



Your Next Insurance Commissioner?

It's Poizner's Turn To
Answers The Tough Questions
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Expanding Your Customer Base

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Editorial

By Andre Ureña

SUPPORTING IMMIGRANTS IS GOOD FOR BUSINESS

The LAAA recently sent out an e-mail to our members urging their support for the May 1st protests over U.S. immigration policies, both current and pending. We have received an overwhelming amount of positive support over our position, as well as a few (less than five) negative comments.

Among the issues raised by critics is that the LAAA is an insurance trade association and not a political group. I happened to agree with that. We are in the insurance business, not politics, and the issue of immigration – legal and otherwise – has a direct impact on the insurance industry, particularly on our members' agencies.

Studies have shown that Latinos comprise up to 75 percent of insurance business currently on the books for non-standard agencies, which represents a significant portion of our membership. Many of those customers are undocumented immigrants who do not possess a California (or other state) driver's license. This is why companies accept a Mexican driver's license and a Matrícula Consular instead. Some auto programs, like Legacy Insurance, do not even surcharge for this. However, a majority of undocumented immigrants chose not to purchase insurance due to fears over putting their names in "the system."

Depending on how the issues of amnesty, access to driver's licenses, and pathways to citizenship are resolved, those who depend on auto insurance sales for the brunt of their business can expect either a feast or famine.

Our call was for solidarity with the communities in which we live and do business. I would be a hypocrite if, as a Latino, I did not support the position of a great majority of my customers; creating a social climate that is fair and tolerant, one in which those who making positive contributions in their communities can become legal residents...and eventually U.S. citizens.

02000.

THE SLEEPING GIANT HAS AWAKENED!

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....It's Not About Right Or Wrong,
It About Opportunity....

"Truth" is subjective and depends largely on the information sources one uses. (I like the BBC as it looks at the U.S. with an outsider's perspective). Listening and reading international news makes me realize immigration issues are not exclusively American. Across Europe, nations are grappling with a rising tide of third world refugees looking for a better life for their families and themselves. Some are welcoming and supportive, while others are literally trying to slam the door shut.

We are all immigrants – or descendants of immigrants – both legal and illegal. Our history is filled with periods of exodus, beginning with the Pilgrims in the early 1600's, through the 1800's when Americans pushed their way across the Great Plains and the West (pushing Native Americans right off their land, by the way), to the "Ellis Island" immigrants from Europe who landed at the foot of the Statue of Liberty at the turn of the 20th century.

The problem we have is a broken, ineffective and arbitrary system which welcomes immigrants from some countries and turns its back on others. Political refugees coming the U.S. and find a system, albeit cumbersome, that welcomes them into the land of democracy. Economic refugees, on the other hand, are labeled as burdens to the system. Make no mistake, the men and women who risk it all to come here from Mexico and further south to make a better life for their children are economic refugees fleeing a third world country. And most are here to stay. They will not go back just because laws get tougher, because, as I mentioned before, they were worse off in their country of origin.

There is no wall high enough that can ever be built to stop humanity's struggle to survive. Hispanics are not a burden to the United States, even those here illegally. Check the numerous studies published on the issue, some of which were cited by President Bush in his proposed guest workers program. It is true that hospitals and clinics have had to absorb the increased

burden of illegal immigrants, especially in border towns and metropolitan areas. But the problem with our healthcare system goes far deeper than that. I believe the tax contributions made by illegal immigrants – sales tax, state and federal taxes, etc. – outweigh the healthcare costs assumed by the system.

If some type of amnesty program is put in place, the U.S. will not only get additional tax paying residents, but will legally identify current undocumented residents (11 million of them) that currently live in our neighborhoods without proper identification. It will also represent an economic boon for the country as these people can now invest and spend here legally.

But back to insurance.

People immigrate to the U.S. so they can grab their piece of the American Dream. They work, go to school, shop, etc. Insurance needs cut across residency status. Immigrants' homes, businesses, personal/family health, vehicles and more all need to be protected. Instead of perpetuating a system that creates barriers for our customers, I say we support legislation and movements aimed at tearing down these walls.

Industry estimates suggest that there is upwards of 4,000,000 uninsured vehicles on the road being driven by illegal immigrants, the majority of whom live and works in our own communities. Of course, just as with "legal" drivers, not all of the four million drivers will run out and purchase insurance, regardless of any status change. But the great majority will, providing agents and brokers with an influx of new (and later, renewal) business. More homeowners and renters insurance, health coverage and more will be sold, relieving much of the burden the "system" is now bearing.

If you feel strongly about this issue, please write an article on the subject. We would love to publish it in our magazine. Send your thoughts to info@latinagents.com.

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REFERRAL FEES – ALTERNATIVE MARKETING

By Dana Kravetz - Michelman & Robinson LLC.

Many insurance brokers seek to expand their customer base by offering rebates to existing customers or referral fees to third parties for the referral of new customers. Paying a referral fee has proven to be an excellent incentive to motivate a person to refer a customer.

Prior to the enactment of California Proposition 103, insurance brokers and agents were prohibited by law from reducing their own commission in order to offer a customer lower prices or paying referral fees. Proposition 103, §7, repealed Article V (commencing with §750) of Chapter 1 of Part II of Division 1 of the *Insurance Code* pertaining to unlawful rebates, profits and commissions. (See *Insurance Code* § 750 (d).) However, subsequent to the enactment of Proposition 103, very few California brokers or agents reduced their commissions via a rebate to their customers largely because insurance companies and insurance trade associations representing brokers and agents discouraged such competition.

Nevertheless, in light of the fact that Proposition 103 specifically repealed the laws prohibiting rebates and commission splitting with licensed or unlicensed individuals, such conduct is no longer unlawful, so long as it is not administered in a discriminatory manner.

Proposition 103, however, left intact other *Insurance Code* provisions prohibiting rebating of commissions in the context of title insurance [*Insurance Code* §12404 (a)], mortgage guaranty insurance [*Insurance Code* §12404], and insurance products sold by reciprocal and interinsurance exchanges. [*Insurance Code* §12404]. Additionally, certain sections were added again to the *Insurance Code* to avoid certain improper referral fees concerning soliciting or procuring claims, automobile repairs, and reimbursements from insurers. (See *Insurance Code* §§ 750, 750.4, 750.5, 753, and 754.) Moreover, Proposition 103 made various unfair business practices statutes, which arguably prohibit some forms of rebating, applicable to the insurance industry for the first time. *Business and Professions Code* §17045, for example, prohibits as an unfair business practice: "[t]he secret payment or allowance of rebates, refunds, commissions, or unearned discounts ... or secretly extending to certain purchasers special services or privileges not extended to all purchasers purchasing upon like terms and conditions, to the injury of a competitor and where such payment or allowance tends to destroy competition."

Accordingly, so long as the referral fees are not offered in a discriminatory manner and do not constitute an unfair business practice, the act of rebating a commission or paying a referral fee is legal and good alternative to promote your business.

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THE POWERS' POINT OF VIEW

DEDUCTIBLES

By Larry Powers

What is a deductible? The amount the claimant pays? Is it the amount that the company does not pay? Let us explore. Say...Jorge takes his dented car into Andre's body shop and obtains an estimate for \$3000.00 to reshape his car. He sends the estimate to Sexy Car Insurance Company's claim department. Sexyco's claims representative, Lila says ok to the estimate and looks up Jorge's policy and discovers that he has a \$500.00 deductible. She sends Jorge a check for \$2500.00. He then takes his car to Mayra's Body shop. Mayra's manager, Deisi, says that they will repair the car for \$2500.00. Ok, where did Jorge pay a deductible? True: Sexyco did not pay the estimate, but where is the deductible? Discounts happen folks. People are creative. This is legitimate.

HOWEVER...consider PPO's. If Jorge had taken his car to a PPO's garage, guess what? Jorge's car would have been repaired and he would have paid a deductible. If he had taken his car to another garage rather than the PPO's there would have been a penalty to be paid by Jorge. When buying the policy Jorge was sure he was getting a good deal from the PPO, and maybe he was, but (and

message always follows "but") when a claim happens which results in a damaged car, the PPO recovers that discount on the back end, and then some; possibly. This is the: Pay me now or pay me later, syndrome.

What the heck is a SIR? A Self Insured Retention? Whenever you see retention in context with a deductible, it refers to liability. To differentiate when communicating between policies, the use of deductible refers to property, retention refers to liability and Elimination period refers to disability income, waiting period refers to the time period for an employee to be eligible for employer's group program, and probation period refers to the time a person must be claim free before a health insurance company will cover a pre-existing condition. These are all a sort of deductible.

When talking about liability (and sometimes property) we also have a Loss and Expense deductible. This means that the deductible, or retention, have a bifurcated deductible. The Loss and the Expenses each have a deductible. Which doubles the deductible.

DEDUCTIBLES, RETENTIONS, ELIMINATION, WAITING AND PROBATION PERIODS can lower premiums and claims, but they can also create financial hardship during vulnerable times for customers. Be careful and think before setting your customer in deductible concrete.

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No Comment

Live and Work in the Here and Now

By *Andre Ureña*

Some believe that success is hard to achieve. Unfortunately, most people don't realize that statement is not correct; the truth is rarely told or taught. The fact is that success can be realized through a series of small disciplines that help shape you as a business man or woman...and as a person. Here is a simple rule of thumb which, if consistently applied, will put you well on your way to success; simply live and work in the here and now.

This requires two things, courage and alertness.

There is never a reason for being shy. There simply isn't. Shy people finish last every time, and while some are bashful because of humility, they need to get over it. The world ceased being noble long ago. No matter how hard it may be for you to be outgoing, you must be able to approach and speak with anybody.

Have you ever been at a business function and missed a golden opportunity to meet an insurance company executive because you doubted yourself or were too inhibited to walk up and introduce yourself? Later, did you spend some time kicking yourself in the ass for not taking a chance? Be confident in your abilities and what you have to offer.

Life is full of opportunities, but many are

missed by not being alert: not paying attention and being unaware of what is happening right in front of your eyes. Live in the moment, whether it is in business or with family. Be a participant and not a spectator. Live life to its full potential. Keep an eye on the future, but focus on the here and now. Do not let opportunities simply go by.

Apply these principles when you attend our upcoming convention. Be on time, don't be shy (you have a lot to offer). Courage and a positive attitude are two of your most valuable business tools. Stay alert and take advantage of all the convention has to offer – from the seminars and speakers to the famous Salsa Boat!

Walking around with a constant positive attitude helps you...and the people around you. Have you ever been around someone with a "contagious smile" who is "terminally upbeat?" People like positive vibes, and a clear, optimistic attitude lends itself to revealing opportunities that others might miss. People say they can hear a smile over the phone. I absolutely believe this.

Also, when you have an idea or task ahead, do it now rather than later. People tend to remember the most when it is fresh in their heads, not days or weeks later after the brilliant moment passed. By concentrating on the present and not procrastinating, you maintain focus on the tasks at hand. By not waiting, you will have your goals fresh in your mind, increasing your chances of recollection and increasing your efficiency.

I guarantee it.

Relax & Think.....

The purpose for this feature is so you can take a breather and disconnect from your daily activity

"More tears are shed over answered prayers than unanswered ones."

Truman Capote

Progress is impossible without change; and those who cannot change their minds cannot change anything.

George Bernard Shaw

When your values are clear to you, making decisions becomes easier.

Roy Disney

LATIN AMERICAN AGENTS ASSOCIATION Q&A WITH Insurance Commissioner Candidate Steve Poizner

The upcoming June 6th primary is in important one for California's insurance community. We will decide which candidates will be representing their parties for various posts in the general election in November 2006. To keep LAAA members informed about the various candidates, we have sent our identical questionnaires to those running for the Insurance Commissioner's job.

Mr. Steve Poizner, who is running for the Republican Party nomination, took some time out of his busy schedule to answer our questions. To better acquaint those attending the meeting with Poizner's qualifications and positions, as well as provide those unable to attend with an in-depth look at the candidate, we are presenting his Q&A with unedited answers we received directly from the candidate himself:

Q: What are the qualifications of the ideal Insurance Commissioner and how does your background and expertise make you the right person for the job?

A: The ideal Insurance Commissioner must, above all, be a person who will make fact-based decisions and will stay totally independent from the interests that he or she regulates. The ideal Insurance Commissioner must also understand that consumers will benefit if insurance companies are attracted to California to compete for their business. I believe that this can happen if the companies know that the Insurance Commissioner will deal with them fairly, and make decisions that are clear and consistent.

The ideal Insurance Commissioner must also be forward looking and realize that California needs to address such issues as disaster preparedness and health care. I have had extensive experience developing and lead-

ing organizations, not only in the business world, but also in the area of non-profit organizations. I do not subscribe to the idea that only a political "insider" can be qualified to hold state office. In fact, I believe a breadth of experience makes one more qualified than membership in the cozy and insular group of Capitol politicians.

Q: What interests you the most about insurance and why have you chosen to be a candidate for the office of top state insurance regulator?

The Insurance Commissioner regulates an industry that accounts for 12% of California's economy. It is vitally important for the economic well-being of all Californians that we have a strong and properly regulated insurance industry. If Californians do not have appropriate and sufficient insurance protection, the assets and indeed the economic viability of our people, our businesses and our government is at risk. The Insurance Commissioner's most important duty to consumers is to ensure that insurance companies are solvent, and thus able to pay claims when they arise.

Additionally, the Insurance Commissioner must provide a regulatory structure for the marketplace that guarantees that all insurance companies compete fairly in a business environment that has clear rules that are consistently applied. I believe that if an Insurance Commissioner did these things, California's economy would be strengthened and the employment opportunities for our citizens and their economic well-being would be increased.

Q: Governor Schwarzenegger has taken some heat, and received some kudos, for reaching beyond the G.O.P. in making some staffing decisions. Do you share this philosophy or do you feel you could do your job better staying within party lines?

A: I think an argument can be made that the Insurance Commissioner should be a non-partisan position, just like the Superintendent of Public Instruction. This is a regulatory position, and as such, Republican and

Democratic politics are not relevant. What is relevant is a commitment to reducing fraud, enforcing the law and regulations fairly, clearly and consistently, working to enhance competition and increasing our state's preparedness for a disaster. As Commissioner, I think that it is important that my staff share these values.

Q: How do you see the CDI as having gotten off track and where do you believe it has achieved success? Also, what roles do the CDI and the Insurance Commissioner play in governing California's insurance market?

A: CDI has gotten off track in its effort to combat insurance fraud. The fraud division at CDI has a vacancy rate of 25% while the rest of the department has a vacancy rate of 7%. The State Auditor criticized the efforts of the CDI to fight workers' compensation fraud in 2004, finding that there was:

1) A lack of a realistic measurement of fraud in the system; 2) A lack of any method to determine whether the effort produces results commensurate with the cost; 3) Problems with the manner in which District Attorneys get funded; 4) A lack of a method of prioritizing suspected fraudulent claims. In addition, it seems to me the bankruptcy of several workers' compensation insurers over the last few years should bring into question whether the CDI is really living up to its responsibility of making sure that insurers are solvent.

Finally, every time I speak to an audience of agents and brokers or representatives of insurers, I hear reports of the incredible length of time it takes the CDI to make a decision, any decision, and even some reports of conflicting and inconsistent requirements imposed on companies by different divisions of the CDI.

Q: Although the year has just begun, there are already some contentious issues being discussed and strategized in conference rooms throughout the state. What do you see as some of the bellwether concerns for this year, and will the next Insurance Commissioner inherit much of that debate from the current administration?

A: Some issues have become contentious because in discussing them people have substituted rhetoric for facts. By my education and by my life's experiences, I am a fact-based decision maker. Quite apart from the long-term and more global issues asked about elsewhere, there are two issues that stand out as contentious currently: territorial rating and "use it and lose it." In both instances there has been activity at CDI in the form of regulations and it appears that this activity will continue this summer. Given the length of time that it will take to promulgate regulations on these issues and the potential for court suits to follow, I am sure that both issues will end up on the desk of the next Insurance Commissioner.

Q: What other issues, perhaps some that have not yet been discussed, do you see being raised in the future?

A: Certainly, there has been a glaring disregard for preparedness planning (which I address below). I also believe that unclear regulations and a "one-size-fits-all" attitude within the department have ill-served consumers. I believe that demand in the marketplace can spur insurance companies to bring new products to market that will answer many of the needs of consumers, now and in the future. However, that will not happen if the regulatory environment is hostile to new products and in opposition to companies pricing individual specific risks according to their circumstances. I believe my leadership abilities, as demonstrated in both my founding of high technology businesses and in my work with non-profit organizations, show that I can provide new leadership at the CDI.

In the past, the line between regulatory versus legislative "jurisdiction" has blurred. For example, the question of how much weight, if any, territory should carry as a rating factor, has vacillated between the CDI and the Legislature. Based on your knowledge of past and current debates, which challenges should be resolved through regulation and which are better left to state lawmakers?

Generally speaking I think where the law is clear and settled, then, absent clear

evidence of a need for change, that the CDI should take the lead in exercising regulatory authority. I think that doing so in a responsible manner will begin to provide some stability in the marketplace which in turn will begin to attract companies to compete in California. This and developing a new appreciation at the CDI of the benefit to consumers of having insurance companies compete for business will greatly lessen the issues that lead to the Legislature seeking to write new laws to solve long-standing problems.

Q: One of the least attractive aspects for a company doing business in California is our cumbersome rate filing process. Do you feel that the process needs to be streamlined, or is it working fine the way it is now?

A: Consumers benefit from competition and I believe competition will increase if businesses find California is an attractive state in which to be business. That will never happen unless businesses know that they can approach the CDI with a new product or a rate filing or a license question and get a timely decision that is fair, based on clear requirements, and consistently applied. This will require leadership, the right management team, and bringing to the CDI a realization of the benefits to consumers that will occur if insurance companies compete for their business in an appropriately regulated marketplace.

Q: Ever since California residents elected our first Insurance Commissioner (and before), many have been accused of being either in the insurance industry's pocket or a figurehead for consumer groups. How would you balance your responsibilities to all sides of the insurance transaction equation?

A: First, I have made the decision not to accept campaign contributions from anyone regulated by the Insurance Commissioner. Second, I will actively seek information and ideas from all interested parties regardless of whether they are aligned with the insurance industry, consumer groups, agents and brokers or ordinary citizens. Third, I will act to increase competition be-

tween companies in California. Fourth, I will vigorously enforce the law so as to ensure that all companies in California compete fairly.

Q: If elected, what would you like to be your legacy as Insurance Commissioner?

A: I will increase California's preparedness for the next disaster. According to the USGS, there is a 60% probability of a 7.2 or greater earthquake in the next 25 years in Southern California. Such an earthquake would cause total estimated economic damages between \$170 billion and \$220 billion. There also is a 60% probability of an 8.3 or greater earthquake in the East Bay on the Hayward fault. Such an earthquake would cause total estimated economic damages between \$175 billion and \$225 billion.

With regard to bioterrorism, according to the Trust for America's Health, a nonprofit health advocacy group in Washington, D.C., California has made minimal progress in preparing for bioterrorism or a major natural disease outbreak. The group rated the state's bioterrorism readiness as mediocre. And, of course, there are the more frequent disasters such as wildfires and mudslides, where recent experience has shown governmental responsiveness needs to improve.

Finally, the levee system in the San Joaquin-Sacramento delta is in far worse shape than the levees that so dramatically failed in New Orleans during Hurricane Katrina. Dozens of levees are in danger, not only imperiling water supplies for most of the state, but also thousands of acres of farmland. As Insurance Commissioner I will make preparedness for such disasters my cause.

Q: What is the role of an insurance agent/broker in helping his/her community to obtain insurance?

A: I have done business with my own insurance agent for years. I know that agents and brokers are respected people in their communities and as such they are people to whom others look for information and

understanding of how various coverages apply to their situations and how to address their need for financial security. This puts agents and brokers in a pivotal position in providing a valuable service to their neighbors. California is also well-served by the many agents and brokers who cater to California's ethnically and culturally diverse population, bringing special focus to meet particular needs within these communities.

Q: What difference, if any, is there between an insurance agent and an insurance broker? Should there be a difference?

A: The simple answer is that an agent represents an insurer and a broker represents an insured. However, the reality is that many states and many insurers have moved away from making the distinction between agent and broker, preferring the term insurance producer for anyone selling insurance in any capacity. The key, I think, is that consumers

should understand the nature of the relationship between the insurance company and the insurance producer.

Q: What is your plan to decrease the high uninsured rate, both in automobile and health insurance?

A: Although these two situations have different ramifications for society, both require a fact-based plan in order to dispel the rhetoric that surrounds each issue. In the case of automobile insurance, California, as a state that requires mandatory coverage, has a number of laws on the books, but there is lack of consistent enforcement. For example, I have heard numerous reports that courts in various communities vary in their assessment of penalties for driving without insurance.

In addition, the California law requiring insurance companies to report when a policy holder allows their policy to lapse was to take effect this past January 1, but is not yet being implemented by the DMV. Since California has a low cost automobile insurance program, I think greater enforcement is needed to address the fact that more

than 20% of the drivers on the road are without insurance.

With regard to health insurance, I think the approach must be quite different. Of course, there is no state mandate that individuals have health insurance and we should recognize that some people who can afford it, simply do not desire it, regardless of its affordability. They chose to self insure and we should stop describing them as part of the problem.

There is another segment of the uninsured population who are eligible for existing programs such as Healthy Families, MediCal, or perhaps some of the locally funded programs. We need to work to get them enrolled. That leaves the people in-between, those not currently eligible for government programs but who find existing private plans too expensive. It may be that they could be attracted by new products, such as high-deductible plans working in conjunction with HSAs. It may be that part of the cost needs to be subsidized through the tax code. I think it will take a mix of plans, and this is where we need to focus our efforts.

Q: Did you ever have any experience personally with any insurance issue(s) that was/were difficult to handle? How did you resolve the issue(s)?

A: Whenever I have a question, an issue or simply need to change coverage, I rely on the professional with whom I have done business for years, my own agent. This is why I think it is important for an Insurance Commissioner to actively and regularly seek information and ideas for insurance agents and brokers; they are the people in the trenches. Of course, I will also seek information and ideas from consumers and from insurance companies, for I believe that the Insurance Commissioner must hear from all sides on an issue.

Poizner will be a keynote presenter at the upcoming LAAA Convention in Long Beach. To register, visit the LAAA website at www.latinagents.com.

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TRAVELING BEYOND THE BORDER

By Jess Corrick, Sun Coast General Insurance Agency

About 15 million unique vehicles cross the Mexican border annually and they all need insurance. In the past, most travelers stopped near the border to buy insurance from a local agent. Logistically, that was inconvenient, not always reliable, and not always available.

Many consumers believe that they can save a few dollars by purchasing manual, handwritten policies at the border. This may be the case. However, it is up to the insurance Broker/Agent to educate their customers and let them know that when they purchase a Mexico auto policy thru an automated system (FSC), the information is immediately available to claim adjusters and the authorities in Mexico. In the event the insured is involved in an accident, the claim may be handled much more efficiently and the insured will spend less time dealing with the authorities.

Over 100 U.S. General Agents offer insurance for Mexico. Logically, a great number of these GAs are located close to the border. Some of the important distinctions to keep in mind when choosing a GA:

- Does the GA have experience in the Mexico market and have experience in the U.S. market?

It is important that the GA you work with has a vast knowledge of the difference between U.S. and Mexico insurance and can counsel Brokers/Agents regarding the potential gaps in coverage among these policies. Purchasers of insurance for Mexico should have confidence that they will receive professional, knowledgeable service when they need the coverage enforced and/or in the event of a coverage dispute.

It is ironic that most Brokers/Agents sell insurance coverage in the U.S. with great care, yet use a lesser standard of care when selling coverage for Mexico. When selling auto insurance for Mexico, Brokers/Agents should analyze a number of issues including:

- Is the Mexican insurance company reputable?

As the global economic environment continues in a state of uncertainty, it may be more important than ever to purchase insurance for Mexico from a financially strong insurer. No matter how reputable the GA, if they are placing insurance with a troubled insurer there might be some unpleasant surprises in the event of a claim. There are over 50 insurance companies in Mexico; similar to the U.S. - "the good, bad and the ugly".

According to the 2002 report of the Mexican Insurance Commission (Comision Nacional de Seguros y Fianzas), only two Mexican Insurance companies write over \$400 Million US in premium. These companies are Seguros Comercial America and Grupo Nacional Provincial.

Although some U.S. and European insurers have purchased ownership interests in Mexican Companies, these Mexican companies operate independently of the U.S./European parent company.

- Do Brokers/Agents need to purchase coverage from a Mexican insurer?

Mexico law mandates that only insurance companies, which are licensed and admitted in Mexico, can provide "civil liability" coverage that is recognized by the judicial system of Mexico. Although a few U.S. insurance companies will extend physical damage coverage (collision/comprehensive) on an auto while it is driving in Mexico, they are not able to provide Mexican liability.

- What are the differences between U.S. and Mexican coverages, and what type of insurance and what limits do Brokers/Agents need?

Liability in Mexico (auto) is determined by Civil Law, and is based on limits defined by Mexican Statute. Claims for pain and suffering and emotional distress are virtually unheard of and claims for Property Damage to Others and Bodily Injury to Others are settled on an "actual loss" basis, guided by Statute. In Mexico, a traffic accident is viewed by law enforcement as a felony, and detainment is possible.

Drivers are financially responsible for-third party damages at the moment of the accident. The vehicle may be impounded and everything is put on hold until an investigation is completed. Insureds should purchase legal aid coverage that allows for an attorney to assist the insured and negotiate an immediate release of the insured and the insured's vehicle.

Personal Injury lawyers do not exist in Mexico. Therefore, liability limits and claims exceeding \$100,000 are rare. It is likely to have a "Property Damage to Others" liability claim that approaches this limit (damaging someone else's new Chevy Tahoe, valued at \$ 49,000, for instance) than it is to have a "Bodily Injury to Others" liability claim that approaches this limit (damaging the occupants of the SUV, for instance). This is almost an exact opposite of how claims are settled in the U.S.

All liability claims under a Mexican insurance policy must be brought and adjudicated in Mexico for coverage to respond. Sun Coast General offers a Mexican carrier (MXII on FSC) that provides U.S. adjusters.

Automobile insurance rates, coverages, limits and deductibles vary among Mexican companies. Some important items to look for are:

- Does the Mexican carrier offer adequate liability limits, or does the policy reduce the amount payable by using split limits?

Split limits reduce the amount available for "Property Damage to others". An ideal limit of insurance on a Mexico tourist auto policy is \$ 100,000 Combined Single Limit. Some financial institutions, such as GMAC, demand such limits. Mapfre Tepeyac offers up to \$100,000 CSL and Seguros Comercial America up to \$150,000 CSL.

- Does the Mexican carrier automatically include Legal Aid and Travel Assistance?

These "additional" coverages are included in every Mapfre Tepeyac policy and Seguros Comercial America includes the coverage in annual policies. They will help insureds tremendously in the event of an accident. Without them, insureds could be racking up legal bills and huge headaches until the liability has been determined.

- What are the Physical Damage coverages and deductibles?

Most policies are written on a "named perils" basis, which includes coverage for Collision, Total Theft, Fire, and other perils. Deductibles are generally a percentage of the value of the insured vehicle. At Sun Coast General, their Mexican carriers offer fixed deductibles, which is a great benefit for the insured.

Correct vehicle valuation is a necessity for traveling in Mexico and can be based on Kelly Blue Book listings (available thru FSC) that include various features of the vehicle. If there is a loan on the vehicle, the Broker/Agent should be able to produce a lien holder copy of Mexican insurance for the insured to provide to the lender validating coverage for the vehicle while in Mexico. Towed vehicles such as boats or travel trailers are not required to be covered separately but should be listed on the main Mexican insurance policy the insured buys.

In specific cases the Mexican government requires vehicle permits. These are required if the insured is planning to drive beyond the border areas into mainland Mexico or plans to transport a vehicle by ferry from Baja California to the mainland. Permits are not required for travel on Baja California highways or roadways.

Many Mexicans drive to Mexico as much as four times per year. Because many Mexicans are Catholic, they tend to celebrate Holy Week in Mexico (Easter weekend), during the summer months (vacation), during Mexico's Independence month-September, and finally, during the Holidays beginning in December for the "Posadas" - Mexican festivities.

Mexico insurance is no longer a seasonal insurance product. Travelers from around the world are driving to Mexico for pleasure and/or business needs. P & C Brokers/Agents should provide this valuable coverage and capitalize on this exploding market.

Sun Coast General continually strives to offer the broadest available coverage at the lowest prices. If your agency is looking to diversify and add value to its book of business, please visit www.suncoastinsurance.com and learn how to become a producer and an expert on Mexico insurance.

Bienvenidos!

SELLING GOOD DECISIONS:

Agents and Brokers will be more successful if they demonstrate they know just as much about their clients as they do about financial products

By Gregory Hoeg

Clients have always wanted their brokers or agents to be people they can trust. That's because what they are buying is not merely a financial or risk management product, but the right decision about what combination and structuring of products and services they should have for their unique situation.

To stand out among competitors, brokers and agents must go beyond being technically expert about the products and services that are available to clients. They must become experts about the clients themselves. The value brokers and agents present to clients should not be merely that of an intermediary for the acquisition of insurance or other risk and financial products and services.

Brokers and agents are seen as experts on the products and services they offer but are not generally thought of as having significant knowledge and insights about their clients. Clients want to be sure that they are buying the right products and services for their circumstances and that they have not overlooked a financial or risk area with which they are not familiar.

Broker and agent professionals must deliver to clients the ability to understand, evaluate, and select among the options available to address their particular financial or risk situation. The agent/broker must be seen as more than just someone who is proficient at executing the product transaction on behalf of the client and be responsive to their questions, but also as a

professional the clients can rely onto counsel them on how to reach the best decision about the financial products and structures available to them.

This requires more than expertise and technical knowledge of the products and services available but also a deep understanding of the client, their situation and their knowledge of the available products and services. Those who can do so will be the professionals clients will prefer.

To deliver fully for clients, agents and brokers must go beyond technical product and service expertise and become experts on the clients, whether the clients are individuals or businesses. Brokers and agents are sought out by clients to help them make and implement important financial decisions. The more the broker/agent can demonstrate knowledge of the clients and their needs, the better they can leverage their technical product/service knowledge for the clients' benefit, and, just as important, the more the clients will feel they can trust and work with the broker/agent.

To accomplish this, the broker/agent must do his or her homework. They must research the client to identify the client's circumstances, likely financial and risk needs and experience with financial and risk management principles, tools and techniques.

For individual and small business clients, most of this information can be obtained directly from the client. The process of collecting the information should be viewed as an opportunity to demonstrate to the client the broker's or agent's desire to provide the best service possible and as an opportunity to exhibit financial and risk management expertise.

For larger business clients, much of the information may be gotten from public sources, including analyst reports, news articles and executive profiles. The more prepared the broker or agent is with knowledge about the client, the more impressed the client will be.

Applying information about the client in conjunction with the broker's/agent's financial and risk management expertise should be done, at least in part, with the client's active involvement in the thought processes. This has two significant benefits. One, the client is more likely to recognize and appreciate the broker's or agent's expertise when they see it in action.

Two, the client will feel there is more of a partnering relationship with the broker or agent through working together. This also assists the broker or agent to refine his or her understanding of the client's financial and risk knowledge, as well as needs for finance and risk products and services.

For the broker/agent, being viewed as a trusted adviser to a client can lead to an expansion of the business transacted between them, increased referrals and improved client loyalty. To achieve the status of trusted adviser is not easy and requires research, refined consultative skills and time with the client.

The effort is significant, but once achieved, the status of trusted adviser benefits both the client and the broker/agent.

Gregory Hoeg is a senior vice president of Willis Group Ltd. He can be reached at insight@bestreview.com.

This article was published in the March 2006 issue of Best's Review magazine. It is reprinted with the permission of the A.M. Best Co.

Editor's Note: The LAAA strives to bring you the latest and best original material in our Agenda Magazine. While "cut and paste journalism" is not our style, we occasionally come across an article with content captures our philosophy and message so completely, it may as well have been written by an LAAA staff writer or contributor. This is one such article. However, we will always cite our source and give the author and publication full credit.

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Making Your Marketing Dollars Work Better

By David Shor, Mira Outdoor Media

What's one thing all agency owners know but may not do anything about? A recent analysis of Oasis's customer base revealed that our customer base lives or works within 3-5 miles of our offices. It is almost certainly the same for our members, yet agencies continue to spend their marketing dollars trying to reach the entire county.

At our meetings, we consistently hear that agency business is declining or, at best, staying the same. Where are all the customers going and why aren't our businesses growing? It is clear that a percentage of those customers are using major Internet and TV brands like Geico, and it will be difficult to stop customers who are comfortable with impersonal service from doing business with the big brands.

Similarly, marketing vehicles that used to generate substantial business are no longer working. We hear frequent rumblings that the yellow pages are nearly useless, that direct mail brings no results, and that couponing with media products like the Penny-saver sometimes break even and sometimes don't.

Smarter Marketing for 2006 and Beyond—a Lesson from Realtors

Each agency must look seriously at where it's spending its marketing dollars. Agencies should be adopting marketing approaches that reflect the geographical area where nearly all of the agency's clients come from—within just a few miles of the office.

Realtors are in one of the most competitive businesses, and yet the top realtors have known for years how to look strong and important within their target market. Realtors understand two important factors that the public relies on in choosing a realtor:

- In a competitive market, being top-of-mind; and
- Preventing competitors from having the same ability to be top-of-mind

The first factor is important because, like insurance, the public views realtors as a commodity so a high percentage of people just choose the realtor (or agency) that first comes to mind. The second factor is important because if there are no barriers, then a marketing war ensues that just neutralizes each other's efforts. In other words, if all you're doing is sending more mailers to homes around your office, your competitors and you will not actually change the ratios of who is top-of-mind.

The Tools of Realtors to Gain Market Share

Business growth is going to come by taking business away from our competitors with offices around us more than taking it away from Geico (which has very large marketing budgets agencies cannot compete with). Agencies who adopt this "targeted marketing" approach will see their businesses more quickly grow than their competitors, just as realtors can rapidly gain market share by spending their money on the right kind of marketing.

Top realtors spend their marketing dollars to build a brand, a recognizable image that the public is already familiar and comfortable with by the time they are ready to buy or sell a new home. Those realtors focus less on direct response marketing, which rarely generates enough response to build a fast-growing business.

Using the proven tools of realtors, here is a simple strategy to build or reinforce your brand and create a position of market dominance within the 3-5 mile radius around your office:

- Quickly lock up a large number of inexpensive billboard signage surrounding your office (before your

competitors do). Mira Outdoor Media offers mini-billboards in the busy areas around your office for as low as \$50 per month and protect your "home turf." This signage ensures top-of-mind awareness and allows you to lock out your competitors—preventing them from gaining the same top-of-mind awareness

- Get a logo and get a photo of you or your team for use in your marketing
- Develop the artwork for your billboards using the new logo
- Use media products like calendars, refrigerator magnets and other methods used by realtors to get and stay inside your target customers' houses around your office
- Begin doing parking lot events to generate community awareness, goodwill and buzz about your

newly invigorated business

- Consider other outdoor advertising vehicles that have limited availability but further help to lock out your competitors from your market area

All of these suggestions have been proven successful for many years. There is very little risk to our members of pulling out of local magazine and newspaper ads that run citywide in favor of localized marketing, and we believe there is much more opportunity to be influential businesses in our own communities by adopting a target marketing approach.

David Shor at Mira as well as the LAAA staff are available at no charge and with no obligation to help you develop a marketing plan that addresses this approach to more rapidly growing your brand and strengthening your ability to compete not just against your competitors but reduce the influence of the Geico's of the world, too.

We look forward to seeing you at the Latin Agents Convention in Long Beach, CA June 8-11, 2006



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What You Should Know Before Selling Mexican Insurance

*By Enrique Alvarez-Malo Jr.,
Vice President of
AMISI Insurance Services*

Mexican Insurance is a very profitable business that is mostly transacted by border agents and gas stations. It is time that YOU -- the producers -- make money selling these policies and not sending your potential customers away.

This is a high retention business and the gateway to other business, like Homeowners, Life, Auto, Real Estate, Phone Cards, Cell phones, etc. You can even sell books and maps of Mexico.

In a recent report of The San Diego Dialogue with facts from the Department of Transportation, 2.6 million trips are made monthly across the San Ysidro/ Otay border by travelers into Mexico. Most of these vehicles are uninsured. .

THE PROBLEM

- American / Canadian drivers don't buy Mexican Insurance for three main reasons:
 - Lack of information – Most people think their American or Canadian auto insurance will cover them while in Mexico.
 - Negligence.
 - They think they can buy their way out of an accident or

because they speak Spanish.

THE SOLUTION

Educate people – Advise them of the limitations of their American / Canadian policies and the importance of having a Mexican Tourist Auto Insurance Policy when driving to Mexico. Most American / Canadian drivers are well aware of the importance of having an auto insurance policy. Advise them that with a Mexican Insurance policy they get more than just an 800 number, more than personalized claims adjusters that come to the scene of the accident, they get the peace of mind of knowing that their family and their assets are protected

WHO IS YOUR POTENTIAL CUSTOMER?

They are vacationers, clients that go on vacation to visit families, tourists going to see the doctor, or just to shop. Every year there are more and more US Citizens living in border towns of Mexico and working in the USA. Companies and Maquiladoras hire US citizens who live in the US and they cross into Mexico everyday.

WHO CROSSES THE BORDER?



(based on the San Diego Dialogue)

Frequently producers ask us that what is the best way to sell Mexican Insurance, this is simple. It is education, and as Insurance professionals is our Job and the job of our staff is to educate our customers and not to simply be order takers. You can start by explaining to them that most of the time their US insurance policy does not provide coverage in Mexico and is not accepted by the Mexican authorities . If it does cover their vehicle, a third party is not covered unless it is specified in the policy, and even then you should recommend they purchase additional Mexican Insurance. This way, coverage is certain and the insurance they are purchasing from you is going to keep them out of legal trouble in case of an accident.

Explain the various coverages you offer. Make sure your clients understand the value of the protection they purchase and you will have a satisfied customer who will refer their parents, aunts, friends, cousins, co-workers, etc. When you take five minutes to explain - in detail -- what you are selling to your customer, it is well worth your time.

HELP YOUR CUSTOMER

Another great business tool is to know all the insurance requirements for travel into Mexico, and be able to explain to your customers. Ask where they are going. If they are only traveling to Baja or the border zones then they don't need to purchase a temporary import permit for their vehicle. But if they stay in Mexico for more than 3 days, or travel past 75 miles from the border, they will need to purchase a tourist visa from the local consulate or at the border. Knowing this and communicating it to your client will add

value to the products you sell.

Some of your customers don't know what to do before they go to Mexico, with many waiting until the last minute to buy insurance and make preparations. If you take some time and tell all of your customers and potential customers that you offer Mexico insurance and you can advise them as to what they need, it will start generating more sales. Explain to them that if their traveling past the tourist zones and their vehicle is financed they need a permission letter from their Bank or Lienholder. In order to get this permission, insurance is required, and they will need to present both at the border.

Programa Paisano is a program for Mexicans living abroad and explains who needs the permit and who is a considered a Mexican citizen. For example: Someone that was born in Mexico or has Mexican parents is Mexican citizen. It explains what you can carry across the border, including dollar amounts. It also explains who needs to pay fees and who doesn't. You can learn more at www.paisano.gob.mx

Mexican Insurance is a highly profitable product that can add value to both your agency and your customer's experience with your organization. Mexican Insurance can also be an important gateway to other lines of insurance sales. Present the facts, inform and educate your customers, and the result will be better retention, referrals and ultimately profitability.

If you need AMISI to come in to your office and train your staff, or you need more information, you can contact us at 888.420.0086 or at enriquejr@amisimexicaninsurance.com

CAN'T KEEP UP WITH ALL THE NEWS?

CHECK OUT "EL BLOG" FOR THE LATEST INFO

LAAA website feature brings one-stop reading for busy members

Is there too much happening in your business for you to keep informed about what's happening in the industry? Do you receive daily e-mails from different news sources, but have no time to open them, let alone read them? Wouldn't it be great if someone could scan the virtual world and cull the relevant stories from those that do not really matter to your business?

The LAAA is pleased to offer such a service for visitors to www.latinagents.com in the form of our "El Blog" A one-stop news resource, *El Blog* is your news resource, a means for you to stay informed as

you attend to business. Check our website daily for current stories on issues important to you as an insurance agent serving the Latino community.

We post stories from numerous top insurance news organizations, always citing our sources so you can obtain more information if needed. (We also want to give credit where it is due and not pass the material off as our own.) This way, you can read what you wish, absorb what you need, and go on with your day.

El Blog visitors are also welcome to leave comments about the various news stories we have posted. Give us your take on our selections and tell us where you stand on the issues. This provides us valuable insights on how the membership at large feels about certain topics, and helps guide our decisions as to what action we need to take, and when we should step back.

We also welcome new postings from our members on stories we may have missed. While we utilize numerous media outlets, we can't find them all. If you come across a story that could use wider play, or one that has perhaps fallen through the cracks, bring it up. After a short registration process, you can be a contributor to *El Blog*.

One of the things we stress at the LAAA is the importance of education. Staying informed on the issues affecting you and your customers is one of the most powerful business tools you can possess. Getting that education is now all the easier through the LAAA's *El Blog*.

Log on to *El Blog* at www.latinagents.com.

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Prop 103

"Why California Insurance Agents, Brokers, Voters, Consumers and The Members of the Latin American Agents Association (LAAA) Should NEVER Support, Vote and Provide Financial Support for Any Insurance Initiatives, Legislation (Proposed or otherwise), Programs and Propaganda created by, written by or proposed by Harvey Rosenfield, Esq. or Any of His Constituents, Affiliates, Cronies or Allies."

By Stephen Santoro

In November, 1988 Prop 103 was passed by the CA voting public. The Original Prop 103 (prior to being 'gutted by the then conservative CA Supreme Court) was written and created by Harvey Rosenfield, Esq., and his then entitled "Voter Revolt" Group. Mr. Rosenfield is the alleged 'protege' of alleged consumer advocate Ralph Nader, Esq. Mr. Rosenfield's 'Foundation for Taxpayer & Consumer Rights in Santa Monica, CA' now carries this 'infamous Prop 103 torch'. Prop 103 changed many protocols in the CA Insurance Code including:

A. The CA Insurance Commissioner (CA-IC) became a CA voter elected position. (Prior to that time the CA-IC was appointed by the CA Governor.)

B. Rates, forms, rules, underwriting guidelines and class plans became 'prior approval' filings with the CA-IC vs. 'file and use' (file rates, forms, rules, underwriting guidelines and class plans and then begin using them, without requiring the CA-IC's 'prior approval'; a 'free-market' mechanism allowing the market to set rates and not necessarily the CA-IC).

C. The 20% CA Good Driver Discount came into being. (Also a 20% immediate rate 'roll-back' was voted in. However the CA Supreme Court 'overturned' that portion of Prop 103 declaring 'a mandated 20% rate 'roll back' (akin to eminent domain (taking of private property by the government for a 'public purpose') without paying 'just, fair and reasonable compensation' to the private property owner(s)).

D. Allowing the CA-IC wide discretion of what rating mechanisms the CA-IC would allow

insurers to utilize in order to 'underwrite' CA insurance risks.

E. Target 'low cost' insurance mechanisms for metropolitan CA markets downtown Los Angeles, CA.

F. Prop 103 does not have, nor has it ever included a provision persistency' discounts

I am going to focus on A-F, inclusive above for this months article.

WHY AM I WRITING THIS ARTICLE? WHY IS THIS IMPORTANT TO LAAA CONSTITUENTS? Prop 103 as drafted and voted for in 11.1988, exclusive of CA Supreme Court Review, rulings and changes, is still very bad for consumers, LAAA Members and the CA Voting Public at Large.

Prop 103 did absolutely nothing of what it allegedly intended, except the pockets of Prop 103 drafters, supporters and Trial Lawyers. Ask yourself these questions? **Have rates come down? Are they competitive? Who really made out on this law? Are metro/urban/poor/Latino drivers better off since the passage of Prop 103? Is insurance affordable in metro/urban/poor/Latino Markets?**

How did LAAA Members, constituents, insureds or clients benefit? Prop 103 is/was bad for CA insured's; CA brokers/agents; MGA's; CA insurance companies; reinsurance companies; CA Regulators and Administrators; CA State Courts (Superior Courts; Appeals Courts and the CA Supreme Court); CA Federal Courts (US District Courts; US Court of Appeals for the Ninth Circuit; and the US Supreme Court); CA Law Enforcement; and Federal Law Enforcement.

Why?

First, it is terrible PUBLIC POLICY.

Second, It does not makes business and consumer sense.

Third, this underwriting mechanism, destroyed' persistency/continuity discounts'; does not allow responsible, creditworthy and experienced drivers of all races, creeds, colors, religions and sexes to participate in discounts that help make responsible CA drivers.

Fourth, it lowered and destroyed Policy Life Expectancy > (PLE-remember my 11.2005 article?)and customer retention.

Fifth, it destroyed much of the profitability for the insurer; reinsurer; MGA; and retail broker/agent.

Sixth, Prop 103 PENALIZES CA drivers, especially Latinos. YES, THE VERY PEOPLE WHO NEED THESE DISCOUNTS AND CHEAPER INSURANCE THE MOST. YES, LAAA MEMBERS.

Seventh, Prop 103 HURT CA LAAA and Latino consumers, drivers, insurers, reinsurers, MGA's, retailers, law enforcement agencies, and jammed the courts with frivolous cases and waste tax pay money!!!!

What has Prop 103 done for CA Drivers, CA voters and the LAAA Members?

- Lowered market efficiency.
- Increased cost/decreased discount efficiency.
- INCREASED INSURANCE PREMIUMS, STATE-WIDE!
- Decreased and smothered 'free market mechanisms' necessary to make any market work.
- Lower or denied returns for all 12 parties noted below.
- The CA-DOI cannot work as the framers of CA law(s) or the CA Constitution intended.
- Higher rates; higher insurance costs; and less if any available insurance in the metro areas of CA, especially Los Angeles, CA; San Francisco, CA; Sacramento, CA; San Diego, CA; Fresno, CA, and Bakersfield, CA, etc.
- A less solvent insurance and reinsurance market.
- A terrible 'business, insurance and reinsurance' CA market.
- Lined the pockets of the drafters of Prop 103 and the Trial Lawyers

Whom has Prop 103 hurt the most? (Why am I telling you this?)

1. The insurers.
2. The reinsurers.
3. The MGA if there is one.
4. The retailers.
5. The end consumer.
6. The CA taxpayers by creating lower premium taxes.
7. It caused unneeded and unwanted political and regulatory review.
8. It caused unneeded and unwanted 'continuous litigation' with NO end in sight!
9. It reduces costs to CA's administrative units.
10. It induced financial hardship to the insurer; the insurer's reinsurer(s); and if a wholesaler/MGA is involved.
11. It increased dramatically costs to CA's Su-

perior; Appeals and Supreme Courts: no forced review of a subject that should not be there in the first place.

12. It increased costs to the VERY PEOPLE WHO NEED IT MOST! (YES FOLKS, PROP 103 HURT LAAA MEMBERS THE MOST!)

NOW WHAT DO WE DO ABOUT IT?

- Write your Legislators to repeal Prop 103.
- Ask CA and LAAA voters, to vote for these ballot initiatives sponsored by the Insurance Profession. Ask the CA and LAAA voters to provide financial support for these ballot initiatives sponsored by the Insurance Profession. \$200M in advertising, promotion and ad spots is a realistic budget to start this process, TODAY.
- The LAAA and the LAAA Constituents (everyone of you) can hold press conferences: Tell the people why Prop 103 will not work; not work; and never will work.
- Tell the politicians, STRONGLY (especially harangue them at all LAAA functions the LAAA invites these politicians to) why Prop 103 needs to be repealed.
- Repeat all of the above points to stop Legislation or Ballot Initiatives Sponsored by Rosenfield, Voter Revolt; or the Foundation for Taxpayer & Consumer Rights.
- Support and help finance the appointment of Insurance Profession friendly judges.

One final thing: This article is NOT intended, in any way, shape or form to slander, libel, or defame Mr. Rosenfield. This article is not intended to mis-represent or incorrectly or inaccurately mis-characterize Mr. Rosenfield's positions as respects Prop 103.

Nor is it intended mis-represent or incorrectly or inaccurately mis-characterize 'Voter Revolt' or 'The Foundation for Taxpayer & Consumer Rights in Santa Monica, CA' or any of their Employees, Officers, Directors, attorneys, agents, runners, partners (if any), owners (if any), representatives (of any kind, like, type or nature) successors, heirs and assigns, etc., as respects Prop 103 or any issue of any kind, like, type or nature.

This article is an opinion (mine) only, about a very PUBLIC and CONTROVERSIAL SUBJECT AND LAW: Prop 103.

You folks decide!

A Brief History and a Big Bang!

By: *Andre Ureña*

If you have already registered for our upcoming convention – June 8-11 – you can skip this article because you have already demonstrated foresight and a keen business sense. If you have not yet registered, then read on.

We are pleased to be holding our 7th Annual Convention AND 1st Annual National Conference. We are returning to the Long Beach Renaissance Hotel, which is right in the heart of Long Beach and adjacent to great restaurants and night life, although not that you will have time for many (or any) outside activities. Just wait to see what we have in store for you (check www.latinagents.com for details)!

I could tell you about the many important business contacts – company executives ready to talk business – who will be there, or that this year's convention budget is bigger than ever. This means more lavish events and surprises every day and every minute. Or that our trade show is so big that we were forced to move into the Long Beach Convention because over 125 exhibitors have already signed up, with more on the way. I could also go on about the special seminars and CE courses we are offering, and the stellar line up of speakers we have booked. All of which is true.

Instead let me tell you why our convention is worlds apart from ANY other annual gathering in the insurance world:

1) Every attendee is treated the same, and all attendees treat each other like one extended family. There are no "cliques" or special VIP members. Everyone is important to us and is encouraged to stand up and speak their mind. We listen and we care. People want to be at our convention; you can see it in their faces. The LAAA engenders a pride in our association, and we are glad to call this convention our own. If you are an insurance producer, this is your home.

2) The LAAA is run by insurance professionals on the agency front lines, agency owners who are in tune with our members and in touch with their needs. Not bureaucrats and

administrators who have not sold an insurance policy in years, if ever. We deliver quality information that you can use to make additional revenue. Today. Right now. Just ask those who attend our convention year after year if their time is well spent.

3) Our association has never made any back door deals to get paid overrides on any of the products and services we promote. All we ask for from companies and vendors is their support of LAAA efforts and activities. This way, we do not have to play favorites in order to generate revenue.

We realize time is short and LAAA members are busy trying to make a living. Our Convention was created with this in mind. Our challenge each year is to provide give you the best event with the most relevant information applicable to your daily operations. We want you to be better, no matter how successful you are now. The same goes for us. Our convention *must* be bigger and better than last year. I promise we are going to dazzle you!

The questions we asked ourselves before getting started on this year's planning was "how can we deliver more than before? How can we maintain the "Wow" effect in all aspects -- seminars, education, food, trade fair, shows, hospitality etc.?" The convention planning committee really rose to the challenge.

My advice to you is to go buy some comfortable shoes and prepare for the best convention you have ever attended! You will be tested and pampered, invigorated and tired. Register now and be sure not to miss the best convention anywhere!

We are passionate about our association and the people we represent. The only thing that compares to this is the loyalty that the LAAA enjoys with companies and service providers. We have developed a reputation (well deserved, if I may say so) as an association that keeps ALL of our members in mind when making decisions affecting our membership, and we have cultivated respect.

Don't take my word for it. I challenge all agents and brokers to see for themselves how fulfilling and enriching an LAAA convention can be for everyone.

I'll see you next month in Long Beach! I can't wait!

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