



HEARTBREAK HOTEL?

HOTEL AND MOTEL OWNERS could be facing premium increases in the future, thanks for a recent ruling by the Virginia Supreme Court. In a \$5,000,000 damage suit filed by Ryan Tabouda against the owners of Holiday Inn Express in Roanoke, the court unanimously ruled that an innkeeper has a higher duty of care for its guests than that owed by landlords or other business owners.

TABOUDA WAS SHOT EIGHT TIMES in the hotel's parking lot in March of 2003, while unpacking his vehicle. The shooter, who stole Tabouda's car with his infant daughter still inside, was caught and sentenced to prison time of 63 years. The suit claims that the hotel owner should have provided security guards for the parking lot, particularly since police had been called to the hotel 96 times in the previous three years. It seems that they had once employed security guards, but stopped the practice, due to costs..

WHILE THIS PARTICULAR CASE is not settled, with appeals continuing, the decision is certain to raise the bar for standards of security expected of hotels. Different hotels, in different geographic areas, will have different standards of security expected of them. A combination of manpower, cameras and staff training will be required to maintain a safe environment for guests.

EXPOSURES SUCH AS SWIMMING POOLS, restaurants and bars and the general life safety issues associated with hotels and motels have made them difficult risks in the past. The security issue will only compound the problems.

WE CONTINUE TO PROVIDE markets for these facilities and welcome your inquiries and submissions when your admitted carriers are reluctant to respond.



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LETTER FROM LANDERS

SO, MY 2006 MARATHON IS DONE AND GONE. New Orleans. I don't know where else I could have gone, run 26.2 miles, and come home weighing six pounds more than when I left. That's how good the food is. I had the muffaletta. I had the po' boy. I had the gumbo. I had the shrimp etouffé. I had the bread pudding. I even listened to Ellis Marsalis, while sucking down a Hurricane.

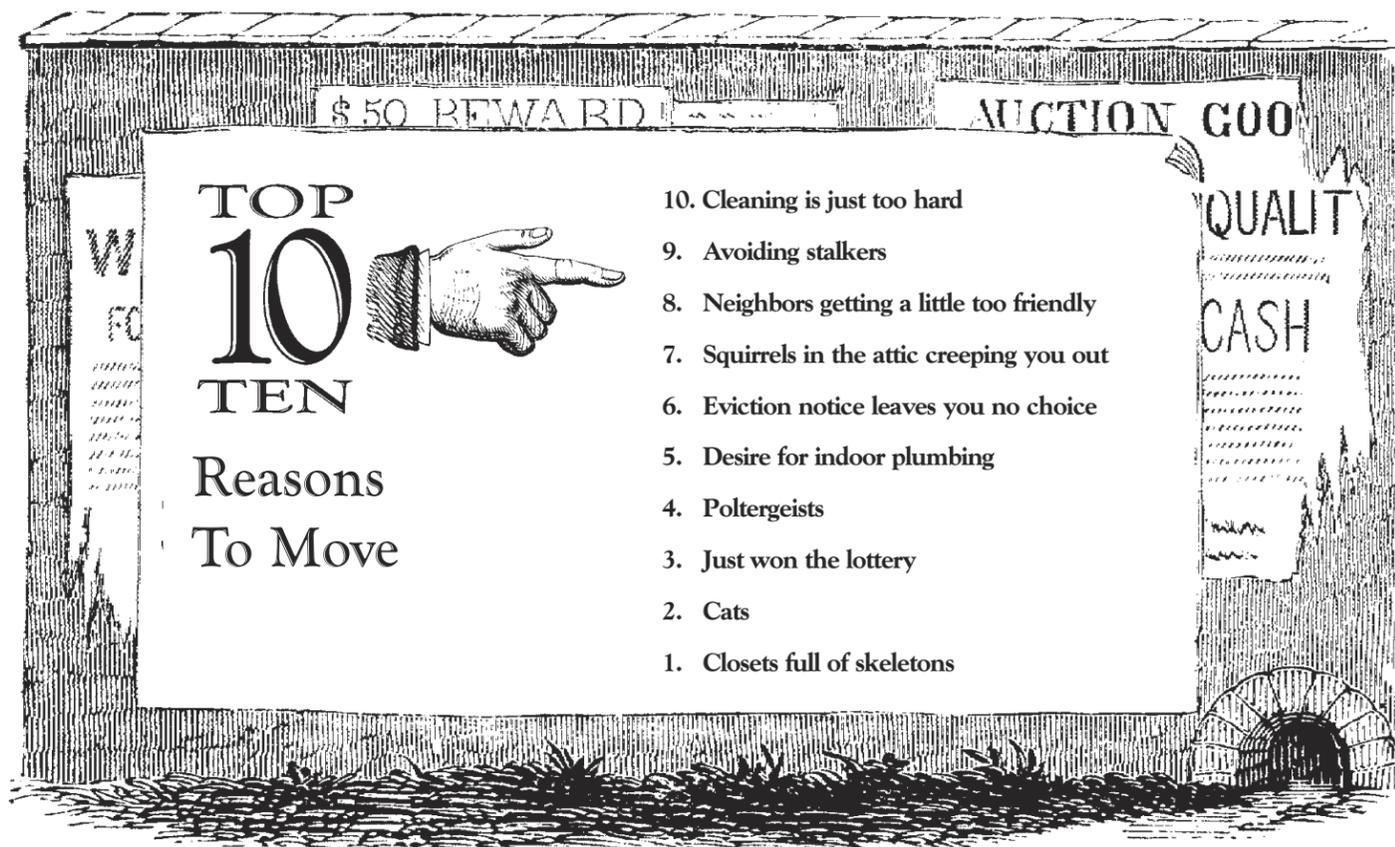
WE STARTED RUNNING at the Superdome and that structure didn't evoke football anymore. We ran past the still thriving Café du Monde coffee stand and along the edge of the relatively unscathed French Quarter and heard the trombone player working the street for tips. We ran past vacant houses with water lines etched 4, 5, then 6 feet high and all vegetation below those levels pale and grey. We ran past a group of men in red dresses, who held out cups of water and Gatorade and thanked us for coming to New Orleans. What a city – there ain't nothing else like it.

THIS YEAR'S GARDEN'S TAKING SHAPE, back on the home front. Lettuce, spinach and peas are up. I took a chance and put some tomatoes in a week early and am betting that we're past frost. I'm even trying a couple of those grape tomatoes. I suspect they won't even make it to the house – they're for garden snacking. I replanted my strawberry patch this year, so I'll have to wait until next May to reap that harvest. Good things (and, surely, sweet red home-grown strawberries are good things) are worth waiting for.

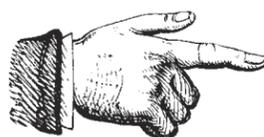
LOTS OF BUSINESS TRAVEL on tap for everybody here. Mandy Owen and Calin Cole (he's the New Guy) are heading for Arizona to attend AAMGA's Insurance 101 program. Noah McMurray just returned from Nautilus Insurance Company's annual underwriting meeting in Scottsdale and will make the long trek to Richmond for Essex's underwriting meeting next month. April Roth has been working on the Registered Professional Liability Underwriter (RPLU) Program and will be heading up to Philadelphia for an E&O Symposium and a visit to U.S Liability Insurance Company. Jackson Landers will be attending the IIAV convention at The Homestead in Warm Springs. Me? Oh, I've got to go to the AAMGA Convention. Where? Umm... Maui. Yeah, it's in Hawaii. I know, it's a long trip, but somebody's got to do it.

IF YOUR TRAVELS TAKE YOU TO CHARLOTTESVILLE, we'd love to have you stop by and see us.

Gary Landers



TOP
10
TEN



Reasons
To Move

10. Cleaning is just too hard
9. Avoiding stalkers
8. Neighbors getting a little too friendly
7. Squirrels in the attic creeping you out
6. Eviction notice leaves you no choice
5. Desire for indoor plumbing
4. Poltergeists
3. Just won the lottery
2. Cats
1. Closets full of skeletons

SCHOOL BORED

As PUBLIC ENTITY RENEWAL season approaches, we'd like to focus on the Public Officials Liability and Educational Errors & Omissions product lines that we offer through Tudor Insurance Company. More than 20 years of underwriting and claims handling have made Tudor a key provider of these coverages and one of the only carriers to have never ceased writing it.

THE PUBLIC OFFICIALS LIABILITY policy offers comprehensive E&O coverage for elected or appointed officials and employees. Coverage is essential, as the erosion of sovereign immunity, coupled with the heightened public awareness of legal rights has increased the frequency of lawsuits and the severity of awards. Government officials and employees are vulnerable to a wide array of liability losses including: Tax Assessment Disputes, Breach of Contract Claims, Violation of Competitive Bidding Practices, Issuance or Failure to Issue Licenses and Permits, Zoning Law Violations and Employment Practices.

PARALLEL TO PUBLIC OFFICIALS LIABILITY, the demand for similar coverage for school boards has increased significantly over the years. Tudor's Educational Errors & Omissions policy (a.k.a. School Board Liability) is designed to offer creative solutions to the complex exposures unique to school boards.

EXPOSURES INCLUDE: Failure to Educate, Mismanagement of School Funds, Violations of Open Meetings Act, Employment Practices, Failure to Follow Admissions Procedures and Denial of Tenure.

BOTH THE PUBLIC OFFICIALS AND EDUCATIONAL E&O policy forms share some common features, including Duty to Defend and Pay on Behalf wording.

WITH PERSONAL ASSETS AT INCREASED RISK, both government officials and school board members have become more reluctant to serve in these capacities. Tudor's policy wording, therefore, is especially important as respects these product lines. Even suits without merit must be defended, and the substantial legal costs that could result from these suits would be a heavy burden on the finances of any public entity, school board, board member or public entity employee.

AS OTHER CARRIERS have written and pulled out of these product lines, Tudor has been a stable market. Keep in mind that private and charter schools are eligible for Educational E&O. Show us what you've got.



SEMPER VIGILANS

JACKSON LANDERS' NOTES AND OBSERVATIONS on insuring high-end personal lines clients...



AS NICE AS a quiet account is, if it gets too quiet, then you need to be concerned. It's sort of like babysitting.

THE CLIENT NEEDS TO BE PESTERED at least once a year. If you have an account with a \$2,000,000 home with a significant valuable articles schedule and there hasn't been an endorsement in the last year

then something is very wrong. People who have a lot of money tend to buy things with it. Jewelry is bought for birthdays and anniversaries. Art is purchased in their travels. This is constant. And the insured is almost never going to think to call his agent and let him know about this. Nobody wants to think about insurance; that's what they're paying us to do for them.

KEEP AN EYE ON VALUES OF OLD ITEMS, AS WELL. Average annual inflation is about 3%. Most insurance companies use that as a baseline and you can start there as well when you look at how far off an old appraisal is. That's usually sufficient to figure present values of jewelry that has been appraised in the past ten years. With antiques and fine arts, that's not enough. The popularity of artists and the desirability of their work is far more

subject to change that, say, the price of gold. You ought to get a new appraisal for all items valued at \$25,000 or more every five years. Your client will fight you on this, but you can insist on re-appraisals with rising panic in your voice every six months or so until, eventually, you win.

IT CAN'T HURT TO FISH FOR SECONDARY LOCATIONS from time to time, either. Many people who buy a second home mistakenly think that they have to find a local agent near the new home in order to place coverage. It doesn't even occur to them to call the agent who handles their primary homeowners insurance. This is bad for the client. A stand-alone secondary location (usually of relatively lower value than the primary) is probably going to be shoved into whatever market will take it. You can almost guarantee that it won't be with a carrier who specializes in high-end business and the coverage will not be up to par in the event of a loss. The client is much better off in terms of coverage, convenience and perhaps price if vacation homes are written through the same high-end carrier with the same agent.

BEAR IN MIND that the "other agent" is probably just itching for a chance to grab the rest of the account away by using that secondary home as leverage. Don't give him the opportunity.

LOOK AT EVERY CHANGE request and every endorsement. Even if someone else is dealing with processing the paper. It's important to know what's going on with an account at all times.



PROCEDURES FOR PRODUCTS

LANDERS UNDERWRITING has long been a source for Products Liability for unusual and difficult classes of business. We write risks that produce products ranging from risqué board games to industrial machinery to incinerate medical waste. We do it by making sure that we have a clear understanding of exactly what the client's product is, how it works, where it's used and who uses it.

SOMETIMES, the needed information can be conveyed by reading the technical specifications and brochures that a firm has on hand. Well-detailed websites can be a useful underwriting tool. We're particularly appreciative of producers who take

the time to educate themselves on the details of their client's products and can offer tutorials to us. As broadly-educated, curious underwriters, we take pleasure in delving into the intricacies of new products and finding ways to insure them.

A CLAIMS-MADE FORM will often be the best solution for providing coverage to start-up ventures where the exposure is not really clear and fear of a damaging "tail" will frighten off underwriters who only have an occurrence form available. Additionally, cost will be minimized for start-up firms who don't have to pay premium for a prior acts exposure that doesn't exist. Of course, the corollary to this is that they should expect a gradual increase in insurance costs over the years, as products enter the marketplace and they do build up a prior acts exposure.

WE'VE GOT SPECIFIC APPLICATIONS available for download at landersunderwriting.com and we welcome your inquiries.

NEW DIGS

WE RECENTLY MOVED OUR OFFICE. Not far – just about half a block from the old place. We're located at 410 East Water Street in Charlottesville. But, don't go changing your Rolodex cards. Our mailing address is unchanged: P. O. Box 888, Charlottesville, VA 22902. The new address only matters if you're coming to visit us, or if you're sending something through somebody other than the U. S. Postal Service, like FedEx or UPS.

THE NEW OFFICE IS LOCATED in the King Building. It's a renovated brick warehouse, that was originally the home of a grocery distribution business. We're told that much of the produce that found its way into the dining halls at the University of Virginia in the early part of the twentieth century came from this building.

OUR SPACE INCLUDES a few of the hefty wooden beams that support the building. The brick walls are all painted white and we've got light entering the office from three sides. It affords us some much needed room for our expanding staff and is, all in all, a pleasant place to spend our workday in.

Y'all come see us.



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