

USA Alliance Annual Meeting
September 24-26, 1998
Stillwater, Minnesota

Vice President Peter Scobie called the meeting to order at 9:15 AM on September 25, 1998 in the Banquet Room of the Lumber Barons Hotel.

Those members present were Louis Williams, Bill Jackson, Bernie Concannon, Mike Johnson, Jack Miller, Mike Adams, Greg Murrey, Peter Scobie, Lance Erickson, Preston Gough, Bob Katz, Len Luvullo, Rich Distel, John Griffin and Ron Arndt. Those members not present were Baron Garcia, Kerry Dillard, Bobby Owens, Glasgow Hicks, Paul Davis, Ron Gabor, Bob Libby, Robert Johnson and Dick Thomas.

Peter Scobie announced that the Executive Committee meeting would be right after our business meeting tomorrow.

Greg Murrey read the minutes from our 1997 meeting. Preston Gough made a motion they be accepted and Lance Erickson seconded. All members voted to approve the minutes as read.

Louis Williams read and reviewed the Treasurer's report (copy enclosed). There was discussion of our current financial status after which Bob Katz made a motion the report be approved and Bernie Concannon seconded. All members voted to approve the report as submitted.

The President's report was handled by Peter Scobie who read a letter from Dick Thomas to the members (copy enclosed).

After the reading of the letter, general discussion among the group centered on Sedgewick Re and the Restaurant Program with Louis Williams, Bernie Concannon and Mike Adams, as members of the Products Committee, answering many questions. Most everyone agreed that there is plenty of reinsurance capacity now but many members don't need additional markets now - just business. However, most members agreed they would like to control their own destiny. The window of opportunity is there now, while the market is soft. However, everyone agreed we have to have the structure in place before we can move forward. The meeting was then adjourned at 9:35 AM for ten minutes.

At 9:45 AM, Andy Justice and Tony Provenzale of Sedgewick Re and Gerry Pastor of Allegiance Insurance Managers held a general discussion of forming a captive for the Alliance. Andy and Tony again explained their role. Gerry would be the Program Administrator and he explained his background as well as what he would and would not be responsible for in setting up this program. Again, we were told the structure or vehicle must be in place laying out for all members what they will and will not be responsible for in order to proceed with Gerry going to carrier with a proposal.

At 11:40 AM they finished their presentation/ discussion. The only other business of the day was Peter Scobie appointing Len Luvullo President of the Nominating Committee. There being no further business, motion was made by John Griffin and seconded by Greg Murrey that the meeting be adjourned.

On September 26, 1998, Vice President Peter Scobie called our meeting to order at 9:10 AM. All those present from yesterday were in attendance except Len Luvullo.

Dick Nobre and Ray Spies then did a presentation of Best Practices for MGA'S (a copy of their presentation is enclosed for those members not in attendance).

After their presentation, our meeting reconvened at 10:20 AM.

Since Len Luvullo had to leave early, there was no Nominating Committee report. As such, Bernie Concannon made a motion which was seconded by Rich Distel that our current officers remain in their positions for another year. All members voted in favor. There are two Executive Committee members whose terms are up - Rich Distel and Ron Gabor. Greg Murrey made a motion which was seconded by Mike Johnson that Ron Arndt serve as a member. All members voted in favor. John Griffin made a motion seconded by Mike Adams that Jack Miller serve as the other member. All members voted in favor.

The Company Dinner report was given by Bob Katz. The AAMGA is at the Broadmoor next year. Past experience at this location indicates it is difficult to find a good location to hold this event. Comments and discussion were made as to are the results now worth it to continue. A motion was made by Bob Katz and seconded by Preston Gough that we not hold the Company Dinner next year. A majority voted in favor and the motion carried.

Greg Murrey gave the Advertising Committee report. It was agreed that we would do an updated USA Alliance brochure. The photographer is here to take individual photos and other members will need to forward one for printing.

Bill Jackson gave the report for the meeting next year. Sandy and Donna Jackson have agreed to host the 1999 meeting in Williamsburg from September 16-19 (brochure enclosed for those not in attendance). Ron Arndt then discussed that he would like to host the meeting for 2000 in The Napa Valley. Everyone agreed for Ron to proceed.

The Membership Committee report was given by Bernie Concannon. Several people were discussed, none seriously. At this time we will not pursue any additional members. A note was made to the minutes that the previous voting member for Concannon & Associates was Mark Concannon and now it is Bernie Concannon.

Our Roundtable consisted of discussion mostly on captives and program managers and market conditions. During this discussion, Lance Erickson made a motion that we ask Dick Thomas to draw up a legal contract for review by the members to form a captive. Mike Adams seconded. The motion passed. Along with this, we agreed to let Lance contact Gerry Pastor and ask him if he could proceed with Everest Re regards the formation of a captive (copy of letter and reply attached).

As the Roundtable ended, Peter Scobie advised after much consideration, that due to business reasons he would like to resign from Vice President of the Alliance as he does not feel he has the time. A motion was made by John Griffin that we accept Peter's resignation and that we install Ron Gabor as Vice President. Jack Miller seconded. All voted in favor of this motion.

There being no further business, the meeting was adjourned at 12:55 PM.

Respectfully Submitted,

Greg Murrey
Secretary

The Executive Committee of the USA Alliance met immediately after the conclusion of our regular business meeting for lunch at 1:05 PM. These present were Peter Scobie, Ron Arndt, Jack Miller, Mike Adams, Louis Williams and Greg Murrey.

The budget was discussed first. Since we are not having the Company Dinner again it was agreed that we would reduce the dues to \$ 100 per month for the next twelve months. If we need any additional monies for a captive situation, we can assess this separately. Motion was made by Mike Adams and seconded by Jack Miller that all expenses for current officers remains the same for next year.

Based on this, the tentative budget as proposal is:

Income Dues	\$ 28,800
Expenses:	
Misc	1,000
Insurance	2,000
Legal	5,000
Meetings	16,000
President's Office	3,600
Treasurer's Office	1,000
Secretary's Office	240
Taxes	100
Total Expenses	\$ 28,940
Balance	< 140 >

It was also noted that next years Roundtable needs to be expanded and maybe even include lunch so that members have plenty of time to interact. We also agreed that we need to have a set agenda of topics with feed back of the members prior to meeting of what they want to discuss.

There being no further business the meeting was adjourned at 2:05 PM.

Respectfully Submitted,

Greg Murrey
Secretary