

GILLINGHAM & ASSOCIATES



Gillingham & Associates announces the expansion of the Great Outdoors Insurance Program to include new capacity for excess and surplus accounts!

As many of you are aware, The Great Outdoors Insurance Program has been active since 1991, and is widely recognized as the largest and most comprehensive insurance program for the outdoor recreation and hospitality industries. Currently the program is written with Arch Insurance Group, and we are pleased to report that our relationship with Arch is strong and stable.

While the existing Great Outdoors Insurance Program continues to be very successful, we have also recognized a need for broader capacity for many types of outdoor recreation accounts that don't fit our existing program. Many of you have submitted outdoor risks that we have not been able to quote historically, due to various exposures that make the account ineligible for the Arch product. As a result, in an effort to better serve your needs, we have been researching alternatives to create a complementary product offering.

Effective immediately, we are pleased to announce that Gillingham & Associates has contracted with First Mercury Financial Corporation as our partner for the surplus lines expansion of the Great Outdoors Insurance Program. Arch Insurance Group continues to be our partner for admitted risks, and the addition of First Mercury will provide us more flexibility to quote a broader array of outdoor risks, while not competing with our Arch product offering.

The expansion of the Great Outdoors Insurance Program is designed to enhance our already broad offering to the outdoor recreation and hospitality industries, and will consider many outdoor related classes of business currently ineligible for the Arch product, including but not limited to the following classes and exposures:

- ATV and snowmobile tour operators (guided and unguided)
- Equine facilities (instructional facilities, pony ride operations, riding stables)
- Jeep tours (GL only)
- Land leased to others for hunting
- Outdoor recreational clubs and associations
- Outdoor tour operations (hiking, biking, sailing, cross country skiing, etc.)
- Recreational equipment rental
- Shooting ranges
- Snorkeling, surfing, waterskiing, jet skiing, windsurfing activities
- Whitewater rafting

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In addition to the list above, the First Mercury product will also entertain more traditional outdoor risks (Resort Lodges, RV Parks & Campgrounds, etc.) where there are incidental exposures that are ineligible for the Arch product. These types of exposures include:

- Amusement devices
- Jet-skis and wave-runners
- Paintball activity
- Swimming pools with diving boards
- Waterslides
- Youth camps

The First Mercury product will provide the same broad array of coverages you are used to seeing in the Great Outdoors Insurance Program, including Property, Inland Marine, Crime, General Liability, Liquor Liability, and Excess coverage. The First Mercury product is currently available in 49 states, and the commission will be the same as your current commission level.

All aspects of the Great Outdoors Insurance Program will continue to be administered exclusively by Gillingham & Associates with the same superior level of service you have come to expect from the nation's leading underwriter of outdoor recreation and hospitality insurance. Upon receipt of your submission, our underwriters will determine which product is the best fit for the risk, and quote either the Arch or First Mercury product accordingly. Gillingham & Associates maintains the necessary surplus lines licenses to make the appropriate filings in a majority of states, and will manage the surplus lines filing process directly in most cases where applicable.

We are excited to announce this expansion to The Great Outdoors Insurance Program, and our goal is to meet the needs of all of your outdoor recreation and hospitality clients. We welcome your input on our expanded product offering, and we look forward to quoting and writing even more of your outdoor business.

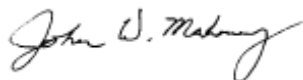
If you have any questions, please feel free to contact us directly, or visit any of the websites listed below for more information on Gillingham & Associates, Arch Insurance Group, or First Mercury Financial Corporation.

www.outdoorinsurance.com

www.archinsurance.com

www.firstmercury.com

Thanks for your business,



John W. Mahoney, COO

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