

ANNUAL MEETING OF THE USA ALLIANCE
OCTOBER 19-22
SILVERADO RESORT, NAPA VALLEY

THE ANNUAL MEETING OF THE USA ALLIANCE WAS HELD AT THE SILVERADO RESORT IN NAPA CALIFORNIA ON OCTOBER 21, 2000.

THOSE MEMBERS PRESENT WERE DICK THOMAS, SANDY JACKSON, KERRY DILLARD, JOHN GRIFFIN, RICH DISTEL, LANCE ERICKSON, MIKE ADAMS, RON GABOR, MIKE JOHNSON, GREG MURREY, LOUIS WILLIAMS, RON ARNDT, JACK MILLER, PETER SCOBIE, PRESTON GOUGH, RONNIE MOORE AND BOB KATZ.

AT 7:30 AM, A PRESENTATION WAS GIVEN BY BRAD NEVINS OF MARKETING & TECHNOLOGY SOLUTIONS. ALSO PRESENT FOR THIS PORTION OF THE MEETING WERE MAX WILLIAMSON, SCOTTSDALE, TOM STAMM, MARKET SOUTHWEST AND DON WURSTER, NATIONAL INDEMITY.

BRAD'S PRESENTATION WAS REGARDING SOFTWARE FOR SLOT RATED/SMALL BUSINESS RISKS AND USING THE INTERNET FOR RATING, APPS AND EMAILING OF THE APPS TO THE GENERAL AGENT.

AT 9:10 AM THE ANNUAL MEETING OF THE USA ALLIANCE WAS CALLED TO ORDER BY PRESIDENT DICK THOMAS.

THE FIRST ORDER OF BUSINESS WAS THE SALE OF EXCESS INSURANCE UNDERWRITERS BY MIKE ADAMS. MIKE HAS SOLD HIS BUSINESS TO JIM GRESHAM, GRESHAM & ASSOC. AS OF 8/1/00. MIKE IS MOVING TO THE KEYS TO OPEN A CHARTER FISHING SERVICE. HE SAYS THAT ALL ALLIANCE MEMBERS GET A 100% DISCOUNT SO GO SEE HIM. MIKE HAS SURRENDERED HIS CERTIFICATE. MIKE DID MENTION THAT WE MIGHT WANT TO CONSIDER X/S BROKERS, QUINCY, MASS. AS A POSSIBLE REPLACEMENT FOR HIM.

AFTER MIKE LEFT, THERE WAS DISCUSSION REGARDING THE VALUATION OF THE USA ALLIANCE STOCK AND WERE WE GOING TO EVALUATE IT AS OF 10/31 OR 12/31. A MOTION WAS MADE BY DICK THOMAS AND SECONDED BY BOB KATZ THAT 12/31 BE USED. THIS MOTION WAS APPROVED.

NEXT, THE MINUTES WERE READ FROM OUR SEMIANNUAL MEETING IN DALLAS BY GREG MURREY. AFTER THE READING, PRESTON GOUGH NOTED THAT CORRECTIONS SHOULD BE MADE TO SHOW BOBBY OWENS INSTEAD OF EQUITY INSURANCE MANAGERS AND GLASGOW HICKS INSTEAD OF HANOVER E & S AS THE INDIVIDUALS ARE THE MEMBERS NOT THE AGENCY. A MOTION WAS MADE BY DICK THOMAS AND SECONDED BY JOHN GRIFFIN THAT THE MINUTES BE APPROVED WITH THIS CORRECTION.

THE TREASURERS REPORT WAS GIVEN BY LOUIS WILLIAMS. AS OF THIS MEETING WE HAVE APX \$ 49,000 IN THE ACCOUNT. RON ARNDT INDICATED THAT COST FOR THIS MEETING WOULD BE \$ 20-25000. THEREFORE OUR BALANCE ON 12/31 WOULD BE \$19-24000. A MOTION WAS MADE BY SANDY JACKSON AND SECONDED BY PRESTON GOUGH THAT THE TREASURERS REPORT BE ACCEPTED AS PRESENTED.

THE ELECTION COMMITTEE THEN PRESENTED THE SLATE OF OFFICERS FOR THE NEXT YEAR. THEY ARE:

RON GABOR -PRESIDENT
LANCE ERICKSON- VICE-PRESIDENT
TREASURER-LOUIS WILLIAMS
SECRETARY- GREG MURREY

EXECUTIVE COMMITTEE:

KERRY DILLARD- 1ST TERM
RONNIE MORRE- 1ST TERM
PRESTON GOUGH-2ND TERM-REPLACING LANCE ERICKSON
DICK THOMAS- PAST PRESIDENT

A MOTION WAS MADE BY PETER SCOBIE AND SECONDED BY RON ARNDT THAT THE LIST OFFICERS AS SUBMITTED BE APPROVED.

NEW MEMBERS WERE DISCUSSED BUT AT THIS TIME THERE ARE NO APPLICANTS THAT WE FEEL WE NEED TO PURSUE.

THIS SUBJECT OF OUR NEW FORMAT INVITING COMPANY PRESIDENTS WAS DISCUSSED. ALL AGREED, AS DID THE COMPANY PRESIDENTS ATTENDING, THAT THE FORMAT WAS A GOOD ONE. WE THEN ASKED THE MEMBERS TO SUBMIT A LIST OF 3 PRESIDENTS TO INVITE FOR NEXT YEAR. AFTER THE POLL WAS TAKEN THE FOLLOWING WILL BE INVITED FOR NEXT YEARS MEETING: TOM KUSMAN, GENE KEATING, GARY DITTMAN, ANDY FRAZIER AND STEVE VACARRO.

THE ALLIGENCE WORK COMP PROGRAM WAS DISCUSSED. ONLY A FEW OF US ARE USING IT WITH ANY SUCCESS.

WE THEN HAD A DISCUSSION ON THE TECHNOLOGY PRESENTATION BY BRAD NEVINS. WE DISCUSSED INVESTIGATING THE COSTS AND BENEFITS OF PREPARING RATING PROGRAMS, SUPPLEMENTAL APPS,ETC OVER THE INTERNET AS A GROUP OR PART OF THE GROUP TO REDUCE THE OVERALL COSTS. EVERYONE AGREED THAT THIS TOPIC MAY HAVE BENEFITS FOR US ALL. A COMMITTEE WAS APPOINTED WITH RON GABOR AS CHAIRMAN AND GREG MURREY, RON ARNDT, LANCE ERICKSON AND RICK KATZ ALSO SERVING ON THE COMMITTEE.

RON ARNDT THEN ASKED ALL MEMBERS BY 11/15 TO SEND HIM NO MORE THAN 5 COPIES OF SELF-RATERS, SUPPLEMENTAL APPS, ETC THAT YOU WOULD LIKE TO SEE CONSIDERED. WE WILL ALSO NEED TO SURVEY OUR MEMBERS AS TO THE TYPES OF SYSTEMS WE HAVE, WEBSITES,ETC.

IT WAS AGREED THAT WE SHOULD CONTINUE OUR MID-YEAR MEETING IN DALLAS. DATES WILL EITHER BE MARCH 20-21 OR 27-28. MEMBERS SHOULD REPLY WHICH DATES BETTER SUITS THEM.

THERE BEING NO FURTHER NEW BUSINESS, OUR ROUNDTABLE DISCUSSION BEGAN. DICK THOMAS REPORTED THAT BOB GLETTLER OF DIAMOND STATE HAS DONE A FEW ASSOCIATION DEALS FOR THEM RECENTLY. OTHER COMPANIES MENTIONED WERE COLONY FOR THE BROKERAGE DEPT, KEMPER PERSONAL LINES, COMMERCIAL CASUALTY FOR SMALL P & C, AMERICAN UNDWIS IN SCOTTSDALE USING WESTPORT PAPER FOR TRUCKS. EVERYONE'S BUSINESS IS UP, PARTICULARLY ON COMMERCIAL VEHICLE, BROKERAGE AND WORK COMP.

IT WAS CONFIRMED OUR MEETING FOR 2001 IS IN WILLIAMSBURG ON OCTOBER 11-14.

WE DID HAVE A BID TO DO A NEW BROCHURE FOR THE ALLIANCE BUT IT WAS AGREED THAT WE WOULD DEFER THIS FOR NOW PENDING FURTHER DEVELOPMENT OF A POSSIBLE WEBSITE.

THERE BEING NO FURTHER BUSINESS, A MOTION WAS MADE BY JOHN GRIFFIN AND SECONDED BY PETER SCOBIE THAT OUR MEETING BE ADJOURNED.

RESPECTFULLY SUBMITTED,

GREG MURREY
SECRETARY

EXECUTIVE COMMITTEE MEETING OF THE USA ALLIANCE
OCTOBER 21, 2000

THE EXECUTIVE COMMITTEE OF DICK THOMAS, RON GABOR, GREG MURREY, LOUIS WILLIAMS, RONNIE MOORE, KERRY DILLARD, PRESTON GOUGH AND LANCE ERICKSON MET IMMEDIATELY AFTER THE CLOSE OF OUR ANNUAL MEETING.

THE ANNUAL BUDGET WAS DISCUSSED FIRST.

OUR ESTIMATED EXPENSES ARE AS FOLLOWS FOR NEXT YEAR:

LEGAL/TAXES	\$ 3500
MID YEAR MEETING	\$ 5000
ANNUAL MEETING	\$35,000
INSURANCE	\$ 1750
PRES OFFICE	\$ 3600
TREASURERS OFFICE	\$ 1000
SEC OFFICE	\$ 240
MISC	\$ 1000
TOTAL	\$ 51,090

LOUIS REPORTS THAT OUR BALANCE AFTER THE CURRENT ANNUAL MEETING EXPENSES WILL BE APX \$ 15,000.

IT WAS AGREED THAT WE MUST REINSTATE PAYMENT OF DUES AT THIS TIME.

DUES WERE AGREED AT \$ 200 PER MONTH PER INDIVIDUAL EFFECTIVE 1/1/01 AND WILL BE BILLED EVERY SIX MONTHS.

THERE BEING NO OTHER NEW BUSINESS, WE DID DISCUSS AND CONFIRM AMONG OURSELVES THAT AT ALL MEETINGS OF THE ALLIANCE THAT ANY INDIVIDUAL ACTIVITIES THAT SOMEONE DOES—GOLF, TENNIS, ETC-- THAT IS NOT A GROUP FUNCTION WHERE EVERYONE ATTENDS, IS TO BE PAID BY THE INDIVIDUAL AND NOT FROM THE BUDGET FOR THE ANNUAL MEETING.

THERE BEING NO FURTHER BUSINESS, MOTION WAS MADE BY PRESTON GOUGH AND SECONDED BY LOUIS WILLIAMS AT 12:45 PM THAT OUR MEETING BE ADJURNED.

RESPECTFULLY SUBMITTED,

GREG MURREY
SECRETARY