

BOOM TO BUST



NOW THAT THE BOTTOM has dropped out of the real estate market, it might be worthwhile to consider one of the ways that will effect the insurance business. High on that list has to be an increase in vacant properties. Houses for sale are sitting on the market for considerably longer periods. In our area, the number of "days on market" is more than double what it was a year ago. There are loads of investor-owned properties, either new construction or renovation projects, that are sitting empty, without signs of relief in sight.

STANDARD CARRIERS have never been excited about insuring vacant buildings. They can attract vandals. Moral hazard is increased, as owners face increased financial pressure. Once a fire starts, response is likely to be slow if there's nobody there to call the fire department. They're just not a good bet for cookie-cutter insurers.

SURPLUS LINES CARRIERS have long been a source of coverage for vacant properties. Careful underwriting, freedom of form and proper use of rate and deductibles enable our markets to respond when admitted carriers shy away.

LANDERS UNDERWRITING makes a particular specialty of providing prompt response to the need for coverage on vacant properties. We've got applications specifically geared for the class. Policy terms are offered so as to be flexible to meet the anticipated period of vacancy. We'll write coverage for three months, six months, or four months one week and six days, if that's what your client needs. We welcome your submissions and inquires.



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LETTER FROM LANDERS

IT WAS TWENTY YEARS AGO TODAY ... No, I'm not talking about Sgt. Pepper. It was in January of 1988 that Landers Underwriting, Inc. first started in business. During those twenty years, we've seen plenty of changes, but we've also seen a great deal of stability. Many of our company partners go back to those early days – American Empire Surplus Lines Insurance Company, Chubb, Essex Insurance Company, Nautilus Insurance Company, Tudor Insurance Company, U.S. Liability Insurance Company, not to mention our long-time Lloyd's brokers, Bell & Clements, Ltd. I continue to be grateful for the confidence that these markets showed by appointing us to represent them. The past two decades have been a great adventure.

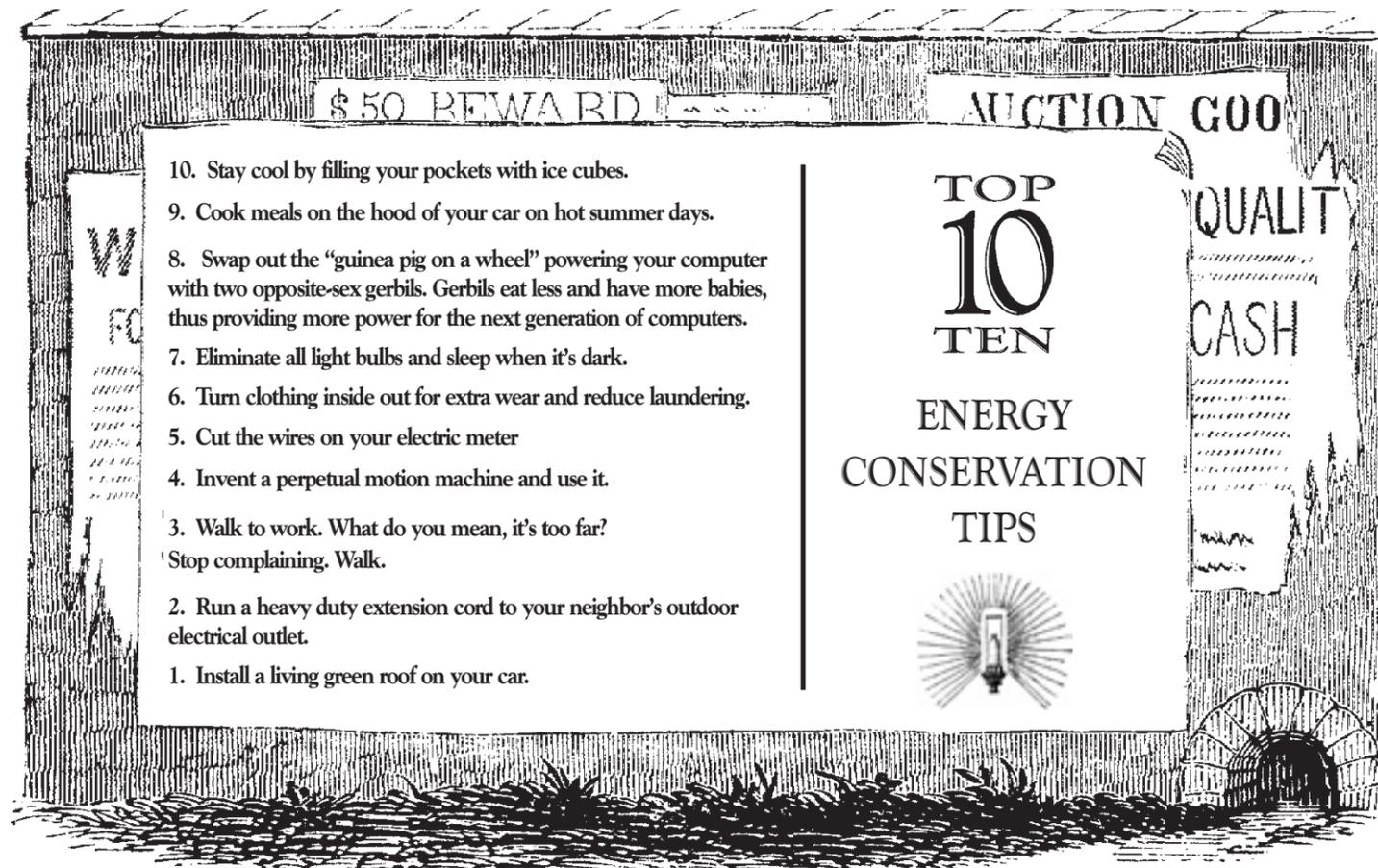
SPEAKING OF ADVENTURE, Noah McMurray and his wife, Amanda, have just embarked on one. They're new parents of a son – Griffin. Cute as a button and a great little smiler.

BY THE TIME YOU'RE READING THIS, I hope to have completed my latest marathon. Mobile, Alabama seems to be a fine place to run 26.2 miles in January. The race is a benefit for LArche, which is a community of mentally handicapped adults, living as a family with non-handicapped people. After all this running, I'm still not particularly fast, but it does seem to keep me fit. At this point in life, that's good enough.

WE NEED TO DO SOME WORK on keeping our mailing list up-to-date. If we're making errors in your mailing address (or if you'd prefer not to receive our newsletters in the future), I'd appreciate it if you'd let us know. Call, write, fax or e-mail. Most folks seem to like the idea of getting regular communications in this "real paper" newsletter format. As useful as email can be, sometimes it's just plain annoying and you want something that you can pick up and read at your leisure, mark up and pass around.

CAN I SAY THIS? It saddens me whenever I hear about an independent agency selling out to a national firm. Oh, I understand it. Sometimes it's the only way that principals are able to liquidate value, but it just seems too much like Starbucks buying up Charlie's Coffee Shop, if you know what I mean. On the other hand, I take it as wonderful news every time I hear about young (or not-so-young) men and women going out on their own and starting up new insurance agencies. It gives me hope. So, a special wish for success in 2008 to all of those who are putting themselves on the line and realizing the great American dream of running your own business. Cheers!

Gary Landers



10. Stay cool by filling your pockets with ice cubes.
9. Cook meals on the hood of your car on hot summer days.
8. Swap out the "guinea pig on a wheel" powering your computer with two opposite-sex gerbils. Gerbils eat less and have more babies, thus providing more power for the next generation of computers.
7. Eliminate all light bulbs and sleep when it's dark.
6. Turn clothing inside out for extra wear and reduce laundering.
5. Cut the wires on your electric meter
4. Invent a perpetual motion machine and use it.
3. Walk to work. What do you mean, it's too far? Stop complaining. Walk.
2. Run a heavy duty extension cord to your neighbor's outdoor electrical outlet.
1. Install a living green roof on your car.

TOP
10
TEN
ENERGY
CONSERVATION
TIPS



QUALITY
CASH

GOING GLOBAL

INTERNATIONAL TRADE now accounts for one-third of the U.S. Gross Domestic Product. And, it's not limited to Fortune 500 companies, either. There are plenty of small and mid-sized companies doing business overseas, whether by exporting goods and services or simply having their employees travel abroad. If independent insurance agents are to be able to continue to serve their commercial clients and not lose them to mega-brokers, they need to be able to address the global exposures that may not be covered by domestic policies.



WE THINK CHUBB'S Exporters Package Portfolio is just the ticket. The coverage can be tailored to meet the needs of individual clients. Among the highlights:

- ✦ General Liability applies to foreign occurrences and includes protection for U.S. occurrences when suit is brought outside of the U.S. and Canada.
- ✦ Foreign Voluntary Workers Compensation Insurance is primary and protects a firm's U.S. employees while traveling outside the U.S. and Canada, including 24/7 medical assistance services and repatriation insurance for their accompanying spouses and children
- ✦ Commercial Auto Liability applies on a primary basis for non-owned and hired autos (other than long-term) with the compulsory self-insured retention required
- ✦ Property Insurance includes protection, at unscheduled locations and while in transit, for laptop computers, sales samples and personal property at trade shows
- ✦ Kidnap/ransom and extortion
- ✦ Defense Base Act benefits provide coverage for the injury or death of an employee engaged in any employment under a contract between the insured and the U.S. government for work performed outside the United States, typically at military installations.

CHUBB'S EXPORTERS PACKAGE PORTFOLIO (along with all other Chubb Commercial and Personal insurance products) is available through Landers Underwriting. Asking about foreign exposures and providing the proper coverage can permit you to continue to serve the needs of your clients, as they enter the global economy.

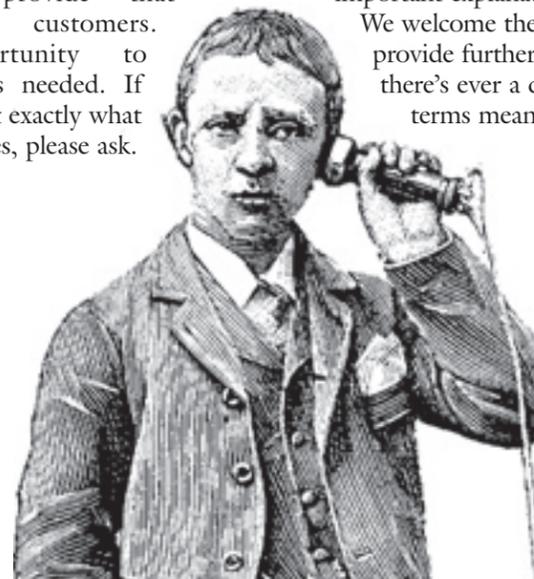
WHAT ARE YOU TALKING ABOUT?

YOU'VE SEEN IT ON OUR QUOTES: Minimum & Deposit. Do you understand exactly what that means? Do you explain it to your clients when you're making your proposal?

THE MESSAGE IN "Minimum & Deposit" is two-fold. Let's explain them in reverse order. "Deposit" is intended to convey that the premium is adjustable. We're charging a certain advance premium, but there will be a day of reckoning when we'll determine what the actual premium will be. The premium basis is something that's subject to fluctuation, such as receipts, payroll or admissions. Other, non-adjustable premium factors could include, for example, area. Square footage (barring physical change to the building) doesn't expand or contract; it is what it is. If a premium is shown as "Deposit", you can be sure that there will be an accounting, either by physical or voluntary audit, so that the final premium can be calculated.

AS FOR "MINIMUM", what we're saying is that the audit process will be, in effect, a one-way street. That is, if the actual premium basis turns out to be higher than the initial projection, there will be an additional premium due. If, however, the audit determines that actual premium basis to be lower than estimated, there is no return premium. The Deposit premium is the lowest amount that insured will pay for the coverage.

WE TAKE PAINS TO SPECIFY when premiums are Minimum & Deposit by clearly stating so in our written quotations. We don't want anybody to experience disappointment or bad feelings by being surprised at audit time. It's important that clients understand exactly what their policy terms are, in advance, and we count on our producers to provide that important explanation to their customers. We welcome the opportunity to provide further clarity if it's needed. If there's ever a question about exactly what terms mean in our quotes, please ask.



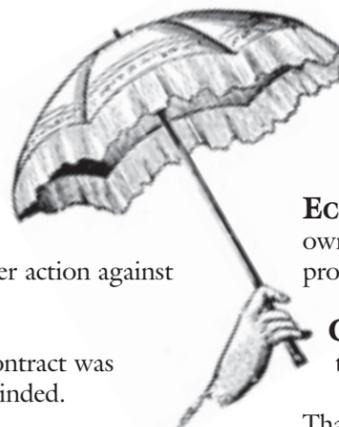
WHY SHOULD NON-PROFITS BUY D&O COVERAGE?

WE'RE GLAD YOU ASKED.

CONDOMINIUM ASSOCIATION — The management firm hired by the association allowed the premises to deteriorate, resulting in devaluation of the condominium units.

HOUSING AUTHORITY — The Executive Director was fired for his part in whistle-blower action against an officer.

RESEARCH FOUNDATION — A breach of contract was alleged when an offer of employment was rescinded.



COUNTRY CLUB — The restaurant manager's contract was not renewed after she complained of sexual harassment by a club member.

ECONOMIC DEVELOPMENT CORPORATION — Property owners claimed interference with their enjoyment and use of property, due to the development of neighboring property.

COMMUNITY CENTER — The mismanagement of funds led to bankruptcy of the organization.

That's why.

ALL EVENTS ARE SPECIAL

ALTHOUGH WE PROBABLY SPEND MORE TIME explaining to folks why their clients don't need a separate liability policy for special events, we remain a market for special event liability of all sorts. We're capable of fast quote turn-around on these risks and can provide General Liability, Liquor Liability, or both.

Examples of events eligible:

- ✦ Concerts and Musical Performances
- ✦ Festivals
- ✦ Sporting Events
- ✦ Parties
- ✦ Political Rallies
- ✦ Car Shows
- ✦ Conventions, Trade Shows and Exhibits
- ✦ Fund-Raisers
- ✦ Parades
- ✦ Picnics
- ✦ Weddings and Wedding Receptions

COVERAGE MAY INCLUDE products liability for food and beverages. It can be extended to include volunteers and temporary or leased workers. Additional insureds can be accommodated. Medical payments coverage is available. Liquor liability can be included, if needed.

WHAT'S NOT TO LIKE? Ask us for specific applications or help your self by going to landersunderwriting.com and downloading one.



LANDERS UNDERWRITING

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