

**Products and Services Committee Meeting**

**Agenda**

**May 16, 2017**

**8:00 a.m.**

**Hyatt Rosemont**

**6350 North River Road**

**Rosemont, Illinois**

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**Products and Services Committee Meeting**

**Agenda**

**1. Call to Order & Welcome**

Brian Anstedt, Chairman

**2. President's Report**

Thomas Mallin

The PLRB's products and services provided to your staff in 2016 continued to be heavily used, which is the best measure of the value of membership. The staff provided new and innovative fare during the past year, as well as continuing the day-to-day "routine" services. The continued high demand for PLRB data, information, materials, and educational offerings shows we are meeting the needs of the PLRB member companies.

The majority of contact with your staff continues to be via the Web site. In 2016 the PLRB Search feature was heavily used. Interestingly, there is usage seven days a week and 24 hours a day. Adjusters work long and varying hours and the PLRB Search system is there to assist them whenever they need information.

PLRB's coverage attorneys provide personal assistance via phone and email throughout the year. They researched thousands of coverage questions in 2016 and provided the answers to your staff within days of the question being submitted, often faster.

The Education Department continued to expand its offerings online with both monthly webinars and new distance learning modules. The conferences continued to grow, but we now reach more people with the online offerings than the total number of people attending the conferences. The continuing educational credit offered for the hard-skills distance learning modules, and the non-credit, but extremely relevant soft-skills webinars, are major member company benefits in the professional development of your claims staff.

The Catastrophe Services Department added new layers of claims-specific data to PLRB Map, the online geographic information system (GIS) tool, in 2016. Specialty feature apps help your staff quickly conduct address-specific research for specific events, such as hail. The Catastrophe Services staff also conducts customized research for member companies at "no cost." This custom research, like the coverage-related legal research our attorney staff provide, is all paid for within your annual dues.

The PLRB is a dynamic, relevant, and growing association. The staff intends to keep it that way with the new generation of claims professionals. We are working hard to ensure that the newest generation of claims professionals can utilize our resources efficiently and effortlessly with ever-updated technology. This past year we have taken steps to insure that all our Web resources will be available both from desktop computers and from mobile devices.

Hugh Strawn retired from PLRB on December 31, 2016. He was the vice president responsible for catastrophe services and communication, as well as PLRB's Corporate Secretary. Hugh joined the PLRB in 1988 as Director of Catastrophe Services and was responsible for the development of PLRB's state-of-the-art geographic information system (GIS) technology. Hugh has been succeeded by Peter Balingit, AVP Catastrophe Services, Ruth Gottmann, Publications Manager/Building Code Analyst, and Elizabeth Sterne, JD, Assistant Vice President, Special Counsel, Secretary.

For more details on PLRB's 2016 operational accomplishments, please refer to the following three-part report I presented at year-end in my President's Corner blog:

[Part 1](http://search.plrb.org/plrbExtend/container.cfm?SRC=hp&DN=62986)

[Part 2](http://search.plrb.org/plrbExtend/container.cfm?SRC=hp&DN=63064)

[Part 3](http://search.plrb.org/plrbExtend/container.cfm?SRC=hp&DN=63088)

I thank you for your membership and continued support of the PLRB. I pledge that the PLRB will continue to provide the high level of service that your staff has come to expect. We know that your claims staffs look to the PLRB to provide them with accurate and current data and information that they need in order to do their jobs. We take that responsibility very seriously and work hard to continue earning their trust.

Thomas W. Mallin, J.D., CPCU

President & Chief Executive Officer

**3. Antitrust Guidelines**

Len Murphy

The Property & Liability Resource Bureau intends to prevent any violation of antitrust laws at all its meetings and conferences.

Products and Services Committee members must remember that their respective firms are competitors in the marketplace and that the McCarran-Ferguson Act and the laws of some states provide the insurance industry with only a very limited immunity from federal antitrust scrutiny. Therefore, PSC members must exercise care in their discussions since even innocuous discussions of certain topics might later be misinterpreted as evidence of collusion.

Staff requests that, at the meeting of the PSC and the events connected with this meeting, there be no discussion or agreement, formal or informal, expressed or implied, as to any matters which might give rise to an allegation of violation of antitrust laws. Subjects to avoid include:

a. rates;

b. underwriting policies;

c. marketing strategies; marketing responses to legislative, regulatory, or other developments;

d. prices or costs of any products or services offered for sale by insurers or purchased by insurers;

e. individual insurance company positions on coverage issues and other matters of insurance policy interpretation; agreements or understandings relating to claim practices, policies, or positions;

f. standards by which the performance of any insurer could or should be judged; codes of ethics;

g. advantages or disadvantages of doing business in particular states;

h. refusal to deal with, or boycott of, potential insureds or suppliers of products or services; use of particular suppliers of products or services; and costs or profits of any aspect of any of the above.

**4. 2017 Survey Review and 2018 Proposed Project Discussions**

**A. Property Legal Services**

i) Discussion of relevant survey results

ii) 2018 Proposed Project Discussion

1. Wildfires

Despite Southern California’s drought emergency recently being declared over, wildfires in the US persist, particularly, in the Southwest. PLRB could write a white paper addressing many of the coverage issues that may arise in losses arising out of wildfires, including:

Is soot a pollutant?

Does the smell of smoke constitute a covered loss?

May an insured living near a long lasting wildfire request his home be cleaned of soot every month until the smoke is gone from the area?

For purposes of BI coverage, what is neighboring property (when the fire is not on the insured’s property)?

Is ALE triggered if there is no fire damage to the insured’s home?

2. Faulty Workmanship

All major policies contain some form of a faulty workmanship exclusion, and there are many cases that focus on this provision. PLRB could create a 50 state survey addressing various coverage issues that arise in claims involving faulty workmanship, including:

Non-negligent v. negligent work

Personal v. real property

Process v. product

Whose work?

Work that was up to code when performed

Work on adjacent property

Work done by or on behalf of the insured

3. Replacement Cost - Create a 50 state survey on whether the insured must actually replace before it can actually recover replacement cost. Some issues that can arise include:

a). what if the insured cannot afford to replace;

b). what if the insured is contractually obligated to replace but the work has not yet been completed; and

c). what if the insured only partially replaces.

**B. Liability Legal Services**

i) Discussion of relevant survey results

ii) 2018 Proposed Project Discussion

**C. Building Code Services**

i) Discussion of relevant survey results

ii) 2018 Proposed Project Discussion

1. Produce articles with infographics rather than a predominantly text.

2. Solicit member anecdotal building code stories; share these using social media.

3. Prepare 50-state survey on duty created by building codes (could be a 2-year project).

4. Revisit the legal requirements regarding the scope of code upgrade coverage under the policy.

5. Prepare a liability course on code requirements for stairs.

**D. Information Technology**

i) Discussion of relevant survey results

ii) 2018 Proposed Project Discussion

**E. Catastrophe Services**

i) Discussion of relevant survey results

ii) 2018 Proposed Project Discussion

1. Web app (interactive map) for risk of seismic activity, sinkholes, storm surge, sea level rise, flooding, & wildfires.

2. Precipitation/snowfall research web app - This would have precipitation and snowfall polygon data as well as freezing rain and flood reports. We will look into integrating any FEMA data that is available as well.

3. Integrate social media feeds into interactive maps for ongoing disasters.

4. Create a free demonstration "app" in the App Store with limited data, such as severe weather reports going back one week to present.

5. Depending on the availability, data format, and ability to process the data, Catastrophe Services hopes to begin archiving Geostationary Lightning Mapper lightning strike data in late 2017. A sample data file from NOAA is not yet available to analyze. Spatial resolution is stated to be approximately 10km.

**F. Communications**

i) Discussion of survey results

ii) 2018 Proposed Project Discussion

1. Idea Box on PLRB Website and email. Collect /solicit industry ideas from the industry staff. e.g. "My name is Len Murphy. I work for PLRB. I had an idea that it would great if we did this?"

2. 60-second notion of the week. PLRB solicits members for creative ideas on adjusting, legal disputes, CE, cats from members on anything on their minds. A member could capture on phone video and send to PLRB. PLRB could publish as social media item.

 **G. Education and Technical Services**

i) Discussion of relevant survey results

ii) 2018 Proposed Project Discussion

**6. Election of Vice Chair**

**7. 2017 Projects and Services Review**

 **Property Legal Services**

1. Assignment of Benefits - A 50-state treatment on the topic of post-loss assignment of benefits has been completed. This ties in with the 50-state aggressive contractors discussion we recently completed.

2. Entrustment of Property to Others - A 50-state treatment of entrustment of property to others has been completed. This focuses on language often found in the criminal acts exclusion and whether real property can be entrusted.

3. Overhead and Profit - A 50-state survey of a discussion of the inclusion of overhead and profit has been completed. The survey includes a general discussion of the coverage issues. The state-by-state portion has been incorporated into the existing 50-state survey on ACV.

4. Sewer Backup and Cosmetic Damage Endorsements - An update of annotations to common endorsements has begun. These will include sewer backup endorsements for commercial and personal lines, and also cosmetic damage endorsements. A draft of the homeowners sewer backup endorsement has been completed.

5. Zika Virus - A white paper on property coverage issues arising from the Zika virus will be developed.

6. We have received more complex coverage questions recently and have undertaken to increase by 50% the number of coverage responses added to the database in 2017.

7. The PLRB Search class was once again taught at the PLRB Claims Conference. This class familiarizes member companies with the various products and services offered by PLRB on line. The class continues to receive very high attendee evaluations and is a very good marketing tool.

**Liability Legal Services**

1. A 50-state compendium of fraud warning language has been completed and is now in the database. Statutory language has been added for the states of AZ, CA, TX, and WA.

2. A traumatic brain injury session is being presented at the Claims Conference, Dr. Price as the presenter.

3. A session on medical expense and the collateral source rule is being presented at the Conference. The session will consider state-by-state implications and the development of evidence rules for “boardable” expenses.

4. A white paper on the Zika Virus is in progress. There is now one appellate level case for encephalitis reported for LA.

5 Staff has updated the CGL Annotation Key GL2 for Supplementary Payments coverage. Attorney fee references are highlighted.

**Building Code Services**

1. Visually Assisted Research: Development of a system which allows users to locate common model building code provisions by clicking on images of specific areas of a structure is in progress. The building code department and IT staff held preliminary meetings to discuss software options required for the development of the user interface.

2. Roofing Specifications: Development of a discussion of building code requirements and manufacturer's specifications for roofing replacement and repair is in progress. PLRB's distance learning course, Building Codes 201: Residential Roofing, fully addresses the issue of code requirements for roof repairs to be completed pursuant to manufacturer's instructions and the impact on the scope of repairs. That course will be published upon finalizing state approvals for adjuster CE credit. In addition to the course, staff is authoring a white paper on the subject. The paper will be published in Frontlines and made available as a reference paper in the PLRB Search database.

3. Enforcement: Development of a discussion of the meaning of enforcement as to building code and roofing requirements has been completed. PLRB staff prepared a ten-page white paper which explains the meaning of enforcement as defined by case law. The discussion incorporates relevant model code provisions that further define the scope of enforcement. The paper provides adjusters with a tool for practical application when confronted with potentially troublesome fact patterns related to code enforcement. The paper is set for publication in an upcoming edition of Frontlines and will be added to the PLRB Search database.

4. Permit Information: Development of a GIS search method to locate property permit history and real estate information is pending. This project remains in the planning phases. Preliminary work includes researching the availability of permit data throughout the United States and then determining the feasibility of adding resources via the PLRB GIS system. The work will require coordination, efforts, and expertise of catastrophe services staff in addition to code research staff.

5. Emerging Materials: Development of a reference of emerging materials used in modern construction is in progress. PLRB is offering a course at the PLRB 2017 Claims Conference entitled “Working with 21st Century Building Components.” In that class, John Glissmeyer of Xactware and Jeff Taxier of American Technologies discuss emerging building materials from solar shingles, flooring, ceiling finishes, house wrap products, to more use of plastics on exterior finishes, etc. The course is a candidate for later production as a PLRB webinar in the 2017 "Hot Topics from the Claims Conference" series. Finally, PLRB staff intends to explore the 2017 Build Expo and 2017 ICC Expo for emerging construction technologies of interest to the industry.

**Information Technology**

1. In December 2016 an outside service conducted security and penetration testing of our systems. We did well during these tests and we are resolving and implementing their remaining concerns and recommendations. Such testing will continue periodically.

2. We are considering security awareness training for PLRB staff. Staff would be trained and tested on subjects such as phishing and hacking.

3. Most of the PLRB Web-based services have been made available on the Conferences Mobile App and this app is continually being tweaked. We are in the process of rebranding the Conferences App to become the PLRB Mobile App.

4. Upgrades to the firewall to help minimize threats has been completed.

5. A drill-down feature for researching insurance policy language will be added to Search in coming months.

**Catastrophe Services**

1. Several focused mapping applications breaking down data have been completed. The areas of focus are hail, wind and tornado, earthquake and Hurricane Matthew information.  This information is available for use on smartphones and tablets.  More such focused mapping applications are in the works.

2. Near-real-time updates for local storm reports covering rain and flooding have been completed.

3. Historical Radar Search which provides radar weather for a particular location is in progress.

**Educational & Technical Services**

1. The 2017 Claims Conference was in March and had 2,150 registrants and 1,300 exhibitors in attendance. The Expo had 440 booths. College students attended and their registration fees were paid by four member insurers. Sixty-minute classes were offered for the first time.

2. The 2017 Regional Adjusters Conferences are being planned beginning June 14-15 in Riverside, CA. The Central conference will be held in New Orleans, LA, on September 6 - 7. The Eastern Regional will In Jacksonville, FL, on October 4 - 5.

3. 2017 Large Loss Conference will be held in Fort Worth, TX, November 15 - 17.

4. Webinars are being held each month. Continuing with the Fraud Series, “Investigating the Financial Fraud Claim - It’s a Process,” was held in January. Investigation of Potential Arson claims was offered in February, and Analyzing Financial Fraud: Case Studies on Motives for Arson is being offered in March. All Webinars are available to watch anytime online after being offered live.

5. Distance Learning Modules continue to attract users and are growing in number. Currently 66 are available and 5 are in production. 80% of users seek adjuster CE credit for successful completion.

**8. Adjournment**