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Celebrating 125 Years of the Big 'I'

For 125 years, the Big "I" has held one goal: to protect the interests of independent insurance agents and brokers. What started as a humble meeting of agents grew into a powerful and creative architect of the independent agency system that has ensured fairness and integrity across the insurance industry.

Through grit, ingenuity, foresight and smarts, the Big "I" has been a key proponent of the value of independent agents to the benefit of insureds from the average homeowner to the largest multinational company, as well as the insurance community as a whole.

The trials and tribulations have been many. But so have the victories, which are ultimately the moments that matter. Known to most as the Big "I"—this is the story of the Independent Insurance Agents and Brokers of America.

The Humble Beginnings

On Sept. 30, 1896, a meeting of 20 agents at the Great Northern Hotel in Chicago marked the beginning of the Big "I." After a short but impassioned speech by a Denver agent named Robert S. Brannen, agents representing local boards from Buffalo, Denver, Cincinnati, Louisville and St. Louis formed the National Association of Local Fire Insurance Agents (NALFIA) to tackle the issues of the day.

As industrial America rapidly expanded, fire insurance was one of the most pressing problems discussed during the first meeting—hence the name of the newly formed group. Also high on the agenda was agent commissions. Three years prior, commissions had been reduced from a maximum of 25% to 15% in all but a handful of cities by the 200 companies belonging to the Western Union Underwriting Association. Adding to the unfavorable conditions for agents was the fact that insurance companies were able to assume ownership of business written with them, even if it was acquired by an independent agent.

Despite initial disagreements over whether the fledgling group should adopt an aggressive reform-minded approach and risk rifts with insurance carriers or seek a more conservative approach and work hand-in-hand, one thing the

agents could agree on was the necessity to raise funds to pay expenses. As a result, annual dues were set at \$1 with an option to contribute more.

After electing a slate of executive officers, the foundation was complete with the adoption of a constitution and bylaws "to support right principles and use our influence to correct bad practices in fire underwriting."

Applied would like to congratulate the Big 'I' on its 125th anniversary. With a history rooted in being the greatest advocates for the independent agency channel, we are proud to stand alongside such a great institution with a noble mission to safeguard and protect what matters most."

—TAYLOR RHODES, CEO, Applied Systems

Taking Flight: The Defining Moment in Independent Agent History

In the years that followed, the group attracted hundreds of members and helped set up several new state associations. In 1903, it passed a resolution to set up a bulletin, which was first titled the *American Agency Bulletin* and that would later become *Independent Agent* magazine. The first edition included a declaration entitled "Principles of Agency Organization." It stated: "The agency movement is built upon common loyalty to a common cause, the union of all agents in defense of the rights of a single agent ... the power contained in this kind of cooperation has already been felt, but the time is sure to come when it will be shown to a striking degree."

In the most pivotal moment in the association's history, this strength of union was demonstrated in securing the keystone of the independent agency system by resolving a crucial question: Who owned insurance business written through an independent agency—the agent or the carrier?

The question was unequivocally answered in 1904. A year before, Albert K. Shipman of Yonkers, New York, sold his agency to Benjamin E. Sullard. When Sullard requested for his appointment with the National Fire Insurance Company of Hartford to continue, the company not only refused but requested all customer records to be surrendered to it. When Sullard refused, not only did National Fire sue Sullard but it also sought an injunction against the agent to enjoin him from approaching any of

At Central we seek meaningful relationships with those who share our values and are willing to partner and protect what is important. This has always been at the core of our relationship and support of the Big 'T' and Trusted Choice®. Since the early '80s we've invested in our shared mission of supporting and equipping the independent agency channel to compete and excel in an ever-evolving marketplace. Big 'T'—we look forward to the next 125 years!"

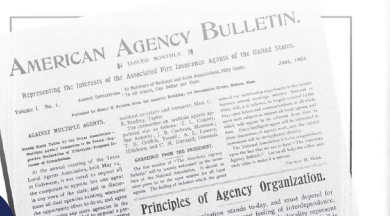
—CINDY HURLESS, COO,
Central Insurance Companies

Shipman's former clients from doing business with any company other than National Fire.

In the initial sequence of courtroom activity, the New York Supreme Court ruled in favor of the insurance company. However, the plucky group of insurance agents would not accept the result.

In its first voluntary fundraising effort, the association raised enough money to support the legal costs of an appeal, resulting in the original ruling's reversal by a New York state appellate court in *National Fire Insurance Company v. Sullard*, otherwise known as "The Yonkers Case." National Fire declined to appeal the verdict—and the agents had won. The association immediately followed up with carriers to get assurances that carriers would respect the decision so agents no longer would have to resort to litigation to protect their rights. The carriers all agreed.

"The Yonkers case established the legal precedent that insureds are the customers of agents and brokers, and agents and brokers own customer expirations, books and records," says Scott Kneeland, Big "I" general counsel. "It is the fundamental principal of the independent agency channel."



Learning to Fly: Wielding Influence in the Early Years

As the association took its formative steps in political and legislative advocacy, America was evolving, forcing the association to look beyond fire insurance. The demand for auto, workers compensation, surety and casualty insurance necessitated the association to change its name to the National Association of Insurance Agents (NAIA) in 1913. By 1916, membership had grown to more than 8,000 in 38 state associations with 98 affiliated local boards.

Despite the name change, the NAIA remained committed to fire safety, as well as agent licensing. A year later the association appointed its first full-time manager, Henry Putnam, and raised annual association dues to \$3.

By 1920, the NAIA found itself in debt with about half of agents not having paid their dues that year. As a result, a new dues structure was established that created a federation of states rather than individual memberships. On the 25th anniversary of the association, a special edition of the *Bulletin* sold advertisements for the first time and raised more than \$20,000, which lifted the NAIA out of debt.

Two years later, the association lost one of its founding fathers—Claudius Woodworth. After his death, the Executive Committee immortalized his name in the Woodworth Memorial Award, which remains the highest accolade a Big "I" member can receive.

Just as the NAIA was changing, so was the insurance landscape, with increasing focus on the nation's capital. In 1934, the association opened an office in Washington, D.C. Maurice Herndon headed the office from 1949 until he retired in 1979.

The Big "I" used its presence in the Capitol to represent agent interests on state-licensing adoption, protecting agents against cuts to workers comp commissions, and opposing an auto insurance distribution model designed by General Motors which did not pay commission.

Since the turn of the 20th century, federal encroachment on insurance was a disconcerting specter for independent agents. In the 1930s, the NAIA fought numerous New Deal policies that bypassed independent agents, such as the creation of the Home Owners Loan Corporation, which sold homeowners insurance exclusively through a single carrier, and the Community Credit Corporation (CCC), which sold crop insurance to distressed farmers.

When President Franklin D. Roosevelt signed the McCarran-Ferguson Act into law in 1945, the association recorded another of its most important victories.

"The Big 'I' was instrumental in the enactment of the McCarran-Ferguson Act in 1945," says Charles Symington, Big "I" senior vice president of external, industry and government affairs. "For over 75 years, we have continued to defend this landmark legislation that is the bedrock of the state insurance regulatory system."

In 1868, the U.S. Supreme Court ruled 5-4 in *Paul v. Virginia* that insurance was not interstate commerce and not subject to federal regulation. This decision remained in force until 1944 when the Supreme Court overturned it.

Congress preserved the 1944 ruling in the McCarran-Ferguson Act, which acknowledged that while insurance is subject to federal regulation, regulatory specifics are controlled by the states. It also recognized that companies would not be subject to the Sherman Antitrust Act for ratemaking and policy standardization, as those activities were in the public interest.

BATTLE OF THE BANKS: HOW THE BIG 'I' PRESERVED INSURANCE INTEGRITY

For decades, the NAIA fought banking industry Goliaths. While much of the fighting between agents and banks took place in the 1980s, seeds of the vendetta lie in the early 1900s when NALFIA accused mortgage lenders of requiring loanees to also purchase life insurance from their favored insurance company. In the 1920s, the banks were at it again, reported to be withholding credit by denying borrowers the option of choosing an agent.

In 1924, the association delivered the "Milwaukee Declaration," which prohibited independent agents from dealing with insurance companies that violated common standards, such as selling via banks or paying substandard commissions.

The dispute with the banking industry reignited in the 1950s when the Senate Banking Committee repealed the provisions of a 1916 act that permitted national banks in communities of less than 5,000 people to act as insurance agents. Banks wanted a larger slice of the pie, but the NAIA protested, successfully overturning the repeal in 1958.

In 1963, the war intensified when the Comptroller of the Currency declared that national banks in towns of any size could act as agents for the issuance of insurance related to banking transactions. The association spent three years and \$125,000 in court to eventually overturn that decision.

In 1969, the U.S. House of Representatives voted almost unanimously to prevent bank holding companies from entering the insurance business through the Bank Holding Act. However, the cost of taking on the forces of federal regulators and the banking industry was high,

which led to the creation of the Producers' Action Fund in 1971, now known as the Agents Advocacy Fund (AAF).

"Legal battles to ward off banking interference in insurance was a priority for the Big 'I' for decades—but it was as costly as it was important," says Bob Rusbult, Big "I" president & CEO. "The need to advocate both legally and legislatively led to the formation of InsurPac after political action committees were permitted in post-Watergate reforms. Thanks to generous donations from agents and Big 'I' staff, InsurPac plays a vital role in protecting and promoting the independent agency system in Congress."

In 1976, the association changed its name once more, becoming the Independent Insurance Agents of America (IIAA). The same year, it hosted its first Legislative Conference to educate members on the state and federal issues facing the independent agency system and to equip them to speak with clarity to their congressional representatives. Today, the conference remains the bedrock of the Big "I" approach to grassroots activism and has welcomed speakers from across the political spectrum, including three U.S. presidents.

No other moment encapsulates the IIAA's attitude to banking interference in insurance than recollections of a 1983 meeting between IIAA representatives and President Reagan's Treasury Department.

After the Treasury General Counsel cordially told the visiting delegation that there was little they could do about the administration's banking deregulation plans, IIAA president Jack Payan wasn't going to be pushed around.

The P&C industry has gone through a great deal of change over the past 125 years. But the pace of change has accelerated to a degree that the Big 'I' is even more relevant today to keep us connected, united and informed about where the industry is headed and what consumers need."

—Mark Berven, President & COO,
Nationwide Property & Casualty

Legend has it, Payan jumped to his feet and said, "We won't buy it! We will continue to oppose you!" Producing a coin from his pocket, he remarked, "We will fight you until our last dime!" The Reaganites were stunned.

Throughout the Reagan and Bush administrations, the banking juggernaut attempted to enter the insurance business via various loopholes: the 5,000-population loophole, state-bank loophole, the non-bank loophole, the South Dakota loophole, the Delaware loophole and more. Each time, the banks were met with resistance by the IIAA's lobbying might.

In testament to its work, a 1988 *New York Times* article said that when it comes to lobbyists, IIAA "belongs to a category that is feared—having a membership of 126,000."

"Elected officials in Congress and the White House know that when the Big 'I' speaks it is doing so on behalf of hundreds of thousands of agents, employees and consumers across Main Street America," says Symington.

"Being able to engage communities throughout the country is also a reminder that we have our pulse on ballot boxes and public sentiment," he adds. "That grassroots activism is worth its weight in gold and has stood the test of time."

WAR AND PEACE: SETTLING THE SCORE WITH WALL STREET

While the association's legions of members have been likened to an army, a 1991 edition of *American Banker* dubbed current Big "I" president & CEO, Bob Rusbuldt, "the banking industry's nightmare on Elm Street," paying homage to the association's legislative powers during its battle with the banks.

The Glass-Steigal Act, the Bank Holding Company Act, and the National Bank Act had each maintained a separation between banking and insurance. However, in 1993, when Barnett Bank bought a licensed Florida insurance agency and began selling insurance, it brought the question of banking involvement in insurance sharply into focus.

By 1996, the decision in favor of banks by the United States Supreme Court in *Barnett Bank of Marion County, N.A. v. Nelson* represented a significant victory for national banks in their struggle to dominate the financial services industry through the sale of insurance products.

The ruling meant that the IIAA sought a compromise and, given the feared legislative power of independent agents, the banks were willing to come to the table. After negotiations between members of Congress, the Big "I" and the head of the American Bankers Association, banks were allowed to sell insurance but agreed to important concessions, such as protections against credit tie-ins. These agent-, broker- and consumer-friendly safeguards

were signed into law in 1999 in The Gramm-Leach-Bliley Act.

"One of the association's greatest feats was making peace with the banking industry after a decades-long war," Rusbuldt explains. "But with banks free to enter the business of insurance, the Big 'I' turned around and said, 'You know what? If the banks are going to be in the insurance business, we're going to be in the banking business.' In 2001, the Big 'I' launched a de novo bank—InsurBanc—and we have a very robust profitable bank that provides all kind of financial services to Big 'I' members."

This year, InsurBanc celebrates its 20th anniversary. Since its inception, InsurBanc has loaned over \$1 billion to independent agents across the country, partnering with agents to help them optimize growth opportunities and manage their agencies.

On Sept. 11, 2001, the world changed. And the White House turned to the Big "I." Rusbuldt and a handful of CEOs from the largest insurance companies were summoned to talk with President George W. Bush about the implications of terrorist attacks on the insurance industry and the economy at large, specifically in regard to the war exclusion contained in most insurance policies, which the company representatives later pledged not to apply in the wake of the attack.

This crucial meeting led to the creation of a reinsurance backstop for terrorist events known as the Terrorism Risk Insurance Act (TRIA) program established in 2002. One of the drafters putting pen to paper on TRIA was Symington. "As a Capitol Hill staffer in 2001, I regularly consulted with the Big 'I' government affairs team on many issues and TRIA was no different," Symington recalls. "The Big 'I' played a critical role in establishing the TRIA program, which exists to this day."



Rusbuldt introduced President George W. Bush during the 2005 Big "I" Legislative Conference.

TRIA was a landmark piece of legislation, giving the economic market stability during a troublesome period. In 2020, TRIA was used as a model for the Pandemic Risk Insurance Act (PRIA), a proposed bill that would create a public-private partnership where the federal government would serve as a reinsurance backstop for future pandemic-related losses.

Throughout its history, the Big "I" has been at the forefront in creating, extending and reforming federal insurance programs that provide necessary markets for our members' clients in the limited instances of private market failure. Most notably, the National Flood Insurance Program (NFIP) and the Federal Crop Insurance Program remain high on the Big "I" agenda.

In the mid-2000s, then-New York Attorney General Eliot Spitzer uncovered a bid-rigging scheme involving Marsh Inc., AIG and other prominent industry names. Spitzer and others used the allegations to argue that agent compensation created a conflict of interest and should be banned. The Big "I" forcefully and successfully defended contingent commissions and incentive compensation in legislatures.

After the Great Recession in 2008, Congress was under pressure to make changes to the financial regulatory system. In 2009, President Barack Obama introduced the Dodd-Frank Act, a watershed bill that included sweeping changes to financial regulation in the U.S. State regulation of



President Bill Clinton addressed the Big "I" Legislative Conference in 2000.

Congratulations on celebrating 125 years of running a standout association that does an incredible job supporting independent agents and finding innovative ways to bring value to the community and industry. On behalf of all of us at CNA, a sincere thank you for all you do to support independent agents."

—John Schramm, Senior Vice President,
Head of US Field, CNA

insurance was under threat once more. While the banks bore the brunt of the overhaul, the Big “I” successfully fought for honest treatment of insurance.

Big “I” advocacy extends beyond insurance issues. While it is said that tax policy is written in pencil and not pen due to its frequent changes, the Big “I” consistently leads in advocating for changes that benefit its members. Most recently, the Big “I” lobbied aggressively for passage of the 2017 Tax Cuts and Jobs Act (TCJA), which slashed taxes for independent agencies whether organized as a C-corporation or a pass-through. The provision for pass-throughs, supported by the Big “I,” added a section to the individual tax code that created a new 20% small business deduction.

When the TCJA was signed into law it was unclear if insurance agents of all income levels would be able to take advantage of the deduction, but the Big “I” successfully advocated for independent agents as regulations were drafted to maximize the deduction’s benefit for our members.

“The Big ‘I’ was very active during both the legislative and regulatory phases of the tax debate, and as a result, we were able to deliver significant tax relief to agencies of all sizes,” Symington says. “This was a victory that many other industries did not achieve.”

Additionally, the Big “I” successfully led a campaign to repeal a provision of the Affordable Care Act (ACA) that would have imposed a 40% tax on health benefits that exceed an established annual cost.

As the Big “I” continues its legislative advocacy, its legal counsel and support remain important tools for both members and state associations. “The Office of General Counsel assists agency members and state associations on a daily basis, and it plays a vital role in advocacy at the company level to protect the interests of independent agents,” Kneeland says. It handles a broad range of issues, including addressing agency-company contracts with an emphasis on protecting agents’ ownership of expirations, and federal laws and regulations affecting the insurance industry.



Being part of a community and connecting with others who have common interests and goals is more important now than ever before. And that’s what the Big ‘I’ is all about. Whether it’s to support educational and mentorship opportunities, advance diversity and inclusion, or ensure a singular voice on important industry issues, the Big ‘I’ provides a community that furthers the positive impact of independent agents.”

—Alan D. Schnitzer, Chairman and CEO, Travelers

THE EVOLUTION OF MARKETING

Before World War II, direct writers did not pose a significant threat to independent agents. However, the growth of mass media in the 1950s gave a platform to captive and direct writers to enter the personal lines ether where large marketing spends saw them make gradual gains on the independent agent market share.

Although the threat did not initially reach the levels it did at the turn of the 21st century, the association saw a need to modernize its image. In 1956, a national contest was held to design a new logo for the association. The prize was \$1,500 for the winning entry, which was unveiled at the 1958 annual convention. It incorporated the eagle design that has defined the association for over a century and contained the slogan: “Your Independent Insurance Agent Serves You First.”

When it came to advertising, many within the association felt little need to do it at all. After all, independent agents were the dominant force in property liability. Nevertheless, the association took out its first advertisement in a March 1958 edition of *Life* magazine (pictured on page 12). In the following decades, independent agencies would contribute hundreds of thousands of dollars to fund the national ad effort, which included a 1979 consumer education television advertising campaign.

In the ’60s and ’70s, the association utilized several celebrity spokespersons. Actor William Holden, baseball star Stan Musial and others took part in promotional campaigns. However, no other celebrity spokesperson is as synonymous with the association—nor as beloved by it—as Raymond Burr (pictured right), whose commitment to the success of the national association and independent agents can only be rivaled by some of its most ardent proponents.





"Burr was a tireless promoter of

independent agents, often going far beyond contractual requirements. In over a decade of service, Burr's trips are legendary," Rusbuldt says. "He visited nearly every U.S. state and served as an adored dignitary from 1982-1990. By today's standards, acquiring a celebrity to personify and represent independent agents would be close to impossible."

Meanwhile, the association remained committed to hosting and sponsoring golf tournaments as a marketing tool. The Insurance Youth Golf Classic, later renamed the Independent Insurance Agent Junior Golf Classic, was the largest golf tournament in the world, requiring over 10,000 young golfers to qualify for the two-day tournament every August. The tournament has been held at some of the highest-caliber courses in the world and in 1990 and 1992 was won by Tiger Woods (pictured above, left).

The association's relationship with the links was not restricted to amateur scorecards. In 1987, it sponsored the first of five PGA Tour events, a marketing coup for the association. First titled the Independent Insurance Agent Open and later named the Big I Open, the independent agent message was beamed into the homes of independent agents' target demographic (Picture above, right: IIAA President Southgate Jones Jr. (far left) presented Tony Sills (second left) with the winner's check at the 1990 Independent Insurance Agent Open). But by the time the 1990s rolled around, the ever-increasing cost of marketing meant association spending on marketing slowed. Enter: the internet.

While the internet's perception as both friend and foe to independent agents can be applied to many different aspects of the channel, it invariably accelerated the effectiveness of the direct selling model. Consumers had previously associated their insurance with their agent, but advertising

spends by the likes of GEICO meant that consumers were becoming more aware of the company they were buying from.

In 2001, the Big "I" Communications Committee led by Florida member Alex Soto launched the Trusted Choice® brand. At first, agents were required to pay separate dues to belong to the consumer-facing brand, but by the end of the decade, the cost was changed to a mandatory fee, propelling the concept further.

While member buy-in to the new initiative was slow at first, the "Even a Caveman Can Do It" GEICO campaign in particular fueled member interest, many seeing the ad as a slight against their profession and depicting them as outmoded, unnecessary middlemen. However, insurance companies also got behind the Trusted Choice brand with over 70 companies contributing to and promoting the brand.

"Because the average independent agency doesn't employ a dedicated marketer, one of the best ways to describe how Trusted Choice has evolved is by characterizing it as 'a CMO in a box,'" says Kevin Brandt, Trusted Choice executive director. "From graphic design to social media posts and more, Trusted Choice produces resources to help independent agents be a better local marketing engine."

Since the turn of the century, Trusted Choice has taken the mantle from the national association to promote the brand and independent agents on a national scale. Trusted Choice ads have run on the Today Show, MSNBC, CNBC, Fox News, CNN and various other cable TV out-

lets. It has partnered with Make-a-Wish and sponsored the World Lacrosse Championship.

"Trusted Choice was a turning point because it allowed members to maintain their local brand and independence while also benefitting from national marketing campaigns," Rusbuldt says. "In addition to the marketing resources it provides, Trusted Choice created a unified, nationally recognizable mark to promote their business."

In 2011, Consumer Agent Portal LLC (CAP) was formed by the Big "I" and seed money from six insurance carriers. Two years later, CAP launched TrustedChoice.com, going by the trade name with Big "I" permission. Initially intended as a platform to connect consumers looking to buy auto insurance with independent agents, the site today connects agents with 500,000 consumers every month looking to buy nearly all types of insurance.

The site was another huge step in modernizing independent insurance agent distribution and another gift from the Big "I" to the channel that would keep Big "I" members in the 21st-century competitive picture among a much-changed technology-driven landscape.

"Among all the things we've done, Trusted Choice.com has created significant positive change for the independent agency system and catapulted us into the digital age," Rusbuldt adds. "Consumers want to shop online but they still want professional advice and counsel from an independent agent. Trusted Choice.com ensures agents are doing business the way buyers demand it."

There are few industries that can speak with one voice, and the independent agency channel can because of the strength of the Big 'I.' In Washington and the various state capitals, they've established a level of credibility and knowledge, where the first question on the minds of policymakers is going to be, 'Where is the Big 'I' on this issue?'"

—John Marchioni, President and CEO, Selective Insurance

THE BIG 'I' AT THE VANGUARD OF THE INSURTECH REVOLUTION

The Big "I" has always been at the forefront of technological innovation in the insurance industry. Well before former co-CEO Jeff Yates formed the Big "I" Agents Council for Technology (ACT) in the late 1990s to address critical technology workflow issues facing the independent agency system, the association was a lynchpin in brokering and implementing technological improvements for the betterment of agents, carriers and consumers.

In the 1950s, Gerrad TeBockhorst, who would later become association president, was concerned about the level of paperwork independent agents handled. After attending an agency management seminar in 1954, he approached IBM to inquire about what electronic data processing (EDP) services would be available to small businesses. He was laughed out of the shop but would not let the experience deter him.

In 1966, the NAIA commissioned the Stanford Research Institute to analyze the impact of EDP in the industry. In a tribute to the technological advances the U.S. was making at the time, the study proclaimed that by 1977 all major property-casualty companies would be using EDP; all major companies will have "transmission facilities;" and the individual agent will be directly connected to each of these major companies. Due to the obvious lack of technology at the time, the prophecy proved overzealous.

Intrigued by the findings of the SRI report, a group of agents from California partnered with Fireman's Fund to form a committee in 1968 to further research EDP. Frustrated by the pace of change

and difficulties in persuading a major company to part with important operational secrets, the California association turned to the national association for help. In 1970, the NAIA convinced 12 companies to form the Agency-Company Operation Research Development Committee.

The committee later changed its name to Agency Company Operations Research and Development (ACORD). However, in a departure from investigating EDP, the task at hand turned to developing standardized paper forms, a huge step toward independent agency operational efficiency and standardization. Now a separate entity, ACORD engages more than 36,000 participating organizations spanning 100 countries.

Meanwhile, the quest for an automated future continued. Despite advances made by ACORD, the automation effort stalled. TeBockhorst, in his term as president of the association, formed EPIC to implement an industry communication network.

In 1975, state national directors voted to raise \$100,000 for EPIC's crusade. In a letter to the National Board, TeBockhorst outlined his goals. "My office of the future will probably not keep file or daily reports nor expiration records. Any information ... is retained in a memory bank and can be instantly recalled at random ... completely updated," he wrote, before describing secure, third-party record keeping and seamless claims, service and selling experience, which is all conducted on a "cathode-ray tube." The impact of these innovations would increase competitiveness against direct writers by making agency operations more efficient and unlocking more selling time, he wrote.

By the late '70s, companies began placing their own specific terminals in agency offices, and agencies began installing their own devices. Even though the association considered building its own "black box," it would take nearly another decade before a single entry, multiple company interfaces (SEMCI)—a term coined by Shirley

Congratulations to the Big 'I' on its 125th anniversary! Main Street America Insurance is proud to champion the Trusted Choice® brand. We value our longstanding partnership and support what the organization does every day to help independent agents compete and win in the independent agent channel!"

*—Chris Listau, President & CEO,
Main Street America Insurance*

Lukens, a Big "I" staffer—would be seriously entertained by the industry.

In the years that followed, an industry data communications network was required to allow companies to communicate with agencies, whatever the hardware they had in their office. The industry turned to IBM to build such a network. In 1983, it established The Insurance Value Added Network System (IVANS) to market and run the network.

In the '80s, technology, automation and computers were becoming more widely used and agents were getting on board. However, agents were confused by which system to select and its capabilities. Further, not all products met agency needs.

Despite the industry's best efforts, a SEMCI was still lacking by the end of the '80s.

In the mid-90s, nearly every agency had an in-house computer and companies distributed floppy discs and CDs to communicate policy forms and rate information, which helped independent agencies that had previously been spending fortunes on carrier-specific terminals.

By the end of the decade, the internet arrived as the great liberator to market access and independent agent distribution. As the power of the internet grew more sophisticated, it gave birth to real-time quoting, faster transfer of policy information and underwriting terms, comparative rating, APIs and all the other tools agents have access to today.

After the pandemic in 2020 prompted the sudden and necessary adoption of digitalization, the industry took the opportunity to look back and take stock of how far it had come. The emerging plethora of InsurTechs had in fact met the technological needs of the independent agency channel, realizing TeBockhorst's vision several decades prior. The Big "I" and ACT continue to support efforts to create a single platform that independent agents can use to access all markets and companies.

"The Big 'I' has long been at the forefront of the use of technology in the independent agency system, paving the way for the development of electronic workflows and fast, accurate data exchange," says Madelyn Flannagan, Big "I" vice president of agent development, education and research. "The Big 'I' was also instrumental in the implementation of 'Real Time,' speeding up processing and analytics in a paperless office."

For the past 125 years, through hard times and periods of great prosperity, the Big 'I' has remained relevant by championing the independent agent community through best practices, innovation, customer support and advocacy. We look forward to the journey ahead and what another century of partnership brings."

—John Lupica, Vice Chairman, Chubb Group, and President, North America Insurance

THE BIG "I" NATIONAL HEADQUARTERS IN ALEXANDRIA, VIRGINIA.

Facing the Competition with Independent Intelligence

Independent agents have always faced competition. Whether it was banks, captive agents, direct writers, online quoting platforms or any other form of insurance distribution, independent agents are used to warnings about becoming extinct or being replaced by industry insurgents.

As methods of communication picked up pace in the '60s and technology accelerated both the marketing and distribution of insurance products, those warnings have only grown louder. However, those that know the independent agency system have heard it all before and independents remain as relevant today as they ever have across the 125-year history of the Big "I."

The longevity of the independent agency channel owes a much of its success to continual analyses and retrospection on various aspects of the channel. In the '70s, the "NAIA Report of the Committee on Competition," the "California RD&M" study and "The Florida Manifesto" examined the marketplace for new products, agency expansion, financial assistance, marketing methods and more.

In 1983, the first Agency Universe Study was released by Future One in a collaborative effort with the IIAA. The biennial report is hailed as the most comprehensive look at the independent agency system. Future One's organizational structure, the brainchild of Jeff Yates, former co-CEO of industry and state relations, consists of several task forces to study the ever-changing work of insurance and allows them to collaboratively discuss common problems and opportunities.

In the same decade, research pointed the association toward the benefits of setting up a for-profit corporation—IIA Membership Services, known today as Big I Advantage—which continues to provide Big "I" members with errors & omissions coverage, flood, personal umbrella liability, employee benefits, life insurance and more. In 2001, the Big "I" created Big "I" Markets, once more giving its members an edge in the marketplace through a member-exclusive online market access platform.

Since 1993, the Best Practices Study—a joint initiative between Reagan Consulting and the Big "I"—has helped agencies by delivering critical financial and operational industry benchmarks and strategies to member agencies every three years.

"Over the years, Big 'I' research has created a strong set of benchmarks and attributes that provide a roadmap for a successful agency operation," Flannagan says. "Our research has also helped vendor and carriers create the products and services that agencies need in order to best serve their clients and communities."

The Market Share Report is another initiative that was launched in the 1990s and is now directed by Flannagan. Released every year using property-casualty insurance premium data provided by A.M. Best Company, the report provides year-end industry market share data to assess the independent agency system's grasp on the marketplace.



RAISING THE STANDARDS OF THE INDEPENDENT AGENT CHANNEL

In a changing world, experts on the technical aspects of ratemaking, underwriting and policy wording and the macro and micro effects of implementation have been in constant demand to ensure the interests of consumers, agents and insurance companies. Fortunately, technicians who are adept at understanding how forms and procedures affect the public have never been in short supply at the Big “I.”

From the first standardized fire policy written in 1886 by New York to the creation of workers comp and the foundation of the Insurance Services Office in 1896, the industry frequently collaborated with and relied on independent agents for their input on form writing and revisions, as well as devising progressive coverages as the eras changed.

Big “I” committees on a local and national scale have helped shape the insurance policies in use today, as well as a vast amount of insurance-related legislation. As coverages evolved, the Big “I” Technical Affairs committee has worked with ISO to review policy forms and inform them why certain changes should or should not be made.

The association’s history of industry leadership is also rooted in industry designations. It was heavily involved in the creation of the Chartered Property Casualty Underwriter (CPCU) in the 1940s, as well as the Accredited Advisor of Insurance (AAI) and Accredited Customer Service Representative (ACSR) designations in the 1970s. As continuing education played a larger role in independent agency operations, the Big “I” has built various agent

development programs with education at their core.

In 1999, Bill Wilson and Chris Amrhein started the Big “I” Virtual University as an online hub to answer member questions and house resources. The program has grown from a mere six pages to over 18,000 insurance articles and webinars, offering a breadth of educational and development tools to thousands of members.

The association’s commitment to ensuring standards has not been limited to active agents. In 1969, a group of independent agents from Los Angeles installed an accredited business education course at a local high school, emphasizing employability and highlighting insurance careers. That course was Invest™. By the 1990s, more than three-quarters of Invest graduates adopted insurance as their profession. Today, the program continues to educate students on the benefits of a career in insurance.

Ushering generation after generation to join the independent agency system is a hallmark of the Big “I.” Since the 1960s, state young agent committees have provided an opportunity for young agents to network and share strategies among their peers. Upon the creation of the national Young Agents Committee in 1974, 49 states were planning to organize a young agent committee the following year.

In 2021, young agent committees continue to enjoy strong numbers and engagement, where core values include community involvement, networking and fundraising. Ultimately, young agents bind generations of the independent

The Big ‘I’ works tirelessly to support the independent agency community at both the state and national level. By providing access to products, marketing solutions, hosting networking events and more so that every independent agent can improve their business, the Big ‘I’ is a key player in the independent insurance agent distribution channel.”

—Doug Mohr, Vice President, Industry Relations & Partnerships, Vertafore

agency workforce, ensuring its continual perpetuation.

“The Big ‘I’ has long recognized the need to attract a continuous flow of new, diverse talent to ensure future success of the channel, as well as the success of the association,” Flannagan says. “The Young Agents program has been instrumental in providing the leadership and networking opportunities to several generations of agency owners who have achieved great success.”

As the face of America changes, the Big “I” Diversity Council, approaching its own 20-year anniversary, is another program helping to perpetuate the independent agency channel. In recent years, Black, Latino and Asian American agents and brokers have built the program into one of the association’s key pillars. In 2020, the Big “I” Diversity Council hosted its first conference—the Level Up Summit—and “contributes to the growth and diversification of the channel by ensuring that agency ownership, staffing, and client base continues to evolve and become more diverse and inclusive,” Flannagan adds.

THE BIG 'I' SERVES THE CONSUMER FIRST

In 2002, the association underwent its most recent name change, becoming the Independent Insurance Agents and Brokers of America to once again better reflect its membership. However, as much as the Big "I" has done for its members and carrier partners for the past 125 years, the consumer has also benefitted from its agenda to build and fortify a robust and fair industry.

In the early 1900s, the scourge of fires in U.S. cities provided the insurance industry with the impetus to establish building codes. In 1925, the NAIA launched a national fire-inspection program in combination with the U.S. Chamber of Commerce. During this period, fire losses plummeted.

From the 1930s to today, auto safety—from seatbelts to distracted driving has also been a priority.

From an industry that used quills and typewriters to agency management systems and real-time online quoting platforms, the Big "I" has been at the forefront of insurance innovation.

"From a group of 20 agents that sought standardized underwriting and fair commissions to an army of nearly 250,000 Big 'I' members that took on the might of Wall Street and secured the stability of the economy in the wake of 9/11, the Big 'I' has led the way," Rusbuldt says. "From an industry that focused simply on property insurance to an industry that insures the modern property-casualty market, the Big 'I' has been securing the fairness and

integrity of the delivery of insurance since its inception."

As the insurance world has changed, the Big "I" has been a constant—advocating for its members, consumers and the insurance community on every level. And as the industry looks ahead to new challenges, such as cybercrime, extreme weather and economic instability, the Big "I" will be doing the same, striving to uphold its long-held values of fairness, choice and trust.

Partnerships matter, and there's no other group providing tools, support and advocacy to independent agents like the Big 'I.' From exclusive programs to market access, best practices, education and training through the Trusted Choice® platform, the Big 'I' empowers independent agents to embark on their future with confidence—and success."

—David E. Boedker, President & CEO, Keystone

There's no other organization that lifts up the entire independent agency system like the Big 'I' does. It's only through the connections, resources and advocacy provided by the Big 'I' that we can continue thriving, together."

—Tyler Asher, President of Independent Agent Distribution, Liberty Mutual and Safeco



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