

WHO WILL CARE FOR THE CHILDREN?



WE JUST GOT a telephone call from a producer who had been to six other markets looking for coverage for a day care center with a swimming pool and they had all declined to offer terms. After quickly getting over our wounded pride at being so low in the pecking order, we got an application to the producer and provided a quote.

WE DON'T JUST WRITE "plain vanilla" facilities. Included among the unusual child care operations that we've insured is a "night care" facility that specializes in caring for children whose parents work the night shift.

CHILD DAY CARE CENTERS have been a class of business requiring specialty insurance treatment for at least the past decade. Most standard carriers began running away from day care centers after a rash of accusations of sexual abuse (some real, some imagined) surfaced. Nevertheless, there's no shortage of either in-home or commercial day care operations and Landers Underwriting is well-experienced in providing coverage for them.

HERE'S SOME HIGHLIGHTS OF WHAT WE CAN DO:

- Professional liability included for no additional premium charge
- Optional sexual molestation sub-limits up to \$1,000,000
- Swimming pools are acceptable
- Dogs and cats are acceptable
- Field trips are acceptable
- Optional property coverage
- No deductible
- Medical payments coverage included
- Optional employment practices liability
- Rating based on average daily attendance

THIS IS A CLASS of business where ACORD applications just won't do the job, though. We've got specific applications that will ask everything we need to know and they're yours for the asking.



Post Office Box 888
Charlottesville
Virginia 22902

SEPTEMBER 2003



INSIDE:

- ~ LETTER FROM LANDERS
- ~ THE VALUE OF AGE
- ~ WHO WILL CARE FOR THE CHILDREN?
- ~ WE LIVE TO SERVE
- ~ RING RING TELEPHONE RING
- ~ THERE'S NO PLACE LIKE (MOBILE) HOME

LETTER FROM LANDERS

CAN IT BE? It's September as I write and the Red Sox, behind Pedro Martinez, have just beat the Yankees, 9-3, in the first of a 3-game series. They're only 2 ½ games behind the Yankee and ½ game in front for the wild-card slot. Hope springs eternal.

YEAH, there are still peaches and tomatoes at the farmer's market, but they're being crowded out by apples and winter squash. My guineas have grown up and have established a regular bug-eating patrol around my yard. They act as a welcoming committee when I pull up the drive-way and make a mess when they roost on the front porch railings. Porch-mopping has been added to my list of weekly chores.

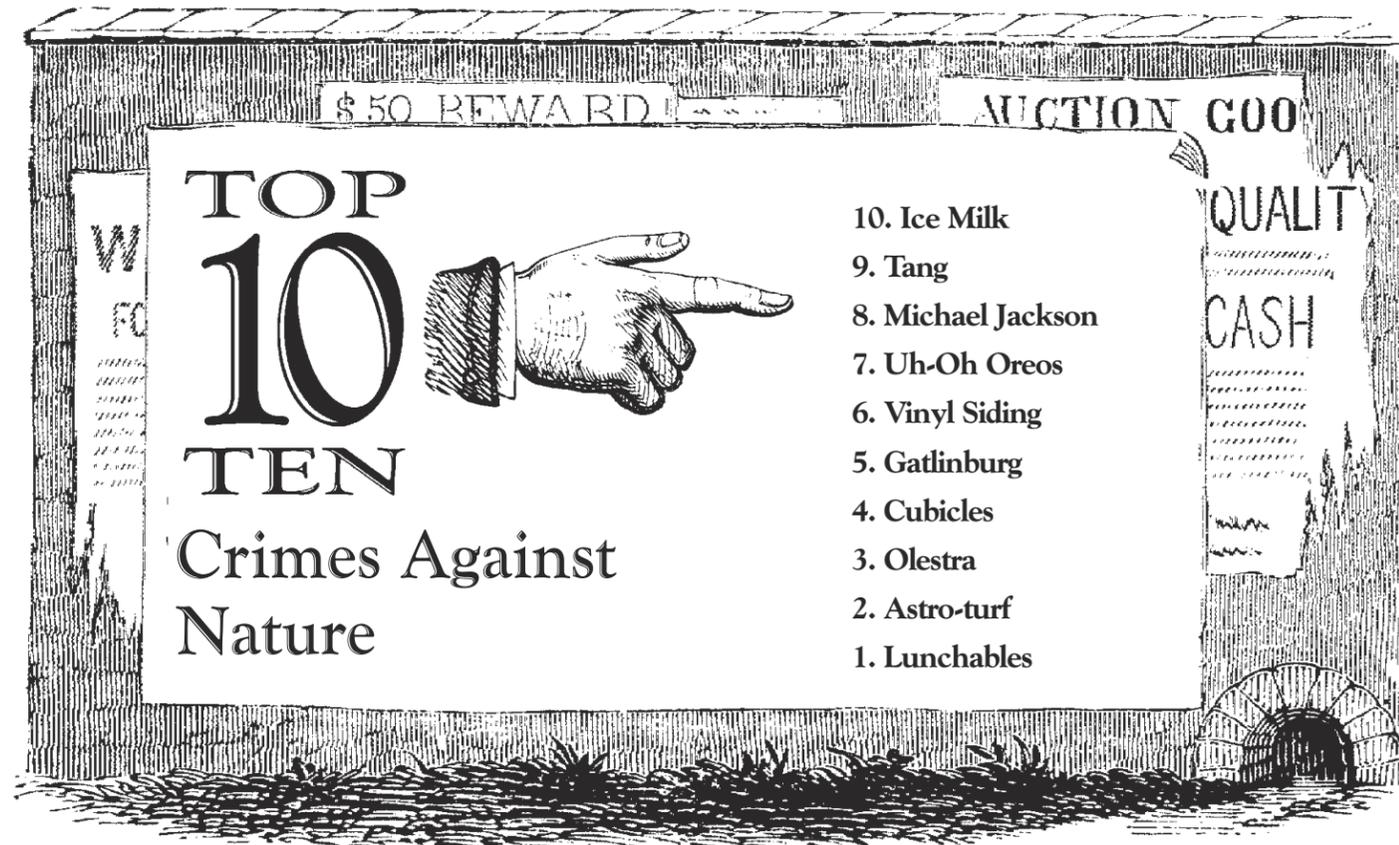
WATCHFUL EYES may have noticed a new set of initials appearing in the corner of policies that we issue. The "AR" is April Roth, who's the latest addition to our staff. She's been able to get up to speed quickly, churning out policies as fast as we can bind them. Not to be minimized is April's baking skill – she's been known to ply us with home-baked treats.

JACKSON LANDERS, our personal lines specialist, has a whole new appreciation for the value of homeowners insurance. A summer storm knocked a huge oak tree onto the roof of his house, destroying the roof, less than a month after he and his wife, Tricia, had bought it and moved in. The whole family and most of their neighbors watched in slack-jawed amazement during the clean-up, as a suspended, chain-saw wielding worker performed an aerial ballet in tandem with a crane to disassemble and remove the oak. Nobody was hurt and the repairs are ready to begin.

WE'VE JUST IMPLEMENTED a new database management system that seems to be working pretty well. As time goes by, it should mean that we'll be saying less often "would you mind holding while I grab that file?", because more of the file will be right in front of us. Although, if truth be told, sometimes it seems like it takes as long to close one program and open another as it does to walk 30 feet and pick up a file. We're saving trees, though, that's for certain.

BY THE WAY, if you're getting these newsletters and just don't want to see them anymore, please let us know. We'll stop.

Gary Landers





THE VALUE OF AGE

THE CHUBB MASTERPIECE homeowners policy can, perhaps, be best appreciated by owners of his-

toric homes. Guaranteed replacement cost without limit takes on a whole new dimension of significance when it's applied to houses that were built centuries ago.

THAT SAID, it's essential to maintain insurance-to-value and, when Chubb appraises homes, we continue to see the largest increases in the replacement costs for historic homes. The quality of materials and the older construction methods greatly increase the construction costs of these homes over the more modern or current materials and methods.

THE OLDER MATERIALS, such as plaster, true dimension lumber, heart pine flooring, can be found today; however, they are expensive when compared to sheetrock, standard lumber and extruded moldings. In addition, the craftsmen who possess the skills to properly handle these materials are in high demand and charge more for their labor accordingly. Typically, Chubb insureds who own these historic properties want them restored to their original condition in the event of a loss. Insuring these homes at their actual replacement cost allows Chubb to provide the type of claims service that our insureds expect.

A PHRASE THAT WE HEAR regularly with respect to older properties is "there's no way to replace this home". But there is. Almost anything found in a home can be recreated - the materials and the craftsmen are out there. The question is how much will it cost. Typically, per-square-foot replacement cost for homes built prior to 1890 will start at \$275 for frame and \$350 for masonry homes. Just like with modern homes, though, the higher the quality of the features of the home, the higher the replacement cost will be.

WE'LL WORK with our producers in understanding proper values for these unique properties. Masterpiece applications are available at landersunderwriting.com.



RING RING TELEPHONE RING

YOU KNOW HOW THERE ARE SOME BUSINESSES that you call regularly and you get used to the same voice answering the phone? Sometimes you get to feel like you know that person, even though you may not even know her name? Then, there's Landers Underwriting...

HERE, EVERYBODY ANSWERS THE PHONE. We split the day up and all take our shifts at being the primary phone-answerer. Sometimes, a surprised voice will say "What are you doing answering the phone?" and we don't quite know how to respond, other than "It rang".

THE IDEA IS that our customers get exposed to our entire staff in some way and our staff gets to have a sense of who our customers are by standing on the front lines. A few weeks of fielding phone calls is perfect training ground for developing an appreciation of the wide range of problems that we're called upon to serve. We often liken ourselves to traffic cops. Sometimes, we can just wave submissions right through. Sometimes we have to hold up a stop sign to problems that we just can't solve. We try to direct folks to detours by offering alternative sources when we're able to do so.

EVEN WITH FAXES AND EMAIL, we still like to get phone calls. That's why we maintain a toll-free number for our customers - 888-249-6060. That said, though, we don't try to underwrite risks and offer quotes over the phone. We'll talk about the situation. We'll provide coaching. We'll give our best analysis as to how we can help. Then, we'll ask you to send us an application.

THERE'S NO PLACE LIKE (MOBILE) HOME

MOBILE HOME PARKS can pose particular difficulty for insurance agents trying place liability coverage. There's generally not a lot of property value to attract the interest of most underwriters in providing a package policy, and what there is will often be unprotected. To make matters worse, a major writer of trailer parks has withdrawn from the class in the past year.

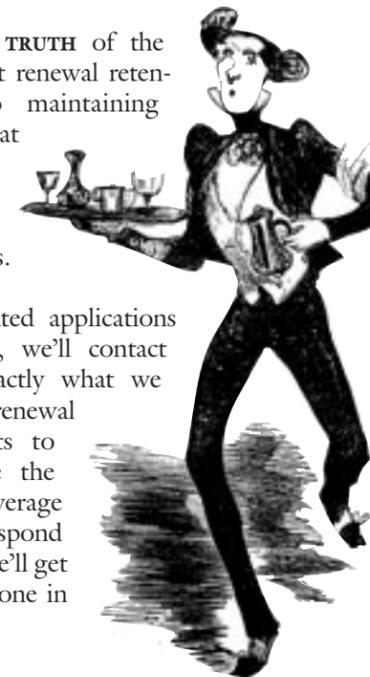
LANDERS UNDERWRITING can provide coverage for both permanent residential mobile home parks and those of the

seasonal, vacation/campground variety. Exposures common to these operations can include water and sewer systems, private roads, playgrounds, swimming pools and other recreational facilities. Sometimes the operators of the parks will lease trailers to tenants.

IT'S GENERALLY PRETTY EASY to get a quote. Just give us an ACORD application and tell us a story about just what's going on at your client's park. We'll take it from there.

WE LIVE TO SERVE

IT'S A FUNDAMENTAL TRUTH of the insurance business that renewal retention is essential to maintaining profitability. With that in mind, we'd like to review our procedures with respect to handling your renewals.



WHEN WE NEED updated applications or other information, we'll contact you and tell you exactly what we need in order to offer renewal terms. Nobody wants to get a renewal quote the date before their coverage expires, so if you'll respond to our requests early, we'll get your renewal quotes done in plenty of time.

WHEN UPDATES aren't needed, we'll prepare written renewal quotes and get them to you approximately 30 days prior to expiration. If there's anything special that we need to bind coverage, we'll spell it out on our quotation. We'll write it, but you've got to read it.

RENEWALS ARE NOT AUTOMATIC. We need to hear from you if you want us to renew a policy. If we don't hear from you, you can expect to hear from us, once we get to within a day or two of the expiration date. We don't want to see you in a situation where something has fallen through the cracks and a renewal was wanted, but somebody forgot to tell us.

WITH YOUR OWN CONTROL systems and ours working together, we should be able to maintain a good rate of retention.

.....
LANDERS UNDERWRITING
www.landersunderwriting.com
P.O. Box 888, Charlottesville, VA 22902
(434) 984-6060 fax: (434) 984-6363
(888) 249-6060 toll free line
.....