

the current

Riverport Reports Results Through Mid-Year 2008

The Current took the opportunity to discuss Riverport's financial results through the first half of 2008 with Douglass Pfeifer, Riverport's Executive Vice President.

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The Current: *Doug, please summarize the operating results of Riverport at the mid-year point?*

Doug Pfeifer: We all tend to look at numbers first, and Riverport's numbers through the first half of 2008 look very good. Gross premiums written through June 30 were \$26.7 million, an increase of 29% over the first half of 2007.

The Current: *That sounds pretty good, but did those increases meet Riverport's expectations?*

Doug: Considering market conditions, those increases were right in line with our targets. During the first half of the year, the market continued to be very “soft,” meaning that there was significant and intense price competition among insurance providers.

The Current: *If there was that much price competition, how did Riverport manage to increase its gross revenues?*

Doug: Riverport must remain price sensitive when offering its coverages to a prospective client, but price is only one element for a prospective insured to consider. We believe that our exceptional coverages and conscientious service give Riverport a long-term competitive edge. As evidence of this, look at the many organizations that have had their insurance with Riverport for years and years.

The Current: *We know that Riverport places special emphasis on long-term relationships with its insured organizations. Why is that important?*

Doug: It benefits Riverport because we become familiar with the mission and operations of an organization, allowing us to tailor coverages in a more appropriate manner. It also allows us to recommend

loss control measures that are likely to have the most impact on the client, and then assist in implementing those recommendations. We recognize that most organizations are highly motivated to eliminate practices and procedures that might result in injury to their clients or impede their missions. Long-term relationships are usually a “win-win” for both the insurer and insured.

The Current: *Riverport was organized to provide property and liability coverages for nonprofit organizations. Does that remain Riverport's focus?*

Doug: Yes. Riverport remains committed to insuring organizations in the nonprofit and for-profit social services sector through our Human Services Program. Consequently, we follow the sector very closely to make sure that our specialized coverages meet the evolving needs of those organizations.

At the same time, Riverport has expanded its coverage programs over the past few years to provide insurance for other specialized organizations, such as the Sports and Recreation Providers Association Purchasing Group liability insurance program offered through Francis L. Dean & Associates of Illinois. We will continue to expand these types of specialized programs when it makes sense, but our primary focus will remain on the social services sector.

The Current: *On a different subject, what about loss reserves? Don't rating agencies give a hard look at reserve adequacy?*

Doug: We give a hard look, too. We are confident Riverport's loss reserves are adequate because we maintain a conservative reserving philosophy. In

Chicago YMCA Celebrates 150th Anniversary

2008 marks the 150th year of operation for the YMCA of Metropolitan Chicago. In the mid-1850's, Chicago faced a cholera epidemic that left more than 1,400 people dead and then faced another crisis, a great recession that crippled the booming railroad and manufacturing industries of Chicago. Recognizing that Chicago needed the services that a YMCA could offer, on March 22, 1858, civic leaders met in an attempt to form a YMCA. After a series of meetings, a charter was written and the first Chicago "Y" was formed.

Today, the YMCA of Metropolitan Chicago operates in 65 locations and more than 100 extension sites, making it the fourth largest charitable organization in the Chicago area. It has net assets of over \$132 million and yearly expenditures of over \$84 million. In addition to traditional gym, swimming and camping programs, the Chicago "Y" operates child care facilities, senior citizen assistance programs, educational programs and a myriad of other community-strengthening programs. The "Y" programs cover the full span of a life, from prenatal care to home-maker services for an older adult.

The "Y" focuses on being a "change agent to help fulfill human potential." Its 2007 Annual

Report states, "We don't need to change the world to make a difference. We just need to change one life at a time."

The Chicago "Y" has been insured through Riverport's Human Services Program since the program was first introduced in Illinois in 1990. Eighteen years with one insurer is something of a rarity in this era, but a long-term relationship between an insurer and an insured produces benefits for both parties.

From Riverport's viewpoint, "A long-term relationship allows us to become familiar with the wide-ranging operations of an organization. It also permits our underwriters to work collaboratively with our claims and loss control staffs and with the insured's management in order to improve operations on the part of the organization. The result is more fairly priced insurance protection," stated Laura Williams, Riverport's Vice President of Underwriting. She added, "It also gives us the opportunity to work with the organization to reduce risks associated with its programs, allowing the organization to retain and strengthen those programs."

From the insured's viewpoint, Darrin Utynek, Senior Director of Risk Management for the

Chicago "Y," stated, "The YMCA of Metropolitan Chicago really appreciates Riverport's client-focused approach and commitment to building a long-term relationship. We have always viewed Riverport as a partner, rather than an insurance provider. We look forward to working with Riverport for many more years to come."

Kent Crook of HRH, the broker for the Chicago "Y" for the past 12 years, also recognizes the benefits of long-term relationships, commenting, "Riverport has just done an exceptional job of earning the confidence of both the Chicago "Y" and all of us here at HRH. Claims, loss control, underwriting and management have all contributed to maintaining this relationship, one where there is open and honest communications and a real effort on Riverport's part to solve the many problems faced by a large YMCA. In my 35 years as a broker, I would be hard pressed to find another client/carrier relationship as close as this one."

Riverport congratulates the "Y" on its 150 years of service to the Chicago metropolitan community, and wishes the "Y" another 150 years of significant contributions to the community.

Riverport Serves a Wide Range of Insured Needs

Riverport Insurance Company continues to be a leader in providing insurance coverage for nonprofit and for-profit social service and charitable organizations. However, it also has become an important provider of insurance products and services to other industry segments.

For example, in 2006 Riverport began providing a comprehensive insurance coverage program, called AgriPac, to a specialty segment of the agribusiness industry (agricultural cooperatives) in Minnesota and certain other regional states. Riverport's AgriPac coverage program, marketed through RJF Agency, Inc. in Minneapolis, provides eligible agricultural cooperatives with property, general liability, auto liability, auto

physical damage, inland marine, and crime insurance coverages.

In 2007, Riverport also began insuring various types of sports, recreation and entertainment businesses and associations as part of the Sports and Recreation Providers Association Purchasing Group. This liability only purchasing group product is marketed through Francis L. Dean & Associates of Illinois, and is available to a wide range of insureds through their licensed insurance producers.

Through both affiliated and independent relationships, Riverport also provides insurance or reinsurance to public entities, manufacturers, "continuum of care" facilities, commercial property owners, and various

other commercial enterprises. According to Dave Montgomery, Riverport's Vice President of Specialty Underwriting, "Because we're an insurer with near 50-state licensure, we're able to underwrite a wide range of individual specialty accounts, as well as provide resources on a program basis to a variety of alternative risk mechanisms. Between Riverport and our affiliate Berkley Risk Administrators Company, LLC, we're often able to deliver flexible and efficient solutions for various insurance problems."

If you have an account with special insurance needs or if you need special insurance program capacity, think of Riverport as a potential solution. For more information, please contact Dave Montgomery at 612-766-3325 or e-mail dmontgomery@berkleyrisk.com.

Employee and Volunteer Background Checks – A Necessary Part of Employment Practices

Several years ago, Vicki Fraher, President of Fraher & Associates, Inc. in Minneapolis and a Riverport agent, was informed that one of her nonprofit clients was about to hire a new Chief Financial Officer. The prospective employee apparently had outstanding credentials, but Ms. Fraher learned that the organization had not done an independent background check on him. Ms. Fraher went on-line and discovered that the CFO-to-be was a level three sex offender in an adjoining state. When she relayed this discovery to her client, the hiring was cancelled.

"I urge all of my nonprofit clients to do on-line background checks on their potential employees," commented Ms. Fraher. "And the cost of these background checks is nominal when the client is insured by Riverport and can thereby access the IntelliCorp database."

Nonprofits – particularly those serving persons with special needs – may become employment targets for criminal offenders. These offenders are often able to take advantage of both the organization and the vulnerable persons it serves.

To help prevent a costly hiring mistake, Riverport insureds can take advantage of a special relationship between Riverport and IntelliCorp, a premier nationwide provider of background checks. IntelliCorp is an Insurance Services Company (ISO) that provides instant

access through the Internet to nationwide criminal records information and identity verification.

For only \$9.95, a savings of over \$40 from regular retail pricing, a Riverport insured can access IntelliCorp's most utilized search, the "Super Search." The "Super Search" includes felony and misdemeanor records, sex offender records, and inmate records for all 50 states, the District of Columbia, and all U.S. territories. After registering with IntelliCorp, all this information is available to a Riverport insured through IntelliCorp's Integrated Report.

IntelliCorp offers many other search options, including Social Security Number verification, a sex offender registry, and motor vehicle records. All of these options are available at discounted prices to Riverport insureds.

To access IntelliCorp: log on to www.intellicorp.net; click on "Sign up Today;" and complete the registration form. To obtain the special rate, under "Promotion Code" enter "Riverport." Detailed sign up instructions are included in the "Did You Know" segment of The Current.

Editor's Note: The background information available through IntelliCorp may not comply with statutory or contractual requirements for screening of employees or volunteers of some organizations, such as child care services. You should refer to your state statutes and regulations for specific hiring or credentialing requirements, and strictly comply with those requirements.

IntelliCorp

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DID YOU KNOW...

Getting Started with IntelliCorp is Easy!

1. Go to www.intellicorp.net and click on "Sign Up Today." Be sure to enter "Riverport" in the "Promotion Code" section.
 2. After completing the first page, you have the option to continue completion of the sign up or to receive a call from IntelliCorp with any of your questions.
 3. The second on-line page is the "Credit Authorization Form." You may complete this form on line or you may fax or e-mail the information. The fax number is 216-450-5241. You will be asked for bank and trade references, but **NO ACCOUNT NUMBERS ARE REQUIRED.**
 4. You must submit a photocopy of one of these documents: a Business License or Vendors License; OR a pre-printed formal/government document with your FEIN or Tax ID number printed on it (for example, your 501(c)(3) notice, Form 940 or 941, Form SS 4 or IRS Certificate).
 5. About 24 to 48 hours after all the information is received, IntelliCorp will activate your account, and you will receive an e-mail with your User ID and Password.
- If you wish to obtain MVR information from IntelliCorp, you must go to this link and follow the instructions: <http://www.intellicorp.net/brochure/compliancemvrs.aspx>

If you have any questions, call IntelliCorp at 216-450-5240.

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www.riverportinsurance.com

“Riverport remains committed to insuring organizations in the nonprofit and for-profit social services sector. We follow the sector very closely to make sure that our specialized coverages and services meet the evolving needs of nonprofits.”

In addition, Riverport is currently rated A+(Superior), Financial Size Category XV, by A. M. Best Company, which A. M. Best just reaffirmed on October 14th, 2008.

The Current: *Looking ahead to the second half of 2008 and into 2009, what are the goals of Riverport? What new products or services are in the offing for Riverport?*

Doug: Over the past few years, Riverport has undertaken a program to become admitted in all 50 states and the District of Columbia. We now are admitted in 49 states, and the District of Columbia. We expect to obtain our final license, in Louisiana, in the future.

We are also reviewing our Human Services Program coverages to make sure they address the current risks facing nonprofit and for-profit social service organizations. We remain committed to offering a broad range of insurance products to that sector.

Finally, we intend to expand our ability to provide appropriate coverages to other specialty insureds. Where it makes sense,

we plan to create insurance products and programs that meet the needs of these insureds.

In summary, we are looking forward to continued growth and successful operations in the second half of 2008 and into 2009.

The Current: *Finally, do you have any particular concerns about the current health of the insurance industry?*

Doug: I certainly do. As in prior “soft” markets, I wouldn’t be surprised to see some insurers fail. The current credit and financial environment probably makes even more insurers vulnerable. However, who those insurers are that might fail is hard to say.

From my perspective, it’s good for Riverport’s insureds and producers to know that Riverport is a member company of the W. R. Berkley Corporation; has an A+ (Superior), Financial Size Category XV A.M. Best rating; and is poised for the future. We certainly expect to weather this current financial storm.

The Current: Thank you, Doug!

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