A R C O *F L A S H !*

FEBRUARY 2005 ISSUE - THE PERIODIC NEWSLETTER FOR THE MEMBERS OF THE

ASSOCIATED REPORTING COMPANIES

Ken Taylor, Temporary Editor
INDEX RESEARCH SERVICES INC.
2555 Flores Street – Suite 100
San Mateo CA 94403
Phone: 650-525-2800 - Fax: 650-525-2807 - E-Mail: indexresearch@juno.com

ARCO Web site: www.arco-members.com

ARCO ANNUAL MEETING: More Information

The 2005 ARCO Annual Meeting is looming on the near horizon. ARCO President Scott Marne (Accu-Audits Inc. – PA), with the able assistance of John Henebry, (Pacific Inspections – CA), has arranged for the Monte Carlo Resort & Casino to be ARCO's home for this meeting. Those members who attended the 2001 meeting, also at the Monte Carlo, recall it as an rewarding session with excellent facilities which were widely enjoyed by everyone. The 2001 meeting was also the best-attended ARCO meeting ever. We hope to equal that result in 2005.

A notice has been mailed to all ARCO members, with details about the meeting. If you did not receive a notice please contact John Henebry and John will get a copy to you promptly.

GENERAL 2005 ARCO MEETING INFORMATION

Dates:	May 1st – 3rd, 2005
Place:	Monte Carlo Resort & Casino 3770 S. Las Vegas Blvd. Las Vegas NV 89109 702-730-7000 or 888-529-4828
Rates:	$99.00 per night
Check-in:	3:00PM Check-out: 11:00AM

RESERVATIONS SHOULD BE MADE DIRECTLY WITH THE HOTEL, NO LATER THAN MARCH 25, 2005. USE RESERVATION CODE: xARCO5 TO RECEIVE THE GROUP RATE.

BE SURE TO ATTEND THE WELCOME COCKTAIL PARTY AT 6:00PM ON SUNDAY, MAY 1st!

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INDEPENDENT CONTRACTOR OR EMPLOYEE?

"Before you can determine how to treat payments you make for services, you must first know the business relationship that exists between you and the person performing the services. The person performing the services may be -

- An independent contractor
- A common-law employee (Employee)
- A statutory employee
- A statutory non-employee

In determining whether the person providing service is an employee or an independent contractor, all information that provides evidence of the degree of control and independence must be considered. *It is critical that you, the employer, correctly determine whether the individuals providing services are employees or independent contractors.* Generally, you must withhold income taxes, withhold and pay Social Security and Medicare taxes, and pay unemployment tax on wages paid to an employee. You do not generally have to withhold or pay any taxes on payments to independent contractors. ***Caution:*** *If you incorrectly classify an employee as an independent contractor, you can be held liable for employment taxes for that worker, plus a penalty.*"

In this edition of the *Flash!*, we will again bring information which may be of interest to ARCO members.

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MEMBERSHIP DIRECTORY UPDATE

Carolyn Ward (ARCO Executive Director) reports that the new Directory of Members is prepared and ready to be sent to the printer. The preparation may be deferred until after the upcoming ARCO Annual Meeting, while research is done on obtaining the best and most practical updated industry mailing list.

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UNDERSTANDING COMMERCIAL LIABILITY INSURANCE

Liability insurance protects the assets of a business when it is sued for alleged injury or property damage.

When liability insurance is purchased as part of a BOP, the coverage limits are generally lower, so higher risk companies that need more coverage may choose to purchase liability insurance as a separate policy.

Company owners should first consider the amount of risk associated with their business. For example, a business that manufactures heavy machinery is at a greater risk of being sued than a company that manufactures linens, and would therefore need more liability insurance. Another factor to consider is where your business is located. The volume and success of litigation varies dramatically from state to state. If a business is in a state that seems to favor high damage awards to plaintiffs, they will need more liability protection.

Under a liability insurance policy, the insurer is obligated to pay the defense and legal costs of a covered liability claim or lawsuit. Covered liability claims include bodily injury, property damage, personal injury and advertising injury. The insurance company would also pay any compensatory or general damages that the business becomes legally obligated to pay. Punitive damages are not covered under general liability insurance policies because they are considered punishment for intentional acts.

General liability insurance policies always state a maximum amount that the insurer will pay during the policy period. Usually these policies also list a maximum amount the insurer will pay per “occurrence”. For example, if a company has a $1 million “occurrence” cap in their liability policy and they are sued and receive a $1.5 million judgment against them, the insurer would pay $1 million and the business would be responsible for the additional half-million dollars. To cover these types of situations, most companies can purchase Umbrella Liability Insurance, which would cover payments in excess of the policy limits and provide coverage for liabilities not covered in a standard liability insurance policy.

In today’s litigious society, even small mishaps can result in a lawsuit. For this reason, most insurance companies require their policyholders to report any accidents that could lead to a liability claim as soon as possible. The insurer may then require the business owner to document the situation, forward all summons and legal notices and cooperate fully in any investigations.

Taking precautions before an accident can help to keep insurance rates down. Following are steps businesses can take to lower the chance of a liability insurance claim:

- Set a high standard for product quality control.
- Make sure all company records are complete and up-to-date.
- Be sure employees are properly trained.

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ISO: Insurers Pay a Record $27.3B in 2004 Cat Losses

U.S. property/casualty insurers paid a record $27.3 billion for insured property losses to homeowners and businesses from 22 catastrophic events last year—surpassing losses from 2001 that included the Sept. 11 attack—according to estimates by ISO's Property Claim Services (PCS) unit.

Over 80 percent of the insured losses were from the five hurricanes that made landfall in the U.S. along the Atlantic and Gulf coasts. The last time back-to-back hurricanes struck the U.S. was in 1999, the year of hurricanes Bret, Dennis, Floyd, Irene and Lenny.

Policyholders in 42 states and Puerto Rico filed nearly 3.35 million personal and commercial property and automobile claims.

Catastrophic activity was mild in the fourth quarter with insured losses of $450 million from three events. The quarter produced slightly more than 100,000 claims from eight states. Fourth-quarter 2003 was the worst fourth quarter for insured losses—$2.64 billion, much of it stemming from the two Southern California wildland fires.

Florida suffered the highest insured losses at $18.8 billion, all from the four third-quarter hurricanes—Charley, Frances, Ivan and Jeanne—followed by Alabama at $1.8 billion, Colorado and Pennsylvania each at $715 million, and Georgia at $660 million.

The four hurricanes produced a total of 2.23 million claims from policyholders in 16 states and Puerto Rico, with Florida topping the list with 1.63 million claims.

Following is a recap of U.S. insured losses from catastrophes since 1995. While the frequency of events in the last few years is less compared with earlier years, insured losses have increased significantly.

1995	34	$ 8.3 billion
1996	41	$ 7.4 billion
1997	25	$ 2.6 billion
1998	37	$10.1 billion
1999	27	$ 8.3 billion
2000	24	$ 4.6 billion
2001	20	$26.5 billion
2002	25	$ 5.9 billion
2003	21	$12.9 billion
2004	22	$27.3 billion

The cost of the average catastrophe in 2004 was $1.26 billion—twice that for other years in the past decade. That average was exceeded only once in the past 10 years—$1.33 billion in 2001, largely because of the Sept. 11 terrorist attack.

ISO's PCS unit defines a catastrophe as an event within a particular territory that causes $25 million or more in insured property losses and affects a significant number of property/casualty policyholders and insurers. The estimates represent anticipated insured losses on an industrywide basis arising from catastrophes, reflecting the total insurance payment for personal and commercial property items, business interruption and additional living expenses. The estimates exclude loss adjustment expenses.

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HOMEOWNERS INSURANCE – ARE YOU COVERED?

EXCERPTED FROM READERS DIGEST MAGAZINE

Thousands escaped the October 2003 Southern California wildfires alive only to see their homes burned to the ground. For the 3,600 families to suffer this way, one critical question leapt to mind immediately once the smoke cleared: Will my insurance cover my loss? Too often, sadly, the answer was "not entirely."

There are a variety of factors that determine whether your homeowner's coverage is sufficient once catastrophe strikes, but ….. experts agree that it's your responsibility to make sure your bases are covered -- by doing your homework before buying a policy and by periodically reviewing that policy and other relevant factors once you've got it.

"Ultimately, it's your property," said P. J. Crowley, vice president of public affairs at the Insurance Information Institute, a trade group. "You have to decide what kind of product you want."

True, says Amy Bach, executive director of United Policyholders, a California-based consumer group. And, Bach adds, that's what makes the October fires an effective "wake-up call" for homeowners: "Anytime you hear about something like this, that's a good time to call your insurance agent and ask, 'Am I covered?'"

Here are some ways to make sure you are:

BEFORE BUYING A POLICY

Penny Foolish: Don't just shop for the lowest-priced policy. It may come back to haunt you if you suffer a total loss.

The Best Policy: Ask your agent: Is this the best coverage you've got? You might find out that it's not.

Raise the Bottom Line: If you increase your deductible, you're likely to lower your premiums. You'll also ensure that your policy is geared toward what you really need: protection against accidents and catastrophes.

Extend Yourself: Guaranteed-replacement-cost policies are mostly a thing of the past, so the best you can probably do now is an extended-replacement-cost policy. In exchange for higher premiums, you can buy yourself coverage for more than 100 percent of the value of your home.

REVIEWING YOUR POLICY

Value Added: If the value of your home climbs or if you make major renovations, discuss whether your policy adequately accounts for these changes.

The Fine Print: Read any notices you receive from your insurer carefully; these can spell out significant changes in coverage.

Make a Movie: When it comes to possessions, go through your home with a video camera to create a visual record of your stuff. Make two copies and ask a relative or friend to hold on to one.

Rider in a Storm: The loss of especially valuable possessions (jewelry or antiques, for instance) may not be adequately covered by your policy. Make a detailed list of these items on a separate rider and pay a bit more to cover any potential loss.

What Goes Up: Don't assume you've got sufficient inflation protection built into your policy. Have your agent show you exactly what's there.

Code Red: Would rebuilding after a total loss require you to meet any new building, zoning or other codes? Check with your local building department, then review what your policy covers.

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CARS WITH CASH APPEAL

Which 2005 models under $30,000.00 are likely to retain the most value over the next 5 years?

Category	Model	Value Held
Hatchback	MINI Cooper	53%
Mini Van	Honda Odyssey	46%
Wagon	Volkswagen Jetta TDI	45%
Pickup	Toyota Tacoma PreRunner	45%
Sedan	Honda Civic	44%
SUV	Honda Element	39%

Source: Kelly Blue Book

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2004 TO BE REMEMBERED AS BEGINNING OF THE SOFT MARKET

THIS ARTICLE FORWARDED BY MARK DOMBROWSKY of
NORTH STAR REPORTS - TX

"MarketScout, the property and casualty insurance exchange, reports that calendar year 2004 will end with an average 2% increase in composite property and casualty premiums. The year began in January 2004 with increases averaging 11%, a major downward correction from 27% in January of 2003. As the year progressed, the average increase slipped to 7% in June and progressively adjusted downward to the 2% average rate decrease for December of 2004.

"Richard Kerr, chairman and CEO of MarketScout commented, 'According to ISO, the property and casualty insurance industry's net income after taxes rose 28% in the first nine months of 2004. Combined loss and expense ratios have improved for most insurers, even after factoring in the four hurricanes of 2004. We anticipate continued rate declines in most lines of coverage throughout 2005. Large property and casualty accounts will experience the greatest overall rate decreases.'

"Kerr also announced, 'MarketScout has been closely monitoring the property and casualty insurance market for many years. We deliver our barometer on a monthly basis as a service to the industry. To summarize the market condition over the prior three years, we have included an additional market graphic profiling calendar years 2002, 2003 and 2004.'

"As you will see when reviewing the market graph, the 20% to 30% rate increases of 2002 and early 2003 are well behind us. We have not yet bounced below the composite level of 0% rate increases, but I am sure a barometer with a composite rate decrease is coming very soon."

(Note: See referenced Market Barometer opposite)

SOFT MARKET UPDATE

In an update for February, 2005, MarketScout have released the following projection (excerpt only):

"MarketScout Chief Executive Officer Richard Kerr observed that the market is continuing its downward trend, but said while the "ultimate impact" of rate reductions will be felt by insurers, it won't be as dramatic as first anticipated.

Mr. Kerr said eliminating brokers' incentive compensation that insurers were paying will offset rate reductions, and that some—but not all—insurers will pass these savings on to the ultimate consumer."

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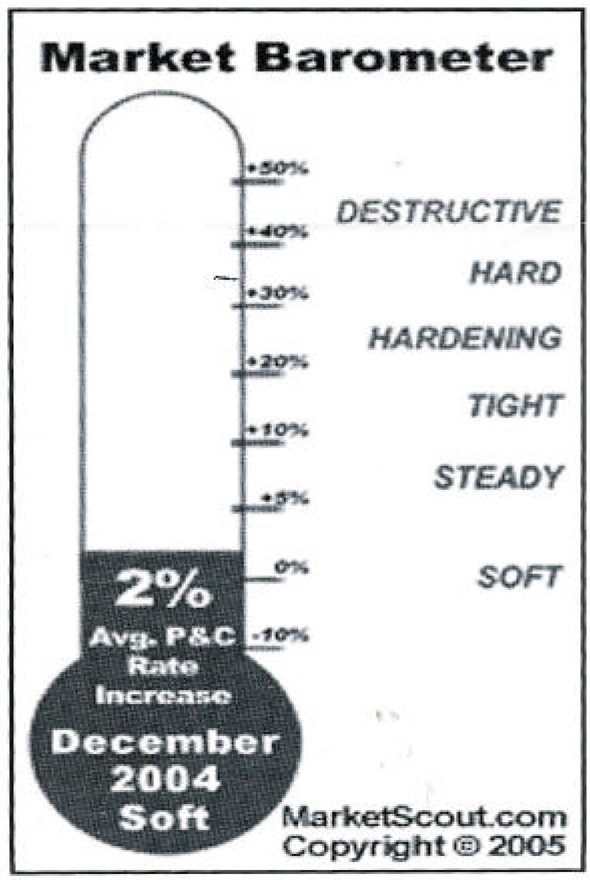
2004 MARKETSCOUT MARKET BAROMETER



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ANOTHER LAWYER JOKE!

Q: What do you call a lawyer gone bad?
A: Senator.

5 INSURANCE POLICIES YOU CAN'T DO WITHOUT

by Jonathan Pond (from NEW CHOICES)
(excerpted from Reader's Digest)

Buying and maintaining sufficient insurance coverage is as important to your long-term financial security as contributing regularly to retirement plans and spending judiciously once you've retired.

A single gap in insurance coverage could wipe out many years of hard-earned savings. That's why it's crucial to give yourself an annual insurance checkup, whether you buy your policies through an agent or from one of the growing number of insurance companies that sell coverage directly to the public.

Disability. Your chances of becoming disabled before you retire are far greater than your odds of dying. So every working person needs some kind of disability coverage. The better policies will replace up to 66 percent of your salary and will pay benefits to age 65. If you are working for an employer who offers less than that, ask if you can pay to upgrade your coverage. Buying an individual policy to supplement employer coverage is another option, but it's usually an expensive one.

Health. Before selecting a policy from your employer or deciding among Medicare options, review your current health, anticipated medical needs, and family status. For example, if you recently became single or an empty nester, your insurance needs may have changed. This review should help you avoid a plan that fails to cover a necessary treatment or paying for services that you know you'll never use.

Homeowners or renters. Make sure you have replacement-cost coverage that would pay the current costs of rebuilding your home and replacing your personal possessions. A policy that would only pay for the depreciated value of these items isn't good enough, because you could end up recovering just a fraction of their costs. Don't overlook flood and/or earthquake insurance (which are not part of standard homeowners policies) if you live in a locale that's prone to these types of disasters.

Life. Empty nesters and retirees may no longer need life insurance at all. But if you have dependents who would suffer financially if you died, it's still a must. And that doesn't mean just insuring wage earners but also stay-at-home spouses. Term insurance is usually a lot cheaper than the cash-value kind, but shop around, since premiums can vary widely.

Umbrella liability. While you have some liability coverage in your homeowners or renters and auto insurance policies, it's probably not enough to truly protect your savings from today's enormous lawsuits. Instead, buy at least $1 million of umbrella liability insurance that will reimburse you (up to specified limits) for the costs of most legal entanglements that you and your family may encounter. For moderately affluent individuals and families, $2 million may be a better number. It doesn't cost much, as insurance goes, and it's well worth the price.

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GEORGIA HOUSE CONSIDERS AMENDING TORT REFORM BILL

February 8, 2005

A "modified structured rule" a new parliamentary procedure, adopted in January when Republicans took control of the Georgia House for the first time in 130 years, will be used to designate which amendments will be considered when the full House votes on the Senate's tort reform bill. Businesses support the language in the bill, while trial lawyers and victims' advocates prefer current law.

The Georgia House of Representatives will not just rubber stamp the Senate's version of tort reform, a leading House Republican told the *Atlanta Business Journal.* House Rules Committee Chairman Earl Ehrhart (R-Powder Springs) said he will allow amendments to a controversial Senate bill that is set to reform Georgia's civil justice and medical malpractice laws.

"We're not just a rubber stamp for the Senate," Ehrhart said. "I don't just check my brains at the door when I come down here," explaining that he doesn't want to prohibit amendments to the Senate bill, because he fought against that practice, called "engrossment," for 17 years.

He expects his committee to accept between three and five amendments to Senate Bill 3, an omnibus tort reform package the Senate adopted last week.

Ehrhart doubts his committee will revise the "joint and several liability" section, which as written apportions liability more closely to culpability in tort cases. This changes Georgia law, which currently says that even if a party is only 1 percent liable, they could pay 100 percent of damages.

The House Rules committee determines which bills the House considers each day, and could put the bill on the House's Feb. 10 agenda. On Feb. 9, the committee will decide which amendments the House may consider. Ehrhart's deadline to receive all proposed amendments was today at 3 p.m.

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LAUGH LINES

"If life was fair, Elvis would be alive and all the impersonators would be dead." - *Johnny Carson*

"Where lipstick is concerned, the important thing is not color, but to accept God's final word on where your lips end." - *Jerry Seinfeld*

"Have you ever noticed.... Anybody going slower than you is an idiot, and anyone going faster than you is a maniac?" - *George Carlin*

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INDEPENDENT CONTRACTOR
or
EMPLOYEE?

Before you can determine how to treat payments you make for services, you must first know the business relationship that exists between you and the person performing the services. The person performing the services may be -

- An independent contractor
- A common-law employee (Employee)
- A statutory employee
- A statutory non-employee

In determining whether the person providing service is an employee or an independent contractor, all information that provides evidence of the degree of control and independence must be considered*. It is critical that you, the employer, correctly determine whether the individuals providing services are employees or independent contractors.* Generally, you must withhold income taxes, withhold and pay Social Security and Medicare taxes, and pay unemployment tax on wages paid to an employee. You do not generally have to withhold or pay any taxes on payments to independent contractors.

Caution: *If you incorrectly classify an employee as an independent contractor, you can be held liable for employment taxes for that worker, plus a penalty.*

Who is an Independent Contractor?

A general rule is that you, the payer, have the ***right to control or direct only the result of the work*** done by an independent contractor, and ***not the means and methods of accomplishing the result***.

> **Example:** Vera Elm, an electrician, submitted a job estimate to a housing complex for electrical work at $16 per hour for 400 hours. She is to receive $1,280 every 2 weeks for the next 10 weeks. This is not considered payment by the hour. Even if she works more or less than 400 hours to complete the work, Vera Elm will receive $6,400. She also performs additional electrical installations under contracts with other companies, that she obtained through advertisements. Vera is an **independent contractor**.

Refer to the page on **Paying Independent Contractor** if you need information on what your responsibilities are when paying contractors.

Who is a Common-Law Employees (Employee)?

Under common-law rules, anyone who performs services for you is your employee *if you can control what will be done and how it will be done*. This is so even when you give the employee freedom of action. What matters is that you have the right to control the details of how the services are performed. To determine whether an individual is an employee or independent contractor under the common law, the relationship of the worker and the business must be examined. All evidence of control and independence must be considered. In an employee-independent contractor determination, all information that provides evidence of the degree of control and degree of independence must be considered. Facts that provide evidence of the degree of control and independence fall into three categories: behavioral control, financial control, and the type of relationship of the parties. Refer to Publication 15-A, Employer's Supplemental Tax Guide for additional information.

Who is an Employee?

A general rule is that anyone who performs services for you is your employee ***if you can control what will be done and how it will be done***.

> **Example:** Donna Lee is a salesperson employed on a full-time basis by Bob Blue, an auto dealer. She works 6 days a week, and is on duty in Bob's showroom on certain assigned days and times. She appraises trade-ins, but her appraisals are subject to the sales manager's approval. Lists of prospective customers belong to the dealer. She has to develop leads and report results to the sales manager. Because of her experience, she requires only minimal assistance in closing and financing sales and in other phases of her work. She is paid a commission and is eligible for prizes and bonuses offered by Bob. Bob also pays the cost of health insurance and group-term life insurance for Donna. Donna is an employee of Bob Blue.

Statutory Employees

If workers are independent contractors under the common law rules, such workers may nevertheless be treated as employees by statute (statutory employees) for certain employment tax purposes if they fall within any one of the following four categories and meet the three conditions described under **Social security and Medicare taxes** , below.

- A driver who distributes beverages (other than milk) or meat, vegetable, fruit, or bakery products; or who picks up and delivers laundry or dry cleaning, if the driver is your agent or is paid on commission.
- A full-time life insurance sales agent whose principal business activity is selling life insurance or annuity contracts, or both, primarily for one life insurance company.
- An individual who works at home on materials or goods that you supply and that must be returned to you or to a person you name, if you also furnish specifications for the work to be done.
- A full-time traveling or city salesperson who works on your behalf and turns in orders to you from wholesalers, retailers, contractors, or operators of hotels, restaurants, or other similar establishments. The goods sold must be merchandise for resale or supplies for use in the buyer s business operation. The work performed for you must be the salesperson s principal business activity. Refer to the **Salesperson** section located in **Publication 15-A, Employer s Supplemental Tax Guide** for additional information.

Statutory Non-employees

There are two categories of statutory nonemployees: ***direct sellers*** and ***licensed real estate agents.*** They are treated as self-employed for all Federal tax purposes, including income and employment taxes, if:

1. Substantially all payments for their services as direct sellers or real estate agents are directly related to sales or other output, rather than to the number of hours worked and

2. Their services are performed under a written contract providing that they will not be treated as employees for Federal tax purposes.

Refer to information on **Direct Sellers** located in **Publication 15-A, Employer s Supplemental Tax Guide** for additional information.

Resources

- **Tax Topic 762 Basic Information**
  To determine whether a worker is an independent contractor or an employee, you must examine the relationship between the worker and the business. All evidence of control and independence in this relationship should be considered. The facts that provide this evidence fall into three categories Behavioral Control, Financial Control, and the Type of Relationship itself.

- **Publication 1976, Section 530 Employment Tax Relief Requirements** (PDF)
  Section 530 provides businesses with relief from Federal employment tax obligations if certain requirements are met.

- **IRS Internal Training: Employee/Independent Contractor** (PDF)
  This manual provides you with the tools to make correct determinations of worker classifications. It discusses facts that may indicate the existence of an independent contractor or an employer-employee relationship. This training manual is a guide and is not legally binding. If you would like the IRS to make the determination of worker status, please file IRS Form SS-8.

- **Form SS-8** (PDF)
  Determination of Worker Status for Purposes of Federal Employment Taxes and Income Tax Withholding

- **Publication 15-A**
  The Employer's Supplemental Tax Guide has detailed guidance including information for specific industries.

- **Publication 15-B**

The Employer’s Tax Guide to Fringe Benefits supplements Circular E (Pub. 15), Employer's Tax Guide, and Publication 15-A, Employer's Supplemental Tax Guide. It contains specialized and detailed information on the employment tax treatment of fringe benefits.

INDEPENDENT CONTRACTOR
20-Factor Control Test

The IRS uses a 20-step test to determine worker classification. However, the IRS also instructs its auditors to examine the relationship between the worker and the employer, and to focus on the following three "categories of evidence":

- **Behavioral Control** – Facts which illustrate whether there is a right to direct or control how the worker performs the specific task with which he or she is engaged (instructions and training);

- **Financial Control** – Facts which illustrate whether there is a right to direct or control how the business aspects of the worker's activities are conducted (significant investment, unreimbursed expenses, services available to the relevant market, method of payment, and opportunity for profit or loss); and

- **Relationship of the Parties** – Facts which illustrate how the parties perceive their relationship (intent of parties/written contract, employee benefits, discharge or termination, regular business activity).

The 20-factor control test is a set of guidelines to be used to indicate the extent of direction and control present in any situation. These factors have been developed by the Internal Revenue Service and are used in connection with IRS audits concerning worker status. Not all factors need to be present in any given situation, and no single factor is controlling. The importance of each factor may vary depending on the situation. The greater the degree of control that exists based on these factors, the more likely it is that the individual will be an employee. The questions that follow represent the IRS 20-factor control test.

Potential Liabilities
If the IRS determines that an employer has misclassified a worker as an independent contractor, *the employer is liable to the IRS for back taxes and interest*. Fines and penalties may also be imposed. ***The "responsible person" of the employer may also be subject to personal liability and criminal penalties, if the organization cannot afford to pay these sums.*** Additionally, misclassified employees can later sue an organization for lost income, including overtime, and other damages for being denied benefits given to employees, such as 401(k) plan participation or stock options.

Audits by state agencies are even more common than IRS audits. State audits most frequently occur when workers classified as independent contractors apply for unemployment compensation upon completion of their work assignment. An investigation by the state unemployment compensation agency typically ensues, and an employer could be subject to fines and penalties if it is determined that a worker should have been classified as an employee for unemployment compensation purposes. An independent contractor could also sue an employer for negligence if he or she is injured on the job. Employees injured on the job and covered by workers' compensation normally cannot sue an employer for negligence.

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INSURER'S LOSS CONTROL INSTITUTE

ARCO members may want to look into this new training resource:

STATEMENT OF PURPOSE

Good underwriting is essential for superior Loss experience. Good underwriting is difficult, if not impossible, without competent loss control support. The Loss Control Institute is based on a fundamental principal: the superior preparation and training of Independent Representatives to provide competent field personnel capable of making sound, in depth, loss control risk assessments for the Property & Casualty Insurance Industry.

THE COLLEGE
Since its beginning in 1946, Southern Maine Community College now serves more than 3500 full – and part-time students and offers over 30 programs – from nursing and computer technology to business and liberal studies – that prepares students to begin an exciting career immediately upon graduation. The campus is located in South Portland, Maine.

COURSE DESCRIPTION
FUNDAMENTALS OF LOSS CONTROL INSPECTION AND REPORTING
The Course provides a rigorous examination of Property & Casualty Insurance risk assessment that Insurers face in order to accomplish profitable underwriting, with particular emphasis on the role of loss control to assist in making those decisions. The Course introduces students to the fundamentals of loss control inspection and reporting through a combination of reading, case study, presentations and lectures. The Course is designed to familiarize the student with basic concepts of Property & Casualty Insurance coverage.

TRAINING ORIENTATION OUTLINE
Students will learn basic inspection preparation, on site inspection and interviewing skills while obtaining the conceptual framework for understanding the process of reporting on business operations, exposure and controls. The emphasis is on building basic skills to allow the student to provide entry level risk assessment services to the insurance industry.

COST
The Institute offers a five day course (40 hours) in loss Control inspection and reporting which includes instruction, text books and study materials along with accomplishment tests to measure your progress. During the sessions two meals per day will be provided, (continental breakfast and lunch). Your overnight accommodations during the session will be your responsibility. Cost complete $ 995.

CONTACT THE INSTITUTE

Insurer's Loss Control Institute
PO Box 1198
Yarmouth, Maine, 04096

877.846.7903
207.846.7903

THE LAST WORD

UNSOLICITED – AND PROBABLY MOSTLY UN-READ - EDITORIAL COMMENTS FROM THE TEMPORARY EDITOR

THE ROLLER COASTER

This industry is a study in ups-and-downs. Over the past few years, virtually every ARCO member with whom I have had occasion to speak, has been shouldering an exceptionally heavy workload – the result of the hard insurance market which has been in place.

Now, as we enter 2005, we have collectively observed the reducing workload and have read numerous articles concerning the softening of the property and casualty markets. Such is the cycle of our industry. It brings us a dozen years of soft markets interrupted by a period of correction – a hard market – which affects us for a few years. A couple of the recent trade journal articles concerning the softening market are included in this edition of the FLASH! What goes up must come down – and our industry experience certainly proves the adage.

This newsletter has suffered due, in no small part, to the workload brought about by the hard P&C market. With that burden easing now, we expect to find more time to devote to searching out information for the newsletter, which may be of broader interest to our members. This issue begins to incorporate some of the materials we've been gathering and have intended to include when time allowed. It has allowed! And there will be more.

We are still very interested in the contributions of ARCO members. Keep in mind that our membership is scattered around the country, and the trade journals are often slanted toward a few geographic areas. We can balance the content if members will forward information of interest from their regions, and we hope everyone will keep this in mind. In addition, we are interested in any information about your own company, staff, etc. which you may wish to send us.

Thanks to those members who have made recent contributions: Mark Dombrowsky of North Star Reports (Grand Prairie TX), John Henebry of Pacific Inspections (Los Angeles CA), Bob Carr of MTI Inc. (Bloomingdale IL), Al Silk of S&S Services Inc. (Anchorage AK), Jim Schmidt of Alexander & Schmidt (Yarmouth ME) - and others who have taken a moment to call, write or e-mail. We appreciate ideas, suggestions, information, humor – whatever input you wish. Your willingness to take time to contact us is sincerely appreciated.

=Ken