

2003 Insurance Outlook: Premiums Continue Upward Rising Costs, Disappearing Coverage Continue as Trend

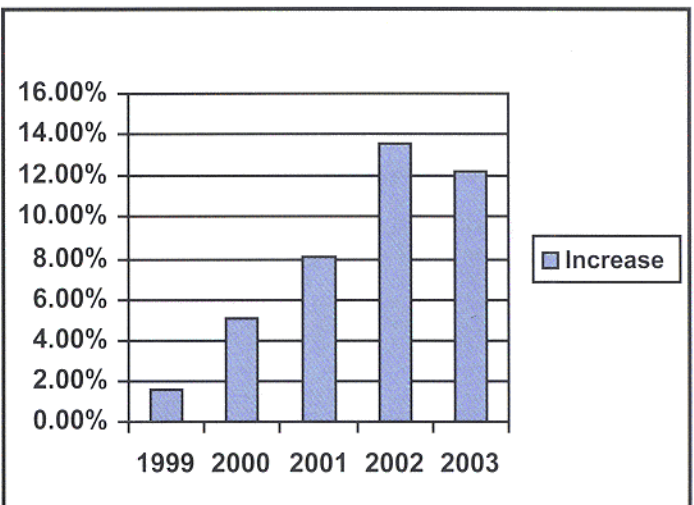
Preparation Possible with the Right Program, Agency

What Happened to My Rates?

Spawned by the surge in economic growth, investment, and a booming stock market, insurance carriers cut premiums drastically through the 1990's. In 2000, an increased focus on corporate profit forced insurance underwriters to increase rates or drop industry segments altogether, leaving insurance buyers with limited choices.

The trend towards higher prices and restricted coverages should continue through 2004—and could take three to five years to stabilize.

U.S. Rate Increases Over Prior Year



Average increase in premiums between 1999 and 2003. In 2002, total premiums increased by 13.6% over 2001; 2003 is expected to see premiums increase by 12.3%. Source: Insurance Information Institute

Early Planning Will Prevent Future Surprises—What Can Be Done?

- Consider higher deductibles, consolidating operations, vehicles, and equipment, and eliminating unnecessary or excess coverages.
- Review all lease agreements and business contracts to ensure that your firm does not assume unknown risk.
- Communicate early and often with your insurance professional at least 120 days before your next renewal.
- Deal with an agency knowledgeable in your field with access to unique products and insurance markets.

Why Call Hill & Usher? Because we are Arizona's leading insurance agency dedicated to small and medium-sized businesses. Hill & Usher can access hundreds of programs through carriers like Hartford, Zurich, St. Paul, Allied, Ohio Casualty, CNA, AIG, and Travelers.



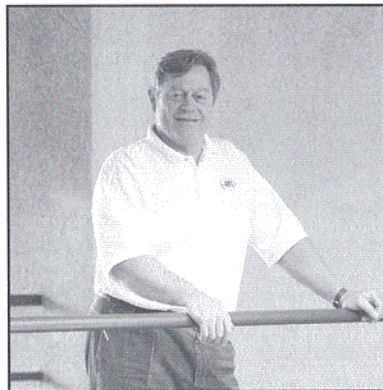
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(As seen in *Southwest Contractor*)

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Name: Richard B. Usher
Company: Hill & Usher Insurance & Surety
Years in the industry: 33

Richard B. Usher is currently Managing Member and CEO for Hill & Usher insurance and bonding agency serving the specialized needs of contractors nationwide. Beginning his career in the field working for a large Arizona general contractor, Richard has worked in diverse areas of the construction industry for more than 30 years. In the 1970's and 1980's, Richard owned and operated a commercial Carpentry firm; his knack for handling complicated construction projects was widely heralded. While actively involved in the construction trades, Richard served as the President of ASA of Arizona and chaired the Industry Relations Committee for ASA National. For ASA, Richard has held numerous other leadership positions during the past two decades. As an industry advocate, Richard successfully worked towards establishing prompt payment laws for public work in 1987, then wrote and passed similar legislation for private prompt payment in 2000. In 2000, *Engineering News Record* (ENR), recognized him as a "top newsmaker" in construction, while ASA National honored him with the J. Hampshire "Lifetime Achievement Award." In 2001, Arizona's driving force for prompt payment focused on a new agenda: balance the allocation of risk fairly among general contractors, owners and subcontractors. Richard promoted his new ideas about fair risk transfer during a series of more than 20 lectures around the country. Along with *Specialty Contractors Press*, Richard produced a video seminar and developed a book, which have both been distributed to hundreds of the top contractors in the United States. His ideas and innovations are leading to new product developments within the insurance industry as well as providing better understanding and acceptance of fair methods of sharing casualty risks on the jobsite. In challenging the status quo of how risk is distributed within the construction industry, Richard's efforts are helping to move the entire insurance industry in a new, more fair direction.