

2010 ANNUAL REPORT

OUR **PRINCIPLES** IN PRACTICE



**WESTERN WORLD  
INSURANCE COMPANY**  
A.M. Best A+ (Superior),  
Financial Size Category Class IX

**TUDOR INSURANCE  
COMPANY**  
A.M. Best A+ (Superior),  
Financial Size Category Class IX

**STRATFORD INSURANCE  
COMPANY**  
A.M. Best A+ (Superior),  
Financial Size Category Class IX

**Binding Authority  
Brokerage  
Programs**

- General Liability
- Products Liability
- Professional Liability
- Commercial Automobile
- Property

[www.westernworld.com](http://www.westernworld.com)

# MESSAGE TO THE SHAREHOLDERS



Despite the persistence of difficult business conditions, we are pleased to report that Western World continues to achieve strong financial results as detailed in our consolidated balance sheet and financial statement. Additionally, early in 2010 after two years of research and planning that focused on products, distribution and ease-of-use, we introduced our long-term strategic plan to our customers. Their positive reaction to our initiatives is a clear indication that the Company will be well positioned to take advantage of the opportunities that lie ahead.

In 2010, we experienced the sixth consecutive year of a soft insurance market cycle characterized by intense and unsustainable price competition similar to the conditions prevalent in the mid-to-late 1990s. The demand for our products has been further reduced by the economic downturn from which our traditional commercial customer base is struggling to recover. Insurance capacity increased while customers and exposures declined.

## GROUP RESULTS

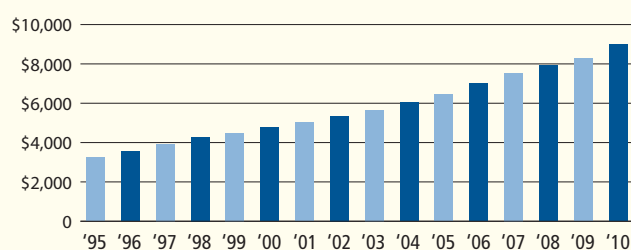
On a GAAP basis, our Group after-tax profit was \$27.7 million in 2010 compared to an after-tax profit of \$28.1 million in 2009. In 2010 there were slightly fewer shares outstanding, therefore on a per share basis, our 2010 profit was \$632 compared to \$629 for the prior year.

Group revenues, which include net earned premiums and investment income, declined 10.8% from \$232 million in 2009 to \$207 million in 2010. The unprecedented combination of a poor economy and classic soft market conditions affecting our premium volume and low interest rates reducing our investment income contributed to this decrease.

Investment income, including modest capital gains and losses, was \$43.9 million in 2010 compared to \$47.6 million last year. Interest rates available for new investment were 200-300 basis points below those of maturing securities. This accounts for the decline in investment income. The investment portfolio is concentrated in high-grade, short-duration fixed-income securities and was valued at \$1.062 billion at year end, which exceeded book value of \$1.044 billion.

Shareholders' equity rose from \$370 million in 2009 to \$391 million in 2010. Our book value per share rose to \$8,999 from \$8,284 (an increase of 8.6%). Our growth

## Book Value Per Share



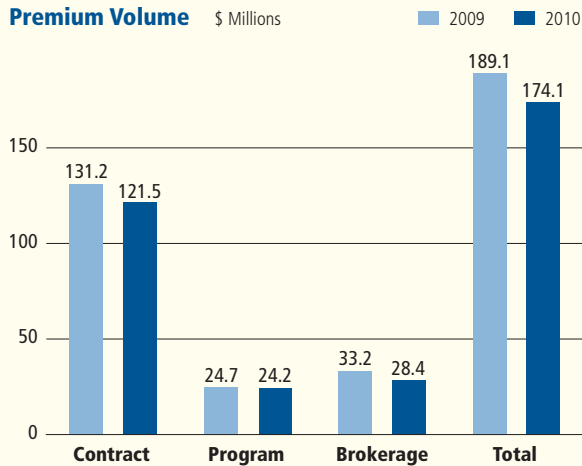
in book value per share represents an enviable record of 47 consecutive years of increased Shareholders' equity, the best measure of financial performance.

## COMPANY RESULTS

In 2010, we again balanced underwriting discipline with the challenge of responding to adverse market conditions. At the same time, we invested significantly in innovation to support our agents and brokers. Our investment in new, more cost-efficient processes allows our customers to lower their delivery costs and more efficiently service their retail agents. This has enabled us to add value as a market while maintaining responsible underwriting standards.

However, our efforts and those of our agents could not offset the very competitive conditions in place during the year. Western World Group's premium volume declined 8% in 2010, to \$174 million from \$189 million the year before. Our decline in volume varied within our three underwriting divisions: Contract, Brokerage and Program. The decline in Contract business was greater than the reduction in our Brokerage products. The Program Division completed the year with premium volume just slightly below the prior year despite anticipated competition for our mature programs. We finished the year with several new Program opportunities, which will grow in 2011.

## MESSAGE TO THE SHAREHOLDERS



The Company's consolidated combined ratio was 103.6% in 2010. This is 1.5 percentage points better than in the prior year. The change was primarily driven by a reduction in our expense ratio due to ceding commission arrangements on property business, liability reinsurance adjustments and reduced operating expenses. This offset pressure on our expense ratio caused by lower written premium.

Our conservative reserving practices continue to serve us well. We have once again experienced positive reserve development in 2010 as we have for each year of the last two decades through every phase of the underwriting cycle. Our reserves for claims not yet reported (IBNR) equal 80% of our total reserves, which continue to be carried at the high end of the range established by independent actuaries. We have increased our 2010 accident year reported loss ratio in recognition of persistent competition on policy terms and conditions.

In 2010, we once again increased policyholders' surplus over the year before. Our year-end 2010 consolidated policyholders' surplus stands at \$345 million compared to \$333 million in 2009. Our three Group insurance companies – Western World, Tudor and Stratford – all carry the rating of A+ (Superior) in Financial Size Category IX as determined by A.M. Best Company.

### BUSINESS CONDITIONS AND OUTLOOK

Many insurance industry analysts agree that the insurance industry in general appears to be repeating the past habit of improving current calendar year results by prematurely releasing reserves from prior years, which inevitably results in the need to rebuild reserves.

Concurrently, there appears to be little interest in setting current accident year loss ratios at levels consistent with widely declared cumulative rate declines. This is the classic definition of that phase of the cycle that one leading industry analyst refers to as "the cheating phase." The more egregious and sustained these practices are, the greater the correction that will be necessary to return the market to profitability, and the greater the opportunity will be for specialty insurers who resist the temptation to overstate current results.

During past market cycles, the surplus lines industry has been able to maintain a level premium volume despite fierce competition from the admitted market, declining rates and abundant E&S capacity. In our view, new capacity reaching for business at terms below cost and a universal aversion to losing market share contributes to this pattern.

While we believe that similar forces are currently supporting premium flow into the surplus lines market, it is likely that 2010 will turn out to have been the fourth consecutive year that the surplus lines industry experiences a significant decline in premium volume. This cycle is unique due to the erosion of insurable commercial exposures. The economic downturn and slower than expected recovery have reduced the exposure base of industries that depend on the specialty insurance market for coverage – e.g., construction, hospitality and manufacturing.

Thus, as of the writing of this report, we predict a 2010 surplus lines industry decline in the range of 3% to 4%. Cumulatively, during the period of 2007 – 2010, the industry has lost 18% of its premium, or \$7 billion.

We do not expect a significant improvement in insurance premium rates or demand in 2011, and we are preparing for another year of low interest rates – a combination that will continue to put pressure on financial results.

### 2010 – OUR PRINCIPLES IN PRACTICE

These factors combine to create a market environment where our long-standing principles serve us especially well: responsible underwriting, conservative investments, thoughtful governance and the ability to profitably adapt to market conditions.

However, we also recognize that the future success of the Company requires an innovative approach to all phases of the underwriting cycle. That is why we have begun to

change how we think about our business. We have created a strategic plan that includes product expansion, distribution modernization, advancements in technology and a high-performance, customer-centric culture.

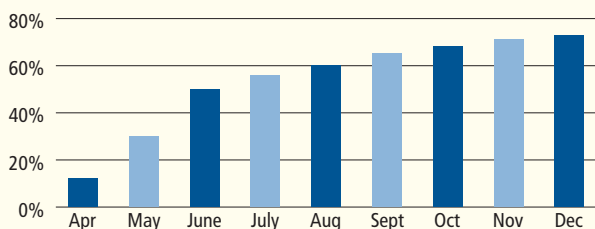
The company-wide transformation supported by our Shareholders, Board and Management that began in 2008 blossomed into reality in 2010 and will continue in 2011. For us, it starts with innovation and embraces our desire to continuously improve and to deliver for our customers.

**Our progress during 2010 included:**

→ Putting in place a simplified underwriting structure that consolidated five underwriting divisions into three, with a common Western World brand. Each is focused on a specific distribution method (Contract, Brokerage and Program) and each has the ability to provide all insurance coverage offered by the Group. This innovation required the reassignment of staff and the addition of new management in our Brokerage Division. This provides our business partners with much easier access to our staff and products. Improvements in our internal processes produced a seamless customer experience during the transition.

→ Our investment in technology was most evident by the introduction of the Western World Integrated Platform (WWIP), which offers our Contract agents a seamless and customizable rate-quote-bind-issue web-based platform. WWIP became fully functional in April 2010, and now boasts over 2,400 individual users with almost eighty percent of our agents utilizing the system's full functionality from underwriting guide through policy issuance.

**Western World Agencies Issuing Policies Through WWIP**



Innovation through WWIP will expand dramatically as we introduce the system's most powerful features: integration with our customer's systems and automated renewal data transfer.

→ We centralized the development of new insurance products and the management of all products with the formation of the Product Management and Development Division (PMD). PMD works with all underwriting

divisions as a shared service thereby eliminating duplicate efforts and centralizing compliance. Throughout 2010, PMD has facilitated the completion of several projects, such as Directors and Officers binding authority, expanded use of package policies and the modernization of our General Liability policy across all underwriting divisions. This has resulted in expanded product choices for our customers.

→ We hired additional management and technical staff to help us fulfill our strategic product and coverage objectives. In addition to hiring a new Brokerage Division executive, we have added to our property and professional liability expertise at the executive level.

→ During 2010, we restructured reinsurance treaties and solicited additional reinsurance support for products in development, which we plan to deploy when warranted by market conditions. These include higher limits, expanded property coverage and excess liability.

→ Late in the year we expanded our strategic planning teams. We are developing a Business Development process that will cross all underwriting divisions and centralize marketing responsibilities. In addition, we are developing an internal system that will allow agents and brokers to access our Contract and Brokerage underwriting divisions through a single point-of-contact where our relationships include multiple divisions.

Our work will continue in 2011 with new initiatives and further innovation as we prepare the Company for the future. Emphasizing innovation has refocused the Company on activities and processes that add value throughout the underwriting cycle. These steps are non risk-bearing, facilitate product and distribution expansion and prepare us to maximize the Company's potential during those years when our capacity will be most needed.

Many contribute to the progress and success of Western World – our Shareholders, Directors, Management and Staff, as well as our Business Partners. We thank you all for your service and guidance on which we will continue to rely.

**Thomas F. Mulligan**  
President and  
Chief Executive Officer  
Western World Insurance Company  
Tudor Insurance Company  
Stratford Insurance Company

# CONSOLIDATED BALANCE SHEET\*

Western World Insurance Group, Inc.

## ASSETS

	2010	December 31, 2009
Bonds and Short-term Investments (Held to Maturity) — at Amortized Cost (Market Value \$910,411,143 and \$964,681,824)	<b>\$ 895,172,654</b>	\$ 956,976,202
Bonds (Available for Sale) — at Market Value (Amortized Cost \$128,586,154 and \$86,415,371)	<b>132,483,499</b>	88,437,620
Preferred Stocks and Other Invested Assets — at Market Value (Cost \$13,235,786 and \$13,425,132)	<b>11,933,604</b>	11,319,074
Total Investments	<b>1,039,589,757</b>	1,056,732,896
Cash	<b>6,920,440</b>	2,373,995
Uncollected Premiums	<b>20,439,477</b>	21,746,934
Deferred Policy Acquisition Costs	<b>20,783,555</b>	22,233,387
Deferred Federal Income Tax	<b>36,546,220</b>	36,965,238
Reinsurance Balances Recoverable	<b>153,674,377</b>	162,854,356
Other Assets	<b>16,090,545</b>	16,715,585
Total Assets	<b>\$ 1,294,044,371</b>	\$ 1,319,622,391

## FINANCIAL HIGHLIGHTS\*

	2010	2009	Change
Revenues	<b>\$ 206,672,395</b>	\$ 232,370,325	-11.1%
Assets	<b>1,294,044,371</b>	1,319,622,391	-1.9%
Shareholders' Equity	<b>391,000,780</b>	369,702,540	5.8%
Net Income	<b>27,656,419</b>	28,122,143	-1.7%
Earnings Per Share	<b>632</b>	629	0.5%
Book Value Per Share	<b>8,999</b>	8,284	8.6%
Return on Equity	<b>7.5%</b>	7.9%	

\*These GAAP statistics have been condensed from the Group's financial statements as audited by Ernst & Young LLP.

## LIABILITIES

	2010	December 31, 2009
Losses and Loss Adjustment Expenses	<b>\$ 761,758,088</b>	\$ 784,010,670
Unearned Premiums	<b>74,184,211</b>	79,761,023
Funds Held Under Reinsurance Treaties	<b>25,589,982</b>	31,147,179
Other Liabilities	<b>41,511,310</b>	55,000,979
Total Liabilities	<b>\$ 903,043,591</b>	\$ 949,919,851

## SHAREHOLDERS' EQUITY

Common Stock	<b>\$ 906,920</b>	\$ 906,920
Paid-In Capital	<b>10,743,717</b>	10,056,312
Retained Earnings	<b>379,350,143</b>	358,739,308
Total Shareholders' Equity	<b>\$ 391,000,780</b>	\$ 369,702,540
Total Liabilities and Shareholders' Equity	<b>\$ 1,294,044,371</b>	\$ 1,319,622,391

## STATUTORY HIGHLIGHTS \*\*

	2010	2009	2008	2007	2006
Premiums Written	<b>\$ 174,149,966</b>	\$ 189,133,123	\$ 216,797,843	\$ 262,931,436	\$ 287,325,189
Policyholders' Surplus	<b>344,700,694</b>	332,630,632	310,187,696	294,299,306	271,722,014
Assets	<b>1,083,301,787</b>	1,094,144,091	1,100,037,392	1,097,099,588	1,050,252,275
Combined Ratio	<b>103.6%</b>	105.1%	101.0%	99.5%	98.8%
Ratio of Net Premiums Written to Policyholders' Surplus	<b>.5 to 1.0</b>	.5 to 1.0	.7 to 1.0	.9 to 1.0	1.0 to 1.0

\*These GAAP statistics have been condensed from the Group's financial statements as audited by Ernst & Young LLP.

\*\*These statistics were condensed from the Companies' Statutory Annual Statements as filed with the New Hampshire Insurance Department.

Rated A+ (Superior) Financial Size Category Class IX by A.M. Best Company.



Lindsay Leamy and Corinne Jones  
Bliss & Glennon, Inc., Redondo Beach, California

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“Western World took a chance on us when we were small. All along the way they have been there for us: stable, consistent and terrific mentors. Now we sense in Western World renewed energy and a recommitment to an industry it helped found decades ago.”

Corinne Jones



## CONTRACT DIVISION

In 2010, the implementation of our customer-focused underwriting structure was completed. Contract Casualty and Transportation are now the Western World Contract Division.

In addition to general liability, professional liability (which includes non-profit directors and officers) and property coverages, we offer commercial auto coverages on small-to-medium size commercial risks. In 2010, we also began the process of offering our errors and omissions professional liability product, for certain classes, within our agents' binding authority. This will be implemented in 2011.

- > General and professional liability, and property coverages offered
- > Commercial auto insurance available in 40 states
- > Trust is built on long-term relationships with select agents
- > Personalized service is always extended
- > Technical knowledge is applied to specific geographic regions

Contract business is distributed through select general agents with binding authority located throughout the United States. The Division includes distinct underwriting units which provide personalized service and technical expertise to specific geographic areas of the country.

The Western World Insurance Group has been a leader in surplus lines binding authority for 47 years. Trust, authority and customized service are the cornerstones of our successful business partnerships. Our Contract Division's products, authority and services can be tailored to the specific market opportunities and challenges presented to our agents as well as the marketing strengths of the agency itself.

Despite the soft market and poor economic conditions of 2010, our personalized service, unique range of products and loyal distribution system contributed to another strong bottom-line performance.

Examples of general and professional liability classes underwritten are as follows:

- Alcohol / Drug Rehab Centers
- Ambulance Attendants
- Amusement Devices
- Apartments
- Athletic Events
- Buildings
- Clubs
- Contractors
- Daycare
- Dwellings
- Exercise and Health Studios
- Home Health Care
- Homeowners' Associations
- Janitorial
- Law Enforcement
- Nurses/Nurses' Registries
- Outpatient Clinics
- Pest Control
- Schools
- Social Workers
- Special Events
- Tanning Salons
- Therapists
- Volunteer Firefighters

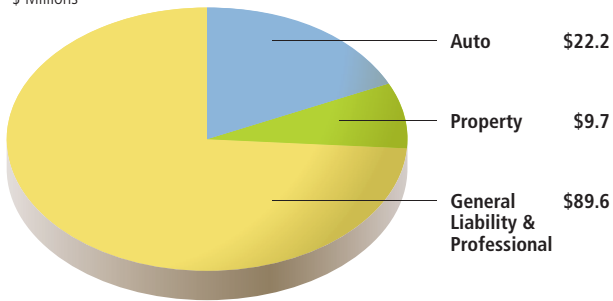
Examples of commercial auto classes underwritten are as follows:

- Contractors / Artisans
- Daycare Buses
- Dump Trucks
- Flatbeds
- Grain Haulers
- Limousines
- Loggers
- Social Service Agencies
- Taxis
- Truckers
- Wreckers

# CONTRACT DIVISION

## Contract Division Premium Volume

\$ Millions



Enhancements to our technology continued in 2010, with specific emphasis on our Western World Underwriting Guide. Our new website adds significant ease-of-use capabilities to our online Underwriting Guide. The enhanced Guide allows our agents to underwrite, rate, quote, bind and issue policies from the **Western World Integrated Platform (WWIP)**. These advancements complement the improved distribution of policy forms through the in-house management of our form libraries. This allows centralized web-based policy issuance from the WWIP system.

Ongoing enhancements in technology and online access will improve service to our agents while maintaining underwriting integrity. In 2010 we began the process of integrating our WWIP system with our wholesalers' agency management systems, allowing for single entry. This will continue in 2011.

Continued success in distributing small-to-medium size commercial risks, on a binding authority basis, depends on our careful selection of classes, the management of our underwriting authority and an alignment with the

best possible business partners. We have made a commitment to nurture and grow these business relationships by using all tools available to us in underwriting, marketing, technology, claims and customer service. The Contract Division can provide a completely autonomous product line, or it can work with our newly-formed Product Management and Development (PMD) team and Western World's other underwriting Divisions to supply our select general agents with broader product offerings.

The Contract Division offers general liability, professional liability and property coverages. We currently write in 49 states on a non-admitted basis and offer admitted paper in New Hampshire. The Division writes a wide variety of classes from alcohol and drug rehabilitation centers to volunteer firefighters.

In addition, the Contract Division offers commercial automobile liability, physical damage and cargo coverages. We specialize in local and intermediate trucking, public auto and business auto. Trucking classes include flatbeds, produce and grain haulers, dump trucks and general commodity haulers. We currently write commercial auto in 40 states.

Transportation products can be offered both on admitted and non-admitted paper depending on the product and local regulatory requirements.



John Gomez (Contract), Tim Hochkeppel (Contract), Helene Schimeneck (Premium Coding)

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“Our advancements in technology along with our product enhancements support our goal to be the market of choice.”

Tim Hochkeppel



James Roe  
Arlington / Roe & Company, Indianapolis, Indiana

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“In any ranking of the top markets, Western World would be on the list. It is a company on the move, offering flexible underwriting, superior responsiveness, a willingness to listen, and an honest, ethical approach to doing business.”

James Roe



## PROGRAM DIVISION

The Western World Program Division successfully completed its first decade of operation in 2010. Over this period, the Division has surpassed \$325 million of total written premium and continued its strategy of diversifying its product offerings and capacity in response to the growing needs of our customers.

The Program Division again met its goal of selectively adding several new specialty programs during the year. The Division continued to build on its reputation as a provider of customized solutions for a broader range of specialty niche classes of business.

The Western World Program Division also continues to build on its reputation of catering to program administrators who place a high value on an enduring relationship with a stable insurance company partner. Despite our growth, the Division offers unmatched personalized attention and protection to agents who add unique value to the distribution process through their expertise in specific classes of business. The clients of the Program Division focus on affinity group marketing. This distribution method often involves trade association ties and may require the development of solutions for unique or newly-emerging liability exposures not readily recognized in the marketplace, including property and automobile coverage.

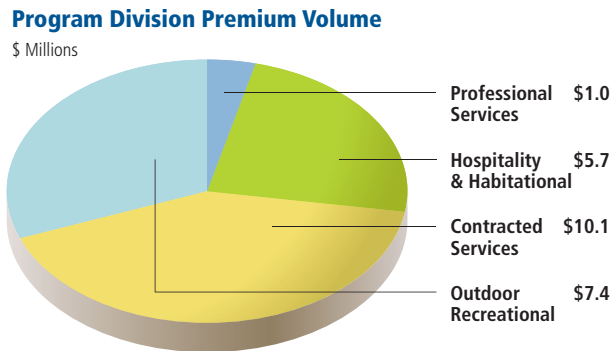
In the Western World Program Division, we take the time necessary to understand the specific needs of an affinity group and provide underwriting and technical expertise to meet the service needs and expectations of our agent partners. A high premium volume commitment is not essential to our business model; therefore, all clients have the attention of senior management, receive our highest level of service and have access to all areas of the Group.

- > Professional and commercial general liability plans for affinity group program managers
- > Specialized coverage solutions tailored to unique exposures
- > Personalized attention by senior managers

The Western World Program Division's team takes pride in the number of unique and diversified programs successfully underwritten thus far, such as:

- Allied Health Fields
- Artisan Contractors
- Daycare
- Equine Risk
- Fire Suppression Contractors
- Food Services
- Heavy Equipment Operators
- Hospitality
- Hot Air Balloons
- Janitorial Services
- Marinas
- Motorsports
- Outfitters & Guides
- Pest Control Services
- Property Recovery Agencies
- Psychologists
- Scaffold Contractors
- Social Service Agencies
- Sports Camps & Leagues
- Storage Facilities
- Swim Clubs

## PROGRAM DIVISION



In addition, the Western World Program Division maintains its commitment to offer program exclusivity and protection to agents where warranted. The Division's customers usually have established books of business and are in search of a market that will be more protective of their business and responsive to their program performance and technical and service needs. As a business practice, Western World provides greater access to management and demonstrates the value of the relationship through service, exclusivity and attention to detail. Western World generally seeks programs that initially have premium production that is in excess of \$1 million per year.

The Western World Program Division designs tailored solutions for the following types of exposures:

- Professional and commercial general liability, including packaged property and automobile coverages;
- Classes of business that are difficult to price and where published rates are not available;
- Clients needing manuscript coverages;
- Unique risks that are typically recognized only in the surplus lines marketplace.

The Western World Program Division provides specific binding authority to qualified wholesale and retail program managers and can bring together the underwriting, processing and claims expertise from all Divisions in the Group.

The advances that the Western World Program Division have made in technology are highlighted by the continued enhancements applied to the **Rating Plus** system. This web-based policy management and workflow system allows our agent partners to more effectively manage their business in real time with streamlined processing and data transfer tools that are completely customized to their specific needs. We also maintain dedicated claims handling capabilities through the Western World Program Claims Unit, giving agents and insureds direct access to a claims team that immediately understands the unique characteristics of their business.



Doris Noble (Contract), Tom Perch (Product Management and Development)

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“Our underwriters and product specialists are working together to meet the needs of our agents and brokers.”

Tom Perch



Kevin Westrope and David Brinkerhoff  
Westrope & Associates, Kansas City, Missouri

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“Western World is a long-time solid market that brings to the table strong insurance expertise. They are open, innovative and ready for the new millennium.”

Kevin Westrope





## BROKERAGE DIVISION

The Western World Brokerage Division came together in 2010 as a unified group while maintaining separate underwriting disciplines. Continuing the strong history of writing Professional and General Liability, a Property component has been added to the mix this year. Still under construction, much work has been done in 2010 towards the launch of Brokerage Property for 2011. Open to both Western World agents and select wholesale brokers, the Brokerage Division entertains the larger, more complex accounts written within the Western World Insurance Group. The Brokerage Division underwriters have unique product expertise that is shared throughout the Company. With a wider array of products to offer and a strong management team in place, Western World Brokerage is poised to meet the needs of our business partners.

- > Peace-of-mind professional liability protection
- > Premier level of service from dedicated middle-market underwriters
- > Expertise and resources to meet complex general and products liability challenges
- > Select brokerage channel

### PROFESSIONAL LIABILITY

Brokerage Professional writes a wide range of D&O and E&O classes. To keep current with trends in the professional liability marketplace, we constantly re-evaluate our underwriting guidelines and policy wording to provide proper coverage for the expected exposures. Towards this goal, the main D&O and E&O forms were streamlined and modernized this year. We will continue to combine our disciplined approach with the financial strength of the Western World Insurance Group to secure our position as a valuable business partner. Our financial stability, knowledgeable underwriting and diverse menu of products meet the vast majority of our brokers' professional liability product needs.

Current professional liability products written by the Brokerage Division include:

- Architects & Engineers Liability
- Directors & Officers Liability – For-Profit
- Directors & Officers Liability – Non-Profit
- Educational Errors & Omissions Liability
- Information Technology Professional Liability
- Miscellaneous Professional Liability
- Public Officials Liability
- Real Estate Professional Liability

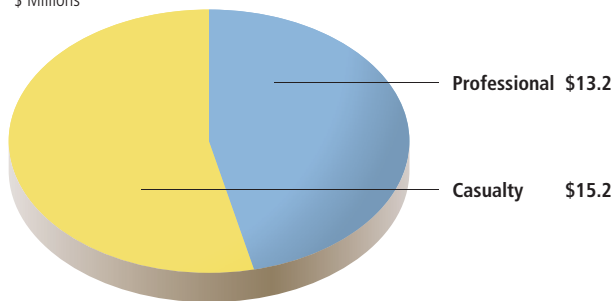
Examples of general liability classes of business written by the Brokerage Division include:

- Apartments
- Condo Associations
- Equipment Rental
- Furniture Manufacturers
- General Contractors (Commercial Construction & Residential Remodelers)
- Hotels
- Lessors Risk
- Machine Shops
- Shopping Centers
- Sporting Goods Manufacturers
- Steel Erection & Fabrication
- Supermarkets
- Toy Manufacturers
- Trailer Manufacturers

## BROKERAGE DIVISION

### Brokerage Division Premium Volume

\$ Millions



In response to the customer feedback we continually seek, we made further operational improvements in 2010. These improvements have greatly increased the speed in which we can deliver quotes and policies. Even greater customer benefits are expected in the future from the work started this past year.

All of our actions are supported by a seasoned underwriting and claims staff. We are very proud that nearly 100% of our professional liability underwriting staff has earned the Registered Professional Liability Underwriting (RPLU) designation. Our staff welcomes the opportunity to share their knowledge and experience by participating as presenters at training functions hosted by our brokers or major industry organizations.

### CASUALTY

The Casualty unit writes larger, more complex general liability and products liability risks distributed through excess and surplus lines brokers. Brokerage Casualty offers balance and diversification to the Group and our general agents.

Brokerage Casualty complements the Western World portfolio through:

- A select brokerage distribution channel;
- A dedicated staff of seasoned underwriters providing the service required to compete in the E&S middle-market segment;

- The resources to analyze intricate and hard-to-place primary business driven by the risk of severe loss or frequency of loss.

With an ample appetite for a broad spectrum of general liability risks, typical insureds include large multi-state habitational schedules, contractors, equipment rental and various manufacturers. The risk portfolio is divided between general liability and products liability exposures.

The Casualty unit prides itself on a commitment to underwriting integrity. In order to make difficult risks acceptable, the unit makes extensive use of deductibles, self-insured retentions and unique forms. Premiums typically range from \$10,000 to \$250,000 per policy, but vary depending upon risk.

The long-term objective is to evolve into an increasingly influential player in the individual risk surplus lines casualty marketplace while continuing to enhance the Group's binding authority relationships. To this end, Brokerage Casualty executes its focused marketing strategy in two ways: first, it offers the highest possible service standards to a select number of appointed producers; second, the underwriters understand the culture of the Group's binding authority agents who have relationships with other underwriting departments. This dual focus is unique to Brokerage and enables it to achieve longer-term competitive advantages.

Advances in information technology and resources enable the underwriters to make sound decisions quickly. This facilitates the ability to provide superior service to our valued wholesale distribution partners.

Our website allows our Brokerage producers to view and print our policy forms and endorsements without entering a password. All quotes and binders have links to applicable policy forms and endorsements emphasizing ease-of-use for the producer. The ability to retrieve loss runs and complete and send applications is also available from our website.



Carolyn Procopio (Human Resources), Rob Sappelli (Information Technology), Christine Barbieri (Product Management and Development)

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“Western World’s commitment to excellence begins with our dedicated staff.”

Carolyn Procopio



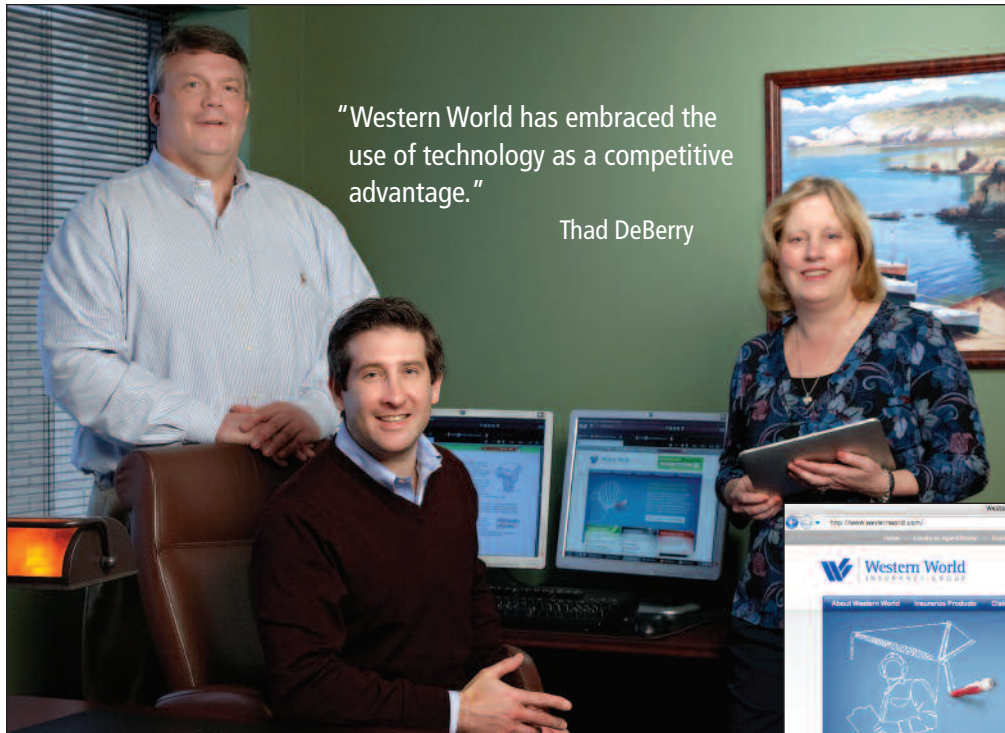
Bonnie Batteiger and Curtis Anderson  
Risk Placement Services, Scottsdale, Arizona

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“Western World distinguishes itself through the quality of its people and the stability of its management. It is a company you can count on. Western World has a long-term view, yet is dedicated to continuous improvement on which the company delivers dependably.”

Curtis Anderson

## TECHNOLOGY



Thad DeBerry (Information Technology),  
Seth Fischer (Contract), Margaret Sfraga (Contract)

As Western World continues to enhance our position as the market with the easiest to use underwriting platform, significant investment has been made to push our technology capabilities even further. The Western World Integrated Platform (WWIP) is the toolset provided to our wholesale business partners to efficiently distribute our products while minimizing transaction processing costs. Within a completely integrated environment, WWIP provides the ability to access fully customized underwriting guides as well as to rate, quote, bind, issue, and endorse risks for all Western World classes available to our binding authority partners. Nearly 100% of our binding authority wholesale agencies are utilizing the WWIP system to cost-effectively transact business while improving their customer



service capabilities and profitability. Our Brokerage Division has adopted WWIP as our internal rating, quoting and issuing system.

The evolution of the WWIP environment will continue to enhance Western World's value proposition as the market that provides the most effective and efficient processing partnership. By offering seamless agency management system integration, optimal flexibility to customize risk solutions and increased mobility options, Western World will continue to set the pace with the easiest to use underwriting solution.

Design: Aldrich Design

Photography: Ann Johansson (page 6); Rob Banayote (page 10);  
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