

DIRECT

From the Offices of the CEO and President

Times are tough. We are here to help.

During the past few months, we've encountered unprecedented times. We know what you're experiencing in order to maintain your business position and your lifestyle.

We're here to assist you with risk management solutions to help you protect the assets you and your family have worked for all of your lives.

The time tested values of trust, commitment to purpose, and responsiveness to client needs are embedded in the work ethic

of our staff. We're here to listen and respond to your needs.

As difficult as times may appear, we're also feeling a sense of optimism as our business and personal clients adjust to the current economic environment. You are making the changes necessary to weather this uncertainty.

Yes, these are turbulent times. But working together, we can accomplish good things.

*Thomas W. Van Grofski, CEO
James S. Denham, President*



New Endorsements Help Insure the Contents of Relatives and Others

We're pleased to bring you this update: Most of our insurance carriers now offer two homeowner policy endorsements known as **Assisted Living Care Coverage** and **Other Members of your Household**.

The Assisted Living Care Coverage provides personal property and liability insurance to any relative of an insured residing in an Assisted Living/Nursing Home, and covers personal property as well as loss against hearing aids, wheelchairs, and other medical needs. It can even

cover additional living expenses if your relative is displaced.

Other Members of your Household provides the same personal property and liability coverage to any individual who lives with you but is not a relative or an insured. (For example, if you own your house and your fiancée lives with you, this endorsement would need to be included on your policy in order for her to have personal property and liability coverage from your policy.) This coverage does not extend to tenants or employees.

New Season, New Reason to Check Coverage

As temperatures increase, so do outings on motorcycles, boats, ATVs, and other seasonal transportation. Contact Arthur Hall to make sure your vehicles are properly insured before enjoying the great outdoors.

A Tribute to Our Founder

Arthur C. Hall, Jr.



We are sad to report the passing of Arthur Hall on March 17, 2009, at age 83. In 1966, Art founded the agency that proudly carries his name and flourished under his leadership for two decades. In 1986, Art sold the agency to Tom Van Grofski who considered him a mentor and friend. Today, Arthur Hall Insurance has evolved into one of the largest insurance agencies in Chester County.

There are many fine qualities about Art we strive to emulate. He cared deeply about his employees and was quick to praise their work. With clients he was honest, compassionate, and committed to protecting the assets they'd worked for all their lives. He gave his time generously to support many civic activities.

Art was also a genuinely devoted family man and is survived by his wife Sue, daughter Joyce Mellinger, son Arthur C. Hall III, six grandchildren and his brother John. We extend our deepest sympathies to the family as well as the many whose lives Art touched. He will be sincerely missed.

On another sorrowful note, we report the passing of William B. Haines on March 12, 2009, at age 83. Bill ran the family-owned McFarland and Haines Agency, started by his grandfather in 1904, which merged into our agency in 1999. We are proud to continue servicing his former clients. Bill was a well-known business leader in the West Chester community and his presence will be missed.

Uninsured Motorists Increase Road Risks

A recent study by the Insurance Research Council estimates hundreds of thousands dropped their car insurance over the past year largely due to economic downturn. Online agency Insurance.com reports as many as 40% of callers completing online applications also let policies lapse.

This news negatively impacts drivers everywhere. If you're involved in an accident with an at-fault uninsured motorist, you may have to sue to recover costs —

and many uninsured motorists have few assets to claim.

The good news is you can protect yourself with uninsured-motorist coverage, already required by many states. While this coverage may slightly boost your premium, it provides key compensation to safeguard injured policy owners and their families.

In this unstable economy, chances are you may be involved in an accident with an uninsured motorist. Don't increase your risk by forgoing this coverage.

Employment Practices Liability Insurance is Timely Protection

In an uncertain economy where businesses are struggling to survive, more employees are subject to layoffs. But those who are terminated are also more likely to sue — citing discrimination and other issues — than they would in a strong economic climate. Fortunately, you can protect your business against those legal costs with Employment Practices Liability Insurance.

Companies often seek to obtain credit to cover expenses from uninsured losses. In a recession, that credit may be more difficult

to access. An uninsured loss can have an even greater impact when a company's profit margins are already eroded. No business is immune.

That's why Employment Practices Liability Insurance can play a crucial role in a company's overall protection plan. It covers businesses against claims made by former employees that their legal rights have been violated. EPLI will reimburse for the legal costs incurred in court cases, judgments or settlements. Contact Arthur Hall today to learn more about placing this important coverage.

Faces in the Hall

Robert G. Hackett, Jr. CIC

Sr. Vice President, New Business & Program Dev.

Bob joined our agency in April, 2009. He's the former president of J.A. Montgomery in Wilmington, DE, and brings over 35 years of experience in the Commercial Property Casualty field. Bob earned a degree in Business Administration from the University of Miami. A father of two and a grandfather, Bob resides with wife Marge in Hockessin, DE, and is active in many area organizations.



Robert G. Hackett, Jr. CIC

In the Community

In April, Arthur Hall took part in a Greater West Chester Chamber of Commerce **State of the Economy Panel** at Penn Oaks Golf Club. Vice President Mark Sammarone was featured on the panel, which included representatives from Moody's Economy.com, First National Bank of Chester County, and Edward Jones.

Notice Forbidding Certificate Changes Issued



Clients are being increasingly pressured to obtain certificates of insurance with improper changes. The wording is standardized and cannot be changed. As a result, the Insurance Department is now cracking down on this illegal practice — issuing an Official Notice stating certificate alteration likely violates the law and may result in enforcement action.

The Insurance Department's Notice was developed with the Insurance Agents and Brokers Group to help put an end to this widespread practice. The Notice was formally published in the Pennsylvania Bulletin and can be accessed at IA&B's website, www.iabgroup.com.

Arthur Hall Focuses on Cost-Effective Benefits



Adding to our line-up of innovative products and solutions, we've launched Arthur Hall Benefits to bring you employer-sponsored plans at affordable rates. Enhance your ability to attract and retain good employees with the many plans we have available, including:

- Group Medical, Dental & Vision
- Group Disability
- Group Life, Accidental Death and Dismemberment
- Flexible Spending Accounts
- Part-Time Employee Benefits

Arthur Hall Benefits offers plans that provide considerable cost savings without sacrificing quality coverage. Please contact us for more information or a coverage review.



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Industry-Leading Solutions with Hometown Service

There's more turbulence ahead in 2009 — and we're not talking about the economy! According to WSI Corp., a Massachusetts-based provider of wealth-driven solutions, this year's Atlantic tropical season will include:

- 13 named storms
- 7 hurricanes
- 3 Category 3 or higher hurricanes

The forecast numbers are higher than previous averages and are based on what's expected to be higher Atlantic Ocean temperatures in the summer and fall, as well as favorable wind speed and direction.

Stormy Weather



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