

Message from the President and CEO

To say 2009 was a challenging year would be an understatement. At this point there are no signs that 2010 will be less demanding. At a recent seminar with colleagues from top retail agencies and many of the leading carriers, the consensus was that the soft market conditions will continue with no signs of relief until 2011 or even 2012. While I am not in the prediction business, I do know from experience that unexpected events can have profound effects on the insurance marketplace. For example, if interest rates climb over the next 12 months, we could be in for a continued free fall as carriers will look to investment income to bolster their bottom lines. And any catastrophe, natural or otherwise, could throw us into a hard market overnight.

At New Day, we attempt to prepare for the unexpected by providing knowledgeable, professional and responsive products and services to our partner brokers. In 2009, we embarked on several initiatives to ensure we stand ready to service our customers in the top notch fashion to which they've grown accustomed. The improvements we have made to our technology infrastructure, in our computer and phone systems, and the addition of top quality staff will allow us to more effectively and efficiently support our broker partners for years to come...no



matter what the market brings.

We are extremely excited about our new state-of-the-art computer and security network. While New Day has been operating in a paperless environment from day one of our existence, the upgrades we've

made this year are significant. We transferred from Velocity, our agency management system, to efile, a companion system integrated with Velocity with considerably more features and increased efficiency. Efile includes a disaster component that when fully deployed in 2010, will allow our underwriting team to be up and running very quickly in the event of a catastrophe. Integrated with efile is a web interface for moving documents from our retail agents to our carriers in a seamless flow. This feature will also be launched in early 2010.

Our telephone technology has also undergone a transformation. A new Voice over Internet Protocol (VoIP) system was installed that allows our remote team to be integrated into the activities of our Bordentown, New Jersey headquarters. Fully incorporated into the desktop, our team can use their cell or any remote phone to obtain phone calls and retrieve voice mails as if they were sitting in the

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office. An interactive web meeting tool built into the system allows for instantaneous team meetings. Next on our list of upgrades is enhancing our mobile phone equipment, a project to be tackled in 2010.

Hand-in-hand with developing a strong infrastructure is ensuring we have the experienced underwriting talent to support our customers. In 2009, we added several staff members. Maria Vutskova, a Temple University Risk Management graduate, was hired to bolster our small business efforts. Mitch Cohen, P.E., with a background in construction, consulting and insurance brokerage enhances our expertise with construction professional and pollution products. Robert Connor, J.D., joins us with many years of experience in the construction professional realm. Carole Carretta comes with years

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Message from the President and CEO, continued

of expertise leading the environmental unit of a major brokerage firm and will strengthen our work with pollution and combined form products. To support our underwriters, Joseph Buono will put his years of account management experience for a retail insurance agency to good use. Joe also supports many of our recently implemented IT efforts. And finally, with effective communication at the core of our business strategy and success, we hired a Marketing and Communications Coordinator, Sheryl Barr, to augment our communication efforts. We are delighted to welcome these knowledgeable and experienced people to New Day...and are even more excited about having them help find the optimal risk management solutions for you and your insureds.

It's impossible to predict what tomorrow will bring and how the fickle market will respond. The good news is that we are doing everything we can to ensure that New Day will be here to support you no matter what.

Many thanks for your continued support and business. Our team at New Day extends our warmest wishes for a joyous holiday season and a happy and healthy 2010.

Jefferey S. Lejfer, CPCU
President and CEO

IRMI 2009

New Day was proud to participate in the annual IRMI conference held November 1st to 5th in Washington, D.C. The conference was a huge success with several New Day-sponsored events, meetings with clients and a presentation by Jeff Slivka on "Filling the Holes in Contractors' Liability Coverages." Jeff's informative presentation was very well attended and received. If you missed it, but are interested in the content, please contact us at info@newdayunderwriting.com or 609-298-3516 for a copy.

During the conference, Jeff Lejfer had the pleasure to meet with Gary Kaplan, President of Zurich Construction and David Levinson, CFO Commercial Markets. All of us at New Day value the quality time that we are afforded with our partner brokers and carriers. Many thanks to Gary and David – and to all who visited with us in Washington – for taking time out of your busy schedules to meet with us.

*Top photo: Jeff Lejfer with Gary Kaplan and David Levinson of Zurich Insurance
Center photo: Jeff Slivka speaks at IRMI
Bottom photo: Tim, Jeff and Jeff host a New Day-sponsored event*



Success Stories

Here are two more examples of New Day's experience and ability to facilitate collaborative results yielding the optimal risk management solution. Contact us at info@newdayunderwriting.com or at 609-298-3516 to put us to work for your clients.

NEW DAY RECENTLY WORKED WITH a major non-profit organization that purchased a 10,000 acre site located in West Virginia. Since the property is a former coal mining site, there were concerns over potential contaminants associated with past mining operations, so the client wanted protection through proper insurance coverage. Using limited environmental site assessment sampling analytical data, aerial photos, preliminary site development plans and other information, New Day worked directly with the insurance carrier, the retail broker, the insured and the carrier's underwriting engineer in a team approach. New Day drew from its past remediation and field investigation experience and facilitated conversations in an effort to place a multi-year insurance policy with maximum coverage and minimal exclusions to protect the insured. Based on New Day's experience and group conversations, exclusions in the policy were limited to the four known contaminants identified in the environmental site assessment report. In addition, once the structures are built on the site, mold coverage and business interruption coverage will be added to the policy.



A NEW DAY CLIENT (A JOINT VENTURE) found themselves in a unique situation. They had recently been awarded two separate projects. The first project required pollution coverage, with the second requiring professional and pollution coverage. In addition to addressing the insurance requirements of these projects, the Joint Venture also wanted flexibility to use the policy to satisfy other requirements for potential new projects. New Day's solution was to write a two year blanket policy that applied the required pollution limits to both projects, and the professional limits only to the project that required it. The key was identifying the Insured's current needs as well as their plans for the future, and then presenting the entire picture to the underwriter in a logical manner. The optimal solution was provided and the deal worked for everyone – the insured, the retail broker and the insurance carrier.

New Day Welcomes Two New Underwriters

Please join us in welcoming Robert Connor, J.D. and Carole Carretta, both assistant vice presidents and New Day's newest additions to our underwriting staff. Robert and Carole joined our team on December 1st to maintain and enhance the services that New Day provides to its retail broker partners. Robert joins us from Suncoast Insurance Agency in West Palm Beach, Florida and will be working with New Day clients in the construction-related professional liability arena. Carole has most recently spent 10 years at Marsh in San Francisco, California and will be working with New Day clients on the West Coast. Please join us in welcoming Robert and Carole to our New Day family.



Carole Carretta



Robert Connor, J.D.

New Day Team Hosts Carriers

New Day works hard to stay on top of the latest happenings in the industry. We particularly enjoy the opportunity to meet with carriers in our Bordentown office.



Most recently, Jeff Lejfer, Jeff Slivka and John Heft met with Joe Boren, President and Kevin Fee, Vice President – Environmental, both of Ironshore Environmental.



In addition, Tim Farrell and Maria Vutskova met with Derek Steffen and Anna Zittle, underwriters with XL Environmental.



Contact New Day at:
info@newdayunderwriting.com or 609-298-3516
to have one of our business development managers contact you.

Claims Examples

Fresh from the headlines, here are more examples of what happens when a business fails to employ an effective risk management program. Contact us at info@newdayunderwriting.com, so we can assist you in finding the optimal solution for your clients.

Landowner Suing Energy Company for Contamination

PENNSYLVANIA – A landowner is suing an energy company for polluting his soil and water, claiming that the company ruined his land with toxic chemicals used in or released there by hydraulic fracturing. Water tests on the property showed seven potentially carcinogenic chemicals above Environmental Protection Agency (EPA) screening levels.

Source: www.insurancejournal.com

Chemical Plant Facing \$125.4 Million Fine

TEXAS – A chemical company is facing fines of \$125.4 million resulting from safety violations at their manufacturing and treatment plant. The Occupational Safety and Health Administration (OSHA) is investigating the deaths of two employees at the plant since December 2008. The Texas Attorney General is seeking a court order requiring the company to cease operations until they demonstrate compliance with state environmental regulations. The Attorney General also claims employees from nearby sites complain about odors creating nausea, dizziness and headaches.

Source: envfjn.advisen.com

Chemical Company Paying Big for Pollution Claims

CONNECTICUT – A chemical company is facing a \$155,000 fine as a result of claims that it violated the federal Clean Air Act. The EPA says that the company emits excess hazardous air pollutants from resins including formaldehyde and methanol. Respiratory symptoms and eye, nose and throat irritation are resulting in neighboring communities. The company will pay an additional \$150,000 to conduct an environmental project to resolve the allegations by the EPA.

Source: envfjn.advisen.com

– Continued

Claims Examples, continued

Mobile Home Park Contamination Claim Settled

VIRGINIA – A jury awarded a \$9 million settlement to the owners of a mobile home park after they sued the county, claiming that the neighboring landfill polluted their drinking water and made their land and business unsellable. The suit was first filed in 2002 after testing revealed that chemicals from the landfill were leaking into the park's drinking water.

Source: envfpn.advisen.com

Plaintiffs Settle Gas Spill Suit

PENNSYLVANIA – Some of the over 1,000 plaintiffs recently settled an 8-year old lawsuit after claiming that they became sick following a gasoline spill in Hazleton. The plaintiffs claimed that fuel leaks from a former service station entered the ground resulting in cancer and other diseases among the residents.

Source: envfpn.advisen.com

Costly Courthouse Remodeling

CALIFORNIA – A settlement was reached in a group of lawsuits filed by nearly 200 people claiming to have been injured by asbestos and other dangerous materials that were released into the air during a courthouse remodeling. The primary defendants were two construction management companies, who also faced criminal indictments as a result of asbestos contamination in the building.

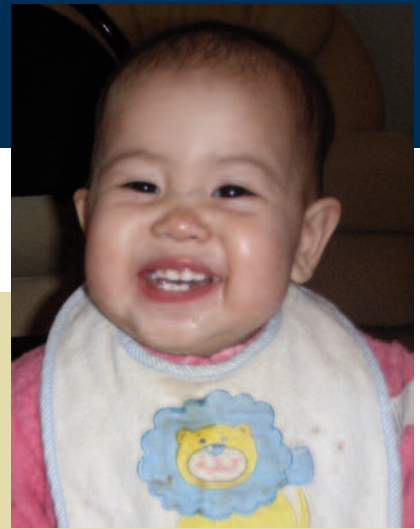
Source: envfpn.advisen.com

Mercury Handler Settles with EPA

ILLINOIS – The EPA reached an agreement with a mercury recycler resolving alleged violations of federal rules on hazardous waste and toxic substances after an equipment malfunction in 2003. The company will pay a fine of \$54,000 to settle the violations. They were also required to complete several projects to minimize potential risks going forward, including installation of an air scrubber, mercury monitoring system and emergency air breathing system.

Source: envfpn.advisen.com

A New Addition to the New Day Family



Please join the New Day staff in congratulating the Slivka family on the newest addition to their household. Jeff Slivka and his wife Tammy recently completed the adoption of their daughter Julia, who turned one on December 1st. Jeff and Tammy, after several trips and a great deal of time in Russia, adopted Julia from an orphanage.

On Jeff's return from Russia, the staff at New Day surprised him with a baby shower to welcome Julia into the Slivka and New Day families. We wish the Slivka family all the best with their new addition and look forward to meeting Julia at a future New Day family event.



Jeff, Tammy and Julia arrive home from Russia

Employee Q&A

Meet Tim Farrell, New Day's Senior Vice President and a 25 year veteran of the commercial property and casualty industry. Tim's exceptionally strong sales and marketing background includes experience with XL Environmental, CIGNA Property & Casualty Company and Maguire Insurance Group. We couldn't be more delighted to have him at the helm of our marketing efforts!

Q How long have you been with New Day?

A Since the idea was hatched on the pages of a yellow legal pad. I had the privilege of vacuuming the office the first day!

Q What are your primary job responsibilities at New Day?

A Overall, all of us promote the value of New Day to our employees, brokers and insurance carriers. Specifically, I work with our partner brokers with contractor clients – opportunities involving both pollution and professional. Oh yeah – almost forgot – I take the trash out on Mondays!

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

A This is probably one in the same – creating value for our partner brokers. Every opportunity is different with many moving parts. Finding the right combination that results in the optimal solution for everyone involved (insured, broker, underwriter & us) is very rewarding.

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

A That it's a good business decision to work with New Day. It comes back to the '3 Es.' The bottom line for a broker is that it's more profitable (*Economics*) to have New Day work on these opportunities due to the *Efficiencies* (New Day does the work, the broker doesn't) and our *Effectiveness* (New Day's familiarity with and experience in the market).

Q What are you most looking forward to as we head into winter and the holidays?

A It has to be basketball, basketball and then some more basketball! Although I hate to admit it, I'm too old and broken down to play anymore. But I follow the pros, college and high school. I look forward to seeing a few games at my favorite place, The Palestra (University of Pennsylvania's gym).



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33 Third Street, Suite 204, Bordentown, NJ 08505
Toll Free: 877 NDU-8008 • Tel: 609 298-3516
Fax: 609 298-6254 • www.newdayunderwriting.com
Editor: Jeffrey S. Lejfer, CPCU

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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.

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