

ARCO FLASH!

2005 CONVENTION SURVIVORS ISSUE - THE PERIODIC NEWSLETTER FOR THE MEMBERS OF THE
ASSOCIATED REPORTING COMPANIES

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ARCO DUES ARE PAST DUE

When ARCO was established in 1967 – close to forty years ago – its Annual Dues were fixed at \$100.00. It's principal benefit was the opportunity to meet with operators of similar companies from around the nation, exchange ideas, experiences, knowledge. There was a periodic newsletter (yes, it was called the *FLASH!* even then) but no Directory of Members nor other benefits of an ongoing nature. For the core group of founding companies – a handful of businesses – this was enough to keep everyone attending the Annual Meeting, and the \$100.00 annual dues were usually paid promptly.

In the years since its founding, ARCO has expanded its membership to many more companies, developed a consistent approach to the newsletter and undertaken the publication of the Directory of Members which, on behalf of all ARCO members, is distributed to about 2000 insurance professionals from coast-to-coast. ARCO members have worked together to establish associations which facilitate cooperative networking and mutual assistance, and the quality of the Annual Meetings has been enhanced. An Executive Director has been employed to maintain the ARCO operations in a consistent and professional manner, and Officers and Committeepersons continue to volunteer time and energy to continue building a better and stronger Association.

In short, the current Annual Dues of \$150.00, reflects an extremely modest growth in costs, over the 40 years of ARCO's existence. These dues underwrite the costs of the publication and distribution of the newsletters and the ARCO Directory of Members and the maintenance of its operations. They allow ARCO to continue to work to develop a broader and stronger membership and they contribute to defraying the Annual Meeting costs.

ARCO Dues are invoiced annually. If you elect to discontinue your ARCO membership, please inform the Executive Director or the Membership Committee. If, however, you find the \$150.00 annual dues to be affordable and realize a benefit from your ARCO membership, please observe the annual dues invoice and remit promptly.

Thanks,
ARCO Membership Committee



ARCO MEMBERSHIP DIRECTORY

We hope that, by the time you received this issue of the *FLASH!* you will also have received and reviewed the 2004-2005 ARCO DIRECTORY OF MEMBERS. The appearance and quality of the newest directory is superior to our prior publications and we thank ARCO Executive Directory, Carolyn Ward, for her hard work on this project. Also John Henebry who assisted with the printing and finishing arrangements. If you find anything in need of correction for a future edition, please be sure to communicate any changes clearly, and forward them to Carolyn Ward.

Our delays in preparing the newest Directory were chiefly due to an inability to obtain or develop a credible mailing list for wide distribution of the directories. We were, eventually, able to obtain a satisfactory mailing list and copies of the directories are being forwarded to nearly 2000 company offices across the country.



WELCOME NEW ARCO MEMBERS!

A glance through your new ARCO Directory of Members will show some new names among the ARCO membership. This is always a positive development because ARCO's strength stems from membership participation and we grow stronger as our membership grows. We welcome into membership, these companies:

Cal West Inspection and Audit Services
Curtis Carson, President
Judith Carson, Vice President
299 West Hillcrest, Suite 106
Thousand Oaks CA 91360

and

Loss Control Service Inc.
Mark C. Rocheford, President
2745 E. Atlantic Blvd, Suite 202
Pompano Beach FL 33061



ANALYSTS FORESEE BOTTOM-LINE WOES FOR INSURERS IN '05

Higher costs tied to Spitzer investigation; softer market pressures lead concerns

By the first of the year, insurance industry analysts and investment firms have usually already prepared their industry forecasts, predicting market conditions, possible regulatory changes and potential individual insurance company performance. But insurance analysts have not been as forthcoming with their predictions this time around, perhaps because those predictions might be affected by a totally unexpected development that took place in the insurance industry late last year.

We're speaking, of course, about New York Attorney General Eliot Spitzer's investigation into insurance industry operations, a development that is sure to take up a good part of the 2005 insurance industry schedule.

The tort liability situation has been a costly problem for the insurance industry for years and it is one that is expected to rear its ugly head this year again, although the new Republican-dominated Congress might break new ground in the area of tort reform. (See Manny Levy's column). A softening market usually bodes ill for the property/casualty insurance industry, with cutthroat competition for business. However, most industry solons believe that company CEOs have learned their lesson from the previous overly long soft market and will emphasize underwriting discipline during the coming competitive marketplace. The industry's asbestos liabilities never seem to go away, but there are indications that Congress might make some headway this year in addressing the problem.

However, the Spitzer investigation is an animal that the industry is not used to dealing with and there are strong indications that it will remain not only frustrating and embarrassing, but also costly to the entire industry—so costly that, following the announcement of the investigation last year, Standard & Poor's changed its entire property and casualty insurance industry outlook in the last quarter of 2004 from stable to negative, to reflect the dollars that may be spent.

"We expect that this investigation will result in lower revenues and higher expenses for many insurers," stated S&P, "casting doubt on prior expectations of ratings stability and ongoing improvement in profitability for the industry over the medium term."

Along with Marsh & McLennan, the four insurers mentioned in the Spitzer complaint are American International Group, ACE Ltd., The Hartford Financial Services Group, Inc., and Munich American Risk Partners. "However, New York Attorney General Spitzer has left little doubt that these and other insurance companies will be pulled into the investigation. We believe that this investigation will lead to lower revenues for many insurers," said S&P credit analyst John Iten. "Because the bid rigging inflated the premiums paid by insurance buyers, it is to be expected that the cessation of this behavior will lead to more competition and lower premium income for insurers, at least in the excess casualty business line."

Iten said that this will exacerbate the softening market conditions that have already begun. He said that the cost of complying with the attorney general's requests for information and contesting any charges is likely to become a significant expense for many companies over the next several months. "Making matters worse is that other state and federal officials are conducting their own investigations into the same practices. Senior managers and their staffs will be forced to spend a large amount of time responding to these requests for information. With senior management's attention diverted, there is the potential for companies to lose their underwriting focus just as the industry pricing cycle is turning downward. Over the long term, the entire insurance industry will have to absorb the cost of complying with additional regulatory oversight measures that will likely be put in place to prevent future misconduct."

For companies that are publicly named in these investigations, the costs would include legal bills for defending themselves against any lawsuits brought by Spitzer or others as well as the cost of any fines or penalties, said Iten. "We believe that prior investigations by the attorney general into the mutual fund and investment banking industries could provide a reasonable indication of how insurers could be affected. For insurance companies implicated, there would likely be settlement discussions that result in fines and agreements to change business practices to prevent abusive practices from recurring. The size of the fines would vary, depending on how large the company is and the amount of incriminating evidence the authorities have, but the fines would very likely be substantial. There would also be the cost of defending and settling any class action lawsuits brought against the companies by policyholders or shareholders. In addition, there will almost certainly be organizational turmoil as executives of companies being investigated either leave voluntarily or are forced out."

Despite these concerns, said Iten, S&P has not taken any rating actions on specific insurers because it is not yet possible to assess the potential impact of these developments. "Nevertheless, Standard & Poor's anticipates that rating actions on insurers will occur as more information becomes available."

Meanwhile, U.S. investigations into alleged bid rigging between brokers and insurers have rattled the industry and could trigger takeovers as players react to increased scrutiny and higher compliance costs. "It is a hurricane that will have long-term repercussions," said Andrew Cornish, chairman of Airmic, which represents major U.K. corporate insurance buyers. "Confidence (in the industry) has been knocked and will continue to be knocked as this thing works itself out," Cornish told an industry seminar.

Clive Tobin, chief executive of XL Insurance, a unit of insurance giant XL Capital Ltd., said the Spitzer probe could contribute to more mergers and acquisitions as insurers, trying to offset the higher cost of regulation, look to acquire rivals. He said the cost of complying with any new Spitzer-related regulations, on top of the high cost of Sarbanes-Oxley corporate governance regulation in the United States, "could lead to bigger M&A activity as insurers start to buy growth" as prices for risks continue to fall. But Tobin said the bid rigging allegations had to be put in perspective. *(continued...)*

ANALYSTS FORESEE BOTTOM-LINE WOES (continued)

"Right now, bid rigging seems to be confined to one product line, to one broker, and to one location," he said. "It would be wrong to see it as widespread."

John Scheid, Global Insurance Industry Services for Pricewater-houseCoopers, agrees that the investigations into insurance industry operations are "not done yet." He says that transparency is going to dominate insurance company/broker/insured relations in the future. "Any type of commercial insurance transaction in the future is going to require transparency," he said. Among the questions the industry will have to ask itself in the future, are: Will there be a big push for federal regulation in 2005; will there be insurance company failures in the coming year; and what will be the effects of Sarbanes-Oxley on the industry in coming years?

"In the meantime," said Scheid, "insurers should strive for continued strengthening of underwriting standards, a strong focus on their core businesses and a loss ratio that is under 100." *



Deleting Spam Costing Billions

Courtesy of the Better Business Bureau web site:
www.bbb.org

Time wasted deleting junk e-mail costs American businesses nearly \$22 billion a year, according to a new study from the University of Maryland. A telephone-based survey of adults who use the Internet found that more than three-quarters receive spam daily. Consumers average 18.5 spam messages per day and spent an average of 2.8 minutes per day deleting them.

The loss in productivity is equivalent to \$21.6 billion per year at average U.S. wages, according to the National Technology Readiness Survey produced by Rockbridge Associates, Inc., and the Center for Excellence in Service, part of the R.H. Smith School of Business at the University of Maryland. The study also found that 14 percent of spam recipients actually read messages to see what they say, and 4 percent of the recipients have bought something advertised through spam within the past year. The random survey of 1,000 U.S. adults was conducted in November and has a margin of sampling error of plus or minus 3 percentage points. A summary of the survey is available at:
www.smith.umd.edu/ntrs/NTRS_2004.pdf



QUOTABLE

"Nobody wants to hear a celebrity complain"
—Jennifer Lopez

Dialing For Dollars: Advice On Telephone Appeals For Charities

Courtesy of the Better Business Bureau web site:
www.bbb.org

The BBB Wise Giving Alliance (the Alliance) applauds the announcements made today by the Federal Trade Commission (FTC) in regards to concerns about questionable telephone solicitation practices. "For many years, Better Business Bureaus across the country have received numerous inquiries about various telephone solicitors seeking to take advantage of American generosity and public concern about a variety of charitable and community needs," states Art Taylor, president and chief executive officer of the BBB Wise Giving Alliance.

"Not all telephone fund raising appeals should be considered suspect, because many legitimate groups do use telemarketing to attract donors," Taylor said, "We strongly recommend, however, that you carefully evaluate all phone appeals, **before** making a contribution decision."

The BBB Wise Giving Alliance offers the following tips to help the public avoid unscrupulous telephone solicitors:

1. DO NOT succumb to pressure to make an immediate gift. A legitimate charity that wants your donation will welcome it just as much tomorrow or next week. Report harassing calls to your state's attorney general's office and to the Better Business Bureau in your area.
2. DO NOT give your credit card number, bank account number, or other personal financial information to unknown solicitors. If you want to contribute, mail a check to the organization's address after checking out the charity.
3. DO NOT hesitate to seek out additional facts. If you receive a telephone appeal from an unfamiliar charity, ask the solicitor to mail you information on the charity's programs, finances, and/or a copy of their latest financial statements.
4. ASK HOW MUCH THE CHARITY SPENT ON FUND RAISING IN THE PAST YEAR as a portion of total contributions received. The Alliance recognizes that the cost of an individual fund raising campaign using the telephone may exceed donor expectations for the use of funds. On an annual basis, however, the voluntary Alliance charity standards recommend that total fund raising costs should not exceed 35% of total related contributions.

Continued...

TELEPHONE APPEALS FOR CHARITIES (continued)

5. WATCH OUT FOR NAME SIMILARITY. In view of the volume of charities (more than 850,000 organizations have received charitable tax exempt status from the IRS), there are many organizations raising money for the same cause. Unfortunately, some names are used as to confuse potential donors and sound similar to well-known organizations.
6. IF A POLICE OR FIREFIGHTER ORGANIZATION is using the telephone to solicit funds, ask what type of organization is soliciting (e.g., charity, fraternal group or union), if any local police officers or firefighters are involved, and what specific program(s) will the donation support? For additional advice on police and firefighter organizations, go to www.give.org/tips/policefire.asp
7. CHECK OUT THE CHARITY with the BBB Wise Giving Alliance (www.give.org) to find out if a national charity meets the 20 voluntary Alliance Bureau standards, with the local Better Business Bureau (www.bbb.org) if the inquiry is about a local charity, and with your state's charity registration office (usually a division of the state attorney general's office).



DOG BITES

Homeowners need to be aware of the risk their family pet may pose to the safety of others *and* their personal assets. The Center for Disease Control estimates there are approximately 4.5 million dog bites per year, with the property/casualty insurance industry paying roughly \$321.6 million of that in liability payments in 2003 (down from \$345.5 million in 2002). The average cost of a dog bite claim is \$16,600. Dog bite claims account for nearly one quarter of all homeowners and renters insurance liability claims.

Some companies consider the history of the dog, i.e. whether this particular dog ever bitten before. Even in the first incident however, the insurance company will look at what responsibility the dog owner had in the accident. For example, insurance companies expect dog owners to be in compliance with all local ordinances. This means meeting local regulations such as leash laws and fencing height requirements. Some municipalities have even outlaw certain breeds of dogs.

Some insurance companies will not sell you a homeowners policy if you own a breed of dog on their exclusionary list. The list of dogs vary by company. In some cases, an insurer may require you to sign a liability waiver for dog bites.

Some suggestions:

- ?? Have your dog spayed or neutered. Studies show that dogs that aren't sterilized are three times more likely to bite than sterilized dogs.

- ?? Socialize your dog so that it knows how to act with other people and animals.
- ?? Play non-aggressive games with your dog such as "go fetch." Playing aggressive games like "tug of war" can encourage inappropriate behavior.
- ?? Avoid exposing your dog to situations in which you are unsure what the dog's response will be.
- ?? Many homeowners are installing invisible fences. These may keep the dogs in, but they don't keep children out. Young children walking by may be attracted. Consideration should be given to this when deciding the type and height of the fence around your yard.
- ?? Dogs and their owners should get training by a professional dog trainer so that the owner can optimize control of the dog if a difficult situation should arise.
- ?? Never leave your dog unattended in an open yard or public area. A child may be approaching a dog with the intention of hugging it, but if the dog perceives a threat it will bite.
- ?? Introduce your dog slowly to new situations and people.
- ?? Know your dog. Don't put it in situations that make it feel overexcited or on guard.
- ?? Make sure your dog is up-to-date on all shots.
- ?? If your dog bites or snaps at anyone, call your veterinarian immediately.

Be particularly watchful in close situations such as in a car. Keep the dog away from people strange to the dog.



EVER LOCK YOUR KEYS IN THE CAR?

If you lock your keys in the car and the spare keys (remote) are home, call someone at home on your cell phone.

Hold your cell phone about a foot from your car door and have the other person at your home press the unlock button on the remote, holding it near the phone on their end.

Your car will unlock. Saves someone from having to drive your keys to you.

Distance is no object. You could be hundreds of miles away, and if you can reach someone who has the other "remote" for your car, you can unlock the doors (or the trunk!)



CERTIFICATES OF INSURANCE—A LOOK AT THE BASICS

By Craig F. Stanovich, CPCU, CIC, AU, and William K. Austin

Excerpted from Rough Notes magazine

What is a certificate of insurance?

A certificate of insurance is a document that verifies the existence of insurance. While some businesses have designed their own certificate of insurance forms, the most common certificate form is distributed by the ACORD Corporation. We will focus on the ACORD 25 Certificate of Liability Insurance form, edition (2001/08). A certificate is usually requested by someone with whom the policyholder has a business relationship. Why the need to verify insurance?

The certificate serves as evidence to the general contractor that your customer has the correct insurance in place. This evidence is so important to the general contractor that delivery of the certificate is urgent. Your customer may not be able to bid, work or get paid for the job unless the general contractor has received a properly issued certificate.

The purpose of certificates

The sole purpose of the certificate of insurance is to provide information to the certificate holder about the policyholder's insurance *in force at the time the certificate is issued*.

Completing a certificate

Accurate completion of a certificate is a must. It is worth noting that ACORD recommends in its instructions that the certificate of insurance not be used: (1) to waive rights; (2) to quote from a contract; (3) to attach an endorsement; or (4) to quote any wording that amends the policy unless the policy itself has been amended.

Attach an endorsement. The certificate holder may demand that the policy be endorsed—by adding the general contractor as an additional insured. The certificate of insurance is *not* intended to be used to endorse the policy; its sole purpose is to reflect accurately the insurance in effect. This doesn't mean an additional insured endorsement cannot be shown on the certificate; it does mean that the policy has to be properly endorsed *before* the certificate can list the general contractor as an additional insured.

Quoting policy amendment. The certificate holder may demand one other change: To add the Waiver of Subrogation endorsement to the workers compensation policy and the endorsement wording is to be quoted on the certificate. This is certainly acceptable, but only after the workers compensation insurance company has endorsed the policy to add the Waiver of Subrogation endorsement.

Limitations of a certificate of insurance

Prominently displayed at the top of the certificate is wording that reinforces the purpose of the certificate—it is for information only and does not give any rights to the certificate holder. Specifically addressed on the second page of the

ACORD 25 under the heading "Important" is the granting of additional insured status or adding waiver of subrogation. The certificate unequivocally states that, absent the proper policy endorsement, the certificate alone does not add an additional insured or a waiver of subrogation. Also on the second page of the form under the heading "Disclaimer," ACORD makes very clear that a certificate is not a contract between the insurance company (or agent) and the certificate holder.

Cancellation

Certificate holders often want to be notified if the policy or policies shown on the certificate are canceled. Under the heading "Cancellation" located at the bottom right hand corner of the certificate, the certificate notes the issuer will "endeavor" to mail notice of cancellation if the policy is canceled before the expiration date. This clause does not, however, incorporate any wording about *renewing* the policies listed, only cancellation prior to expiration.

<http://www.choicetrust.com/servlet/com.kx.cs.servlets.CsServlet?usertype=c>

Some certificate holders hope to overcome this problem by requiring removal of the word "endeavor." The effectiveness of this approach is questionable. Although the issuer now agrees to issue the notice (better than just trying), it still isn't responsible if it doesn't issue the notice.

The authors

Craig F. Stanovich and William K. Austin are partners in Austin & Stanovich Risk Managers, a risk management consulting and insurance advisory firm. For more information on The National Alliance, call (800) 633-2165 or go to www.TheNationalAlliance.com.



ADDENDUM

Brian Abbott of Premium Service Inc. (ID) – Brian is also the ARCO WebMaster – has prepared an instructive training aid addressing Certificates of Insurance and has agreed to post this valuable training aid on the ARCO Web Site. Check at www.arco-members.com and take a look. (=ed.)



WHAT'S IN A NAME?

FOR A FEW GRINS AT SOMEONE ELSE'S EXPENSE,
CHECK THESE UN-INSPIRING TOWN NAMES

Bland, Missouri
Flat, Alaska
Ordinary, Virginia
Dowdy, Arizona
Pitts, Georgia
Mount Misery, New Jersey
Dull, Ohio
Plain, Wisconsin
Mousie, Kentucky
Low Point, Arizona
Hell, Michigan
Swastika, New York



GET A CLUE

HOW YOU CAN ACCESS YOUR INSURANCE SCORE AND CLUE REPORT

Insurers now use insurance scores and claims databases to underwrite insurance applications.

An insurance score is a credit-based statistical analysis of a consumer's likelihood of filing an insurance claim within a given period of time in the future. According to the insurance industry, studies have shown a correlation between a consumer's financial history and his/her future insurance loss potential. Thus, insurance companies believe the use of credit helps to underwrite an applicant at a cost that reflects their specific risk.

Actuarial studies conducted by insurance companies have shown a correlation between a consumer's prior claims history and his/her future insurance loss potential. Claims databases, like the Comprehensive Loss Underwriting Exchange (C.L.U.E.), database, have existed since the 1980s. The databases provide insurance companies claim history information. Only those insurance companies that contribute claims can access data on new business applicants. Claims databases contain information including 1) Identifying Information - Name, Current and Previous Addresses, Social Security Number, Telephone Number, Date of Birth, 2) Claim Information - Date of Loss, Name of Insurance Company, Policy Number, Claim Number, Address, Cause of Loss, Amount(s) Paid, Claim Status, Insured, Claimant and 3) Inquiries - Identifies insurance companies that have received a copy of the consumer's claim history report, typically during the past 2 years.

ChoicePoint is one major provider of insurance scores and claims databases. They have recently made their databases available to consumers who would like to check any information about themselves included in the CLUE database or obtain a copy of their insurance score. Their website can be accessed at:

<http://www.choicetrust.com/servlet/com.kx.cs.servlets.CsServlet?usertype=c>



CHOOSING A WEB HOSTING SERVICE FOR YOUR BUSINESS WEB SITE

Courtesy of the Better Business Bureau web site:
www.bbb.org

Is your business web site down again? Does it seem to have more downtime than uptime? You may want to consider changing your web hosting service. One of the most important decisions you will make for your business web site is selecting which web hosting service will display your web pages to the Internet. Choosing the right Internet Service Provider (ISP) to host your business's web site may feel like finding the right day-care center for your kids these days: Are they reliable? Will they be there next month? Do they know what they are doing? What services do they provide?

Finding a provider to host and maintain your Web presence can be a walk in the park, if you gather the right information. Or, it can be a disaster waiting to happen. The Better Business Bureau suggests you consider the following when shopping for a web host:

- ?? Know what type of service you need and only pay for that service. Large companies and high volume web sites can expect to pay higher rates for the services they need.
- ?? Shop around. Going with a big-name company may not be the best option for a small business. With larger companies you may find yourself competing for attention when it comes to getting service and performance issues addressed.
- ?? Ask questions. Find out how much space the hosting company will allow you on their server for mail, log files, system programs and graphics. How many email addresses are you allowed? Inquire about the availability of mailing list management programs, such as Majordomo for newsletters and auto-responders for automatic responses to email messages sent to certain addresses. Also, ask if they provide some sort of statistical data on visitors to your web pages.
- ?? Read your service contract carefully. If there were verbal negotiations between you and the web hosting company, be sure they are included in the contract. For instance, if the web hosting company says it will respond to complaints or glitches with your account within 12 hours, rather than their usual 24 hours, be sure that promise is included in your contract.
- ?? Make certain that the data on your web site remains secure and within your control. If you want "state of the art" security, add those words to your contract. That way you know your web hosting company has agreed to provide it.

Check the web hosting company out with the Better Business Bureau before doing business.



ARE YOU IN A HEALTHY STATE?

Based on factors such as obesity, smoking and infant mortality rates, the United Health Foundation has ranked the healthiest states.

HEALTHIEST STATES

LEAST HEALTHY STATES

Minnesota	1	Louisiana
New Hampshire	2	Mississippi
Vermont	3	Tennessee
Hawaii	4	South Carolina
Utah	5	Arkansas
Massachusetts	6	Georgia
North Dakota	7	West Virginia
Connecticut	8	Alabama
Wisconsin	9	Florida
Maine	10	North Carolina

THE LAST WORD

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

ARCO: IT'S ABOUT OUR *MUTUAL* INTERESTS



Once again the Las Vegas site for the ARCO Annual Meeting proved a wise choice. With a good turnout of member companies, ARCO President Scott Marne – with the assistance of John Henebry – assembled an interesting and worthwhile agenda for attending members. With nearly one-half of our eligible (paid-up) member companies present, it was, I believe, the

largest turnout in both numbers of attendees and company representation, ever experienced at an ARCO meeting.

Taking note of the obvious appeal of the Las Vegas venue, the members overwhelmingly selected Las Vegas to repeat as the site of the 2006 Annual Meeting. Not since Chicago during the meetings to form and constitute the association, has any city hosted the ARCO meeting in consecutive years.

Brian McKendry and John Henebry will be looking into alternative meeting locations including some of the lake and golf resorts in the Las Vegas vicinity, so watch the *FLASH!* for developments, and make plans to attend. If you haven't attended an ARCO meeting in awhile (or ever!) you will find that the meetings have grown in attendance for good reasons. And please remember, it's far easier to bring quality speakers and presentations if we can count on a good turnout of members.

A CHALLENGE TO CONTRIBUTE

There are many areas which are isolated from competitive concerns, but which can be helpful to all members. Thanks to ARCO Vice President, Terry Sluzewski (Essential Insurance Services – CO) for introducing to our recent meeting agenda, the topic of medical and health insurance. Terry was able (and willing!) to discuss the Medical Savings Account option being used by EIS, and several other members contributed their ideas, experiences and opinions on this topic. We would be interested in similar contributions on this topic, forwarded to the *FLASH!*, where they can be included in future issues.

In recent weeks and months, I have heard from ARCO members who are alarmed by substantial increases in their E&O insurance premiums. Only a matter of months ago, I contacted several ARCO members for their input, when facing the same situation and members considerately provided names of resources as well as their opinions on coverage and customer service. My experience was excellent, obtaining

coverage which was comparable or better than that which was being replaced, and cutting the annual premium significantly.

Most ARCO members carry E&O insurance (those who do not should probably reconsider their situation!) and this means that most members have knowledge of a source for coverage. This is exactly the sort of information that ARCO should be compiling and making available to any interested member. It is a non-competitive area of mutual concern and I ask every member to forward me contact information about your E&O carrier, so that it can be published here in the future. I hope to hear from each of you. My e-mail address appears at the end of this column – please use it!

In addition to these examples, our agenda included a discussion of the current fuel cost issues and members such as Brian and Tim McKendry (JMI Reports – OH) were among those most forthcoming in discussing their own methods of addressing this situation. Once again, this is an area which is of concern to all ARCO member companies, and we should be sharing our ideas, experiences and options. the *FLASH!* would like to hear from OTHER members on this point.

MORE WORDS ABOUT THE ANNUAL MEETING

We were all glad to see some ARCO members attending their first-ever Annual Meeting. From Upstate New York, we were (finally) able to meet Charles Morrow of Insurex Technical Services who, with partner Jim Blunt, traveled a long way for their first meeting. Charlie tells us that, as of now, he is planning to attend the 2006 Annual Meeting as well.

Also traveling a long way for his first-ever ARCO meeting, was Doug Eckland from NorthCentral Insurance Services Corp. (Minnesota). It was great to finally meet Doug and enjoy his participation in the Annual Meeting.

LAS VEGAS IN 2006

The discussion of the site for the 2006 meeting elicited suggestions which included San Antonio, TX, San Juan, PR and St. Thomas, USVI. Members remarked, however, that the over-filled meeting room which required us to ask the hotel to bring in a number of extra chairs for the large turnout of attendees, was a further indication of the drawing power of Las Vegas as a meeting site. It was noted that the largest turnouts of members has always come when Las Vegas was the site, and for this reason, Las Vegas was also offered as an option for the 2006 Annual Meeting. The vote by attendees overwhelmingly supported Las Vegas as the choice for 2006.

It was decided that research will be done on the possibility of selecting a Las Vegas-area resort such as the Hyatt at Lake Las Vegas, or one of the other fine resorts in the area. Brian McKendry (JMI Reports Inc. – OH) and John Henebry (Pacific Inspections Inc. – CA) agreed to conduct research into resorts as well as other sites, and a selection will be made later this year. We will bring the members further information on the site when available. Due to the large turnout, members are encouraged to make reservations early. See you there!

~Ken

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