

DRINKING WINE, SPODIE ODDIE, DRINKING WINE

HERE IN CHARLOTTESVILLE, we're right in the middle of Virginia's wine country. An increasing number of farmer-entrepreneurs are learning how to combine agriculture and tourism in the Mid-Atlantic region. In Virginia, there are over 300 wine festivals and events held every year. Maryland's 12 wineries hold scores more.

WHAT DOES THIS MEAN to insurance agents? Liquor liability, that's what. Whether it's a Sunday afternoon wine-tasting or a Labor Day wine and blues festival, wineries are serving alcoholic beverages to individuals, who may cause injury to others. Since wineries are clearly "in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages", any claim that may arise out of wine consumption would be excluded by the winery's CGL policy.

LANDERS UNDERWRITING can provide liquor liability for these risks. Depending on the nature of the exposures, we could offer annual coverage or special event liability on a short-term basis. Specialized applications are available at landersunderwriting.com.

AFTER THEY'RE GONE

IF YOU MOVED YOUR OFFICE LOCATION, you'd notify people you do business with and arrange for the postal service to forward your mail. Likewise, if you had a new telephone number, you'd send notification to folks and arrange for a recording on your old number, providing the new number. Pretty basic, right?

WELL, if a business is using email as a medium for communication with its customers and suppliers, the same logic applies. That is, if you change email addresses, it's important to notify your customers and suppliers of the change. If employees leave, it only makes good sense to be certain that their incoming email is forwarded to whoever will be responsible for handling that employee's functions going forward.

RECENTLY, after trying to obtain renewal information via email from a producer, without response, we telephoned to follow-up. The response "Oh, she doesn't work here anymore." How would we know? Emails were sent and received. But, they weren't read or forwarded.

IT'S ONE MORE THING to put on the post-employment checklist, next to collecting corporate credit cards and keys and explaining COBRA options – forward email.



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LETTER FROM LANDERS

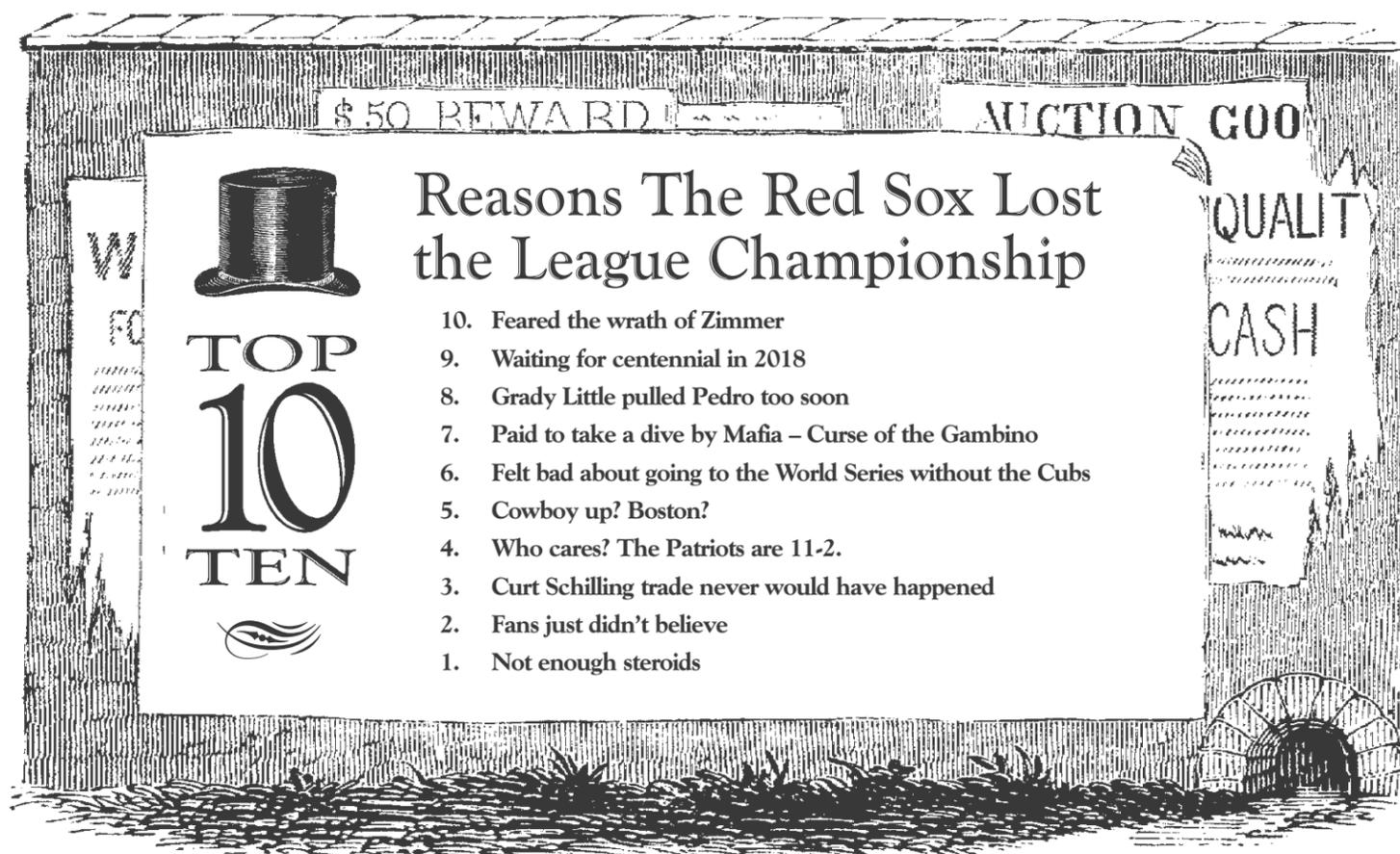
MY DAUGHTER, JILL, and I got up early on Thanksgiving morning to run together in the 22nd annual Boar's Head Turkey Trot. It's a 5-K race that raises funds for the University of Virginia's Children's Medical Center, with some 1,300 participants. It was a fun morning and even Jill's Virginia Tech sweatshirt didn't cause problems here in Cavalierland. We worked up a hearty appetite and began what I hope will be a new family tradition.

MEALS HAVE BEEN a bit hit or miss this month. My wife, Janis Jaquith, is coming in the home stretch of National Novel Writing Month (NaNoWriMo). The idea is to write a 50,000 word novel during the month of November. That means 1,667 words a day. The idea isn't so much to have a finished novel, as to have a first draft, that she can start revising. As she says, "you can't edit air". And I think it's tough to write this brief newsletter...

NOAH McMURRAY and his fiancé, Amanda Mercer, are in the thick of planning their spring wedding. It's rings one week and invitations the next. It's not slowing Noah down one bit, though. He continues to crank out quotes and impresses me as well as our producers with his diligence.

OUR LLOYD'S BINDING AUTHORITY CONTRACT has just been renewed for 2004. This facility permits us to exercise extremely flexible underwriting judgment to respond quickly and efficiently to opportunities to provide various first-party property coverages. Although it's not true that "Lloyd's will write anything", there is a sense of willingness to innovate and accept a reasonable risk for a reasonable premium that is all too rare with many admitted insurers.

I OFFER THANKS this year to our customers. You've shown patience as we try to sort through your applications and come back to you for detail after detail. I'm grateful for your loyalty over the years and your good-natured tolerance of my (many) faults. You make it possible for me and my colleagues at Landers Underwriting to support our families. You're great.



WHAT ABOUT MY STUFF?

MOST PRODUCERS are familiar with our ability to provide Homeowners coverage for high-valued dwellings through Chubb's Masterpiece program. We want to tell you about the Valuable Articles coverage available for jewelry, collectibles, china, crystal, silver, artworks, furs, antiques and virtually any other type of valuable. Here's what's so great about it:

- **THE CLIENT DETERMINES THE VALUE.** The itemized coverage option allows the insured to determine the insured value of each item. Chubb will pay 100% of the insured value in cash settlement in the event of a total covered loss. That effectively settles the loss before it occurs. There is no deductible, no depreciation.
- **150% REPLACEMENT COST.** If the actual market value (before the loss) is greater than the itemized amount for a covered item, Chubb pays the market value, up to 150% of the itemized coverage amount, for the loss.
- **BREAKAGE PROTECTION.** Breakage of, or damage to fragile items is automatically included in the coverage. (This is typically restricted or excluded in homeowners policies).

- **MYSTERIOUS DISAPPEARANCE.** Unlike some "Main Street" companies, with Chubb, one can recover for lost, misplaced or stolen items that are covered.
- **WORLDWIDE COVERAGE.** Valuables are automatically covered wherever your client takes them, anywhere in the world.
- **HASSLE-FREE APPRAISALS.** For most items, we simply need a detailed description and its value. We generally require appraisals only for fine art items worth more than \$100,000, jewelry items worth more than \$50,000 and any other type of item valued over \$25,000.
- **PAIRS AND SETS.** If the client loses one piece of an itemized pair or set, she can receive the replacement cost of the entire item if she provides Chubb with the remaining piece(s).
- **CASH OPTION: REPLACEMENT NOT REQUIRED.** Customers are not required to replace their itemized valuables in the event of a loss. They can choose a cash settlement, or replace those valuables at the dealer of choice. Just another thing that separates Chubb from other companies.



- **COVERAGE FOR NEWLY ACQUIRED ITEMS.** If an insured acquires a new item and already has similar articles insured with itemized coverage, the new item is automatically covered for 90 days for up to 25% of the total itemized coverage for those similar articles (maximum \$50,000).
- **EXEMPLARY CLAIM SERVICE.** More than 90% of Chubb's recently surveyed personal insurance customers rated their claim service as superior.

We generally like to offer Valuable Articles coverages along with Homeowner's coverage, but should point out that it is available on a stand-alone basis, along as values reach a minimum level of \$50,000.

COVER ME, I'M GOING IN

Why would a non-profit organization want to purchase Directors & Officers Liability? Here are a few reasons:

SEX DISCRIMINATION — A woman who had been employed with a non-profit for two years learned that a male employee with no experience had just been hired to work in a similar position at a higher salary than she received. After a year, the man was promoted to a position over the female employee. The woman confronted her supervisor about the situation and the supervisor refused to explain. The female employee brought a sex discrimination suit against the non-profit organization, claiming she was next in line for promotion, based on seniority. The non-profit settled out of court and defense expenses exceeded \$70,000.

MISAPPROPRIATION OF FUNDS — A donor made a large contribution to a non-profit. The funds were intended to aid impoverished children with educational and health care needs. Instead, the executive director and board of trustees decided to re-direct a portion of the donation to an expansion of their headquarters. The unhappy donor filed suit, alleging misappropriation of funds. The damages included a full refund of the contribution, plus interest.

AGE DISCRIMINATION — A non-profit advertised to hire a bus driver to transport community members to medical visits and other errands. Of seven applicants, one man was chosen not to be interviewed. The applicant claimed that he was not interviewed because of his age, and he filed suit against the non-profit for age discrimination. The organization denied any wrongdoing, but settled the case of \$15,000 to avoid full litigation costs.

Organizations and their volunteer directors and officers need to be careful about relying on legislation that attempts to limit the liability of volunteers. Once this legislation is deciphered, it

becomes clear that volunteers are anything but immune from lawsuits. In the case of the Volunteer Protection Act of 1997, for example, there are several gaps:

- It does not provide immunity from legal expenses incurred, and furthermore, volunteers will not know whether the law will protect them for losses incurred until after the court makes a final determination.
- It does not protect the organization, itself, nor its employees – it only applies to volunteers.
- It does not protect volunteers against possible employment practices claims, such as discrimination.

So, think about those youth athletic programs, homeless shelters, conservation societies, arts councils and zoos. Download an application from landersunderwriting.com. We'll provide terms promptly.



SHORT-ORDER PRODUCTS – THE WAY YOU LIKE THEM

EXERCISE EQUIPMENT, conveyor systems, prescription drugs, toys, bicycle parts, herbal remedies, security devices... there's a whole bunch of products being manufactured and sold that present a challenge for insurance agents. Landers Underwriting specializes in the placement of these difficult classes of products liability.

WE CAN BE PARTICULARLY HELPFUL with smaller, start-up companies who can benefit from a claims-made policy. With fewer assets to protect and less money to spend, companies in this category will find coverage under a claims-made policy more affordable during the first few years.

FLEXIBLE? YOU BETCHA. We'll find a way to offer coverage that suits your client's specific needs. We can write straight products only, or full CGL including products. How about product design errors and omissions in combination with products liability? No problem. Stand-alone product design errors and omissions? Okay. Tell us what you need and we'll respond.

SOMETIMES A MANUFACTURER will have difficulty finding coverage for just one product line and doesn't want to disrupt an insurance program covering all of their other products. In those cases, we'll offer coverage on a specified products basis.

WORLDWIDE COVERAGE. Just foreign coverage. Just domestic coverage. Just non-governmental sales.

YOU GET THE MESSAGE. Customized approaches to products liability.

Call us.



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