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In this issue...

"If I had an hour to solve a problem and my life depended on the solution, I would spend the first 55 minutes determining the proper question to ask, for once I know the proper question, I could solve the problem in less than five minutes."

—Albert Einstein

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Insurance Carrier Relationships

Insurance carriers are experiencing serious angst today relative to their future with their distributors. Too many distributors have grown too large for the carriers to order around. Too many agencies have been acquired by larger agencies which is forcing many regional carriers that purposely avoided contracting with aggregators and serial acquirers to now contract with them.

These entities pose several material problems for carriers. A couple of key issues are their compensation demands and lack of growth. It is well known that most aggregators and serial acquirers have below normal organic growth rates. Many regional carriers lament the loss of the relationships with their agents that results after they sell or join a network. Carriers feel, rightly, their diminished relationship minimizes their ability to cause agents to sell more of their policies and they have no idea what to do about it.

Look at why the relationship is diminished. It is diminished because the agent no longer needs to rely on any particular carrier as much. As an example, Carrier Marketing Representative John tells an agency they need to grow by Z%. This number is often inflated, but the agency promises and then fails to achieve the promised growth. This deficiency is then followed by everyone ignoring the failure because all of the parties knew it was an inflated percentage anyway. Next year's inflated promise to grow is looming, and the agency pledges that next year everyone will hit their goals, etc. Just the promise to grow caused agents to try to sell more to keep their carriers happy and off their backs if nothing else.

The goals, combined with profit sharing growth requirements, caused agents to work harder toward growth. Now neither is important. As part of a large entity, the individual agent's efforts are lost in the bigger picture. The lack of growth and profitability is someone else’s issue. Given the aggregator's size, or even the network's size, the carrier often cannot threaten to pull the contract. In other words, the carrier has lost the stick and the carrot.

Now the roles have actually somewhat reversed. The large aggregator/network tells the carrier, "Pay more without regard to growth or profitability, or I'll move the book or tell people to focus elsewhere on new business opportunities." This is the stick only approach. Carrots are completely gone, blame it on supply chain shortages.

This loss of influence is a major problem for carriers. They look at their expense ratio and how much extra they are paying and ask, "What are we getting for all the extra expense?" They are regularly concluding their ROI is negative and are in what economists have named, negative economics. The investment must be made because the failure to do so might result in an even worse ROI -- better known as the lesser of two evils.

Carriers are feeling the impact of those evils. Making the situation even worse is that when carriers were able to work with many individual agents, more alignment existed between what was good for the agent and what was good for the carrier. Personal lines is a great example. For large entities, personal lines is a loser if producers are involved. Remove producers, lose the local name, lose the agency's leaders who are heavily involved in the community and by osmosis created personal lines sales, and as a result personal lines growth dies.

Then, add to this entire dismal situation the demands of the aggregators/serial acquirers to be paid more for lesser results and what's a good carrier to do?

I have been building agency compensation plans for carriers and teaching distributors how to negotiate holistically with carriers for 30 years. Not much has really changed for carriers that have good leadership and are willing to listen to someone other than one of the big consulting firms.

The mistake carriers made from the very beginning was agreeing to pay extra for inferior results. Agreeing to pay extra to a bunch of second rate agencies that banded together or a bunch of small but good agencies that banded together was, categorically, a really bad decision. Carriers must acknowledge they made bad decisions so that they can begin moving forward. Blame it on your predecessors if you must.

Compensation should be based on performance. When I consult with carriers and distributors, I insist my clients use a holistic performance-based approach that benefits all three parties, the carrier, the distributor, and the consumer (or is at least is neutral to the consumer) or I will not take the job. Other consultants will take the job, though.

This approach requires a critical change of thought at the carrier level. The metrics most carriers use to measure and reward performance are wrong and always have been wrong. An example is the budget for contingencies. Contingency budgets have always been set as a percentage of premiums, as if contingencies were commissions. This causes carriers to instill stability clauses (one of the most unfair contractual clauses to be found anywhere in this industry) into their contracts. These clauses punish agents by cutting their contingencies if the carrier is TOO PROFITABLE! This is stupid. The reason carriers do it is because they do not want to break their budget. If they set their contingency budget based on the same variables they have in their contract so that the two are aligned, everyone would have a better platform for success. Any time such gross misalignment exists, profit and growth opportunities are lost.

The reason such a misalignment exists originated in the dark ages when carriers' IT systems were incapable of more sophisticated calculations. Some carriers' IT systems still need to be updated because it is scary how behind the times some carriers' systems still are. However, in today's world, more sophisticated programs exist that can easily align contingencies as a percentage of true profit and as a variable budget expense. The key to achieving this success is leadership.

Leadership is required to convince people to eliminate the old way of thinking. When I work with carriers to help them move forward, and hear, "But that's the way we've always done it." I cringe. I hope the leadership then says, "Yes, and that was good, but this is the 2020's and we have the opportunity and duty to use more sophisticated solutions to create alignment with all our stakeholders. No longer should the budget be set simply because it is easier for the accounting department."

Stability clauses are not the only problem with this budgetary misalignment. Carriers might discover they can pay their top agents a lot more money and their under-performing agents a lot less money if they fix this issue. The power of aggregators and networks is based, to some extent, on carriers not aligning their own budgets with performance. Even though carriers are beginning to examine what they have titled "excess compensation" budgets, their goals are still not in alignment with their distributors' goals.

Carriers are measuring their "excess compensation" as a percentage of their entire compensation budgets and/or as a percentage of premium again. This means they sound really stupid when they go to a big player and say, "We're paying you too much." Paying too much for great results or paying too much for lousy results? Usually the carrier has not thought this question through. On the opposite side, the distributor with lousy results is thinking, "This is great! How much longer can I get away with being paid far in excess of what I'm worth simply because the carriers can't do the correlation effectively?"

Correlate performance with compensation. Start there. Then recognize the value of those aggregators who have quality onboarding programs that result in strong performance. Agencies that sell are selling because they have reached the end of their growth potential. The future is with agents/agencies who want to grow. A small handful of high-quality aggregators are saving carriers a fortune by finding, developing, and building new agencies from scratch. Plus, these aggregators are generating growth and profit. They are worth the extra money. As for your budgets, take money away from those aggregators/serial acquirers that are demanding more for nothing.

It is a longer play, but the ROI is really good if the carrier has quality leadership who can steer them through the initially tough decisions.

Focus more on a micro level too. Items as simple as quality submissions change a carrier's expense ratio a tiny bit at a time, but the savings add up quickly. Other factors like retention and hit ratios are examples where carriers, and even consumers, benefit. Most carrier IT systems inadequately track these variables and/or the agency's internal processing is too inconsistent for the IT systems to do the tasks it was designed to do. In these cases, time is of the essence because paying extra for worse results is a losing proposition. Money can be spent on far more important endeavors with a positive ROI instead of a smaller ROI.

Failure to take this approach has another penalty down the road. My best clients are working on efficiencies. They are tired of subsidizing their lesser competitors while seeing carriers treat their more demanding and less efficient peers with excess compensation. These distributors will find another solution where they are rewarded for the value they bring to their carriers and consumers with you or without you. If carriers continue to measure compensation, and excess compensation in particular, as percentages of premium or even as percentages of compensation, instead of measuring compensation relative to ROI, they will find their futures are dim.

Not many carriers have reached that state of enlightenment yet. Cultures are tough to change. Leadership is the most important ingredient, i.e. a leadership that is willing to challenge the incumbent culture. I know I have much more fun with clients, whether distributors or carriers, when their leadership has already moved toward this alignment because it is always more fun to work with clients who have bright futures.

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Everyone Needs the Same Insurance

The other day I attended a meeting regarding how to scale insurance sales. During the meeting, I started thinking, "Let's just make everyone buy the same insurance! We can pretend we're selling them insurance specific to their needs, but no one ever goes to a neighbor's house for coffee and compares insurance policies. The only variance needs to be for whatever amount the mortgage company requires for Coverage A."

Scaling would be super simple. Line up a few carriers that agree to use the same form. It would be pretty simple and in most states would only require slight filing modifications. Make use of the same generic ISO form that insurance departments have already approved dozens of times.

Training people is such a pain. When you sell everyone the same policy, your staff does not need an iota of knowledge about what they are selling. Soup to nuts training would take four hours at most. Your labor costs could decrease materially too because your potential employee pool would increase significantly . It is conceivable you could make agents out of Skid Row drunks in twenty-four hours.

The opportunities created would be even better because the process could ultimately be automated with bots. If everyone has the same coverage, bots can be created to answer 95% of the customers' questions. Bots never come in with hangovers, or childcare problems, or COVID days.

But wait, YES, if you act now additional awesome benefits accrue! You will have virtually zero E&O exposure! Can you imagine? You are treating everyone the same, as if they were robots and pawns. Everyone gets identical treatment. Everyone gets identical coverage. Everyone gets an identical level of service. No advice is ever given. No options are ever given. No bias exists because everyone is treated like a number.

And the benefits just don't stop! This is better than the famous Bass-O-Matic! When all clients get the same coverage, same service, and no advice, assuming you want that personal touch and do not use bots, commissions per account manager can probably top $1 million in personal lines, how awesome is that!!!!

Carriers will go along because they really don't care if clients are treated as individuals. This model reduces their loss adjustment expenses significantly because their adjusters will not need to read forms to determine if coverage exists. A little memorization will go a long way. Then the carriers can also advertise they are settling all their claims in record time as evidence of their awesome customer service.

Their regular underwriting expense ratios will decrease too because who needs underwriters with this model! Another really impressive benefit for carriers is that this model does not require 13%+ commission rates. Insurance companies are going to die to be the paper on these programs. The developers don't need 13% either because at $1 million in commission per person, they will need 80% fewer staff and that staff, coming off Skid Row, only needs to be paid half of what the going rate is now! Some offset is required for high paid programmers and extra vacations for the executives, but that is peanuts. And for anyone who thinks the marketing costs will be excessive, you really should closely examine GEICO's and Progressive's ROI on their huge advertising expenses. It is cheap!

Carriers can slightly over charge since no one will be doing policy comparisons, save money in LAE and underwriting expenses, and finally make a profit in homeowners insurance. Wall Street will write articles about the brilliance of their leaders.

This is a genuine business plan. Some readers may think I am being some combination of cynical and satirical. This business plan, in various renditions, is the platform for a substantial percentage of Insurtech delivery systems. Plenty of lipstick and hair gel is being applied, but fundamentally, this is the business model. The savings are real. The companies generally haven't figured out how to realize the savings yet, but that does not mean they won't be able to do so. The biggest hold up will most likely be their antiquated processing systems including inadequate human systems combined with IT systems developed pre-1990.

Because consumers have no idea what they are buying or whether what they are buying provides adequate coverage until they incur a claim, marketing geniuses can make people think they are buying adequate protection for their assets without making any attempt to do so. The advertising campaigns, especially for personal auto, have already achieved a uniform impression, convincing consumers that all insurance is the same. As a challenge, find one auto insurance commercial that addresses actual coverage (and not the promise that all coverage is not the same). Find one commercial that addresses adequate liability limits or even the importance of uninsured motorist coverage. To carriers, the insureds are just drones.

The issue is not limited to personal lines. I see the same approach in cyber and cyber is arguably the most complicated coverage that exists in the standard markets. Because it is so complex, agents generally possess about 10% of the required knowledge to understand what they are selling, and insureds have about a 5% chance of understanding of it. This delta between complexity and knowledge level makes cyber a perfect product for this "everyone needs the same solution" approach specifically because no one knows what they actually need.

As a great example, every single carrier is pursuing the SME market hot and heavy as if they have something special to offer that the other 250 carriers clamoring for SME accounts do not. The profit margins are high because the sellers and buyers have limited knowledge of what coverage the buyers actually need. No one ever reads the time limits on business income coverage in BOPs as just one example of this issue (and this is just one tiny example of the deficiencies in BOPs for the majority of commercial clients). Additionally, the one key advantage agents historically provided was a check on excessive rate increases but so much business has been moved to SME carrier service centers that this check has been minimized enabling carriers to use elasticity pricing, magazine subscription pricing if you will, rather than actuarial based pricing. This is the key to the profit margin on this market and why everyone wants it.

The example of the de facto model written above, hasn't been worked out to the extreme I have presented here, but that is just a matter of time.

The rewards are too high to stop this train unless regulators wake up. For those people who felt their stomachs squirm reading the first 700 words, the opportunity presented is to quit being a simple, transactional agent. Become a true subject matter expert and advisor to your clients. The clients I have who have pursued this path have achieved the best of all worlds. They are doing good for the world and, at least, for their clients. They are making their clients' lives safer and protecting their livelihoods far more effectively. My clients are also making more money. This is the best of both worlds for those with a heart. They also tend to be my favorite clients and I love working with people to build the model, education, and knowledge.

Robert Frost wrote the decision so well: "Two roads diverged in a wood, and I--I took the one less traveled by, And that has made all the difference."

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What A Difference 35 Years Make (or Not)

As I write this article, I have been working in the insurance industry for 35 years. Throughout those many years I have reviewed and analyzed carrier production documents, either when I worked for a carrier or when I review/analyze/reconcile them for my agency clients.

Carrier production documents are the monthly and annual, scorecards of how well an agency is performing for a particular carrier. These documents are supposed to be easily understood by an agency's staff so that when the carrier's marketing representative or underwriter calls or visits, both sides can knowledgably discuss the agency's results. If the results are poor, the carrier representative can point to issues within the production document whether it be loss ratios or growth or retention or an issue with a specific line of business. If the agency is excelling, the carrier representative can point to the growth or loss ratio or volume or whatever aspects of the business at which the agency excels and objectively congratulate the agency on its success.

Yet in 35 years, and especially over the last few years, the quality of these documents has deteriorated significantly. How is it possible that the quality of key data has deteriorated over the last 35 years when 35 years ago carriers were using abacuses to calculate total premium. Now, in the data age, in the age of supposedly extensively updated carrier IT systems, how is it possible that about 20% of the carriers' production documents I have reviewed over the past twelve months (and these are carriers that represent around 80% of all independent agency premiums) do not even show earned premium?

Furthermore, these documents do not show incurred losses or the numbers do not reconcile to contingency statements. Written premium is nice, but earned premium determines profits. Some questions have arisen in my mind because when carrier representatives are asked by agencies for this information, most of the representatives have no clue how to provide the data points and they do not seem to have a clue as to why these data points are important. That was not meant as a snarky comment, just a factual one. If the carrier representatives are measured by production, growth, loss ratios, etc., they should be paying attention to these numbers also.

Several questions arose in my mind relative to why these data points, and many other data points, are not shown on such important documents.

It could be incompetence. I am positive that some carriers' IT systems combined with the people designing the reports do not have a clue as to the value of these reports and that is why the data does not exist. Incompetence does not usually result in success.

Another reason for this neglect is pure ignorance on the part of the programmers who understand absolutely nothing about insurance results but are designing software to collect and analyze this information. I have seen plenty of examples of this lack of knowledge at work because no one is reviewing the programmers' work product. This lack of oversight is a problem. I have seen material distortions of loss ratios multiple times as a direct result of a programmer's ignorance and management's failure to review their work.

In other cases, it may be that carriers are trying to eliminate this data because of the rating systems they utilize. If a carrier has invested millions and millions of dollars on predictive modeling systems, then earned premium and incurred losses are supposed to be correlated to the quality of the predictive modeling system and not necessarily correlated to the quality of an agency's efforts. I can see this as a reason not to share this data.

However, management has forgotten to tell their representatives because their representatives still talk about loss ratios as contingency contracts are still built around loss ratios. This disconnect is a serious problem. I know one particular carrier where this is the case and the agency-carrier relationships, which historically were phenomenal, have deteriorated to the point that the carrier is just another mouth to feed now.

With regard to a few carriers though, I wonder if the elimination of these key data points is more nefarious. Without this data, verifying the accuracy of contingencies, loss ratios, and even sometimes, commissions is next to impossible. Sometimes when my clients request this data, the carrier representative responds, "Why do you need that? No one else ever requests that data." At the very least, the response should be, "I trust you, but I need to verify the data because everyone makes mistakes sometimes." However, there are a few cases, to put it bluntly, where I would not trust some carriers at all. The magic involved in changing these numbers could put the magician David Copperfield to shame.

A new wrinkle in these reports by more forward-thinking carriers has appeared in the last two years. The carriers are showing metrics around the acquisition cost of new clients. This metric is important because every carrier I know that is responsibly managed is focused on their expenses, especially the acquisition cost of new clients. This concern is why forward-thinking carriers are showing hit ratios, the carrier's position within the agency, submission quality and the like. A few carriers now have contingency contracts that consider these factors in their bonus program.

The inclusion of these factors in bonus programs makes sense if that carrier has an excellent predictive modeling program. The loss ratio is now fixed, the variable is new business acquisition cost, and therefore the bonus needs to be built around the variable cost. The carriers showing this data in their production reports may therefore have serious competitive advantages and this is a visible reflection of that advantage. Carriers that cannot provide earned premium figures probably have not even begun to think about how to measure hit ratios, touch points or submission quality much less how to help their agents improve their results.

After 35 years, how can the one common scorecard between carriers and agencies not have been improved upon, much less how could it deteriorate so materially if carriers had their act together? For those carriers with great production reports, especially those with all the added parameters, might this be an indication of a material competitive advantage? In some cases, based upon my analysis of carrier financials, some correlation exists between the two. This correlation makes sense as well managed companies, in all industries, manage by the numbers and if no one knows what the numbers are, how well can anyone manage the company?

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Don't Believe All the Insurtech Studies

Susanne Sclafane, the editor of *Carrier Management*, wrote a great article many months ago about an interesting insurance study that turned out to be fake (https://www.carriermanagement.com/features/2021/08/27/225570.htm). This is a story well worth reading.

A follow-up regarding the same subject was reported in other non-insurance publications. A particular carrier seems to have supplied the data, which was categorically faked. The data was not just wrong, it was proven to be fake. Someone made up the data out of thin air. Of course, no one remembers who provided the data, what happened to the data, who was involved collecting the data, or even if this was the data.

The researchers were Gold Medal level analysts, and they completely missed the deception. One important clue was that the fake data was in one font and the real (possibly real) data was in another font. That is how fake the data turned out to be. Regardless, the fakery was missed and this oversight is important.

So much is being made of new insights into how to build carriers and distributors because "We now know how to make people drive more safely" or "Work more safely" or whatever else the industry is promising to change. If the industry is changing and millions of dollars are being spent on fake data, not only is time and money being wasted, but so is opportunity. This particular piece of work reportedly involved a major insurance company, top researchers working at major universities, and reportedly just under 7,000 actual drivers (before they began creating imaginary drivers).

Fortunately, three other researchers at Data Colada discovered and then reported the fakery.

Besides the opportunity to share a gossipy piece of news, why report this here? First, the story needs to be spread as far and as wide as possible to hopefully make readers more aware and, with enough distribution, keep others from cheating due to the knowledge that Data Colada may catch them too.

However, these kinds of studies happen all the time in the insurance industry and sometimes the data is faked. Maybe somewhere someone has the actual study that shows that if people buy multiple policies, retention increases (I argue this is a correlation and not causation because I cannot find anyone to provide proof of causation and I know of two studies where causation failed to be completely proved, only correlation was proved and the difference is critical when someone orders, "Go sell another policy so our retention increases" if that is not the case.).

Another example lasted for years because the authors had no idea their data made no sense. They were doing the math incorrectly. Their intentions were great, but their statistical knowledge was poor. A clue was that the totals in the study exceeded actual totals by about 20%.

Another example of a statistical mistake is not knowing the difference between when a normal (bell) curve should apply versus, for example, a Pareto curve. In the faked study, one of the clues was the curve was shaped like a box. Given the type of data being analyzed, the curve should have been a bell curve. Even if the data was not faked, the resulting curve should have been a great big clue.

Another clue to questionable data is the simple application of averages and quartiles without context. In this industry, averages and quartiles only have application in quite specific instances. Very bad decisions are being made by executives that don't know what these instances are. Huge opportunities are missed not knowing the right applications. The way carriers design contingencies is an excellent example of really poor understandings.

Firms like Data Colada can't check all these reports. I analyze and check what I can for my clients, and we have used some of those findings to our client's great benefit. That said, before you begin spending money or before you change your strategy because you saw some great presentation, verify that what you're seeing is reality and not fakery.

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Reading Contracts

Almost every agent who has ever taken an E&O class has been told to include a disclaimer on of all the policies they deliver along the lines of, "It is your duty to read your policy and understand your coverage terms..." To any person thinking this caveat through, except for many attorneys and judges, the obvious assumption that statement implies is that normal people who have never, ever taken an insurance class will understand their coverages after reading the policy. This assumption is patently ludicrous. I have been teaching insurance coverages to agents for 30 years and many licensed agents with decades of insurance experience often do not understand the coverages they are selling or buying for themselves. The assumption that clients with no insurance industry education will understand their insurance contracts is a faulty assumption.

The insurance industry takes advantage of insureds by using this faulty premise. I was alerted to a story about pet health insurance. I am totally ignorant about pet health insurance, so I have no basis for my conclusion that it is a bad investment and often a scam, but that is my personal belief for the most part based on how it is marketed. The way certain carriers market their products and certain insurance products are marketed in general are often particularly good clues as to the quality of the insurance policy.

The exclusion in the pet health policy that was discussed in the news report was a bilateral exclusion. I have never heard of a bilateral exclusion. Evidently a bilateral exclusion in pet insurance is that once the left leg is repaired, the right leg is excluded. To what extent this exclusion applies, whether it must be the same joint and so forth, depends on the exact form. But that is beside the point. Why is it reasonable to assume a regular consumer will know what a bilateral exclusion means?

This exclusion is especially important if the insured does not receive the policy until after payment has been made. It reminds me of the Speaker of the House saying that Obamacare needed to be signed so everyone could figure out what was actually in the bill, which would at that point be law. A consumer cannot have a duty to read a policy if they do not receive the policy prior to the effective date. For E&O purposes then, if you are late in delivering a policy, I am not sure this caveat will be upheld if contested.

I read a cyber policy that excluded all coverage for Ransomware if the ransom payment was required to be made in anything other than a national currency such as U.S. dollars. How much Ransomware money is paid in actual dollars today? Not a lot compared to the number of demands that payments be made in cryptocurrency. Small businesses have no clue as to the significance of this de facto exclusion. However, according to the caveat in the policy they are supposed to read it and understand it? They would need a white paper on cyber claims and a cyber insurance background to understand it. An agent who specializes in cyber will still need the white paper.

Agents like to depend on this caveat to protect themselves from E&O claims. I personally dislike it because this caveat protects sloppy agents, agents who cheat their clients, and direct writers more than it helps quality agents.

However this caveat does cut both ways. I recently had a discussion with an agency owner who had signed an outsourcing agreement with a firm to manage some processing work. The owner did not read the contract they signed. It has a damage limit of $50,000 for the processing firm's mistakes, including E&O mistakes. When I pointed this out, they exclaimed that it was unfair! It was a clause that was simple to understand. It was not close to being as complicated as an uneducated consumer trying read an insurance policy.

I see buyers of agencies taking advantage of sellers all the time where the sellers do not really understand what the contracts mean. This is one reason alone to hire high-quality assistance BEFORE you enter into discussions to sell your agency.

Just as agents need help to learn coverages, read forms, and read the contracts they are signing such as outsourcing agreements, carrier contracts, sales contracts, and so forth, your clients desperately need your help to understand their policies so they can buy the coverage they really need. No one who buys pet insurance wants to learn that only one side of their precious pet is covered! Imagine if this was a human or even a car!

The most important service independent agents can provide to their clients is professional advice about their coverage needs. This service includes helping their clients to understand their policies and the difference between their policies so that not only do they not have to read their policies, but they are also assured that they have not been shortchanged by an unscrupulous agent or carrier.

Take care of your clients and do what is right for them rather than always running for cover.

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Chris Burand is president and owner of Burand & Associates, LLC, a management consulting firm that has been specializing in the property/casualty insurance industry since 1992. Burand is recognized as a leading consultant for agency valuations and helping agents increase profits and reduce the cost of sales. His services include: agency valuations/due diligence, producer compensation plans, expert witness services, E&O carrier approved E&O procedure reviews, and agency operation enhancement reviews. He also provides the acclaimed Contingency Contract Analysis® Service and has the largest database and knowledge of contingency contracts in the insurance industry.

Burand has more than 35 years' experience in the insurance industry. He is a featured speaker across the continent at more than 300 conventions and educational programs. He has written for numerous industry publications including *Insurance Journal*, *American Agent & Broker*, and *National Underwriter*. He also publishes *Burand's Insurance Agency Adviser* for independent insurance agents.

Burand is a member of the Institute of Business Appraisers and NACVA, a department head for the Independent Insurance Agents and Brokers of America's Virtual University, an instructor for Insurance Journal's Academy of Insurance, and a volunteer counselor for the Small Business Administration's SCORE program. Chris Burand is also a Certified Business Appraiser and certified E&O Auditor.

Burand & Associates, LLC is an advocate of agencies which constructively manage and improve their contingency contracts by learning how to negotiate and use their contingency contracts more effectively.

We maintain that agents can achieve considerably better results without *ever* taking actions that are detrimental or disadvantageous to the insureds. We have ***never*** and would not ever recommend an agent or agency implement a policy or otherwise advocate increasing its contingency income ahead of the insureds' interests.

A complete understanding of the subjects covered in this newsletter may require broader and additional knowledge beyond the information presented. None of the materials in this newsletter should be construed as offering legal advice, and the specific advice of legal counsel is recommended before acting on any matter discussed in this newsletter. Regulated individuals/entities should also ensure that they comply with all applicable laws, rules, and regulations.
