

ANYBODY HOME?

EVERY ONCE IN A WHILE, it's useful to read an insurance policy. Let's take a look at the vacancy clause of ISO's Building and Personal Property Coverage Form CP0010. Stay awake, there'll be a quiz.

OFTEN, when an occupied building becomes vacant, insureds and their agents will want to hold onto a standard carrier's policy for as long as the carrier will let them get away with it. While it may seem advantageous to preserve a bargain price, as compared to what a surplus lines carrier might charge for a knowingly vacant building, there are pitfalls.

IF THE BUILDING HAS BEEN VACANT for more than 60 days, coverage for vandalism disappears. So, when somebody breaks in, destroys all of the plumbing and spray paints graffiti all over your client's walls – claim denied.

OR, HOW ABOUT THIS? Even if the loss is covered – say the building burns down – the amount paid is reduced by 15%. So, the owner of a \$500,000 building saves a couple of hundred dollars in premium, but walks away from a total loss with \$75,000 missing. Worth it?

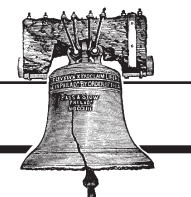
WE'VE SEEN SOME FOLKS think that they'll get away with calling a building occupied because they've got a desk or a few empty pallets sitting in the middle of an otherwise empty building. That doesn't cut it. The ISO form says that "a building is vacant when it does not contain enough business personal property to conduct customary operations". A pile of junk does not equal customary operations.

DON'T PUT YOUR RELATIONSHIPS with your standard carriers and your clients in jeopardy by hanging onto a policy that's outlived its usefulness. Landers Underwriting understands how to write vacant property. Try us.



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LETTER FROM LANDERS

HOW'S BUSINESS? From our perspective, the insurance business seems to in a fairly comfortable state of equilibrium. Minimal catastrophic losses in the past year have been welcome comfort to property carriers. Relatively low interest rates mean that there's not much point to cash-flow underwriting. Sure, we see standard carriers coming back looking for classes of business that they disdained a few years ago, but that's to be expected. They'll throw that business out again in a couple more years and we'll be well-prepared to handle it. And so it goes...

I'VE HAD A FUN SEASON of running in early 2007. Austin, Texas was my choice of marathon cities this year. The barbecue was great, the music wonderful and I achieved a personal record marathon time, to boot. We won't talk about what that time was, but it's satisfying to know that, even in my mid-fifties, I can still improve in some kind of athletic performance. Rage on!

I CONTINUE TO BE PROUD of the professional development of the people who work with me at Landers Underwriting. Calin Cole and Cynthia Lowe have both gotten their property and casualty licenses in recent months. Calin's now working on General Liability and Liquor Liability business. Cynthia's handling Personal Umbrella business, as well as Chubb's various personal lines products. I look forward to increasing personal irrelevance as our staff grows more experienced and capable.

WE NOW HAVE ANOTHER HARRY LANDERS. My son, Jackson and his wife, Tricia have their own little Harry, born in February. He's a charming baby, who just seems easy to get along with. As I remember, that's not always the case with babies.

SPRING SEEMS to bring visitors to Charlottesville. If you're among them, please be sure to stop by and see us.

\$50 REWARD AUCTION GOO

TOP 10 Valuable Items That Should Not Be Scheduled

10. Children's baby teeth	5. Beanie babies
9. "Original" Monet drink coasters	4. Your health
8. Bear's gall bladder	3. Furball collection
7. Hopes and aspirations	2. QVC collectible plates
6. Cocaine	1. Nana's ashes

Gary Landers

BEWARE THE SPOON SCHEDULER!



THERE ARE PLENTY OF GOOD REASONS for valuable articles to be scheduled on homeowner policies. Valuable articles coverage helps protect your clients' financial investment in jewelry, collectibles, china, crystal, silver, artworks, furs, antiques and virtually any other type of valuable. Among the benefits provided by Chubb on their Masterpiece program:

- ✦ Itemized coverage. This option allows the insured to determine the insured value of possessions. In the event of a total covered loss of an item, they will receive 100% of the insured value – no deductible, no depreciation, no surprises.
- ✦ Breakage protection. Coverage for breakage or damage to fragile items is automatically included. This coverage is typically restricted or excluded in homeowners policies.
- ✦ Coverage for "mysterious disappearance". Many homeowners policies don't cover valuable items that are lost or misplaced, especially when they disappear away from the home. A Chubb valuable articles policy provides coverage in these situations.
- ✦ Worldwide coverage. Your client's valuables are automatically covered wherever they may take them – anywhere in the world.

WHILE THERE ARE GOOD and important reasons to schedule valuable articles, there is also the potential of falling prey to the Spoon Schedulers. Those are the clients who decide that it's imperative to schedule each and every spoon in their entire, huge silverware collection. This requires them, their agents and insurance companies to type and manage unwieldy lists of single items that may be worth \$5 to \$100 each. We suggest that agents acquaint their Spoon Schedulers with the benefits of blanket coverage. A blanket limit for unscheduled valuable articles can be purchased that will provide many of the benefits of specific scheduling of pieces, without the need for minute detailing of individual items. It is worth noting, however, that blanket schedules are subject to a maximum limit of \$10,000 for any one item, so those higher valued articles really should be specifically scheduled.

LANDERS UNDERWRITING offers access to the full array of Chubb's personal lines products, along with the expertise to assist producers in serving their high-end clients.

COUNSELLORS IN DA HOUSE

JUST BECAUSE an attorney isn't in private practice, that doesn't mean there's not a significant professional liability exposure that needs to be considered. An attorney who acts as in-house counsel is faced with a need to protect personal assets and the firms employing lawyers in such roles need to safeguard the company's balance sheet, as well as one of their most valuable human resources.

IT'S NOT JUST IN-HOUSE COUNSEL of large companies who are exposed to allegations of legal malpractice. Attorneys in small private companies and non-profit organizations are also vulnerable. In fact the American Bar Association estimated that 25% of all claims against attorneys are brought by non-client third parties. If anybody knows how expensive it can be to defend these lawsuits – not to mention the settlements – it's the lawyers themselves.

EMPLOYED LAWYERS PROFESSIONAL LIABILITY INSURANCE can often provide the coverage to protect both the employers and attorneys. In-house counsel could be at risk if they are engaged in activities such as:

- ✦ Human resource management work on activities such as downsizing.
- ✦ Review of advertising, press releases, and other communications.
- ✦ Reports or opinion letters to outside agencies or regulatory bodies, including the Security and Exchange Commission (SEC).
- ✦ Approval of contract language used with outside vendors or customers.
- ✦ Any other legal services for the company that might be relied upon by third parties.

WE ENCOURAGE AGENTS TO ADD THIS QUESTION to your checklist when doing a client coverage review: "Do you employ any attorneys?" If the answer is "yes", ask us for an application for Employed Lawyers Professional Liability. We'll take it from there.

HEALTH CARE TO GO

ONE OF OUR SPECIALITIES 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 turning towards these firms 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. Home health care aides can provide the support that allows elderly clients to remain in their own homes.

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 SPECIFIC 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".

YOU'RE A GENIUS



OKAY, HERE'S THE SCENARIO. Your client is asked to serve on the board of directors of a non-profit organization. She's happy to do it. It's a group doing good work and your client is happy to contribute her time and energy. The only problem is that the organization doesn't have Directors & Officers Liability and your client has significant personal assets that she doesn't want to jeopardize

SMART INSURANCE AGENT THAT YOU ARE, you provide D&O coverage for the organization and everybody's happy.

FLASH FORWARD A FEW YEARS. After serving on the board, it's now time for your client to step aside and move on to new projects. And, wouldn't you know it, now that your "squeaky wheel" is gone, the new board decides to discontinue their D&O policy and allows it to lapse.

NOW, YOU'VE GOT A PROBLEM, waiting to happen. The coverage was written on a claims-made form. It's expired. Your client is no longer on the board and has no ability to influence the decision to continue or replace coverage. And yet... she has an exposure to lawsuit. If a claim should be made against her, as a result of an action taken while she was a board member, after the policy has expired, she's out of luck. Right?

NOT NECESSARILY. We've already noted what a smart insurance agent you are. That being the case, the D&O policy that you provided was a U. S. Liability Insurance Company form that you secured from Landers Underwriting. And in this form there is an **unlimited Extended Reporting Period for former Directors and Officers included at no additional charge.** This means that if a future board cancels or non-renews the coverage, former board members have forever to report a claim arising from actions taken while they were board members. With full prior acts coverage also included, these insureds gain the advantage of an occurrence policy.

Man, are you smart.

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