

THE FIRST WORD

October, 2015

Leadership For Engineers

6 Half-Day Sessions, 26 Hours of Learning
Covering 10 Topics

ACEC OKLAHOMA is excited to announce that registration is now open for **Class #7** of the critically acclaimed *Leadership for Engineers* program beginning in February, 2015. The program is designed to prepare your firm's future leaders, principals, and owners for the challenges and opportunities of leading your design consulting firm.

ACEC OKLAHOMA's *Leadership for Engineers* is targeted to all rising industry professionals who are committed to developing their leadership and management skills and abilities, and identified by your firm as a "future leader" of your business. **This may include design firm business and administrative coordinators, marketing managers, HR managers, project managers, new principals and middle managers.....anyone interested in developing solid management skills.**

A distinguished faculty from both inside and outside the engineering profession has been put together to address a variety of management topics including: **Leadership; Human Resources/Managing People; Ethics; Strategic Planning; Government Affairs; Economics of Private Practice; Business Development; Risk Management/Contract Language; and, Communications/Public Relations/Community Involvement, and Senior Leaders Roundtable.**

Registration info is being sent to all members, and is also on the ACEC OKLAHOMA website: www.acecok.org

ACECOKLAHOMA 2015 Engineering Excellence Awards

Entries are now open for the **2015 ACEC OKLAHOMA Engineering Excellence Awards** competition, which show-

cases the top engineering projects in Oklahoma. Entry deadline for the competition is Friday, November 6th.

Entry information for the ACEC OKLAHOMA **2015 Engineering Excellence Awards, sponsored by the ACEC Business Insurance Trust**, has been sent to all member firms and is also available for download on the ACEC OKLAHOMA website at www.acecok.org.

All member firms are encouraged to enter the competition which is a prelude to the ACEC's 2016 national Engineering Excellence competition.

This is a great way for ACEC OKLAHOMA member firms to showcase their top projects, and we hope that everyone will seriously consider submitting an entry.

The recipients of the Grand Conceptor Award and one of the four Grand Awards in the ACEC OKLAHOMA competition are eligible to enter ACEC's national competition. Deadline for submission to the national competition is January 8, 2016.

We look forward to receiving your entries, and to another exciting competition.



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ACEC Business Insurance Trust

Surplus Lines Option Carries Cautions



For many businesses that need insurance, surplus lines carriers are the insurers of last resort.

A surplus lines carrier writes policies that many “admitted carriers” or “licensed carriers” won’t handle, for a number of reasons. The risk may involve untested technologies or other factors that have not been thoroughly vetted by actuaries. Or the applicant may have a bad history of loss.

A surplus lines carrier is licensed in only one state but can write coverage anywhere through a licensed wholesale broker or managing general agent (MGA). A surplus lines policy, also called a “non-admitted” or “unapproved policy,” can be written only after the request for insurance has been denied by three (or five in Ohio) standard or admitted insurance carriers.

It’s not fair to categorize surplus lines as the insurance industry’s version of payday loans. In many cases it may be the risk, not the applicant, which is not desirable for admitted carriers. Many coverages that are standard now, such as cyber insurance, were originally written as surplus lines coverage. Still, seeking coverage through a surplus lines carrier can remind some of the Wild West, or the classic science fiction scenario of a parallel universe where natural laws of nature do not apply.

Since they are not licensed in the state where they write policies, surplus lines carriers are not subject to the same regulations and rating systems as admitted carriers in those states. Because of this, you may have limited redress.

In fact, surplus lines carriers are subject not to state regulations but to two federal laws, the Non-Admitted and Reinsurance Reform Act (NRA) and the Non-Admitted Insurance Model Act. At times these laws are at odds regarding where surplus lines carriers can write particular types of coverage, which can result in uncertainty for the business seeking insurance. Further, in an attempt to establish control over these carriers, some states have enacted their own versions of the Model Act, which may bar carriers from writing non-admitted policies there.

On a more empirical level, surplus lines carriers are not beholden to standard actuarial rate tables. The risk your firm seeks to cover may not even have one! In some instances, the underwriting is handled not by the carrier, as is customary, but by the broker or MGA. Therefore, you may pay far more for non-admitted coverage than with an admitted carrier. Also, some states charge tax on surplus lines transactions.

Finally, collecting on a claim for a nonadmitted policy may be difficult. This is because surplus lines policies often deal with numerous layers not found on standard policies, including the retail agent, wholesale broker, MGA and reinsurer. Also, the adjuster probably doesn’t rely on standard forms. And in the event a surplus lines insurance company defaults on benefit payments or becomes insolvent there is no protection through the Guaranty Insurance Fund administered by a U.S. state. The fund only protects beneficiaries of insurance companies that are licensed to sell insurance products in that state. Ensuring that your coverage is placed with a trustworthy surplus lines carrier will help alleviate these concerns.

It is never a good idea to place your coverage with a non-admitted carrier for price only. As a matter of fact, this type of practice is not acceptable under a number of state insurance surplus lines laws.

A large number of contracts will require that firms carry their insurance with approved or licensed insurance carriers. Before placing your coverage with a surplus lines carrier, be sure to review your contracts.

Prior to pursuing coverage from a surplus lines carrier, speak with your ACEC BIT program representative. He or she will be able to assist with sorting out what you need to know and possibly offer alternatives.

For this and any of your Business Insurance needs, call the ACEC Business Insurance Trust at 1-800-338-1391.

Special Word of Thanks from the Sullins Family

As many of you know, my Father, Richard Sullins of Moberly, MO, passed away on August 30th at the age of 101, just two months short of his 102nd birthday.

For his age, he was in very good health right up until his passing, and the true blessing was that he was of very sound mind up until the final days.

On behalf of my entire family, I want to thank the ACEC OKLAHOMA family for the kind words and memorials. It's been a tough few weeks, and the kindness of the ACEC OKLAHOMA family means a great deal to me and has made these trying times easier.



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Oklahoma Transportation Research Day Set for October 20th

The Oklahoma Department of Transportation (ODOT) and the Southern Plains Transportation Center (SPTC) are pleased to announce their sponsorship of the 2015 Oklahoma Transportation Research Day, Tuesday, October 20th at the Moore-Norman Technology Center - South Penn Campus. Attendees from academia, government service and the private sector are strongly encouraged to attend.

This one-day event will consist of keynote speakers, ODOT presentations of research and implementation of projects and student transportation project posters. For program details, visit the SPTC event webpage:

<http://www.sptc.org/ok-trans-res-day/>

Registration will begin at 7:30am, with the program beginning at 9:00am. Registrants will also have the opportunity to receive eight (8) Professional Development Hours (PDH) for attending the entire event.

Deadline to register for this event is Tuesday, October 13, 2015. To register for this event:

<https://www.eventbrite.com/e/2015-oklahoma-transportation-research-day-tickets-17177081112>

Congress Averts Government Shutdown, Passes Short-Term Extension; ACEC Calls for End to Stop-Gap Measures

Congress approved a “continuing resolution” on last week to extend funding for federal agencies through December 11, again temporarily averting a showdown with the White House.

ACEC President/CEO Dave Raymond urged Congress to quickly pass regular appropriations bills. “These temporary stop-gap measures breed uncertainty, lead to job loss and weaken the economy,” he said. “Our members and their federal clients cannot function on short-term agreements—they need long-term measures in order to execute programs effectively.”

Raymond said more leadership is needed in Washington to address the poor condition of American roads, bridges, and water systems, in a radio interview posted on the InfrastructureUSA website.

“All one needs to do is visit other countries where they’ve taken infrastructure challenges more seriously and you very soon realize that the U.S. is becoming more and more a third-world country,” said Raymond.

The nation needs real leadership from the President and Congress, he said, rather than “this constant partisan bickering for short-term political gain.”

The House and Senate also approved a six-month extension of Federal Aviation Administration programs this week, including funding for the Airport Improvement Program.

House Transportation & Infrastructure Committee Chairman Bill Shuster (R-PA) and the committee’s top Democrat, Peter

DeFazio (D-OR) suggested this will be the only short-term extension necessary, as the panel develops a major overhaul to the organization and structure of FAA air traffic control functions.

ACEC is seeking a boost in AIP funding and an increase in the cap on Passenger Facility Charges collected for airport improvements.

Shuster said the FAA bill will have to wait until Congress can clear a multi-year surface transportation bill, which remains his top priority this year.

Municipal Advisor Qualification Exam Open for Enrollment

The Municipal Securities Rulemaking Board (MSRB) has opened enrollment for the pilot Municipal Advisor Representative Qualification Examination.

ACEC has worked closely with the SEC and the MSRB to ensure that traditional engineering advice does not require firms to register as municipal advisors.

Based on their business activities, however, some engineering firms have registered and will need to ensure that designated employees take and pass the qualification exam.

Contact ACEC Director of Tax & Regulatory Affairs Katharine Mottley at kmottley@acec.org for additional information.



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President's Report

October 2015

David Raymond, ACEC President

House Speaker John Boehner's surprise resignation potentially opens a window of opportunity for passage of legislation critical to our members before his departure at the end of October. Boehner has "cleared the deck" for his successor by passing a Continuing Resolution (over the opposition of most of the Republican conference) to fund the government through December 11, and is working with Paul Ryan and Bill Shuster to bring to the floor a long-term transportation bill and reauthorization of the Ex-Im Bank. Moreover, House Majority Leader Kevin McCarthy, the odds-on favorite to succeed Boehner as Speaker, has said that moving a long-term highway bill is among his top priorities. We will be working closely with House and Senate leaders as events unfold in the coming weeks. You can help our efforts by keeping up the drumbeat in the states about the need for infrastructure funding and tax reform, and by promoting member contributions to ACEC/PAC – fuel that drives our advocacy engine. Look forward to seeing all of you at the Fall Conference in Beantown!

General

- Successfully lobbied to keep government agencies running until December 11, as the House yesterday passed a Continuing Resolution by a vote of 277 to 151, with 186 Democrats and 91 Republicans in favor.
- Awarded a Minuteman Fund grant to ACEC/Texas to help pass a major ballot initiative that would add \$40 billion in state transportation funding through 2030.
- ACEC/North Carolina – supported by Minuteman – secured \$708 million in new recurring transportation revenue every two years plus an additional \$2 billion for transportation projects over the next decade.
- Alabama, Montana, and Nebraska are the latest states to reach their ACEC/PAC fundraising goals for 2015 – putting ACEC/PAC two-thirds of the way toward its \$1 million target, and increased clout in Congress.
- As part of our enhanced PR efforts for infrastructure funding, conducted a well-publicized radio interview with InfrastructureUSA, a non-profit online community, available on their [website](#) or [Facebook page](#).
- Testified before the House Small Business Committee raising concerns over the Department of Labor's proposed "blacklisting" rule, which would require firms working for federal agencies to report violations, including alleged violations, of various federal and state labor laws.
- The ACEC-AASHTO Joint Committee meeting featured discussions on consensus issues and priorities for the reauthorization of MAP-21, consultant contracting trends, impact of automated vehicles on transportation planning and design, and engineering workforce recruitment and retention challenges.
- Joined broad industry coalition calling on FAA to finalize the rules for commercial use of small unmanned aircraft systems (UAS) without further delay and to take the necessary regulatory steps for full integration of all UAS into the national airspace.
- Urged Congress to extend or make permanent business tax provisions – such as the R&D tax credit, higher Section 179 expensing levels, and bonus depreciation – which expired at the end of December.
- Joined the Partnership to Protect Workplace Opportunity in expressing concern about the significant changes proposed to the overtime pay salary threshold by the Department of Labor (ACEC submitted its own comments in August).

Government Advocacy

- Promoted QBS and other best practices at the annual conference of the International Federation of Consulting Engineers (FIDIC) in Dubai, attended by representatives from 101 countries; U.S. delegation was headed by ACEC Chairman Ralph Christie.
- House Energy and Commerce Committee approved a bill backed by ACEC to end the longstanding ban on exports of crude oil.