

## WHAT FLOATS YOUR BOAT?

**THIS IS IT.** We're coming into the thick of boating season in the Mid-Atlantic area. We'd like to explain just how the Landers Underwriting watercraft program works and why it's set up the way it is.

**IN OUR PART** of the world, insuring watercraft tends to be highly seasonal. From Memorial Day to Labor Day, there's a frenzy of activity. For the rest of the year, there's nothing. As you can imagine, it's rather difficult to provide proper staffing to handle the placement and servicing of this business. Either we can't keep up with it in the summer or we've got people sitting around all winter waiting for the phone to ring.

**WE THINK** we've found the perfect answer by partnering with Markel American Underwriting Managers to utilize their service center operation in Pewaukee, Wisconsin for all of our watercraft insurance products. We've known the folks at Markel for decades, having represented Essex Insurance Company since its formation. Their staff handles underwriting and servicing for Landers Underwriting producers who call them at a toll-free number (800-236-2637). Over the years, they've been able to retain a well-qualified team, many of whom prefer working on a seasonal basis. As those of us who have experience with another Wisconsin-based business, Lands' End, have learned, there's something about folks from that region that seems to combine next-door-neighbor friendliness with let's-get-it-done efficiency.

**PRODUCERS WISHING** to access this facility can call our service center directly. Just identify yourself as a Landers Underwriting producer and you'll be well taken care of. (If you haven't yet completed a Producer Agreement with us, just call and we'll get one right out to you.) All watercraft business is handled on a direct-bill basis. We mail commission checks to producers monthly.

**GOOD PRODUCTS.** Financial security. Efficient service. Nice people. What more could you want?



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### INSIDE:

- ~ LETTER FROM LANDERS
- ~ WHAT FLOATS YOUR BOAT?
- ~ HEALTH CARE WITH WHEELS
- ~ NO KIDDING
- ~ BRING US YOUR HABITATIONAL
- ~ FISH'R JUMPIN, COTTON'S HIGH

# LETTER FROM LANDERS

**I'LL BE HARVESTING** my first salad greens of the year this week. Lots of tender lettuce and spinach to be picked. It's warm enough to set my peppers in the garden today. I've got Habenero and Magic Red this year, which ought to produce a hot sauce with enough kick to work up just a few tears.

**SO, AS MY DAUGHTER, JILL,** finishes her freshman year at Virginia Tech, she's decided to change her major from French to Early Childhood Education. After she told me about her decision in a telephone conversation, I felt it my fatherly duty to be sure that she understood that there's no money in Early Childhood Education. "But, Dad," she explained to this dope, "did you think there was money in French?" Right.

**I'M PROUD TO ANNOUNCE** that Noah McMurray and Jackson Landers are now stockholders in Landers Underwriting, Inc. They've both been tremendous assets to me over the past several years and have worked hard to develop their own areas of expertise in our business. Noah's going to be spending some time in Arizona attending the Nautilus Insurance Company's Underwriting Seminar and, shortly thereafter, Jack will be heading to Indianapolis for NAPSLO's Excess & Surplus Lines School. Waldo Jaquith and I have a big trek to Richmond coming up for Essex Insurance Company's annual Underwriting Meeting.

**IT MIGHT BE WORTH MENTIONING** that our website is a source for archived newsletters over the past several years. If there's something that we've written about that you want to refer to later, you can find it at [landersunderwriting.com](http://landersunderwriting.com). Just click on "Newsletter" and you'll find them all, back to January 2000.

**I WENT TO THE FARMER'S MARKET** here in Charlottesville this morning and got a couple of quarts of dark red local strawberries, like you'll never find in the supermarket. I'll pick up a quart of heavy cream on the way home and make a batch of strawberry ice cream tonight. Yum. Life is good.

\$ 50 REWARD AUCTION GOOD QUALITY CASH

**TOP 10 QUOTES FROM RICHARD NIXON**

10. You know, I always wondered about taping equipment, but I'm damn glad we have it, aren't you?

9. You won't have Nixon to kick around anymore.

8. Well, I'm not a crook.

7. It's a hell of a lot better for them to get drunk than to take drugs. It's better to chase girls than boys.

6. I condemn any attempt to cover up in this case, no matter who is involved.

5. I want you all to stonewall it.

4. Look at the Justice Department. It's full of Jews.

3. When the President does it, that means it is not illegal.

2. I was under medication when I made the decision not to burn the tapes.

1. I would have made a good Pope.



**HEALTH  
CARE  
WITH  
WHEELS**

**ONE OF OUR FASTEST** growing specialties has been providing General and Professional Liability to firms providing home health care and nurse registry services. These businesses supply short-term and long-term nurses, nursing assistants, therapists and homemaker aides to individuals and health-care facilities. The growth rate for these firms in recent years has been phenomenal. It seems that hospitals and nursing homes just can't keep up with the demand for skilled health care workers and are looking to outside staffing organizations to supplement their employed staff. Additionally, families of patients staying in hospitals that are chronically understaffed want to hire private-duty nurses to be sure that their loved ones are properly cared for.

**NEW HEALTH CARE** staffing organizations are popping up like mushrooms after a spring rain. Existing businesses are seeing revenues multiply as demand for their services increases.

**THESE AGENCIES** should be certified for Medicare reimbursement and accredited by the National League for Nursing, American Public Health Association, Joint Common Accreditation of Hospitals or National Homecare Council. We see some firms that require all of their employees to maintain their own individual Professional Liability coverage and only require coverage for the entity. Others expect that their insurer will include employees as insureds and are prepared to assume the cost for that coverage. We can respond, either way.

**WE'VE GOT** very specific applications for this class of business. You can call and we'll send you one, or you can get it yourself from the Applications section of our website – it's under "Home Health Care".

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**LANDERS UNDERWRITING**  
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**NO KIDDING  
IT'S REALLY  
FULLY EARNED**

**PRODUCERS** who do business with us on a regular basis know that Landers Underwriting always provides written quotations on risks that provide terms in very explicit detail. We'll show the coverage being offered, premiums, taxes and fees. We'll tell you exactly what is needed in order to bind coverage. We'll include details on endorsements to be attached to the policy, including specimen copies of non-ISO forms that you may not be familiar with. If there are any fully earned premium provisions, we'll spell those out on our quote, too. It's those fully earned premium provisions that we'd like to focus on.

**SOMETIMES**, a carrier will require that a premium be fully earned at inception. That will usually happen when a risk is clearly seasonal in nature or written for a short-term to fill some temporary need. This means that, once you instruct us to bind coverage, cancellation of the policy will not result in any return premium. Nor return tax. Nor return fee. A wise producer will insist that their client pay them in full before binding coverage any time there's a fully earned premium.

**MORE OFTEN**, there will be some percentage of the premium that's fully earned. 25% is fairly typical. Again, it won't be a surprise. We'll

spell it right out for you on our written quotations. That means that, under no circumstances, will a cancellation result in a return premium of any greater than 75% of the full premium. Any taxes will be returned in proportion to the return premium. No fees will be returned, once coverage has been bound. So, a prudent producer will require that the client remit payment for at least enough to cover the fully earned portion of premium, tax and fee, prior to binding.

**IF THERE'S ANY PREMIUM** financing involved, it's imperative that you inform the premium finance company of any fully earned provisions in the policy. The finance company will want to be sure that they're collateralized to protect themselves in the event of non-payment.

**THE BOTTOM LINE** is that, in executing our Producer Agreement, you've agreed to pay premiums to us, regardless of whether you've collected them from your client. That's because we have to pay insurers, regardless of somebody else's failure to pay premiums. So, although we don't enjoy being in the position of insisting upon payment from a producer when their client is stiffing them, the reality is that we allow credit terms to our producer, but can't control the credit-worthiness of your clients. In fact, we really hate being bad guys. But, no kidding, fully earned premiums are for real. Before binding coverage, please explain the deal to your client. If you're not prepared to guarantee their payment, then don't ask us to bind coverage until you've collected the premium.



**SORRY**, but it needed to be said.

**BRING US YOUR HABITATIONAL RISKS**

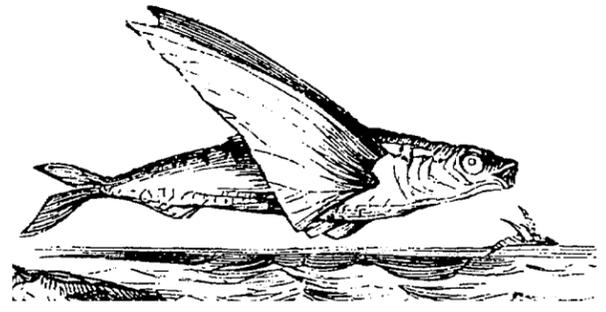
**IS THERE ANY CLASS OF BUSINESS** more difficult to place than habitational risks? You'd think folks were manufacturing caustic chemicals for distribution to day care centers, rather than eating, sleeping, watching television and brushing their teeth in their homes, judging from the reaction of many insurers. Our view is that the problem is primarily one that can be overcome with proper pricing and providing coverage for perils that are appropriate to the quality of the risk.

**WE'RE SEEING** large apartment complexes, both high-rise and garden apartments. Some of these are coming to us with loss problems. Depending upon the nature and severity of the losses and the applicants' plans to remedy the situation, these risk can become write-able with the imposition of significant deductibles and adequate rates. A layered approach to property can often be effective when there are sufficient values and a

spread of risk. If we're provided with plot plans showing the distances between multi-building risks, we can analyze the potential for layered coverage.

**WE'VE ALSO** been presented with schedules of single-family dwellings leased to others. These risks run the gamut from the small owner-investor who may own and maintain two or three dwellings to the professional landlord with hundreds of such properties. We'll be much likely to offer terms when applications include specific details on maintenance standards, building updates and five-year loss histories.

**WHILE WE'RE NOT** interested in seeing business from slumlords and speculators, we're receptive to well-presented and detailed submissions involving habitational property from responsible owners.



**FISH ARE JUMPIN' AND THE  
COTTON IS HIGH**

**WARM WEATHER** brings its own special problems to insurance agents. Difficult-to-place seasonal risks run the gamut from hole-in-one contests to boat rentals, from swim clubs and beaches to wilderness guides and outfitters, from day camps to Independence Day parades. The hazardous nature of some of these operations, combined with the relatively short-term nature of the exposures, lead most standard carriers to decline to provide coverage.

**WE PREFER** to look at these situations as opportunities, rather than problems. Our carriers are well-experienced in underwriting seasonal risks and have developed forms and rating mechanisms that address the peculiarities that present themselves. In many cases, we can provide you with an application designed explicitly for the individual class of business. When specific applications aren't available, we'll provide coaching to help you develop all of the information needed for a quotation.

**SUMMER CAMP** programs are a particular favorite with us. We'll provide liability coverage for camps offering a general recreation program including such traditional activities as swimming, boating, fishing, arts and crafts, hiking and volleyball. Also, however, we welcome sports camps that specialize in baseball, basketball, soccer, volleyball and non-contact football. They key for these sports camps is that they need to have an Accident and Health policy in force with limits of at least \$10,000 per accident.

**RATES FOR THIS** class of business are based on the number of camper days. Just multiply the number of days that the camp is operating by the number of kids in the program. Carriers often make a rating distinction between overnight and day camp programs, so it's important that applications fully describe the camp.