



## Performers of the US Vendors of the US Annual Newsletter

Specialty Insurance Agency • **3432 Denmark Ave #231, Eagan, MN 55123 – NEW ADDRESS!**  
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### **Greetings, Everyone!**

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

Over the past couple years, we've been amazed by our clients' fortitude and resilience. We thank each and every one of you for partnering with us during these uncertain times. We wouldn't still be here without you.

### **Big News: Steph has Retired + SIA has MOVED!**

After twenty-two awe-inspiring years, our President, Stephanie Weiss, retired on October 1, 2021! Stephanie's daughter and son-in-law, Heather and Noah Zenzen, took over the SIA reins, continuing our agency's almost-thirty-year history of being family owned and operated. Heather, a licensed insurance agent with a background in marketing, communications, and creative writing, has been working with Steph over the past years to learn the ins and outs of SIA and its clients. Noah (also a licensed agent) has been working behind the scenes since the early 2000's supporting SIA's technological needs. Steph, in between her adventures in the garden and potting shed, is still on call as a consultant during this transitional period.

This also means **the SIA office has moved** through the woods and over the river from the wilds of Wisconsin to the suburbs in Minnesota! Please take note of our new mailing address, noted above.

### **Renewing Coverage**

You are receiving this letter because your current policy will be expiring shortly, and you can now renew your coverage. Your invoice is included with this letter. Please note when renewing that this policy is non-refundable once coverage begins. You can renew your coverage by doing one of the following:

- 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.
- 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.

Please note that processing time is currently two business days or less once payment is received.

### **Premium Increase**

You may notice on your invoice that our premiums have increased (our base policy for performers, for instance, has increased by \$8). We know this seems counterintuitive with many of you still struggling with event cancellations, so we thought it might be useful to disclose the underwriters' reasoning for this year's price increase.

First, please know that we don't set the rates – that's our underwriters' 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, the amount of money in the bank to fund future claims, and other math-y things.

This year, the underwriters have told us that they're increasing costs overall on all their renewing policies. They point to social inflation and higher claim payouts, as well as an increase in defense costs on those claims for their reasoning. While we were negotiating for a lower increase on cost, the underwriters pointed out that since 2015 (when our current policies were created), they've only increased our rates by \$24 on our base performer policy – an amount that barely covers inflation costs over the past year, much less the past *seven* years. Our vendor policy has only increased by \$5 over that same time period.

Performers with our Option 2 coverage will notice a more substantial price increase. This is because there simply aren't a lot of clients choosing those higher coverage limits. A smaller group means the following insurance factors influence pricing:

- 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. We're happy that we still have the Option 2 policy available for those that need it!
- 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.

Please note that if you're a performer that had Option 2 coverage last year but would like to drop down to the Option 1 coverage limits this year, that's fine with us! Simply give us a call or check our website for the new rates.

Vendors, your liability pricing is the same as last year! However, if you also carry Inland Marine coverage, that has increased \$5-10, depending on your coverage limits.

### **Claims Storytime!**

We know a big hit in these newsletters are the stories of claims we've received. You'll be able to now find those stories on our Instagram and Facebook channels. Follow us @specialtyinsurance on Insta and @specialtyinsuranceagency on The Book of Faces for lots of fun content, including highlights of our current clientele as well as tales of claims both real and imagined!

### **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. Be safe and stay well!

Heather Weiss Zenzen, Noah Zenzen, and the Specialty Insurance Agency Team