

## Agents Report Surprisingly Smooth Transition to Remote Work

*Agents Discuss Lessons Learned as They Look to Reopen Safely*

Despite a few initial setup challenges, the transition of independent insurance agency operations and employees from being onsite to working remotely from home went remarkably well, according to six independent insurance agents from Connecticut and New York. They took part in a webinar about their agencies' handling of the COVID-19 pandemic that was offered by the Independent Insurance Agents of Connecticut (IIAC) in conjunction with

Big "I" New York.

The agents took a variety of approaches to handling the pandemic, but they all closed their offices to clients, vendors and carrier representatives and found creative ways to handle phone calls and mail. Some agencies, like Shoff Darby Insurance Agency in Trumbull, Conn., were already set up to work from home. Its biggest challenges were figuring out how to best handle the mail and the

phones at the reception desks. One receptionist took an office phone to her apartment to have calls forwarded there, and she went into the office three times a week to open and scan the mail. "It worked out really well for us," said Melissa Gatto, senior vice president and operations director.

Abbate Insurance Associates in New Haven, Conn., moved everyone offsite  
*continued on page 12*

## Determining the Role of Insurance in the Age of COVID-19

BOSTON — There has been much discussion lately about the role of property-casualty insurance in relation to pandemics as COVID-19 focused attention on insurance coverage issues at both the state and federal levels. Various legislative bills have been filed and litigation is expected to rise. The Insurance Library held a webinar of industry experts offering their thoughts on whether and how the insurance industry should be part of the solution to the problem that pandemics present.

The moderator of the discussion was Erin Ayers, senior editor at Advisen and former editor of **The Standard**. She was joined by panelists R. J. Lehmann, co-founder of the R Street Institute, and William C. Wilson Jr., CPCU, ARM, AIM, AAM, founder of InsuranceCommentary.com and former associate vice president of education and research at the Independent Insurance Agents and Brokers of America.

*continued on page 8*

### In This Issue

NSC Calls on OSHA to Protect Workers From COVID-19	5
Commercial Lines Pricing Up in Q1	5
Insurers, Banks Expected to Increase AI Investment	5
Claim Frequency Drives Cyber Insurance Market's Loss Ratio Up	6
Advice of Agents Critical to SBOs, Finds Report	7
Does an Excess Policy Really "Follow Form"?	14
Agents Divided in Balancing Personal Touch With Providing Self-Service	20
Classifieds	21
Executive Suite	22
Sidelights	23



# The Insurance Library

Research • Education • Engagement

## There's Still Time to Support Our 2020 Annual Fund!

Donations to our Annual Fund allow us to **maintain and grow our collection of information resources**, **provide webinars on emerging issues** and **expand our programming**. We have an exciting year planned for our community, including virtual networking events, a new user-friendly website, and cutting-edge online research tools—but we need your support to make it happen!

Thank you to everyone who has already made a donation,  
especially to our Sustaining Patrons:



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We thank you in advance!

## P-C Transaction Activity Down but Rebounding, Says IVANS

TAMPA, FLA. — Both personal and commercial lines transaction activity volume was down sharply in March and April due to the effects of the COVID-19 pandemic but rebounded significantly throughout May, according to new data from IVANS, a division of Applied Systems.

The latest IVANS index report explored trends in personal and commercial lines since the onset of the COVID-19 outbreak. Analyzing more than 120 million data transactions, IVANS measured the month-to-month volume of specific policy transaction types, such as new policies, policy changes, policy cancellations and policy renewals for both personal commercial lines policies relative to transaction trends.

**Personal Lines:** In personal lines, new policy transaction volume was down 15.8% at the end of May 2020 relative to the beginning of March 2020.

Policy cancellation transaction volume was down -3.3% at the end of May 2020 relative to the beginning of March 2020.

Policy renewal transaction volume is up 13.6% at the end of May, which is 19.6 points higher than the end of May 2019.

**Commercial Lines:** In commercial lines, new policy transaction volume was down -38.9% at the end of May 2020 relative to the beginning of March 2020, which is down 22.0 points than the end of May 2019.

Policy cancellation transaction volume was down -62.6% at the end of May 2020 relative to the beginning of March 2020.

Policy renewal transaction volume was down 21.4% at the end of May relative to the beginning of March 2020.

“Our data is showcasing the dramatic impacts that the COVID-19 outbreak has had on our industry, specifically as consumer behavior quickly changed with shelter in place orders spreading across the nation,” said Brian Wood, vice president of Data Products Group, IVANS Insurance Services.

“As the data shows signs of rebounding

as economies begin to reopen, it is also a clear indication that agencies and insurers are prepared to manage the increasing consumer demand — whether at home or in the office. This is a strong indication the digital revolution of insurance is well underway and will continue to play a major role in competitively differentiating innovative and technically capable agencies.” ■

## Unprecedented Support for Insurance Library Allows for Expanded Offerings

BOSTON — The Insurance Library’s 2020 annual fund has received unprecedented levels of support from several of its organizational members, allowing the 133-year old institution to not only maintain services during the pandemic crisis but also introduce enhancements to its online information resources.

“We are so grateful that these organi-

zations have recognized the important role the Insurance Library plays in enriching the insurance community,” said Library Fundraising Committee Chair Nancy Z. Bender.

“And we are hoping that others join their ranks as the library still needs more support in order to be financially sustainable.”

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This year, the fundraising committee established a new “sustaining patron” level of support to recognize substantial increases in donor voluntary support.

To date, Andover Companies, Arbel-la Insurance Charitable Foundation, MAPFRE Insurance, Plymouth Rock Assurance, Quincy Mutual Group, Safety Insurance and Vermont Mutual Insurance Group have all made pledges or contributions at the sustaining patron level.

The support will allow the library, which serves the insurance community in the areas of research, education and engagement, to introduce enhancements to the information resources it offers.

In the coming weeks, the library is planning to unveil a new, easier-to-navigate website and offer access to a database resource of fully searchable and downloadable business periodicals including publications focused on risk management and insurance.

“We are pleased at this time to be able to offer new services that patrons can access remotely,” said Paul Tetrault, the library’s executive director.

“The library has also transitioned its educational and engagement offerings to virtual formats including webinars, on-line classes and virtual events such as brown bag lunches.”

## About the Library

Founded in 1887, the Insurance Library enriches the insurance and risk management community by preserving the history of insurance, offering research services, providing and supporting education and facilitating engagement among community members.

The Library is a 501(c)(3) nonprofit that depends on the support of the community it serves in order to continue operations and expand services.

It is located at 156 State Street in Boston.

For information on how to support the library’s mission, contact Paul Tetrault at [ptetrault@insurancelibrary.org](mailto:ptetrault@insurancelibrary.org). ■

18 June 26, 2020

# A Look at the Law

Court dismisses alleged misleading cereal advertising case

The United States District Court of Massachusetts dismissed a lawsuit by two women who alleged that they would not have purchased Honey Bunches of Oats cereal if they had known it was flavored primarily with sugar and not honey — *Lima, et al. v. Post Consumer Brands LLC*, Case No. 1:18-cv-12100, (August 2019).

Plaintiffs Anita Lima and Susan Wrublewski filed a class action lawsuit against Post Consumer Brands alleging, among other things, that the manufacturer breached express warranties and violated numerous state consumer protection statutes by creating the impression that its Honey Bunches of Oats cereal was primarily sweetened with honey, when it is in fact primarily sweetened with sugar and artificial sweeteners.

The plaintiffs argued that the search for healthy food means that consumers rely on the marketing materials promoted by a company to make a final decision about what products to buy. They alleged that when those marketing materials are misleading or false, buyers are harmed.

## Background

Although the ingredient list on the side of the cereal packaging listed honey as the fifth most prominent sweetener, plaintiffs did not look at it. Instead, they believed that the cereal was primarily sweetened with honey based on “several television commercials” that “emphasized the presence of honey” and Post’s “branding and packaging.” The packaging included images of the sun, a wooden honey dipper dripping with honey and the outline of a bee.

The plaintiffs did not dispute the accuracy of the ingredient list or claim that Post made false representations about the amount of honey. However, they argued that the honey content relative to other sweeteners is far less than what the packaging and marketing led

them to expect. They claimed to have suffered economic harm when they purchased the cereal because its value was materially less than what Post’s marketing implied.

## The court’s decision

Post successfully argued that honey is both a sweetener and one of the cereal’s primary recognizable flavors. The court noted that a brand name that offers some indication of a product’s contents is not required to list out every ingredient or to disclose the proportion of ingredients. As such, U.S. Food and Drug Administration regulations clearly permit the use of the word “honey” and the associated imagery.

“Even a reasonable consumer who presumed honey to be a sweetener rather than a flavor would see that Honey Bunches of Oats did not claim to be sweetened exclusively or primarily with honey, and therefore, would have recognized that the cereal might be sweetened with some honey, but also with other sweeteners. Assuming such a consumer cared about how the cereal was sweetened, he or she would then have checked the ingredient list and discovered that honey, although a sweetener, was not the most prominent,” said the court.

## Action point

To assert a viable claim for the breach of an express warranty, a plaintiff must plausibly allege that an express promise was made in connection with a transaction. For example, a cereal manufacturer that asserted that a product was “made with real fruit and vegetables” might be vulnerable to a breach of warranty claim if that statement was false. In this case, where the cereal both contains and tastes like honey, neither the use of the brand name nor the imagery on the packaging provided the sort of express promise required for a breach of warranty claim. Also, as the court noted, assuming a reasonable consumer cared about how the cereal was sweetened, he or she would have checked the ingredient list and discovered that honey, although a sweetener, was not the most prominent. ■