



BRUCE GENDELMAN **INSURANCE SERVICES NEWSLETTER**

Dear Clients, Friends and Colleagues:

This is an interesting time for our ever-growing agency!

Bruce Gendelman, Chairman
Daniel Gendelman, Vice President Client Relations

“Why Experience Matters” is the title of a recent op-ed piece by David Brooks that was featured in the New York Times. Brooks’ commentary was related to the upcoming Presidential race. We suggest the same analysis applies to our business as insurance brokers and how we approach our relationship to our clients and to the market. It turns out that the management and execution of policy is difficult, requiring acquired skills, and above all, requiring prudence.



Brooks’ asks “What is prudence?” It is the ability to absorb the vast flow of information and still discern the essential current of events – the things that go together and the things that will never go together. How is prudence acquired? Through experience.

As recent financial events have escalated into an interconnected crisis, we suggest that prudence has become center stage...even for the most experienced. In this special edition of our company E-Newsletter we hope to demonstrate how we have reacted to this crisis.

We have always expressed to our staff, industry colleagues and clients that the insurance brokerage business is very simple on the surface. It should be a business that models a fine corporate law practice. We are intermediaries in a worldwide market for “paper contracts,” an intellectual and experience based professional advisory business, that match the risk needs of our clients with their budgets, service requirements, temperament, and sophistication while ALWAYS advocating the best interests of our clients. Like all business, ours is based upon people. Everyone who runs a business will brag about their people. We have spent thirty years building a culture of people that not only understand the paragraph above, but live it. We’ve never been more proud of the colleagues that we work with.

The people side of our business is the interaction first, with our clients, and second, with the people that run the insurance companies.

This week we have witnessed, in person, the prudence of the senior staff at the AIG Private Client Group. Their entire staff of 1,000 people has built the leading niche insurance business (insuring the personal exposures of the wealthiest families in the US). It is based upon offering market leading superior coverage forms, claims handling, loss prevention services, and proper underwriting pricing.

When the bad news was escalating, our staff was mobilized and effective. We developed contingency plans for replacing coverage on all accounts potentially affected, if needed. We communicated hour by hour the facts as they developed. We used our prudence to get to the core of the matter and report them to clients.

Amid an unprecedented week for our economy and our country, a phenomenon with far less publicity began to unfold at a time when we least expected it: Compassion. Many of these experienced senior officers from insurance companies acted with prudence and compassion. One high ranking AIG official said, “We really love our jobs, we’ve always put our clients first, and despite the outlook for other branches of our company, we have created not only the strongest high-net-worth insurer, but one which we know will continue to break boundaries for what insurance can be.” The compassion continued with other companies as well. Very note worthy were the responses and the cooperation we received from other insurance company executives, both personal and commercial lines. In “war” you learn a lot. In a very competitive world, they offered to place client interests first, to bind coverage when and as needed, and to work out the details later. These are people that we can be proud to serve with.

As this week winds down and we have a moment to reflect, we feel as though we owe the biggest debt of gratitude. To our business colleagues who did their best to offer advice, assistance and guidance with regards to the irreplaceable assets of our clients; and of course, to those clients who reached out to us to say that we have their trust through this crisis and moving forward. These calls

- Insurance Co of Illinois
- Interstate Fire & Casualty Co.
- Indiana Insurance Company
- Ironshore Insurance Ltd
- Illinois Union Insurance Co.
- Insurance Co. of North America
- Indemnity Ins. Co. of North Am
- Indian Harbor Ins Co
- Illinois National Insurance Co
- James River Insurance Company
- Landmark American Ins. Co.
- Lexington Insurance Co.
- Lloyd Thompson Limited
- Lloyd's of London
- Liberty Mutual Insurance Co.
- Liberty Mutual Fire Ins Co
- Landmark Insurance Co Ltd
- Maryland Casualty Company
- Minnesota Insurance Company
- Midway Ins Co of Illinois
- Monticello Insurance Company
- Mount Vernon Fire Insurance Co
- Massplate Insurance
- Markel Insurance Company
- Middlesex Insurance Co.
- Mt Hawley
- Mutual of Omaha Ins. Co.
- Mass West
- Midwestern Indemnity Company
- Natl Union Fire Ins. Co of PA
- Nat'l Fire Ins. Co of Hartford
- Northern Assurance Co of America
- National Casualty Company
- National Fire Insurance Co.
- North American Company
- Navigators Specialty Ins Co
- Nautilus Insurance Company
- Navigators Insurance Company
- National Continental Ins Co
- The Netherlands Insurance Co.
- AIG National Insurance Co.
- New Hampshire Indemnity Co.
- Northbrook Indemnity Company
- NIC Insurance Company
- National Media Company
- North Carolina Ins. U/W Assn.
- North American Capacity Ins Co
- Northfield Insurance Company
- Northern Ins. Co. of New York
- Northwestern Pacific Indemnity
- National Union Fire Ins. Co.
- Natl Union Fire Ins Co of LA
- Nutmeg Insurance Company
- Ohio Casualty Group
- Olympus Insurance
- OneBeacon Insurance Company
- Parkway Insurance Company
- Progressive Casualty Ins Co
- FL Property & Casualty JUA
- Progressive Classic Ins Co
- Progressive County Mutual Ins
- Progressive Consumers Ins Co
- Peerless Insurance Co.
- Progressive Express Ins Co
- Progressive Hawaii Ins Co
- Philadelphia Indemnity Ins Co
- Philadelphia Insurance Company
- Phoenix Insurance Co
- Pacific Indemnity Company
- Progressive Universal of IL
- Pinnacle Assurance
- Protection Mutual
- Progressive Michigan Ins. Co.
- Progressive Northeastern Ins C
- Progressive Northern Ins Co
- Progressive Northwestern Ins C
- Progressive Premier Ins of IL
- Progressive American Ins Co
- Progressive Bayside Ins Co
- Princeton E&S Insurance Co.
- Progressive Halcyon Ins Co
- Progressive Max Ins Co
- Progressive Preferred Ins Co
- Progressive Specialty Ins Co
- Progressive Southeastern Ins
- Regent Insurance Company
- Republic Vanguard Insurance
- Republic-Franklin Insurance Co
- RLI Insurance Company
- Rochdale Insurance Co.
- Rockhill Insurance Co
- Royal Specialty Insurance
- Royal Surplus Lines Ins. Co.
- Safeco Insurance Company
- Southern County Mutual Ins Co
- Scottsdale Insurance Company
- Selective Insurance
- Select Insurance Company
- Seneca Insurance Co
- Sentinel Insurance Co.
- Safeco Ins Co of Illinois
- Sumitomo Marine & Fire
- Safeco National Ins Co
- The St. Paul Insurance Co
- Society Insurance
- St. Paul Mercury Insurance Co.
- St. Paul Fire & Casualty Co.
- St. Paul Guardian Ins. Co.
- St. Paul Fire & Marine Ins Co.
- The Standard Fire Ins. Co.
- Steadfast Insurance Company
- Starnet Insurance Company
- Sunshine State Insurance Co.
- Travelers Auto Ins Co of NJ
- Travelers Cas. & Surety Co
- Travelers Cas Co of CT
- Travelers Cas & Surety of IL
- Travelers Casualty & Surety
- Technology Insurance Company
- Travelers Excess & Surplus Lin
- Travelers Flood Insurance
- Travelers Insurance Companies
- Travelers Home & Marine Co
- Time Insurance Company

- Alliance Assurance Company
- AIG Advantage Insurance Co.
- American Automobile Ins. Co.
- AIG American International Ins.
- AmComp Assurance Company
- Acceptance Insurance Co.
- Ace American Insurance Company
- Acceptance Indemnity Ins Co
- AmCOMP Preferred
- AIG Centennial Insurance
- Acuity, A Mutual Insurance Co.
- AIC of Delaware
- Admiral Insurance Company
- American Economy Insurance Co
- American Empire Insurance Co
- American Excess Surplus Lines
- AIG Casualty Company
- American General
- American Guarantee & Liability
- Granite State Insurance
- American Hobbyist Insurance
- American Home Assurance Co
- AIG Hawaii Insurance Company
- American International Pacific
- AIU Insurance Company
- AIG National Insurance Co
- AIG Private Client Group
- Automobile Ins Co of Hartford
- American International South
- AIG Indemnity Insurance
- AIG Premier Ins Co
- American International Surplus
- American International Ins Co
- American International Co
- AIU North American Inc.
- AIG Specialty Work Comp
- American International Group
- AIX Specialty Insurance Co.
- Alliance General Ins. Co.
- Allsouth Professional
- Amer Standard Lloyds Ins Co
- American Safety Indemnity Co.
- American Casualty Company
- American Modern Home Ins Co
- American Insurance Company
- American States Preferred Ins
- American States Ins Co
- AIG MexiPass - SISA
- American Zurich Ins Co
- AIC of New Jersey
- Aetna Life & Casualty
- APIA, INC.
- AIG Preferred Insurance Co.
- AIG American International GRP
- Associated Indemnity Corp
- American Intl Specialty Lines
- Aspen Specialty Insurance Co.
- Assurance Company of America
- Athena Assurance Company
- Atlantic Mutual Companies
- Audobon Insurance Co
- AXA Art Insurance Corp
- AXIS Insurance Company
- Axis Surplus Lines Ins. Co.
- Axis Reinsurance Company
- Axis Specialty Insurance Co.
- Badger Mutual Insurance Co.
- Benchmark Insurance Company
- Birmingham Fire Ins of PA
- Berkshire Hathaway Homestate
- Bridgefield Casualty Ins Co
- Bridgefield Employers Ins
- Burlington Insurance Co. (The)
- Beazley Insurance Co, Inc
- Capacity Insurance Company
- Continental Assurance Company
- Camden Fire Insurance Assn.
- Capitol Indemnity Corp.
- Capitol Specialty
- Chubb Custom Insurance Company
- Columbia Casualty Company
- Century Surety Company
- Chubb Group
- Charter Oak Fire Insurance Co.
- Cornhuskers Casualty
- Chubb Indemnity Insurance Co.
- Chubb Insurance Company of NJ
- Continental Insurance Company
- Chubb Lloyds Insurance Co.
- Clarendon National Ins. Co.
- CNA Insurance Co.
- Consolidated Insurance Co.
- Continental Insurance Company
- CNA Surety
- Chubb National Insurance Co.
- Combined Insurance Company
- Colony Insurance Company
- Commerce & Industry Ins. Co.
- Continental Casualty Company
- Combined Specialty Ins. Co.
- Chubb Syndicate Incorporated
- Chubb Group of Ins. Co.
- Dairyland Insurance Co.
- Discover Property & Casualty
- Endurance American Specialty
- Encompass Floridian Indemnity
- Empire General Insurance
- Encompass Indemnity Co.
- Empire Indemnity Insurance Co.
- Essentia Insurance Company
- Essex Insurance Company
- Evanston Insurance Company
- Everest National Insurance Co.
- Fairfield Insurance Company
- Farmington Casualty Company
- Firemans Fund County Mutual
- Fidelity & Deposit Co of MD
- Federal Insurance Company
- Fireman's Fund Ins. Co. of WI
- American Auto Insurance Co
- Firemans Fund Ins Co of GA
- Firemans Fund Ins Co of HI
- Fireman's Fund Indemnity Corp
- Firemans Fund Ins Co of IA

American Auto Insurance Co
 Firemans Fund Ins Co of GA
 Firemans Fund Ins Co of HI
 Fireman's Fund Indemnity Corp
 Firemans Fund Ins Co of LA
 Firemans Fund Ins Co of MO
 Firemans Fund Ins Co of NE
 Firemans Fund Ins Co of OH
 Fireman's Fund Insurance Co.
 Firemans Fund Ins Co of TX
 Florida Hospitality Mutual Ins
 Fidelity & Casualty Co. of NY
 Fidelity & Guaranty Ins Co
 Florida Family Insurance
 First National Ins Co of Amer
 Foremost Insurance Group
 Fireman's Fund Prestige
 First Specialty Insurance Corp
 Great American Assurance Co
 General Casualty of Illinois
 General Casualty of WI
 General Star Indemnity
 Glen Falls Insurance Co.
 General Insurance Co of America
 Great Northern Insurance Co.
 Great American Ins Co of NY
 Great American E&S Ins. Co.
 Indiana Insurance
 Greatway Insurance
 Greenwich Insurance Company
 Granite State Insurance Co.
 Hartford Accident & Indemnity
 The Hartford
 Hartford Underwriters Ins. Co.
 Hartford Steam Boiler
 Hartford Casualty Insurance Co
 Hartford Fire Insurance Co.
 Hoosier Insurance Company
 Hartford Ins Co of Illinois
 Hartford Lloyds
 Hartford Life Insurance Co
 Hartford Ins Co of the Midwest
 Houston Casualty Company
 Hartford Property & Casualty
 Hartford Ins Co Southeast
 Hudson Specialty Ins Co
 Hudson Insurance
 Insurance Co of State of PA

...of gratitude. TO OUR BUSINESS COLLEAGUES who did their best to offer advice, assistance and guidance with regards to the irreplaceable assets of our clients; and of course, to those clients who reached out to us to say that we have their trust through this crisis and moving forward. These calls and letters will never be forgotten. We want to share one of the scores of emails and calls that our staff received this week:



"Hi, I'm calling to check to see if 'alien attack' is covered on my auto insurance..."

*Dear Bruce, I would like to stay with AIG as long as you feel it is safe. I have the greatest respect for you, your judgment and your ability to make decisions. You have always treated us exceptionally well and I am grateful for that. All I really need to know is that our house is safe in case of a hurricane and that we are protected by insurance. This must be a terrible strain for you and we are extremely impressed by your attention to detail, your total honesty and your frankness. I know that you will tell us what you think is best. Fondly,
 H. Palm Beach*

We would like to conclude by posing this question:

What do you look for in the firms and people you associate with?

We continue to offer our prudence. There are no guarantees about the future – but you can be assured that the Bruce Gendelman Company will represent your interests and provide you with optimum insurance programs.

Travelers Excess & Surplus Lin
 Travelers Flood Insurance
 Travelers Insurance Companies
 Travelers Home & Marine Co
 Time Insurance Company
 Travelers Indemnity of America
 Trumbull Insurance Co
 Travelers Indemnity Co. of IL
 The Travelers Insurance Co.
 Travelers Lloyds of Texas
 Tower Insurance Co of NY
 Travelers Personal Ins Co
 Travelers Prop Cas Co America
 Texas Pacific Indemnity Co.
 Trav Personal Security Ins Co
 Travelers Insurance Companies
 Transcontinental Ins. Co.
 Travelers Indemnity Co. of CT
 Travelers of Florida
 Travelers Indemnity Company
 Travelers/Lloyds Insurance Co.
 Transportation Ins. Co.
 Trustmark Insurance Co.
 Tri-State Insurance Co of MN
 Travelers Prop Casualty Ins Co
 Twin Cities Fire Insurance Co.
 United Financial Casualty Co
 Unigard Insurance Group
 United National Insurance Co.
 United Educators Insurance
 United National Insurance Co.
 UNUM/Provident
 USF Insurance Company
 U.S. Fidelity & Guaranty Co.
 US Liability Insurance Company
 U S Plate Glass Ins Co
 USF&G Specialty Insurance Co
 Valiant Insurance Company
 Vigilant Insurance Company
 West Bend Mutual Ins.
 Western Surety Company
 Westchester Surplus Lines Ins.
 Westchester Fire Insurance Co
 Western Heritage Insurance Co.
 Wilson Mutual Insurance Co.
 Westport Insurance
 XL Specialty Insurance Co.
 Zurich American Insurance Co.
 Zenith Insurance Co
 Zurich US Insurance Company

TRANSPARENCY AND RESPONSIVENESS

Joseph Gendelman, President and CEO
 Angela Engebretson, Vice President Insurance Operations



What if your relationship with insurance is limited to being a consumer? Even as a buyer in this market, and even if the product you have selected is not one belonging to the World's Largest Insurance Company, you were affected this week. Your first thought: "How will this affect me?" Your second thought: "How will this affect my country?" The management of Bruce Gendelman Company had the same questions. This situation was unexpected and unprecedented. What experience could we possibly have that could prepare us for this situation?

As it turns out, we have the best experience of anyone. Remember: we are the same brokers that pride ourselves in being the hurricane tracking experts! Not unlike a hurricane, the path of this storm was shifting and changing, the ultimate intensity and devastating effects unknown. Our approach became similar to our process when anticipating the Perfect Storm: Stay calm. Plan ahead. Arm staff with the knowledge and the tools they need to be prepared. Keep clients informed, check in frequently, and provide assistance and advice along the way. For clients in the direct path of this unique storm, email updates were sent: six emails in all, from early Monday through late Wednesday.



One of our most important duties as an insurance broker is to show complete transparency and be able to respond to issues as they arise. We strive to stay abreast of the carriers and adapt to any market changes that may occur. We are constantly working with existing and new markets to make sure that you have the best products and prices available to you. **Listed in the columns of this newsletter are just some of the companies that we work with!**

This week felt like a Category Five. The eye of the storm was headed straight for Palm Beach, with landfall expected early Wednesday. This hurricane spun away at the last moment, but 2008 has certainly been an active storm season, hasn't it? Another storm could be just beyond the horizon. I don't know what is headed our way next, but I know that Bruce Gendelman Company prepares for the unknown better than anyone. Our employees are our family; our clients are our friends.

Our goal is to protect your assets with as much care as we protect our own. We look forward to continuing to work with you on your accounts, today, tomorrow, and for yours to come. You will always be given the options you request and the ultimate decision will be yours alone.

Isabel Collazo, Commercial Team Lead

In the past week the Property and Casualty marketplace was put into a spiral spin after the announcement about the largest insurance company needing a bailout package in order to survive the week. The Federal Government on Tuesday night agreed to stabilize this company which is a critical component of the Commercial Insurance world by investing \$85 billion. In turn, the Federal Government will have a 79.9 percent equity interest in the company and will receive approximately 11.4 percent of interest on their investment.

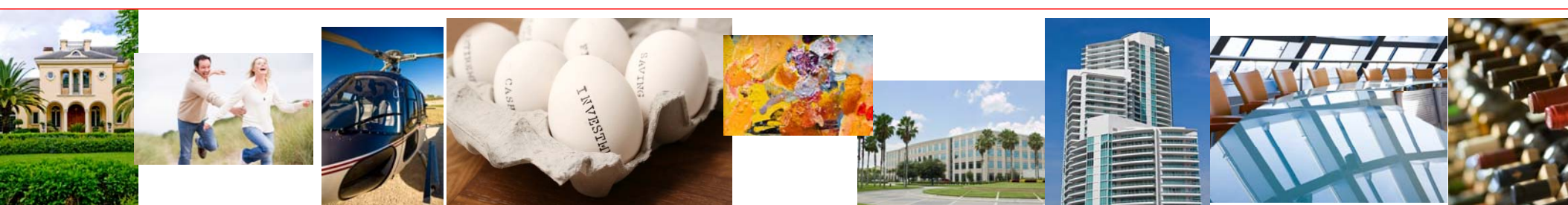
This company has been a dominant player in the corporate insurance world. They've had a market share of approximately 11 percent in the U.S. market up to now. Senior executives at this company have stated that they do not intend to sell its U.S. and foreign commercial property and casualty businesses as these operations are reporting a net income of \$1.3 billion for the six month ending June 30, 2008 and they continue to be well capitalized in the insurance sector with a statutory surplus of \$26.7 billion and invested assets exceed \$70 billion.

Here are what some others are saying:

Thomas Sullivan, Connecticut Insurance Commissioner - "Consumers who buy products from AIG are protected. All of the issues of AIG were at the holding company level. When we talk about the trillion-dollar assets of AIG on that balance sheet, that all exists in the underlying statutory companies that we, state regulators, have oversight for so that is where the real value in AIG exists."

Steve Poizner, California State Insurance Commissioner— "Even prior to action taken by the Federal government, the companies owned by AIG had the risk-based capital required to operate in the California market. The financial issues all come from the parent company, AIG, and not its subsidiary insurance companies. The AIG-affiliated insurance companies remain solid."

Mike Kreidler, Washington State Insurance Commissioner— "Many policyholders have expressed concerns in light of the recent news surrounding AIG. This is a fluid situation, but I can assure you that the insurance companies are in good financial shape and capable of paying claims."



Bruce Gendelman Company...putting our clients first.
800.845.4145 or www.gendelman.com

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INSURANCE SERVICES

Please feel free to share this newsletter with your colleagues.
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