

Leadership & Managerial Excellence Interest Group

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Chair's Corner

by Kimberly Sterling, CPCU, AIS, AIM, CLU, ChFC



Kimberly Sterling, CPCU, CLU, ChFC, AIS, AIM is a Director of Property & Casualty Underwriting for State Farm Mutual Insurance company. Over the past 19 years, Kimberly has acquired a deep knowledge of Personal and Commercial Lines insurance. In addition, she has experience working in very diverse markets across the country, particularly in Northeast, Southeast, California and Midwest geographies. Kimberly has a Bachelors of Arts Degree in French from Illinois Wesleyan University and an Executive MBA from Pepperdine University. She stays actively engaged in community service, serving on multiple Boards for non-profit organizations. Kimberly is always looking for opportunities to champion Insurance and Financial Services careers and enjoys mentoring future leaders within these industries.

Before the 2011 Annual Meeting and Seminars in Las Vegas, I received a call asking whether I would be willing to chair the Leadership & Managerial Excellence (LME) Interest Group. My first thought was, "WOW! How cool would that be?!" It was quickly followed by my second thought of, "Oh, my gosh! Everything is changing! Am I ready for this?"

The LME group has experienced a lot of changes in recent years. All have been helpful in positioning us for success:

- We have changed our name to better reflect the focus we have, not only on quality principles but also on leadership and management development as it relates to all areas of our industry.
- Continuous refinement of our mission helps us meet the changing needs of our members.
- Partnerships with other interest groups enable us to leverage multigenerational knowledge and help us keep a pulse on new members to the CPCU Society.
- Seminars and webinars help us distribute leadership and quality principles to those who want them.

- Mentoring relationships and programs promote development and support in the workplace.
- Embracing new technologies and social media allows us to connect in ways we never used before. (We have found you can teach a CPCU new tricks!)
- Succession planning helps to ensure we introduce innovative, high-quality leaders into our group so we can continue to advance our mission.

While I am excited to take on my new role, I am saddened to say goodbye to the previous chair, Laura M. Kelly, CPCU, AIC, AIS, ASQ, CQIA. She is a fabulous leader and contributor to both our group and the CPCU Society. Her energy and passion for the CPCU designation and our industry as a whole are refreshing and contagious. Luckily, Laura is not going far. She has been asked to lead the 2012 Annual Meeting Task Force. I have no doubt she will do an amazing job! We will also keep her close to the LME committee so we can continue to learn from her strong leadership.

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Chair's Corner

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So, back to my first thought of “Wow!” It is very cool to be part of this team and the work we are doing for CPCU Society members. Similar to the marketplace, our members’ needs are constantly changing. What a great opportunity for the Leadership & Managerial Excellence Interest Group to make a positive difference for insurance professionals and help them lead successfully in these times of tremendous change! I am looking forward to continued success in 2012 and hope you will join us in our mission. Don’t hesitate to contact a member of the committee to see how you can get involved. ■

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<http://leadershipmanagerialexcellence.cpcusociety.org>

Chair
Kimberly A. Sterling, CPCU, CLU, ChFC, AIM
State Farm
Email: kimberly.sterling.gdpd@statefarm.com

Editor
Janice Hendricks, CPCU
State Farm
Email: janice.hendricks.gsfn@statefarm.com

CPCU Society
720 Providence Road
Malvern, PA 19355
(800) 932-CPCU (2728)
www.cpcusociety.org

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Don't Let Your Vision Get Hijacked

by Brad Kolar

Brad Kolar is an executive consultant, speaker, and author. He can be reached at brad.kolar@kolarassociates.com.

Here's a challenge: You have to get your organization to work in new ways but your workforce is well versed in and even committed to the old ways. Sound familiar? Many leaders are finding themselves in this position. They have a vision but can't seem to get it executed.

Certainly, sometimes the issue is the leader. There is no shortage of people who are put into leadership positions without regard to whether they can actually lead others. But, there is another major problem—leaders who get their vision hijacked. A leader often exacerbates the problem. He or she tries to give the hijackers a break or a chance to turn things around. The problem is that they seldom do.

There are two kinds of people who hijack a vision: those who can't do it and those who won't do it. The first group

is a reality of the business environment. Things change. New ways of doing business, new assumptions, and new technologies all make it harder for the workforce as a whole to stay relevant. While not ideal, this first group can be turned around. The second group is more problematic. This isn't about simple motivation (for example, reward strategies and recognition). This group doesn't buy into the vision and actively tries to subvert it.

If you are serious about changing culture or implementing a vision, you need to figure out where your people fall. Taking the two questions, “Can they deliver?” and “Are they bought in?” yields four possible scenarios (see graphic). Once you know where your people fit, you need to take action.

Drivers

Drivers are the people who can and want to implement your vision. They should be running your most critical initiatives. Give them the resources, latitude, and support to deliver.

Detractors

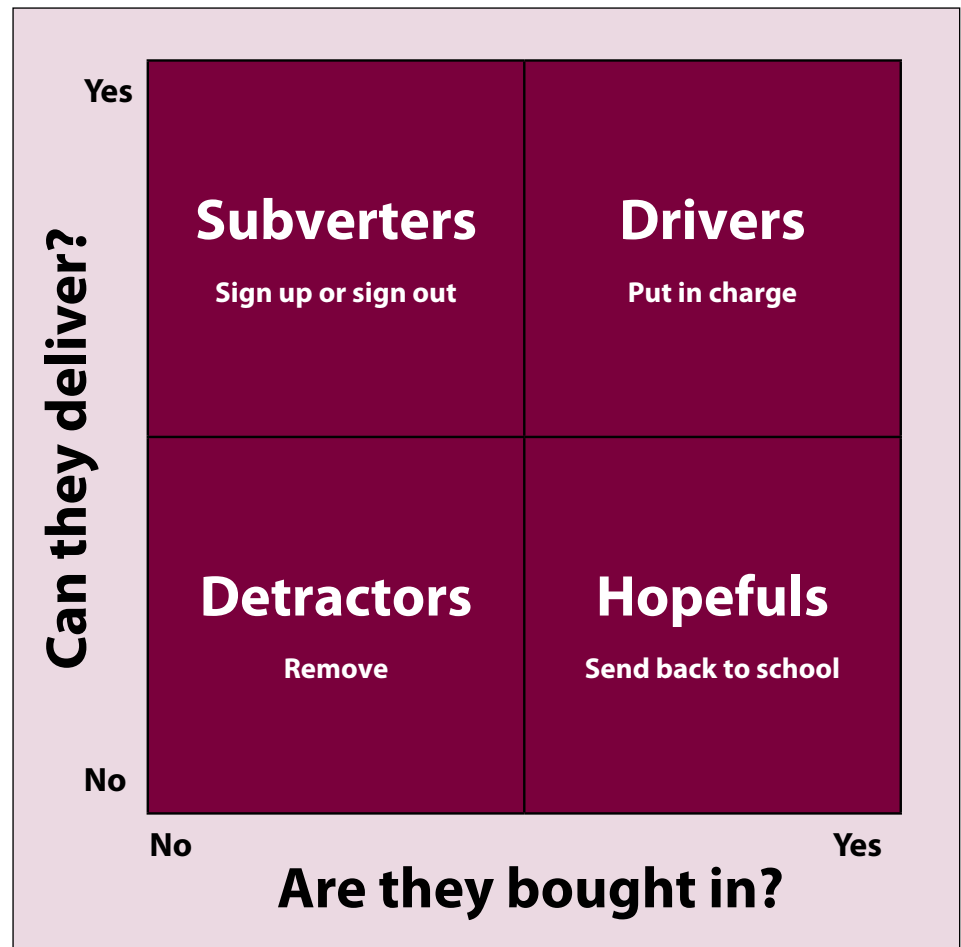
Detractors can't deliver the vision and don't care to anyway. You need to move them out of your organization as quickly as possible. Often, leaders make the mistake of letting these people linger. They assume that while they aren't driving the vision, they might be helpful for lower level work. That's not the case. This group winds up draining your resources and energy. Having no one in their place is better than keeping them around.

Subverters

Subverters are the most dangerous group. They are skilled and can get things done. They probably have a lot of influence. The problem is that they are using that against you. Subverters can add value if they come around. So, that's your action. You need to sign them up or sign them out and you need to do it quickly. While they are deciding which option they want, they shouldn't be put on critical tasks. This might sound counterintuitive. The reality is that an average performer who is bought in will often out perform a superstar who is not. Don't reward these people by letting them stay in the spotlight. Until they decide whether they want to be in, assign them to operational or maintenance tasks.

Hopefuls

Hopefuls want to deliver your vision but don't have the skills to do so. Like the subverters, these people should be given a chance. However, you don't have to be as aggressive. Give them a chance to retool. Support them. Put them in supporting roles learning from the drivers. These people are the core of your future



workforce. Help them out but be realistic as well. If after reasonable effort they still can't deliver, they might be a mismatch for your organization.

It's both natural and admirable to want to give people the benefit of the doubt. And you should. But you need to do so in a measured, purposeful way. Too many leaders watch their visions stagnate while waiting for people to turn around. ■

Choosing Your Sword

by Jonathan Schick



Jonathan Schick is president of GOAL Consulting, and his clients include the American Red Cross, United Way, Girls Incorporated, Gilda's Club Worldwide, and many associations and government councils. Schick is a dynamic speaker who is frequently in demand as a featured presenter at major conferences throughout the United States and Canada. In his book *The Nonprofit Secret*, Schick shares the secrets that can unlock an organization's potential. His track record of successfully guiding organizational growth and change is built on his experience as the founder of two nonprofits and as a consultant for hundreds of other nonprofits.

Schick holds a master's degree in educational administration from Boston College and a bachelor's degree in human resources management. Schick is an adjunct professor at the University of North Texas.

"If I speak, I am condemned...If I stay silent, I am damned!"

- Jean Valjean

In this famous scene from *Les Misérables*, Jean Valjean is faced with the ultimate dilemma: If he reveals his true identity, he will likely be imprisoned, leaving hundreds of citizens in his care without a leader. If he remains silent, he will, albeit indirectly, cause an innocent man to be incarcerated for life.

It may sound overly dramatic, but we, as leaders, face similar situations—not on a daily basis; perhaps only once a year—in which we must choose “which sword to die on.” These are the times when either option before us appears dark, or situations in which we are asked to veer from our set of values for the sake of the greater good.

More than a decade ago, the head of a nonprofit boarding school, “Anne,” was faced with a similar dilemma: She was approached by an influential member of her community, who claimed that a certain student was involved in gravely negative activities and should be expelled. This student, who came from a dysfunctional family, was by no means an angel, but Anne knew that the student was a follower and posed no threat to her peers. Anne's value system told her that she could work with the troubled girl without jeopardizing the school culture.

Yet Anne also knew the repercussions of her decision: She would face the anger of this prominent stakeholder, and it could potentially even cost her her job. The school would then lose her leadership, upsetting the years of growth the school had experienced under her watch. But how, she thought, could she let this student unjustly be a scapegoat?

This was Anne's “sword to die on.” She would be “pierced” one way or the other, but one option was ultimately the ethical one. And, as Valjean chose the ethical way, so did Anne.

Did she lose her job? That I won't reveal, because it is irrelevant. What's important is that she made the ethical choice that was true to herself and her values. And that is the essence of ethical leadership. ■

Reference

www.BusinessGenome.com

Mentors—Essential Guides to Crafting and Following a Career Path

by James L Britt, CPCU



James L. Britt is the lead consultant of Britt Leadership Partners, LLC, and a principal in the advisory firm Scarborough & Britt, LLC. He focuses on working with clients that are stakeholders in the development, distribution, and application of benefits, insurance, and risk management services. Previously, Britt was a managing director with Marsh. . He has helped develop multigenerational and multilevel talent and programs in the agent and broker, underwriting, administrator, and risk management communities.

Known for his effective teamwork as well as individual mentoring and coaching, Britt has an engaging, inclusive style. He is the author of *Building Leaders One on One* and served from 2007-08 as CPCU Society president and chair. Britt completed graduate studies with the American Institute for Chartered Property and Casualty Underwriters, which awarded him the CPCU designation, and earned a bachelor's degree in history from the University of North Carolina.

In my typical consulting week of face-to-face dialogue, telephone contacts, and industry periodicals reading, my ears and eyes are often drawn to others' diction. What I hear and read suggests that many in our professional ranks embrace the terms "mentor" and "coach" as synonymous. I must confess that this disrupts my sense of order.

One might say, "Jim, you're being picky!" However, taking this position misses important nuances that contrast the roles. Although both roles are critical to professional development, they are not the same. From time to time they may be delivered by the same person, but the deliverables are distinctly different.

In my book *Building Leaders One on One—The Heritage and Horizons of Teachers, Coaches, Mentors and Role Models*, I devote a section each to the importance of coaching and mentoring in nurturing of emerging talent. I start both sections with Webster's definitions:

COACH: An instructor or trainer

MENTOR: A wise, loyal adviser

Allow me to offer supplements to these definitions. A coach is essential to bringing *content* for a position into *application* modes. For example, a teacher's session on multinational property placements is put into a real-life scenario when a coach trains a newcomer in the "whats" and "whys" of using established protocols for a transaction. Taking this a step further, a mentor for the same newcomer might have a private pre- or post-activity backgrounder with the learner to share a perspective on the engagement style of the coach. The objective might be to help defuse or repair, respectively, issues relating to different generational or personality communication styles.

Mentoring Profile

Throughout my own career, I have been blessed with caring, giving mentors. In fact, Tom Carpenter, CPCU, who invited me into both my first job and the "CPCU Experience," continues to offer great advice as he enters his ninth decade of life. Tom's approach, and the trademark of all my mentors, has been to harness the following traits:

- Availability
- Confidentiality
- Servant heart
- Ability to present scenario-learning moments
- Appreciation for long-term application outlooks

With these mentor traits in play, great mutual trust is built when a protégé responds with positive reciprocal emotions. A gift is enjoyed best when the joyful giver senses the genuine joy of the receiver. Although it is often said that it is better to give than to receive, inexperience must want, and needs, to receive from experience for the mentoring process to be fruitful. This also creates a culture of perpetuation from generation to generation.

A mentor should have a wide organizational line of sight. One of my axioms is that a mentor should be politically aware but not political. More than one of my mentors has given me just-in-time advice to save me from potential political quicksand! Some other distinctions of the mentor-protégé relationship may be obvious but deserve comment:

- Is outside the supervisor-subordinate sphere
- Recognizes the risk of peer-to-peer situations

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- Considers the implications of gender
- Distinguishes between professional and life needs

Positioning for Personal Growth

Much of the mentoring I have experienced and rendered involved positioning. We all have a personal list of steps we want to take during our career to leverage our talents and contributions to the fullest, with appropriate rewards. For the mentor to be most effective, advice must flow to the protégé at the right time and to the appropriate degree. Interaction surrounding and intersecting the actual advisory nuggets helps build an environment of interchange that fuels a protégé-mentor relationship. Such interaction might include meals and entertainment events outside the flow of professional obligations.

With a broader interaction platform, the mentor is better prepared to recognize the need for advice delivery without an inquiry from the protégé. A scenario list might include:

Protégé Disposition	Mentor Advice
Early, enormous success	Promotional patience
Command and control style	Consensus building
Bigger technical content quiver	Matrix team utilization
Association leadership goal	Podium presence opportunities
Quantum leap assignment	Personal, professional stretch

To have the capacity to deliver appropriate advice in these situations and a myriad of others, mentors must be able to match their relative experience and wisdom with the relative inexperience and desire of their protégés. It is unlikely that a single mentor, during one season of a protégé's career, will be able to deliver advice for all matters. We all need to be aware of the reality that we may need several mentors to obtain the "package"

of advice we need. The further reality is that the cadre of mentors will also evolve as we progress along our career path. As I noted earlier, I have been fortunate to have one constant adviser throughout my journey. However, I continue to rely on the earlier advice of many who are no longer active, new-idea contributors on my "team." Also, I have added new mentors as my season in consulting followed a satisfying experience in the broking sector.

As we are given advice to position our next career venture, we must be mindful that the need for new teachers and coaches will also likely appear. As CPCUs, we are committed to lifelong learning; this commitment applies to the marketplace evolution of our foundational insurance and risk management technical skills. However, we must also endeavor to study and embrace, as appropriate, leading-edge developments in communication, management, and leadership. At various points in our career, that may mean seeking and finding learning and training resource professionals who are not in our regular sphere of business activities. To the extent that this requires special time or expense considerations, you should be sure to have your partners, superiors, or whoever else in step with your plan before you start. Remember, at this juncture, you will have mentors to engage for advice on how to approach those who need to support your plan.

I hope you have enjoyed this short, focused journey through my mentor perspectives. I assure you that this is a living process for me, hopefully with bountiful years of growth ahead. May mentoring, either as receiver and giver or both, be a core part of your leadership growth activities.

Many of you are just starting your career and have large appetites for seasoned professionals who may ably guide you through the early phase of your career. Choose well, and some of these folks may

still be at your side a long way down the path. Others are experienced mentors looking for more aspiring folks to benefit from their advice.

There is strength in teamwork. When we work together to ensure the best pairings, we set the stage for successful mentoring. When this happens, we have more confidence that our industry is the place where the matriculation and development of the professional all-stars of today and tomorrow will be.

What are your next steps?

Let me suggest a few options:

- If you have experience, capacity, and context, seek a new protégé.
- If you have authority or influence, establish a mentoring program.
- If you are at the path's beginning, be alert to mentor candidates.
- NETWORK, NETWORK, NETWORK.
- Consider the copious resources of the CPCU Society for all the above!

Thanks for taking this brief walk with me today. ■

Don't Roll the Dice in Managing Agent and Broker E&O Exposures and Claims—Lessons You Didn't Learn in E&O Class

by Lisa Bage

Lisa Bage, CPCU, is a current member of the Leadership and Managerial Excellence Interest Group.

An errors and omissions (E&O) seminar might not be everyone's first choice of activity on an early Sunday morning in Las Vegas, but Bill Wilson and Rick Cohen delivered on their promise of practical tips and no boring statistics. They each had plenty of stories to tell and kept the conversation active and relevant.

Bill started us off with a few key statistics to frame the topic:

- Five percent of all E&O claims are from flood claims.
- Fifteen percent of all commercial line E&O claims involve certificate of insurance or additional insured issues.
- Personal Auto Policy E&O claims tend to be driven by inadequate limits.
- Commercial general liability E&O claims tend to come from inadequate coverages.

With the numbers out of the way, Bill and Rick alternated presenting a series of ten different topics. I took away four key things from the two hours:

- Know what you are selling
- Do what you know
- Be honest
- Ask for advice when you need it

Know What You Are Selling

When you go to a computer store, the salesmen are intimately familiar with the products. When someone comes to you for insurance, are you and each of your employees that familiar with the policy you are selling? Bill's advice was simple: Don't rely on others to tell you what you are selling. Read the policy!

Do What You Know

In general, most states only require an agent to provide "reasonable care, skill, and diligence in procuring insurance." If you take on the role of consultant or risk manager, bid on complex businesses you don't thoroughly understand, or give legal or otherwise improper advice, you could unnecessarily expose yourself.

A relationship with an insured that involves complex insurance, a long-term relationship, frequent communication, and the insured relying on you for advice may be considered a "special relationship," which can create a higher legal standard of care and increase your E&O exposure. About twenty states have a special relationship concept. Rick encouraged everyone to understand your own state's position.

Be Honest

Always tell the company you place business with everything that you know about a risk and don't take shortcuts with coverage for premium savings. Because you are a representative of the company, the courts will assume that any information you have is information the company has. For example, if you don't disclose that an insured has an illness that makes him uninsurable and the company writes the insured's policy, you've exposed yourself.

The room had a lot of discussion around whether a teenaged driver could be placed on his or her own policy, whether personal autos should be allowed on business auto policies, and whether business autos should be placed on personal auto policies. While the questions were quite varied, the advice was simple. Put the exposure

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with the contract that is built to cover it specifically. If it's really a business auto, it needs business auto coverage. If it's a personal vehicle, it needs a personal policy. Giving the teenager his own policy simply to lower price could mean increased risk for the parents.

Ask for Advice

When you have a toothache, you don't reach for a wrench to fix it yourself (I hope!); you go to a professional. As soon as you receive a subpoena, notify your E&O insurer and consult with counsel. The way you handle discovery can be critical, even if you are sure you did nothing wrong. Some E&O policies may include subpoena coverage to help defray these costs. Even if yours doesn't, the money is well spent. Making a mistake early in a case will be much more costly in the long run. Begin keeping records in a separate file in anticipation of litigation.

Records kept correctly will be subject to attorney-client privilege, preventing them from being used inappropriately by opposing counsel.

If you must give a deposition or testimony, take the time to prepare yourself and thoroughly understand your own files. Testify honestly and with confidence. Remember that the other lawyer's job is to elicit testimony that adversely impacts you. No matter how friendly the lawyer appears, answer only the question you are asked. Rick did a great job of making this point with the simple question, "Does anyone have the time?" We all failed by actually telling him what the time was, rather than giving the correct answers of "Yes" or "Time for what?" If you don't understand the question, ask for it to be repeated. If you don't know the answer, then "I don't know" is a perfectly acceptable response. Your lawyer is there

to help you but it's up to you to listen well and respond effectively.

I'd like to thank the presenters of the seminar: Richard Cohen, JD, of Goldberg Segalla LLP, and William Wilson, CPCU, ARM, AIM, of Independent Insurance Agents & Brokers of America's Virtual University (www.iiaba.net/vu). ■