn Groups.
- NAPSLO's Next Generation members are also given a voice within the Association involving key industry matters.
- Along with educational conferences and seminars, you will learn what new, young leaders are doing to stand out.
- NAPSLO's Next Generation offers young insurance professionals a chance to jump start their careers by creating a base of industry contacts, developing important professional skills, and keeping up to date with the latest insurance trends.
- NAPSLO's Next Generation provides leadership, industry training, social networking, and other knowledge necessary for the development and success of young insurance professionals.

HOW DO I SIGN UP?

Please fill out the Membership Application below. You will receive a welcome packet in your e-mail with details about upcoming events, how to get involved, and your Next Generation Membership ID Number.

Membership Application - It's free to join: Pass to a friend or co-worker!

Please fill out the questions below and return to membership@napslonextgen.org.

NAPSLO's Next Generation Membership Requirements:

1. Must be employed by a member corporation of NAPSLO
2. Must Be Under 40 years of age

Name: _____

E-Mail: _____

Address: _____

Phone: _____

Date of Birth: _____

Company: _____

Your Company's NAPSLO Membership Number: _____

How long have you been in the industry? _____

What is your job title? _____

Would you like to volunteer for leadership within Next Generation? _____

Would you like to volunteer to go to local campuses to promote our industry? _____

Would you be interested in joining a subcommittee? _____

