

To Your ADVANTAGE



An Izzo Insurance Services, Inc. Publication

IZZO READY TO SOAR TO NEW LEVELS

We have just completed our most successful year in our company's history. We finished 2000 strong with premium volume in excess of \$36 million. New products, Security Division and National Mono-Line Workers' Compensation Programs have been the driving force to our success in 2000. We expect continued strong growth in 2001 with projected premiums in excess of \$46 million.

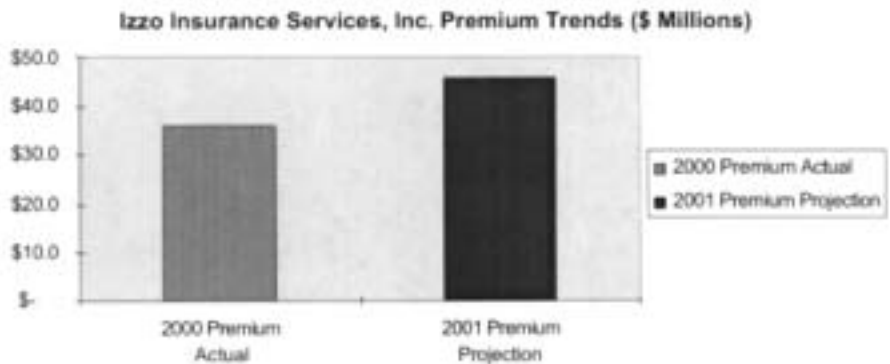
Our SOAR marketing plan will enable us to reach new levels in 2001 and beyond. SOAR represents our core marketing strategies, which are:

- **Strength in Specialization**
- **Operational Excellence**
- **Advantages Through Superior Services and Communications**
- **Respond With Winning Solutions**

First half initiatives are to roll out a new Information Technology system, understand customers'

needs better than ever, improve communication and identify new product opportunities. This will enable us to continue providing winning solutions to our business partners and clients.

We are excited about 2001 and are ready to SOAR to new levels.



WHAT IS "ADVANTAGE"?

It's a newsletter designed to help you gain a better understanding of the complex world of insurance. "Advantage" will be issued quarterly and will discuss topics that are of interest to you. Articles that may help you get a leg up on your competition. Articles that will tell you how and why Izzo Insurance shops the world markets to bring you the best deals.

Learn why Izzo does nothing unless it is of benefit to you! We think you will soon understand why we've chosen to call our newsletter "Advantage."

We'd love to hear from you! Did you like our first issue? Write or call us with any suggestions you may have. Tell us what topics you'd like us to cover. If this newsletter gives you even a slight advantage, then Izzo is doing its job.

PROPERTY & CASUALTY INSURANCE PRICING EXPECTED TO INCREASE IN 2001

Commercial insurance rates are expected to have a double digit rise in 2001 because of a hardening property & casualty market. *Best's Review* (a monthly publication of the A.M. Best Company) projects a 10% average increase of premium in the commercial market. Factors

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that are driving the rates up are higher medical costs, a jump in repair and/or replacement costs and generous jury awards in liability cases.

According to the *National Underwriter's* January 1, 2001 edition, the 2000 industry overall operating ratio will increase to its highest point since 1994 while premiums are forecasted to be at a ten year low. The graph below shows the industry's overall operating ratio performance compared to the premium cost for the past ten years. Insurers' profits are expected to shrink and in some cases disappear completely. Because of the recent trends, the following repercussions are expected to occur in 2001:

- **Reinsurers to increase rates**
- **Depleted surplus**
- **Cash flow problems**
- **Increased expenses**
- **Fewer carriers to choose from**

Significant price increases are expected in commercial auto, workers' compensation, property and general liability segments. Workers' compensation will be fighting the problems of past underpricing because of intense competition.



Source: 2000 RIMS Benchmark Survey

IZZO INSURANCE SERVICES, INC. ANNOUNCES NEW GENERAL LIABILITY PROGRAM FOR SECURITY GUARD, INVESTIGATIVE & ALARM COMPANIES WITH NORTH AMERICAN SPECIALTY INSURANCE COMPANY RATED A++ XV

Elmwood Park, IL, December 27, 2000 - Izzo Insurance Services, Inc.'s new general liability program for the security industry is underwritten by the North American Specialty Insurance Company. The program offers the most extensive liability with errors & omissions coverage to the security industry and will be marketed under the Gold Shield Advantage™ National Security Programs.

The North American Specialty Insurance Company is a subsidiary of the Swiss Reinsurance Group. Coverage is written with North American Specialty (NAS) on an admitted basis and North American Capacity (NAC) on a surplus lines basis. NAS is a property/casualty insurer licensed in all fifty states. NAC is a surplus lines carrier authorized in 49 states and the District of Columbia. Both NAS and NAC have an "A++", XV rating

from A.M. Best and an "AAA" rating from Standard & Poor's. The Swiss Reinsurance Group is the largest reinsurance group in the world with over \$14 billion in annual reinsurance premiums written.

According to Izzo Insurance Services, Inc.'s President Karen J. Izzo, "After review of all policies currently available to the security industry, we are pleased to be able to provide what we believe is the most comprehensive coverage available with such excellent companies."

Izzo Insurance Services, Inc., a program specialist headquartered in Elmwood Park, Illinois has been providing risk management solutions to the guard, alarm and investigative industry for over twenty years. The Gold Shield Advantage™ programs are recognized as the most comprehensive available in the industry today.

**Almost forgot,
that URL is**

<http://izzoinsurance.com>

See you on the web!!!



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