

Message From The President



Having been in the industry for some time now, it never ceases to amaze me the resiliency and creativity that exists in our business. I started in the industry about the time that “packages” were new and novel and the SMP or “Special Multi Peril” policies appeared to be the end all in the product creation in our business. Well some significant time later, our industry continues to be creative and responsive to issues faced by Insured’s in today’s political and economic environment. Carriers are responding in a narrower, more focused way to provide solutions for certain customer classes. Most recently, we have seen activity in the creation of several products geared for the health care and hospitality industries with specific coverages such as decontamination, evacuation and contingent business interruption. If you live in the Northeast, bedbugs seem to be the rage. Some carriers are reviewing to determine if coverage can be afforded on the pollution policy. We don’t have anything definitive yet – when we do we will let you know. The protective products that have been in the forefront for construction projects and have provided first-party professional liability protection for owners and contractors has morphed and is now being offered for environmental contractors as part of a pollution and professional package. These products are innovative and responsive and may provide some alternatives to traditional cost cap or finite approaches for contaminated properties.

In addition to new products, the carriers with whom we partner are continuously modifying and upgrading their forms. Several carriers have gone through two or three form revisions in the last two years alone.

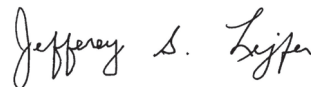
New Day’s mission is to be aware of current and new offerings by the carriers. A major focus at our recent National Sales Meeting centered on discussions with carriers and their product offerings. We strive to maintain relationships at all levels in the underwriting organizations from executive to branch underwriters.

By working with the team at New Day your efficiency and effectiveness increases by allowing us to focus on the carrier offerings and solidifying relationships with their key personnel, allowing you to save time and steer your efforts to those areas where you bring greater understanding and expertise.

We are announcing the New Day Blog in this issue – we have developed a great tool to assist you in your prospecting and sales process.

For those attending IRMI – we look forward to seeing our old friends and meeting some new ones. Let us know if you would like to meet with us and we invite you to join us for the Monday morning breakfast and Building Blocks Receptions for which we are a sponsor.

Regards,



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VISIT US AT IRMI

Monday Breakfast **Windermere Ballroom**
November 15th **7:30 - 9:00 AM**

Building Blocks
Networking Lounge **Windermere Ballroom**
November 15th **4:30 - 6:00 PM**

IRMI IS ALMOST HERE

The 30th IRMI Construction Risk Conference will be held November 14-18, 2010, at

the The Peabody Hotel in Orlando, Florida. New Day is proud to once again be a sponsor at this premier forum for networking and improving the management of construction risk. If you would like to schedule an appoint-

ment to see a New Day team member, please email info@newdayunderwriting.com or look for us on Monday, November 15 from 7:30 AM to 9:00 AM at breakfast or from 4:30 PM to 6:00 PM at the “Building Blocks” Networking Lounge. New Day is a sponsor at both of these events. We look forward to seeing you there.



New Day Launches News and Views Blog

New Day Underwriting Managers announces the launch of its blog, [New Day News and Views](#). We have created this blog as a forum to discuss all things related to the environmental and construction-related professional liability insurance marketplace. On our blog you will find claims examples, success stories, and news from New Day, the carriers and the industry. The management and staff at New Day is excited to use this tool to interactively communicate with our broker partners. We hope that you will explore the site, comment on posts and share your thoughts with our staff.

We invite you to enter your email address in the Email Subscription section of the site so that you can keep up to date when new items are posted. By doing so, you will be notified via email when new items are posted. Once you confirm

your subscription, adjust the “delivery frequency” of email messages by clicking the “Manage Subscriptions” in your subscription confirmation email or at the bottom of any email that you receive from the site. Please check it out. You will find that it will become a valuable tool for you.

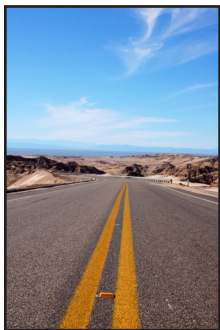
New Day looks forward to sharing our expertise and knowledge of the industry with you through [New Day News and Views](#) and to reading your comments and hearing your suggestions.



Claims Examples

The following claims examples have been provided by New Day Underwriting Managers LLC for general discussion and illustration purposes. Insurance coverage may not apply to these particular claims. The information is not offered for the purpose of providing exact coverage terms or conditions. Specific policy terms and conditions should be reviewed to understand and determine if coverage may apply.

[Olympia Man Settles Dangerous Highway Design Lawsuit](#)



After 15 surgeries, 2 months in the hospital, and 4 years later, an Olympia, WA man settled a \$2 million, dangerous highway design lawsuit against the Washington State Department of

Transportation (WADOT). The man’s critical injuries occurred after crashing his motorcycle while turning left at a highly controversial intersection. Although safety officials and state studies indicated the significant dangers of

the intersection for over 10 years and even recommended closure of the left turn lane, no action had been taken prior to this incident. (Source: <http://fjn.advisen.com>)

The WADOT may have benefited from purchasing an Owner’s Protective Professional Indemnity (OPPI) product for defense costs in the action against them and for damages they incurred as a result of negligent acts, errors or omissions of the design professionals they hired to design the intersection or associated stretch of road.

[St. Louis’ Washington University Fined](#)

After finding several federal violations regulating the generation, transportation, treatment, storage and disposal of hazardous waste, Washington University in St. Louis was fined \$15,000. The University is also responsible for cleaning up the St. Louis high school labs as part of the settlement agreement. This clean up is expected to cost the university at least \$45,000. (Source: <http://fjn.advisen.com>)

The insured in this case may have benefited from a site pollution policy for the following reasons:

- Pro-active risk control by some carriers to help mitigate exposures, such as generation, transportation, treatment, storage and disposal of hazardous waste
- Help with the defense of allegations
- Possibly pay for fines and penalties, depending on the breadth of the coverage and retentions, and if allowable by law.

[Colleges Investing in Cheap Land During Economic Downturn](#)

With the economy in a downturn and real estate prices down, many colleges are taking advantage by purchasing cheap land for expansion. University of Dayton in Ohio, University of Delaware, and Columbia University are just some examples. Colleges realize that investing in real estate may be risky but some say “the benefits outweigh the risks.” (Source: <http://newstalkradiohio.com>)

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SUCCESS STORIES

New Day Assists in Placing Coverage for Private Equity Firm



New Day was retained to design an Environmental Casualty and Legacy Pollution Legal Liability program for a private equity firm who purchased 3 oil & gas waste companies that

operated out of 18 different locations in 3 states. Due to the complexity of the deal and the challenging environmental exposures, New Day conducted extensive marketing to obtain the optimal solution for both the operational and legacy environmental exposures.

New Day performed a policy review of the environmental casualty coverages for the three oil and gas waste companies each of which were written with different carriers. At the completion of the policy review, New Day discussed coverage enhancements with the environmental casualty marketplace and a decision was made to work with a market that could write both the going forward environmental casualty

program as well as the legacy environmental coverage to eliminate any coverage discrepancies in the event of a future claim.

New Day coordinated review of the due diligence provided in three different data rooms and arranged and moderated a conference call between the private equity firm, their attorney and the current insured to discuss the outstanding environmental issues associated with the properties. This call assisted the market with understanding the environmental regulations unique to this type of risk and the nuances concerning the environmental exposures, allowing them to develop comprehensive environmental casualty and legacy environmental programs.

New Day successfully placed environmental casualty coverage that included a combined primary general liability and pollution legal liability program and a \$25 million limit excess policy covering 18 properties, while the legacy pollution legal liability policy covered unknown legacy environmental issues as well as liability coverage for known environmental issues associated with the portfolio. The legacy environmental coverage was written with a \$10 million each incident/\$10 million aggregate limit for a 10-year policy term.

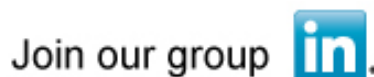
New Day Finds Coverage for Insured's Non-Renewed Coverage

Two years ago, our partner broker called us in a panic as their insured was not being renewed due to losses from their carrier who provided Professional/Pollution coverage. The retail broker obtained a 30 day extension while New Day sought solutions in the marketplace. One carrier agreed to offer Professional/Pollution terms. Coverage was bound with that carrier in 2008. In both 2009 and 2010, the insured and the retail broker decided to demonstrate some loyalty to the carrier who stepped up in 2008 and agreed to have New Day validate the renewal terms and the policy was renewed without marketing the coverage. It was a show of gratitude and loyalty, which has been rewarded by the carrier with a lower rate at this most recent renewal.

The insured realizes they need to establish a few years of a solid relationship with a carrier, which ultimately benefits them by making themselves a more desirable insured to potential carriers. This is especially true in such a small marketplace such as the one for the combined Professional/Pollution market.

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REMEMBER TO JOIN US ON OUR SOCIAL NETWORKS



Success Stories continued from page 3

New Day Secures Coverage for University



A university with a number of locations spread across one state in the U.S. as well as locations in Europe and Asia owns buildings comprising their campus. Many of the buildings are old, with some dating back to the early 1800s. Working with the retail broker and an environmentally savvy risk manager, New Day gathered a number of environmental documents to support obtaining the broadest coverage, including environmental site assessment reports, asbestos and lead-based paint management plans, material safety data sheets, asbestos inventories, regulatory information, statement of values with details of each location in the portfolio and a signed application for fixed-site Pollution Legal Liability coverage. Because there are locations in Europe and Asia, New Day sought coverage from carriers who could provide worldwide coverage, while also

placing local admitted policies outside the U.S. and then sitting excess of those local policies. One carrier offered not only the broadened coverage, but they also have a new endorsement that is specific to educational facilities. Since mold is an obvious concern for older buildings, New Day worked with the retail broker to secure a water intrusion and mold prevention program plan. Based on initial quotes from the carriers approached for this unique and challenging site pollution opportunity, New Day was able to successfully satisfy the client's coverage requirements with regards to the coverage, limits and premium, along with a minimization of endorsed restrictions.

EMPLOYEE Q&A – MITCH COHEN

Meet and get to know Mitch Cohen, an Assistant Vice President with New Day's Construction Practice. With over 21 years of experience in engineering and consulting and 8 years in environmental insurance, Mitch has brought a great deal of knowledge and experience to our team. Contact Mitch at 609.298.3516 Ext. 107 or mitch.cohen@newdayunderwriting.com.

1. How long have you been with New Day?

15 months

2. What are your primary job responsibilities at New Day?

I work in the construction practice placing combined Contractor's Professional Liability (CPrL) and Contractor's Pollution Liability (CPL). As needed, I also assist New Day's real estate team placing fixed site Pollution Legal Liability (PLL) for portfolio deals.

3. What part of your job do you enjoy the most? What part do you find most challenging?

I enjoy working with our broker partners every day and especially when I can be in a mode of educational business developer, teaching them about coverages, exposures, and risk profiles, working with them to develop an optimal solution for their insureds.

The most challenging aspect of my job is being so highly dependent on technology that if one system goes down, it greatly impacts my ability to be productive from a remote location. Fortunately, it is quite rare that this occurs but when it does, I can depend on the team in our Bordentown headquarters to step in and assist where necessary.



4. What do you think brokers like best about working with New Day?

I think our broker partners value and welcome the extensive experience and knowledge that the New Day staff brings to the table. They appreciate the extensive comparisons provided in our detailed proposals and our ability to be their outsourced construction and environmental department.

5. What are you most looking forward to as we head into fall and winter?

As a die-hard hockey fan, I am really looking forward to the start of hockey season and cheering for the Atlanta Thrashers to make it to the Stanley Cup playoffs this year.

Claims continued from page 2

From an insurance perspective, universities need to know what it is that they are buying. As the new owner, they are likely inheriting potential legacy environmental liabilities. This is especially true if the sites being purchased were historically industrial properties. Pollution coverages could limit these potential risks and liabilities by protecting the owners from future claims related to any discovery of legacy environmental exposures.

“Pigeon Dung” Case Goes to Mediation

A group of courthouse workers in Pennsylvania went to mediation for the second time over a claim that the workers’ health was jeopardized by the company hired to remove tons of pigeon dung from the courthouse beginning in

2004.” The suit claims that the environmental firm involved was negligent in the manner in which it cleaned up the pigeon dung exposing the workers to “significant amounts of toxins” and causing them to “suffer a variety of illnesses and symptoms affecting their lungs, respiratory systems, eyes, neurological systems and other bodily organs and systems.” One of the attorneys representing the workers doubted if a settlement would be reached and expected the case to go to trial. The environmental firm says that its methods were “all appropriate.” (Source: <http://fpn.advisen.com>)

A Contractor’s Pollution Liability (CPL) policy in this claim may help the environmental firm defend the suit and may apply to the bodily injury claims.

NEW DAY EMPLOYEES CELEBRATE COMPANY’S 5TH ANNIVERSARY

Throughout this year, the management of New Day Underwriting Managers has been celebrating the company’s 5th anniversary with our various broker partners. In August it was time for the employees to join in the celebration with a fun-filled, Hawaiian-themed barbecue at New Day’s offices in Bordentown, NJ. The festivities were held during the week of our first National Sales Meeting, where our underwriters from around the country were meeting in Bordentown.



1ST NATIONAL SALES MEETING

New Day Underwriting Managers held its first annual National Sales Meeting during the week of August 16, 2010. Our underwriters from Bordentown, NJ and around the country met in the Bordentown headquarters to discuss company goals, strategies, processes and procedures, and continuously improving our corporate culture of being knowledgeable, professional, and responsive in order to continue providing the highest levels of customer satisfaction to which our broker partners have become accustomed.



KNOWLEDGEABLE

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New Day Underwriting Managers LLC provides specialty insurance brokerage and underwriting services, assisting insurance brokers and their clients find appropriate, high-quality environmental and construction professional liability and related risk management services.

New Day Underwriting offers agents and brokers single-point access to an ample portfolio of products and services provided by the nation’s largest environmental and professional liability insurance providers.

The authors of New Day Standard attempt to assure factual accuracy. However, New Day Underwriting Managers LLC is not responsible for errors.