

# Market Risk Solutions



March 2005

## Our Focus is on You! Come Grow with Us in 2005

Last year was a banner year for MRS! We dramatically increased our premium volume, and most importantly, achieved an outstanding loss ratio for the third consecutive year. Our agency expansion project continued, and we ended the year with 217 agency appointments in 40 states. Our key objective this year is to develop a meaningful premium level with each agency partner. We have made significant additions to our highly experienced underwriting staff, and they are anxious to assist you and your clients in fulfilling their risk management needs. Our underwriting and management teams will be highly visible within your agency, getting to know your marketing directors and producers

and providing a "gray market" solution for your agency's problematic accounts.

We believe 2005 will be a tremendous year for MRS business development. We are anxious to develop additional business utilizing our OmniFlex product. We're also seeking additional homogeneous blocks of business (HBBs). You'll find articles on both of these programs in this newsletter. We are pleased to offer financial stability (A.M. Best Company rates us A XI), sound underwriting, and a healthy balance sheet.

We sincerely appreciate your partnership and business in 2004, and we look forward to an outstanding year in 2005!

## MRS Wants to Write Your HBB Business in 2005!

You may recall that in August and November of 2004 you received an e-mail describing the concept of what we call an HBB, or homogeneous block of business. In that announcement, we indicated that MRS is very interested in writing blocks of business consisting of individual accounts with similar characteristics that would develop a minimum premium level of \$750,000 within a 12-month period. Each individual member of the HBB is individually underwritten, based on the merits and characteristics of the account.

The response has been excellent and we appreciate your interest in discussing and submitting your particular HBB. In fact, we are pleased to have launched several new HBBs over the past 90 days, including a scrap metal dealer, commercial roofing contractors, temporary staffing, Best Western Hotels, and a Golden Corral Restaurants HBB. These five additional HBBs are already having a significant premium impact for MRS and our agency partners, and are in addition to the hotel, tourist cavern, golf tournament, and apartment building owners HBBs currently written.



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## MRS is Using OmniFlex for Property Coverage

Markel Risk Solutions is very excited about the OmniFlex product. OmniFlex (available in most states) is utilized in similar fashion as the traditional Manufacturers Output Policy (MOP). OmniFlex is designed to allow property-driven accounts to be written on an extremely flexible basis, with rates based on individual risk characteristics.

Not only does OmniFlex have great pricing flexibility, the broad property coverage enhancements provided allow comprehensive built in coverage that will allow an easy sell to your client. When your clients need CGL, auto, inland marine, crime, and other coverages, they can be combined with the OmniFlex product to create a unique insurance package.



### Some of the automatic coverage highlights include:

Electronic Data Coverage	\$100,000
Accounts Receivable	\$100,000
Personal Property Off Premises	\$100,000
Fine Arts	\$100,000
Valuable Papers	\$100,000
Building Ordinance	\$100,000
Property in Transit	\$50,000
Consequential Loss	\$50,000
Pollution Cleanup	\$50,000
Employee Dishonesty	\$25,000
Money and Securities Inside	\$25,000
Money and Securities Outside	\$10,000

Many optional endorsements are available to broaden coverages even further, including spoilage, manufacturer's selling price (finished stock only), utility service, and below-ground water and backup of sewers and drains.

For more information on this product, contact your MRS underwriter today.

## True Stories and Meaningful Results

We've already had many success stories on accounts written at MRS in 2005. One recent success is worthy of noting.

MRS underwriter Liann Rider recently visited an agency in the midwest, to discuss several new account opportunities. Several of the account expiration dates were 30 to 60 days out, but one particular account, a plastics manufacturing risk, raised some problematic issues.

When Liann visited the agency on January 25, they had just been advised that the manufacturing firm

was going to be under new ownership in seven days. Additional carriers were approached but had declined based on timeframe alone. After discussing the account in detail, Liann made the decision to submit the account online to Shane Duke, who was Liann's backup in Richmond.

Shane prepared the account for rating. The quote was turned around in less than 48 hours. When Liann returned to the office on January 27, the quote had been completed and she was ready to fine tune the numbers and determine the appropriate terms and conditions. The quote was delivered and sold before the closing date.

Liann used creative thinking and made good use of our internal resources to quickly and effectively land this account and bring meaningful results to both our agent partner and MRS.



## MRS New Business Hit List December 2004

Apartment Buildings.....	\$457,200
Casino.....	\$101,225
Commercial Roofing Contractor.....	\$137,498
Days Inn Motel.....	\$56,677
Excavation Contractor.....	\$32,935
Golden Corral Restaurant.....	\$33,242
Grocery Store Chain.....	\$147,572
Iron and Metal Recycler.....	\$79,839
Landscape Gardening Contractor.....	\$134,201
Mulch Manufacturer.....	\$41,916
Pizza Restaurant.....	\$67,920
Restaurant/Lounge Chain.....	\$945,000
Scrap Tire Recycler.....	\$147,567
Steel Fabricator.....	\$71,012
Theatrical Lighting Design.....	\$67,536
Trailer Sales and Service.....	\$85,347
Wood Truss Manufacturer.....	\$153,000

## The MRS Top Producers

*Congratulations to the top producing MRS agents in 2004!*

Acordia of Kentucky  
 Brown and Brown of Nevada  
 Cragin and Pike  
 Harold Wells & Son  
 HRH of Arizona  
 HRH of Virginia  
 IMA of Kansas  
 Moloney, O'Neill, Corkery & Jones  
 Thomas Rutherford  
 United Insurance Agencies  
 USI/Henderson Phillips of Virginia  
 Watson Insurance Agency



## New Faces in MRS

### James Kolesar

*Executive Underwriter*

James brings over 17 years of P&C experience to MRS. James began his underwriting career with USF&G. He joined National Grange Mutual as a senior underwriter before joining St. Paul/Travelers in 1995, where he worked in various underwriting and marketing disciplines. James is a graduate of Radford University.

### Tony Costa

*Underwriter*

Tony is a recent graduate of Markel University, where he participated in a vigorous training program covering all facets of the Markel organization. Tony worked in corporate headquarters, Essex Insurance, and Markel Insurance Company before settling into his full-time responsibilities at MRS. Tony graduated from East Carolina University with a degree in finance in 2003.

### Mary Blukis

*Policy Production*

Mary joined MRS after working as commercial lines CSR at a local Richmond insurance agency. Prior to her introduction to the insurance industry, she worked with the Virginia Department of Game and Inland Fisheries.

### Patricia Grubbs

*Policy Production*

Patricia comes to MRS after working with W. R. Berkley Mid Atlantic Group as a claims specialist. She has worked in the insurance industry for over 20 years.

## Company Contacts

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### HBB Business in 2005!

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We are currently prospecting and have high hopes for several additional HBBs, including franchise restaurants, scrap iron recycling, and private country clubs.

There are a number of characteristics that illustrate a good HBB opportunity:

- Agency expertise in underwriting exposure and analysis
- Well defined marketing platform to access risk population
- A reasonable number of accounts (30 to 100+), depending on average account premium
- Average account premium of \$25,000+ within the HBB
- Agency controlled book of business

If you have any opportunity to entertain a new HBB or currently write a block of business that is important to your agency but lacks underwriting service or is simply underachieving, please call Dean Kemp at **800-431-1270** ext. 7586 to discuss your opportunity.