



Monarch *Insider*



Monarch E&S Insurance Services

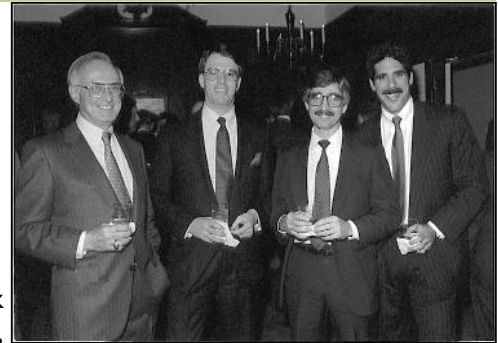
Insider Fall 2009

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Suffering the Aches and Pains of the Soft Market? Monarch Gives You ‘The Royal Treatment’!

By Karen Burch, Editor, Monarch Insider

THE MAN UNDER THE CROWN



Monarch President/CEO Derek Borisoff is a California native, born and raised in Glendale. He was introduced to the insurance business at an early age by his father, retail insurance agent Bob Borisoff, who was highly influential in his life, says Borisoff. “I lost my dad in August of 2003, but my dad definitely taught me some very valuable people skills: How to treat people with respect, treat people in a positive manner, and treat people as your friend. Even if they are people that you do business with, they can still be your friends.”

A blast from insurance past, circa 1980s. From left to right: Howard Green, Tom Dean, Larry Esposito and Derek Borisoff

Borisoff recounts how on Saturdays, he would go to work with his father and sit on the other side of his desk, listening to his father talk with clients. “Many times he was either trying to collect money from his clients or was just talking about whatever their insurance needs were,” says Borisoff. “This definitely provided me with a lot of people skills that are invaluable in business.”

After graduating from high school, Borisoff attended the University of Southern California (USC), his father’s alma mater. It was a pivotal time for Borisoff, both personally and professionally. At USC he met his future wife of 23 years, Kristi, and began mapping out his career. He played water polo at USC for four years, was very active in student politics, was president of his fraternity, and says, “USC is a great school and I had a lot of experiences that do help you in the business world.” The summer before his senior year, Borisoff interned at NAPSLO (National Association of Professional Surplus Lines Offices), and decided to go into the wholesale business or the Surplus Lines/MGA side of the business.

After graduating USC in 1983, he headed off to London in 1984, where he worked for various London syndicates and a Lloyds brokerage as well. This would prove to be a very valuable experience. He explains, “Many of the people that we do business with today are people that I worked with when I lived in London.”

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Suffering the Aches and Pains of the Soft Market?

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BORISOFF RULES: BRINGING TEAM SPIRIT TO MONARCH

In 1994 Borisoff joined Monarch and started running the company, bringing his philosophy of “team spirit” to the company, with his many years experience playing team sports. He finished buying out Monarch in early 2001. And although Borisoff is involved with Monarch’s operations on a daily basis, making time for his family and serving his community are very important to him. In the family tradition, Borisoff’s two oldest sons attend USC and play on its water polo team. Borisoff proudly mentions that his eldest son, a junior, is a starter and was a part of the team last season when USC went 29-0 and won a national championship. His middle son is a freshman at USC and was their top water polo recruit, while his youngest son is a freshman at La Canada High School, where he plays varsity water polo.

Borisoff spends over 20 hours each week coaching water polo year-round at La Canada High School and at weekend tournaments. “La Canada has a very successful swim and water polo program and has won multiple CIF (California Interscholastic Federation) championships in these sports over the last ten years. I’m happy to say that a lot of kids within our community are learning skills that will help them in life and are also acquiring another tool to help them get into the university of their choice.”

So it comes as no surprise that last year the city of La Canada named Borisoff “Volunteer of the Year” for his commitment to youth sports. “Working within the community and giving back to the community is very important to me,” he says. “It helps the youth within the community to reach their goals and succeed, whatever their endeavors might be.”



Monarch E&S President/CEO
Derek Borisoff: Professionalism,
Service and Integrity

THE SOFT MARKET GIVING YOU A HARD TIME? MONARCH MAKES IT EASIER

The question is: When will we see the end of this soft market?

(cont. on pg. 3)

WORKERS COMP NEWS: New Market — Tower Select

Our Work Comp market, **Tower Select (A-IX/admitted)** will write **new ventures** and has a **\$750 minimum premium**. Don't forget, we pay you **11% commission**. Tower Select is having great success in writing the following types of risks:

Retail Furniture Store (8015) • **Restaurant** - not open past midnight (9079) • **Television Production Company** – clerical employees only • (8018) **Medical Office** (8834) • **Dental Office** (8839) • **Self Storage Warehouse** (8740) • **Party Planner/Event Coordinator** (8810) • **General Gardening Contractor** – maintenance only • (0042) **Manufactured Home Sales** • (8748) **Importer/Distributor** (8018/8742) • **Real Estate Manager** (9015) • **Trucking Broker** – clerical employees only (8810) • **Coffee & Pastry Shop** (8078)

For more info on Work Comp risks, please contact Cindy Blazer, AVP, Brokerage Operations (818) 249-0100 ext. 233 cindyb@monarchexcess.com

Suffering the Aches and Pains of the Soft Market?

(cont. from pg. 2)

Borisoff predicts improvement. "Well, we are in a difficult marketplace," he says. "Not only is it a very soft insurance marketplace, but we are in a horrible down economy. And this is really the first time in my career that we are both in a soft marketplace and a down economy at the same time. I do believe that the market will stabilize and not get any worse by the end of this year, and we should come to see some slight improvement in the insurance marketplace next year." However, Borisoff cautions that we can't plan on the market changing. Instead, we need to control our expenses and "pull together as a team and do the best job possible. Servicing our agents is paramount to us," he says.

Borisoff says that Monarch is helping its retail agents and brokers get through the soft market blues. Just some of the symptoms of the condition: Dwindling premiums, decrease in premium volumes, and more cancellations for non-payment, as many businesses are unable to afford keeping their insurance in force. In addition, worry about the economy has resulted in a lack of new business startups and therefore less new business to write. Still, Monarch has the prescription, says Borisoff: "We try to be a one-stop shopping place for our retail customers. We continue to provide stable markets for our retailers to use. We have all the necessary markets to be able to provide our retail agents with multiple quotes. And we're able to quote our retail agents very very quickly."

Borisoff asserts that in this time of economic uncertainty, Monarch continues to remain a leader. "We're offering more and more new products all the time; we're offering Workers Comp now," he says. "We plan on being around for a long time." What's Borisoff's final word on the current soft market? "Like a kidney stone, it shall pass!"

THE 'PEN' IS MIGHTIER THAN THE SWORD: DIVERSIFY AND CONQUER

Some Monarch history: The company was started by Don Penniall ("just a wonderful man," says Borisoff) in 1986, relatively late in his career at age 58. Don is now retired but Don's son Richard Penniall still serves as Sr. V.P., Accounting. Borisoff finished buying out Monarch in early 2001 and Don Penniall completely retired at that time.

When Borisoff first joined Monarch, it was primarily a Commercial Lines "pen" GA. (cont. on pg. 4)

COMMERCIAL LINES NEWS: We Have the 'Pen' For Surplus Lines Markets

Monarch's Commercial Lines underwriters are experienced service professionals with over 100 years of underwriting experience placing commercial accounts of all types and sizes, so we want to write your commercial E&S business! We have the underwriting "pen" for the most highly sought-after Surplus Lines markets including **Scottsdale, Colony, Essex, Nautilus, Burlington, Century Surety** and **USLI**. We're pleased to announce the addition of two "HOT" new carriers: **Max Specialty** and **Tower Select**. If you'd like more information on these new carriers, would like to run an account by us or just ask us a general question, please contact your Commercial Lines underwriter today for fast, friendly and knowledgeable service.

Monarch has put together a **Production Policy Program** through **Lloyds**. The policy consists of property and liability coverages including props/sets/wardrobe, third party property damage, owned/rented equipment, negative film, faulty stock and blanket A/I's. If you'd like more information, please contact [Mark Kaufman](mailto:markk@monarchexcess.com), COO (818) 249-0100 ext. 225 markk@monarchexcess.com



Suffering the Aches and Pains of the Soft Market?

(cont. from pg. 3)

He explains, "We are much more broad-based now. We do have the 'pen' for every major player on the commercial side, but we write more Personal Lines now than when I first came to Monarch. We added Commercial Brokerage, we added a Professional Lines department. We also have online products that our retailers can access. And Workers Comp is a newer product for us." So what sets Monarch apart from the competition? "We're a lot more diversified than our competitors, many of which are strictly 100% Brokerage Casualty or Commercial Brokerage, or some of our competitors are mostly 'pen,' but we do it all. We pretty much cover the whole gamut of anything that would ever enter the E&S marketplace."

MONARCH GIVES ITS RETAILERS THE 'KEYS TO THE KINGDOM'

The real jewels in Monarch's crown are its employees, says Borisoff, and he speaks of them in glowing terms. "Our people are the most experienced people in the industry and we're very proud of that. Most of our underwriters have spent their entire careers on the E&S side. Our retail agents know that they're going to get someone knowledgeable on the phone, someone who knows the markets and the coverages. We have the best policy issuance people in the industry, who do a fantastic job for us. Our underwriters and underwriting assistants are very service oriented. Our main people in the accounting department have been there before I was even at Monarch. Our company really has been built on team work. We all pull together and that definitely has led to the success of Monarch. We've got people within our organization who really are at the top of their profession."

Borisoff truly is "living the dream" as President and CEO of Monarch. Borisoff says that he has enjoyed his chosen career path and running Monarch over the years. "Well, I'm doing what I want to do," he says. "You know, I love our industry even though times are tough right now, but I love our side of the industry. It gave me a chance to build and own a business, and I couldn't be happier doing anything else."

MONARCH IN THE COMMUNITY: IBA Events Sponsorships

Borisoff is also very proud of Monarch's commitment to supporting its retail brokers and agents. He says, "Something else that sets us apart from many of our competitors is that we are a huge supporter of the independent agent, and by that I mean that Monarch is Top Level Sponsor for pretty much every event that the various independent organizations host or put up." Borisoff says that Monarch has been a High Level sponsor very consistently over the years. "We do give back to the retail agent, and I think that we're unique as far as that goes."



Some of Monarch's recent and upcoming sponsorships:

- ▼ Top Level Sponsor for 2009 IBA SFV/BGP Casino Night
- ▼ Top Level Sponsor for 2009 IBA SFV Golf Day
- ▼ Grand Sponsor (Top Level) of the June 2009 Young Brokers & Agents Conference (YBAC) in Rancho Mirage, CA
- ▼ Top Level Sponsor for 2009 IBA/San Diego Young Agents Group Casino Night
- ▼ Grand Sponsor (Top Level) for 2009 IBA SFV/BGP/LA Joint I-Day
- ▼ Grand Sponsor (Top Level) for 2009 IBA San Diego I-Day
- ▼ Top Level Sponsor for 2009 IBA BGP Golf Day

Mark Kaufman, COO, and **Stefanie McLeod**, Personal Lines Underwriter, have served on the IBA BGP Board of Directors this past year and have been asked back to serve another term in 2010. The Board is in charge of organizing various events throughout the year to help insurance professionals network with others as well as fund different charitable foundations. Watch for Monarch at other important events throughout the year!

BROKERAGE OPERATIONS NEWS: New Brokerage Facility

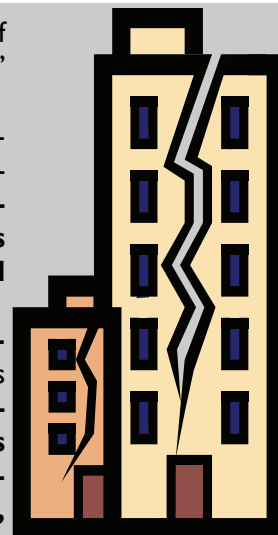
Because of the respect that our underwriters have earned over decades of placing business, Monarch E&S maintains excellent long-term relationships with "A" rated Surplus Lines carriers that write even the most complicated risks.

Even in this continued soft market there are accounts that require the flexibility and underwriting experience that only brokerage markets can offer. Our brokerage department can assist you in placing some of your tougher risks, such as **Nutritional Products Manufacturers/Importers, Contractors with Hazardous Materials, and Pollution Liability** exposures, and those in need of **Commercial Earthquake** coverage.

We have recently picked up a new brokerage facility, **North East Insurance Company (A- IX/non-admitted)** with minimum premiums as low as \$5,000. They are looking for risks with a difficult premises exposure (**Housing Authorities, Mobile Home Parks, Real Estate Management**), **Industrial Risks (Millwrights, Machine Shops, Welders), Contractors, Retail (including Tattoo Parlors, Pawn Shops), Manufacturers (Medical Equipment, Trailers, Athletic/Sporting Goods)** as well as other more difficult-to-place accounts.

For more info on Brokerage risks, please contact your Commercial Lines Underwriter or:

Cindy Blazer, AVP, Brokerage Operations (818) 249-0100 ext. 223 cindyb@monarchexcess.com



PROFESSIONAL LINES NEWS: Insurance Agents E&O Market

Insurance Agents E&O: We have access to an extremely competitive **Insurance Agents E&O** program available to us through **Underwriters at Lloyds**, with very aggressive pricing: Minimum premium begins at just \$1,600.

Important EPL News: There have been new developments concerning the Fair Labor Standards Act (FLSA). Secretary of Labor Hilda Solis announced on Sept. 2, 2009 that she will be cracking down on employers who exploit low-wage workers and violate the FLSA. There has been a dramatic increase in these types of violations which include not paying overtime properly, paying below minimum wage, not allowing proper meal breaks, and denying workers compensation benefits. The department will be hiring an additional 250 investigators in an attempt to beef up enforcement. An **Employment Practices Liability** policy can address some defense costs associated with these types of allegations/claims. Monarch has a number of EPL carriers, whose policies include a sub-limit of defense coverage for claims arising out of violations of the FLSA.

Need to place an Executive Lines risk? Contact Wayne E. Bernstein, Dir., Professional Lines (805) 577-6800 ext. 233 wayneb@monarchexcess.com or Cindy Blazer, AVP, (818) 249-0100 ext. 223 cindyb@monarchexcess.com



Royal Rate

Try Royal Rate, Monarch's on-line self-rater for multi-classes...Now available 24/7: Personal Lines and Artisan raters....Indications in about a minute...Minimum premium: \$750...More classes and programs coming...check back regularly...watch for news in your e-mail in-box... go to www.monarchexcess.com

PERSONAL LINES NEWS: \$ale \$ale \$ale \$ale \$ale \$ale \$ale \$ale \$ale \$ale

While many of our competitors are raising rates in brush zones, Monarch's rates remain at all-time lows for such exposures. Monarch's successful underwriting results are due to our Personal Lines underwriting team's many years of experience and diligence. Such results have allowed us to keep rates low and in many cases reduce already low rates even further in order to stay competitive in a challenging climate.

Scottsdale Insurance Company, in particular, is hungry for new Excess and Surplus Lines business such as **Seasonal/Secondary** and **Vacant/Unoccupied** exposures. Scottsdale is also competitive on **Builders Risk** exposures. **Lloyd's Underwriters** continues to specialize in the **high-value homeowner** segment, offering broad coverages and very competitive pricing. **Aspen Specialty** is another high-value Brokerage market that we access.

Stefanie McLeod in our Personal Liability section continues to preside over a vast array of products and markets and can assist you with your Personal Liability needs. Be sure to ask her about **USLI's In-Home Business** and **Special Event** coverages.

Along with lower rates and access to quality and varied markets, our valued agents and brokers can always count on our quality service, the keystone to a mutually beneficial & successful partnership. Contact: [Dave Skogstrom](mailto:daves@monarchexcess.com), AVP (818) 249-0100 ext. 241 daves@monarchexcess.com; [Sherry Brodek](mailto:sherrybrodek@monarchexcess.com), Underwriter (818) 249-0100 ext. 239 sherryb@monarchexcess.com; [Stefanie McLeod](mailto:stefaniem@monarchexcess.com), Underwriter (818) 249-0100 ext. 246 stefaniem@monarchexcess.com; [Marisela Valencia](mailto:marisela@monarchexcess.com), Underwriter/Broker (619) 521-2170 ext. 232 mariselav@monarchexcess.com



PERSONAL LINES/SPECIAL RISK NEWS: Look What We're Doing Now!

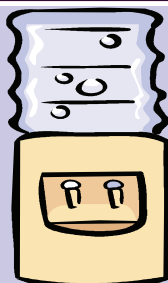


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We have many years experience, binding authority for both Admitted and Non-Admitted companies, and have access to markets that understand our service expectations. We are your best choice for Special Risk needs. For a quick indication or just to ask a question, please call:

[Helene Briskin](mailto:heleneb@monarchexcess.com), VP (818) 249-0100 ext. 248 heleneb@monarchexcess.com or [Genette Nice](mailto:genetten@monarchexcess.com), Sr. Underwriter (805) 577-6800 ext. 225 genetten@monarchexcess.com



AROUND THE WATER COOLER...

Nicole Loven, Commercial Lines Underwriter in the La Crescenta office, was the lucky winner of a five-night trip for two to Hawaii, via a local radio station....too bad she doesn't have any vacation time left this year! **Mark Kaufman**, COO, will be racing in **IRONMAN** Arizona this November. The **IRONMAN** competition consists of a 2.4-mile swim, 112-mile bike and a 26.2-mile run (marathon). This will be Mark's first **IRONMAN**, so please wish him good luck.

MONARCH PREMIUM RESOURCES: Need Better Interest Rates? We Can Help!

By John Ratliff, Managing Director, Monarch Premium Resources, Inc.

Monarch Premium Resources, Inc. was founded to simplify the billing process for policies written through Monarch E&S, allowing you more time to focus on growing your agency. With each quote, we deliver a premium finance agreement that can be accepted by signing, dating and returning via fax, e-mail or regular mail. We offer competitive terms, payment options, and extensive internet services including: on-line payments, production reports, and listings of accounts due to cancel for non-payment. Visit www.monarchpremium.com for a complete demonstration of our account viewing and reporting options.



We have recently made modifications to our system where we are now able to pay fees for your business financed through Monarch Premium Resources. Need better interest rates? We can help there too!

To get set up for online viewing, e-mail info@monarchpremium.com or call (800) 731-7890. You can also go to www.monarchpremium.com and select "Get Me Registered On Line." Complete the form and we usually can get you set up on the same day.

Monarch focuses on personalized customer service and accessibility. We don't use an automated voice system, and we believe that you'll find our very personal service refreshing.

While we hope that you're placing all of your business with Monarch E&S, we can provide additional services if needed. For instance, we're able to add a policy not written with Monarch to a financed Monarch policy, and if you have any need for other outside financing, we can help with that as well. Just give us a call and we'll take care of it. We look forward to helping you with all your financing needs.

John Ratliff has over 15 years of experience in the premium financing business and the insurance industry. For more info regarding our services or to get set up for online reporting, please contact John Ratliff or Franky Ibarra at (800) 731-7890; email: info@monarchpremium.com

ONE LUCKY READER WILL WIN A \$100 GIFT CARD!

How many times does the word "Monarch" appear in this issue of *Monarch Insider*? Each person to correctly answer will be entered into a drawing to win a \$100 gift card. Please e-mail your answers by 11-13-09 to karenb@monarchexcess.com. Happy hunting, and good luck!



MONARCH E&S
INSURANCE SERVICES

Monarch Has Six Branches To Serve You

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