

Accusations Fly As Relationship Ends

By John Gregory

The dissolution of a 22-year association threatens to boil into a legal fight as the Professional Insurance Agents of California & Nevada (PIA) and The National Alliance for Insurance Education & Research announced an end to their relationship.

The two were long term partners offering industry professionals a number of instructional courses.

The Alliance struck first as they announced the end of their association with PIA. Their statement said the separation, in negotiation for several months, is a result of "disagreements between the two organizations on quality, administration, educational goals and related costs."

It further stated that PIA was having problems with falling revenues due to

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declining membership base and wanted to negotiate changes in the Alliance course structure in hopes of increasing income generated from Alliance programs. The Alliance said they refused, adding, they would not alter their programs because they wished to maintain their tradition of "consistency and high standards."

The release quotes Dr. William Hold, president of both the Alliance and Society of CIC: "We do not think offering scaled-down courses, as a means of increasing association income as the PIA requested, can be justified under any circumstances.

"Cut-rate, fire sale education has no place in an industry where trust and professional competency is an absolute must."

The PIA said the termination of the relationship was not due to revenue losses or decline in membership, but was in preparation of their association's new educational program which will bring them in line "with the requirements for practicing our profession in the next millenium."

They also accused the Alliance of trying to undermine any competition in education and had "set upon a course of conduct to stop PIA from obtaining quality instruction

for its new educational program."

As a result, PIA said they filed a lawsuit against the Society of Certified Insurance Counselors and the Society of Certified Insurance Service Representatives, both components of the Alliance. The suit, case no. 98ASO4346, which PIA said was filed in Sacramento, alleges restraint of trade and asks for damages as well as an injunction "as a result of their improper activity."

Dr. Hold said he had no knowledge of a lawsuit, and had not received notice as of deadline and, therefor, would not comment.

Richard Beedle, PIA president, refused to go on record concerning more specifics of the lawsuit. "It is an unfortunate byproduct of an inability to compromise during contract negotiations that this other matter has even occurred," he explained.

The dissolution has been discussed for about a year, according to Beedle. "We're saddened to end a 20-year relationship with the Alliance," he said. "It's like a divorce."

The Alliance is too rigid, dictating the ways the program is run, Beedle said. "We are bound contractually. If only one person shows up, we can't cancel the session."

Beedle said the PIA was restricted in their choice of venue and that they still had to hold a class even if "only two people showed up." Beedle charged that PIA got

stuck paying for items such as hotel guarantees, including the cost of a conference rooms and snacks.

PIA had to pay for the expenses of continuing the classes even though the session may not have had an adequate number of students participating, Beedle added. The PIA ends up subsidizing the sessions through members' dues, he said.

"We believe that once we schedule a program, we are obligated to hold that program," Dr. Hold replied.

Meanwhile, Insurance Brokers & Agents of the West (IBA) announced their intentions to form a partnership with The National Alliance. This will allow IBA West Professional Education to expand its capabilities, and IBA West to become the official representative of CIC and CISR. While a contract has not been signed, both parties say negotiations are underway. ■