

Telcom Insurance Group  
2014 NTCA Regionals

**Topic:** Telcom Insurance Group 2.0

**Intro:** Telcom Insurance Group has long been a member-benefit of the NTCA. The organization, which is endorsed by NTCA and owned by the association and 39 member companies, has always been the market leader in providing nationwide commercial property and casualty insurance and risk management solutions. Come learn about what's new the TIG, including the purchase, with 40 members and the Association, of Rural Trust Insurance Company, which will expand the powerful solutions that TIG already provides for the business insurance and risk management needs of the members

**TIG 2.0:**

Telcom Insurance Group, TIG, is made up of two companies: National Telcom Corp and Telcom Insurance Services Corp. You're probably used to seeing us in the NTCA materials as TIG. We are a member-benefit. We are the Chief Worry Officer for every member of NTCA. We worry about insurance and risk management solutions....so you don't have to worry about: sending your employees home safely to their families every day, finding the right coverages for your evolving liabilities (so, you aren't left unprotected), getting the best coverage at the most affordable price, and having peace-of-mind at the time of a claim to know you are protected. All the while, treating you like you are a part of our family. To understand how we do this, you need to understand our history.

National Telcom Corporation (NTC) was formed in 1982 from a member search committee to help members who either had trouble finding the proper coverage or had huge swings in their rates from year-to-year. We are now the third (3<sup>rd</sup>) oldest captive and the first (1<sup>st</sup>) association captive licensed in Vermont, which now has 1000 licensed captives. We welcome **all** members of the unified National Telecommunications Cooperative Association including traditional rural telecommunications companies, Statewide Associations, Associate members, and Subsidiary members to join our program. NTC acts as a reinsurance company that shares a portion of the risk assumed from the primary underwriting company, which is also known as a "front". Great American Insurance Company acts

as Telcom's captive partner and assists in providing exceptional underwriting, reinsurance, loss prevention, and claims services.

In 1989, the National Telcom Corporation program was expanded to include its own full-service brokerage facility known as the Telcom Insurance Services Corporation (TISC). Many of you know, TISC is the Associations only endorsed program for Executive Liability, aka- Directors and Officers/Employment Practices Liability/Fiduciary coverages program.

Telcom Insurance Group is the only nationwide program that specializes in property-casualty insurance for rural telecommunications companies that is fully licensed and owned and directed for the purpose of doing business in every line and in every state where NTCA members do business. The overall benefits are undeniable; there is absolutely no reason to go elsewhere for this coverage, as the rate and forms are superior to any other products on the market.

As your businesses have evolved over the years, so has the Telcom program. As it stands today, Telcom is an industry leader who offers several exclusive products in providing the coverages for all of the exposures of a modern telecommunications company—even as your endeavors continue to grow and develop far away from Plain-Old-Telephone (POTS) companies into telecommunications and data companies. Over the past several years, we have experienced exceptional organic growth within the Membership. Meaning, while other carriers are non-renewing members, we can say that in our history, we have NEVER non-renewed a member's coverage. While other carriers are presenting members with large rate increases, our results are allowing for minimal rate increases, if any. So, the reasons for the creation of the Company in 1982 are still valid, as a matter-of-fact, a 2.0 version of TIG today solidifies the continued need for the membership to own its own insurance company.

Furthermore, Telcom utilizes specialty line brokers, as well as, other carriers, such as: The Hartford, Samsung, Travelers, Philadelphia Insurance Companies, One Beacon, CNA, Texas Mutual, and also several bond markets to provide additional coverages and services to meet your needs. So, if you want to “shop” your insurance, we can do that for you with access to all of these markets to provide the best solution for your specific needs.

For Telcom, the focus has always been on education because we believe that the Safety is the least expensive insurance policy. Through the use of insurance and risk management education, training,

and various other loss prevention services, Telcom continues practical hands-on training, like OSHA 10-Hour Certification classes, Lightning Assessments, Defensive Driving, etc., for the members of NTCA to help mitigate your losses.

While the membership's property and casualty, specialty lines, and risk management needs evolve, so do the programs and coverages provided by Telcom. Coverage such as Theft-of-Services, Trade Credit Risk, and Reputational Injury are examples. As such, the traditions and foundation of our history provide a benchmark for planning and implementation of these future goals.

In October 2013, National Telcom Corporation, NTCA, and forty Member systems purchased a TX based insurance company. The name has now been changed to Rural Trust Insurance Company. It will afford yet another option/complement to the current program with the other carriers that we represent. It is currently licensed in TX, OK, NM, AZ, LA, MS, AL, FL, GA, and SC with expansion on-going in eleven other states.

Highlights of the Operating Results of the Company in 2013 show historically high results:

- Insureds in 41 states
- \$1.5m increase in Written Premium from new business in 2013; revenue was up 11.2%
- 4% decrease in Operating Expenses
- Total Assets \$23m
- 99.4% retention rate; still write 7 of the original 8 policyholders
- loss reserves down \$310k; fewer number of and less severity of claims
- Stock value, purchased for either \$2k or \$3k now has a value of \$5648/share
- So far in 2014, we have written \$951,669 of new business premium in NTC and RTIC has written \$1.8m of new business and have not lost any existing policyholders.

It's an exciting time for the Company as the organization continues to solidify the reason for its existence in the past, in the present, and as you move into future telecom/data companies, we'll be Telcom 2.0+ with you.

IF YOU NEED MORE: mention this affiliate program

Affiliate Programs:

**MetLife:**

Telcom Insurance Group has partnered with Metlife and developed a program for NTCA members' employees to save money on their personal home, auto, and recreational vehicles.

It offers a 30% rate reduction off the Metlife retail rates. They need to give the code: BVA to get the NTCA rate.

It's as simple as one of two options:

Option 1: We'd like to help you promote this to your employees. If you're interested in our assistance, please send Marilyn Blake at MAB@TelcomInsGrp.com an excel file with your employee's mailing information. MetLife will send them information on the savings that are available to them.

OR

Option 2: Have your employees call MetLife (877-491-5089) and get a savings on their personal home, auto, and recreational vehicle insurance.

Either way, you've provided a benefit to them that costs you nothing!

**Stay Connected:**

Our Cellphone replacement insurance products is offered at the Point-of-Sale by the cellular phone company or by a retail store, typically in conjunction with a phone purchase. Our program covers everything from Accidental Damage /Breakdown to Theft to Loss and covers Iphones.

These plans are popular with consumers (25-30% penetration rate or more) and are also popular with cellphone companies as they allow additional fee income opportunities for the telco and have also been shown to increase customer retention. The coverage is provided on a Master Policy basis with Certificates of Insurance issued at the Point-of-Sale. The premium charged will vary depending on the coverage selected and the type of phone, but ranges from \$2.99 to \$13.97 per month depending on what kind of phone they have and what plan they chose which can be added to the customer's monthly phone bill.

We have created a program that is truly the best-in-class specifically for the member systems of NTCA. An overview of the details of the program we have created for you are as follows:

- We do **not** require any minimum amount of volume from your telco partners. Furthermore, we do not require that we be your exclusive cellular replacement partner.
- We will pay you a fee per insured customer for assisting in the marketing of the program.
- We use an NTCA member to do the repair or to replace the phones with refurbished phones within a two week period, of having the parts.
- Claims settlement is intended to be quick and painless....we want to help you get your customers back online quickly.

### **Independent Contractors:**

#### **The Program**

It is very common for telecommunications companies to hire independent contractors to help complete projects. Making sure that these contractors have insurance and that you have proof of their insurance is critical to making sure that your insurance doesn't have to pay for their mistakes.

Part one of a two part program-Telcom has developed a quick and easy solution, we will, with your permission, manage the independent contractor exposure of your company. This will entail multiple tasks, but the two major ones will be contractual review and certificate management. We will review all contracts that you have prepared or received to ensure that the insurance requirements language is adequate and favorable to you. We will, also, make sure upon execution of the contract, that these companies are adequately insured and that we have collected and stored in a safe place, the Certificates of Insurance (proof that they have insurance). We will spot check the certificates periodically to make sure coverage remains in force continuously.

Part two-We do not charge a fee for this service because we anticipate the opportunity will present itself where we will place insurance for the Independent Contractors: With regard to independent contractors you may hire for parts or the entire project, we have partnered with a respected and well recognized national insurance company to develop a proprietary program that will make the process easy for you. By having your independent contractors contact us, we can take the "guess work" out of wondering if the contractor has adequate insurance. The contractor can receive a competitive bid from us that will meet the required coverage terms

You get: Peace of mind and no insurance claims or audit headaches would be one by-product of our effort. The other benefit to you if properly handled is that this approach will also reduce your staff work load.