



Performers of the US Vendors of the US Annual Newsletter

Specialty Insurance Agency, LLC • PO Box 24, New Richmond, WI 54017
Phone: 715-246-8908 • Fax: 715-246-4257

Greetings, everyone!

We hope this letter finds you and your loved ones in good health.

This past year has been challenging, to say the least. Performing artists and small businesses have been hit especially hard by the pandemic – something we've seen first-hand as a small, family-owned business ourselves. We've seen a nearly 90% reduction in business, and as a result, had to lay off the majority of our staff. This was heartbreaking for us – every one of our employees has been with us for years. Some were like family, and some actually *are* family, and it was devastating to say goodbye. We are hopeful, however, for the year ahead. While we anticipate reopening across the country to be slow and incremental, we are optimistic for the return of performing opportunities, vending, and in-person events before year-end.

Renewing Coverage

You are receiving this letter because your current policy will be expiring shortly (or, perhaps it has already expired) and you can now renew your coverage. Your invoice is included with this letter. Please keep in mind when renewing that this policy is non-refundable once coverage begins. Please also know that you are under no obligation to renew your coverage if you're not yet working. You can wait until you've booked an event before renewing your coverage – simply hold onto the attached invoice and use one of the following options to renew your coverage when you're ready:

- Mail in a check with your invoice. Pro tip: mailing a check saves you a credit card processing fee. However, we can't start your insurance until that check is received in our office – and we've seen some significant mail delays these past few months. Plan accordingly!
- Pay online by following the instructions at the top of the invoice.
- Pay over the phone by giving us a call in the office (715-246-8908). We're here Monday-Thursday from 10 a.m. – 5 p.m. central time.

Your invoice states the date you should renew your coverage by to avoid a lapse in coverage (provided it hasn't already lapsed). However, there is no penalty for renewing late. You can select the start date of your new policy to be just prior to the first event you will be doing if you choose to do so. This way you will not be out months of lost coverage. Even if this event is two months away, we can issue your certificates for your future events to hold your spot. Your policy will go for an annual term from the date you select.

Premium Increase

You may notice on your invoice that our premiums have increased (our base policy, for instance, has increased by \$8 for the year). We know this seems counterintuitive with many of you not working this past year, so we thought it might be useful to explain.

First, please know that we don't set the rates – that's our broker's job. Each year, the policy's underwriters take a close look at the number of members we have, our history of claims, prospective cost inflation for claims not yet received, and the amount of money in the bank to fund future claims.

The underwriters have determined that in order to offer this policy again for the coming year, a rate increase was necessary. While this is disappointing, please keep in mind we haven't had an increase to our base policy in years. Our underwriters have explained that this increase is based primarily on two factors:

- The Law of Large Numbers: this is a statistical concept related to probability. Our underwriter's risk analysis becomes more accurate the more people there are in a group, which means if there aren't enough members, they can't accurately assess risk. When they can't accurately assess risk, two things can happen: they could deny renewing our policy, or they could increase our prices. Since we've had a *drastic* decline in renewing members this past year, we're considering ourselves lucky that we still have a policy to sell.
- You probably already know that the insurance industry is highly regulated. Part of that regulation is necessitating a certain amount of funds in the bank to pay future claims. Those funds come from the premiums our clients pay, which means without a large number of members paying premiums, those bank accounts don't have the legally required reserves. Hence, higher premiums.

New Website!

We are excited to announce that the new website invested in before the pandemic – the one we've been teasing for the past year – has been launched! We've drastically changed our look – no more jesters from the 1990's, for instance. Please know that while we've changed our appearance, we're still the same company.

We know that looks are overrated, which is why in addition to our appearance, we've overhauled the back-end of our website as well. What that means for our clients is that you now have the ability to log in and manage your account! You'll be able to see your proof of insurance and certificates of additional insured right on your dashboard. Requesting certificates has been simplified and updating account specifics like your address or email is easier than ever before.

We do anticipate that we'll experience some growing pains in the coming weeks with our drastic overhaul, but our programmers are ready to tackle any problems that arise. If you run into difficulties, please shoot us an email at info@specialtyinsuranceagency.com so we can address them.

While our new site is launched, we're not completely done. We'll be adapting a mobile-friendly version in the coming months, as well as adding even more functionality over time.

In Closing

Please let us know if you have any questions or if there is anything we can do to design our policy to better meet your needs. We love to hear your thoughts and are happy to help in any way we can.

Thank you for your business this past year and for considering Specialty Insurance Agency - Performers of the US & Vendors of the US for your insurance needs! Let's hope 2021 is a better year for our industry. Be safe, stay well, and keep smiling!

Stephanie Weiss and the Specialty Insurance Agency Team