

Ten reasons insurance companies who are concerned about managing their liability exposures should consider Rockwood Programs, Inc.:

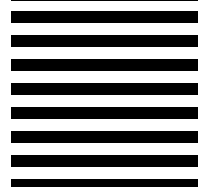
1. Customized EPLI solutions for your firm (example: adding EPLI as an endorsement to GL or Comp).
2. Insurance Agent and Broker E&O – development of tailored programs to address the specific needs of your agent/agency network.
3. Compliance and Database Services – ensuring your production force carries adequate E&O. Building blast fax and mass e-mail capabilities for your marketing department.
4. Electronic Prospect Manager (E*PMSM) – putting the power of the world's most sophisticated direct marketers on to the desktop of your production force.
5. P&C Choice – E&O/D&O protection for your company.
6. Rockwood Marketing Services – Tele-surveys, new product testing, and marketing communication.
7. TOBAT Capital – a strategic private equity fund focused exclusively on technology companies servicing the insurance industry. With the TOBAT funds, insurance companies are not just investors – they are partners!
8. Executive Protection Coverage – true product differentiation through packaging of EPC (disability income) with GL, BOP, Comp, or Professional Liability.
9. Target Markets – an association built exclusively for program administrators.
10. Rockwood Programs Solutions – when you have a product or service where other insurance companies are potential distributors on your behalf.



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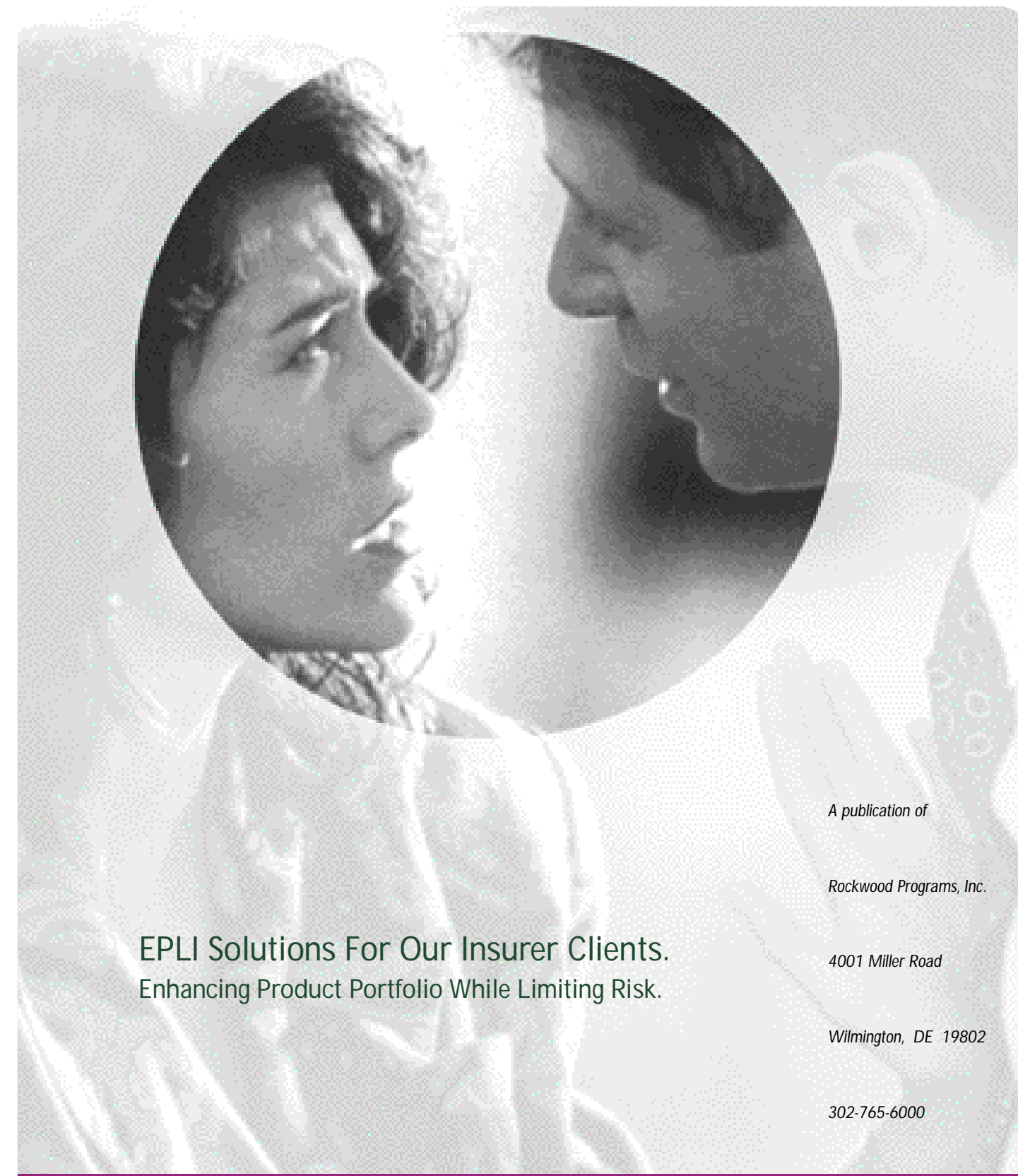
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A publication of

Rockwood Programs, Inc.

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EPLI Solutions For Our Insurer Clients.
Enhancing Product Portfolio While Limiting Risk.

We have developed a portfolio of products and services to help insurance companies manage their liability risk.

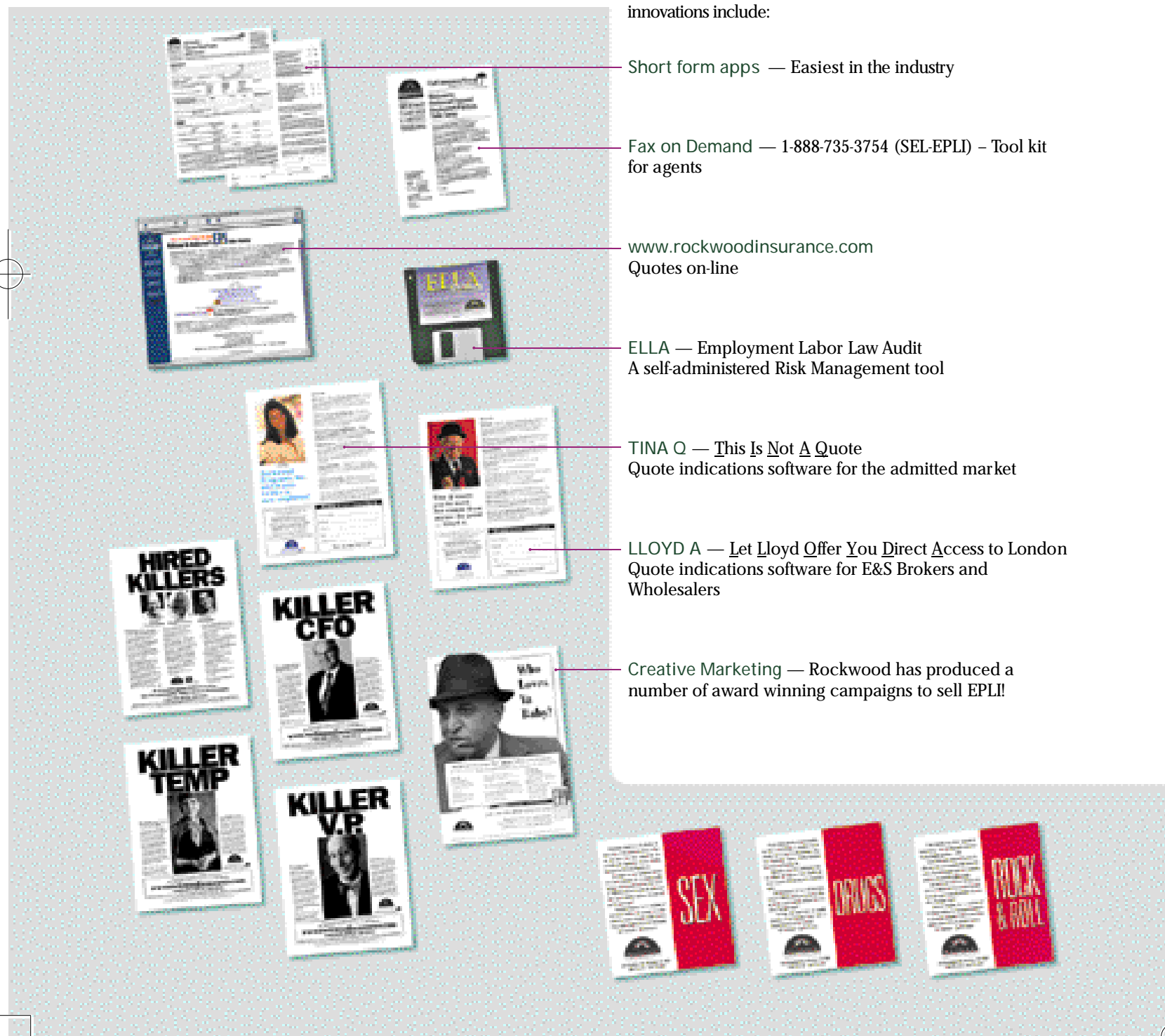
Executive Summary

Rockwood Programs, Inc. was founded in July of 1996 and is based in Wilmington, Delaware. Rockwood has quickly established itself as a premier provider of marketing services and risk management solutions for insurance companies. Our management team has developed a portfolio of products and services to help insurance companies manage their liability risk. This issue of Rockwood Programs Solutions highlights the

many different ways Employment Practices Liability Insurance can be utilized to help your company sell more of its core competences.

Employment Practices Liability Insurance

Rockwood Programs has pioneered a number of innovative strategies to assist agents and insurers in selling employment practices liability insurance (EPLI). We are the program administrator for Gulf Insurance Group (Travelers), Kemper, and are tribalized with Lloyds. Some of our marketing and underwriting innovations include:



Short form apps — Easiest in the industry

Fax on Demand — 1-888-735-3754 (SEL-EPLI) – Tool kit for agents

www.rockwoodinsurance.com
Quotes on-line

ELLA — Employment Labor Law Audit
A self-administered Risk Management tool

TINA Q — This Is Not A Quote
Quote indications software for the admitted market

LLOYD A — Let Lloyd Offer You Direct Access to London
Quote indications software for E&S Brokers and Wholesalers

Creative Marketing — Rockwood has produced a number of award winning campaigns to sell EPLI!

What Can Rockwood Programs Do for Insurer Partners?

Virtually every P&C Insurer in the United States has considered adding Employment Practices Liability Insurance (EPLI) to their portfolio of products, yet most do not wish to bear the risk of a specialized complex new product line. There have been a number of attempts by reinsurers to put together “turn-key” packages to address this issue.

Virtually all of the “turn-key” packages have yielded disappointing results (poor production, lack of acceptance).

Rockwood Programs is a recognized industry leader in the administration of Employment Practices Liability Insurance. We believe the EPLI product must be sold. It should be presented at every

renewal, at new business meetings and if not already accepted by the insured, signed off by the prospect. Most insureds think they already have the coverage in their GL and D&O forms. We want to partner with insurers who share our philosophy that EPLI is not a passive product to have in one’s portfolio, but an active product to be sold.

At Rockwood Programs, we believe EPLI must be sold, not passively offered. All of our EPLI “Solutions” are geared to partners who desire active strategies to differentiate themselves from the competition.

We can craft a solution specifically designed to your company’s needs and risk retention appetites. The following is a representative sample of some of the “solutions” developed for our existing P&C insurer clients:

1. “Help Our Retailers – We’re Not Ready For EPLI” – In this scenario Rockwood Programs, Inc. built quote indication software customized to each of the insurers retail producers. The software is titled TINA-Q – This Is Not A Quote (it is a quote indication). The insurer was able to provide a proactive tool (at their expense) for their producers without entering the EPLI business.
2. “Keep Our Agents Away From Others” – Rockwood signed confidentiality agreements and methodically offered Gulf quotes on a carrier’s renewal book. The carrier had no appetite for the EPLI yet their competition gave access to the coverage. We were able to do a quote from the carrier’s database without requiring apps from their agents. The Gulf application and marketing material were “recreated” to reflect the carrier’s logo and colors.
3. “Help Our Employee Agents With EPLI” – A client with an owned distribution force that targets a specific commercial class of business provided sales aides, training, and MIS to the employee agents to market EPLI. The carrier had no appetite for the risk yet now possesses \$700,000 in EPLI production. Agency force has earned 12.5% commission and the carrier has a good base if they decide to one day use their own paper and share risk.
4. “Help Us Compete In A Specific Market Segment” – Our partner is active in writing auto dealerships. It appears that the competition has an occurrence form from EPLI. We analyzed the form and pointed out some obvious weaknesses and ambiguities. Rockwood worked with Lloyds to design two strategies to “counter” the competition.
 - A. EPLI Carve Out – transfer of EPLI exposure and premium to Lloyds.
 - B. Retro “Buy Back” – the ability to “mimic” the occurrence form by offering a specified term buy back.
5. “Rockwood’s Write Your Own Program” – Designed to facilitate an insurer utilizing their own paper. The prospect agrees to methodically quote all of their new and renewal business for a period of one year. Policy forms can mimic existing forms, thereby creating a “me-too” filing scenario or customized to a specific need by utilizing Lloyds. Insurers can assume 0-49% of the risk. Options available within “write your own” include marketing assistance, software, and administration.
6. “Help Us Differentiate Our Core Product Line” – Creative use of EPLI to help you sell more of your core product lines! A partner in a highly competitive market for GL needed a competitive edge. Rockwood analyzed their GL portfolio and worked with a Lloyd’s syndicate to design an endorsement to add a sublimit of EPLI on every GL account. True product differentiation at minimal cost. The client now has a GL form that includes \$100,000 of EPLI for a very modest rate per employee. The key to this strategy is full participation. We believe that a sub-limit of EPLI can be a great enhancement to E&O, CPP, GL, and BOP.

NOTE: For items 4,5, and 6 there is a small front-end charge that is refundable once premium thresholds are met.

Next Steps? We’d love to host you at our offices in Wilmington, DE. We are twenty minutes south of the Philadelphia airport or ninety minutes from New York or Washington, DC via train. Your decision-makers will see first hand a facility dedicated to the unquities of EPLI, an operation designed to provide the marketing, underwriting, MIS, and claims support to build a sound portfolio of EPLI solutions.

yes We are interested in Rockwood’s solutions!

INSURANCE COMPANY: _____
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 CITY/STATE/ZIP: _____
 PHONE/CONTACT/TITLE: _____
 E-MAIL ADDRESS: _____
 BEST TIME TO CONTACT: _____

Please mail to the address on the reverse .
 If you desire immediate feedback, fax to 302-764-5477.

- Customized EPLI solutions for your firm (example: adding EPLI as an endorsement to GL or Comp).
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