



Chair's Comments

CONNECTING WITH LOCAL CONSULTANTS NETWORKS

BY CHRISTOPHER WILSON



In the past two years, the AICNCC has made concerted efforts to connect with local consultants networks. We seek to understand issues local networks are facing, to see if we can assist in anyway. In our exploration, we have learned many local chairs are having issues with getting their networks to meet, and creating interesting meeting topics. In addition, some local chairs don't understand the AICNCC's role.

The AICNCC would like to assist with these matters, by holding a virtual meeting with all the local consultants network chairs. The first part of the meeting will be a brief presentation on how to run a successful local consultants network. The second part will be a question-and-answer session — where local network chairs can ask the AICNCC members' questions.

As we pull together all the details (date and time), we'll send out invitations to all the local network chairs. We want to make you aware that we're planning this meeting; and we hope many local chairs will be able to join us. ■

POTENTIAL NEW RULES FROM THE DEPARTMENT OF LABOR (DOL) MAY ADDRESS INDEPENDENT CONTRACTOR STATUS

The Department of Labor (DOL) is reexamining the misclassification of employees as independent contractors. The Department published a rule on this issue, *Independent Contractor Status Under the Fair Labor Standards Act*, on 7 January 2021, during the Trump administration. It delayed the rule on 4 March 2021; and then, withdrew it on 6 May 2021 — believing that it was inconsistent with the *Fair*

Continued on page 6 ►



PROFESSIONAL LIABILITY INSURANCE



CONSULTANTS INSURANCE SCORES HIGH MARKS

What is the IEEE Professional Liability Program; and how well does it serve consultants? The answers are forthcoming — but first, a bit of history.

In April 1995, the IEEE Member Group Insurance Program administrator mailed a survey to IEEE Consulting engineers regarding the overall benefits of membership. Of those who responded to the survey, the majority ranked professional liability insurance second only to major medical insurance as their top insurance priority. As a result of the insights gleaned from the survey, as well as other considerations, IEEE established its Group Professional Liability Insurance for Engineers in October 1996. Since then, member surveys have played a role in helping the professional staff and volunteers assess how members utilize insurance benefits and how they perceive the value and quality of what IEEE has to offer.

When the IEEE Professional Liability (PL) Policy, through certain underwriters at Lloyds of London, became available to members — it offered two categories of coverage: the ‘Self-Employed/Small Firm’ category for applicants who were self-employed, with annual billings up to \$2,000,000; and the ‘Moonlighting’ category — for members who were employed, but needed coverage for their self-employed practice with billings up to \$100,000. As the IEEE PL participation grew, the self-employed/small firm limit was raised to \$3M in billings in 2016.

In 2010, the business insurance product line expanded to include general liability (GL) insurance for members who purchased PL, and worked from home. Did a consultant give up their home office to accommodate a growing family; or did they lose a desk at their client’s office? No

problem. To support the needs of members in today’s economy, IEEE worked with underwriters to enhance the GL policy. Now, it also covers engineers who are leasing space in co-working, or shared office, situations.

The IEEE Professional Liability Insurance program also expanded to meet members’ needs for higher limits, and a wider variety of coverages, when it became a “choice platform” in 2015. IEEE approved the addition of two products from the Beazley Insurance Company. IEEE added the Architects and Engineers Professional Liability Policy, and the Media Tech Errors and Omissions Policy. The latter offers additional coverages particular to certain hardware and software risks. The Beazley PL Policy offers coverage limits up to \$5M for mid-sized firms; up to \$25M for large firms.

Risk Management and Claims

Members can qualify for a 10 percent premium credit by taking the IEEE tutorial, “Risk Management for Engineers,” through the IEEE Learning Network. The Beazley policy has a comparable rate discount for members. Beazley also offers its policyholders additional savings opportunities through their risk management education webinars. IEEE insured members, like all professionals, do incur some claims. To help insured members prevent claims, risk management resources are available. These support services may include consulting contract reviews and live, quarterly, web-based seminars. New in 2022 is the [Risk Management Portal](#), featuring articles, videos, tips sheets, and other resources to assist with questions about coverage, contracts and risk concepts.

Member Satisfaction

IEEE requires our insurance administrator to assess member satisfaction with the products and services it delivers. In the case of professional liability, surveys are conducted in real time, to capture immediate perceptions of the insurance-buying experience. The administrator also collects data from all PL applicants about their areas of practice; and asks members to rate their satisfaction with the agents, communications, and the overall program.

Method: The satisfaction survey is distributed via email to all members who submit a new or renewal application for Professional Liability coverage; and who also have a

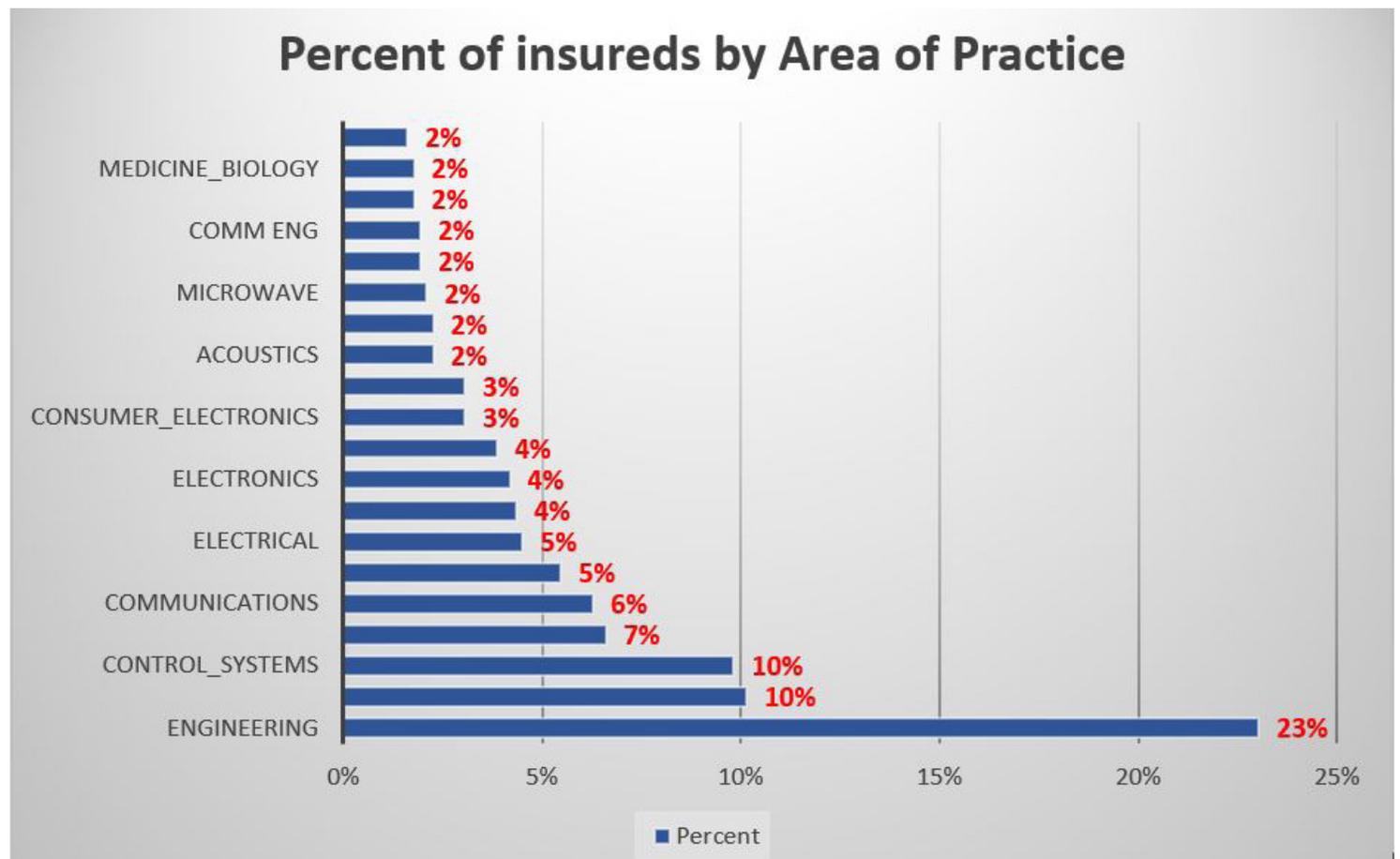
file marked as “closed,” whether the quote is accepted/not accepted, or the customer is declined.

The survey takes less than two minutes to complete. It asks members to keep in mind their most recent experience pertaining to the Professional Liability Insurance Plan. The survey is executed with the utmost attention to data security and privacy.

Scores

Insured members tend to work in some industries more than others, according to data from all PL insurance applicants between 2019-2021.

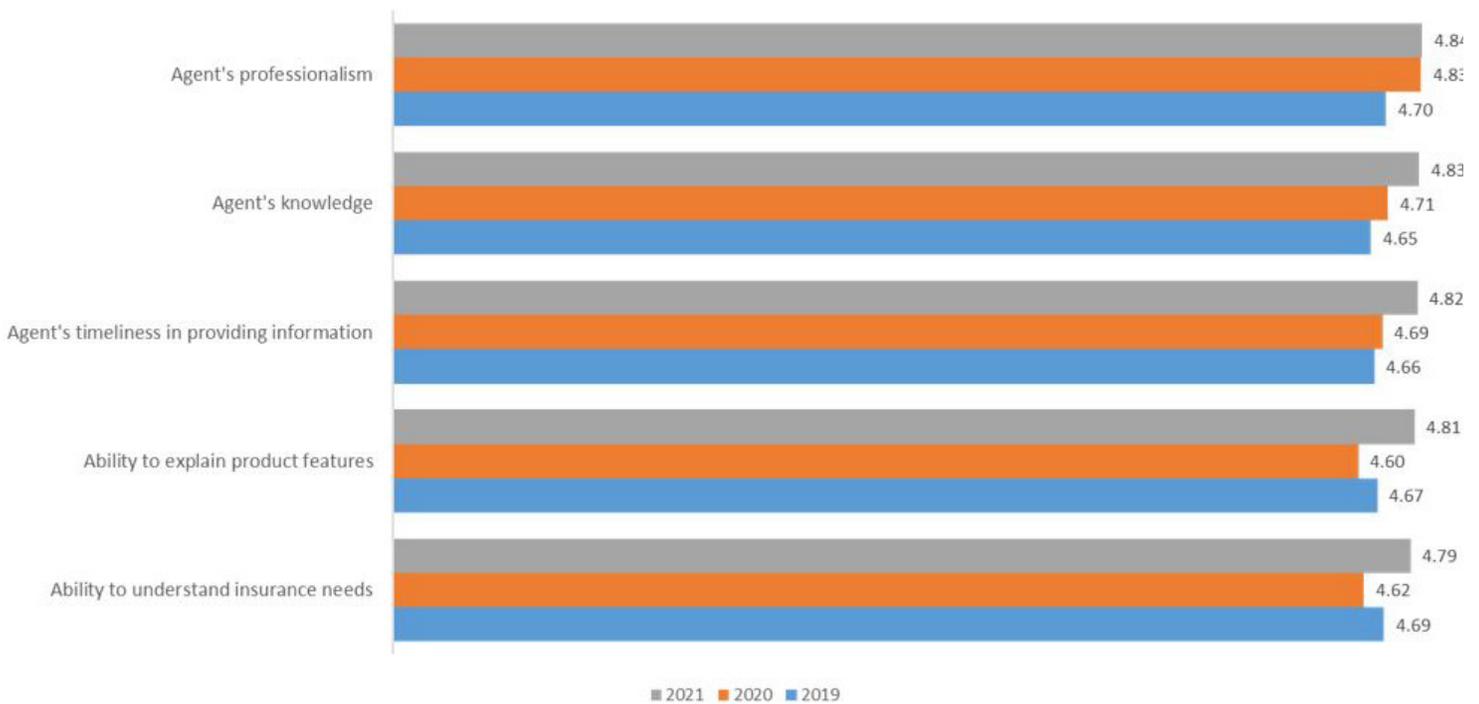
Percent of insureds by Area of Practice



The top five areas of practice for those who applied for PL insurance are engineering, control systems, communications, electrical and electronics. Many consultants list multiple areas of practice, because of the work that they do — including medicine/biology, vehicular and aerospace consulting. Members also stated they offered a variety of specialized consulting services related to power, as well as energy-related fields, such as the Smart Grid, power

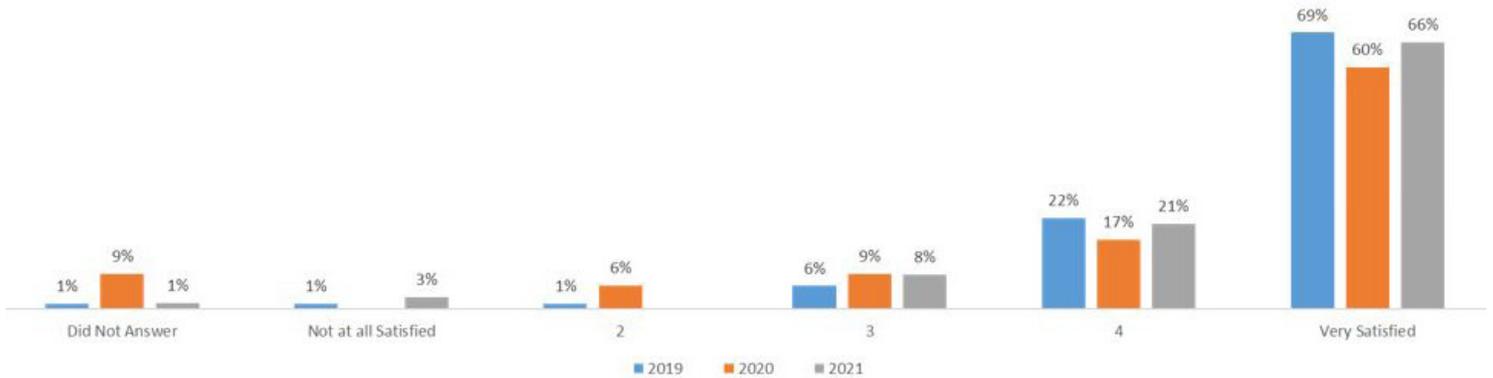
sources for devices, and various types of testing. Other popular consulting work pertains to the control systems used in various applications. Additionally, IEEE consulting engineers serve industry and branches of the armed services.

How would you rate your experience with the Mercer Consumer insurance agents?
(Using a scale of 1-5 with 1 being not at all satisfied and 5 being very satisfied.)



While insureds and prospective insureds have **consistently rated the agents with high scores**, the average score has improved from 2019 to 2021.

87% of responders in 2021 ranked the communication material received from Mercer Consumer as a 4 or 5.
(1 being not at all satisfied and 5 being very satisfied)



Members gave high satisfaction marks to the communications materials they received during the PL insurance purchase or renewal process.

88% of applicants between 2019 to 2021 chose 4 or 5 on a 5-point scale, when asked how likely they are to recommend this product to other members.

How likely are you to recommend this product to another IEEE member?
(Using a scale of 1-5 with 1 being not at all likely and 5 being very likely.)



IEEE consulting members; and those considering the opportunity to become self-employed, or even to undertake a single consulting project, can learn more about their exposure to risk and ways to mitigate exposures with contracts and insurance, in addition to prudent business practices. These resources can be found at <https://www.ieeeinsurance.com/ieee-plrm.html>. Information about the professional liability insurance and related policies, as well as the online application for coverage, are at <https://www.ieeeinsurance.com/ieee-us-refresh/professional-coverage/professional-liability-insurance.html>.

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◀ Continued from page 1

*Labor Standards Act's (FLSA) text and purpose. However, on 14 March 2022, a district court vacated the DOL's rules, to delay and withdraw the *Independent Contractor Status Under the Fair Labor Standards Act* rule. As a result of the court's decisions, the Trump administration's rule went into effect on 8 March 2021; and it remains in effect.*

The DOL now plans to engage in a new rulemaking — to replace the existing rule on employee or independent contractor status.

IEEE-USA remains committed to ensuring that employees are recognized correctly when they are, in fact, employees — so they receive the protections the FLSA provides. At the same time, we recognize the important role legitimate independent contractors play in our economy. DOL held public forums in June to hear diverse perspectives from those who may be affected by employee or independent contractor classification.

The DOL has not indicated what their new rule will look like, although there are concerns that the agency may try to implement some, or all, of the “ABC” test seen in California's AB5. That law has had a negative impact on consultants in California; reduced the number of consulting jobs available; and has driven some consultants out of California. IEEE-USA is concerned that a national “ABC” test law could also harm technology consultants — this time — all across the country.

Please click this [link](#) to read their full press release.



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