


IN OUR 81st YEAR - DEC 2003




A NEW OFFICE BUILDING & A NEW CHAPTER BEGINS.....

Thanks to you, our loyal customers and friends, American Insurance will move into our new home sometime in May 2004! Thank you for choosing us as your insurance agency and for your continued confidence, loyalty and trust. Our success and steady growth over the years has made it necessary to expand our business into this new office building.

Established in 1922 this will be the third office location for American Insurance. Originally as part of American Bank & Trust Co. we were first located at 622 Main St. and then beginning in 1927 moved to 108-9th St., our present location for the last 76 years.

A NEW CHAPTER OPENS....Our new location is on the NE corner at the

intersection of Southway and Snake River Ave. in Lewiston with a beautiful view of the Snake River. This location is centrally located in the valley and will be more convenient and accessible to our Lewiston and Clarkston customers. This new building with room to expand opens new opportunities to provide more and better services to you. We will be announcing these new services during our Grand Opening this spring.

For more details about our new office building I invite you to read all about it inside this newsletter.

Happy Holidays!



John B. Sullivan
President

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INSURANCE HEADLINES

MARKET REVIEW & FORECAST / TIDBITS

THE WORST MAY BE OVER for the general economy and the insurance industry's financial woes. "The U.S. property/casualty insurance industry made a significant recovery in 2002 and further in 2003, following its worst year ever in 2001", said James Auden, senior director, Filch Rating Service. **Most insurance companies will end this year in the black or close to it.** This may be the end of a three year recovery that should bring some much needed premium stability.

PREMIUM FORECASTS IN 2004 for **auto insurance** should be low at +5% or less. Even though **Homeowners Insurance** continues to be plagued with losses the premium changes will be moderate except for those with undesirable (low) credit scores plus claims experience. **Business Insurance** premiums that have been hit hard the last 3 years should enjoy relative stability in 2004. **Health Insurance** premiums on average will rise +16% with increases for groups either higher or lower than the average depending on their own loss experience. - Continued on Page 2



Group Medical

Q. Tim, small group medical insurance is getting too spendy! Anything new coming out to help Idaho's small employer's to get better pricing?

A. Yes, there are new small group medical plans and options available. American Insurance represents the largest medical insurance companies in the state of Idaho and we have information about the latest plans with more affordable choices of benefits for Idaho small employers. Call me for more information.



Tim Gleason
Agent/Benefits Specialist

AMERICAN INSURANCE 746-9646 or 1-800-735-6355
P.O. BOX 569 ▲ LEWISTON, ID 83501

ALLIED INSURANCE Profile: Success Story

The economic downturn of the last three years has produced winners and losers among insurance companies. Allied Insurance has emerged as a huge winner. As an Independent Insurance Agency we make available to you the top insurance companies.

Over the last 10 years Allied Insurance has steadily grown in our agency to become our largest and strongest insurer.

Besides lower premium rates the policy coverages are superior and backed by outstanding claim service.

About the company For over 65 years ALLIED Insurance has maintained a tradition of providing reliable low-cost insurance protections. The ALLIED has a long-standing history of excellent value and premier service. ALLIED maintains an "A+ XV Superior" rating by the leading insurance rating and reporting firm, A.M. Best Co., reflecting their solid operating performance and ability to meet ongoing obligations to policyholders. In addition, Standard & Poor's rates Allied "A+ pi Strong."

In 1998, ALLIED merged with Nationwide Mutual Insurance Company, **the nation's 6th largest property and casualty insurance group** in the United States with approximately \$834 billion in total net written premiums. Nationwide is a Fortune 500 company based in Columbus, OH and is one of the country's largest diversified insurance and financial services organizations that employs more than 30,000 worldwide.

Our relationship makes all the difference!

American Insurance enjoys a select relationship with ALLIED providing you a service advantage. We have a direct appointment with binding and underwriting authority. We have a 24-hour on-line service connection for immediate service and accurate transactions. We have a long relationship with the company and know the product details to maximize your coverage and premium discounts. And, we are a large ALLIED agency giving us clout to negotiate favorable results for you in coverage, pricing, and claims satisfaction.

For total value including all the services your premium is intended to pay for, ALLIED Insurance provides a high quality program you can depend on, year after year.

INSURANCE HEADLINES (Cont)

NEWS GETS DARKEST JUST BEFORE THE LIGHT is evidenced in that for the third consecutive year, financial rating **downgrades** of property/casualty insurance companies **outpaced upgrades** according to a special report released by A.M. Best Co. And, **increased insurer insolvencies** has forced bailout **payment assessments** charged to healthier private insurers into their **state property/casualty guarantee funds** to reach a 15-year high according to a study by the Alliance of American Insurers.

REMEMBER CLAUDETTE AND ISABEL? - these hurricanes and 5 other **catastrophic events** caused insurance losses of \$9.4 billion during the first nine months of 2003, more than double the \$4.1 billion for the same period last year. **Add one more** the enormous wild fire claims in California during the 4th Q and the year isn't over yet.

GOT MOLD? "Mold is one of the hottest topics facing the insurance industry today", said Bill Wilson, instructor for the Independent Insurance Agents & Brokers of America. Mold related **claims and lawsuits range in size from a few hundred dollars to an \$8 billion suit** against a NYC apartment building owner. In a two year period, **mold claims in Texas increased from about 1,000 to almost 22,000**, resulting in claim payments in excess of \$1 billion. The average mold claim size in the mid-1990's was \$4,000. Today it exceeds \$22,000.

A New Office Building (Cont)

AGREEMENT was reached on October 9, 2003 between John (Buzz) Nanninga, Jr., property owner and John Sullivan, President of American Insurance to acquire this property and to build a new office building for American Insurance.

The property is located on the NE corner at the intersection of Southway and Snake River Ave. in Lewiston.

Our new brick building will compliment the style and color of the existing building in the Southway Plaza professional center that is home to four other businesses - Southway Orthodontics (Bret Christensen DDS MS and John Vornholt DDS MSD), Thomas, Dean & Hoskins Inc., Su Brown, PLLC and Mark Sheppard, DDS. The new building will have 4,000 sq ft. on the ground floor with a 2,000 sq ft daylight basement on the west side. American Insurance is the owner and only occupant of the building.



GROUND BREAKING CEREMONY included three generations of Sullivan's pictured at the new building site - Frank "Sully" Sullivan (center), agent 45 years and retired President; his son, John B. Sullivan (right) agent 26 years and current President and John's son Shawn D. Sullivan (left) agent 10 years and Vice-President.



GENERAL CONTRACTOR for the building project is Kenaston Corporation of Lewiston with Dan Cunningham, foreman. Architectural services are provided by Don Bott & Associates of Lewiston. Financing was secured by Ed Packer of American West Bank of Lewiston. All sub-contractors on the project will be local artisans.



CONSTRUCTION BEGAN on October 24th and the building should be completed during May 2004. At this time the foundation, basement walls, and basement floor are completed. Please join our entire staff and our families in watching with anticipation as the building is completed brick by brick over the next few months!



Shawn Sullivan & John Sullivan receive award from Rusty Cooper, NWCH.

NORTHWEST CHILDREN'S HOME Executive Director, Rusty Cooper presents American Insurance with their "Helping Hand" Award for

"Your outstanding support to the boys and girls of the Northwest Children's Home"

We are proud to support the NWCH along with other non-profit organizations that provide valuable services to valley children. This holiday season, please consider a gift to the NWCH Red Stocking Christmas Campaign.

Northwest Children's Home, Inc. - 419 22nd Avenue, Lewiston, Idaho 83501



FROM THE MAILBAG

Actually, it's an e-mail. However it arrives we really appreciate customer comments - good and bad. But, this one is really goooooood! Thanks Shelly.

"Thank you American Insurance! We frequently receive flyers in the mail coaxing us to call for a quote telling us that 15 minutes could save us 15%. I took GEICO's challenge last week. Their quote for six months was \$441 more than what we currently pay with American Insurance.

When I told the agent what the difference between their quote and what we currently pay is, he told me that part of the savings was because we had been with American for so long. I told him the cost of our premiums and the service we receive from American was exactly why we had been with you for so long."

*Thank you.
Shelly Bush*

ANNUITIES

Q. John, my long term savings accounts and CD's are now earning very low interest. Can I get higher interest rates with safety?

A. YES! You need to take a look at a **FIXED RATE ANNUITY** issued by an admitted and regulated Insurance Company. You could double your income in these accounts over bank CD rates with the option of taking interest income or compound the tax deferred interest. The best annuity contracts have NO upfront sales charges and rate guarantee periods from 1 to 5 years. The penalty for early withdrawal is usually just during the rate guarantee period then you can move your money if you wish.



John B. Sullivan
Agent/26 years

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"STELLA AWARDS" - Ever wonder where your extra insurance premium dollars go? Ask Stella.

Stella's are named after 81-year-old Stella Liebeck who spilled coffee on herself and successfully sued McDonald's. That case inspired the Stella awards for the most frivolous successful lawsuits in the United States. Here is this year's winner:

1st Place: This year's run away winner was a man from Oklahoma City, Oklahoma. He purchased a brand new 32-foot Winnebago motor home. On his first trip home, (from an OU football game), having driven onto the freeway, he set the cruise control at 70 mph and calmly left the drivers seat to go into the back and make himself a cup of coffee. Not surprisingly, the R. V. left the freeway, crashed and overturned. He sued Winnebago for not advising him in the owner's manual that he couldn't actually do this. The jury awarded him \$1,750,000 plus a new motor home. The company actually changed their manuals on the basis of this suit, just in case there were any other complete morons buying recreation vehicles.

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