Commercial Lines Playbook
Inspiring confidence for nearly 160 years

Over the course of its nearly 160-year history, The Hanover has established one of the longest and proudest records in the industry. Today, The Hanover offers a wide range of property and casualty insurance products and services to individuals, families and businesses through an extensive network of some of the very best Independent Agents in the country.

The Hanover is a Fortune 1000® company, ranked among the top 25 property and casualty insurance companies in the industry. The company is in excellent financial condition and is committed to delivering real franchise value to its agent partners through a broad and innovative product set and exceptional service.

The Hanover provides its Partner Agents and their customers with the product and service capabilities of the best national carriers, together with the local market knowledge, accessibility and responsiveness of the best regional carriers. In short, the best of both.

A SOLID FOUNDATION

Market turmoil has confirmed The Hanover’s financial staying power, and created significant growth opportunities. The Hanover stands on solid ground, thanks to sound business practices, disciplined underwriting and conservative investment strategies.

STRONG BALANCE SHEET AND CAPITAL POSITION

- $3.0 billion in net written premium
- $1.7 billion in statutory capital
- Profitable growth in all businesses

CONSERVATIVE INVESTMENT STRATEGY

- Cash and investment grade bonds represent approximately 90 percent of our invested assets

EXCELLENT FINANCIAL STRENGTH RATINGS

In May 2009, the A.M. Best Company upgraded The Hanover’s financial strength rating to “A” (Excellent) from “A-”. With our industry under significant pressure, The Hanover was the only insurance company in the country to be upgraded by A.M. Best, Moody’s and Standard & Poor’s during 2008 and 2009.

“At a time when many rivals are contracting due to the bad economy, Tom Brown, CEO of Richmond (Va.)—based Rutherford Insurance, appreciates the focus Hanover has put on agencies like his...‘the ability to move and adjust according to the circumstances...I like the way they do business’.”

—BusinessWeek Online, December 2009
The Hanover Advantage is the Power of Partnership.

By choosing to work closely with a select group of independent agents, The Hanover unites its energy, people and resources with the talents, drive and savvy of winning agents, creating a powerful alliance for mutual and unprecedented success.

Making our product available to the best partner agents is a critical component to The Hanover’s strategy. By creating franchise value, The Hanover enables partner agents to further differentiate themselves in the marketplace, helping to bolster customer satisfaction, productivity and profitability above industry averages.

At the same time, The Hanover is dedicated to product innovation, committing to making more investments than any other carrier in distinctive product enhancements, giving partner agents more to sell. And, the company’s offering is backed by unparalleled responsiveness, locally aligning people and capabilities around agents to be the most efficient and responsive carrier to do business with for its partners.

“Hanover is displaying resilience as many rivals wilt during the current market disruption.”

—Barron’s, June 2009

COMMERCIAL LINES 2010 HIGHLIGHTS & PRODUCT MIX

- Grew net written premium by 40 percent, while maintaining underlying accident year profitability in spite of challenging market and underwriting conditions
- Successfully executed renewal rights transaction with OneBeacon, which resulted in approximately $300 million in renewal premium, and provided access to additional underwriting expertise and product capabilities
- Established operations in the West, expanding into seven additional states
- Completed acquisitions of the Campania Group, Benchmark Professional Services, and the surety business of ICW Group. These strategic acquisitions introduced healthcare, and architects and engineers capabilities to The Hanover’s product set, and helped establish a national platform for surety offerings
- Developed new specialty capabilities for professional and management liability, and expanded The Hanover’s niche offerings, adding technology, and sports and recreation capabilities

PERSONAL LINES 2010 HIGHLIGHTS & PRODUCT MIX

- Continued to leverage “Think Hanover,” a total account-focused initiative to improve retention and increase total account business
- Increased account and multi-car business to approximately 75 percent of policies in force
- Expanded suite of agency solutions with product advisory and consultative support
- Expanded agency participation in customer service centers, providing a broad array of services, and increasing agency revenues through retention and account development


Avenues, Connections, The Hanover Insurance Group with Eagle icon, and “Our policy is performance” are trademarks of The Hanover Insurance Group, Inc. All other trademarks are the property of their respective owners.
I. Intense Focus on Product Innovation
We sell a unique product mix; broader and more relevant to agents than any other carrier.
We commit to unprecedented amounts of distinctive product enhancements over the next five years.

II. True Commitment to Partnership
We create franchise value by limiting the availability of our products much more than the leading regional and national companies.
We invest in products and services that enhance an agent’s economics (e.g., investments in building total accounts).

III. Unparalleled Responsiveness and Expertise
We deliver our offerings through local capabilities with significant authority.
We align our people and technology to be the most efficient and responsive company to work with to capitalize on market opportunities.

The Hanover Value Proposition

The National Company with a Regional Approach
Distribution Strategy
Hanover’s Distinctive Value Proposition for Our Agents

Hanover is a unique company with a compelling value proposition. Every Hanover employee should make it their mission to learn and understand our distinctiveness, and be able to articulate it during agent interactions. It’s critical to our mutual success. If we don’t inform our agents about our uniqueness, our competitors surely won’t. It’s up to us—every one of us, every day.

“The Hanover Promise

THE BEST PARTNER BECAUSE:

I. Intense Focus on Product Innovation
II. True Commitment to Partnership
III. Unparalleled Responsiveness and Expertise

“Hanover offers our agents a compelling and unique value proposition, which is grounded in our commitment to Independent Agents and to improving their economics. Collectively, three key elements shape our distinctiveness.

1. Intense focus on product innovation—investing in unprecedented amounts of relevant products for our agents to grow and write the total account
2. True commitment to partnership—creating franchise value through a selective distribution focused on winning agents and improving their economics
3. Unparalleled responsiveness and expertise—delivering our broad capabilities through local professionals empowered with significant authority

We are the national company with a regional approach for winning agents.
The Hanover Is the Best Company for Partner Agents because:

I. Intense Focus on Product Innovation
We sell a unique product mix; broader and more relevant to agents than any other carrier.
We commit to unprecedented amounts of distinctive product enhancements over the next five years.

II. True Commitment to Partnership
We create franchise value by limiting the availability of our products much more than the leading regional and national companies.
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The National Company with a Regional Approach
Industry Overview of Distribution

P&C insurance is distributed through multiple channels. The top three channels are Independent Agents, Captive Agents, and Direct Writers. In Personal Lines, all three channels have a meaningful share of the market. For Commercial Lines, Independent Agents are the largest channel (especially for larger commercial), with Captives a distant second place and Direct Writers even further behind.

- **Independent Agents (e.g., USI)** — These range from “mom and pop” small agents locally selling personal lines and small commercial, to large entities who sell a broad range of P&C products. The value proposition offers a combination of local responsiveness, value, professionalism, and customer choice (i.e., they represent multiple carriers).

- **Captives (e.g., State Farm)** — Their focus is on developing a brand and local presence to target primarily personal lines and small commercial. Their value proposition is geared to lower cost and local service. As a captive writer, they only have a single company offering (i.e., no customer choice) and they lack broad product market appetite.

- **Direct Writers (e.g., Geico)** — They rely heavily on mass marketing, especially personal lines. Their value proposition is aimed at lower cost and ease. As a direct writer, they only have a single company offering (i.e., no customer choice) and they lack broad product market appetite. They also lack local presence.

In this economy and market, the economics of Independent Agents are challenged, forcing them to have to make critical decisions that will impact their future. These examples illustrate the pain Independent Agents are facing:

- **Decreased profit sharing in 2009** — 58% of agents report decreases
- **Declining pre-tax profit margin** — down to 12% (Q1 2010) from 19% (Q1 2007)
- **Deteriorating revenue growth** — negative 2.5% at Q1 2010, down from +2% at Q1 2007

Hanover Distribution Priorities

**Value proposition sets the framework** — While the economy and market present a problem for many agents, this situation also creates new opportunities for companies like The Hanover who have a clear strategy, are well prepared with unique solutions, and focused on delivering value to agents. At the core of The Hanover’s distribution strategy is an explicit focus on improving our agents’ economics through:

- Intense focus on product innovation
- True commitment to partners
- Unparalleled local responsiveness and expertise

**Commitment to Independent Agents** — The Hanover is fully and solely committed to working in the Independent Agent system because we believe that they create and sell a distinctive value to personal and commercial lines customers. Independent Agents’ ability to sell value and differentiate products, capabilities, and services aligns well with our business strategy. Hanover is focused on customers who value high-quality products and responsive services. Our singular focus and alignment with selected winning agents enables both our agents and Hanover to succeed through a partnership that delivers distinctive value-add products and services.

**Selective Distribution is a competitive advantage** — Hanover’s selective distribution strategy runs counter to virtually all national companies and many regional carriers. Our approach creates a distinctive franchise value for us in the market, which is enhanced by choosing to do business with the right agents.

- **National Carriers (e.g., Travelers, Hartford, Liberty/Safeco, CNA)** — Their goal is for broad distribution, which equates to very large agent plants comprised of 15,000+ agents for each. On average, this represents 500 or more agents per state, per company (very saturated).
Regional Carriers (e.g., Harleysville, Frankenmuth, Selective)—These will not have the total number of agents that the Nationals do but, in the states where they do business, they will often have a very broad distribution approach. For regional carriers, it is uncommon to have 400+ agents (very saturated).

Many agents feel “commoditized” by nationals and regionals on distribution because there are so many agents representing these companies, all selling the same products, that there is really nothing distinctive about representing these carriers.

Hanover’s selective distribution creates a distinctive offering and a competitive advantage for our agents, and for us. Because we are selective, our agents are able to truly differentiate themselves with The Hanover. The total size of The Hanover’s Agent plant is only 2,800 countrywide, which equates to about 75 agents on average per state. That is very selective compared to national and regional carriers.

We have tremendous leverage in our agent selection process, since we choose who we want to do business with (and who we do not). By holding back on appointments, agents who are appointed consequently have a competitive advantage. We can legitimately ask for and expect a larger share of their business in exchange.

An often overlooked yet important benefit is our ability to focus our attention, resources, and efforts on a small number of committed agents. Because of our smaller agent plant, we have the ability to know our agents better than anyone and can work closer with them than anyone. Our ability to truly focus efforts and be ultra-responsive with a small number of agents further adds to our distinctive franchise value proposition.

A focus on winning agents and their attributes—
The Hanover focuses on doing business and partnering with winning agents because they represent the future of the industry. The rationale is simple and compelling. Winning agents consistently outperform other agents in terms of growth and profit year-over-year. So by working closely with this group of agents, The Hanover is well-positioned to have the best opportunity to grow, be profitable, and sustain our journey far into the future.

Winning agents are not necessarily large agents. They are winning mainly because of the way they structure and operate their agency. This includes key agency attributes such as:

- Offering and selling differentiated services, creating value for customers
- Valuing and developing strong relationships with their key carriers, which fosters meaningful business partnerships
- Investing in their businesses and people so that they continue to be “leading edge” organizations in the industry
- Targeting markets and customers by leveraging their agency’s distinctive capabilities, and developing and delivering expert service
- Financially outperforming peer agents in profit margins, growth, retention year-over-year leading to a sustainable competitive advantage

Securing a winning position within agents—
Independent Agents, by definition, represent many carriers. Smaller agents work with four to seven companies, while mid-size agents are appointed with seven to 15, and larger agents can have 20-plus. Agents tend to favor a small number of carriers who receive a large portion of their business. Often the Top 3 markets within an agency represent 65% or more of the agent’s total business.

Additionally, an agency’s top companies benefit from better risk selection along with better profitability, stronger growth, and retention. Top companies also receive an inordinate amount of attention and responsiveness from the agency. So, being a top carrier in an agency is a winning position. That’s where The Hanover highly desires to be.

Converting more Partner Agents—All Hanover Agents are important to us. “Partners” is the term to designate our best agents, those who are winning more business, committed to The Hanover, and delivering superior profit and growth. We expect to get “partner behaviors” (best business, profitable, keep renewals, etc.) along with above-average financial outcomes. Our commitment to Partners starts with the CL
RVP leader who, along with the entire Hanover team, works to improve agent economics and favors them through selective market access to certain products. For example, Partners get access to our niches and are among the first to get any new capability, giving them a market advantage.

Hanover CL “Partner” designations include:

- **Pillar Partner** ("Pillar") — Agents where Hanover has attained a large, profitable volume and is sustaining meaningful growth year over year

- **High Potential Partner** ("Hi-Po") — Agents where we have a multi-year commitment for large, profitable volume and are significantly growing

Today we have about 350 Partner Agents (roughly 13% of our total agents) and these Partners write over 50% of our CL premium. “Partner conversion” is both sustaining growth with existing Partners while developing agents into new Partners. Over the next few years, we expect to at least double the number of our Partners, while keeping the overall number of Hanover agents fairly flat.

**Summary of Key Hanover Distribution Points**

- Focused solely on the Independent Agent Channel
- Converting and developing Partners is foundational
- Selective distribution that is geared towards winning agents
- Unique company focus aimed at improving our agents’ economics
- Commitment to unprecedented growth of relevant products for our agents
- Local professionals with significant authority deliver distinctive capabilities

**OTHER IMPORTANT DISTRIBUTION TOPICS**

**Position on aggregators** — While the aggregator model does not fully align with our distribution strategy, we do business today with some of the better aggregators. Success factors in working with aggregators are to work only with the better aggregators who have solid, local management and who are committed to a mutually productive company relationship. From the company perspective, locally the RVP needs to set clear expectations and agent management protocols with each aggregator.

Generally, our product offering with aggregators has been Personal Lines and Small Commercial. With the emergence of specialty businesses, there also may be “specialty plays” with those agents who provide unique market expertise, and where the product set is not widely distributed (e.g., marinas).

A key element of managing agent channel conflict involves not putting other loyal Hanover Agents in a disadvantaged position. For example, giving an aggregator access to a Middle Market niche could enable a non-Hanover agent to take opportunities from existing Hanover Agents. Nor would we want to provide aggregators with a large portion of our limited property capability in CAT zones while denying existing Hanover Agents that same capability.

Bottom line, we very selectively manage which aggregators we do business with, focusing on the better ones and limiting product access mainly to PL and SC, or occasions where specialty expertise can be leveraged. Strategically, we seek accelerated growth with retail agents over aggregators.

**Managing large and small agents** — Winning agents come in a variety of sizes and types. All agents who work with Hanover and want to be in a winning and profitable position are relevant to our success.

Larger agents (> $10 mil TAV) tend to be focused on writing Middle Market and Specialty Commercial Lines business. Our rapidly expanding Commercial Lines capabilities presents a portfolio geared to the “sweet spot” of larger agents (> 10 mil TAV). The CL RVP is franchise leader, working with their team to deliver distinctive CL capabilities (e.g., niche, segments, specialty) enabling profitable penetration. Our strong CL capabilities create opportunities to leverage for a
consolidation “ask” of their small commercial (and personal lines). Large commercially oriented agents will be key drivers of our future growth.

Small agents are those who write less than $10 million in P&C premium, which equates to less than seven employees. Their revenue stream comes mainly from personal lines (about 65%) and from small commercial (about 30%), with a smattering of other business completing the picture. These agents are generally profitable and slightly growing with their top 1–2 markets, while all other companies get mixed outcomes. Our strategic goal is to work with those small agents who are committed to providing us a preferred position (e.g., Top 2) while delivering them a value proposition rooted in personal lines and small commercial, but with additional capabilities that beat out regional carriers.

Key Marketing Tools
We offer a full range of marketing tools to help agents understand our capabilities, appetite, and products and to help supplement and amplify their sales efforts:

- Hanover “Right Partner” Agent Brochure (116-1028)
- New Agent On-Boarding Kit (113-1033)
Hanover Franchise Value

Specialty: Unique & Expanding Suite of Capabilities
Personal Lines: Best Total Account Writer
Middle Market: Differentiated Industry & Niche Offerings
Small Commercial: One Stop, Total Account Approach

Agent Universe
Top Agents

Process:
• Quote responsiveness
• First contact resolution
• Customer Service Center

Local Adults

Talent:
• UW expertise
• Decision authority

Technology:
• Easy to use POS system
• Account triage
• BOP automation
• Multi-variate products

Product
Innovation

Selective
Distribution

Local
Expertise

= BETTER AGENT ECONOMICS
THE BEST PARTNER FOR WINNING AGENTS
Hanover Sales Model

Selling is about proactively attempting to change agents’ attitudes, actions, and, most importantly, outcomes. When your recommendations and ideas help agents attain their goals, they favor you more, opening up opportunities for you to earn a larger share of their business. Everyone wants to achieve this, but successful salespeople actively seek to make it happen more often and faster.

How do they do it?
Successful sales people consistently focus on fundamental selling skills. They know the importance of the basics. They constantly prioritize, plan, and execute in a manner that is focused on maximizing results. Hanover’s sales approach focuses on proven fundamentals of successful selling, while also allowing for individual styles and flexibility. Our approach incorporates these basic skills. While this method is fairly simple to understand, it still requires practice and effort to gain proficiency.

Key Steps in the Hanover Sales Process
Every sales call is different and each person has their own sales style, but the key elements of the sales process always apply. For example, in baseball, you cannot run from first base to third base, you have to run the bases in order. So it is in sales; each step builds upon the previous one.

Prepare (Batter’s Circle): Plan ahead. Know up front why you are going, what you want to achieve, what the agent’s needs may be, and any potential objections. Know what you are going to accomplish before the call.

Engage (1st Base): Open the meeting strongly and positively. Build rapport and set the direction for the rest of the call. Calls are off to a good start when the agent is engaged and actively participates in the dialogue.

Probe (2nd Base): Ask questions to gain insights and to validate what you think may be true. Questions create agent interaction and provide the framework for differentiation on the things that matter to our agents. Good questions also help the agent recognize the importance and impact of things happening within the agency or on a particular account.

Solve (3rd Base): Guided by agents’ needs and wants, frame a solution that meets their needs. Using the insights you’ve gained from effective probing, you can offer solutions that differentiate you from your competitors and position you as a trusted advisor.

Close (Home Plate): After proposing a solution, bring it home by seeking a specific commitment for action and/or outcomes. It’s a proven fact in sales that those who ask for more, get more. Closing a call well sets clear expectations for all. Agree on who will do “what” by “when”.

Execute (Score): The real action usually starts after the call. Executing on commitments and holding people accountable will lead to more “scoring” and sales success.
Agent Perspectives

We have a tremendous opportunity to differentiate ourselves with our agents.

Every individual in every agency has a favorite company person who is their “go to.” That “favored” company person has consistently created tangible value in a way that others have not. Our goal is to be positioned as having THE “go to” individuals and being THE “go to” company for winning agents.

The Hanover sales model is grounded in meeting our agents’ needs and improving their economics. For agency principals, this means things like more revenue and higher margins. For producers, it’s about more revenue, more wins, better retention, and being more productive. For CSRs, it’s about achieving a higher level of productivity, faster and better.

The key to being “favored” (and, consequently, successful in sales) is knowing what we want to achieve while focusing on exceeding the agents’ needs. Embracing a win-win approach in our actions sets a framework for selling that differentiates us from our competitors.

Below are some key elements in Hanover’s sales model, framed from what “good” or “not good” looks/feels like from an agent’s perspective. Approaching it from this view makes it easier to understand the key elements and why they are important.

<table>
<thead>
<tr>
<th>THG SALES MODEL — WHAT IT IS</th>
<th>THG SALES MODEL — WHAT IT IS NOT*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Preparing (“doing your homework”)</td>
<td>Winging it (“not respecting or valuing my time”)</td>
</tr>
<tr>
<td>Addressing needs (“valuing my time and needs”)</td>
<td>Showing &amp; throwing up (“it’s all about you”)</td>
</tr>
<tr>
<td>Differentiating (“showing me why Hanover”)</td>
<td>Having no impact (“wasting my time”)</td>
</tr>
<tr>
<td>Creating value (“helping my economics”)</td>
<td>Product Dumping (“blah, blah, blah”)</td>
</tr>
<tr>
<td>Seeking win-win (“solutions that really work for me”)</td>
<td>I win you lose (“being sold”)</td>
</tr>
<tr>
<td>Meeting commitments (“being dependable”)</td>
<td>Maybe, sometimes (“can’t count on, not dependable”)</td>
</tr>
</tbody>
</table>

*Agent perspectives are noted above in parenthesis

Components of a Successful Sales Professional

**Attitude:** Everything that happens in sales (good or bad) starts with how salespeople feel about themselves, their products and services, and their company overall. Think about it from the agent’s perspective: “If you don’t believe in your company, its products, and yourself, then why should I?” Sales success starts with a great attitude and a passion to win.

**Competency:** There are key areas of knowledge and skills to develop that will create a solid foundation going forward. Being credible requires sound knowledge of products, industry, agents, and The Hanover. Being effective requires sales skills such as questioning, differentiating value, closing, and overcoming objections.

**Proficiency:** This is the ultimate driver of sales success, where “attitude” and “competency” come together in executing sales. One example of a proficiency is the ability to persuade, influence, and change people’s attitudes and behaviors. Proficiencies are the critical sales attributes that really drive desired changes and produce positive outcomes.

**Results:** Most successful people are intently focused on their results, which is their scorecard on how well they are playing the “sales game”. Understanding your results as they relate to your goals enables you to prioritize your efforts, make adjustments, and drive greater success.
Accountability: We must be accountable for our results —no excuses. There are many worthy competitors in the marketplace. As we “play the game” day in and day out, we must have an intense focus on execution and continuous improvement. We will not be the #1 carrier in every targeted agency and we will not get every account we want, but our efforts to be better tomorrow than today, to continually “up our game”, will set us apart. There will be obstacles to overcome (“our price is too high”; “our competitor has a better system”; “their product has this coverage”; etc.). By discovering what is most important to our agents, and packaging the solutions that The Hanover and you have to offer (which includes our intense focus on product innovation, our true commitment to partnership, and our unparalleled responsiveness and expertise), we can compete on a high level. By refusing to make excuses, we can beat the best of them!

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Small Commercial
Marketplace Overview

According to the U.S. Small Business Administration Office of Advocacy, there are more than 29 million small businesses operating in this country. Small businesses employ just over half of the country’s private sector workforce. It’s estimated that approximately one half are “cottage industries”, which means very small, home-based businesses.

From an insurance buying perspective, small businesses range from sole proprietors to entities with up to 25 employees. They typically have sales of less than $5 million, with many less than $1 million. The wide range of industries basically mirrors that of the U.S. economy. Small businesses are located everywhere, but are more concentrated in areas where the population is also concentrated. The industry changes rapidly in response to consumer wants and is viewed as a growth engine for jobs.

Target Market

Hanover targets a wide range of small businesses, ranging from sole proprietors to growing enterprises, to the larger spectrum of small business. We define small business as accounts with less than $25,000 in premium, but this varies by state.

Hanover’s broad industry appetite includes over 500 business classes, most of which are what we refer to as “Green Thumbs Up” (GTU) classes, meaning that we typically desire to write the Total Account—BOP/Package, Commercial Auto, Workers’ Compensation, Umbrella, etc.—making them eligible for fast, “straight-through” processing.

While we are open to a wide range of classes, we seek to write more of our business in Office, Retail, Service, and Wholesale classes. Our “Top 75” means our current list of “hot” classes which are aggressively marketed because of high win rates, Total Account focus, and high rates of profitability. This group evolves over time as market and economic conditions change.

Key Competitive Advantages

- “A” rated financially strong company (stability, with ongoing investment in our business)
- Limited distribution strategy, which creates a strong franchise value for our agents, enabling them to differentiate in the marketplace
- Total Account Solutions (one-stop shopping by agents)
  - Covers all lines, plus a wide range of broadening endorsements to offer customers enhanced protection with increased limits at a fraction of the cost if purchased separately
  - BOP or Package capabilities (customized for each unique business; most competitors only offer BOP)
  - Ongoing commitment to continuous enhancement of appetite, products, and services
- Clearly defined appetite (improves agents’ operating efficiencies)
  - Over 500 business classes, with “Top 75” hot classes
  - Continually updated with new classes and market opportunities (e.g., Tech Industry)
- Strong agency partnerships and selective distribution (increases franchise value)
  - We prioritize our resources and special offerings to our Partner Agents (350 countrywide)
Key Competitive Advantages (continued)

- Local professionals who know the market and focus on helping agents grow their business
  - Dedicated Small Commercial Sales Managers with authority to underwrite and issue business
  - Responsive team of Small Commercial Underwriters focused on specific territories
- Attractive agency compensation programs
  - Small Commercial Partner Programs, Market Consolidation Program, etc.
  - CSR incentives
- Ease of doing business using enabling technology
  - Product line fully supported by automation (POS system) providing fast quote and issuance (many completed quickly via straight-through processing)
  - Attach Application Tool transmits information electronically, submits Commercial Package Policy application for fast and easy underwriting response
  - Two-hour turnaround for all POS new business quote referrals for Small Commercial Partner Program participating agents
  - Enhanced underwriting authority in POS for qualifying agents for all lines
  - Continued investment in automation/technology (e.g., TAP redesign, POS enhancements, etc.)
- Unique services and capabilities
  - Experienced Book Roll Team focused on increased conversions and seamless book transfers
  - BOP and Package Underwriters work as a team to maximize responsiveness and expertise
- Customer Service Center
  - Provides strong retention, proactive cross-selling, and reduced costs via actively managed client relationships and consistently delivering excellent customer service
- Ability to service Affinity Programs and Middle Market Accounts for agents who want to play in this space and grow rapidly

Key Competitors

- Nationals
  - Travelers and Hartford are the two largest, with a very large distribution approach
  - Many other companies provide Small Commercial capabilities, but at much less robust levels
- Regionals
  - Virtually every regional carrier offers Small Commercial capabilities, with nearly every market being locally competitive (compete mainly on relationship, price, and responsiveness, but may lack full product breadth and sophisticated automation tools)

Distribution Strategy Overview

Our distribution strategy needs to be broader than that of Middle Market and Specialty, driven by several key aspects that are somewhat unique to the Small Commercial marketplace:

- Small businesses are widely dispersed and tend to work with local agents (i.e., within five miles of their location); therefore, more agents are needed to access the market
- This market is not concentrated, so almost every agent writes Small Commercial, but may have different focus points for the agency
- Small agents focus on small business as a core part of their business, while large agents write a lot in volume, but are focused more on Middle Market (both represent opportunities)

We focus our Small Commercial Sales Manager resources on Partner Agents, thereby contributing significant Small Commercial production. Territories are approximately 25 agents per Small Commercial Sales Manager in order to enable them to really know each agent deeply and work closely (compared to peer companies).

We are focused on four main agent segments:

1. Large Commercial Partner Agents—leverage franchise capabilities, especially Middle Market and Specialty, for Small Commercial book consolidation and Top three ranking (i.e., >$500K or 20%, whichever is larger)
2. Mid-Sized Agents—Pursue a winning position (>250K, with >15% of small business written) with this group, which tends to play hard in the Small Commercial space
3. Small Agents—can deliver meaningful premium and profit via cost-effective approach, managing them to higher profit, yields, retention, and attain a minimum Small Commercial volume level (i.e., >$150K)
4. Selectively appoint agents in under-penetrated micro-territories and grow business to Top three ranking (>15% of agents Small Commercial premium)
Core Product Offerings
- Business Owners Policies and Small Package Policies
- Workers’ Compensation
- Commercial Auto
- Commercial Umbrella
- Employment Practices Liability, Miscellaneous Professional Liability via coverage extensions on the Business Owners Policy product

Expanded BOP Eligibility
- Property values up to $15 million per location
- Annual sales up to $15 million per location
- Square footage up to 50,000 per location (no limit for Office classes)

Special/Value-Add Coverages
- We offer numerous broadening endorsements as well as specialized coverages that small business owners can tailor to meet their specific needs, plus many optional coverage add-ons
- Specialty Coverages
  - Miscellaneous Professional Liability (MPL) for consultants and other classes
  - BOP Employment Practices Liability Insurance (EPL) for most businesses with up to 25 employees
  - Stand-alone Employment Practices Liability also available
  - Inland Marine
  - Fidelity & Crime
  - Tech E&O

Underwriting Process/Model
Underwriting is done in a “hub and spoke” approach with Small Commercial Underwriters located in four Regional Underwriting Centers (Worcester, Atlanta, Michigan), plus Buffalo (for California). Agent customer service representatives can quote, issue, and endorse business online via Hanover’s Point of Sale system. Small Commercial Sales Managers also have underwriting authority.

Customer Service Center
Hanover’s Commercial Lines Customer Service Center provides highly personalized, comprehensive and responsive customer service to the clients of 360 participating agents representing more than $80 million in premium.
- Located in Michigan and servicing all 50 states, the Customer Service Center maximizes client satisfaction and increases revenue through enhanced cross-selling and improved retention techniques than are generally available at the agency level.
- Agents are enabled to pursue significant growth opportunities and focus on sales while maintaining client satisfaction, account retention, agency reputation, and referrals while offering staffing flexibility and increased overall productivity for the agency.
- Concentrates on developing relationships with agents who are focused on containing costs while enhancing their ability to drive growth.
- Great for agencies who have segmented small business units within their agency model, are focused on their middle market accounts, and are looking for a comprehensive solution to service their smaller clients.
- Open to all agents with current or potential volume of greater than 100 policies.

Customer Service Center Benefits
- Agency Personalized Communication—Our specialists answer agent’s client calls live, with agency name, and printed materials sent to agent’s clients carry agency branding.
- Exceptional Customer Service—Agent’s clients’ experience is positive and personal: Our licensed professionals, trained for months before handling client calls, receive continuous, ongoing training. They’re dedicated to agencies by region and client base, have real-time access to agent’s client profiles, and coordinate servicing with agency staff. Over 90% of client inquiries are resolved on the first call. We can also instantly warm transfer a client call to agency staff, at the client’s or agent’s request.

continued
Improved Customer Retention — We deliver more revenue for agents: our carefully designed, tested, and proven renewal and retention programs produce 2% to 4% higher retention than books of business not in The Hanover Customer Service Center. Our higher book roll conversion rates lead to enhanced account rounding and overall revenue growth compared to agencies not using our Customer Service Center.

Increased Productivity and Staffing Flexibility — Customer Service Center complements and extends the agency's best capabilities. Agents can be proactive, focusing on higher value contacts while the day-to-day transactional processing, account rounding, and cross-sell are handled by Customer Service Center.

Our Service Center’s extended hours — 7 a.m.–7 p.m. (EST) — allow for more flexibility for our agent’s customers.

On-Going Communication — We keep agents informed: when agent’s clients make modifications or major policy changes, we send the agent email alerts to keep the agent in the know. Every call is recorded, and the agent receives detailed reports of phone and policy activity, quarterly customer satisfaction surveys, and scorecards with monthly agency financials.

Affinity Programs
Hanover Affinity creates customizable total account solutions for members of sponsored groups. An agency must be endorsed by a group or the group must be attached to an association. Additional Target Market characteristics include:

- Target Market
  - Existing Affinity Group Program
  - Homogenous classes
  - Classes not in Hanover’s Small Commercial Appetite (not green thumbs)
  - Ability to place a minimum of $500,000 of premium within 12 months and grow to > $1 million within 24 months

- Desirable Risk Characteristics
  - Multi-line program
  - Agency has expertise in the class
  - Agency has endorsement of association/group
  - Program with track record of growth and profit
  - Regionally based, (as opposed to National)

- Program pre-qualifications
  - Understand demographics of group: size of group, geography, size of accounts
  - Complete program questionnaire
  - Obtain and review premium and loss data information
  - Secure competitors’ forms
  - Test quoting

Examples of Existing Programs
- Surveyors, Engineers, and Architects
- Car Washes
- Dry Cleaners
- Auto Repair
- Janitorial
- Carpet Cleaners
- Venture Capitalists
- Franchised Restaurants (with limited cooking)
- Power Washers
- Portable Sanitation

Key Marketing Tools
We offer a full range of marketing tools to help agents understand our capabilities, appetite, and products and to help supplement and amplify their sales efforts:

- New Agent On-Boarding Kit (113-1033)
- Small Commercial Appetite & Product Guide (113-1034)
- Small Commercial Product Guide (113-1315)
- Point of Sale How to Guide (113-1317)
- CPP Risk Appetite (113-1276)
- Top 75 Classes (113-1326)

Potential Cross-Sell Opportunities
- Inland Marine
- Surety Bonds
- Employment Practices Liability
- Miscellaneous Professional Liability, especially on larger Commercial Package Policies
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Marketplace Overview

The technology sector, as we define it, is comprised of four major sub-sectors—Information Technology Services, Electronics Manufacturing, Telecommunication Services, and Life Sciences. The total insurance market for this industry is estimated at $9 billion in premium, with over a million individual companies. As a new entrant, our market share is negligible. Technology business exists across the country, but opportunities are more concentrated in CA, FL, GA, IL, MA, MD, MI, MN, NC, NJ, NY, OH, OR, PA, TX, VA, WA. California is, by far, the largest opportunity with over 20% of the available market, followed by Texas at roughly 10%.

The technology industry is in a constant state of flux. Portions of the industry are mature and stagnant, while others are emerging and dynamic. Overall, the market can be characterized as mature with innovation. Size of firms range from one-person operations to large, publicly traded, multinational firms, although the vast majority of businesses are under $15 million in sales. It is not uncommon for a small minimum premium startup to experience rapid growth within the industry and turn into a much larger account.

Target Market

Hanover Small Business Technology Insurance targets a range of technology industries, offering a wide variety of customizable products to companies providing IT and Tech Manufacturing related services.

IT Services
- Computer Consultants
- Custom Programmers
- Prepackaged Software
- Systems Integration

Electronic Manufacturers
- Component Manufacturers

Telecommunications
- Telecommunications Service Providers
- Internet Service Providers

Key Competitive Advantages

Built from the ground up to be tech industry specific with best-in-the-business products, the Hanover Small Business Technology Insurance program offers multiple advantages.

- **Broad Appetite** includes 33 technology classification codes
- **Innovative products** (including a revision to the professional services exclusion to broaden general liability coverage for technology companies), enhanced website protection, an online option for Technology Errors & Omissions coverage and Technology Deluxe and Deluxe Gold Broadening Endorsements, Worldwide Liability offerings and more
- **Errors & Omissions** coverage and Technology Deluxe and Deluxe Gold Broadening Endorsements, Worldwide Liability offerings and more
- **Industry expertise** includes dedicated claims specialists, dedicated loss control engineers, and underwriting expertise
- **Ease-of-doing business** includes a fully automated solution for BOP, E&O, Auto, and Workers’ Compensation (we simplify the quoting process by asking just 10 need-to-know E&O underwriting questions versus multiple pages, and responding to NB quote requests within two hours)
Comprehensive and flexible product portfolio designed to meet the evolving needs of tech companies, dedicated teams in place to support book roll or book thinning opportunities, and an industry-leading service center.

Competitive, low minimum premiums

Key Competitors
- Travelers
- Hartford

Distribution Strategy
Given that the large majority of small technology business does not require agents to have extensive specialized expertise, we have taken a broad distribution approach by opening Hanover Small Business Technology Insurance to all Commercial Lines Hanover Agents. Some Hanover Agents target this industry and locally it is important to identify and align with them to write this business.

Core Product Offerings
- Business Owner’s Policy
- Commercial Package Policy
- Technology Errors & Omissions
- Workers’ Compensation
- Commercial Auto
- Commercial Umbrella

Special/Value-Add Coverages
- 33 BOP Classes (primarily IT and Electronics Manufacturing)
- Tech Broadening Endorsements
  - “Deluxe” and “Deluxe Gold” (over 30 enhancements)
- Tech & Telecom Professional Services Endorsements
  - Removes or modifies the professional services exclusion found on the BOP General Liability
- Enhanced website and Internet coverage
  - Extends Personal Injury and Advertising Injury coverage to the insured’s website
- Worldwide Liability Endorsement
  - Broadens coverage territory to include claims brought outside the U.S.

Underwriting Process/Model
Underwriting is done by generalist underwriters in each center. Specially trained underwriters within each center will act as a lead from an authority and guidance standpoint.

Target Risk Characteristics
Although we anticipate that the majority of small technology business will be acceptable from an indemnity perspective, products and/or services with end uses or applications that are likely to give rise to catastrophic Bodily Injury and/or Property Damage should be identified and weeded out to prevent adverse selection. Below are some unique technology-related exposures that we do not want to pursue.

- Aerospace or avionic technologies, aircraft, automobiles or trucks (if critical to their operation or safety), marine vessels, any military vehicle/device/or weapon system
- Chemical, energy production, alternative energy, power supply systems, batteries, pollution detection/control/or remediation, mining, utilities, waste management/treatment
- Industrial machinery, process control, assembly line equipment, factory automation, robotics, and engineering services (CAD, CAM)
- Cell phone manufacturers or distributors, manufacturing of cell phone components, other than keyboards and displays, microphones, and speakers
- Physical security including biometrics, building access, etc.
- Medical equipment, pharmaceuticals, life sciences, biotechnology, nanotechnology, EMR systems (Electronic Medical Records software or patient records), emergency response, or public safety
- Computer and video games (non-educational), gaming sites (including massive multiplayer games, e.g., World of Warcraft, The Mafia Boss, etc.)
- Virtual reality game developers/manufacturers
- Gambling, adult-oriented sites, or other vice-related sites
- Freeware (fully functional software available for an unlimited time at no cost)
- Content aggregation/distribution, online auctions, mass email development/distribution and file sharing or distribution (e.g., Napster, Gnutella, eDonkey 2000, Kazaa, or BitTorrent)
• Intellectual property licensing only (no sale of actual products or services)
• Development of social networking sites (personal or business related)
• Telecomm utilities (laying the cable outside of buildings, site development, etc.)

Ineligible Operations for E&O exposures include:
• Development of network security products
• Development of financial software with end uses for funds transfer, financial trading, or financial modeling
• Managed Network Security or development of network security (may consider if it is related to value added reselling of third party network Security HW/SW)

Key Marketing Tools
We offer a full range of marketing tools to help agents understand our capabilities, appetite, and products and to help supplement and amplify their sales efforts.

• Small Business Tech Insurance Agent Kit (113-1393) (includes the items below)
  – Small Business Tech Insurance Agent Brochure (113-1385)
  – Small Business Tech Insurance Target Classes (113-1386)
  – Small Business Tech Insurance Agent Coverage Guide Form (113-1392)
  – Small Business Tech Insurance IT Customer Brochure (113-1387)
  – Small Business Tech Insurance IT Customer Sales Letter (113-1388)
  – Small Business Tech Insurance Electronic Manufacturing Customer Brochure (113-1396)
  – Small Business Tech Insurance Customer Claims Scenarios (113-1391)

Potential Cross-Sell Opportunities
• Inland & Ocean Marine
• Employment Practices Liability
• Crime & Fidelity

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Middle Market Overview

Marketplace Overview

At The Hanover we define Middle Market as accounts that generate at least $25,000 in premium for the lines of business that we write. There is approximately $120 billion in total premium available in the United States. We currently have a book of $500 million in Middle Market premium generated by agents in our original footprint states. The Middle Market accounts for 76.5% of our agents’ commercial business with all carriers and therefore is an area of great opportunity.

Our Target Market

Our target market is defined by the 21 Niches and Segments we have developed. We have the ability to write business not defined by these classes that we label as General Accounts. We limit our new business capacity for General Accounts to our Partner Agents. The target account size in Middle Market is $25,000 to $250,000, however, we can write accounts with higher premiums. Segments and Niches represent more than 60% of the Middle Market business our agents write across all carriers.

Key Competitive Advantages and Capabilities

- Limited distribution allows The Hanover Agents to have a unique offering vs. their competitors
- Niche products are designed for classes of business that are specialized and we have designed products and services especially for this group of customers
- Segment products are designed for classes of business that our agents can successfully write and we have distinctive product enhancements and services that we can offer their customers
- Our Middle Market team offers expertise in each of our Niches and Segments
- We have local front-line underwriters, loss control and claims specialists who know their territory and have the authority and tools they need to respond quickly to our agents
- We continue to invest in specialized industry-specific products and services to help our agents be successful in their local market

Key Competitors:

Key competitors will vary by state and type of business. Please refer to the specific business sections.

Distribution Strategy Overview:

Our distribution strategy foundation is our corporate strategy of limited distribution and focus upon Partner Agents. The strategy then varies by type of business as follows:

- **Industry Niches**—Very limited distribution, and in some cases our niches are “closed” or state-specific. Niches are reserved for Partner Agents or non-Partner Agents who have expertise and a significant book of business. The CL RVP’s determine who has access to the Niche products.

[continued]
Industry Segments — Most segments are available to all agents and in all states. We do have a few segments that are limited, but segments should be considered our greatest opportunity for growth among all of our agents.

General Accounts — In the past General Account business was open to all agents, but with our repositioning new business should be considered in support of Partner agents. We are very focused on retaining all our quality General Accounts business regardless of agency source. We do not want to write a book of primarily General business with any of our agents.

Cross-Sell

Our Middle Market accounts typically have cross-sell potential to one of our specialty lines of business. The Middle Market Underwriter is the “quarterback” to identify the opportunity and refer the agent or account to the right specialty area. Please refer to each product overview for the potential cross-sell opportunity.

**Middle Market**

**INDUSTRY SEGMENTS**

- Craft Brewers
- Cultural Institutions
- Elder Care
- Food Industries
- Hospitality
- Media
- Medical Facilities
- Metal Workers
- Plastic Product Manufacturers
- Printers
- Professional Services
- Real Estate
- Restaurants
- Retail
- Special Trade Contractors
- Wholesalers

**NICHES**

- Amateur Sports Organizations & Fitness Centers
- Chauffeured Transportation & Limousine
- Education
- Human Services
- Moving & Storage
- Records Storage & Destruction
- Religious Institutions
- Technology
Middle Market

Industry Segments
Marketplace Overview

The U.S. contractors industry includes approximately:

- 449,000 special trade contractors with 4.4 million employees
- $480 billion in construction cost for special trade contractors
- $148 billion in payroll for the special trade contractors
- The contractor market in the U.S. is estimated at $40 billion in premiums. Hanover has $163 million in contractor premium written primarily in New England, Michigan, and Florida.

The recession has slowed industry growth over the last two years, with many projects put on hold or cancelled. For 2009, the Architecture Billings Index (a leading contractor indicator) was relatively flat to down a fraction. While construction business operates everywhere, Hanover’s footprint will be limited due to our stance on construction defect.

Target Market

Hanover Contractors Advantage targets a wide range of nonresidential contractors who are committed to job safety, willing to work with us to manage risk, and understand the benefits of a long-term relationship in controlling loss costs.

We target General Contractors and Selected Trade & Artisan Contractors. Eligible Trade Contractors include:

- Floor Laying
- HVAC—Commercial & Residential
- Plumbing—Commercial & Residential
- Painting—Interior/Exterior
- Electrical Contractors
- Swimming Pool Contractors
- Masonry & Stone Contractors

- Tile, Marble, Terrazzo & Mosaic
- TV, Radio, Home Theater Installation
- Concrete Contractors—Selected Ops
- Water Well Drillers
- Glass & Glazing Contractors
- Site Preparation Grading of Land—Selected Ops
- Furniture/Fixture Installation

Ineligible Contractors—(generally presenting significant severity exposures)

- Heavy Construction
- Airport
- Street and Road
- Pipeline
- Transmission Lines—High Wire
Target Market (continued)
(Ineligible Contractors—continued)
• Roofing
• Large Industrial/Commercial Construction
• Railway/Subway
• Marine
• Tunneling
• Sewers, Gas Mains
• Dredging/Pile Driving
• Insulation Installation
• “Wrap ups”

Key Competitive Advantages
In addition to offering contractors a broad array of customizable, industry-specific coverages, Hanover Contractors Advantage offers the following:
• A fully integrated risk management program that combines underwriting, claims, and loss control services, all provided by one company—The Hanover
• Highly tailored insurance products and rates designed for contractors
• Local experienced underwriters who have a proven track record in this industry and can make decisions on the spot
• Loss Control Customer Portal providing agents and customers with value-add information on loss prevention
• Comprehensive Loss Control services that help contractors minimize their risks
• Access to additional specialty coverages for one-stop shopping (e.g., Inland Marine, Employment Practices Liability, Commercial Surety, etc.)
• Financial strength writing on “A” rated admitted paper
• Limited distribution strategy, which creates a strong franchise value for our agents, enabling them to differentiate in the marketplace

Key Competitors
• Travelers, CNA, Hartford, Zurich, Liberty, Cincinnati Financial, Harleysville, Selective

Regional carriers also compete in the construction market, typically targeting smaller risks and they may not have a full breath of industry-specific coverages and services.

Distribution Strategy
Our appetite is reserved for those agents who have experience in profitably writing contractors; however, the distribution strategy is still evolving.

Core Product Offerings
• Commercial Package Policy
• Commercial Property
• Commercial General Liability
• Commercial Automobile
• Commercial Umbrella
• Workers’ Compensation

Special/Value—Add Coverages
We offer a broad array of specialized coverage that contractors can tailor to meet their specific needs, including:
• Property Broadening Endorsement—Four Levels of Coverage
• General Liability Contractors Broadening Endorsement (adds 20 important GL coverages including aggregate per project)
Underwriting Process/Model
Underwriting is done through local branch Middle Market Underwriters.

Risk Characteristics
Hanover will be most competitive on Special Trade Contractors and General Contractors that have the following risk characteristics:

• Operating in states where the legal climate and construction defect issues are moderate/minimal
• Involved primarily in commercial and light industrial work
• Involved in new construction and light renovation projects (avoid total gutting and rebuilding)
• Not involved or have never been involved in residential development or tract housing construction
• Committed to a strong program of risk transfer
• Engaged primarily in suburban and rural operations, avoiding congested urban areas
• Commitment to following a comprehensive Loss Control Program focused on managing job sites, managing risk transfer, and employee safety
• Financially successful to ensure continued investment in safety and quality work
• Five years in business with an exceptional package (particularly General Liability) loss ratio (e.g., <25%)

Key Marketing Tools
We offer a full range of marketing tools to help agents understand our capabilities, appetite, and products and to help supplement and amplify their sales efforts. Marketing materials for this offering are currently in development and will be available soon.

Potential Cross-Sell Opportunities
• Inland Marine (e.g., Contractors Equipment Coverage, Builders Risk)
• Employment Practices Liability
• Private Company Management Liability
• Contract Surety

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Marketplace Overview

The U.S. brewery industry includes nearly 1,600 breweries with combined annual revenue of over $21 billion. The industry is highly concentrated with large breweries dominating the marketplace. However, regional brewers, producing craft brewed beverages, account for $6.3 billion on sales of 8.6 million barrels. Currently there are 456 microbreweries, 84 regional craft breweries, and 962 brew pubs. For 2010, U.S. beer sales were down 2.7%, imported beer sales were down 9.5%, but craft beer sales were up 9%. The craft brewer marketplace is estimated at $100 million in size with Hanover’s current premium in this market at $2 million. We have significant upside headroom.

Target Market

**Hanover Craft Brewers Advantage** targets craft brewers that brew, package, and deliver their goods to a variety of markets. These include:

- Regional Craft Breweries
- Contract Breweries
- Microbreweries
- Regional Breweries
- Selected Brew Pubs

*Note: we are not a market for the Mega Breweries.* Mega Breweries are typically large-scale brewing operations utilizing a number of locations throughout the country and overseas. These mega breweries produce hundreds of millions of barrels of beer per year (e.g., Anheuser-Busch, Pabst Brewing Company, Miller/Coors Brewing Company, etc.)

Key Competitive Advantages

In addition to offering craft brewers a complete suite of products that protect their property, autos, employees, and customers, **Hanover Craft Brewers Advantage** offers the following advantages:

- Total protection and one-stop shopping by offering additional specialty coverages (e.g., Inland Marine, Ocean Cargo, Employment Practices, etc.)
- Local expertise in underwriting and claims
- Ability for Hanover Agents to write this directly with us versus using a wholesaler (fairly common) providing agents with strong product, service, and compensation
- Loss Control expertise and resources, including a customer portal, onsite surveying, and comprehensive Loss Control services
- Full-service risk management combining underwriting, claims, and loss control services all provided through one company
- Financial strength writing on “A” rated admitted paper
- Turnkey agent-to-customer marketing tools
- Limited distribution strategy, which creates a strong franchise value for our agents, enabling them to differentiate in the marketplace

continued
Key Competitors

- Hartford, American Family, CNA, Fireman’s Fund, Acadia, Fremont, Chubb
- Numerous MGA Programs

Distribution Strategy Overview

Given that the program does not require agents to have extensive specialized expertise and all Middle Market Underwriters can handle this business, we have taken a broad distribution approach by opening Hanover Craft Brewers Advantage to all Commercial Lines Hanover Agents.

Core Product Offerings

- Commercial Package Policy
- Commercial Property
- Equipment Breakdown
- Commercial General Liability
- Products Liability
- Liquor Liability
- Commercial Automobile
- Commercial Umbrella

Special/Value-Add Coverages

We offer a broad array of specialized coverage that agents working with craft brewer clients can tailor to meet their specific needs, including:

- Property Broadening Endorsement
- Brewers and Vintners Spoilage and Contamination Coverage
  - $500,000 Limit
- General Liability Special Broadening Endorsement (adds 20 important GL coverages) including:
  - Aggregate per location
  - Product Recall Expense—$25,000 per occurrence $50,000 aggregate (additional increased limits available)
- Special Events Coverage (available with proper underwriting information)
- Liquor Liability Coverage (offered to qualifying risks)

Underwriting Process/Model

Underwriting is done through local branch Middle Market Underwriters.

Target Risk Characteristics

Hanover will be most competitive on accounts in this segment that have the following risk characteristics:

- Regional Craft Breweries, Contract Breweries, Microbreweries & Regional Breweries, Brew Pubs
- 15K–2M Barrels (<15K for Microbreweries)
- Packaging Craft Brewers—brew, keg, bottle, and ship the beer to market
- Building Construction—generally in older mill buildings with updated wiring, electrical, sprinkler and burglar alarms
- Less than one month of raw materials on hand (wheat, hops, yeast, grains, malt, rice, corn, and barley)
- Limited access to the production floor by tours (tours may also be provided limited samples)
- All tour guides have certified alcohol awareness training
- Limited delivery of product to local retail establishments, restaurants, and taverns (Contract/Common carriers generally bring in the raw materials and take the products to market)
- Written in a state with a Dram Shop score of less than six

Key Marketing Tools

We offer a full range of marketing tools to help agents understand our capabilities, appetite, and products and to help supplement and amplify their sales efforts:

- Hanover Craft Brewers Advantage Agent Information Sheet 114-1150
- Hanover Craft Brewers Advantage Customer Risk Review Checklist 114-1255
- Hanover Craft Brewers Advantage Customer Prospecting Letter 114-1254
- Hanover Craft Brewers Advantage Customer Information Sheet 114-1256
Potential Cross-Sell Opportunities

- Inland Marine (Transit Coverage)
- Ocean Cargo
- Miscellaneous Professional Liability
- Employment Practices Liability
- Fidelity & Crime

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Marketplace Overview

There are 16,000 museums in the U.S. that receive more than 850 million visitors each year. These institutions provide four million hours of educational programs annually. Fees account for 65% of a museum’s operating budget, with 35% generated from fundraising activities. In addition, there are 117,418 libraries in the U.S., staffed by 149,000 librarians. Museums range in size from relatively small to very large. While art may be what comes to mind for many people—in reality the types of museums run across a very wide variety of interests.

Target Market

Hanover Cultural Institutions Advantage targets smaller cultural institutions whose total insurance value, including collections, is less than $50 million. We estimate that there are approximately 10,000 smaller museums. These institutions may include:

- Museums
  - History
  - Art
  - Children’s
  - Science & Technology
  - Maritime
  - Military
  - Sports
  - Photography
  - Transportation
- Libraries
  - Public
  - Private
  - Law
  - Corporate
  - Research
- Botanical Gardens & Arboreta
  - Nature Conservation
- Historical
  - Sites
  - Buildings
  - Societies

Key Competitive Advantages

In addition to offering cultural institutions a complete suite of industry-specific coverages, Hanover Cultural Institutions Advantage offers the following advantages:

- A fully integrated risk management program that combines underwriting, claim and loss control services all coordinated through one company—The Hanover
- Local experienced underwriters who have a proven track record in this industry and can make decisions on the spot
- Extensive Loss Control expertise and resources, including a customer portal, onsite surveying, and comprehensive Loss Control services that institute or supplement comprehensive employee safety, fleet safety, building safety, risk transfer management, and customer safety programs

continued ➤
Key Competitive Advantages (continued)

- Total protection and one-stop shopping by offering additional specialty coverages (e.g., Inland Marine, Ocean Cargo, Miscellaneous Professional, etc.)
- Financial strength writing on “A” rated admitted paper
- Limited distribution strategy, which creates a strong franchise value for our agents, enabling them to differentiate in the marketplace

Key Competitors

- Nationals: Chubb, Travelers, ACE
- Specialists: Markel, Huntington, T. Block (Collections), AXA (Collections)

Most companies that compete in this industry group often focus on the property aspects, which are important. Our ability to handle the property well, along with the total account, puts us in a competitive position vs. most other carriers.

Distribution Strategy

Given that the program does not require agents to have extensive specialized expertise, we have taken a broad distribution approach by opening Hanover Cultural Institutions Advantage to all Commercial Lines Hanover Agents. Some Hanover Agents target this industry and locally it is important to identify and align with them to write this business.

Core Product Offerings

- Commercial Package Policy
- Commercial Property
- Commercial General Liability
- Commercial Automobile
- Commercial Umbrella
- Workers’ Compensation

Special/Value-Add Coverages

We offer a broad array of specialized coverage and services that cultural institutions can tailor to meet their specific needs, including:

- Cultural Institutions Property Broadening Endorsement (adds 47 tailored coverages):
  - $250,000 Blanket Limit over eight vital coverages
  - Broadened Building Coverage
  - Broadened Business Personal Property Coverage
  - Fundraising Business Income
  - Employee Theft
  - Property Off-Premises—Domestic and Worldwide
  - Property In-Transit
- Emergency Event Management Coverage
- Additional Supplementary Payments
- Hospitality Services E&O
- Special Events Coverage
- Historic Building Valuation Clause
- Commercial General Liability Broadening Endorsement (adds 20 important General Liability coverages including Per Location Aggregate)
- Loss Control customer portal to provide agents and customers with value-add information

Underwriting Process/Model

Underwriting is done through local Middle Market Underwriters who have completed Hanover Cultural Institutions Advantage training.

Risk Characteristics

- Target account characteristics include:
  - Properties are generally Historic Buildings with updated systems—HVAC, plumbing, and electrical
  - Integrated Security System using motion detection, anti-theft deterrents, vibration sensors, zone/layer protection, among others (the best also employ 24-hour security staff who make irregular rounds)
– Limited restaurant or cooking capabilities
– Limited amount and storage of chemicals used in the restoration process
– Formal program for floor inspection and keeping on top of spills, carpet tears, worn marble, and other floor coverings
– Special Events are a general occurrence; proper risk transfer procedures for all independent vendors, as well as TIPS training
– Well-rehearsed plan for emergency evacuation
– Formal employee safety plan, including lifting techniques, proper construction of exhibits, and exposure to chemicals

* Submission Requirements
– ACORD Apps for all lines written
– Statement of Values (for Blanket and/or Agreed Amount)
– Recent appraisal for all historic buildings and collections
– Cultural Institutions Supplemental Application, including Restaurant Supplement

Key Marketing Tools
We offer a full range of marketing tools to help agents understand our capabilities, appetite, and products and to help supplement and amplify their sales efforts. Marketing materials for this offering are currently in development and will be available soon.

Potential Cross-Sell Opportunities
• Inland Marine
  – Collections Coverage/Transit
• Ocean Cargo
  – Worldwide Transit
• Miscellaneous Professional Liability
  – Curators E&O
• Management Liability (Private Company and Nonprofit)
• Employment Practices Liability

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Hanover Elder Care Advantage

Marketplace Overview

The elder care industry in the United States includes approximately 33,000 establishments. The “aging of America” demographics will drive this industry and lead to growth in more establishments and services for the elderly. The all-lines premium opportunity for this market segment is approximately $865 million. Based upon our current and agency footprint, the premium opportunity for Hanover Middle Market business is about $160 million.

Target Market

Hanover Elder Care Advantage has a robust appetite for Assisted Living Facilities, Nursing Homes, and Continuing Care Facilities. Package premium is $25,000 to $200,000. Hanover’s focus is on facilities with less than 150 rooms.

Key Competitive Advantages

In addition to offering assisted living facilities and nursing homes industry-specific insurance products, Hanover Elder Care Advantage offers the following advantages:

- Industry focused coverages to protect the physical plant and the ability to write resident transportation exposures providing a key building block for the insurance portfolios of elder care accounts
- Local experienced underwriters who have a proven track record in this industry and can make decisions on the spot
- Extensive Loss Control expertise and resources, including onsite surveying, and comprehensive Loss Control services that institute or supplement a comprehensive employee safety, fleet safety, building safety, and premises fall prevention program
- Additional specialty coverages (e.g., Management Liability, Employment Practices, etc.)
- Financial strength writing on “A” rated admitted paper
- Turnkey agent-to-customer marketing tools
- Limited distribution strategy, which creates a strong franchise value for our agents, enabling them to differentiate in the marketplace

Key Competitors

- All Lines Solution:
  - CNA, Zurich, Lexington, Fireman’s Fund (nursing homes, assisted living only)
- Select Lines of Business
  - Property and Auto: Hartford, Philadelphia

continued
Distribution Strategy Overview
Given that the program does not require agents to have extensive specialized expertise, we have taken a broad distribution approach by opening Hanover Elder Care Advantage to all Commercial Lines Hanover Agents. Some Hanover Agents specialize in the elder care industry and locally, we should know who these are and align to write business. The best producers are mid- to large-sized partners with expertise and an existing large book of business who have an appointment with a professional market and/or sponsors a liability risk retention group.

Core Product Offerings
- Commercial Property
- Equipment Breakdown
- Commercial Auto

Because Professional and General Liability are often combined on a single policy for these accounts, Hanover does not write the Professional, General, or Umbrella Liability for Elder Care accounts. (The Hanover is not a market for Workers’ Compensation or Elder Care Accounts)

Special/Value-Add Coverages
We offer a broad array of specialized coverage and services that assisted living facilities and nursing homes can tailor to meet their specific needs, including:
- Assisted Living/Nursing Home Broadening Endorsement (adds 44 coverages)
  - Automated Defibrillators
  - Evacuation Expense
  - Lease Cancellation Moving Expense
  - Resident’s Personal Effects
  - Money and Securities
  - Dependent Properties Worldwide
- Emergency Event Management Coverage, including
  - Emergency Event Communication Expense
  - Emergency Event Business Income (and Extra Expense)
  - Post-Emergency Event Expense
  - E-Commerce Endorsement
  - Data Breach Coverage

Underwriting Process/Model
Underwriting is done through local branch Middle Market Underwriters.

Risk Characteristics
- Facility size—less than 150 rooms is preferred
- Building age—prefer less than 25 years old and, if older, must be updated
- Facility maintenance programs
- Life Safety exposure management
- Good financials
- Occupancy rate
- Cooking and Smoking exposures are controlled

Key Marketing Tools
We offer a full range of marketing tools to help agents understand our capabilities, appetite, and products and to help supplement and amplify their sales efforts:
- Elder Care Agent Brochure (114-1025)
- Elder Care Customer Brochure (114-1028)
- Elder Care Customer Coverage Checklist (114-1044)

Potential Cross-Sell Opportunities
- Management Liability
  - Nonprofit and Private Company (D&O)
  - Employment Practices Liability

Contact Information
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Marketplace Overview

The U.S. wholesale food distribution industry includes approximately 38,000 companies with combined annual revenue of nearly $550 billion. The food industry segment encompasses $5 billion in P&C premiums. Major products are frozen, processed, and prepared foods; dairy items; poultry, fish, and meat; fresh produce; and baked goods. Distributors are classified as:

- “Broadline” meaning that they sell to various customers;
- “Product specialists” that sell a limited number of products;
- “Market specialists” that sell to a particular type of customer, such as Chinese restaurants; or
- “System specialists” that sell to a particular kind of customer, such as hotels.

Only about 150 large companies are broadline; the remaining wholesalers typically specialize in a specific market. Food service customers have surpassed grocery stores as the largest customer.

Target Market

Hanover Food Industries Advantage targets food companies engaged or involved in the processing, packaging, distribution, and selling of food, produce, and beverages. This industry segment includes a wide variety of food operations and provides food items directly to the consumer and to food service operations. They range in size from huge multinational corporations to family-owned businesses. These companies may include:

- Bakeries
- Beverage manufacturers
- Cereal manufacturers
- Candy manufacturers
- Dairy products
- Breweries
- Coffee and tea processing
- Seasonings and dressing manufacturers
- Fruit and vegetable processing
- Cookie and cracker manufacturers

Primary targets exhibit the following characteristics:

- Package premium between $25,000–$200,000
- Entire distribution chain (processing, wholesale, retail)
- “Think vegetarian”—no meat or poultry processing or distributing
- Emergency generators for key equipment
- In business >five years with an exceptional loss ratio
- Formal product recall procedures
- Formal quality control process for all products and ingredients which meets FDA standards
- Formal lifting and material handling training
- Newer buildings with above-average construction, preferably sprinklered to a central station

continued
Key Competitive Advantages

Hanover Food Industries Advantage offers food processing companies a complete suite of food industry-specific insurance products that include specialized coverage. This program also offers the following advantages:

- A fully integrated risk management program that combines underwriting, claim and loss control services—all provided through The Hanover
- Local experienced underwriters who have a proven track record in this industry and can make decisions on the spot
- Extensive Loss Control expertise and resources, including a customer portal, onsite surveying, and comprehensive Loss Control services that institute or supplement comprehensive employee safety, fleet safety, building safety, risk transfer management, and customer safety programs
- Comprehensive risk management solution for restaurant industry clients
- Total protection by offering additional specialty coverages (e.g., Employment Practices, Management Liability, etc.)
- Financial strength writing on “A” rated admitted paper
- Limited distribution strategy, which creates a strong franchise value for our agents, enabling them to differentiate in the marketplace

Key Competitors

- Hartford, CNA, Selective

Distribution Strategy Overview

Given that the program does not require agents to have extensive specialized expertise, we have taken a broad distribution approach by opening Hanover Food Industries Advantage to all Commercial Lines Hanover Agents. Some Hanover Agents specialize in food industries and locally we should know who these are and align with them to write business.

Core Product Offerings

- Commercial Package Policy
- Commercial Automobile (not to be major portion of account)
- Workers’ Compensation (not to be major portion of account)
- Commercial Umbrella (limits offered related to individual account underwriting)

Special/Value-Add Coverages

We offer a broad array of specialized coverage and services that food industries can tailor to meet their specific needs, including:

- Equipment Breakdown Coverage
- Change in Temperature or Humidity
- Food Spoilage/Adulteration Coverage
- Products Recall
- Loss Control information portal for agents & customers on prevention insights

Underwriting Process/Model

Underwriting is done through local branch Middle Market Underwriters.

Underwriting Items to Note

- Classes of business
  - “Think vegetarian”—no appetite for meat or poultry processing or distribution
    - Fruits, vegetables, dairy, bakery products, beverages (what is UW point?)
    - We have a limited appetite for fish and seafood
- Property Issues
  - Building Construction and Age
  - Updated HVAC and electrical systems
  - Emergency generators for key equipment
  - Contamination and Spoilage Prevention procedures
  - Crime: Exposures and Controls
• Liability Issues
  – Premises Liability exposures
  – Formal Products Recall procedures
  – Quality control process
• Automobile Issues
  – Fleet maintenance
  – Driver checks
  – Minimal long-haul exposure
• Workers’ Compensation
  – Limited employee turnover
  – Formal lifting and material handling training
  – Proper use of forklifts

Key Marketing Tools
We offer a full range of marketing tools to help agents understand our capabilities, appetite, and products and to help supplement and amplify their sales efforts. Marketing materials for this offering are currently in development and will be available soon.

Potential Cross-Sell Opportunities
• Employment Practices Liability
• Private Company Management Liability
• Fidelity & Crime
• Marine (Transit)

Contact Information
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Hanover Hospitality Advantage

Marketplace Overview

According to Hoovers.com, our target market consists of 52,000 hotels and motels, with 1.7 million employees, and combined annual revenue of over $95 billion. That translates to a Hanover P&C market opportunity of approximately $1 billion in our footprint states. Note that 82% of these hotels and motels are located outside urban and resort areas.

Target Market

Hanover Hospitality Advantage targets mid- to high-priced, franchised-owned hotels and motels that cater to business travelers.

Key Competitive Advantages

In addition to offering the hospitality industry a complete suite of industry-specific coverages, Hanover Hospitality Advantage offers the following advantages:

- A fully integrated risk management program that combines underwriting, claim, and loss control services all provided through one company—The Hanover
- Local experienced underwriters who have a proven track record in this industry and can make decisions on the spot
- Extensive Loss Control expertise and resources, including a customer portal, onsite surveying, and comprehensive Loss Control services that institute or supplement comprehensive employee safety, fleet safety, building safety, risk transfer management, and customer safety programs
- Total protection, one-stop shopping by offering additional specialty coverages (e.g., Employment Practices, Management Liability, etc.)
- Financial strength writing on “A” rated admitted paper
- Turnkey agent-to-customer marketing tools
- Limited distribution strategy, which creates a strong franchise value for our agents, enabling them to differentiate in the marketplace

Key Competitors

- Travelers, Firemen’s Fund, Liberty Mutual

Regional carriers may write these types of businesses, but typically do not have industry unique coverages or services like those offered by The Hanover.

Distribution Strategy Overview

Given that the program does not require agents to have extensive specialized expertise, we have taken a broad distribution approach by opening Hanover Hospitality Advantage to all Commercial Lines Hanover Agents. Some Hanover Agents target this industry and locally it is important to identify and align with them to write this business.

Core Product Offerings

- Commercial Property
- Commercial General Liability
- Commercial Auto
- Commercial Umbrella
- Workers’ Compensation

continued
Special/Value–Add Coverages
We offer a broad array of specialized coverage that hotels and motels can tailor to meet their specific needs, including:

- Hospitality Services Errors & Omissions
- General Liability Broadening Endorsement
- Hospitality Property Broadening Endorsement, including extensions
  - Alternative Key Systems
  - Guest’s Property
  - Reservation Systems
- Liquor Liability
- Emergency Event Management Coverage, including
  - Emergency Event Communication Expense
  - Emergency Event Business Income (and Extra Expense)
  - Post-Emergency Event Expense

Value–Added Loss Control Services
To help clients minimize risks and lower their premiums, we offer comprehensive Loss Control Services, including:

- Fire and Theft Prevention Services
- Preventive Maintenance Programs and Practices
- Premises Slip and Fall Prevention
- Safety Resources (numerous safety topics and checklists available)
- Loss Control customer portal to provide them with value-add information

Underwriting Process/Model
Underwriting is done through local branch Middle Market Underwriters.

Risk Characteristics
- Management Experience
  - Continuous operations >five years
- Financials
  - Revenue increase or slight decrease (<5%)
- Hotel Type and Size
  - Business oriented
  - Room rate—above average to average for local economy
  - 150 rooms or less
  - Eight stories or less
- Protection, Construction, and Age
  - Fully sprinklered with hard-wired smoke and heat detection
  - Better construction (ISO class 4, 5, or 6)
  - Building <15 years old

Key Marketing Tools
We offer a full range of marketing tools to help agents understand our capabilities, appetite, and products and to help supplement and amplify their sales efforts:

- Hospitality Agent Brochure (114-1020)
- Hospitality Customer Broadening Endorsement Flyer (114-1022)
- Hospitality Customer Property Broadening Endorsement Flyer (114-1036)
- Hospitality Customer Risk Review Checklist (114-1021)
- Hospitality Customer Prospecting Letter (114-1023)
- Emergency Event Management Customer Fact Sheet (114-1073)

Potential Cross-Sell Opportunities
- Employment Practices Liability
- Private Company Management Liability
- Fidelity & Crime

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Marketplace Overview

The media industry includes many different classes: publishing, broadcasting, telecommunications, and motion picture and sound recording. In 2007, the entire industry was estimated to have 140,000 establishments and $1.1 trillion in annual receipts. Technological advances over the last five years are rapidly driving changes—witness online advertising increases, the emergence of e-books, pay walls for online news articles, Internet-enabled television, 3-D movies, and TV. It’s safe to assume that the media industry’s revenue-generating business models will shift over the next few years. While historically concentrated in New York and California, this industry has expanded to be in virtually all markets.

Target Market

Hanover Media Advantage targets a wide range of media services and content providers but excludes large entertainment risks and all cable/satellite service providers. We target:

- Publishers of books, periodicals, newsletters, and newspapers
- Broadcasters of radio, TV, cable—with or without towers, antennas, and satellite dishes
- Advertising Agencies—regional and local agencies that plan, create, and manage ad campaigns
- Multimedia and Motion Picture Companies—small and regional production and distribution

Key Competitive Advantages

In addition to offering media services clients a broad array of customizable industry-specific coverages, Hanover Media Advantage offers the following:

- A fully integrated risk management program that combines underwriting, claim, and loss control services all coordinated through one company—The Hanover
- Local experienced underwriters who have a proven track record in this industry and can make decisions on the spot
- Extensive Loss Control expertise and resources, including a customer portal, onsite surveying, and comprehensive Loss Control services that institute or supplement comprehensive employee safety, fleet safety, building safety, risk transfer management, and customer safety programs
- Total protection and one-stop shopping by offering additional specialty coverages (e.g., Inland Marine, Employment Practices, etc.)
- Financial strength writing on “A” rated admitted paper
- Limited distribution strategy, which creates a strong franchise value for our agents, enabling them to differentiate in the marketplace

continued
Key Competitors
- Chubb, Hartford, AON, AmWins (American Wholesale Insurance Group)

While regionals may write some of this business, they tend to not offer the depth of coverages and services that The Hanover delivers.

Distribution Strategy Overview
Given that the program does not require agents to have extensive specialized expertise, we have taken a broad distribution approach by opening Hanover Media Advantage to all Commercial Lines Hanover Agents. Some Hanover Agents target this industry and locally it is important to identify and align with them to write this business.

Core Product Offerings
- Commercial Property/Fire
- General Liability
- Printers E&O
- Commercial Auto
- Commercial Umbrella
- Workers’ Compensation

Special/Value-Add Coverages
We offer a broad array of coverages with high limits that media services can tailor to meet their specific needs, including:
- Printers Errors & Omissions—provides graphics arts coverage extension
- Printers Cost to Correct, Repair, or Replace (endorsement to E&O)
- Broadcast Equipment and Towers Property—provides property coverage for towers/dish, mobile equipment, media library (including library reproduction)
- General Liability Extensions
  - Product Recall
  - Broadened Property Damage
  - Additional Insureds (Contract, Permit)

Underwriting Process/Model
Underwriting is done through local branch Middle Market Underwriters.

Target Risk Characteristics
Publishers
- Property Issues
  - Fire Protection Systems
  - Disposal Processes of Combustible materials
  - Printing Ink (VOC use) and Solvents and Cleaners
  - Age of Facilities and Printing Presses/Equipment
  - Housekeeping
    » Machine Maintenance Program and Implementation
    » Storage of Paper, Photocopy Supplies, Rolled Paper, and Chemicals
    » Control of Dust
- Valuable Papers
- Disaster Recovery Plan
- Liability Issues
  - Paper Delivery Performed by Employees
- Printers E&O Issues
  - Written Quality Control Program
  - Design Work Performed for Customers
- Auto
  - Delivery by Insured
  - Driver Controls
  - Non-Owned Auto requirements

Middle Market Industry Segments
Broadcasters

• Property Issues
  – Private Protection
  – Tower Info: Construction, Type, Height, Location, Age, Usage
  – Tower Ownership
  – Tower Maintenance Schedule and Implementation
  – Tower Obstruction Lighting and Monitor of Such
  – Disaster Recovery Plan
    » UPS system and backup generator power
  – Mobile Studio and Broadcast Equipment Storage

• Liability Issues
  – Tower/antenna locations
  – Security and preventative measures for attractive nuisance claims
  – Tower/antenna maintenance and risk transfer procedures for contractors
  – Participation of Insured in Promotions or Contests

Key Marketing Tools

We offer a full range of marketing tools to help agents understand our capabilities, appetite, and products and to help supplement and amplify their sales efforts. Marketing materials for this offering are currently in development and will be available soon.

Potential Cross-Sell Opportunities

• Inland Marine
  – Broadcasters’ communication towers, antennas, satellite dishes, and other equipment
  – Builders Risk, Installation Floaters, Equipment Floaters

• Private Company Management Liability
• Employment Practices Liability Insurance
• Miscellaneous Professional Liability (for Media Liability Insurance)

Contact Information

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Marketplace Overview

There are more than 550,000 doctors’ offices and medical facilities located in the United States. Within that total, approximately 400,000 are doctors’ offices and 10,000 are hospitals. The medical facilities marketplace is expected to remain very dynamic. The total P&C premium for all lines of business for the medical facilities industry is approximately $3 billion. The Hanover’s premium potential for footprint states and appetite is about $1.5 billion.

Target Market

Hanover Medical Facilities Advantage targets two types of facilities:

- Outpatient Care Facilities, including
  - Offices of doctors, dentists, etc.
  - Ambulatory emergency centers and cosmetic surgery
- Inpatient Care Facilities, including
  - General Medical and Surgical Hospitals and Specialty Hospitals

The package premium is between $25,000 to $200,000

Key Competitive Advantages

In addition to offering doctors’ offices and medical facilities industry-specific insurance products, Hanover Medical Facilities Advantage offers the following advantages:

- Medical Malpractice is the most important coverage medical facilities need but it is not the only coverage they need. Hanover provides these accounts with the coverages that their Medical Malpractice specialist doesn’t give them.
- Local experienced underwriters who have a proven track record in this industry and can make decisions on the spot
- Inland Marine experts who can offer state-of-the art coverage for high-valued medical diagnostic equipment
- Extensive Loss Control expertise and resources, onsite surveying, and comprehensive Loss Control services that institute or supplement a comprehensive employee safety, fleet safety, building safety, and premises fall prevention program
- Additional specialty coverages (e.g., Management Liability, Employment Practices, Marine, etc.)
- Financial strength writing on “A” rated admitted paper
- Turnkey agent-to-customer marketing tools
- Limited distribution strategy, which creates a strong franchise value for our agents, enabling them to differentiate in the marketplace

continued
Key Competitors
- All Lines Solution
  - CNA, Zurich, Lexington
- Select Lines of Business
  - Hartford, Philadelphia (Property and Auto for Inpatient)
  - FM Global (Property for Hospitals)
  - Small Business Writers put on a BOP (Medical Offices)

Distribution Strategy Overview
Given that the program does not require agents to have extensive specialized expertise, we have taken a broad distribution approach by opening Hanover Medical Facilities Advantage to all Commercial Lines Hanover Agents. Some Hanover Agents specialize in medical industries and locally we should know who these are and align them to write business. The best producers are those with expertise and an existing large book of business, who are partnered with Hanover. These agents are likely to also have an appointment with a professional market and/or sponsors a liability risk retention group.

Core Product Offerings

Outpatient and Laboratory
- Commercial Package (excluding Medical Professional)
- Commercial Auto
- Commercial Umbrella (excluding Medical Professional)
- Workers’ Compensation

Inpatient (Hospitals)
- Commercial Property
- Commercial Auto (excluding ambulances)

Special/Value Add Coverages
We offer a broad array of specialized coverage and services that doctors offices and medical facilities and nursing homes can tailor to meet their specific needs, including:
- Medical Office Property Broadening Endorsement (adds 47 coverages)
  - Automated Defibrillators
  - Evacuation Expense
- Lease Cancellation Moving Expense
- Resident’s Personal Effects
- Money and Securities
- Dependent Properties Worldwide
- Medical Waste Cleanup
- Off Premises Physician’s Tools;
- Emergency Event Management Coverage, including
  - Emergency Event Communication Expense
  - Emergency Event Business Income (and Extra Expense)
  - Post-Emergency Event Expense
- E-Commerce Endorsement
- Data Breach Coverage

Underwriting Process/Model
Underwriting is done through local branch Middle Market Underwriters.

Target Risk Characteristics
- Outpatient Facilities
  - Financials
  - Building age
  - Installation and maintenance of high-value medical equipment
- Inpatient Facilities
  - Facility size
  - Building age
  - Facility maintenance programs
  - Financials
- Installation and maintenance of high-value medical equipment
Key Marketing Tools
We offer a full range of marketing tools to help agents understand our capabilities, appetite, and products and to help supplement and amplify their sales efforts:

- Medical Facilities Agent Brochure (114-1025)
- Medical Offices/Clinics Customer Brochure (114-1030)
- Mid-Sized Medical Facilities Customer Brochure (114-1032)
- Medical Facilities Customer Coverage Checklist (114-1044)

Potential Cross-Sell Opportunities
- Inland Marine (High-value medical equipment)
- Management Liability
  - Nonprofit and Private Company (D&O)
  - Employment Practices Liability

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Hanover Metalworkers Advantage

Marketplace Overview

The 75,000 metal fabricators in the U.S. represent a potential $1.7 billion in premium for Middle Market lines of business. What’s more, specialized metal fabricators are now emerging in a previously mature industry. The specialized nature of this segment has prevented consolidation in all but a few sectors.

Target Market

Hanover Metalworkers Advantage targets machine shops and other accounts that make products primarily from metal, including:

- Non-critical parts, components, and assemblies
- Finished products that are not electrified, such as hand tools, containers, furniture, plumbing products and building metal

Key Competitive Advantages

In addition to offering metalworkers industry-specific coverage, Hanover Metalworkers Advantage offers the following:

- A fully integrated risk management program that combines underwriting, claim, and loss control services, —all provided by one carrier, The Hanover
- Local experienced underwriters who have a proven track record in this industry and can make decisions on the spot
- Extensive Loss Control expertise and resources, onsite surveying, and comprehensive Loss Control services that institute or supplement comprehensive employee safety, fleet safety, building safety, risk transfer management, and customer safety program
- Total protection and one-stop shopping by offering additional specialty coverages (e.g., Employment Practices, Ocean Cargo, etc.)
- Financial strength writing on “A” rated admitted paper
- Turnkey agent-to-customer marketing tools
- Limited distribution strategy, which creates a strong franchise value for our agents, enabling them to differentiate in the marketplace

Key Competitors

Nationals with programs targeting the industry:

- Travelers, The Hartford, Chubb, CNA, Fireman’s Fund

Regionals actively pursuing this industry with targeted products:

- Sentry, Cincinnati, Federated, Selective

Many regionals tend to focus on smaller risks and may lack the depth of coverage and services that The Hanover provides in Middle Market.

Distribution Strategy Overview

Given that Hanover Metalworkers Advantage does not require agents to have extensive specialized expertise, we have taken a broad distribution approach by opening the program to all Commercial Lines Hanover Agents. Some agents specialize in manufacturing, so it is important we know who these are to write this business with them.

continued →
Core Product Offerings

Hanover Metalworkers Advantage offers a broad range of products to metal fabrication businesses, including:

- Commercial Package
- Commercial Property
- Equipment Breakdown
- Commercial General Liability
- Commercial Auto
- Commercial Umbrella
- Workers’ Compensation

Special/Value-Add Coverages

We offer a broad array of coverage with high limits that metalworkers can tailor to meet their specific needs, including:

- Property Broadening Endorsement (adds 56 coverages)
- E-commerce Endorsement
- Foreign Dependent Properties
- General Liability Broadening Endorsement (adds 20 coverages)
- Manufacturers’ Errors and Omissions
- Product Withdrawal Insurance
- Global General Liability Endorsement

Underwriting Process/Model

Underwriting is done through local branch Middle Market Underwriters.

Risks outside of our standard appetite can be submitted to Hanover Specialty Property Industrial/Hanover Specialty Industrial Brokers.

Potential Cross-Sell Opportunities

- Inland Marine
- Ocean Cargo
- Hanover Specialty Industrial (Hanover Specialty Industrial Property and Hanover Specialty Insurance Brokers)
- Private Company Management Liability
- Employment Practices Liability

Key Marketing Tools

We offer a full range of marketing tools to help agents understand our capabilities, appetite, and products and to help supplement and amplify their sales efforts:

- Metal Fabricators Agent Brochure (115-1113)
- Manufacturers Customer Coverage Guide (115-1118)
- Metal Fabricators Customer Prospecting Letter (115-1121)
- E-commerce Property Customer Coverage Guide (115-1119)
- Foreign Dependent Properties Customer Coverage Guide (115-1120)

Contact Information

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Hanover Plastic Manufacturers Advantage

Marketplace Overview
There are 13,000 plastics manufacturers in the U.S. With many of these fitting the Hanover Middle Market definition, this represents a potential for $655 million in premium for the Middle Market lines of business.

Target Market
Hanover Plastic Manufacturers Advantage targets manufacturers of plastic part components and finished products from unexpanded plastic using common processes such as molding, forming, extrusion, and lamination.

Key Competitive Advantages
In addition to offering plastic product manufacturers industry-specific coverage, Hanover Plastic Manufacturers Advantage offers the following advantages:

- A fully integrated risk management program that combines underwriting, claim, and loss control services—all provided by one company, The Hanover
- Local experienced underwriters who have a proven track record in this industry and can make decisions on the spot
- Extensive in-house support from highly trained and experienced Loss Control experts, including fire protection engineers and a Loss Control agent/customer portal for risk management advice
- Total protection and one-stop shopping by offering additional specialty coverages (e.g., Specialty Property, Employment Practices, Inland Marine, etc.)
- Financial strength writing on “A” rated admitted paper
- Turnkey agent-to-customer marketing tools
- Limited distribution strategy, which creates a strong franchise value for our agents, enabling them to differentiate in the marketplace

Key Competitors
Nationals with programs targeting the industry:
- Travelers, Hartford, Chubb, CNA, Fireman’s Fund

Many regional insurance companies occasionally write plastics but few focus on this arena and fewer still can match the breadth of products and services Hanover provides.

Distribution Strategy Overview
Given that the program does not require agents to have extensive specialized expertise, we have taken a broad distribution approach by opening Hanover Plastic Manufacturers Advantage to all Commercial Lines Hanover Agents. Some Hanover Agents target the manufacturing industry, including plastics, and locally it is important to identify and align with them to write this business.

Core Product Offerings
- Commercial Package
- Commercial Property
- Equipment Breakdown
- Commercial General Liability
- Commercial Auto
- Commercial Umbrella
- Workers’ Compensation

continued
Special/Value-Add Coverages

We offer the following products to assure clients of maximum coverage without potentially damaging coverage gaps:

• Property Broadening Endorsement
  – 56 sublimited extensions for about $500, including Dependent Properties, Extended BI, Extended Warranty, Contract Penalty and Consequential Loss to Stock

• E-commerce Endorsement
  – Covers hardware, software and BI from virus, worm or hacking
  – Applies to all covered perils at location of network services provider

• Foreign Dependent Properties
  – Up to $5 million

• General Liability Broadening Endorsement (adds 20 coverages)

• Manufacturers’ Errors and Omissions

• Product Withdrawal Insurance

• Global General Liability Endorsement

Underwriting Process/Model

Underwriting is limited to trained Middle Market Underwriters in the branch.

Risks outside or beyond our standard appetite can be submitted to Hanover Specialty Industrial for Property (if sprinklered) and Casualty lines.

Target Risk Characteristics

• Financially solid
• Modern facilities, machinery less than 30 years old
• Regular inspection and maintenance of machinery
• Adequate sprinkler protection over processing and storage areas
• Rigorous quality control testing and record-keeping

Key Marketing Tools

We offer a full range of marketing tools to help agents understand our capabilities, appetite, and products and to help supplement and amplify their sales efforts:

• Plastic Product Manufacturers Agent Brochure (115-1114)
• Manufacturers Customer Coverage Guide (115-1118)
• E-commerce Property Customer Coverage Guide (115-1119)
• Foreign Dependent Properties Customer Coverage Guide (115-1120)

Potential Cross-Sell Opportunities

• Inland Marine
• Ocean Cargo
• Hanover Specialty Industrial (Hanover Specialty Industrial Property and Hanover Specialty Insurance Brokers)
• Employment Practices Liability
• Private Company Management Liability

Contact Information

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Marketplace Overview

The commercial printing and paper product manufacturing industry includes approximately 36,000 companies with combined annual revenue of about $176 billion. Despite the advent of copiers and the PC, printing remains one of the largest industries in the country. Commercial printing accounted for 70%, with 15% in printing packaging and the remainder in tags and labels, specialty printing, and pre-press and finishing services. By itself, the paper products manufacturing industry includes about 4,000 companies with combined annual revenue of $140 billion and employing nearly 500,000. Together, the printers and paper product makers offer a major opportunity for Hanover and our agents with an estimated $500 million in P&C premium.

Target Market

Hanover Printers Advantage targets printers that perform printing services for commercial and private customers primarily using the following processes: lithography, gravure (or intaglio) and relief printing, flexography, letterpress, screen printing, thermography, and digital printing, including inkjet and laser.

Hanover Printers Advantage targets paper product manufacturers that make packaging, sanitary and stationery paper products from purchased paper roll or paperboard stock using die-cutting and creasing or scoring presses, and cutting, slitting, grinding, pressing, gluing, wrapping, re-winding, printing and packaging machinery. We exclude paper mills, paperboard mills, and non-sprinklered facilities. Package premium accounts range from $25,000 to $200,000.

Key Competitive Advantages

In addition to offering the printers and paper product makers specific coverage, Hanover Printers Advantage delivers a full-service risk management program offering:

- Access to specialty coverages for a Total Account Solution (one-stop shopping)
- Local experienced underwriters who have a proven track record in this industry and can make decisions on the spot
- Local expertise in Claims and Loss Control services
- Loss Control consultants to help prevent losses that would cause your clients costly downtime by providing specialized services in the areas of ergonomics, fire protection, and fleet safety (in addition, Specialty Property provides degreed, HPR fire protection and mechanical engineers, either dedicated to your paper product maker if the hazard warrants, or available to consult if the level of hazard does not warrant a dedicated consultant.)
- Financial strength writing on "A"-rated admitted paper
- Turnkey agent-to-customer marketing tools
- Limited distribution strategy, which creates a strong franchise value for our agents, enabling them to differentiate in the marketplace
- Coverages tailored for the unique needs of this industry: a package of 56 property extensions, e-commerce coverage, worldwide dependent properties, Printer’s Errors and Omissions with Cost to Correct, Product Recall, Global General Liability, Employment Practices Liability, up to $25 million in house Equipment Breakdown all from one company—The Hanover

Bottom line, there are three good reasons to write accounts with The Hanover in this segment:

1) Tailored protection
2) Loss prevention
3) Local service

Key Competitors

Nationals with programs targeting the industry:

- Travelers, Hartford, CNA

Regional carriers may write this type of business, but generally they cannot match the comprehensive coverages and value-added services offered by The Hanover.

continued
Distribution Strategy Overview
Given that the program does not require agents to have extensive specialized expertise, we have taken a broad distribution approach by opening **Hanover Printers Advantage** to all Commercial Lines Hanover Agents. We will be most successful with agents that have a book of controlled business in the segment or a demonstrated ability to understand risk quality and obtain critically needed information.

Core Product Offerings
- Commercial Package
- Product Liability
- Commercial Property
- Commercial Auto
- Equipment Breakdown
- Commercial Umbrella
- Commercial General Liability
- Workers’ Compensation

Special/Value-Add Coverages
We offer the following products to assure clients of maximum coverage without potentially damaging coverage gaps:
- Choice Advantage Property Broadening Endorsement
  - $500,000 blanket limit applies to:
    - EDP
    - Valuable Papers
- Graphic Arts Coverage Extension
- E-commerce Endorsement
  - Covers hardware, software, and BI from virus, worm, or hacking
  - Applies to all covered perils at location of network services provider
- Foreign Dependent Properties
  - Up to $5 million
- Global General Liability
- Printers’ Errors and Omissions and Cost to Correct—Occurrence base
  - Up to $1 million limits
- Direct Mailing Services
- General Liability Broadening Endorsement
  (adds 20 coverages)

Coverage for Paper Product Manufacturers
- Product Withdrawal
- Manufacturer’s Errors and Omissions

Underwriting Process/Model
Underwriting is done through local branch Middle Market Underwriters.

Target Risk Characteristics
- Automated printing machinery, less than 30 years old
- Regular inspection and maintenance of printing presses and equipment
- Use of water-based inks
- Adequate sprinkler protection is required for printers using solvent based inks and paper product makers
- Documentation of customer sign-off on proofs for all large jobs

Key Marketing Tools
We offer a full range of marketing tools to help agents understand our capabilities, appetite, and products and to help supplement and amplify their sales efforts:
- Hanover Printers Advantage Agent Information Sheet 114-1164
- Hanover Printers Advantage Customer Risk Review Checklist 114-1294
- Hanover Printers Advantage Customer Prospecting Letter 114-1292
- Hanover Printers Advantage Customer Information Sheet 114-1291
- Hanover Paper Converter Advantage Customer Review Checklist 114-1296
- Hanover Paper Converter Advantage Customer Prospecting Letter 114-1290
- Hanover Paper Converter Advantage Customer Information Sheet 114-1289
Potential Cross-Sell Opportunities

- Inland Marine (Transportation coverage is important for accounts hauling their own products)
- Hanover Specialty Insurance Brokers (Site and Product Pollution Coverage. All accounts in this segment have these exposures).
- Private Company Management Liability
- Employment Practices Liability
- Miscellaneous Professional Liability

Contact Information
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Hanover Professional Services Advantage

**Marketplace Overview**

The professional services marketplace creates an enormous market opportunity for The Hanover. Professional services accounts are often perceived to be only a Small Commercial (BOP) opportunity. Consolidation in the industry has resulted in a larger Middle Market play than in the past. Between the major segments, there are about 4,000 accounts that don’t fit “BOP size” profiles of most competitors but can be written in Hanover Middle Market. Combine that with the fact that larger accounts are quickly outgrowing the limits BOP writers provide for key values, such as electronic data processing and valuable papers, and this defines an attractive and growing Middle Market opportunity.

**Target Market**

Hanover Professional Services Advantage targets accounts that provide professional services, primarily operating from an office environment, including:

- Lawyers and Notaries (less than 100 attorneys)
- Accounting, Tax Preparation, Payroll, and Bookkeeping Services
- Architects, Engineers and Surveyors (except construction management)
- Testing Laboratories (except clinical trials)
- Design Services
- Consultants
- Research and Development Services (except biotech or clinical trials)
- Travel agencies (except adventure tours or tours in insecure locations)
- Document Preparation Services

The Package premium range for Professional Services typically is from $25,000 to $200,000.

**Key Competitive Advantages**

Hanover Professional Services Advantage offers businesses that provide a wide range of professional services the following advantages:

- Industry leading coverages that few competitors can equal (e.g., accounts whose values are outgrowing the BOP will want limits provided in a property extension that provides a $500,000 blanket for key values including electronic data processing, hardware, software and data, valuable papers and records, and fine arts)
- Total protection and one-stop shopping by offering additional specialty coverages (e.g., Miscellaneous Professional Liability, etc.)
- Local expertise in underwriting and claims—provided by The Hanover
- Loss Control expertise and resources, onsite surveying, and comprehensive Loss Control services including fire and theft prevention services, vehicle safety services, and premises fall prevention
- Financial strength writing on “A” rated admitted paper
- Turnkey agent-to-customer marketing materials
- Limited distribution strategy, which creates a strong franchise value for our agents, enabling them to differentiate in the marketplace

*continued*
Key Competitors
Most competitors write professional services accounts, usually on a BOP, and who target larger professional services accounts. Examples include:
- Hartford, Travelers, CNA

Distribution Strategy Overview
**Hanover Professional Services Advantage** is open to all Commercial Lines Hanover Agents. Some Hanover Agents target this industry and locally it is important to identify and align with them to write this business.

Core Product Offerings
- Commercial Package Policy (Professional Liability is excluded)
- Commercial General Liability
- Electronic Data Processing and Valuable Papers
- Commercial Auto
- Commercial Umbrella
- Workers’ Compensation

Special/Value-Add Coverages
We offer a broad array of specialized coverage that professional services clients can tailor to meet their specific needs, including:
- Choice Advantage Property Broadening Endorsement
  - $500,000 blanket limit applies to:
    » EDP, hardware, software, and data
    » Valuable Papers and Records
    » Fine Arts
- Tenants Improvements and Betterments included in Personal Property
- E-commerce Endorsement
  - Covers hardware, software, and BI from virus, worm or hacking
  - Applies to all covered perils at location of network services provider
- Data Breach Coverage
- General Liability Broadening Endorsement (adds 20 coverages)
- Global General Liability Endorsement

Underwriting Process/Model
Underwriting is done through local branch Middle Market Underwriters.

Key Marketing Tools
We offer a full range of marketing tools to help agents understand our capabilities, appetite, and products and to help supplement and amplify their sales efforts:
- Hanover Professional Services Advantage Agent Information Sheet 114-1165
- Hanover Professional Services Advantage Customer Risk Review Checklist 114-1295
- Hanover Professional Services Advantage Customer Prospecting Letter 114-1287
- Hanover Professional Services Advantage Customer Information Sheet 114-1288

Potential Cross-Sell Opportunities
- Lawyers Professional Liability
- Miscellaneous Professional Liability
- Private Company Management Liability
- Employment Practices Liability
- Inland Marine

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Hanover Real Estate Advantage

**Marketplace Overview**

The commercial real estate market is estimated at $6 billion in P&C premium, making it one of the largest sectors of the commercial insurance marketplace. Factoring our appetite and distribution footprint, this represents a Hanover market opportunity of approximately $4 billion. Following population trends, the majority of the opportunities are in and surrounding larger metropolitan markets. This opportunity is split between owners and property managers. Nearly all customers demand a financially sound company, so having “A” rated financial strength is important.

**Target Market**

Hanover Real Estate Advantage targets Commercial Real Estate Owners and Managers with a majority of their income generated by rents and fees from the following real estate types:

- Office
- Retail
- Light Industrial Properties including flex buildings and warehouses
- Incidental higher hazard real estate exposures that are part of an otherwise eligible schedule, including residential properties

Hanover Real Estate Advantage also targets high-end Condominium and Cooperative Owner Association accounts.

**Key Competitive Advantages**

Hanover Real Estate Advantage offers Real Estate Owners and Managers a complete suite of real estate products that include business income extensions, additional insured, contingent property, business income coverage for properties with triple net leases, and emergency event management. The program also offers the following advantages:

- A fully integrated risk management program that combines underwriting, claim, and loss control services—all provided through The Hanover
- Local experienced underwriters who have a proven track record in this industry and can make decisions on the spot
- Extensive Loss Control expertise and resources, including a customer portal, onsite surveying, and comprehensive Loss Control services that institute or supplement a comprehensive employee safety, fleet safety, building safety, risk transfer management, and customer safety programs

**continued**
Key Competitive Advantages (continued)
• Total protection and one-stop shopping by offering additional specialty coverages (e.g., Builders Risk, Employment Practices, Management Liability, etc.)
• Financial strength writing on “A” rated admitted paper
• Turnkey agent-to-customer marketing tools
• Limited distribution strategy, which creates a strong franchise value for our agents, enabling them to differentiate in the marketplace

Key Competitors
• Fireman’s Fund (All Lines), Hartford (All Lines), Travelers (All Lines), Chartis (All Lines), Lexington (All Lines)
• Monoline Property: Chubb and FM Global

Distribution Strategy Overview
Given that the program does not require agents to have extensive specialized expertise, we have taken a broad distribution approach by opening Hanover Real Estate Advantage to all Commercial Lines Hanover Agents. Some Hanover Agents target this industry and locally it is important to identify and align with them to write this business.

Core Product Offerings
• Commercial Property/Fire
• Commercial General Liability
• Commercial Auto
• Commercial Umbrella
• Workers’ Compensation
• Directors and Officers Liability (Condo and Co-op only)

Special/Value-Add Coverages
We offer a broad array of specialized coverages that real estate owners and managers can tailor to meet their specific needs, including:
• Commercial Real Estate Owners and Managers Specific Endorsements
  – Property Broadening Endorsement
  – Contingent Property & Business Income Coverage
  – Newly Acquired LLCs, LLPs, and LPs General Liability Endorsements
  – Real Estate Managers Additional Insured Endorsement
• General Liability Broadening Endorsement
• E-commerce coverage
• Green Building coverage
• Emergency Event Management Coverage
  – Emergency Event Communication Expense
  – Emergency Event Business Income (and Extra Expense)
  – Post Emergency Event Expense
• High-End Condo and Co-op Owner Associations Specific Endorsements
  – Directors and Officers Liability
  – Employee Dishonesty

Value-Added Loss Control Services
To help clients minimize risks and lower their premiums, we offer comprehensive Loss Control Services, including:
• Fire and Theft Prevention Services
• Preventative Maintenance Programs and Practices
• Premises Slip and Fall Prevention
• Safety Resources (numerous safety topics and checklists available)
• Loss Control information portal for agents & customers on prevention insights

Underwriting Process/Model
Underwriting is done through local branch Middle Market Underwriters.

Risk Characteristics
• Financially Sound
  – Appropriate reserves for replacement of building systems/maintenance
  – Building systems including roof, HVAC, electrical, and plumbing are updated timely
• Vigorous Risk Transfer Procedures
  – “Additional Insured” status from tenants and contractors
  – Consistent application and enforcement of indemnification clauses in contracts (hold harmless and waivers of subrogation)
• First-rate Maintenance Practices
  – Well-maintained, well-lit premises
  – Regularly scheduled inspections of properties and performance of preventative maintenance
• Stable and Balanced Real Estate Portfolio (Commercial Real Estate Owners and Managers Only)
  – 10% or less of total TIV currently listed for sale
  – 10% or less of total TIV in Development and/or total TIV in Renovations at any one time
  – No build to sell, infrastructure work, or residential development
  – 5% or less of total TIV in residential exposures

Key Marketing Tools
Commercial Real Estate Owners and Managers
We offer a full range of marketing tools to help agents understand our capabilities, appetite, and products and to help supplement and amplify their sales efforts:
• Real Estate Agent Brochure (114-1045)
• Real Estate Customer Review Flyer (114-1049)
• Real Estate Customer Risk Review Checklist (114-1048)
• Real Estate Customer Prospecting Letter (114-1050)
• Emergency Event Management Customer Fact Sheet (114-1073)

Potential Cross-Sell Opportunities
Commercial Real Estate Owners and Managers
Coverage gaps open up major cross-sell opportunities, including:
• Builders Risk
• Employment Practices Liability
• Miscellaneous Professional Liability
• Property Managers Errors & Omissions
• Fidelity & Crime Coverage
• Private Company Management Liability

High-End Condominium and Cooperative Owner Associations
• Employment Practices Liability
• Miscellaneous Professional Liability
• Fidelity & Crime
• Private Company Management Liability

Contact Information
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Hanover Restaurant Advantage

Marketplace Overview

Nationwide, the restaurant industry includes approximately 954,000 establishments with combined annual revenue of almost $580 billion. The industry is highly fragmented, with the 50 largest companies holding just 20% of the market. It employs 12.7 million people, making it one of the largest private sector employers. The industry’s share of the entire food dollar is 49%. The P&C premium is estimated at $4 billion. These facts make for a viable market across all geographic regions.

Target Market

Hanover Restaurant Advantage targets a wide range of full-service restaurants. The package account premium is between $25,000–$200,000. Risk characteristics include:

- In business as a full-service establishment for a minimum of five years and financially solid with consistent management and ownership
- Liquor sales <30% of overall receipts with slightly higher percentage if a wine cellar exists
- No catering or delivery operations
- Proper protection of all cooking facilities, including fire suppression systems and filters along with regular cleaning and maintenance contracts
- Comprehensive server (TIPS) training provided to all employees
- Newer buildings (<20 years) with above-average construction, preferably sprinklered to a central station

Key Competitive Advantages

Besides offering restaurants a fully integrated risk management program that combines underwriting, claim and loss control services, Hanover Restaurant Advantage offers the following advantages:

- Complete suite of restaurant products, handling many of their insurance needs—all available directly through one carrier—The Hanover (no MGA middleman)
- Local experienced underwriters who have a proven track record in this industry and can make decisions on the spot
- Extensive Loss Control expertise and resources, including a customer portal, onsite surveying, and comprehensive Loss Control services that institute or supplement comprehensive employee safety, fleet safety, building safety, risk transfer management, and customer safety programs
- Comprehensive risk management solution for restaurant industry clients
- Comprehensive risk management solution including a Loss Control portal providing agents & customers information on prevention insights

continued
Key Competitive Advantages (continued)
- Total protection, one-stop shopping by offering additional specialty coverages (e.g., Employment Practices, Management Liability, etc.)
- Financial strength writing on “A” rated admitted paper
- Limited distribution strategy, which creates a strong franchise value for our agents, enabling them to differentiate in the marketplace

Key Competitors
- Hartford, CNA, Nationwide, Restaurant Program of America (MGA)

Distribution Strategy Overview
Given that the program does not require agents to have extensive specialized expertise, we have taken a broad distribution approach by opening Hanover Restaurant Advantage to all Commercial Lines Hanover Agents. Some Hanover Agents specialize in this marketplace and we definitely want to target writing this business with them.

Core Product Offerings
- Commercial Package Policy
- Commercial Automobile (not to be major portion of account)
- Workers’ Compensation (not to be major portion of account)
- Commercial Umbrella—limits offered based on individual account underwriting

Special/Value-Add Coverages
We offer a broad array of specialized coverage that restaurants can tailor to meet their specific needs, including:
- Equipment Breakdown Coverage
- Change in Temperature or Humidity
- Liquor Liability
- Food Spoilage/Adulteration Coverage
- Products Recall

Underwriting Process/Model
Underwriting is done through local branch Middle Market Underwriters.

Key Marketing Tools
We offer a full range of marketing tools to help agents understand our capabilities, appetite, and products and to help supplement and amplify their sales efforts. Marketing materials for this offering are currently in development and will be available soon.

Potential Cross-Sell Opportunities
- Employment Practices Liability
- Private Company Management Liability
- Fidelity & Crime

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Hanover Retail Advantage

Marketplace Overview

The retail trade industry consists of establishments engaged in selling merchandise for personal or household consumption and rendering services incidental to the sale of those goods. The entire U.S. Retail Trade industry had an estimated $4.1 trillion in sales in 2009 from over 1.2 million establishments. Retail establishments closely align with population density, so they are predominant in suburban and urban markets. This market follows economic trends, although analysts suggest that the industry’s rebound will be slower than that of the overall economy.

Target Market

Hanover Retail Advantage targets a wide range of retailers who are financially stable and have been in business for a minimum of three years. They can have incidental service, repair, and installation exposures and multiple location risks. Examples of desired retail operations include but are not limited to, the following:

- Automotive Parts & Accessories Stores
- Book & Magazine Stores
- Clothing Stores
- Drug Stores
- Furniture Stores
- Nursery and Garden Centers
- Shoe Stores

Key Competitive Advantages

In addition to offering retail clients a broad array of customizable, industry-specific coverages, Hanover Retail Advantage offers the following:

- Extensive Loss Control expertise and resources, including a customer portal, onsite surveying, and comprehensive Loss Control services that institute or supplement comprehensive employee safety, fleet safety, building safety, risk transfer management, and customer safety programs
- Total protection and one-stop shopping by offering additional specialty coverages (e.g., Inland Marine, Employment Practices, etc.)
- Financial strength writing on “A” rated admitted paper
- Limited distribution strategy, which creates a strong franchise value for our agents, enabling them to differentiate in the marketplace

Key Competitors

- Hartford, Travelers, Firemen’s Fund, CNA

Distribution Strategy Overview

Given that the program does not require agents to have extensive specialized expertise, we have taken a broad distribution approach by opening Hanover Retail Advantage to all Commercial Lines Hanover Agents.

continued
Core Product Offerings

• Commercial Package Policy
• Commercial Property
• General Liability
• Commercial Automobile (not to be major portion of account)
• Workers’ Compensation (not to be major portion of account)
• Commercial Umbrella

Special/Value-Add Coverages

We offer a broad array of coverages with high limits that an agent can tailor to meet their specific needs, including:

• Equipment Breakdown Coverage
• Enhanced Building Definition
• Property Valuation Options
• Change in Temperature or Humidity
• Deferred Payments
• General Liability Extensions
  – Product Recall
  – Broadened Property Damage
  – Additional Insureds (Contract, Permit)

Underwriting Process/Model

Underwriting is done through local branch Middle Market Underwriters.

Target Risk Characteristics

Account Premium >$25,000, controlled by a Hanover Agent

• At least 3 years in business
• New buildings preferred with sprinkler system and central station smoke and burglary alarms
• Well-organized stock (front room and back room)

• Incidental (<10%) installation, service, or repair work
• Adequate life safety and evacuation plan
• Well-established delivery routes and fleet safety program
• Annual turnover <40%

Key Marketing Tools

We offer a full range of marketing tools to help agents understand our capabilities, appetite, and products and to help supplement and amplify their sales efforts. Marketing materials for this offering are currently in development and will be available soon.

Potential Cross-Sell Opportunities

• Inland Marine
  – Jewelers’ Block
  – Furriers’ Block
  – Musical Instruments
• Employment Practices Liability
• Private Company Management Liability
• Fidelity & Crime

Contact Information

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**Marketplace Overview**

The P&C premium for the wholesale industry is approximately $12 billion. Wholesalers in Hanover’s expanded footprint and appetite total roughly $4 billion. The marketplace generally follows the population with wholesalers commonly found in all metro areas. Large metro areas, like New York, offer a particularly wide variety and volume of wholesalers. Other Metro areas where wholesalers thrive include Atlanta, Boston, Chicago, Dallas, Los Angeles, San Francisco, and Seattle. This is a mature market with some competitor consolidation expected in the future.

**Target Market**

**Hanover Wholesalers Advantage** targets a broad range of wholesalers and distributors, with more of our appetite in the durable goods area. Examples of target classes include:

- Books, Periodicals & Newspapers
- Clothing
- Electronic Parts
- Flowers, Nursery Stock & Florists
- Furniture
- Medical, Dental & Hospital Equipment
- Motor Vehicle Parts
- Office Equipment
- Plumbing & Heating Equipment
- Printing & Writing Paper
- Refrigeration Equipment

Check the iBank for a complete list of the many classes of wholesalers that we target.

**Key Competitive Advantages**

In addition to offering a fully integrated risk management program we combine underwriting, claim and loss control services—all provided through one company—The Hanover.

**Hanover Wholesale Advantages** offers the following advantages:

- Local experienced underwriters who have a proven track record in this industry and can make decisions on the spot
- Extensive Loss Control expertise and resources, including a customer portal, onsite surveying, and comprehensive Loss Control services that institute or supplement comprehensive employee safety, fleet safety, building safety, risk transfer management, and customer safety programs
- Total protection, one-stop shopping by offering additional specialty coverages (e.g., Inland Marine, Ocean Cargo, Employment Practices, etc.)
- Financial strength writing on “A” rated admitted paper
- Turnkey agent-to-customer marketing tools
- Limited distribution strategy, which creates a strong franchise value for our agents, enabling them to differentiate in the marketplace

**continued**
Key Competitors
National:
• Hartford, Travelers, CNA, Liberty, Fireman’s Fund
Regional:
• Acadia, FCCI, Harleysville, Utica Mutual, Hastings Mutual

Distribution Strategy Overview
Given that the program does not require agents to have extensive specialized expertise, we have taken a broad distribution approach by opening Hanover Wholesalers Advantage to all Commercial Lines Hanover Agents. Some Hanover Agents target this industry and locally it is important to identify and align with them to write this business.

Core Product Offerings
• Commercial Package Policy
• Commercial Property
• Equipment Breakdown
• Commercial General Liability
• Products Liability
• Commercial Automobile
• Commercial Umbrella
• Workers’ Compensation

Special/Value–Add Coverages
We offer a broad array of specialized coverage that wholesalers and distributors can tailor to meet their specific needs, including:
• Wholesale Property Broadening Endorsement (adds 40 coverages)
• General Liability Special Broadening Endorsement (adds 20 important coverages)
• Foreign Dependent Property Coverage
• E-commerce Coverage Endorsement
• Loss Control information portal for agents & customers on prevention insights

Underwriting Process/Model
Underwriting is done through local branch Middle Market Underwriters.
Risks outside of our standard appetite can be submitted to Hanover Specialty Industrial for Property (must be fully or partially sprinklered) via Hanover Specialty Industrial Property (HSIP) or ancillary coverages via Hanover Specialty Industrial Brokers (HSIB).

Risk Characteristics
• Account Premium over $50K, controlled by a Hanover Agent
• At least three years in business
• Three-plus years of currently valued loss runs showing exceptional profitability (<25%)
• All specialized storage arrangements must meet or exceed Loss Control guidelines. These exposures include in-rack storage arrangements, aerosol product storage and combustible and flammable materials storage
• Buildings less than 25 years old
• Only incidental exposures related to product installation, service or repair (Max of 10% of annual receipts from these incidental exposures)
• Risks with superior risk transfer processes in place. All suppliers hold wholesaler harmless and wholesaler covered as vendor or A/I with adequate limits by supplier
• Well-established delivery routes & Fleet Safety Program
• No long-haul delivery of goods
• Annual employee Turnover <12% (Drivers and all other Employees)
Key Marketing Tools

We offer a full range of marketing tools to help agents understand our capabilities, appetite, and products, and to help supplement and amplify their sales efforts:

- Wholesalers Agent Brochure (114-1061)
- Wholesalers Coverage Benefits Customer Guide (114-1060)
- Wholesalers Coverage Review Customer Guide (114-1059)
- Wholesalers Customer Prospecting Letter (114-1058)

Potential Cross-Sell Opportunities

- Inland Marine (Transit Coverage, Warehousing)
- Ocean Cargo
- Employment Practices Liability
- Private Company Management Liability
- Hanover Specialty Industrial: Hanover Specialty Industrial Property for high fire hazard risk property and Hanover Specialty Insurance Brokers for casualty and pollution

Contact Information

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Middle Market

Niches
Marketplace Overview

Today there are roughly 7,900 limo operators in the U.S., with more than 36,000 employees. This creates a total market opportunity in excess of $140 million, with an average account size of over $18,000. Only a limited number of insurance companies actively target this class of business, and there are even fewer standard “A” rated carriers, like The Hanover.

Target Market

Hanover Chauffeured Transportation Advantage targets quality, professionally chauffeured transportation and limousine businesses, including pre-arranged (generally 24-hours ahead) limousine service, corporate transportation services, and airport limousines.

These are owned fleet operations (<14 units) which provide local services (up to 125 miles). Specifically, our program covers businesses that use the following vehicles:

- Executive Sedans
- Luxury or Classic
- Stretch Limousines (up to 130”)
- Luggage or Transportation Vans

Focus is on metropolitan areas, but can be made available in most states where we do business.

Refer to CL iBank for a complete list of state availability.

Key Competitive Advantages

In addition to offering a complete suite of top-quality insurance products (for all lines excluding Workers’ Comp) for chauffeured transportation & limousine businesses, Hanover Chauffeured Transportation Advantage offers the following advantages:

- A fully integrated risk management program that combines underwriting, claim and loss control services—all services provided by one company—The Hanover
- Specially trained, field-based underwriters who have a proven track record in this industry, can make decisions on the spot, and can help you market this program
- Over 15 years of experience writing Chauffeured Car business and being a go-to standard market for our key agent partners
- Typically pay higher commissions, including premium in annual profit sharing
- Locally marketed and underwritten, by people who know you and the territory
- Extensive Loss Control expertise and resources for all size accounts including a customer portal with access to a variety of risk management aides, onsite loss control consultation, Loss Control services that institute or supplement the client’s risk reduction techniques associated with driver hiring/monitoring/controls, accident investigations, employee safety, building safety, risk transfer management, and exposure assessments
- Total protection and one-stop shopping by offering additional specialty coverages (e.g., Fidelity & Crime)
- Financial strength writing on “A” rated admitted paper
- Turnkey agent-to-customer marketing tools
- Limited distribution strategy, which creates a strong franchise value for our agents, enabling them to differentiate in the marketplace

continued ➤
Key Competitors
- National: The Hartford, Zurich, Travelers (Northland)
- Specialist: National Interstate, Lancer, Southern Casualty, American Alternative (Munich)

Most carriers are accessed through MGAs. Hanover provides our agents direct access.

Distribution Strategy Overview
In keeping with The Hanover’s commitment to building franchise value by limiting the availability of our products, Hanover Chauffeured Transportation Advantage is available to only select agents demonstrating a commitment to this market niche and long-term profitable growth.

Core Product Offerings
Hanover Chauffeured Transportation Advantage offers a broad range of products (except Workers’ Compensation) that provide chauffeured car businesses complete protection. These include:
- Commercial Auto
- Commercial General Liability
- Commercial Property
- Commercial Umbrella or Excess

Special/Value-Add Coverages
We offer a broad array of coverage with high limits and value-added services that chauffeured transportation and limousine businesses can tailor to meet their specific needs, including:
- Business Owner’s Policies or Broadened Commercial Package Policies
- Auto coverage with primary limits to $1.5 million including a package of available broadened coverages
- Umbrella limits to $5 million
- Loss Control information portal for agents & customers on prevention insights

Underwriting Process/Model
Underwriting is limited to trained Middle Market and Small Commercial Niche Specialist Underwriters.

Key Marketing Tools
We offer a full range of marketing tools to help agents understand our capabilities, appetite, and products and to help supplement and amplify their sales efforts:
- Chauffeured Transportation Advantage Agent Brochure (117-1046)
- Chauffeured Transportation Agent Talking Points (117-1138)
- Chauffeured Transportation Advantage Kit (117-1146KIT)
  Includes the following:
  - Chauffeured Transportation General Eligibility Guidelines (117-1133)
  - Chauffeured Transportation Auto Broadening Endorsement (117-1132)
  - Chauffeured Transportation Prospecting & Lead Generation (117-1082)
  - Chauffeured Transportation Customer Brochure (117-1047)
  - Chauffeured Transportation Customer Prospecting Letter (117-1084)

Potential Cross-Sell Opportunities
- Employment Practices Liability

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Marketplace Overview

Professional Records & Information Services Management (PRISM), the industry association that represents owners and operators of commercial information management facilities, estimates there are 3,000 establishments worldwide engaged in records storage and destruction, with 1,500 of them located in the U.S. Other sources have estimated as many as 6,000 to 7,000 establishments worldwide. Twenty to thirty percent of moving and storage contractors also provide these services. The average contractor produces an estimated $1 to $1.5 million in annual revenues for destruction alone. Those engaged in storage will generate higher annual revenues. The industry has a limited number of national or regionally based firms with multiple locations and large employee forces (e.g., Iron Mountain, Cintas, Shredex, Hanna Paper, and Retrievex), many smaller, locally owned, and/or individually franchised opportunities with nationally based companies exist.

Target Market

Hanover Document Management Advantage targets businesses engaged in the secure pickup and delivery, storage, cataloging, retrieval, and/or complete destruction of confidential information contained on a variety of mediums, including a range of electronic and recorded media. Large capacity electronic media storage businesses are not targeted. A records storage services provider may offer professional advice or assistance to their client on matters concerning federal or state document retention requirements and compliance.

- Records Storage
  - All types of physical records including paper, microfilm, microfiche, computer tapes and hard drives
- Records Destruction Contractors
  - Mobile or premises fixed
- Franchised and Non-Franchised records storage and destruction operations

continued
Key Competitive Advantages
In addition to offering document management businesses with a complete suite of products that protect their property, autos, employees, and customer, Hanover Document Management Advantage offers the following advantages:

- A fully integrated risk management program that combines underwriting, claims, and loss control services, all provided by one company — The Hanover
- Well-designed, highly relevant coverages, including Professional liability with coverage features that go beyond our competition
- Data Breach Endorsement presents a unique additional advantage to Hanover’s Professional Liability coverage
- Marine exposures are specifically, consistently, and uniquely addressed through a combination of AAIS and Hanover — developed forms, including important Equipment Breakdown Coverage on critical equipment
- Specially trained, centralized underwriting
- Robust Loss Control program, including in-house Loss Control experts and a Loss Control portal which allows customers and agents to access valuable Loss Control information
- Support and consultation through our Loss Control and Claims Services (specialized Inland Marine claims)
- Total protection and one-stop shopping by offering additional specialty coverages, including professional liability with coverages that go beyond our competition
- Experienced market — a natural addition to our established expertise in Moving & Storage
- Financial strength writing on “A” rated admitted paper
- Turnkey agent-to-customer marketing tools
- Limited distribution strategy, which creates a strong franchise value for our agents, enabling them to provide differentiation in the marketplace

Key Competitors
- Professional: CNA Shredguard® Program, Scottsdale, and Lloyds of London
- Regional Carriers (such as Cincinnati and Selective)
- The Hartford, Travelers
- MGA provides access

Distribution Strategy Overview
In keeping with The Hanover’s commitment to building franchise value by limiting the availability of our products, Hanover Document Management Advantage is available only to locally chosen Partner Agents and a few select other agents who currently write Moving and Storage business and have a strong commitment to growth.

Product Offerings
- Commercial Property
- Commercial General Liability
- Commercial Auto
- Workers’ Compensation
- Commercial Umbrella
- Miscellaneous Professional Liability
- Equipment Breakdown Coverage
- Inland Marine

Special/Value-Add Coverages
We offer a broad array of specialized coverage that can be tailored to meet specific needs, including:

- Marine coverages, including Schedule of Coverages:
  - Records Storage & Destruction Contractors
  - Customers Goods Coverage Agreement to Insure
  - Joint Deductible
  - Hartford Steam Boiler EBC

Potential Cross-Sell Opportunities
- Fidelity & Crime
- Commercial Surety
- Employment Practices Liability
- Marine
Underwriting Process/Model
Based upon account premium size, underwriting is limited to Small Commercial Niche Underwriters or local Middle Market Underwriters with a strong Commercial General Liability and Commercial Auto background to handle this specialized business, (Each underwriter handles Miscellaneous Professional, Employment Practices Liability, General Liability, Commercial Auto, Workers’ Compensation, Commercial Umbrella, and Commercial Crime based upon authority grant.)

On larger premium accounts, Marine and Property Underwriting is done by our Worcester office.

Risk Characteristics
Target Account characteristics include:

- Established, profitable, full-service records storage and/or destruction contractor in business at least one year or with management having five or more years of experience operating a similar business
- Membership in good standing with NAID (National Association for Information Destruction) or PRISM (Professional Records & Information Services Management) is considered highly desirable
- Subcontracted work done only through adequately insured (same limits and coverage) subcontractors
- Established employee selection, training, certification, and monitoring program or willingness to implement these programs based upon Hanover guidelines
- Modern, secure, and well-maintained single occupant warehouse designed for or appropriately modified for record storage (storage of other property should be limited to no greater than 25% of the building area and be of the type that does not increase hazards beyond the building’s capabilities)
- Automatic sprinkler protection, smoke detection equipment, and heat alarm systems may be required
- Separate (fire division and access) storage facilities for self storage
- Use of appropriate Bill of Lading, Warehouse Receipts, or Rental Agreement
- Established and documented equipment and vehicle maintenance/replacement program
- Contractors with at least one commercial type auto
  - Average age of vehicles, ten years or less
  - Established driver hiring, training, and monitoring program
- Receptive toward the implementation of a loss control program

Key Marketing Tools
- Hanover Document Advantage Agent Sell Sheet (114-1201)
- Hanover Document Advantage Agent Letter (114-1202)
- Hanover Document Advantage Customer Risk Review Checklist (114-1194)
- Hanover Document Advantage Customer Prospecting Letter (114-1203)

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Hanover Education Advantage

Marketplace Overview

The educational institution marketplace represents an enormous opportunity. There are 27,000 private schools (K-12) with $25 billion in revenue—and 80% of these have a religious affiliation. There are also 17,000 public school districts, which include 90,000 schools serving 50 million K-12 students. Note that the 100 largest districts serve 25% of those students. In higher education, there are 4,300 colleges and universities (60% state; 40% private) receiving $400 billion in revenue. The total education industry represents significant opportunity with $770 million of premium within our footprint states. Hanover Education Advantage is now available in most states. Refer to the CL iBank for state eligibility.

Target Market

Hanover Education Advantage targets a wide range of educational institutions, including:

- Private K-12 Schools
- Colleges and Universities (Small, Private, and Public)
- Charter Schools
- Vocational/Trade Schools
- Specialty Schools (e.g., Private Instruction in Music or Art)
- Schools Associated with Religious Institutions
- Public K-12 Schools (Availability varies by state)

Key Competitive Advantages

In addition to offering educational institutions a complete suite of school insurance products, including special property and liability endorsements specific to the education market, Hanover Education Advantage offers the following:

- Specially trained local underwriters who have a proven track record in this industry and can make decisions on the spot
- Loss Control and claims expertise and resources, including a customer portal, onsite surveying, and school loss control services
- Total protection and one-stop shopping by offering additional specialty coverages (e.g., Fidelity & Crime, Management Liability, etc.)
- Financial strength writing on “A” rated admitted paper
- Turnkey agent-to-customer marketing tools
- Limited distribution strategy, which creates a strong franchise value for our agents, enabling them to differentiate in the marketplace

Key Competitors

- Nationals & Regionals:
  - Liberty RAM, Hartford, Philadelphia, CNA, Utica National

- Specialists:
  - United Educators, Church Mutual, Guideone

continued
Distribution Strategy Overview
In keeping with The Hanover’s commitment to building franchise value by limiting the availability of our special offerings, Hanover Education Advantage is available only to Partner Agents with specific expertise in writing this niche business and who have made a strong commitment to growth through partnering with The Hanover. The specific agents are chosen locally by Hanover’s Commercial Lines Regional Vice President with input from education subject matter experts.

Core Product Offerings
• Commercial Property
• Equipment Breakdown
• Commercial General Liability
• Commercial Auto
• Commercial Umbrella

Special/Value-Add Coverages
We offer a broad array of specialized coverages and services that educational institutions can tailor to meet their specific needs. These include:
• Educational Institutional Amendatory Endorsement
• School Property Broadening Endorsement
• Educators Legal Liability Coverage
• Sexual Misconduct and Molestation Coverage
• Law Enforcement and Professional Liability
• Employee Benefits Liability
• Loss Control information portal for agents & customers on prevention insights

Loss Control Education
Education microsite (education.hanover.com) links to our Loss Control portal allowing policyholders to access valuable information.

Underwriting Process/Model
Underwriting is limited to trained Middle Market Underwriters in the branch who have completed Hanover Education Advantage training and received a Letter of Authority.

Key Marketing Tools
We offer a full range of marketing tools to help agents understand our capabilities, appetite, and products and to help supplement and amplify their sales efforts:
• Schools Agent Brochure (115-1005)
• Schools Customer Prospecting Kit (115-1014KIT)
  Includes the following:
  – Schools Customer Brochure (115-1033)
  – Schools Prospecting Letter (115-1034)
  – Emergency Event Management Information Sheet (114-1073)
  – Schools Loss Control Portal Customer Guide (115-1105)

Potential Cross-Sell Opportunities
• Builders Risk
• Private Company Management Liability
• Commercial Surety
• Fidelity & Crime

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Marketplace Overview

According to the National Center for Charitable Statistics, there are over 140,000 nonprofit organizations located throughout the U.S. and the revenue for public charities grew from $573 billion in 1995 to $1.1 trillion in 2005. Human Services represented 32% of that total, equating to a $2 billion Human Services insurance market, which has continued to grow rapidly. To pursue aggressively this lucrative market, we launched Hanover Human Services Advantage in 11 footprint states in January 2009. Today, we have filings in 30 states, with plans to expand to all states in the continental U.S. in the near term.

Target Market

Hanover Human Services Advantage targets nonprofit (501c3) and for-profit organizations that provide professional (non-medical) services for a disadvantaged population. Examples of the various Human Services operations that we write include:

- **Addiction Services**
  - Outpatient counseling
  - Supporting/independent living services and facilities
  - Residential treatment facilities
  - Social detox

- **Developmental Disabilities**
  - Day programs, workshops, vocational services
  - Group homes, supported housing, intermediate care facilities, respite services

- **Youth Services**
  - Youth groups/services, human service camps
  - Head Start programs and early intervention
  - Big Brother/Big Sister, mentoring programs, Court Appointed Special Advocates
  - Foster care, domestic adoption and specialty residential programs

- **Aging Services**
  - Senior centers
  - Meals on Wheels
  - Adult day care
  - Respite services
  - In-home assistance (companion care only—NO medical/home healthcare)
  - Hospice

- **Community Services**
  - Food banks, soup kitchens
  - Ethnic-based groups and centers, arts and cultural programs
  - Temporary housing for families with medical needs (e.g., Ronald McDonald Houses)

continued
Target Market (continued)
– Community action agencies, weatherization
– Thrift stores, Goodwill Industries
– Homeless shelters, women’s shelters, YWCA, YMCA, JCC
• Mental Health
  – Outpatient counseling
  – Supported/transitional living, residential treatment facilities
  – Crisis intervention (no dedicated suicide hotlines)

Key Competitive Advantages
In addition to offering Human Service organizations a full account solution consisting of all lines of business, including some Workers’ Compensation on selected classes, Hanover Human Services Advantage offers the following:
• A fully integrated risk management program that combines underwriting, claim, and loss control services, all provided through one company—Hanover
• Well-designed, highly relevant coverages that continue to be upgraded
• Over 25 years of experience writing institutional businesses
• An experienced team of program management professionals with firsthand experience in the Human Services industry
• Specially trained local underwriters
• Robust Loss Control program including in-house Loss Control experts who focus on professional liability, abuse and molestation, quality of management, and operations exposures
• Deep discounts on services, including criminal background checks, driver checks, online training sessions
• Additional informational services including webcasts, a Twitter account, and niche newsletters
• Financial strength writing on “A” rated admitted paper
• Turnkey agent-to-customer marketing tools
• Limited distribution strategy, which creates a strong franchise value for our agents, enabling them to differentiate in the marketplace

Key Competitors
• Philadelphia Insurance, Selective, Chartis (AIG) Companies

While other carriers may write parts of a Human Services account, very few provide all the necessary coverages required to meet the needs of this market, and Hanover provides an all-lines solution (excluding Workers’ Compensation).

Distribution Strategy Overview
Limited to selected Partner Agents only—jointly chosen by local CL RVP and the Niche leader—keeping with The Hanover’s commitment to building franchise value by limiting the availability of our products.

Core Product Offerings
• Professional Liability
• Commercial General Liability
• Commercial Abuse and Molestation
• Commercial Umbrella
• Commercial Property, Crime, Inland Marine
• Commercial Auto
• Non-Profit Management Liability
• Workers’ Compensation (Select Classes)

Special/Value-Add Coverages
We offer a broad array of specialized coverages and services that Human Service organizations can tailor to meet their specific needs. These include:
• Human Services Property Broadening Endorsement
  – Property of home health provider
  – Residential room reserve
  – Water and backup sewer coverage
  – $250K per location blanket coverage for BI/EE, EDP, Accounts Receivable, plus others
• Human Services General Liability Broadening Endorsement
  – General Aggregate Per Location
  – Bodily Injury redefined to include mental anguish, shock, and fright
  – Personal Injury redefined to include discrimination suits bought by clients
• Human Services Additional Insured Endorsement  
  – Includes important parties such as funding sources, home healthcare providers, and independent contractors
• Human Services Broaden Named Insured available
• Supplemental Payments—Human Services  
  – Unpaid donations coverage  
  – Executive officer replacement expense
• Modified Athletic Activities—Med-Pay  
• Excess Med-Pay

Loss Control Education
Human Services microsite (humanservice.hanover.com) links to our Loss Control portal allowing policyholders to access valuable information.

Underwriting Process/Model
• Underwritten by local Middle Market Underwriters who have completed Human Services training and received a Human Services Letter of Authority
• Referrals go to Regional Niche Manager, and Director, as appropriate

Key Marketing Tools
We offer a full range of marketing tools to help agents understand our capabilities, appetite, and products and to help supplement and amplify their sales efforts:
• Human Services Advantage Agent Brochure (115-1057)
• Human Services Client Prospecting Kit (115-1065KIT)  
  Includes the following items:  
  – Human Services Commercial Property Customer Brochure (115-1065)  
  – Human Services Business Auto Customer Brochure (115-1068)  
  – Human Services Property and General Liability Customer Brochure (115-1066)  
  – Human Services Nonprofit Management Liability Customer Brochure (115-1077)  
  – Human Services Umbrella Customer Guide (115-1069)  
  – Human Services Loss Control and Claims Service Customer Brochure (115-1073)  
  – Human Services Loss Control Portal Customer Brochure (115-1089)  
  – Human Services Great Reasons Why Customer Flyer (115-1102)  
  – Human Services Customer Brochure—About The Hanover (115-1074)  
  – Human Services Customer Prospecting Letter (115-1062)  
  – Human Services Press Release (115-1129)  
  – Human Services Coverage Review Checklist (115-1130)  
  – Human Services Loss Control Menu of Services (115-1134)

Potential Cross-Sell Opportunities
• Nonprofit Management Liability  
• Fidelity & Crime  
• Commercial Surety
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Marketplace Overview

The Moving and Storage industry includes movers of household goods (e.g., home relocation) and commercial moving (e.g., office relocations), as well as “specialized” transport requiring a gentle touch, such as moving fragile equipment, antiques, etc. The insurance marketplace for the industry is estimated at $500 million. Factoring for appetite, this represents a Hanover market opportunity of approximately $200 million.

This industry follows real estate and population trends, with 8,000 companies generating $12 billion in revenue annually. Most of the firms are smaller, with 82% employing 20 or fewer employees. While smaller and performing primarily local moves, many of these companies will perform long distance moves. Despite the economic downturn, moving companies remain active. In addition to “normal” moves, many people and companies are making economy-driven moves.

The 50 largest companies have 45% market share. Some of the larger companies are Unigroup (United and Mayflower), Allied North American, Atlas Worldwide, Arpin, Stevens, Wheaton, and Bekins.

Target Market

Hanover Moving and Storage Advantage targets companies that specialize in moving and/or storage of used household goods and personal effects by motor vehicles over public roadways. Moving and storage operations own warehouses which store used household, office, and commercial business items, records and confidential information, new furniture staged for movement into renovated locations such as hotels, retail, and office establishments, and some general commodities, as well as offer space for the self-storage customer. These facilities should limit the warehousing of general commodities to 25% or less of total stored values. Typical businesses in the category have these characteristics:

- 2 to 20 commercial move trucks
- Local to intermediate radius movers (500 miles or less under own authority)
- National Franchise Agents or independent locally owned businesses

We write these coverages:

- Commercial Inland Marine—motor truck cargo, warehouse legal liability, customers goods storage/transit certificate program, real and personal property, business income, crime, including theft of customer property, equipment breakdown
- Casualty covers of Commercial Automobile, General Liability, and Umbrella
- Miscellaneous Professional Liability—records storage and destruction (unintentional release of confidential information)

We do not desire to write Workers’ Compensation. Refer to CL iBank for a complete list of state availability.

continued ➤
Key Competitive Advantages

In addition to offering a complete suite of top-quality insurance, **Hanover Moving and Storage Advantage** offers these advantages:

- A fully integrated risk management program, provided and coordinated by one company, combining underwriting, claim, and loss control
- Specially trained, field-based underwriters who have a proven track record in this industry, can make decisions on the spot, and can help you market this program
- Over 20 years of experience writing Moving and Storage businesses and being a “go to” standard market for our key Partner Agents
- Typically higher commissions, including premium in annual profit sharing
- Locally marketed and underwritten by people who know you and the territory
- Comprehensive proprietary independent marine products
- Extensive Loss Control expertise and resources, including a customer portal, onsite surveying, and comprehensive Loss Control services that institute or supplement a comprehensive employee safety, building safety, risk transfer management, and other safety programs
- Total protection and one-stop shopping by offering additional specialty coverages (e.g., Fidelity & Crime, Management Liability, etc.)
- Financial strength writing on “A” rated admitted paper
- Limited distribution strategy, which creates a strong franchise value for our agents, enabling them to differentiate in the marketplace

Key Competitors

Industry leaders are specialized companies with a focus on moving and storage, while some national and regional companies occasionally entertain this business but have limited product or experience with the segment. MGA’s with expertise are the other main source of coverage.

- Vanliner Insurance (previously a member of Unigroup—United and Mayflower, purchased by National Interstate in 2010) is the #1 market offering coverage direct and through a limited network of Independent Agents
- Transguard (member IAT) is both an insurer and MGA
- General Casualty (QBE) primarily writes in Midwest
- Paul Hanson—Mover’s Choice (West Coast MGA using Chartis and Zurich paper)
- RF Mattei (MGA owned by Economical Insurance Group of Canada) using Everest National Insurance

Distribution Strategy Overview

In keeping with The Hanover’s commitment to building franchise value by limiting the availability of our products, **Hanover Moving and Storage Advantage** is available only to locally chosen Partner Agents and a few select other agents with a knowledge and expertise writing the Moving and Storage business and who have a strong commitment to growth.

Core Product Offerings

**Hanover Moving and Storage Advantage** includes a broad range of products (except for Workers’ Compensation) offering complete protection, including:

- Inland and Ocean Marine including Cargo, Contingent Cargo, Warehouse and Self-Storage Legal Liability, Customers Goods, Equipment, EDP, floaters, etc.
- Commercial Property
- Commercial General Liability
- Commercial Auto
- Commercial Umbrella

Special/Value Add Coverages

We offer a broad array of coverage and services that businesses can tailor to meet their specific needs, including:

- Broad property and Marine coverage including defense
- Storage in Transit at unnamed location
- Coverage for internal moves
- Protection for moving equipment owned, leased, borrowed, or rented by Insured
- Uncollectible charges any one customer
- Riggers Liability
- Customer’s vehicles
- Marine Transportation Claim Experts
- Loss Control Specialists in Moving and Storage, Property Protection, and Marine Risk Management
Available Optional Coverages

- Transit and Storage Certificate Program
- Higher limits for moving equipment and miscellaneous property
- Higher limits for Riggers’ Liability
- Carriers’ Income Protection

Loss Control information portal for agents & customers on prevention insights.

Underwriting Process/Model

Underwriting is limited to local Middle Market Underwriters who have a strong Commercial Auto background to handle this niche business. The Marine and Property are centrally underwritten by Jeff Cook, who is based in Massachusetts.

Key Marketing Tools

We offer a full range of marketing tools to help agents understand our capabilities, appetite, and products and to help supplement and amplify their sales efforts:

- Moving and Storage Agent Brochure (117-1041)
- Moving and Storage Agent Fact Sheet (117-1042)
- Moving and Storage Property Auto Endorsement Customer Guide (117-1053)
- Moving and Storage Property Broadening Endorsement Customer Guide (117-1052)

Potential Cross-Sell Opportunities

- Fidelity & Crime
- Commercial Surety
- Private Company Management Liability
- Employment Practices Liability

Contact Information

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Marketplace Overview

According to the Hartford Institute for Religious Research, there are an estimated 335,000 religious institutions in the United States. These religious organizations have a combined annual revenue of about $95 billion. This represents a Hanover market opportunity of $500 million in our footprint states. Refer to the CL iBank for state eligibility.

Religious organizations have very unique insurance needs. Expanding congregations, rising property values, increased community-based activities, and shrinking revenue sources all combine to create a growing need to properly protect the assets of these organizations. In addition, such institutions face an expanding threat of lawsuits that were unheard of just a few years ago. In today’s market, buyers have an elevated level of interest in ensuring that they have a solid insurance program.

Target Market

Hanover Religious Institutions Advantage targets all types of house of worship, including:

- Churches
- Synagogues & Temples
- Chapels
- Mosques
- Religious Congregations with community-based activities, such as Sponsored Youth Programs, Child Care, Charitable Work in Community
- Churches with Private Schools

Key Competitive Advantages

In addition to offering religious institutions a competitive suite of religious institution specific insurance products, including special property and liability endorsements, Hanover Religious Institutions Advantage offers the following:

- A fully integrated risk management program that combines underwriting, claim, and loss control services, all provided through one company—The Hanover
- Well-designed, highly relevant coverages that continue to be upgraded
- Over 25 years of experience writing institutional businesses
- An experienced team of program management professionals with firsthand experience in this industry
- Specially trained local underwriters
- Robust Loss Control program including in-house Loss Control experts
- Total protection and one-stop shopping by offering additional specialty coverages (e.g., Fidelity & Crime, Inland Marine, etc.)
- Financial strength writing on "A" rated admitted paper
- Turnkey agent-to-customer marketing tools
- Limited distribution strategy, which creates a strong franchise value for our agents, enabling them to differentiate in the marketplace

continued
Key Competitors
- Church Mutual
- Brotherhood Mutual
- Guideone

Distribution Strategy Overview
In keeping with The Hanover’s commitment to building franchise value by limiting the availability of our products, Hanover Religious Institutions Advantage is available only to agents with specific expertise in writing this niche business and who have made a strong commitment to growth through partnering with The Hanover. The specific agents are chosen locally by Hanover’s Commercial Lines Regional Vice President with input from education religious subject matter experts.

Core Product Offerings
Hanover Religious Institutions Advantage offers a broad range of products that offer religious institutions complete protection. These include:
- Commercial Property
- Commercial General Liability
- Commercial Crime
- Commercial Auto
- Commercial Umbrella
- Workers’ Compensation
- Emergency Event Management Coverage
- Data Breach Coverage

Special/Value-Add Coverages
We offer a broad array of specialized coverages and services that religious institutions can tailor to meet their specific needs. These include:
- Religious Institutions General Liability Broadening Endorsement
- Counseling Professional Liability
- Religious Institutions Directors and Officers & Trustees Liability including optional Employment Practices Liability, Teachers Professional Liability, and Third-Party Coverage
- Religious Institution Extra Coverage—Property Broadening Endorsement including:
  - Personal Effects and Property of Others
  - Personal Effects of Clergy
  - Ordinance, Regulation, or Laws
  - Business Income ALS
  - Coverage for windows & glass included in building limit
  - Dwelling coverage ALS (rental value)
- Broadcasters, Telecasting, and Publications Professional Liability
- Innocent Party Defense Coverage for Employees
- Incidental Medical Liability Coverage Endorsement
- Emergency Event Management Coverage
- Data Breach Coverage
- Loss Control information portal for agents & customers

Underwriting Process/Model
Underwriting is limited to trained Middle Market Underwriters in the branch who have completed Hanover’s Religious Institutions Advantage training.
- Accounts > $25,000 local Middle Market Underwriter
- Accounts < $25,000 directed to our Small Commercial Niche Team

Key Marketing Tools
We offer a full range of marketing tools to help agents understand our capabilities, appetite, and products and to help supplement and amplify their sales efforts:
- Hanover Religious Institutions Advantage Agent Information Sheet (114-1167)
- Hanover Religious Institutions Advantage Agent Packet (includes agent and customer materials listed below) (115-1156KIT)
  - Hanover Religious Institutions Advantage Agent Letter (115-1123)
  - Hanover Religious Institutions Advantage Agent Brochure (115-1030)
  - Hanover Amateur Sports Advantage Great Reasons Why Customer Flyer (115-1151)
Potential Cross-Sell Opportunities

- Nonprofit Management Liability
- Fidelity & Crime
- Commercial Surety
- Inland Marine

Contact Information

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Marketplace Overview

The Sports & Fitness market is comprised of approximately 45 million members, belonging to over 33,000 sports teams, leagues, fitness and recreational sports centers, representing approximately $800 million in market opportunity. Additionally, sports and fitness venues employ over 535,000 full and part-time employees and are expected to grow at a rate of 6% through 2018.

Target Market

Hanover targets a wide range of businesses engaged in a variety of sports, health and fitness activities. Examples of businesses not targeted are professional sports teams, motor sports, combat sports, recreation venues and outdoor activities such as whitewater rafting and skiing facilities. Examples of eligible classes include:

- Fitness and Recreation Sports Centers
  - Fitness Centers
  - Health Club Facilities
  - Tennis Clubs
  - Aerobic Studios
  - Yoga & Pilates Studios
- Sports & Recreation Instruction
  - Youth Sports Camps & Clinics
  - Sports Training Clinics
  - Dance Schools & Programs
  - Gymnastics Clubs
  - Coaches Clinics
- Amateur Sports
  - Amateur Organized Sports Teams and Leagues
  - Amateur Tournaments and Events
  - Sports Complexes
  - Athletic Conferences
  - Coaches and Officials
- Auxiliary Operations & Services
  - Spas, Saunas and Whirlpools
  - Tanning Salons
  - Swimming Pools
  - Child Care
  - Massage Therapists

Examples of businesses not targeted include:

- Professional Sports Teams
- Motor Sports
- Combat Sports
- Recreation Venues
- Outdoor Activities such as Whitewater Rafting and Skiing Facilities

continued
Key Competitive Advantages

In addition to offering a complete suite of sports and fitness insurance products, including special property and liability endorsements specific to the sports and fitness market, Hanover Sports & Fitness Advantage offers the following advantages:

• Industry-specific and differentiated coverages for total protection and one-stop shopping by offering additional specialty coverages (e.g. Inland Marine, Employment Practices, etc.)

• A fully integrated risk management program that combines underwriting, claims, and loss control services, all provided by one company—The Hanover

• Well-designed, highly relevant coverages

• Specially trained, local underwriters

• Over 10 years of experience writing Sports & Fitness market

• An experienced team of program management professionals with firsthand experience in the sports and fitness industry

• Typically higher commissions, including premium in annual profit sharing

• Robust Loss Control program, including in-house Loss Control experts and a Loss Control portal which allows customers and agents to access valuable Loss Control information, such as safety topics bulletins and teaching aids, training programs and information about participating in safety committees

• Financial strength writing on “A” rated admitted paper

• Turnkey agent-to-customer marketing tools

• Limited distribution strategy, which creates a strong franchise value for our agents, enabling them to provide differentiation in the marketplace

Distribution Strategy Overview

In keeping with The Hanover’s commitment to building franchise value by limiting the availability of our products, Hanover Sports & Fitness Advantage is available only to locally chosen Partner Agents with specific expertise writing this niche business and who have made a strong commitment to growth. The specific agents are chosen locally by Hanover’s Commercial Lines Regional Vice Presidents with input from sports and fitness subject matter experts.

Core Product Offerings

• Commercial Property
• Commercial General Liability
• Commercial Auto
• Commercial Umbrella
• Workers’ Compensation

Special/Value-Add Coverages

We offer a broad array of specialized coverages and services that sports and fitness businesses can tailor to meet their specific needs. These include:

• Health & Fitness Broadening Endorsement
• Health & Fitness Professional Liability Endorsement
• Amateur Sports Broadening Endorsement
• Amateur Sports Professional Liability Endorsement
• Sexual Abuse and Molestation Coverage
• Emergency Event Management Coverage
• Data Breach Coverage
• Green Property Coverage
• Loss Control information portal for agents & customers on prevent insights

Loss Control Education

Sports microsite (sports.hanover.com) links to our Loss Control portal which allows customers and agents to access valuable information.

Key Competitors

• Philadelphia Insurance
• Markel Insurance Company
• Various MGAs
Potential Cross-Sell Opportunities
• Employment Practices Liability Insurance
• Commercial Surety
• Fidelity & Crime
• Directors & Officers
• Inland Marine

Underwriting Process/Model
Underwritten by local Middle Market & Small Niche Underwriters who have completed Sports & Fitness training and received a Sports & Fitness Letter of Authority.

Referral to the Regional Niche Manager and Director, as appropriate.

Key Marketing Tools
We offer a full range of marketing tools to help agents understand our capabilities, appetite, and products and to help supplement and amplify their sales efforts.

• Hanover Sports & Fitness Advantage Launch Packet (114-1242KIT) Includes agent and customer materials.
• Hanover Sports & Fitness Advantage Agent Brochure (114-1225)
• Hanover Fitness Advantage Customer Packet (114-1240KIT) Includes the following customer materials
  – Hanover Fitness Advantage Great Reasons Why Customer Flyer (114-1227)
  – Hanover Fitness Advantage Customer Coverage Review Checklist (114-1226)
  – Hanover Fitness Advantage Customer Coverage Scenarios (114-1228)
  – Hanover Sports & Fitness Advantage Customer Prospecting Letter (114-1229)
• Hanover Amateur Sports Advantage Customer Packet (114-1239KIT) Includes the following customer materials
  – Hanover Amateur Sports Advantage Great Reasons Why Customer Flyer (114-1199)
  – Hanover Amateur Sports Advantage Customer Coverage Review Checklist (114-1241)
  – Hanover Amateur Sports Advantage Customer Prospecting Letter (114-1197)

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Hanover Technology Advantage

Marketplace Overview

With more than 140,000 companies earning combined annual revenues of nearly $1.2 trillion, the technology sector represents an opportunity like few others. As we define it, the tech market is comprised of three major sub-sectors: Information Technology Services (approximately 120,000 establishments with combined annual revenue of nearly $250 billion), Electronics Manufacturing (about 4,400 companies with revenues of approaching $110 billion), and Telecommunication Services (4,500 companies with revenues at about $300 billion). Hanover Technology Advantage was created specifically to access this gigantic and flourishing marketplace and is now available in most states.

Target Market

Hanover Technology Advantage targets a wide range of technology sectors, offering a variety of customizable products to mid-sized companies in all three sectors outlined above. Examples of the various Technology operations that we write include:

Information Technology & Technology Services
Examples include:
- Custom Programming
- Computer System Integration
- Computer Facility Management
- Data Processing, Hosting, & Related Services
- Packaged Software Development

High-Tech Manufacturing
Examples include:
- Electronic Component Manufacturing
- Computer and Peripheral Equipment Manufacturing
- Communication Equipment Manufacturing
- Audio & Video Equipment Manufacturing

Telecommunications
Examples include:
- Telephone Companies
- Telecommunications Re-billers and Re-sellers
- Internet Service Providers
- Paging Services
- Satellite Telecommunications

continued
Key Competitive Advantages

**Hanover Technology Advantage** provides technology businesses with a total account solution, including special property and liability endorsements specific to the technology market. Our product also offers the following advantages:

- **Broad, flexible appetite**—targets 50 NAICs with over 125 new proprietary General Liability classes and rates, providing incredible flexibility to uncover new market opportunities
- **Comprehensive product suite**—enables a one-stop shopping advantage and can grow as your customers’ risks grow
  - Industry-specific Property & General Liability Broadening Endorsements
  - Multiple options for Errors & Omissions Coverage
  - Umbrella, Marine, Employment Practices Liability, Directors & Officers Liability, Crime, and International Coverage capabilities
- **Local presence**—expert, local underwriting with national product claims and loss control capabilities available to local markets, all supported by regional technology industry talent
- **Selective distribution strategy**, which creates strong franchise value for our agents, enabling differentiation in the marketplace
- **Loss Control and Claims expertise and resources**, including a customer portal that allows clients to access valuable information
- **Turnkey agent-to-customer marketing tools**
- **Financial strength writing on “A” rated admitted paper**

**Key Competitors**

- Travelers
- Hartford
- Chubb

**Distribution Strategy Overview**

Limited to Partner Agents only (jointly chosen by local CL RVP and the Niche leader), keeping with The Hanover’s commitment to building franchise value by limiting the availability of our products.

**Core Product Offerings**

- Commercial Property
- Commercial General Liability
- Errors & Omissions (two stand-alone policies)
  - Hanover Technology Professional Advantage
  - Hanover Technology Professional Advantage Plus
- Commercial Auto
- Workers’ Compensation
- Commercial Umbrella

**Special/Value-Add Coverages**

We offer specialized coverages and services that Technology companies can tailor to meet their specific needs. These include:

**General Liability Coverages and optional Endorsements**:

- Technology General Liability Broadening Endorsement
- Enhanced Website & Internet Coverage
- No Automatic Professional Services Exclusion

**Property Coverages and optional Endorsements**:

- Technology Property Broadening Endorsements
- Worldwide Property Coverage
- Electronic Vandalism Coverage
- International Coverage
- Data Breach Coverage
- Green Building Coverage

**Potential Cross-Sell Opportunities**

- Inland and Ocean Marine
- Employment Practices Liability
- Private Company Management Liability (Directors & Officers, etc.)
- Commercial Crime (Third-Party Off Premises)

**Underwriting Process/Model**

- Underwritten by local Middle Market Underwriters who have completed Technology training and who are supported by regional professionals who are experts in the technology industry
- Referrals go to the Technology Resource Underwriter or the Regional Technology Directors, Regional Niche Manager, and Director, as appropriate
Key Marketing Tools

To help our agents supplement and amplify their sales efforts, we offer a full range of marketing tools to aid in understanding our capabilities, appetite, and products.

Hanover Technology Advantage Agent Kit (includes all of the items listed below including the Client Prospecting Kit. Each item can also be ordered separately.

- Hanover Technology Advantage Agent Brochure (114-1205)
- Hanover Technology Advantage Agent Information Sheet (part of MM Advantage Kit) (114-1219)
- Hanover Technology Advantage Target Classes (114-1215)
- Hanover Technology Advantage Client Prospecting Kit (114-1206) Includes all of the items lists below:
  - Hanover Technology Advantage Customer Guide (Manufacturing Businesses) (114-1222)
  - Hanover Technology Advantage Customer Guide (Technology Services Businesses) (114-1220)
  - Hanover Technology Advantage Errors & Omission Customer Guide (114-1205)
  - Hanover Technology Advantage Specialty Coverages Customer Guide (114-1208)
  - Hanover Technology Advantage Customer Letter (114-1212)
  - Hanover Technology Advantage Claims Scenario (114-1210)
  - Hanover Technology Advantage Great Reasons Customer Information Sheet (114-1221)

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Specialty
Specialty Overview

When Hanover uses the term “Specialty Insurance,” it refers to businesses that provide very specialized P&C products along with unique underwriting expertise. The operating model for “Specialty” is quite different from that for “Business Insurance” (Small Commercial and Middle Market) in two key elements:

1. Products
   a. Specialty products are typically narrowly focused, more complex, and often represent high-margin opportunities (e.g., ocean marine) for a carrier.
   b. Business Insurance products are broader in scope covering much of a customer’s foundational business insurance needs (e.g., package, auto, WC, etc.) and have margins that are often pressured downward due to wide-ranging competition.

2. Underwriting
   a. Specialty generally uses dedicated expertise focused on their unique product set. In addition to working with traditional Hanover Agents, Specialty often works with specialized distribution sources, i.e., specialist agents.
   b. Business Insurance requires solid underwriting skills applied across a broad set of products and while concentrating on Partners, also working across a large number of traditional agents.

Hanover Specialty Business Listing (as of May 2010)
- Marine (Inland & Ocean)
- Surety (Contract & Commercial)
- Hanover Professional Portfolio
- Hanover Management Liability Portfolio
- AIX
- Umbrella
- Hanover Healthcare Advantage

Market Overview

With a wide variety of specialty products in the market, there is no one way in which specialty lines products are produced, underwritten, and distributed. Companies who play in specialty range from national carriers with an area of specialty expertise (e.g., Chubb for Management Liability), to Excess and Surplus Lines carriers who write on non-admitted paper (e.g., Lexington for Excess and A&E), to Regional carriers with a specialty offering (e.g., Peerless for Marine), to smaller, highly specialized companies that have carved out a specific market niche (e.g., Jewelers Mutual for Jewelers Block).

continued
The line-up of competitors will vary greatly based on the product set, and rarely will one company be playing across a wide range of specialty product offerings. Each specialty area tends to have its own set of key competitors that are unique to that specialty.

Distribution for specialty types of products will also range from generalist retail agents, to retail agents that also have an area of specialization, to agents who are specialists in a specific specialty product set, to wholesalers/aggregators who will provide product placement assistance, to retail agents who access national markets on behalf of those agents in return for commission sharing.

It is not uncommon for a carrier providing the specialty coverage on an account to be different from a carrier handling the business insurance portion. This is often due to one company not generally having all the competitive products and underwriting expertise for all their customer’s insurance needs. Situations may also result in multiple agency involvement relative to an account seeking both specialty and business insurance placements, often leading to non-concurrent effective dates for the placement of both types of coverage. Leveraging cross-sell opportunities can be challenging to agents in such an environment.

It is fairly common for traditional retail agents to use a specialty agent to assist them in getting access to specialty products (and sometimes to get help in the expertise such specialty agents may provide). As previously stated, retail agents writing specialty business may also sacrifice some compensation by going through a wholesaler, which is often at lower commissions and no bonus opportunity on the specialty premium. Retail agents also encounter increased handling expenses when they split a customer’s insurance placements (including specialty) across multiple companies due to the lack of uniform application of underwriting, claims, and loss control servicing.

Hanover Specialty Strategic Framework

Expansion of specialty capabilities greatly enhances our franchise value by providing our agents with a broader and deeper product portfolio, which cannot be matched by regional carriers, and even by many nationals. We seek to provide our agents with a portfolio of specialty products most relevant to them and may offer them an exclusive distribution capability over a specified period of time. We also pay an attractive commission and offer opportunity to earn bonus revenue on the specialty business. This approach enables Hanover Agents to write more of their customers’ insurance with one company, creating a competitive advantage that improves an agent’s economics and account retention results.

For every specialty business we are in, our goal is be a strong market player. From an operating model perspective, we will create a consistently excellent agent experience for both specialty and business insurance, while preserving the integrity of the underwriting process.

Distribution strategies will vary based on how a product is sold in the market and our agent’s expertise. On one hand, we focus on Partner Agents who have the capability and appropriate client base to sell specialty products, which enhances our value to them. On the other hand, in order to develop new and deeper relationships that leverage agent capabilities to grow significantly, and to potentially develop more Partner Agents, we may also target specialized agents who possess a significant book of business that correlates to our new specialty offering.

Specialty expansion will be guided by what capabilities our agents want, the profit contribution potential, and our ability to create a sustainable competitive advantage for both our agents and The Hanover.
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The Hanover is the Best Company for Partner Agents because:

I. Intense Focus on Product Innovation
We sell a unique product mix; broader and more relevant to agents than any other carrier.
We commit to unprecedented amounts of distinctive product enhancements over the next five years.

II. True Commitment to Partnership
We create franchise value by limiting the availability of our products much more than the leading regional and national companies.
We invest in products and services that enhance an agent’s economics (e.g., investments in building total accounts).

III. Unparalleled Responsiveness and Expertise
We deliver our offerings through local capabilities with significant authority.
We align our people and technology to be the most efficient and responsive company to work with to capitalize on market opportunities.

The National Company with a Regional Approach

Marketplace Overview

The entire U.S. Inland Marine market has approximately $11 billion in P&C premium. Construction-related business represents a significant portion, but there are other sizable Inland Marine markets such as transportation, Electronic Data Processing (EDP), and collectibles. Inland Marine is considered “mature” yet it still presents new growth opportunities, such as those in green construction and alternative energy. Inland Marine business is widely dispersed among numerous companies, with the national companies maintaining a significant penetration. Smaller specialty and regional companies also have a footprint, with players varying by geographic region.

Target Market

As a Marine writer with a broad appetite, Hanover Inland Marine entertains virtually all classes of Commercial Inland Marine business, including (but not limited to) construction, transportation, collectibles, technology and communication, specialty coverages, etc. Hanover Inland Marine entertains monoline opportunities but also serves to support Middle Market. Hanover Inland Marine is a big player in the marketplace, writing $150 million, and continues to grow at double-digit rates, while contributing consistently profitable results. The footprint is rapidly expanding to cover western region markets.

Hanover Inland Marine offers the following solutions (on an individual-risk basis):

- Builders Risk—up to $100 million capacity
- Construction—Contractors equipment
- Transportation—goods and materials in transit
- Collectible Programs (both commercial and personal)
- Technology and Communications—(e.g., EDP, Cell Towers)
- Special Coverages (e.g., Jewelers’ Block, Furriers’ Block, Marinas)
- Note “Marinas” has a separate marketing sheet in the Playbook

Hanover Inland Marine also has the ability to develop programs and actively solicits new program opportunities both within and outside traditional Marine lines of business. Some program examples include:

- Marinas
- Moving & Storage
- Restoration Contractors
- Musical Instruments
- Valuable Articles
- Jewelers
- Fine Arts
- Furriers
- Personal Property for Residents of Assisted Living Facilities

continued
Key Competitive Advantages

Besides offering a full array of industry-leading products and a full spectrum of innovative programs, Hanover Inland Marine offers agents many other advantages:

- Network of highly experienced local Marine Underwriters who have over 20 years in this business and are 100% trained on Marine
- Marine experts who forged strong relationships with agents and act as true problem solvers, including:
  - Local Marine Specialists — assigned to five–ten agents each who have big Marine volume and make a large commitment (i.e., >300,000 new per year) to Hanover for producing Marine business
  - Marine Advantage Team — providing quick access to Marine Underwriters for all agents not assigned to a Marine Specialist (1-800-533-2564 or marineadvantage.hanover.com)
- One-stop shopping for Inland, Ocean, and Property Coverages
- Ability to develop programs to meet unique/emerging market needs of specific industries
- Dedicated Marine Claims Specialists
- Builders Risk online quote and issuance tool
- Proactive Loss Control Experts who can help detect otherwise unnoticed risk conditions and tailor a program to meet real circumstances (Customer Loss Control Portal — numerous resources, valuable links, etc.)
- Financial strength writing on “A” rated admitted paper
- Limited distribution strategy, which creates a strong franchise value for our agents, enabling them to differentiate in the marketplace

Key Competitors

- Travelers, ACE, Fireman’s Fund, Hartford

Regional carriers vary by geography, and typically focus on basic product offerings

Distribution Strategy Overview

Hanover Inland Marine is open to all Commercial Lines Hanover Agents. Agents who commit large amounts of Marine production will be handled by Marine Specialists, with Partners getting preference. All other agents are handled via the Marine Advantage Team. In addition, access is available to some Marine Specialty Agents.

- Marina Program administered through three Managing General Agents
  - NAMU
  - Harbor Risk
  - Western Marine Insurance
- Hanover Moving & Storage (a/k/a Household Goods Movers) open to a select number of agents countrywide and underwritten by Jeff Cook in MA
- Marine General Liability is an exclusive with Capacity Insurance (NJ)
- Various local programs with agents

Core Product Offerings

Hanover Inland Marine offers a broad range of Commercial Inland Marine (all lines), Monoline Property, and Marina Program (all lines) products. Our extensive portfolio provides comprehensive coverages for a wide range of risks:

- **Builders Risk**
  Commercial Construction, Residential Builders (including online quoting and issuance tool for Homebuilders Program), Green Builders Risk Endorsement (designed to maximize coverage for “green” construction costs that relate to green certification standards in the construction of a covered building)

- **Collectible Programs**
  Fine Arts Collections including Private Collections, Fine Arts Dealers, Stamp and Coin Dealers, Musical Instrument Dealers, Musical Instruments (including Orchestras)

- **Construction**
  Pipeline Construction, Riggers’ Liability, Road Construction, Contractors’ Equipment, Installation Floaters, Public Buildings, Schools, Water Sewage Treatment Plants, and more

- **Special Coverages**
  Related Property (COP), Difference in Conditions, Jewelers’ Block, Furriers’ Block and Furriers’ Customer, Museums, Marinas, Bailees’ Customers, Warehouse Legal Liability (including Cold Storage), Installment Sales, and Scheduled Property Floaters
Technology and Communications
Broadcasting and Communication Equipment, Camera and Film Production Equipment, Camera Dealers, Cell Tower Program, Medical Equipment (including Mobile Units), Municipal Equipment, Electronic Data Processing, Equipment Dealers, and Negative Film Floaters

Transportation
Motor Truck Cargo, Transportation Risks, Short-Line Railroad, Contingent Cargo, Ocean Cargo, and Construction

Special/Value-Add Coverages
Besides offering a full array of products, Hanover Inland Marine also offers valuable tools and services:

- Loss control and risk management safety seminars
- A wide range of Loss Control services that help protect clients’ property (e.g., heavy construction equipment):
  - LoJack
  - Celevoke
  - Equipment Lock Company
  - Tattle Alarm
  - National Equipment Registrar
- An online, easy-to-use Builders Risk Quote and Issuance
- Claims specialists dedicated to Marine

Underwriting Process/Model
- Local Marine Specialists to handle agents with significant Marine premium (typically $1 million+)
- Marine Advantage Unit handles all other agents with dedicated underwriters by region

Key Marketing Tools
We offer a full range of marketing tools to help agents understand our capabilities, appetite, and products and to help supplement and amplify their sales efforts:

- Hanover Marine Agent Brochure (117-1070)
- Marine Advantage Unit Agent Brochure (117-1061)
- Marine Program Agent Information Sheet (117-1150)
- Medical Diagnostic Equipment Agent Brochure (117-1057)
- Medical Diagnostic Equipment Breakdown Customer Flyer (117-1064)
- Residential Builders Risk Agent Information Sheet (117-1033)
- Residential Builders Risk Customer Brochure (117-1019)
- Infrastructure Opportunities Agent Mailer (117-1078)
- Difference in Conditions Agent Information Sheet (117-1043)

Potential Cross-Sell Opportunities
- Builders Risk and Contractors Equipment (may be a Surety opportunity)
- Builders Risk (completed project may be a Middle Market opportunity)
- Private Company Management Liability
- Employment Practices Liability Insurance
- Miscellaneous Professional Liability Insurance
- Account rounding opportunities may exist for:

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Marketplace Overview

According to the U.S. Department of Commerce, U.S. imports for the month of April 2009 were $150.3 billion and exports hit $121.1 billion. The Ocean Cargo market is estimated at more than $1 billion in direct written premium. Factoring in our appetite, this represents a Hanover market opportunity of approximately $300 million. Hanover’s current Ocean Cargo writings are approximately $30 million.

Target Market

Hanover Ocean Cargo targets small and mid-sized manufacturers, wholesalers, importers, exporters, and retailers throughout the U.S. with sales ranging from $25 million to $750 million who have mainly domestic operations. Hanover is not interested in pursuing large multi-national companies.

Hanover prefers to write businesses that ship containerized cargo. However, we will competitively write accounts with good experience that ship non-containerized commodities.

Key Competitive Advantages

Besides offering agents a flexible Ocean Cargo product that allows the addition of numerous enhancements, along with coverage terms among the broadest in the domestic marketplace, Hanover Ocean Cargo offers the following advantages:

- Dedicated team of Ocean Cargo Specialists who have over 70 years of combined experience
- Marine Loss Control Specialists who have the technical skills, industry-specific knowledge, and extensive experience necessary to enable them to identify potential loss hazards to cargo in transit and then to recommend mitigation solutions that prevent losses
- Flexible approach; our coverage can be customized based on customer need
- Total Account working with Middle Market or we can write monoline Ocean Cargo—varying our approach as desired by the agent
- Dedicated Ocean Cargo claims who only handle Marine claims
- Ability to handle both domestic and overseas claims
- Customer-friendly online certificate system (“Hanover C-Port”)
- Financial strength writing on “A” rated admitted paper
- Limited distribution strategy, which creates a strong franchise value for our agents, enabling them to differentiate in the marketplace

Key Competitors

- Travelers, Allianz, Chubb, Hartford

Regional carriers do not typically offer Ocean Cargo coverage, due to the highly specialized underwriting, loss control, and claims requirements to be successful.

continued
Distribution Strategy Overview
Given that Ocean Cargo does not require agents to have extensive specialized expertise, we have taken a broad distribution approach by opening Hanover Ocean Cargo to all Commercial Lines Hanover Agents. However, some agents specialize in selling this coverage and it is important to locally know who they are and align to write business. Agents who specialize often have separate dedicated ocean units within their operations.

Core Product Offerings
Hanover Ocean Cargo provides worldwide coverage on goods in transit, via vessel, air, or land conveyances, including coast-wide and intercoastal, import and export. An extremely flexible product, Hanover Ocean Cargo offers the addition of numerous enhancements allowing agents to customize coverage to meet their customer’s particular cargo insurance needs.

Hanover Ocean Cargo coverage can include the following:
- Domestic & Overseas
- Exhibitions
- Inland Transit
- Installations
- Warehousing
- Salesperson’s Samples
- Processing
- Contractor Locations

Special/Value-Add Coverages
We offer a broad array of coverages that Ocean Cargo customers can tailor to meet their specific needs, including:
- Goods Insured
- Domestic Transit
- Non-Delivery
- Concealed Damages
- Storage Coverage
- Control of Damaged Goods/Right of First Refusal

Underwriting Process/Model
Underwriting is done through field-based Ocean Cargo Underwriters who work in tandem with Marine Underwriters. They also work with Middle Market Underwriters (in pilot) to cross-sell for the Total Account, including Ocean Cargo.

Key Marketing Tools
We offer a full range of marketing tools to help agents understand our capabilities, appetite, and products and to help supplement and amplify their sales efforts:
- Ocean Cargo Agent Letter (117-1089)
- Ocean Cargo Agent Brochure (117-1088)
- Ocean Cargo Agent Myths and Realities (117-1095)
- “Hanover C-Port” Agent Guide (117-1147)
- Ocean Cargo Customer Coverage Review Guide (117-1096)
- Ocean Cargo Customer Claims Scenarios (117-1097)
- Ocean Cargo Customer Prospecting Letter (117-1093)
- Ocean Cargo Customer Brochure (117-1105)
- Ocean Cargo Customer Cross-Sell Letter #1 (117-1135)
- Ocean Cargo Customer Cross-Sell Letter #2 (117-1094)
- Ocean Cargo Customer Cross-Sell Letter #3 – Property Customers (117-1134)

Potential Cross-Sell Opportunities
- By class of business with Middle Market for the Ocean Cargo portion of the Total Account:
  - Manufacturers
  - Wholesaler
  - Retailers
  - Technology
- By product offering on the account:
  - Hanover Specialty Industrial (specialized property/casualty on above classes)
  - Private Company Management Liability
  - Employment Practices Liability Insurance
  - Commercial Surety
Contact your local Marine Specialists or Hanover’s Commercial Lines Sales team for more information.
Marketplace Overview

The Marina marketplace is very lucrative. There are approximately 23,000 marinas and boat dealers operating in the U.S. In addition, there are 1,500 yacht clubs nationwide and about 800 regional boat builders.

The states with the largest number of marina opportunities that align with Hanover’s footprint are: CA, CT, DC, IL, MA, MD, ME, MI, MN, NJ, NY, OH, TX, VA, WA, WI.

The estimated premium for marina programs throughout the United States is approximately $500 million. Hanover market opportunity in our footprint states is about $35 million in written premium. Hanover currently has a meaningful market position, writing $16 million in marina premium.

The projected number of marinas and boat yards will remain the same through 2020 while boat dealers and boat builders are expected to see a 10–15% decline. However, the number of yacht or boating clubs is expected to increase as Baby Boomers spend more on recreational time.

Target Market

Hanover Marina Program offers comprehensive coverages and services to the following:

- Marinas
- Boat Yards
- Boat Dealers
- Regional Boat Builders
- Yacht Clubs

Key Competitive Advantages

Hanover Marina Program merges top quality coverages with a comparable level of expertise in underwriting, specialized loss control services and claims support. Clients also benefit from:

- Industry expertise based upon writing this specialized business for over 25 years
- Marine Specialty Underwriters who can not only understand this business, but help agents market and grow their business in this program
- State-of-the-art industry coverage forms
- Network of experienced Loss Control and Claims Specialists who are dedicated solely to Marine
- Total protection and one-stop shopping by offering additional specialty coverages (e.g., Employment Practices, Management Liability, etc.)
- Limited distribution strategy, which creates a strong franchise value for our agents, enabling them to differentiate in the marketplace

continued
Key Competitors

- National
  - AIG/New Hampshire, ACE, Great American
- Regional
  - Acadia, Fireman’s Fund, Great Midwest

There are fewer real competitors in this market space than there are for Marine overall, due to the expertise and specialization required to be successful writing marinas.

Distribution Strategy Overview

**Hanover Marina Program** is open to all Commercial Lines Hanover Agents through the following Hanover Managing General Agents:

- North American Marine Underwriters, Inc.
  - Northeast and Southeast Regions
  - Lynnfield, MA
  - 866-237-0711
  - www.namu-ins.com
- Harbor Risk
  - Midwest and Central Regions
  - Grand Rapids, MI
  - 866-411-7446
  - www.harborrisk.com

Core Product Offerings

**Hanover Marina Program** offers a broad range of coverages, including:

- Marina Operator’s Legal Liability
- Protection & Indemnity (Watercraft Liability)
- Boat Dealer’s Physical Damage Coverage
- Piers, Wharves, and Docks
- Physical Damage Owned Workboats
- Commercial Property and Yard Equipment
- General Liability including Products
- Commercial Automobile
- Property Extension Endorsement
- General Liability Extension
- Boat Builders Risk Coverage
- Workers’ Compensation Incidental USL&H
- Commercial Umbrella/Bumbershoot (Marine Excess Liability)

**Special/Value—Add Coverages**

Hanover Marina Program offers a broad array of specialized coverage that marinas, boat dealers, and yacht clubs can tailor to meet their specific needs, including:

- Demonstration Coverage for Boat Dealers
- Boat Dealers Newly Acquired Locations Coverage
- Boat Dealers False Pretense Coverage ($500,000)
- Boat Dealers Title Errors & Omissions Coverage
- Boat Dealers Engine Hour Alteration Coverage
- Boat Dealers for Vessels on Consignment
- MOLL Property Damage due to Freezing
- MOLL Coverage for Faulty Workmanship
- Dock Coverage to include Awnings & Fences
- Piers, Docks, Flood and Earthquake Coverage
- Piers, Docks, Debris Removal Coverage ($50,000)
- Piers, Docks, Fire Department Services Charges
- Piers, Docks, Pollutant Cleanup and Removal
- Recharge of Fire Extinguishing Equipment for Piers and Docks
- Piers, Docks—replacement cost availability
- Piers, Docks—agreed value and inflation guard option
- Piers, Docks—optional coverage for freezing & ice damage
- Piers, Docks—Business Interruption Coverage
- Boat Yard Equipment—newly acquired items
- Yacht Club Regatta Liability Coverage
- Regatta Borrowed Boat Coverage

Underwriting Process/Model

Underwriting is done by Hanover Managing General Agents, following specific underwriting direction specified from Hanover Marine.
Key Marketing Tools

We offer a full range of marketing tools to help agents understand our capabilities, appetite, and products and to help supplement and amplify their sales efforts:

• **Marina Program Overview (117-1004)**
• **Marina Program Agent Information Sheet (117-1003)**
• **Marina Customer Brochure (Harbor Risk Underwriters) (117-1002HRU)**
• **Marina Customer Brochure (North American Marine Underwriters) (117-1002NAMU)**

Potential Cross-Sell Opportunities

**Hanover Marina Program** presents significant cross-sell opportunities in the following areas:

• Marinas/Boat Yards
  – Employee Practices Liability
  – Pollution Coverages
• Boat Dealers and Boat Builders
  – Employee Practices Liability
  – Fidelity Coverages
• Yacht Clubs
  – Management Liability
  – Fidelity & Commercial Crime

Contact Information

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Specialty

Hanover Surety
Marketplace Overview

The top 100 Sureties comprise $5.5 billion in premium. Hanover is the 10th largest Surety writer, producing $100 million in premium. The Top 100 Sureties are diverse (national, regional, local) although the top 20 hold a large share of the total market.

The total Surety market is broken into two distinct markets, Contract and Commercial Surety. Contract Surety is tied directly to the construction industry and therefore is highly correlated to the economy, thus the overall Surety market has declined during the economic downturn, which has negatively impacted construction business. Commercial Surety covers a broad range of Surety needs for various businesses beyond construction. This portion of the market is modestly correlated to the overall economy and in general has declined slightly in the recent economic downturn.

Target Market

Commercial Surety is the smaller portion of Hanover’s Surety business, but has high growth targets. We concentrate on larger metro areas, given the density of business opportunities contained within.

- Account Programs up to $50 million limits
- Broad risk appetite in Commercial: Manufacturers, Retail, Service Contractors (supply/install), Healthcare, Financial Services, Food, Entertainment, and Hotel industry
- Commercial Surety smaller transactional business handled via BONDdirect (Hanover’s web-based quoting and issuance system for Commercial Surety and ERISA bonds)

Contract Surety represents the largest portion of the Surety book and is regionally focused. The focus is on retention of our solid book of business, while selectively pursuing new business.

- Focused on contractors with revenue up to $75 million
- Highly experienced, well managed and capitalized operations

Key Competitive Advantages

- Proven market, 10th largest Surety writer, producing $100 million in premium
- Recognized leader in Commercial Surety Bond, and ERISA
- Dedication claims department specialized in handling Surety claims
- Locally accessible, responsive, and experienced underwriting expertise
- Web-based POS system for fast quote and issue on smaller Commercial Surety
- Quick turnaround of Contract Surety, Commercial Surety, and ERISA submissions
- Limited distribution strategy, which creates a strong franchise value for our agents, enabling them to differentiate in the marketplace

Key Competitors

- Travelers
- Liberty
- Zurich
- CNA
- Regional carriers (typically have limited product and capabilities)

continued
Distribution Strategy Overview

- Contract Surety and larger Commercial Account Surety—focused Surety resources on agents with a dedicated Surety team within the agency
- Combination of specialty Surety agents and Partner Agents who have expertise and capabilities
- Expanded distribution to Partners and other agents for the smaller Commercial Surety written through BONDirect POS quote-issue system

Core Product Offerings

- Contract Surety (for construction accounts up to $75 million revenue)
- Commercial Surety Large Account Business
- Commercial Surety Transactional Business (BONDirect)
  (Top 10 Commercial Surety Bonds: ERISA, Medicare, Lost Instrument, License & Permits, Probate, Tax, Patient Trust Funds, Private or Occupational School, Motor Vehicle Dealer, Toll/Turnpike)

Special/Value-Add Coverages

ERISA—Automatic increase language ensures compliance with ERISA requirements to a maximum amount of $500,000 with no additional premium during the current term.

Underwriting Process/Model

All business is underwritten by local Surety underwriters or via the BONDirect system.

- Key Underwriting requirements for all Surety:
  - Review of financial statements and net worth
  - Prefer five or more years in business
  - Annual bond premium thresholds
- For Contract Surety, the “3 C’s”: Character, Capacity and Capital

Key Marketing Tools

We offer a full range of marketing tools to help agents understand our capabilities, appetite, and products and to help supplement and amplify their sales efforts:

- Hanover Surety Agent Brochure (118-1046)
- BONDirect Agent Information Sheet (118-1005)
- BONDirect—ERISA Fidelity Bonds (118-1018)
- Top 10 Surety Bonds Agent Guide (118-1035)
- Court Bonds Agent Fact Sheet (118-1034)
- Public Official Bonds Agent Fact Sheet (118-1033)
- Probate Bonds Agent Fact Sheet (118-1032)
- Notary Public Bonds Agent Fact Sheet (118-1031)
- Medicare DMEPOS Bonds Agent Fact Sheet (118-1030)
- Lost Instrument Bonds Agent Fact Sheet (118-1029)
- License and Permit Bonds Agent Fact Sheet (118-1028)
- Business Services Bonds Agent Fact Sheet (118-1027)

Potential Cross-Sell Opportunities

- Middle Market and Small Commercial Package Businesses (require ERISA and have other transactional Commercial Surety needs, and large account bonds)
- Small Commercial Affinity and AIX programs on a variety of Commercial Surety needs
- Construction risks (especially aligned with Marine for contract Surety)

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Specialty

Hanover Specialty Industrial
Marketplace Overview

“Industrial” businesses include a wide range of industries involved with manufacturing, warehousing, processing, and distribution. The nation’s industrial and manufacturing sector comprises nearly 20% of the overall Gross Domestic Product of the United States which was estimated at $14.2 trillion in 2009. All industrial enterprises have comprehensive and diverse insurance requirements, such as property and casualty, environmental, and business continuity coverages. These needs are even more specialized for the 10%–20% of industrial enterprises that are categorized as possessing high fire hazard and/or chemical exposures. The estimated property and casualty premium for high-hazard industrial risks is estimated to be as high as $3.5 billion. Insurance capacity for this specialized class is often quite limited or only available through the Excess and Surplus lines marketplace. Expertise, experience, and stability are key success factors. Therefore, the products and services offered by Hanover Specialty Industrial represents a significant market opportunity for our exclusive network of Hanover franchise agents.

Target Market

Hanover Specialty Industrial targets small to mid-sized companies that manufacture, warehouse, transport or distribute a wide array of high hazard products, from adhesives and explosives to chemicals and solvents, and more. Agents require a Total Account Solution for these Property, Casualty, and Environmental exposures.

These businesses are often located in highly industrialized states, but can be found anywhere. Hanover Specialty Industrial focuses on regions of the country with a high concentration of manufacturing, wholesaling, and distribution and where a correlation with The Hanover footprint exists.

Target Classes sampling:

- Adhesives
- Agricultural Chemicals
- Automotive Fuels & Lubricants
- Building Owner—Lessors Risk
- Cabinet Manufacturing
- Drugs & Pharmaceuticals
- Electroplating & Anodizing
- Explosives
- Industrial Inorganic & Organic Chemicals
- Mattress Manufacturers
- Miscellaneous Chemicals
- Paints, Pigments, Varnishes, Resins
- Plastic Materials
- Soaps, Detergents & Cleaners
- Textiles—Standard & Impregnated
- Volatile Metals Manufacturing & Processing—Titanium, Nickel, etc.

Key Competitive Advantages

- Combines an underwriting and brokerage facility with best-in-class claims and loss control services for a Total Account Solution
- “A” rated, admitted property insurance carrier providing high limits, competitive commission, and low minimum premiums for industrial classes

continued
Key Competitive Advantages (continued)

- A consultative approach to addressing challenging exposures
- Proven competitiveness with high customer retention levels (~90%) and high hit ratios (nearly 50%) for new business
- One-stop product delivery solutions for general liability products, environmental liability, hazardous truckers, casualty, pollution, and other coverages via several unique programs, each with a lead insurance carrier via Hanover Specialty Insurance Brokers
- Over 40 years of experience in the industrial space with industry-best servicing
- Underwriting technical expertise supported by specialized, dedicated engineering solutions and claims services
- Attractive compensation. When written on Hanover paper (HSIP) we pay 15%, which is competitive with all markets and significantly higher than an agent would get if placing with a wholesaler. When not written on Hanover paper (HSIB) we pay very competitive commissions with flexibility to adjust for the appropriate circumstances. HSIP property premium now included in Partner Agent bonus plans, further enhancing agent economics.
- Limited distribution strategy, which creates a strong franchise value for our agents, enabling them to differentiate in the marketplace

Key Competitors

- High Hazard Property:
  - Lexington
  - ChemPlan
  - Star Tech
  - Affiliated FAM
  - Liberty
  - Other carriers dabble, but do not specialize in this space
- Casualty and Environmental:
  - Various companies offer niche specialties, but are not competitors, as we make leading providers available via Hanover Specialty Insurance Brokers brokerage program to round out accounts via one-stop shopping

Core Product Offerings

Hanover Specialty Industrial provides a dual solution that covers the gamut of high-risk industrial needs, offering the flexibility to customize programs for clients’ exact situations. Part one of the solution is Hanover Specialty Industrial Property, which handles primary underwriting for property coverages. Part two is Hanover Specialty Insurance Brokers, which provides one-stop shopping for a variety of unique coverages via a proven brokerage servicing the industrial risk market.

Hanover Specialty Industrial Property offers the ability to underwrite complex, highly protected risks, providing first dollar coverage for:
- Sprinklered, High-Hazard Property
- Business Income
- Equipment Breakdown

Hanover Specialty Insurance Brokers, the program manager for Hanover Specialty Industrial, offers one-stop product delivery solutions for casualty, pollution, property, and other coverages via access to a network of specialized lead insurance companies. These come with pre-negotiated coverage enhancements and can be offered in conjunction with the Hanover Specialty Industrial Property portion, or as “stand-alone” coverages (including those in support of a Middle Market industrial account). Highlights of some of the available coverages include:
- General Liability Coverage
- Pollution Coverage
- Non-sprinklered, High-Hazard Property
- Commercial Auto
- Commercial Umbrella

Special/Value-Add Coverages

Hanover Specialty Industrial offers a wide range of programs that can be tailored to meet specific needs, including:
- Commercial Property
- General Liability
- Products Liability
- Pollution
- Excess Liability
Distribution Strategy Overview

Hanover Specialty Industrial strategy is a multi-distribution agent channel approach, with the focus being on three main agency groupings:

1. Target Partner Agents identified as having significant TAV for Specialty Property opportunity as co-identified by the CL RVP field leaders
2. All Partner Agents in a broader marketing aimed at building more awareness and trial with Hanover Specialty Industrial capabilities (including inclusion in CL bonus for all Partner Agents)
3. Current Hanover Specialty Industrial agents who actively target these type of risks

Heavy emphasis is on targeting agents within highly industrial territories, including CA, CT, FL, GA, IL, IN, MA, MD, MI, MO, NC, NJ, NY, OH, PA, SC, TX, and VA.

Additionally, Hanover Specialty Industrial offers its capabilities to all Hanover Agents on specific account opportunities via referrals by Middle Market Underwriters. These could be a result of a particular property risk exceeding Hanover’s appetite or other coverage need which we cannot provide in our product set.

Underwriting Process/Model

All Property Underwriting is handled by the Hanover Specialty Industrial Property team in Silver Spring, MD.

Note that Loss Control and Claims support comes from dedicated specialists who work on the Hanover Specialty Industrial team. All Brokerage Program product offerings are handled by the Hanover Specialty Insurance Broker team, located in Silver Spring, MD.

Key Marketing Tools

We offer a full range of marketing tools to help agents understand our capabilities, appetite, and products and to help supplement and amplify their sales efforts:

- Hanover Specialty Industrial Agent Kit (125-0012KIT)
  - Hanover Specialty Industrial Producer’s Advantage Guide (125-0022)
  - Hanover Specialty Industrial Capabilities Agent Brochure (125-0010)
  - Hanover Specialty Insurance Brokers Agent Kit (125-0001)

- HSIB National Paint and Coatings™ Program Agent Flyer (125-0002)
- HSIB Chemical Solutions™ Program Agent Flyer (125-0003)
- HSIB No Sprinklers, No Problem™ Program Agent Flyer (125-0004)
- HSIB Environmental Experts™ Program Agent Flyer (125-0005)
- HSIB Truckers™ Program Agent Flyer (125-0006)
- HSIB Clean It Up!™ Program Agent Flyer (125-0007)
- HSIB Problem Solvers™ Program Agent Flyer (125-0008)
- Hanover Specialty Industrial Target Classes Agent Guide (125-0020)
- Hanover Specialty Industrial Customer Testimonials Agent Information Sheet (125-0021)
- Hanover Specialty Industrial Customer Brochure (125-0013)
- Hanover Specialty Industrial Customer Prospecting Letter #1 (125-0018)
- Hanover Specialty Industrial Customer Prospecting Letter #2 (125-0019)
- Hanover Specialty Industrial Agent Information Sheet (125-0014)
- Hanover Specialty Industrial Property Agent Information Sheet (125-0032)
- Hanover Specialty Insurance Brokers Agent Information Sheet (125-0028)

Potential Cross-Sell Opportunities

- Middle Market Underwriter referrals from underwriters on industrial business that have sprinklered property exposures exceeding Hanover’s traditional risk appetite
- Referral on Middle Market Industry Segments and Niches (e.g., Wholesale, Plastic Product, Metal Fabricators, etc.) that we may not choose to compete with due to higher hazard property exposures on sprinklered risks
- Marine, Inland and/or Ocean (e.g., transit coverage needs)
- Management Liability and EPL, in support of the Total Account
- Commercial Surety
- Environmental support for schools, hospitality, and real estate programs

continued
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Specialty

Hanover Healthcare
Marketplace Overview

The medical malpractice market is approximately $33 billion in premium, with $11 billion available to onshore insurance companies. The Medical Professional Liability market has seen stellar results since St. Paul’s exit in 2001, leaving $580 million for other carriers to capture. Claims frequency has been cut in half and severity has been flat when adjusted for CPIAs of 2004. Per capita healthcare spending for persons 65+ was $14,797, more than three times that of any other age group. The top 10 states by population possess 53.4% of the country’s 65+ population. Currently those 65 and older make up 12.8% of the American population. By 2020 that figure is expected to rise to 16.3% and then 19.6% in 2030. 65% of all care provided in the U.S. is outpatient. The U.S. spends twice what our peer countries spend on outpatient treatments and services.

Target Market

Hanover Healthcare targets a wide range of healthcare businesses including:

- Home Medical Equipment Providers (Durable Medical Equipment)—accounts with less than $15 million in annual revenue (larger risks considered on a case-by-case basis)
- Home Healthcare Services—accounts with less than $5 million in annual revenues (larger risks considered on a case-by-case basis)
- Medical Labs and Diagnostic Centers—accounts with less than $7.5 million in annual revenues (larger risks considered on a case-by-case basis)
- Podiatric Physicians*—Provide non-surgical and surgical podiatric medicine for locations with up to five physicians
- Eldercare Facilities**
  - Assisted Living Facilities
  - Nursing Homes
  - Group Homes
  - Residential Care Facilities
  - Congregate Care Center
- Special Programs**
  - Telemedicine—Clinical Trials—Concierge Medicine

Key Competitive Advantages

In addition to offering healthcare providers a complete suite of industry-specific coverages, Hanover Healthcare offers the following advantages:

- The Hanover provides a fully integrated, single-source risk management program that combines underwriting, claims, and risk management services with best-in-class loss control services designed to help healthcare clients minimize or avoid risk
- Well-designed, highly relevant coverage that can be customized to meet the unique insurance needs of various healthcare businesses
- Over 16 years’ experience providing comprehensive customer assessments in the healthcare industry combined with a knowledgeable team of program management professionals with firsthand experience in the healthcare industry
- Specially trained underwriters and risk managers
- “A” rated insurance coverage strength, combined with cost-effective insurance solutions
- Limited distribution strategy, creating a strong franchise value for our agents, enabling them to differentiate themselves in the marketplace

*Availability Varies by State
**Limited Appetite

continued ➤
Key Competitors

- VGM
- Chubb
- Hartford
- Zurich
- Philadelphia Insurance
- ACE
- CNA

Distribution Strategy

Programs will be offered mainly through Partner Agents, or specifically defined opportunities for Hanover Agents who target the industry. Locally, it is important to identify and align with specific agents for each targeted segment of business.

Core Product Offerings

**Home Medical Equipment Providers/Home Healthcare Services/Medical Labs and Diagnostic Centers**

- Professional Liability
- General Liability
- Completed Operations
- Commercial Property
- Medicare and other Surety Bonds

**Podiatric Physicians**

- Professional Liability
- Business Owner’s Policy
- Commercial Auto
- Workers’ Compensation
- Employment Practices Liability
- Marine (High Valued Medical Equipment)

**Assisted Living**

- General Liability
- Property Coverage
- Professional Liability

**Special Programs**

- Professional Liability

Special/Value-Add Coverages

We offer a broad array of specialized coverages and services that healthcare businesses can tailor to meet their specific needs.

- Our Total Account Solution for various healthcare industry segments combines Hanover’s Healthcare (Campania) Professional Liability coverages with Hanover’s Property and Casualty offerings. Most of our competitors distribute these products via multiple channels in order to round-out healthcare industry accounts. We represent a single source channel for agents to access all coverages necessary for the healthcare clients on which we focus.

- Hanover Healthcare (Campania) is the endorsed insurance program for the American Association for Homecare Members since 1992

- Hanover Healthcare (Campania) is the endorsed program for the Florida Podiatric Medical Association and the Pennsylvania Podiatric Medical Association

- Our Podiatry Program features:
  - Defense costs in addition to limits
  - Free extended reporting period at retirement with a minimum age of 55 with 5 years continuous claims-free coverage with program
  - Online Risk Management Self-Study and Telephonic Consultation services
  - Credits for new and part-time practitioners, leave of absence/disability, claims free, board certifications, and association credits

- Hanover will offer a Total Account Solution for Assisted Living Facilities including both property and casualty coverages. Most competitors do not offer a packaged product and usually write either property or casualty, but not both.

Underwriting Process/Model

- **Home Medical Equipment Providers/Home Healthcare Services/Medical Labs and Diagnostic Centers**—Underwriting is done by our Healthcare Team in our Brunswick, MD office

- **Podiatric Physicians**—Professional Liability is handled through our Vienna, VA office. All other lines are limited to trained Small Commercial Underwriters in each region.

- **Eldercare Facilities**—Professional Liability is handled through our Vienna, VA office. All other lines are limited to trained Middle Market Underwriters in each region.
Key Marketing Tools
We offer a full range of marketing tools to help agents understand our capabilities, appetite, and products and to help supplement and amplify their sales efforts:

- Hanover Healthcare Agent Brochure (126-0003)
- Hanover Homecare Advantage Agent Brochure (126-0005)
- Hanover Homecare Advantage Target Classes (126-0006)
- Hanover Homecare Advantage Customer Coverage Guide (126-0009)
- Hanover Homecare Advantage Customer Sales Letter (126-0008)
- Podiatric Physicians Customer Brochure (126-0024)
- Podiatric Physicians Customer Sales Letter (126-0023)
- Hanover Medical Diagnostic Advantage Launch Packet (126-0051KIT) Includes agent and customer materials
  - Hanover Medical Diagnostic Advantage Agent Sell Sheet (126-0032)
  - Hanover Diagnostic Services Advantage Great Reasons Customer Flyer (126-0043)
  - Hanover Diagnostic Services Advantage Coverage Review Checklist (126-0048)
  - Hanover Diagnostic Services Advantage Customer Prospecting Letter (126-0040)
  - Hanover Diagnostic Services Advantage Customer Information Sheet (126-0045)
- Hanover Home Health Care Advantage Launch Packet (126-0050KIT) Includes agent and customer materials
  - Hanover Medical Home Care Advantage Agent Sell Sheet (126-0033)
  - Hanover Home Health Care Advantage Great Reasons Customer Flyer (126-0041)
  - Hanover Home Health Care Advantage Coverage Review Checklist (126-0049)
  - Hanover Home Health Care Advantage Customer Prospecting Letter (126-0038)
  - Hanover Home Health Care Advantage Customer Information Sheet (126-0046)
- Hanover Medical Equipment Advantage Launch Packet (126-0052KIT) Includes agent and customer materials
  - Hanover Medical Equipment Advantage Agent Sell Sheet (126-0031)
  - Hanover Medical Equipment Advantage Great Reasons Customer Flyer (126-0042)
  - Hanover Medical Equipment Advantage Coverage Review Checklist (126-0047)
  - Hanover Medical Equipment Advantage Customer Prospecting Letter (126-0039)
  - Hanover Medical Equipment Advantage Customer Information Sheet (126-0044)

Potential Cross-Sell Opportunities
Home Medical Equipment Providers/Home Healthcare Services/Medical Labs and Diagnostic Centers
- Commercial Package Policy
- Commercial Auto
- Medicare and other Surety Bonds
- Inland Marine
- Emergency Event Management
- Employment Practices Liability Insurance

Podiatric Physicians
- Business Owner’s Policy
- Workers’ Compensation
- Commercial Automobile
- Employment Practices Liability Insurance

Assisted Living
- Commercial Property
- Commercial Auto
- Medicare and other Surety Bonds
- Inland Marine (high-value medical equipment)
- Emergency Event Management (for Assisted Living)
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Marketplace Overview

The U.S. architectural industry includes about 30,000 firms with combined revenue of $40 billion. The industry is highly fragmented. The 50 largest firms make up less than 20% of the industry revenue. The typical architectural firm has 10 employees and annual revenue of $1 million. These firms are located throughout the U.S.

The number of architects and engineers practicing in the U.S. will grow significantly over the next decade, due in part to the flow of new money from the federal stimulus package and increased availability of financing for both the private and public sectors.

Target Market

Hanover Architects & Engineers Advantage targets a variety of disciplines for design professionals in full-time private practice with annual gross billings up to $10 million whose focus is:

- Architecture
- Electrical Engineering
- Mechanical Engineering
- Heating, Ventilation, and Air Conditioning Engineering
- Civil Engineering
- Traffic Engineering
- Interior Design
- Land Surveying
- Aerial Mapping
- Landscape Architects

Be sure to avoid A&E firms that perform a significant amount of work out of state or in foreign countries and stay away from firms involved in construction, real estate development or manufacturing, or that have equity ownership in their projects.

Key Competitive Advantages

Besides offering Architects & Engineers broad professional liability coverage on an admitted basis, Hanover Architects & Engineers Advantage clients benefit from:

- Dedicated underwriting specialists with more than 30 years of industry experience
- Free pre-claims assistance from experienced claims professionals and a deductible does not apply unless an actual claim is made
- Risk Management experts who can help detect potential risk factors and employ a broad range of tools and techniques to suggest ways to protect architects and engineers, as well as reduce risk
- Total protection and one-stop shopping with The Hanover by offering additional coverages (e.g., Business Owner’s Policy, Package Policy, Employment Practices, Management Liability, etc.) to meet all the insurance needs of A&E firms
- Financial strength writing on "A" rated admitted paper
- Limited distribution strategy, which creates a strong franchise value for our agents, enabling them to differentiate in the marketplace
Key Competitors
- Travelers, CNA, Zurich, AIG, XL

Most regional companies do not provide the A&E professional coverage on their own paper, leaving their agents to place this separately. Many agents go to a specialist MGA.

Distribution Strategy Overview
- Target Agents with specific expertise in writing this business and who have made a strong commitment to growth through partnering with The Hanover
- Key Agency Partners identified by CL RVP’s who write a meaningful amount of this business and present upside potential to write more

This product will be rolled out to Targeted Agents, as the filings are approved by each state.

Core Product Offerings
Hanover Architects & Engineers Advantage offers professional service firms many comprehensive and innovative coverages, including:
- Asbestos exclusion deleted
- Automatic 30 days of coverage for newly acquired entities
- Pollution Coverage for professional services
- Consent to settle
- Coverage for ADA/FHA/OSHA claims: $25,000 defense costs plus up to $250/day for salaries and expenses
- Punitive Damages unless prohibited by law
- Free Pre-Claims Assistance (deductible does not apply unless a claim is made)
- Circumstance reporting coverage
- No Hammer Clause
- Blanket contractual liability coverage
- Blanket joint venture coverage
- Full prior acts coverage for eligible firms
- Mediation deductible credits 50%–$25,000 max credit
- Loss of Earnings reimbursement $500/day, $15,000/claim
- Personnel leased to you
- Retired partner, officer, director, shareholder or employee while acting within the scope of his/her duties as a consultant
- Extended Reporting Period—minimum of one year or as required by state law
- Negligent violation of copyrights, patents, and trademarks
- Non-cancelable policy, except for fraud or material misrepresentation (60 days notice) or non-payment of premium (10 days notice)
- 60-day notice of non-renewal, or written notice of our intent to non-renew shall be sent at least 60 days prior to expiration
- Automatic ERP: Free 60-day discovery
- Design/build coverage for professional services
- Innocent principals coverage
- Spousal or Domestic Partner Coverage
- Automatic equity interest coverage for those entities or projects where ownership interest is 50% or less
- No Minimum earned premium
- Technology Coverage: Network & Information Security Offenses
- Time Delays caused by professional services
- Waiver of Subrogation: Transfer of Rights of Recovery, Coverage is extended to apply if you, prior to the date the wrongful act is committed, have waived your right of recovery for damages that result from such wrongful act
- Worldwide Coverage with suits brought within the U.S.
- Broad definition of professional services
- Mold Coverage for professional services
- Applies excess of a specific project policy

Special/Value-Add Coverages
We offer a broad array of specialized coverage that Architects & Engineers can tailor to meet their specific needs, including:
- First Dollar Defense Coverage for firms with billings up to $2 million
- Specific project or client excess limits
- Retirement, practice discontinuance, or run-off options
- Deductible Gap Coverage for project policies
Underwriting Process/Model
Underwriting is handled by the Architects & Engineers professional liability team in Itasca, IL. All referrals should be forwarded to them.

Key Marketing Tools
We offer a full range of marketing tools to help agents understand our capabilities, appetite, and products and to help supplement and amplify their sales efforts:

- Architects & Engineers Contractors Design/Build Forms Agent Fact Sheet (119-0181)
- Architects & Engineers Professional Liability Insurance Agent Quick Reference Guide (119-0182)
- Architects & Engineers Professional Liability Insurance Agent Letter (119-0152)
- Architects & Engineers Professional Liability Agent FAQs (119-0179)
- Architects & Engineers Professional Liability New Business Submission Requirements (119-0180)
- Architects & Engineers Professional Liability Submission Guidelines (119-0177)
- Architects & Engineers Contractors Design/Build Firms Agent Fact Sheet (119-0181)
- Architects & Engineers Professional Liability Insurance Agent Quick Reference Guide (119-0182)
- Architects & Engineers Professional Liability Advantage Kit (includes all items listed below) (119-0165KIT)
  - Architects & Engineers Professional Liability Insurance Agent Brochure (119-0153)
  - Architects & Engineers Professional Liability Insurance Customer Coverage Checklist (119-0154)
  - Architects & Engineers Professional Liability Insurance Customer Brochure (119-0155)
  - Architects & Engineers Professional Liability Insurance Customer Prospecting Letter (119-0156)
  - Architects & Engineers Great Reasons Customer Flyer (119-0133)

Potential Cross-Sell Opportunities
Architects & Engineers presents a significant cross-sell opportunity for the following:

- Middle Market & Small Commercial Products:
  - Business Owner’s and Commercial Package Policy
  - Commercial Auto
  - Workers’ Compensation
  - Commercial Umbrella
- Specialty Coverages:
  - Employment Practices Liability
  - Management Liability
  - Marine (e.g., mobile equipment)
  - Commercial Surety

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Hanover Lawyers Professional Advantage

Marketplace Overview

The U.S. legal services industry includes about 180,000 law offices with a combined annual income of $235 billion. This $1.5 billion insurance marketplace represents a steady growth potential, especially for agents who become recognized as specialists in this product line.

Target Market

Hanover Lawyers Professional Advantage targets the following types of law firms:

- Small Law Firms (1 to 5 attorneys)
- Mid-sized Law Firms (6 to 50 attorneys)

(Law Firms with more than 50 attorneys can be handled on an exception basis.)

Hanover Lawyers Professional Advantage prefers generalist firms. As a rule, The Hanover does not want to compete for firms with more than 30% of their business in the higher hazard areas of practice (e.g., plaintiff litigation, intellectual property, and/or securities).

Key Competitive Advantages

Besides offering a comprehensive line of up-to-date professional liability products and endorsements that law firms can tailor to meet their particular needs, Hanover Lawyers Professional Advantage offers law firms the following advantages:

- Over 20 years of experience in the lawyers professional liability market
- Local expertise in underwriting, claims, and risk management
- Flexible, customizable products offer best-in-class coverage and competitive pricing
- Online quote and issuance tool for small firms
- Robust Risk Management services and website—partnering with nationally recognized risk manager to help your clients prevent or minimize losses. To access this secured site, follow these instructions:
  - Go to www.hanoverprofessionals.com
  - Click on the Risk Management button
  - Use the login: hanover and the password: insure
- Regionally focused Customer Service Teams which provide quick response on a dedicated basis
- Total protection and one-stop shopping by offering additional coverages (e.g., Business Owner’s Policy, Commercial Package Policy, Commercial Automobile, Workers’ Compensation, Commercial Umbrella, Law Office Broadening Endorsement, Surety, Marine, etc.)
- Selective distribution strategy, which creates a strong franchise value for our agents, enabling differentiation in the marketplace

Who Can Access

- Available to Select Hanover Partner Agents
- Available to agents with specialty expertise in writing this business and who have a strong commitment to growth and partnering with The Hanover

continued
Core Product Offerings

**Hanover Lawyers Professional Advantage** protects lawyers against malpractice claims, either by defending the allegations, or by covering the attorney against exposures caused by legitimate errors.

**Hanover Lawyers Professional Advantage**’s new suite of coverages provides a completely customizable solution based on the overall needs of individual firms, no matter what their size. Hanover offers three comprehensive professional liability options that make it easy for you to provide your customers with tailor-made protection:

- **Hanover Professional Preferred**—meets the professional liability needs that most law firms face, regardless of size.
- **Hanover Professional Primary**—accommodates the needs of cost-conscious, firms. These firms are typically smaller.
- **Hanover Professional Prestige**—provides firms with complex exposures and even more sophisticated protection. These firms are typically larger and/or have specialized practices and significant exposures.

Special/Value-Add Coverages

We offer a variety of limits that law firms can select to tailor coverages for their specific needs, including:

- Limits up to $5 million for small firms
- Limits up to $10 million for mid-size firms
- $0 deductible for small firms

Potential Cross-Sell Opportunities

Law firms present a significant cross-sell opportunity in the following areas:

- Business Owner’s Policy & Broadening Endorsement
- Commercial Package Policy
- Commercial Automobile
- Workers’ Compensation
- Commercial Umbrella
- Commercial Surety
- Marine
- Commercial Crime/Fidelity

Underwriting Model

Underwriting is done by Lawyers Professional Liability Underwriters in our Grand Rapids office.

Key Marketing Tools

We offer a full range of marketing tools to help you understand our capabilities, appetite, and products, and to help supplement and amplify your sales efforts:

- Lawyers Professional Liability Agent Fact Sheet (Form 119-0102)
- Lawyers Professional Liability Advantage Agent Packet (includes agent and customer materials) (Form 119-023SKIT)
- Lawyers Professional Liability Insurance Agent Brochure (Form 119-0016)
- Lawyers Professional Liability Agent Coverage Comparison Guide (Form 119-0223)
- Lawyers Professional Liability Great Reasons Why Customer Flyer (Form 119-0221)
- Lawyers Professional Liability Customer Information Sheet—Preferred (Form 119-0228)
- Lawyers Professional Liability Customer Prospecting Letter—Preferred (Form 119-0225)
- Lawyers Professional Liability Customer Information Sheet—Prestige (Form 119-0229)
- Lawyers Professional Liability Customer Prospecting Letter—Prestige (Form 119-0226)
- Lawyers Professional Liability Customer Brochure—Primary (Form 119-0227)
- Lawyers Professional Liability Customer Prospecting Letter—Primary (Form 119-0224)
- Lawyers Professional Liability Risk Management Customer Information Sheet (Form 119-0230)
Contact one of our Hanover Lawyers Professional Advantage Team members who can provide you with responsive decision-making and comprehensive information and insight in this specialized industry.

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**Marketplace Overview**

Miscellaneous Professional Liability (MPL) is a national marketplace with potential premium totaling $3.5 billion. This is an underserved market with many classes being under most carriers’ radar. According to industry statistics, although most states and service contracts require businesses to have Errors & Omissions coverage, 79% of the eligible businesses nationwide do not purchase Errors & Omissions coverage. Standard General Liability policies do not include Errors & Omissions coverages for professional services. Today, most service-oriented businesses are not aware of the dangerous risks they face everyday and that one out of every five businesses like theirs will encounter an Errors & Omissions related lawsuit. This creates a tremendous market opportunity for your agency.

**Target Market**

**Hanover Professional Liability Advantage for Business, Personal, and Professional Services** delivers solutions that specifically target a wide range of personal, business and service professionals.

The Hanover has developed 30+ industry specific E&O forms for differentiated competitive offerings, such as:

- **Professional Services E&O**
  - Management Consultants
  - Marketing Consultants
  - Property Managers
  - Real Estate Agents/Brokers

- **Business Services E&O**
  - Advertising Agencies/Marketing Companies/Market Researchers
  - Appraisers

- **Personal Services E&O**
  - Mortgage Brokers
  - Travel Agents
  - Tax Preparers
  - Funeral Directors
  - Home Inspectors

- Arbitration and mediators
- Business Associations
- Claims Adjusters
- Staffing Firms/Executive Recruiters
- Graphic Designers
- Interior Decorating Services
- Publishers/Printers

continued
Key Competitive Advantages
Besides offering comprehensive protection for errors and omissions arising out of wrongful acts, The Hanover offers the following advantages:

• Selective distribution— which creates a strong franchise value for our agents, enabling differentiation in the marketplace offered only to a select group of Winning Agents to give you a competitive edge

• Allows agents direct access to our Errors & Omissions product without going through a Wholesaler and offers them a solution for an underserved market (high sales potential)

• Competitive product— flexible, customizable, best-in-class coverages and competitive pricing (endorsement and stand-alone product options make meeting client needs easier)

• Experienced Underwriters—who only write professional liability and have decades of experience writing professional liability businesses

• Industry experts— expert underwriting, claims, and risk management specialists

• Comprehensive product suite— promotes cross-selling and enables one-stop shopping

• Web-based Point of Sale tool*— allows for fast and easy quoting and binding

• In-depth knowledge— full understanding of your agency and your customers’ business needs

• Robust company— support and financial strength of an “A” rated leading insurance carrier

• Program capabilities— The Hanover can handle program needs for agents who have experience with an association or group

Product Offerings
The Hanover offers two different products for comprehensive, custom-designed protection. This flexibility allows you to precisely tailor coverages to meet your clients’ individual needs and budgets.

Endorsement Option
For your small business clients, we offer an affordable MPL endorsement option that can be added on to Hanover’s Business Owner’s Policy.

Stand-Alone Product
For local businesses that need broader coverages and higher limits, we offer an industry-leading, stand-alone professional liability product.

Both options can be easily added using our advanced Point of Sale system.

Hanover Professional Liability Advantage for Business, Personal, and Professional Services offers professional service firms comprehensive coverages, including:

• Claims Made and Reported Form
• Duty to Defend/Pay on behalf of
• Claim Expense Limit available outside of Policy Limit
• $25,000 Defense Coverage for Disciplinary Proceedings
• Prior Acts Coverage available
• Internet Liability Coverage included
• Deductibles not Retentions
• Personal Injury Coverage included
• Punitive Damages Coverage included

Special/Value-Add Coverages
We offer lower minimum premiums and flexible limits that professional service firms can tailor to meet their specific needs.

• Flexible limits up to $10 million that address the liability needs and budgets of many small and mid-sized businesses

• Offers very attractive reduced rates and lower minimum premiums (as low as $1,000 for a stand-alone policy) depending on client’s limits, business operations, and revenues

• Over 30 industry-specific coverage forms

*Does not apply to all classes for stand-alone product.
Program Capabilities
For agents who have experience with an association or group, The Hanover can also handle Program needs.

Appetite
- Existing Affinity Groups’ Program
- Homogeneous classes
- Ability to place a minimum of $250,000 of premium within 12 months

Desirable Program Characteristics
- Agency has expertise in E&O and in the class
- Agency has endorsement of association/group
- Program with track record of growth & profit

Program pre-qualifications
- Understand demographics of group: size of group, geography, size of accounts
- Obtain and review of premium and loss data
- Secure competitors forms
- Test quoting

Why The Hanover?
- Customized Coverage Enhancement
- Program Specific Credits

Examples of Existing Programs
- Travel Agents
- Pension Administrators
- Lyricists
- Property Managers
- Collection Agents
- Mediators/Arbitrators

Potential Cross-Sell Opportunities
Hanover Miscellaneous Professional Advantage presents a significant cross-sell opportunity in the following areas:
- Business Owner’s Policy
- Commercial Package Policy
- Employment Practices Liability
- Commercial Auto

- Workers’ Compensation
- Commercial Umbrella
- Fidelity & Crime
- Marine

Underwriting Model
Underwriting is done by Miscellaneous Professional Liability Underwriters in our Windsor, CT office for stand-alone product

The endorsement can be quoted and issued online via Hanover’s Point of Sale quote and issuance system.

Key Marketing Tools
We offer a full range of marketing tools to help you understand our capabilities, appetite, and products and to help supplement and amplify your sales efforts:
- Miscellaneous Professional Liability Agent Fact Sheet (119-0107)
- Miscellaneous Professional Liability Agent Brochure (119-0114)
- Miscellaneous Professional Liability Customer Brochure (119-0115)
- Miscellaneous Professional Liability Customer Prospecting Letter (119-0117)
- Miscellaneous Professional Liability Target Classes (119-0119)
- Miscellaneous Professional Liability Target Market Classes (119-0118)

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Specialty

Hanover Management Liability Portfolio
Hanover Professional Portfolio

Overview

Hanover Professional Portfolio offers agents a definitive edge in the professional liability marketplace by providing a comprehensive line of up-to-date products, competitive pricing, unparalleled underwriting expertise, and value-added services. The Hanover has made a long-term commitment of key people and resources to this important segment. To help agents capture a bigger part of this $9.5 billion market, we provide them with expert underwriters and risk managers, and an ever-expanding suite of professional liability capabilities.

Market Overview

It is common for Professional Liability coverage on an account to be different from the carrier handling the “casualty insurance” portion. This is often due to a company not being able to offer a full range of competitive products and underwriting expertise to meet all their customer’s insurance needs, resulting in multiple agency involvement in a single account. This situation often leads to non-concurrent effective dates for the placement of both types of coverage. Retail agents writing Professional Liability business may also sacrifice some compensation by going through a wholesaler, which is often at lower commissions and providing no bonus opportunity on this premium.

Retail agents also encounter increased handling expenses when they split a customer’s insurance placements (including Management/Professional Liability) across multiple companies due to the lack of uniform application of underwriting, claims, and loss control servicing.

Our Product Portfolio

- Lawyers Professional Advantage
  - Small Firm Program (1 to 5 attorneys)
  - Mid-Sized Program (6 to 50 attorneys)
- Architects and Engineers Advantage
  - E&O Coverage for a wide variety of disciplines for Design Professionals in Full-Time Practice with Annual Gross Billings Up to $10 million
- Miscellaneous Professional Advantage
  - E&O Coverage for over 30 Targeted Classes focused on Small Commercial and Middle Market Risks
- Accountants Professional Advantage—Coming Soon!

continued
Hanover Professional Portfolio

Strategic Framework

Our Hanover Professional Portfolio capabilities greatly enhances our franchise value by providing agents with a broader and deeper product portfolio, which cannot be matched by regional carriers, and even by many nationals. We seek to provide our agents with a portfolio of Professional Liability products most relevant to them and their clients. We pay highly competitive commission and offer agents the opportunity to earn Bonus Revenue for this business. This approach enables Hanover Agents to write more of their customer’s insurance with one company, creating a competitive advantage that improves an agent’s economics and account retention results.

For every Professional Portfolio business we are in, our goal is to create an exceptional agent experience for our agents and their customers. This includes delivering Hanover Professional Portfolio products via our automated Point of Sale system, which enhances our ease-of-doing-business experience, to direct participation by our underwriters to assist agency partners in “closing the deal.”

From a distribution perspective, The Hanover focuses on Partner Agents who have the expertise and appropriate client base to sell Professional Liability products.

Hanover Professional Portfolio

- Lawyers Professional Liability
- Architects & Engineers Professional Liability
- Accountants Professional Liability—coming soon!
- Miscellaneous Professional Liability
  - Business Services E&O
  - Professional Services E&O
  - Personal Services E&O

Marketplace Overview

According to U.S. Census data, there are approximately 5 million privately held companies in the U.S. with between 1 and 2,500 employees. A recent private study indicated that just 37% of private companies purchase some form of Management Liability. The typical entity that purchases this coverage has 10+ employees, although virtually all private firms have an Employment Practices Liability exposure.

Target Market

Hanover Employment Practices Advantage targets a wide range of small and mid-sized businesses and organizations with up to 2,500 employees. (Class of business is not as important a factor as it is for Small Commercial and Middle Market Underwriters.)

We prefer businesses that have 3+ years, are financially secure, and have good management practices in place.

Key Competitive Advantages

Besides offering businesses broad coverage for employee practices and “wrongful acts” including discrimination, harassment, wrongful discharge, retaliation, and more, Hanover Employment Practices Advantage offers the following advantages:

- Employment Practices Liability Risk Management Policyholder Hotline (Jackson Lewis, a national Employment Practices and Labor Relations law firm) providing their expertise in support of our agents and customers
- Online quoting capabilities through our Small Commercial Point of Sale system making it quick and easy for our agents to do business with us
- Total protection and one-stop shopping with Hanover by offering additional standard lines and specialty coverages (e.g., CPP, Auto, Workers’ Compensation, Marine, etc.)
- Financial strength writing on “A” rated admitted paper
- Limited distribution strategy, which creates a strong franchise value for our agents, enabling them to differentiate in the marketplace

Key Competitors

- Travelers, CNA, Chubb

Regional carriers, if they offer this coverage, generally focus on smaller risks and may not provide the product depth, value-add services, and underwriting expertise that Hanover does.
Distribution Strategy Overview

- Our strategy is to first capitalize on providing this coverage within Hanover Partner Agents jointly chosen by Commercial Lines Regional Vice Presidents to grow via selling our EPL products monoline, in cross-selling, and through consolidation efforts.
- Concurrently we are targeting Specialty Agents with specific expertise in writing this business and who have made a strong commitment to growth and partnering with The Hanover.
- We will extend our product offerings to a broader group of agents by marketing the Point of Sale system, which gives them access to quote Nonprofit Management Liability online.

Core Product Offerings

Hanover Employment Practices Advantage offers broad, flexible coverage that allow businesses and organizations to tailor insurance protection to meet their coverage and limit requirements:

**Covers**
- Leased Employees
- Temporary Workers
- Committee Members
- Directors & Officers
- Employees
- Trustees
- Full-Time & Part-Time Employees

Small Business (<100 employees) Employment Practices Liability

**Essential Coverages**
- Full Prior Acts
- Coverage for discrimination, harassment, retaliation, constructive discharge, termination, failure to hire, and negligent supervision
- Punitive or exemplary damages up to the Limit of Liability, where insurable
- Personal Injury
- Duty to Defend
- EEOC (or state equivalent) Coverage
- Limits up to $5 million for primary
- Monetary and Non-Monetary relief

**Additional Coverages**
- Third-Party Liability
- Costs of Defense in addition to the Limit of Liability
- Illega Alien Investigative Proceeding Sub-Limit
- Wage & Hour (FLSA) Costs of Defense Sub-Limit
- Independent Contractors
- Domestic Partner Coverage
- Waiver of Deductible if no liability
- Kidnap Expense
- Identity Theft Expense
- Business Travel Accidental Death Benefit
- Crisis Management Expense
- Emergency Real Estate Consulting Fee
- Key Executive Replacement Expense
- Privacy Violation Coverage
- Temporary Meeting Space
- Terrorism Travel Expense
- Workplace Violence Counseling

Mid-Sized Business (100-2,500 employees)

Employment Practices Liability

**Essential Coverages**
- Full Prior Acts
- Punitive or exemplary damages up to the Limit of Liability, where insurable
- Pre-judgment and post-judgment interest
- Personal Injury
- Duty to Defend
- Spousal Coverage
- EEOC (or state equivalent) Coverage
- Limits up to $5 million for primary
- Monetary and Non-Monetary relief

**Additional Coverages**
- Third-Party Liability
- Costs of Defense in addition to the Limit of Liability
- Illegal Alien Investigative Proceeding Sub-Limit
- Wage & Hour (FLSA) Costs of Defense Sub-Limit
- Independent Contractors
- Domestic Partner Coverage
- Waiver of Deductible if no liability
- Kidnap Expense
- Identity Theft Expense
- Business Travel Accidental Death Benefit
- Crisis Management Expense
- Emergency Real Estate Consulting Fee
- Key Executive Replacement Expense
- Privacy Violation Coverage
- Temporary Meeting Space
- Terrorism Travel Expense
- Workplace Violence Counseling
Underwriting Process/Model

- Small Business Employment Practices Liability is available for quotation online to agents via Hanover’s Point of Sale system
- Hanover Middle Market and Small Commercial Underwriters should send all referrals to Management Liability Underwriters for review
- Pilots are in progress for Middle Market Underwriters to handle this business

Key Marketing Tools

We offer a full range of marketing tools to help agents understand our capabilities, appetite, and products and to help supplement and amplify their sales efforts:

- Small Business Employment Practices Liability Agent Brochure (119-0073)
- Small Business Employment Practices Liability Customer Brochure (119-0075)
- Small Business Employment Practices Liability Cross-Sell Letter #1 (119-0126)
- Mid-Sized Business Employment Practices Liability Agent Brochure (119-0074)
- Mid-Sized Business Employment Practices Liability Customer Brochure (119-0076)
- Mid-Sized Business Employment Practices Liability Customer Claims Scenarios (119-0072)
- Employment Practices Liability Risk Management Hotline Customer Information Sheet (119-0164)

Potential Cross-Sell Opportunities

Hanover Employment Practices Advantage presents a significant cross-sell opportunity for the following:

- Middle Market—Industry Segments & Niches
- Small Business Owners
- Hanover Specialty Industrial Property
- Programs (AIX & Affinity)

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Marketplace Overview

According to the National Center for Charitable Statistics 2005 report, this market has $1.6 trillion in revenue and $3.4 trillion in assets. The nonprofit sector is one of the most rapidly growing markets in the U.S., with a 96.9% jump in revenues and a 125.5% spike in assets since 1995. These entities are located in virtually every community throughout the United States.

Target Market

Hanover Nonprofit Advantage targets a vast array of organizations that qualify for tax-exempt status (Section 501c). Examples include:

- Arts & Sciences Organizations
- Charitable Organizations
- Professional Organizations
- Economic Development Organizations
- Healthcare Providers
- Religious Organizations
- Human Service Organizations

The following organizations are ineligible:

- Hospitals
- Universities
- Governmental Agencies
- Unions
- Adoption Agencies

Key Competitive Advantages

Hanover Nonprofit Advantage offers nonprofit organizations the following advantages:

- Employment Practices Liability Risk Management Policyholder Hotline (Jackson Lewis, a national Employment Practices and Labor Relations law firm) providing their expertise in support of our agents and customers
- Online quoting capabilities through our Small Commercial Point of Sale system making it quick and easy for our agents to do business with us
- Total protection and one-stop shopping with Hanover by offering additional standard lines and specialty coverages (e.g., CPP, Auto, Workers’ Comp, Marine, etc.)
- Financial strength writing on “A” rated admitted paper
- Limited distribution strategy, which creates a strong franchise value for our agents, enabling them to differentiate in the marketplace

Key Competitors

- Travelers
- CNA
- Chubb

Distribution Strategy Overview

- Our strategy is to first capitalize on providing this coverage within Hanover Partner Agents
- Concurrently we are targeting Specialty Agents with specific expertise in writing this business and who have made a strong commitment to growth and partnering with The Hanover
- We have initiated Point of Sale as an option to quote Nonprofit Management Liability online for organizations with fewer than 25 employees

continued ➤
Core Product Offerings

**Hanover Nonprofit Advantage** provides broad coverage for:

- Directors, Officers, and Organization Liability
- Employment Practices Liability
- Fiduciary Liability

Policy highlights include:

- Limits of Liability up to $5 million
- Retention as low as $0 for Directors and Officers, and $500 for Organizations
- Separate Limits of Liability for Directors and Officers Liability, Employment Practices and Fiduciary Liability available
- Employee coverage includes: Full-Time, Part-Time, Leased, Temporary and Seasonal Employees, Volunteers and Independent Contractors
- Defense Expense outside the Limit of Liability
- Full Prior Acts
- Punitive or Exemplary Damages up to the Limit of Liability, where insurable
- Personal Injury Coverage
- Third-Party Liability
- Duty to Defend

Special/Value-Add Coverages

We offer a broad array of additional coverages that nonprofit organizations can tailor to meet their specific needs, including:

- Illegal Alien Investigative Proceeding Sub-Limit
- Wage & Hour (FLSA) Costs of Defense Sub-Limit
- Domestic Partner Coverage
- Donation Assurance
- Identity Theft Expense

Underwriting Process/Model

Underwriting is done by Management Liability Underwriters in our Itasca, IL, Philadelphia, PA and San Francisco, CA offices. Business will be written as monoline and also will be written in conjunction with Middle Market Underwriters working on a Total Account.

Key Marketing Tools

We offer a full range of marketing tools to help agents understand our capabilities, appetite, and products and to help supplement and amplify their sales efforts:

- Nonprofit Management Liability Agent Fact Sheet (119-0103)
- Nonprofit Management Liability Agent Brochure (119-0042)
- Nonprofit Management Liability Customer Brochure (119-0044)
- Nonprofit Management Liability Customer Prospecting Letter (119-0043)
- Nonprofit Management Liability Customer Coverage Checklist (119-0046)
- Nonprofit Management Liability Claims Scenarios (119-0045)

Potential Cross-Sell Opportunities

**Hanover Nonprofit Advantage** presents significant cross-sell opportunities in the following industries:

- Human Service Organizations
- Religious Institutions
- Educational Institutions
- Small Nonprofit Organization (Small Commercial segment)

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Marketplace Overview

According to U.S. Census data, there are approximately 5 million privately held companies in the U.S. with between 1 and 2,000 employees. A recent private study indicated that approximately 37% of private companies purchase some form of management liability. A noteworthy point of the private company market is that while virtually every company has a need for this type of product, there are more “non-buyers” than buyers. Typically this product has to be sold to help buyers understand what and why.

Target Market

Hanover Private Company Advantage targets most types of companies. However, our sweet spot is privately held companies that employ fewer than 2,500 employees with total revenues of less than $250 million. Larger accounts (i.e., Middle Market) are likely to be the best targets within Hanover’s customer segments.

Coverage will not be available presently in the following areas:
- Credit Reporting or Collection Agencies
- Hospitals or Managed Care Organizations
- Financial Institutions
- Insurance Companies
- Governmental Entities
- Labor Organizations
- Political Organizations
- Public Schools, Colleges, and Universities

Key Competitive Advantages

Besides offering businesses broad coverage for employee practices and “wrongful acts” including discrimination, harassment, wrongful discharge, retaliation, and more, Hanover Private Company Advantage offers the following advantages:

- A full account solution consisting of all lines of coverage, including some Workers’ Compensation on selected classes (no other Human Service carrier offers Workers’ Compensation on their programs, making Hanover a Total Account, one-carrier solution for designated classes)
- Highly relevant coverages that continue to be upgraded
- A dedicated and highly experienced team of Management Liability Underwriters who know the private management industry
- Dedicated Claims Managers and Risks Specialists, providing expertise and focus

continued
Key Competitive Advantages (continued)

- Robust Risk Management Policyholder Services, including an Employment Practices Liability Risk Management Policyholder Hotline (Jackson Lewis, a national Employment Practices and Labor Relations law firm) providing their expertise in support for our agents and customers and access to Globe Risk International, which specializes in Kidnap/Ransom and Extortion crisis management
- Total protection and one-stop shopping with Hanover by offering additional standard lines and specialty coverages (e.g., CPP, Auto, Workers’ Comp, Marine, etc.)
- Financial strength writing on “A” rated admitted paper
- Limited distribution strategy, which creates a strong franchise value for our agents, enabling them to differentiate in the marketplace

Key Competitors

- Travelers
- CNA
- Chubb

Distribution Strategy Overview

- Our strategy is to first capitalize on providing this coverage within Hanover Partner Agents jointly chosen with Commercial Lines Regional Vice Presidents to grow via selling our Private Company monoline products, in cross-selling, and through consolidation efforts
- Concurrently we are targeting Specialty Agents with specific expertise in writing this business and who have made a strong commitment to growth and partnering with The Hanover

Core Product Offerings

Hanover Private Company Advantage provides comprehensive coverage designed to meet the need of the companies’ possible financial exposures, including:

- Directors, Officers, and Corporate Liability Insurance
- Employment Practices Liability Insurance
- Fiduciary Liability Insurance
- Fidelity & Crime Insurance
- Kidnap/Ransom and Extortion Insurance

Policy Highlights

- Duty to defend
- Covers the Insured entity and any past, present or future Directors and Officers of the company
- Additional limit in excess of policy dedicated to Executives for Side A claims
- Damages include punitive or exemplary damage up to the Limit of Liability, where insurable
- Full prior acts
- Coverage for allegations of discrimination, harassment, retaliation, termination and other employment acts
- Automatic coverage for qualified subsidiaries created or acquired during the policy period
- Private placement coverage
- Sub-limit for investigation of securities derivative demand
- Crime coverage includes personal accounts protection
- Broad Fiduciary coverage includes a sub-limit for voluntary compliances resolution program settlement fees
- 75%/25% settlement provisions

Special/Value-Add Coverages

We offer the following coverage enhancements:

- Defense Expenses in addition to Limit of Liability
- Third-Party Liability
- Wage & Hour (FLSA) Sub-Limit
- Illegal Alien Investigation Sub-Limit
- Privacy Coverage Enhancement
- Waiver of Deductible if no liability ruling obtained

Program Specifics

- Limits of Liability up to $5 million
- Retention as low as $0 for Directors and Officers and $2,500 for Corporate Liability
- Deductibles as low as $2,500 for Employment Practices
Underwriting Process/Model
Underwriting is done by Management Liability Underwriters in our Itasca, IL, Philadelphia, PA and San Francisco, CA offices.

Key Marketing Tools
We offer a full range of marketing tools to help agents understand our capabilities, appetite, and products and to help supplement and amplify their sales efforts:

- Private Company Management Liability Agent Brochure (119-0139)
- Private Company Management Liability Customer Prospecting Letter (119-0138)
- Private Company Management Liability Director and Officers Customer Fact Sheet (119-0141)
- Private Company Management Liability Employment Practices Liability Customer Fact Sheet (119-0163)
- Private Company Management Liability Kidnap/Ransom & Extortion Customer Fact Sheet (119-0144)
- Private Company Management Liability Fiduciary Customer Fact Sheet (119-0143)
- Private Company Management Liability Fidelity & Crime Customer Fact Sheet (119-0142)
- Private Company Management Liability Customer Coverage Checklist (119-0145)
- Private Company Management Liability Customer Brochure (119-0140)

Potential Cross-Sell Opportunities
Hanover Private Company Advantage presents a significant cross-sell opportunity for the following:

- Small Businesses
- Middle Market Industries and Niches
- Hanover Specialty Industrial Property Account
- Programs (AIX & Affinity)

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Hanover Fidelity & Crime Advantage

**Marketplace Overview**

Any business can be a victim of fraud or embezzlement. Worse, when the criminal is a longtime, trusted employee, the crime can go undetected for years.

Here are some startling facts. A 2010 report by the Association of Certified Fraud Examiners (ACFE) estimated that U.S. organizations lose 5% of their annual revenues to fraud. Applied to the U.S. GDP, that 5% figure represents nearly $1 trillion in fraud losses. The median loss due to occupational fraud in the ACFE report was $175,000. More than 25% of the frauds involved losses of at least $1 million.

The direct written premium for Fidelity & Crime business in the U.S. is approximately $1.1 billion. The top 50 carriers write 99.6% of total direct written premium. The Hanover wrote $6.7 million in direct written premium for Fidelity & Crime as of year-end 2009.

**Target Market**

Hanover Fidelity & Crime Advantage targets all types of organizations, including:

- Commercial Business
- Nonprofit Organizations
- Governmental Agencies
- And more

Desired Risk Characteristics include:

- Sound basic controls addressing segregation of duties in key areas so that no single process can be controlled from beginning to end by one person
- Active management oversight and enforcement of internal control policies and procedures

Hanover Fidelity & Crime Advantage specializes in writing ERISA Bonds, Investment Advisor ERISA Bonds, and coverage for Third-Party Off-Premises exposures.

**Key Competitive Advantages**

- Competitive ISO Crime Form filed and approved in all continental U.S. states
- Proprietary Forms include competitive ERISA Bond Form, Investment Advisor ERISA Bond Form, and Excess Follow Form
- Highly experienced team of Fidelity & Commercial Crime experts, each with over 20 years of experience
- Dedicated phone (800-853-7719), email (bondsubfid@hanover.com), and fax (508-926-1562) for submissions
- Experienced claims specialists
- Limited distribution strategy, which creates a strong franchise value for our agents, enabling them to differentiate in the marketplace

**Key Competitors**

- Chubb, Travelers, AIU Holdings (formerly AIG), Zurich

The top ten carriers at YE 2008 were Chubb, Travelers, AIU Holdings (formerly AIG), Zurich, CUNA Mutual Group, Great American, Hartford, CNA, Fairfax, and ACE. Hanover was ranked as the 21st largest Fidelity & Crime carrier in the country.

[continued]
Distribution Strategy Overview

- Initially the distribution strategy is a two-pronged approach:
  - Target agents with specific expertise in writing this business and who have made a strong commitment to growth through partnering with The Hanover
  - Agency Partners who write this business as identified by CL RVP’s to concentrate sales efforts helping them to grow with Hanover

Expanding product availability to other Hanover distributors will be staged, happening after we get the first two agent target segments ramped up driving significant production.

Core Product Offerings

**Hanover Fidelity & Crime Advantage** offers businesses and organizations a broad range of coverages, including:
- Employee Theft
- Forgery or Alteration
- Inside the Premises—Theft of Money and Securities
- Inside the Premises—Robbery of Safe, Burglary of Other Property
- Outside the Premises
- Computer Fraud
- Funds Transfer Fraud
- Money Orders and Counterfeit Money

Special/Value-Add Coverages

We offer a variety of limits that businesses and organizations can tailor to meet their specific needs, with limits up to $25 million.

Underwriting Process/Model

Underwriting is done by Regional Fidelity & Crime Managers (listed under Contact Information). Any referrals should be directed to them.

Key Marketing Tools

We offer a full range of marketing tools to help agents understand our capabilities, appetite, and products and to help supplement and amplify their sales effort:
- Fidelity/Commercial Crime Agent Brochure (119-0195)
- Commercial & Government Crime Agent Fact Sheet (119-0196)
- ERISA Fidelity Coverage Agent Fact Sheet (119-0197)
- Investment Advisor ERISA Agent Fact Sheet (119-0198)
- Third-Party Off-Premises Coverage Agent Fact Sheet (119-0199)

Potential Cross-Sell Opportunities

**Hanover Fidelity & Crime Advantage** presents a significant cross-sell opportunity for the following:
- Commercial Organizations and Businesses
- Nonprofit Organizations
- Condominium Associations
- Computer Consultants
- Educational Institutions

Contact Information

<table>
<thead>
<tr>
<th>Region</th>
<th>Contact Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Northeast</td>
<td>Donna Hixon  508-855-4634 <a href="mailto:dhixon@hanover.com">dhixon@hanover.com</a></td>
</tr>
<tr>
<td>Mid-Atlantic</td>
<td>Kevin Finn  610-301-8680 <a href="mailto:ke1finn@hanover.com">ke1finn@hanover.com</a></td>
</tr>
<tr>
<td>Southeast</td>
<td>Eileen Grant 770-353-6164 <a href="mailto:egrant@hanover.com">egrant@hanover.com</a></td>
</tr>
<tr>
<td>Midwest</td>
<td>Bill Kraft  630-521-8419 <a href="mailto:wkraft@hanover.com">wkraft@hanover.com</a></td>
</tr>
</tbody>
</table>

Specialty

Hanover Commercial Excess/Umbrella
Hanover Commercial Excess/Umbrella

Marketplace Overview

Monoline Commercial Umbrella is a $10-12 billion marketplace. All national and some regional carriers offer this product. Monoline Umbrella is actively written in a variety of account size situations:

- 39% of Umbrella written over National Account customers
- 34% of Umbrella written over Middle Market customers
- 27% of Umbrella written over Small Commercial customers

Target Market

Hanover Commercial Excess/Umbrella targets all types of Middle Market businesses and industries, including retailers, service industries, manufacturers, wholesalers, and real estate managers. Hanover Commercial Excess/Umbrella is looking to write primary Middle Market accounts between $50,000 and $350,000 that typically buy $25 million or less in Umbrella business (businesses that require higher limits are probably not a fit for us).

Hanover is not looking to write excess limits when Hanover Middle Market already writes the primary Umbrella.

Key Competitive Advantages

Besides offering comprehensive and competitively priced coverage that offers clients extra protection in the event of a catastrophic loss, Hanover Commercial Excess/Umbrella offers the following:

- Local, experienced Monoline Umbrella Underwriters who are highly responsive
- Flexible and High Limits ($20 million in capacity, much more than our regional competitors; coverage with high limit up to $25 million per occurrence)
- Low premiums (better pricing approach, offering lower minimum premium pricing than large national companies)
- Exceptionally strong and financially stable company whose local teams are staffed with experienced Monoline Underwriters
- Limited distribution strategy, which creates a strong franchise value for our agents, enabling them to differentiate in the marketplace

Key Competitors

- Travelers, Chubb, ACE, Zurich, AIG
- Regional carriers (limits offered not as high as nationals)

Distribution Overview

Hanover Commercial Excess/Umbrella is currently limited to Targeted Partner Agents who have made a strong commitment to growth through partnering with The Hanover, and other key agents making solid commitments as identified by the local RVP.

continued
Core Product Offerings

**Hanover Commercial Excess/Umbrella** coverage includes the following:

- Commercial General Liability
- Commercial Auto Liability
- Employer’s Liability

For those with liabilities unique to their business category, we offer coverage for:

- Liquor Liability
- Employee Benefits Liability
- Garage Liability

Special/Value-Add Coverages

- Stand-alone coverage form with high limits that agents can tailor to meet their specific needs
- Follow form Umbrella with broad follow form wording to prevent gaps in coverage
- Offered through one company to a select agent group, further enhancing the value of our franchise with our agents

Underwriting Process/Model

Underwriting is handled by field-based Monoline Umbrella Underwriters supporting various regions, and via a centralized underwriting support from our New Jersey office.

Key Marketing Tools

We offer a full range of marketing tools to help agents understand our capabilities, appetite, and products and to help supplement and amplify their sales efforts:

- Commercial Excess/Umbrella Agent Brochure (114-1106)
- Commercial Excess/Umbrella Agent Sell Sheet (114-1127)
- Commercial Excess/Umbrella Customer Claims Scenarios (114-1107)

Potential Cross-Sell Opportunities

- Partner Agent’s Middle Market New Business (when we are not competitive on the entire account, we can bind the Umbrella only)
- Partner Agent’s Middle Market Renewal Business when we are not competitive on the renewal (or non-renewing) and we can save the Umbrella with Hanover
- HSI accounts where Hanover Middle Market is not handling the Umbrella

Contact Information

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**Sherrie Stockton**
Senior Specialty Underwriter
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Marketplace Overview

The Specialty Program market continues to grow as larger Retail Agents and Managing General Agents look to create specialty capabilities that will give them an exploitable market advantage and drive higher earnings. The Specialty Program market remains competitive with many carriers offering both alternative risk and standard structures. These programs are written on both admitted and surplus lines depending on the program and class business requirements. AIX is licensed to conduct business on a national basis and competes in most markets. Our current book of business includes 31 programs, representing over $240 million in primary premiums.

Target Market

AIX Group supports growing programs through a variety of different structures, including:

- Profit Share/Commission Slide
- Captive
  - Owned Captive
  - Association Captive
  - Rent-a-Captive
- Guaranteed Cost
- Large SIR/Deductible

AIX Group has been successful with target risks in these categories:

- Restaurants
- Retailers
- Property Owners/Managers
- Hospitality Operations
- Artisan Contractors
- Pest Control Operators
- Ski Resorts
- Rental Equipment Operators
- Some Retail and Restaurant Franchises
- Precision Metal Fabricators
- Courier Operators
- Non-Metropolitan Taxi Operators
- Distributors

Ideal program attributes include:

- Homogeneous groups (risk class, geography, line of business, affinity)
- Existing program with $3 million to $35 million in primary premium
- Built-in risk sharing by the distribution source and/or the Insured
- Underwriting authority remains at the AIX Group level

AIX Group is not interested in writing extra-heavy transportation/long haul operations, or anything with a latent or long tail bodily injury exposure.

continued
Key Competitive Advantages

- Financially strong, “A” Rated (Excellent)
- Enables Partners to further grow their agencies and their Hanover relationship
- Ability to customize programs
  - Innovate with agents to design unique programs, creating more value for both customer and agent (includes leveraging other Hanover capabilities, such as Management Liability, to enhance programs)
- Dedicated, committed experts
  - **AIX Group** senior management team members are seasoned professionals with decades of experience in the specialty/alternative sector, having written over $3 billion of primary premiums through 250 unique programs
- Lack of channel conflict
  - Transacts all business on Nova Casualty and AIX Specialty paper; channel conflicts are minimal
- Alignment of interests
  - Delivers unequaled efficiency, agility, and flexibility to transactions (eliminates rigid underwriting boxes and unnecessary bureaucracy)
- State-of-the-art technology
  - Internet-based, scalable, and real time IT platform provides a range of cost-saving capabilities that can flow directly to program outcomes
- Underwriting philosophy
  - By targeting homogeneous books of business, we can home in on specific and unique underwriting issues, thereby lowering the loss ratio and the subsequent all-in cost of risk
  - Limited distribution strategy, which creates a strong franchise value for our agents, enabling them to differentiate in the marketplace

Distribution Strategy Overview

**AIX Group** targets larger retail agents, with a focus on Partner Agents, as well as certain specialized wholesalers that have a demonstrable footprint and/or underwriting expertise within a specific class of business. Preferably, these agents have had a long history in their particular segment and can provide enough credible data for our actuaries to perform an adequate analysis.

**AIX Group** actively seeks opportunities to partner with the following types of agents and brokers:

- Business Insurance 100 Agent whose focus is geared toward:
  - Firms with dedicated programs administration teams
  - Partner Agents that will participate in underwriting results
- Select Managing General Agents that control desired program business

Core Product Offerings

- General Liability
- Commercial Property
- Commercial Auto Liability
- Commercial Umbrella
- Marine
- Excess & Surplus
- Workers’ Compensation

Special/Value-Add Coverages

**AIX Group** has a dedicated Product Management department focused on tailoring coverages to compete in the marketplace for all identified Specialty Program business written on Nova Casualty paper. To differentiate them from straightforward ISO coverage approaches, virtually all property and casualty opportunities have had coverage enhancements developed.

- Our typical speed to market with new rate, rule, and forms is an extremely responsive three months or less (and depending on the breadth and scope of the filings that need to be made, time to market can be even less; if the product is offered on a non-admitted basis through AIX Specialty, the timing is decreased even further)
- Because we have an experienced team dedicated to these efforts, AIX promptly performs a book roll, thereby diminishing the ability of the incumbent markets to “claw back” their business and relieving strain on the producing agent

Key Competitors

- Nationals
  - The Hartford, Fireman’s Fund, Travelers, Navigators, and Liberty
- Specialists
  - QBE, SPARTA, Munich Re, Discover Re (can serve a specific market niche purpose, but may lack full breadth of capabilities for sustaining robust programs)
Key Marketing Tools

Marketing tools are available to help agents understand our capabilities, appetite, and products and to help supplement and amplify their sales efforts:

• AIX Agent Brochure (120-0006)

AIX Group participates in a variety of conferences, including AAMGA, CICA, RIMS, and VCIA.

AIX Group maintains an advertising billboard at Bradley Airport (Hartford, CT) to highlight our distinctive capabilities with agents and brokers who travel to and from this insurance destination. AIX’s website (www.aixgroup.com) lists program offerings, contact information, etc.

Potential Cross-Sell Opportunities

• Inland Marine
• Ocean Marine
• Management Liability
• Employment Practices Liability
• Commercial Surety

Contact Information

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Citizens Management Inc. (CMI)—Specialty

**Marketplace Overview**

The human capital marketplace is a multi billion dollar industry encompassing tens of thousands of suppliers selling hundreds of different products and services including recruitment and staffing, employee benefits, payroll, training, development and more. Companies that are large enough to financially support taking on risk may self-insure P&C insurance, including Workers’ Compensation, and hire a Third-Party Administrator as a Human Resource partner to reduce incidences and manage claim costs. Third-Party Administration for self-insurance is a multi billion dollar industry with thousands of TPA's ranging from Fortune 500® companies to regional and local businesses. The self-funded Workers’ Compensation insurance marketplace is a highly competitive and fragmented industry that is poised to grow as businesses look for alternative insurance solutions to offset increasing Workers’ Compensation insurance rates and cut costs in a down economy.

**Target Market**

CMI targets larger employers in these key industries:

- **Educational Institutions**—schools, colleges, universities
- **Municipalities**—cities, counties, townships
- **Medical Organizations**—hospitals, healthcare providers
- **Group Associations**

**Key Competitive Advantages**

Since 1985, CMI has been assisting employers in setting up and maintaining their own Workers’ Compensation programs. It is now one of the largest service companies in the Midwest, offering Third-Party Administration for Workers’ Compensation and Disability Programs for self-insured employers and group programs. Self-insuring for Workers’ Compensation and disability programs can be more economical than paying commercial insurance premiums. CMI provides a comprehensive approach to risk management, and will design a plan that will guide the self-insured employer to maximize insurance savings. CMI’s comprehensive program includes:

- **Bundled Excess Coverage and Pricing**—CMI is unique among Third-Party Administrators in that we offer flexible in-house excess coverage
- **Loss Prevention Services**—We offer a board-certified loss control professional who will design a tailored safety program
- **In-House Medical Management and Bill Review Services**—CMI has registered nurses on staff completely focused on maximizing savings through a comprehensive review process
- **Customized Service**—Our clients receive a dedicated service team that includes a lost time adjuster, medical adjuster, and loss prevention consultant
- **Leading Edge Technology**—CMI uses a leading edge claims management and information system that offers unlimited loss analysis and financial reporting formats, Internet-based delivery, and real time online client access to detailed claim information
- **Long-Term and Short-Term Integrated Disability Programs**—CMI integrates all employee disability programs—short-term and long-term—with an employer’s Workers’ Compensation program to achieve seamless service

*continued*
Key Competitors

**Nationals:**
- Broadspire Services (Crawford)
- Meadowbrook Claims Services
- Gallagher Bassett Services, Inc.
- Cannon Cochran Management Services (CCMSI)

**Regionals:**
- J.W.F. Specialty Company
- Accident Fund Insurance Company
- RTW, Inc.

Distribution Strategy Overview
CMI is distributed mainly through Partner Agents with specific expertise in writing self-insurance and excess insurance. However, some agents may qualify for a CMI-only appointment based on background, available opportunities, and alignment to philosophy.

Core Product Offerings
- Workers’ Compensation Excess Insurance
- Claim Administration for Workers’ Compensation Self-Insurance
- Loss Prevention Services

Underwriting Process/Model
Underwriting is performed by CMI Account Executives and is available for the agent to present to the prospective self-insured business.

Risk Characteristics
Target account characteristics include:
- Larger businesses that meet the self-insured requirements for the state
- Businesses with the majority of their operations contained within one state
- Public institutions (schools, municipalities, hospitals, etc.)

Key Marketing Tools
We offer a full range of marketing tools to help agents understand our capabilities, appetite, and products and to help supplement and amplify their sales efforts:
- CMI Capabilities Brochure (116-1013)
- CMI Website: Citizensmanagementinc.com

Potential Cross-Sell Opportunities
- Commercial Property
- Commercial General Liability
- Commercial Auto
- Commercial Umbrella

Contact Information

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Senior Account Executive (Michigan, Indiana, Wisconsin)  
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pbecker@hanover.com

Christopher Cramer  
Account Executive (Michigan, Ohio, Illinois)  
517-540-3156  
cramer@hanover.com
Loss Control
Marketplace Overview

The use of “Loss Control” units vary from company to company. They range from smaller regional carriers that do not provide this service, to carriers that use outside vendors for their needs, up to carriers that have a Loss Control unit as part of their operations. Over the recent years, with a challenging economy and marketplace, the trend for most carriers that offer Loss Control is to downsize the scope of their involvement and the size of their teams. The other trend is for carriers to use more outside vendor services to handle their Loss Control needs.

Traditionally, most Loss Control teams focus their efforts on mid-sized and large businesses. Many carriers do not focus their Loss Control efforts on small or lower-end Middle Market business, and if they do—they will typically use outside vendor services for such customers.

The majority of work done by most Loss Control units involves inspection related activities often focused on new business to assess loss exposures and control processes. Other Loss Control services that may be offered range from working with clients on risk management actions that would help to lower loss exposures to providing specific expertise to help solve a customer issue or problem.

The Hanover’s Loss Control Program is comprised of over 50 dedicated professionals who are deployed across the country and work in local markets with agents and their customers. Use of outside Loss Control services is done on a limited basis, to supplement the efforts of the in-house Hanover’s Loss Control team. The focus of Hanover’s Loss Control Program is on Service Delivery that has positive impact on our customers and agents.

continued
Target Market

Our Loss Control programs are focused around the needs of our Partner Agents and are specifically aligned with our Middle Market Industry offerings. We focus on accounts between $50,000 and $250,000 and provide a wide range of valuable services and programs to these accounts to help our agents win more accounts and differentiate themselves in the marketplace. In addition, we also provide a full array of safety tips online at www.hanover.com for individuals, families, and businesses. The informational tips help to educate consumers about insurance risks so they can minimize their exposures.

Key Competitive Advantages

The Hanover is dedicated to providing state-of-the-art tools that make it fast, efficient, and economical to implement Loss Control measures. Our experienced Loss Control consultants are familiar with your clients’ unique exposures and Loss Control needs, and our team of experts can help to create a Risk Management program for your clients that would achieve excellent results.

- Dedicated Loss Control Team
  - Experienced (experts with an average of 20+ years of experience)
  - Educated (over 90% have a Bachelor’s or advanced degree; 2 Professional Engineers, 3 CPCUs, 11 ARMs, 9 ALCMs, 3 CFPS)
  - Experts (50% are Certified Safety Professionals—CSPs)

- Custom-tailored client programs

- Do-it-yourself educational series for a variety of industries

- Risk Management programs

- Experienced professionals in all key risk management disciplines

- Proven Risk Management practices

- Online, customizable Loss Control tools for safety committees, OSHA compliance, and other safety management initiatives

Hanover’s comprehensive, easy to implement loss control solutions help diminish client risk and prevent loss. Our goal is to help businesses and organizations prevent accidents and reduce loss by identifying potential dangers before they become real and costly problems. Our expert Loss Control team understands the needs of your clients and their unique exposures, and can develop the proper programs to implement. Our broad Loss Control capabilities include everything from complete loss prevention programs for commercial clients to do-it-yourself employee education programs.

Loss Control Program Highlights

- Safety Training Seminars
- Fire Protection Services
- Industrial Hygiene Services
- Vehicle Safety Services
- Ergonomics
- Theft Prevention
- GL/Products/Completed Operations
- Construction Safety

Loss Control Portal

Our easy-to-use, interactive Loss Control portal features robust risk management tools, relevant content, extensive resources, and rich functionality combined with fast, easy navigation.

Loss Control Portal Features & Benefits

- Gain immediate access to a wide range of risk management tools and information, including safety topics, technical bulletins, checklists, videos and literature

- Easily access links to valuable publications, associations, professional organizations, research, training, and more

- Set up a profile by industry to obtain access to industry-relevant content quickly and efficiently

- Benefit from significant savings and discounts from a wide range of risk management vendors with whom we’ve partnered to make solutions more affordable

- Industry-Specific Programs
• Alliance Partner Discounts
• Risk Management Resources
• Loss Control Contacts


Hanover Agents may register for access to the Loss Control Portal by going to TAP (https://tap.hanover.com) and clicking on the Loss Control Portal link.

Key Marketing Tools
To help our agents supplement and amplify their sales efforts, we offer a full range of marketing tools to aid in understanding our capabilities, appetite, and our products.

• Hanover Loss Control Capabilities Agent Brochure (171-0774)
• Hanover Loss Control Portal Agent Flyer (171-0782)

Contact Information
The Hanover team can provide a comprehensive loss control and risk management program for your customers.

Contact Steve Skubish at 732-805-2347 or sskubish@hanover.com
or Dana Blose at 678-266-0606 or dblose@hanover.com
Personal Lines
**Marketplace Overview**

Personal Lines is a huge market, representing all consumer Property and Casualty insurance needs including personal auto, home or rental, second homes, umbrella, “toys,” and other related coverages. Unlike Commercial Lines, the Personal Lines market has three major distribution channels:

- Independent Agents (e.g., Hanover)
- Captive agents (e.g., State Farm)
- Direct writers (e.g., Geico)

**Target Market**

The Hanover **Personal Lines** division is a $1.5 billion book of business that consists of several “core” states with meaningful market share, as well as 12 “growth” states where we are aggressively seeking to grow. We offer our Total Account Solution in the following states:

**Growth States:** AR, CT, GA, IL, IN, ME, NH, OH, OK, TN, VA, WI

**Core States:** MA, MI, NJ, NY

We have limited appetite in FL and LA (mostly auto dominant).

Hanover does not currently offer Personal Lines products or services in the following CL states:

AL, AZ, CA, CO, KS, MD, MN, MO, NC, NM, OR, PA, SC, TX, UT, WA

Our most preferred business is with:

- Multi-car, “total account” households that insure their auto(s) and home with The Hanover
- Well-rounded accounts that include umbrella, blanket or scheduled property, and toys in addition to the auto and home
- Personal Lines business with home (Coverage A) greater than $200,000

**Other Profitable Business:**

- Multi-car auto (monoline)
Key Competitive Advantages & Capabilities

The Hanover is truly a total account carrier of choice with a full product suite, superior service, and a unique set of tools and programs (Partner Solutions) that help agents win in today’s marketplace. We help Partners escape the price war and transform their PL business by leveraging three tools:

1. **The Hanover Household**—product set offering the ability to bundle and tailor multiple Personal Lines coverages in a single offer (Auto, Home, Umbrella, Jewelry, Collectibles, Recreational Vehicles) with additional complimentary features (we offer more value-added endorsements than leading competitors)

2. **Front Line Excellence (FLEX™) Solutions**—operating model and tools built around speed, simplicity, and reliability that help enable agents to be more consultative and improve margins. (Additionally our Customer Service Center (CSC) has dedicated staff of experienced professionals to handle clients’ personal insurance needs so that agents can focus on writing new business.)

3. **Partner Solutions**—distinctive tools and programs offered exclusively to Partners to attract new accounts, round and retain existing customers, and consolidate markets (e.g., Account Rounding, Market Consolidation, Customer Referral, Customer Win Back)

Key Competitors

- **National Captives & Direct**: Allstate, State Farm, Nationwide, Liberty Mutual, Farmers (big brands with lots of distribution and marketing support; products are not sophisticated and may have coverage gaps compared to IA companies)

- **Independent Agent Channel**:  
  - Nationals—Travelers, SafeCo (Liberty RAM), Encompass, OneBeacon, The Hartford (strengths tend to be pricing and product sophistication, with good automation support; may have weaknesses such as depersonalized relationships and very broad distribution)
  - Regionals (vary by state)—strengths tend to be deep local knowledge, with strong agent relationships; may lack sophisticated automation and have only basic product

Distribution Strategy Overview

**Goals of Hanover Personal Lines’ Distribution Strategy:**

1. Deliver profitable growth through the cycle, largely—not exclusively—driven by consistent, disproportionate contribution from Partners;

2. Develop scale and market share penetration by having an appropriate level of distribution points across all target micro-territories;

3. Limit distribution to those agencies whose traits are aligned with our strategy; and

4. Appropriately align resources to maximize the value of every agent.

   - “Franchise” Partners are an important sub-set of the Partner group
   - PL dominant agencies that respond to our value proposition are also critical
   - Aggregators, wholesalers, and clusters are kept to a bare minimum and only utilized when the controlling agency behaves like a Partner, helps drive desired mix

Product Portfolio Offerings

**Connections® Home**

- Single underwriting company, multivariate pricing
- Choice of four Package Options: Basic, Select, Select Plus, and Select Premium
- Select Premium Extra (can be added to Select Premium)
  - Guaranteed Replacement Cost
- Assisted Living Care Coverage
- Equipment Breakdown
- Water Back-up
- Valuables
- Identity Integrity Program
- Umbrella Liability
Connections® Auto

- Reassurance Plus
- Roadside Assistance
- Travel Right
  - Trip Interruption
  - Pet Injury Protection
  - Rental Car Coverage
- Home Care Services
- DriveSmart Advantage™
  - New Car Replacement Guard
  - Second Chance Accident Forgiveness
  - Deductible Dividends
- Rental Coverage Upgrade
- Extended Non-Owned
- Ultimate Service

Ultimate Service Special/Value-Add Coverages (what defines your value)

Total Household Rewards is an exclusive bundle of features that helps agents and their customers come together to select the protection they need for the things that matter most. When both home and auto are insured with us, clients receive great value and Smart Savings with these features, all at no extra charge:

- **Single Loss Deductible**—when single loss affects more than one policy, lower deductible is waived
- **Guaranteed Renewal**—provides security and peace of mind knowing your customers’ home and/or auto policy are guaranteed to be renewed provided they continue to meet certain criteria
- **Mortgage Extra Expense**—for total loss, pays up to $1,000 for certain fees and up to $250 a month for one year for additional interest on the replacement mortgage if the interest rate is higher than the original mortgage for the same principle amount and term
- **Child Passenger Restraint System**—up to $300 to replace a child passenger restraint system when damaged during a covered loss (no deductible)
- **Fire Extinguisher Recharge or Replacement**—payment to recharge/replace a portable fire extinguisher after it is used to fight a fire in the covered home (no deductible)

Underwriting Process/Model

Underwriters handle all business, operating in cohesive service teams. The process is highly automated for auto and home business, with agents entering risk information in POS.

Key Marketing Tools

The items listed below are a small sample of materials that are available and are the country-wide versions. Where a state may have significant changes, a state abbreviation will be after the form number in FAST (e.g., 112-1234MI for a Michigan-specific document).

- The Hanover Household Total Account Kit (112-2858KIT)
- Agent Partner Solutions Overview (112-2841)
- FLEX Solutions Overview (112-2833)
- Hanover Household CSR Flip Chart (112-2838)
- Connections Home/Auto Enhancements Frequently Asked Questions (112-2800/112-2837)
- CSR Sell Sheet & Talk Tracks Auto (112-2818)
- The Hanover Household Customer Brochure (112-2814)

Potential Cross-Market Opportunities

Small Commercial, agent level (especially true for small to mid-sized agents where PL and SC often account for up to 90% of the agent’s total revenue; having a combined company offering can increase franchise value in the right agents).
Contact Information

PL Marketing
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Connections Auto Product Manager
Kevin Cerny 508-855-2314
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Connections Home Product Manager
Chinikqua Maddox 508-855-2882
cmaddox@hanover.com
Valuable Tools
Agent Compensation

Agent Compensation Market Overview

Agents generate revenue in three major areas: commissions, bonus, and fees. Of these, commissions are by far the largest income source for agents.

Bonus income, however, has become increasingly important to an agent’s economic health. Today, it represents approximately 17% of an average agent’s total revenue (Source: Marsh Berry), nearly doubling since 2005, when bonus represented 9.5% of an agent’s total.

For the majority of agents, the trend over the past two years has been a decline in their total revenues. This is driven by the combination of the economic downturn and an increasingly competitive market. Both commission and bonus plans are sensitive to premium and volume, which has been flat or declining. More than ever, compensation management is a critical success factor to an agent’s overall economic well being.

In general, commissions are split between a producer and the agency. The type of agent commission sharing plans varies greatly from agent to agent. A growing trend with agents (larger agents in particular) is to not pay producers any commission on small accounts (definitions of “small” vary by agent, with thresholds commonly ranging from $2,000 to $3,000 in commission on approximately $10-15k in premium).

Market typical standard lines commission ranges:

- BOP 15%–20%
- Package 15%–18%
- Auto 15%
- Workers Compensation 4%–7% (larger commercial)
- Workers Compensation 7%–14% (small commercial)
- Marine 15%–20%
- Bond 20%–30%

Most companies’ agent bonus plans are usually split between commercial and personal lines. The actual plans vary widely by company, although most plans are built around three key components; volume, growth, and profit. Minimum premium volumes typically range from 250k (e.g. regional carriers) and up to $1 million (e.g. large nationals).
Hanover Commissions

Our commission philosophy is to offer our agents commissions that are competitive in the market. We don’t want to be disadvantaged by paying below market levels, nor due we want to incur unproductive expenses by paying too high above market levels.

Commissions are set at Product (line of business) levels. Corporately, we review and make adjustments to commissions on an annual basis, with any changes typically implemented around an April timeframe.

For specific and current commission schedules; contact Robin Seagrave, Agency Compensation RSEAGRAVE@HANOVER.COM

Agent Bonus Plus Plan

The Bonus Plus program is Hanover’s standard Commercial Lines bonus plan. Core elements of this plan include volume, profit, and growth. Highlights and key points of this plan are:

**VOLUME**
- $350,000 minimum commercial lines premium requirement
  - Bonus factors are larger as agent’s CL premium is larger

**PROFIT**
- Profit is determined by an agent’s calendar year loss ratio
  - Bonus factors are higher for low loss ratios
  - No bonus is paid if an agent’s loss ratio is >52%
  - Loss ratio has a “stop loss” feature, capping any one loss at $250k or $500k (agent’s choice)

**GROWTH**
- Bonus factors get larger if an agent’s CL premium grows
- Bonus factors get smaller if an agent’s CL premium shrinks
  - No bonus paid if agent’s CL volume decreases by >15%

**BONUS**
- The bonus % is paid on the agent’s earned premium.

Unique Hanover Features

**Franchise Kicker**—For agents that have a minimum of $500,000 in each LOB (CL and PL) and $1.5M in total Written Premium

**President’s Club Bonus Kicker**—Only for Partner agents who have earned the distinction of being a President’s Club agent. Agents receive additional 2.5% for each year of the prior two years that the agent earns President’s Club status. Example: agent’s “Bonus Plus” is $100k, but as a President’s Club agent for two prior years, he/she would earn 105% X Bonus, or $105k in total.

Transition Bonus Plan

This is a special plan for 2010 which is targeted to former One Beacon Agents. The intent is to enable a smooth transition of business while motivating agents to write new business and grow with us. With specifically identified agents, this plan is in lieu of the Standard CL Bonus Plan. Highlights and key points of this plan are:

**VOLUME**
- No Minimum Written Premium
  - Bonus factors are larger as agent’s 2009 CL premium base is larger
PROFIT

• Profit is not part of the transition plan
  – This is a one year “waiver”, done to provide new to Hanover agents with more predictability in their bonus

GROWTH

• Agent must finish 2010 with at least 80% of their ’09 CL volume
  – No bonus paid if agent’s CL volume decreases by >20%
• Bonus factors get larger with increased growth rate

BONUS

• The bonus % is paid on the agent’s written premium

Other Hanover CL Bonus Plans

**New Appointments**—This is only for new appointed agents and is used instead of the Bonus Plus plan. This plan pays 2.5% on written premium in the first two years of appointment. The agent must have a 40% loss ratio or less ($100,000 Stop Loss) to receive the award. The bonus is paid annually; e.g. if appointed March 2010, the agent is paid at year end on their total 2010 premium, then again paid at year end on 2011 annual premium. After the second year of appointment, the agent moves to the Bonus Plus plan.

**Surety**—Offered selectively to key surety agents who are committed to working with Hanover. Minimum premium requirement starts at $250k (note: surety premium is not eligible in CL Standard or Transition Bonus plans).

**Umbrella (stand-alone)**—Offered selectively to partner agents who make a significant commitment, which often involves consolidation. Requires at least $100k mono-line umbrella premium and at least 25% annual growth (note: umbrella premium is not eligible in CL Standard or Transition Bonus plans).

**Small Commercial (SCPP)**—Offered selectively to partner and other important agents. Applies to just small commercial business and is in addition to the standard or transition bonus plans.

**Market Consolidation**—Offered selectively to agents who make a meaningful consolidation commitment (> $100k in incremental premium). Primarily aimed at small commercial.
Agent Compensation

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In today’s market, there’s one thing you need more than anything else: The Right Partner
We’re the best partner for Winning
By choosing to work closely with a select group of Independent Agents, and only Independent Agents, The Hanover unites its energy, people, and resources with the talents, drive, and savvy of Winning Agents, creating a powerful alliance for mutual and unprecedented success.

- National Strength. Local Focus.
- Strong earnings momentum over the last five years
- $1.7 billion in statutory capital
- $2.6 billion in net written premium
- Profitable growth in all lines of business
- Ranks among top 30 of the largest property and casualty insurers in the U.S.
- Rated “Excellent” (A) by A.M. Best
- Ranked among the Fortune 1000®
Expanding small business horizons in a big way.

The Hanover’s full portfolio of insurance products for small businesses goes well beyond standard BOP policies. In fact, our total account solutions allow you to provide your clients with truly comprehensive protection.

It includes:
- Optional endorsements to increase limits and protection
- Unique optional coverages not offered by other insurance companies
- A wide range of industry-specific coverages
- Easy-to-use technology and responsive support services
- Underwriting expertise and local sales teams
- Industry-leading Customer Service Center

OFFERINGS

Local Sales Staff and Knowledgeable Underwriters

Local sales professionals armed with full underwriting authority at the Point of Sale (POS) (up to $25,000*) supported by professional, responsive underwriters to help agents successfully grow their Small Commercial business.

Fully Automated Products for Fast Quotes and Issuing

Rapidly qualify, quote, and issue policies for all lines of business in our POS system at lightning speed. Attach Application tool lets you transmit supporting information electronically or submit an application for our Commercial Package Policy with ease and fast underwriting response.

Total Account Solution

Full range of products that cover all avenues—Business Owner’s Policy (BOP), Small Commercial Package, Workers’ Compensation, Commercial Auto, Commercial Umbrella, Marine, and Bond. Allows you to write the entire account with us, delivering more protection, more affordably.

Hanover BOP Product with 500+ Classes

Broad market breadth/reach. Targeted businesses include: Offices, Professionals, Consultants, Services, Retail, Wholesale.

* May be higher in some markets.
• Affordable Optional Coverages
  – Employment Practices Liability Insurance (EPL) (up to 25 employees)
    » EPL coverage endorsement can be added via a Business Owner’s Policy or Commercial Package Policy (stand-alone also available as needed)
  – Miscellaneous Professional Liability Insurance (MPL) (available for most consultants, plus 250+ additional office, service, and other classes)
    » MPL coverage endorsement can be added via a Business Owner’s Policy (stand-alone also available as needed)
  – Property and Liability Broadening Endorsements (Liability Special, Property Special, Deluxe Property, Deluxe Bronze Property)
  – Industry Specific Options
    » Accountants, Dental Offices, Medical Offices, Law Offices, Architects & Engineers
    » Veterinarians, Kennels, Groomers
    » Distributors, Printers, Florists
    » Contractors, Garages

Hanover Workers’ Compensation
We have a healthy appetite for Workers’ Compensation business. Almost all of our BOP classes are eligible for Workers’ Compensation. And our POS system makes it easy to get a competitive price and eligibility decision.

Hanover Commercial Auto
Offers very competitive pricing and one-stop shopping. Allows you to quote a wide range of customers, whether they have just one vehicle or a fleet. Our sophisticated pricing tool assesses risks from basic data and delivers our most competitive price right up front, in real time.

Hanover Commercial Umbrella
Offers limits up to $10 million, competitively priced and easily added. Employer’s Liability and Commercial Auto can be scheduled.

Hanover Commercial Package
Offers small businesses that exceed eligibility for BOP comprehensive protection that can be tailored for an array of industries. Rapid online rating capabilities available for Select Agents.

Customer Service Center
Offers customized services with agency identity (logo/name), proactive customer retention activities (outbound calls, follow-up calls, etc.), and active cross-sell to round out accounts and drive higher retention.

Small Business Technology Insurance
Total product solutions to meet all of your technology customer’s needs, fast automated products to save you time and money, and easy E&O application (only 10 simple questions and you’re done). Small Tech Targets include a wide rage of IT Services and Electronic Manufacturers.

Flexible, customizable products include:
• Technology-Specific BOP Broadening Endorsements
• Technology and Telecommunications Products and Professional Services Coverage Endorsements
• Enhanced website and Internet Coverage
• Professional Liability (Errors & Omissions)
• Workers’ Compensation
• Commercial Umbrella
• Commercial Auto
• Inland & Ocean Marine
• Employment Practices Liability
• Directors & Officers
• Commercial Crime

Preferred Partner Programs
Build business faster with priority service, increased underwriting and pricing authority, and increased compensation.

Claims
Supported by comprehensive continuing education programs and sophisticated technology, driven by world-class service standards and a meticulous attention to detail, our claims professionals can turn around everything from a minor fender bender to a catastrophic loss—quickly, accurately, and fairly.
• Highly trained Hanover Claims Professionals
• Regional Claims Centers and Directors
• Handpicked Adjusters to handle the more complex claims
• Proactive CAT Strategy
• 24/7 Claims Reporting (fax, phone, e-filing)
• Auto Repair Specialists (extensive network)
• Network of national emergency services
• After Hours Service Program
• Comprehensive Workers’ Compensation Claims Management Program
• Return-to-Work Program
Middle Market

Totally focused on delivering profitable growth to this underserved market.

Our dedicated Middle Market area helps agents respond rapidly to this evolving market with a comprehensive and diverse portfolio. Some insurers focus on large or small accounts, overlooking the special insurance needs of mid-sized businesses. Not The Hanover. Everything you need to successfully write and retain business—local decision makers, experienced underwriters, seasoned loss control experts, industry-specific product solutions, and world-class specialty capabilities—is here under The Hanover banner.

We offer:

- Leading product and service capabilities for over 25 target industries
- Competitive products from broad-based property and liability policies to specialized lines of coverage (total account approach)
- Focused on mid-sized businesses with $25,000–$250,000 in annual premiums
- Underwriting expertise and local, responsive sales teams
- Complete access to total Hanover line, including Equipment Breakdown and Employment Practices Liability
MIDDLE MARKET INDUSTRY SEGMENTS — Available to All Hanover Agents

The Hanover’s broad capabilities and “total account” strategy are core to the Middle Market approach. Unlike players that gravitate toward one end of the product spectrum or the other, The Hanover offers an ever-expanding list of complete industry segments. These include:

Craft Brewers Advantage
Craft Brewers that import, brew, package, and deliver their goods to a variety of markets:
- Regional Craft Breweries
- Contract Breweries
- Micro Breweries
- Regional Breweries
- Selected Brew Pubs

Product Portfolio:
- Commercial Package Policy
- Commercial Property
- Equipment Breakdown
- Commercial General Liability
- Products Liability
- Liquor Liability
- Commercial Auto
- Commercial Umbrella
- Spoilage and Contamination
- Advantage Property Broadening Endorsement
- General Liability Broadening Endorsement
- Inland Marine (Transit Coverage)
- Ocean Cargo
- Miscellaneous Professional Liability
- Employment Practices Liability
- Fidelity & Crime

Cultural Institutions Advantage
Cultural Institutions whose total insured value, including collections, is less than $50 million. Included are:
- Museums—Including History, Art, Children’s, Science
- Transportation and Others
- Libraries—Including Public, Private, Law, Corporate, Research, and Others
- Historical—Including Sites, Buildings, Societies
- Botanical Gardens & Arboreta

Product Portfolio:
- Commercial Package Policy
- Commercial Property
- Commercial General Liability
- Commercial Auto
- Commercial Umbrella
- Workers’ Compensation
- Cultural Institution Property Broadening Endorsement (adds 55 special coverages)
- General Liability Broadening Endorsement (adds 20 important coverages)
- Abuse & Molestation
- Inland Marine (Collections)
- Ocean Cargo
- Miscellaneous Professional Liability
- Management Liability (Nonprofit and Private Company)
- Employment Practices Liability

continued
MIDDLE MARKET INDUSTRY SEGMENTS continued

Eldercare Advantage
All types of Eldercare facilities including:
- Assisted Living Facilities
- Skilled Nursing Facilities
- Continuing Care Facilities

Product Portfolio:
- Commercial Property
- Commercial Auto (includes Residential Transportation)
- Medical Diagnostic Equipment (Inland Marine)
- Emergency Event Management Coverage
- Assisted Living/Nursing Home Property Broadening Endorsement
- E-commerce Endorsement
- Data Breach Coverage
- Equipment Breakdown

(General Liability and Professional Liability rolling out in 2011. Check with your local Regional Vice President for availability.)

Food Industries Advantage
Food industries engaged or involved in the processing and packaging as well as wholesale and retail distribution of food, produce, and beverages, including:
- Bakeries
- Beverage Manufacturers
- Cereal Manufacturers
- Candy Manufacturers
- Dairy Products
- Coffee & Tea Processing
- Seasonings & Dressing Manufacturers
- Fruit & Vegetable Processing
- Cookie & Cracker Manufacturers
- Frozen Fruits & Vegetables

Product Portfolio:
- Commercial Package Policy
- Equipment Breakdown
- Spoilage & Contamination
- Products Recall
- Commercial Auto
- Workers’ Compensation
- Commercial Umbrella
- Employment Practices Liability
- Private Company Management Liability
- Fidelity & Crime
- Marine (Transit)

Hospitality Advantage
Mid to high-priced hotels that are franchise owned and business oriented.

Product Portfolio:
- Commercial Property
- Commercial General Liability
- Commercial Auto
- Commercial Umbrella
- Workers’ Compensation
- Hospitality Services Errors & Omissions
- General Liability Broadening Endorsement
• Hospitality Property Broadening Endorsement (includes numerous extensions)
• Liquor Liability
• Emergency Event Management Coverage
• Employment Practices Liability
• Private Company Management Liability
• Fidelity & Crime

Media Advantage
Media services and content providers (excluding large entertainment risks and all cable/satellite service providers), but including:
• Publishers—books, periodicals, newsletters, and newspapers
• Broadcasters—radio, TV, cable (with or without towers, antennas, and satellite dishes)
• Advertising Agencies—regional and local agencies that plan, create, and manage ad campaigns
• Multimedia and Motion Picture Companies—small and regional production and distribution

Product Portfolio:
• Commercial Property
• Commercial General Liability
• Printers Errors & Omissions
• Commercial Auto
• Commercial Umbrella
• Workers’ Compensation
• Inland Marine
• Private Company Management Liability
• Employment Practices Liability
• Miscellaneous Professional Liability Insurance (for Media Liability Insurance)

Medical Facilities
A wide range of Medical Facilities including:
Outpatient Care Facilities
• Doctors & Dentists Offices
• Ambulatory Emergency Centers
• Cosmetic Surgery
• Medical & Diagnostic Laboratories
Inpatient Care Facilities
• General Medical Hospitals, Surgical
• Hospitals and Specialty Hospitals

Product Portfolio:
• Commercial Property with Medical Office Property Broadening Endorsement
• Commercial Auto
• Commercial Package Policy
• Workers’ Compensation
• Commercial Umbrella
• Emergency Event Management Coverage
• Inland Marine (High-Valued Medical Equipment)
• Employment Practices Liability
• Fidelity & Crime
• Private Company Management Liability
(Professional Liability rolling out in 2011. Check with your local Regional Vice President for availability.)
MIDDLE MARKET INDUSTRY SEGMENTS continued

Metalworkers Advantage
Manufacturers of parts, components, and finished products, made from metal, that do not carry or use electrical current.

Product Portfolio:
- Commercial Package Policy
- Commercial Property
- Equipment Breakdown
- Commercial General Liability
- Products Liability
- Commercial Auto
- Commercial Umbrella
- Workers’ Compensation
- Manufacturer’s Property Broadening Endorsement (adds 56 coverages)
- E-commerce Endorsement
- Foreign Dependent Properties
- General Liability Broadening Endorsement (adds 20 coverages)
- Manufacturer’s Errors & Omissions
- Product Withdrawal Insurance
- Global General Liability Endorsement
- Inland Marine
- Ocean Cargo
- Hanover Specialty Industrial (Hanover Specialty Industrial Property and Hanover Specialty Insurance Brokers)
- Private Company Management Liability
- Employment Practices Liability

Plastic Manufacturers Advantage
Manufacturers of parts, components, and finished products made from plastic resins.

Product Portfolio:
- Commercial Package Policy
- Commercial Property
- Equipment Breakdown
- Commercial General Liability
- Products Liability
- Commercial Auto
- Commercial Umbrella
- Workers’ Compensation
- Manufacturer’s Property Broadening Endorsement (adds 56 coverages)
- E-commerce Endorsement
- Foreign Dependent Properties
- General Liability Broadening Endorsement (adds 20 coverages)
- Manufacturer’s Errors & Omissions
- Product Withdrawal Insurance
- Global General Liability Endorsement
- Inland Marine
- Ocean Cargo
- Hanover Specialty Industrial Property and Hanover Specialty Insurance Brokers
- Private Company Management Liability
- Employment Practices Liability
Printers Advantage
Printers that perform printing services for commercial and private customers including:

- Lithography
- Gravure & Relief Printing
- Flexography
- Letterpress
- Screen Printing
- Thermography
- Inkjet & Digital Printing

**Product Portfolio:**
- Commercial Package Policy
- Commercial Property
- Equipment Breakdown
- Commercial General Liability
- Product Liability
- Commercial Auto
- Commercial Umbrella
- Workers’ Compensation
- Advantage Property Broadening Endorsement
- Graphic Arts Coverage Extension
- E-commerce Endorsement
- Foreign Dependent Properties
- Printers’ Errors & Omissions and Cost to Correct
- Direct Mailing Services Endorsement to Errors & Omissions
- General Liability Broadening Endorsement (adds 20 coverages)
- Global General Liability
- Inland Marine
- Ocean Cargo
- Hanover Specialty Insurance Brokers (Site and Product Pollution Coverage)
- Private Company Management Liability
- Employment Practices Liability
- Miscellaneous Professional Liability

Professional Services Advantage
Professional Services primarily operating from an office environment, including:

- Lawyers & Notaries (less than 250 attorneys)
- Accounting, Tax Preparation, Payroll, and Bookkeeping Services
- Architects, Engineers, and Surveyors (except construction management)
- Testing Laboratories (except clinical trials)
- Design Services
- Consultants
- Research & Development Services (except biotech or clinical trials)
- Travel Agencies (except adventure tours or tours in insecure locations)
- Document Preparation Services

**Product Portfolio:**
- Commercial Package Policy (Professional Liability is excluded)
- Advantage Property Broadening Endorsement
- E-commerce Endorsement
- Data Breach Coverage
- Tenants Improvements and Betterments included in Personal Property
- Commercial General Liability
- General Liability Broadening Endorsement (adds 20 coverages)
- Global General Liability Endorsement
- Electronic Data Processing and Valuable Papers
- Commercial Auto
- Commercial Umbrella
- Workers’ Compensation
- Lawyers Professional Liability
- Miscellaneous Professional Liability
- Private Company Management Liability
- Employment Practices Liability
- Inland Marine (high-value electronic data processing and valuable papers)

continued ➤
Real Estate Advantage
Office, Retail, and Light Industrial Commercial Real Estate Owners and Managers.

**Product Portfolio:**
- Commercial Property
- Commercial General Liability
- Commercial Crime
- Commercial Auto
- Commercial Umbrella
- Workers’ Compensation
- Builders Risk
- Green Advantage Additional Property Coverage
- Directors & Officers Liability (Condo and Co-op Only)
- Contingent Property Coverage
- Emergency Event Management Coverage
- Employment Practices Liability
- Miscellaneous Professional Liability
- Private Company Management Liability

Restaurant Advantage
A wide range of establishments that have been in business for a minimum of five years and with liquor sales less than 30% of overall sales, including:
- Full Table Service
- White Linen
- Family Style
- Ethnic
- And Others

**Product Portfolio:**
- Commercial Package Policy
- Commercial General Liability
- Commercial Auto
- Workers’ Compensation
- Commercial Umbrella
- Equipment Breakdown Coverage
- Liquor Liability
- Spoilage & Contamination
- Products Recall
- Employment Practices Liability
- Private Company Management Liability
- Fidelity & Crime

Retail Advantage
A wide range of retail establishments of all types including:
- Automotive Parts & Accessories
- Books & Magazines/Clothing/Shoes/Furniture
- Nursery and Garden
- And Many Others

**Product Portfolio:**
- Commercial Package Policy
- Commercial General Liability
- Commercial Auto (not to be major portion of account)
- Workers’ Compensation (not to be major portion of account)
- Equipment Breakdown Coverage
- Enhanced Building Definition
- Property Valuation Options
- Change in Temperature or Humidity
- E-commerce Coverage Endorsement
- Inland Marine (Jewelers’ Block, Furriers’ Block, Musical Instruments)
- Employment Practices Liability
- Private Company Management Liability
- Fidelity & Crime
Special Trade Contractors Advantage
Selected Trade & Artisans Contractors, including:
• Floor Laying
• HVAC—Commercial & Residential
• Plumbing—Commercial & Residential
• Painting—Interior/Exterior
• Electrical Contractors
• Masonry & Stone Contractors
• Tile, Marble, Terrazzo & Mosaic
• TV, Radio & Home Theater Installation
• Concrete Contractors—Selected Ops
• Glass & Glazing Contractors
• And Others

Product Portfolio:
• Commercial Package Policy
• Commercial Property
• Equipment Breakdown
• Commercial General Liability
• Products Liability
• Commercial Auto
• Commercial Umbrella
• Workers’ Compensation
• Wholesale Property Broadening Endorsement (adds 40 coverages)
• General Liability Broadening Endorsement (adds 20 important coverages)
• Foreign Dependent Property Coverage
• E-commerce Coverage Endorsement
• Inland Marine (Transit Coverage, Warehousing)
• Ocean Cargo
• Employment Practices Liability

Wholesale Advantage
A wide range of wholesalers and distributors that handle a variety of durable and non-durable products.

Product Portfolio:
• Commercial Package Policy
• Commercial Property
• Equipment Breakdown
• Commercial General Liability
• Products Liability
• Commercial Auto
• Commercial Umbrella
• Workers’ Compensation
• Wholesale Property Broadening Endorsement (adds 40 coverages)
• General Liability Broadening Endorsement (adds 20 important coverages)
• Foreign Dependent Property Coverage
• E-commerce Coverage Endorsement
• Inland Marine (Transit Coverage, Warehousing)
• Ocean Cargo
• Employment Practices Liability
CHAUFFEURED TRANSPORTATION ADVANTAGE
Professional luxury car operators providing a minimum 24-hour, pre-arranged service to corporate, private, and special occasion transportation. Executive sedan and limousine operations (2 to 14 units).

PRODUCT PORTFOLIO:
- Commercial Auto
- Commercial General Liability
- Commercial Property
- Commercial Umbrella or Excess Liability
- Employment Practices Liability

DOCUMENT MANAGEMENT ADVANTAGE
Companies that offer document storage and/or destruction, including:
- Stand-alone Contractors
- Records Storage Warehouse
- Mobile Shredding Operators and Equipment
- Premises Based Shredding and Baling, including sale of recycle material (paper)
- Premises Based Shredding
- Automobile fleets operated in conjunction with the above

PRODUCT PORTFOLIO:
- Miscellaneous Professional Liability
- Inland Marine
- Commercial Crime Coverage (including theft of client property)
- Commercial Property
- Commercial General Liability
- Commercial Auto
- Workers’ Compensation
- Commercial Umbrella
- Data Breach Coverage

EDUCATIONAL ADVANTAGE
Public Schools, Private Schools, Small Public and Private Colleges.

PRODUCT PORTFOLIO:
- Commercial Property
- Equipment Breakdown
- Commercial General Liability
- Commercial Auto
- Commercial Umbrella
- Sexual Misconduct and Molestation Coverage
- Educators Legal Liability Coverage
- Law Enforcement and Professional Liability Coverage
- Employee Benefits Liability
- School Property Broadening Endorsements
- Builders Risk
- Commercial Surety
- Fidelity & Crime

HUMAN SERVICES ADVANTAGE
Human Service Organizations—for-profits and 501(c)(3)s—that provide professional services to the following:
- Youth Services
- Addiction Services
- Developmental Disabilities
- Mental Health
- Aging Services
- Community/Social Services Miscellaneous

PRODUCT PORTFOLIO:
- Commercial Property
- Commercial Auto
- Commercial General Liability
- Abuse and Molestation
- Professional Liability
- Nonprofit Management Liability
- Workers’ Compensation (for select classes)
- Human Services Property Broadening Endorsement

MIDDLE MARKET INDUSTRY NICHES—Available to Select Partner Agents
To help Hanover-centric agents further differentiate themselves in their local markets, we provide access to a broad array of specialized coverage for high-quality risks in more complex industries. This continuously growing list includes:

- Chauffeured Transportation Advantage
- Document Management Advantage
- Educational Advantage
- Human Services Advantage

MIDDLE MARKET INDUSTRY NICHES
- Chauffeured Transportation Advantage
- Document Management Advantage
- Educational Advantage
- Human Services Advantage

MIDDLE MARKET INDUSTRY NICHES
- Chauffeured Transportation Advantage
- Document Management Advantage
- Educational Advantage
- Human Services Advantage
• Human Services General Liability Broadening Endorsement
• Human Services Additional Insured Endorsement
• Human Services Broaden Named Insured
• Fidelity & Crime
• Commercial Surety
(Behavioral Health/Psychiatric Professional Liability rolling out in 2011. Check with your local Regional Vice President for availability.)

Moving and Storage Advantage
Companies specializing in moving and/or storage of household goods and personal effects, confidential records, office and institutional relocations, incidental self-storage, and movement of similar property by motor vehicle over public roadways.
Target operations with 20 or fewer employees and/or 20 or fewer commercial vehicles.

Product Portfolio:
• Inland Marine
• Commercial Property
• Commercial General Liability
• Commercial Auto
• Commercial Umbrella (No Workers’ Compensation)
• Carriers Legal Liability
• Warehouse Legal Liability
• Customers’ Goods Coverage
• Equipment

Religious Institutions Advantage
Churches, Synagogues, Mosques, Other Houses of Worship

Product Portfolio:
• Commercial Property
• Commercial General Liability
• Commercial Crime
• Commercial Auto
• Commercial Umbrella
• Workers’ Compensation
• Pastoral Professional Liability
• Religious Institutions Directors & Officers and Trustees Liability
• Sexual Misconduct & Molestation Liability
• Religious Institutions Extra Coverage—Property Broadening Endorsement
• Directors & Officers (including optional Employment Practices Liability and Teachers Professional Liability)
• Broadcasters, Telecasting, and Publications Professional Liability
• Nonprofit Management Liability
• Commercial Surety
• Inland Marine
Technology Advantage
Mid-sized companies providing Information Technology, Electronics Manufacturing, and Telecommunications Services including:

High-Tech Manufacturing
Examples include:
- Electronic Component Manufacturing
- Computer and Peripheral Equipment Manufacturing
- Communication Equipment Manufacturing
- Telephone Apparatus Manufacturing
- Audio & Video Equipment Manufacturing

Information Technology & Technology Services
Examples include:
- Custom Programming
- Communication Equipment Repair & Maintenance
- Computer System Integration
- Computer Facility Management
- Data Processing, Hosting, & Related Services
- Packaged Software Development

Telecommunications
Examples include:
- Telephone Companies
- Telecommunications Re-billers and Re-sellers
- Internet Service Providers
- Paging Services
- Satellite Telecommunications

Product Portfolio:
- Commercial General Liability
  - Technology General Liability Broadening Endorsement (adds 20 important coverages)
  - Enhanced website & Internet Coverage
- Commercial Property
  - Technology Property Broadening Endorsement (add 50 important coverages)
  - Electronic Vandalism Coverage
  - Data Breach Coverage
  - Green Advantage Additional Property Coverage
- Technology Errors & Omissions
  (two stand-alone policies)
  - Hanover Technology Professional Advantage
  - Hanover Technology Professional Advantage Plus
- Workers’ Compensation
- Commercial Auto
- Commercial Umbrella
- Employment Practices Liability
- Fidelity & Commercial Crime
- Inland and Ocean Marine
- Management Liability (Directors & Officers)
- International Coverage

We will continue to offer new comprehensive solutions for specific industries, targeted for their high growth potential. More specific industry product solutions to follow.
**Specialty**

Complementary coverages to fill gaps, add value, and write the total account.

Demanding times necessitate greater opportunities for agents to generate additional revenue opportunities and bolster client retention. Hanover’s Specialty offerings, aimed to complement and enhance our core products, does exactly that, providing our agents with a host of new ways to add value to client relationships and to tap deeper into these lucrative specialized markets.
By collaborating with agents, The Hanover creates product solutions that give them meaningful competitive advantages and the ability to keep pace with today’s rapidly evolving customer needs. Our broad appetite targets diverse industries of all sizes—equipment dealers, specialty businesses, transportation businesses, construction companies, and more. Our extensive portfolio of products provides comprehensive coverage for a wide range of risks:

**Technology and Communications**
Broadcasting and Communication Equipment, Camera and Film Production Equipment, Camera Dealers, Cell Tower Program, Medical Equipment, including Mobile Units, Municipal Equipment, Electronic Data Processing, Equipment Dealers, Negative Film Floater.

**Special Programs**
This is a growth segment for Marine with current and/or developing programs including:
- Auto Dealers
- Cell Towers
- Contingent Cargo
- Entertainment Equipment
- Exhibition/Trade Show Booth
- Fine Arts
- Fine Arts Conservators
- Green & Sustainable Building
- Household Movers
- Jewelers Block
- Marinas
- Maritime General Liability
- Motor Truck Cargo Carriers
- Musical Instruments
- Potato Growers
- Railroad Rolling Stock
- Record Storage & Destruction
- Restoration Companies
- Student Personal Property

Experienced team dedicated to Marine Programs to help you actively solicit new program opportunities both within and outside traditional Marine lines of business.

**Collectibles**
Fine Arts Collections including Private Collections, Fine Arts Dealers, Stamp and Coin Dealers, Musical Instrument Dealers, Musical Instruments, including Orchestras.

**Transportation**
Motor Truck Cargo, Transportation Risks, Short-Line Railroad, Contingent Cargo, Ocean Cargo.

**Construction**
Builders Risk, Residential Builders, including online quoting and issuance tool for Homebuilders Program, Pipeline Construction, Riggers’ Liability, Road Construction, Contractors’ Equipment, Installation Floaters.

**Real Problem-Solvers**
Building new products around opportunities in the 21st century, rapid product development and execution, state-of-art coverages.
Utilize our Marine expertise to develop insurance solutions for infrastructure components, such as transit systems, bridges and roads, buildings (schools, hospitals, public, government, etc.), as well as energy and environmental-related risks.

**Marine Specialists**
Our local Marine Specialists partner with assigned agents who have large volumes of Marine business and have the authority to get the job done. They focus on a small number of agents to provide the service and expertise needed to grow and retain Marine customers. For agents with smaller Marine volume we have Marine experts, who are locally deployed and supported by the Marine Advantage Unit. They can offer you comprehensive protection, quick responsive service, and innovative solutions to complex problems. Our entire Marine team has the experience and focus you need to grow your Marine business.
OFFERINGS • SURETY BOND — Available to All Hanover Agents

Hanover is among the Top 10 Surety writers in the U.S., offering a higher level of professionalism and expertise. With a passionate commitment to supporting our agents, we continue to invest significantly in innovative products and services to help them win in the Surety marketplace. Our comprehensive Surety solutions, deep experience, nationwide presence, growing product line, automated quote and issuing capabilities, and attentive service are strong factors in helping our agents differentiate themselves in their local marketplace.

Broad Products

Commercial Surety
Broad range of products, including:
• License and Permit Bonds
• Public Official Bonds
• Fiduciary (Probate) Bonds
• Notary Public Bonds
• Judicial (Court) Bonds
• Lost Instrument Bonds
• Federal Bonds (including Medicare Bonds)

Contract Surety
Wide range of products, including
• Bid Bonds
• Performance Bonds
• Payment Bonds
• Supply Bonds
• Maintenance Bonds
• Subdivision Bonds

BONDirect
To complement our Large Account Commercial Surety capabilities, Hanover’s BONDirect, our intuitive, web-based automated processing system, is a valuable tool that allows you to quote and issue Commercial Surety and ERISA Fidelity Bonds in real time and in one easy transaction—anytime and anywhere you have Internet access. It rates, underwrites, quotes, and issues a bond within minutes, a fraction of the normal time it takes. For any Surety or ERISA bond under $500,000, this streamlined, technologically advanced underwriting system means you receive quick, accurate turnaround, allowing your agency to distinguish itself with faster, more attentive customer service. It can even handle large Probate and Public Official Bonds.

Local Surety Experts
Our dedicated team of experienced Commercial & Contract Surety Underwriters will work hand-in-hand with you so you can provide products and services designed specifically for the unique risks of your customers. Because they understand local markets and business trends, possess deep industry knowledge, and can make underwriting decisions on the spot, our Surety team can play a valuable role in your sales efforts. You’ll find them to be always flexible, responsive, and accessible. Hanover’s Large Account Commercial Surety segment has a broad risk appetite and can provide solutions for customers seeking bond programs over $500,000 up to $50 million.
OFFERINGS • HANOVER SPECIALTY INDUSTRIAL — Available to All Hanover Agents

Hanover Specialty Industrial (HSI) provides agents with a unique competitive advantage in the industrial space. HSI offers a unique combination of specialty coverages, appetite, expertise, and service for an “A” rated admitted carrier, you just won’t find elsewhere. Through two solutions working in tandem, Hanover Specialty Industrial Property* and Hanover Specialty Insurance Brokers, we offer a full selection of essential coverages (Property, Casualty, and Environmental) all under one roof. Our dual solution covers the gamut of high-risk industrial needs, offering the flexibility to customize programs for clients’ exact situations. Hanover Specialty Industrial provides a real opportunity to stand out, be more competitive, and expand your lucrative industrial portfolio.

Hanover Specialty Industrial

Hanover Specialty Industrial Property (HSIP)
Offers the ability to underwrite complex, highly protected risks, providing first dollar coverage:

HSIP Advantages:
• Unsurpassed Industry Experience
• Admitted paper/Replace current E&S policies
• Industry-recognized Property Engineers
• Specialized policy
• Fast turn-around

Products
• Fire & Allied Lines
• Equipment Breakdown
• Additional Products

Sub-Limits Available
• Flood & Earthquake

Low Minimum Premium
• $5,000 (No minimum earned premium)

Property Capacity
• $100 million per location within treaty: facultative for over $100 million

HSIP Advantages:
• Earthquake Sprinkler Leakage included
• Coverage for “all risks” of direct physical loss or damage (Subject to policy exclusions)
• Property coverage is valued at Replacement Cost
• No coinsurance (Agreed Amount)
• Finished Goods valued at selling price
• Business Income Form includes Extra Expense and Rental Value
• Business Income valuation based on actual loss sustained
• Debris Removal included as part of building and personal property limits
• Debris Removal includes contaminated debris

Hanover Specialty Insurance Brokers (HSIB)
Hanover Specialty Industrial’s program manager, HSIB, offers one-stop product delivery solutions for casualty, pollution, property, and other coverages via access to a network of specialized lead insurance companies. These coverages can be offered in conjunction with the HSIP property portion, or as “stand-alone” coverages (including those in support of a Middle Market industrial account).

HSIB Programs:
• National Paint & Coatings™ Program — The only endorsed program of the NPCA, since 1979
• Chemical Solutions™ Program — Expertise, experience & customized solutions for chemical exposures
• No Sprinklers, No Problem™ Program — A market of choice for distressed or under-protected property
• Environmental Experts™ Program — The full spectrum of mono-line environmental coverage
• Truckers™ Program — For long haulers of hazardous material
• Clean It Up!™ Program — Waste facilities, recyclers and/or water treatment plants
• Problem Solvers™ Program — Your problem-solver for hairy and scary products or premises liability

HSIB Advantages:
• Exclusive coverage enhancements
• Generous Commission
• Coordination with Hanover Underwriters and Loss Control
• Discounts
• Streamlined Applications
• Low Minimum Premium
• Flexible Payment Terms
• Shared Expertise

*Underwritten by Verlan Fire Insurance Company.
OFFERINGS • HEALTHCARE —Available to Select Partner Agents

To help agents capture a bigger part of the rapidly growing healthcare market, Hanover provides agents with comprehensive insurance products and services designed specifically for targeted segments within the healthcare industry. Our experienced underwriters and risk managers understand the healthcare industry, its legal environment, and the serious exposures they face. And they can custom design coverages at competitive prices to meet your clients’ needs.

Hanover Healthcare Portfolio

Medical Equipment Advantage*
Medical equipment providers with less than $15 million in annual revenue (larger risks considered on a case-by-case basis).

Homecare Advantage
Home healthcare services accounts with less than $5 million in annual revenues (larger risks considered on a case-by-case basis).

Medical Diagnostic Advantage*
Medical Labs and Diagnostic Centers with less than $15 million in annual revenues (larger risks considered on a case-by-case basis).

Product Portfolio:
• Professional Liability
• Commercial General Liability
• Commercial Property
• Commercial Auto
• Commercial Umbrella
• Inland Marine (High Valued Medical Equipment)
• Medicare and Other Surety Bonds
• Employment Practices Liability
• Fidelity & Crime
• Private Company Management Liability

(Behavioral/Psychiatrist Professional Liability will be offered in 2011 and is being delivered as a specialty enhancement to the Human Services niche offering in Middle Market. See Middle Market section for more information.)

(General Liability and Professional Liability for Eldercare Assisted Living, Skilled Nursing Facilities, etc. will be offered in 2011 and is being delivered as a specialty enhancement to the Eldercare segment in Middle Market. See Middle Market section for more information.)

* Workers’ Compensation is also available for Medical Equipment Advantage and Medical Diagnostic Advantage.
Offerings • Hanover Professional Partners — Available to All Hanover Agents

Hanover Professional Partners offers agents a definitive edge in the management and professional liability marketplace by providing a comprehensive portfolio of state-of-the-art products, competitive pricing, unparalleled underwriting expertise, and value-added services. Our leaders, field personnel, underwriters, risk managers, and claims professionals are all seasoned experts in management and professional liability risk. To help agents provide a “total account” solution and capture a bigger piece of this lucrative market, we offer a broad appetite, an enhanced product and options, strength and stability of a top-rated company (A.M. Best “Excellent” rating) that’s so important to businesses and organizations.

Hanover Management Liability Portfolio

Private Company Management Liability Advantage

• Targets a wide array of privately held companies with up to 2,000 employees and up to $500 million in total assets
• Coverage includes Directors, Officers, and Entity Liability; Employee Practices Liability; Fiduciary Liability; Fidelity & Crime, Kidnap/Ransom and Extortion
• Additional limit excess of policy dedicated to Executives for Side A Claims
• Many coverage enhancements available

Nonprofit Management Liability Advantage

• Provides broad coverage for Directors, Officers, and Organization Liability; Employment Practices Liability; and Fiduciary Liability
• Targets all types and sizes of tax-exempt organizations
• Broad coverage plus over 200 available endorsements
• Broad coverage for “wrongful acts” and employment practices covers full-time, part-time, leased employees and temporary employees, volunteers, committee members, independent contractors, directors and officers
• Numerous coverage enhancements tailored to nonprofit exposures
• Experienced Nonprofit Management Liability experts

Employment Practices Liability Advantage

• Covers full-time, part-time, leased employees, volunteers, and independent contractors
• Broad employment practices coverage including EEOC (or state equivalent)
• Targets all types of companies with up to 2,000 employees
• Many enhancements including Third-Party and Wage & Hour Sub-Limits
• Seasoned experts in Employment Practices Liability protection

(For mid-sized to large businesses, we offer a stand-alone Employment Practices Liability Policy tailored to meet unique needs. For small businesses, we offer an Employment Practices Liability Endorsement for Business Owner’s Policy and Commercial Package Policy (and stand-alone as needed.)

Fidelity & Crime Advantage

• Broad appetite ranges from the small non-profit to Fortune 1000® companies
• Coverages include: Commercial Crime, Governmental Crime, Third-Party Off Premises Coverage, Investment Advisor ERISA Bonds, and Financial Institution Bonds. Employee Theft, Forgery or Alteration, Theft, Robbery and Burglary inside the premises, Theft and Robbery outside the premises, Computer Fraud, Funds Transfer Fraud, Money Orders and Counterfeit Money
• Limits up to $25 million
• Experienced Fidelity & Crime coverage experts

continued ➤
Hanover Professional Liability Portfolio

Lawyers Professional Liability Advantage
- Two distinct target markets with unique product solutions
  - Small Law Firms (1–5)
  - Mid-sized Law Firms (6–50)
  (If greater than 50, can be handled on an exception basis.)
- Leading products, broad coverage, strong endorsements, and options
- Online tool provides fast premium indication, and quick quotes
- Comprehensive coverage for all types of firms
- Extensive legal industry expertise
- Valuable Risk Management services

Architects & Engineers Professional Liability Advantage
- Hanover Architects & Engineers Advantage targets a variety of disciplines for design professionals in full-time private practice with annual gross billings up to $10 million
- Claims Made and Reported
- Broad Definition of professional services
- Free pre-claims assistance; deductible does not apply unless a claim is made
- Network and Information Security Offenses
- No asbestos, mold, or pollution exclusions
- Consent to settle with no hammer clause
- Supplemental coverage for ADA/FHA/OSHA claims
- Punitive Damages unless prohibited by law
- Waiver of Subrogation
- Spousal or Domestic Partner coverage
- Additional coverage available (e.g., Surety, ERISA Fidelity Bonds, Employment Practices Liability, Directors & Officers, etc.)

Miscellaneous Professional Liability Advantage
- Targets hundreds of eligible classes, including Real Estate Appraisers, Mortgage Brokers, Third-Party Administrators, Consultants & Title Agents
- Provides Errors & Omissions liability to a wide variety of service providers
- Duty to Defend/Pay on Behalf of
- $25,000 Defense coverage for Disciplinary Proceedings
- Prior Acts coverage
- Internet liability
- Minimum premium $1,000
- Deductibles not retentions
- Product expertise to assist your Error & Omissions marketing efforts
- Limits up to $10 million available
(For small businesses, we offer a Miscellaneous Professional Liability Endorsement for Business Owner’s Policy.)
AIX Group
AIX, a Hanover-owned subsidiary, works closely with agency partners to create customized solutions that meet specific program insurance needs.

Offers a full breadth of products, including Workers’ Compensation, General Liability, Property, Auto Liability, and Surety coverage through specialty programs established to accommodate homogeneous groups (risk class, geography, line of business, affinity). Hanover also provides re-insurance expertise to help customize property solutions.

Hanover Commercial Umbrella
Hanover offers a full line of both supported and unsupported Umbrella products. Our suite of coverages include:

- Lead Umbrella Policy
- Excess Umbrella Policy
- Straight Excess Policy
- Low minimum premium
- Team of underwriting professionals with an average of over 20 years of industry experience

OFFERINGS — Available to All Hanover Agents

Hanover Personal Lines
The Hanover is a total account carrier of choice for Independent Agents. We offer a full Personal Lines product suite (Hanover Household), superior service (FLEX™ Solutions), and a unique set of tools and programs to help agents win in today’s marketplace (Partner Solutions). We continuously develop and invest in product and service solutions that help Partners escape the price war with real value to transform their Personal Lines business into consistent growth engines.

Product Portfolio:*

- Total Household Rewards (exclusive account benefits featuring Guaranteed Renewal, Single Loss Deductible, Mortgage Extra Expense, Child Car Seat Replacement, and Fire Extinguisher Recharge)
- Automobile (includes coverage options that can be customized to meet your customer’s unique needs such as Second Chance Accident Forgiveness, Roadside Assistance, Pet Injury Protection, Home Care Services, and more)
- Homeowners, condo owners, renter (includes four package policies that can be tailored to meet specific lifestyle needs with numerous coverage options, such as Guaranteed Replacement Cost, Equipment Breakdown, Assisted Living Care Coverage, etc.)
- Personal Umbrella with limits up to $5 million
- Identity Integrity Program
- Valuable Items Coverage—Scheduled or Blanket (e.g., jewelry, silverware, collectibles, golf equipment, fine arts, musical instruments, cameras, etc.)
- Recreational Vehicles (e.g., travel trailers, motor homes, watercraft, snowmobiles, jet skis)
- Other (e.g., boats, motorcycles, manufactured homes, classic and collectible cars, etc.)

All of our capabilities are available to you through dedicated local experts, including Regional Leadership, Territory Sales Managers, and Underwriters. The Hanover’s fully customizable products are easy to quote with our co-branded quote proposal and issue via Point of Sale. We also provide an industry-leading Customer Service Center that delivers superior value.

*Coverages vary by state and may not be available in all states.
Hanover’s Distinctive Franchise Value

**Personal Lines:**
- Best Total Account Writer
- Specialty: Unique & Expanding Suite of Capabilities

**Small Commercial:**
- One Stop, Total Account Approach

**Middle Market:**
- Differentiated Industry & Niche Offerings

**Top Agents**
- UW expertise
- Decision authority

**Process:**
- Quote responsiveness
- First contact resolution
- Customer Service Center

**Technology:**
- Easy to use POS system
- Account triage
- BOP automation
- Multi-variate products

**Local Experts**

**SELECTIVE DISTRIBUTION**

\[ \text{PRODUCT INNOVATION} \]

\[ \text{LOCAL EXPERTISE} \]

\[ \text{THE BEST PARTNER FOR WINNING AGENTS} \]

\[ \text{ENHANCED AGENT REVENUES & PROFIT} \]
Why The Hanover?

The Hanover is a leading property and casualty insurance company dedicated to achieving world-class performance. Our commitment is to deliver the products, services, and technology of the best national companies with the responsiveness, market focus, and local decision making of the best regional companies. This powerful combination has been a proven success since our founding in 1852, and is backed by our financial strength rating of “A” (Excellent) from A.M. Best.
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2011 Commercial Lines Marketing Catalog
Introduction
There is of course no substitute for personal interaction with your prospects and clients. However, the marketing materials listed here can supplement and amplify your sales effort, helping you explain your products and services as well as providing leave-behind messaging that continues to sell on your behalf.

The Hanover’s full line of marketing materials includes:

- Customer Brochures
- Customer Coverage Guides and Checklists
- Direct Mail
- Agent Information Guides and Fact Sheets

It covers all markets, including:

- Small Commercial
- Middle Market (Industries and Niches)
- Commercial Surety
- Marine
- Professional Liability
- Management Liability
- And More

Also available are agent information guides and training pieces that will help you stay at the top of your game, enabling you to become a truly invaluable resource to your clients.

In short, this guide will tell you what materials we have, how to use them, and how to order them. Each item is listed by title and form number.

How to Access Marketing Materials

You can either download these materials on The Agency Place (TAP), our agency portal, or order printed materials by clicking on the Order Agency Materials button located on the Sales & Marketing page of TAP. You can access TAP by visiting https://tap.hanover.com.

Please take a moment to browse through this guide. We think you’ll be surprised to see just how much is available to support your sales and marketing initiatives.

Commercial Lines Capabilities

Nobody knows your territory or the needs of your customers and prospects better than you. And nothing can replace the faith they have in your knowledge, understanding, and objectivity as their Independent Agent. However, because we know that the quality and reputation of your insurance carrier is a major factor in your customer’s purchasing decisions, we want to do all we can to help you to sell to and support your customers.

The contents of this kit will help you get to know The Hanover better — our broad market capabilities, impressive products and services, and philosophy as it applies to creating a strong partnership with growing Independent Agents.
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## Nonprofit Management Liability Insurance

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## Employment Practices Liability Insurance

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<td>Employment Practices Liability Insurance Agent Brochure</td>
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## Commercial Crime/Fidelity

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<td>Commercial &amp; Government Crime Agent Fact Sheet</td>
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<td>ERISA Fidelity Coverage Agent Fact Sheet</td>
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<tr>
<td>Investment Advisor ERISA Agent Fact Sheet</td>
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<tr>
<td>Third-Party Off Premises Coverage Agent Fact Sheet</td>
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<td>Fidelity/Commercial Crime Cross-Sell Letter</td>
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# Specialty — Hanover Surety

## Commercial Surety (BONDirect)

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<td>BONDirect Agent Information Sheet</td>
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<td>BONDirect/TAP Registration Enrollment Form</td>
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<td>BONDirect — ERISA Fidelity Bonds Agent Information Sheet</td>
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<tr>
<td>Top 10 Surety Bonds Agent Guide</td>
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<tr>
<td>Court Bonds Agent Fact Sheet</td>
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<tr>
<td>Public Official Bonds Agent Fact Sheet</td>
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<tr>
<td>Probate Bonds Agent Fact Sheet</td>
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<tr>
<td>Notary Public Bonds Agent Fact Sheet</td>
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<td>Medicare DMEPOS Bonds Agent Fact Sheet</td>
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<tr>
<td>Lost Instrument Bonds Agent Fact Sheet</td>
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<td>License and Permit Bonds Agent Fact Sheet</td>
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<td>Business Services Bonds Agent Fact Sheet</td>
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### Specialty—Hanover Marine

#### Marine Products

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<th>Brochure/Sheet Description</th>
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<tr>
<td>Medical Diagnostic Equipment Agent Brochure</td>
<td>117-1057</td>
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<tr>
<td>Medical Diagnostic Equipment Breakdown Customer Flyer</td>
<td>117-1064</td>
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<tr>
<td>Marina Program Overview</td>
<td>117-1004</td>
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<td>Marina Program Agent Information Sheet</td>
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<td>Marina Customer Brochure (Harbor Risk Underwriters)</td>
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<td>Marina Customer Brochure (North American Marine Underwriters)</td>
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<td>Hanover Marine Agent Brochure</td>
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<td>Hanover Marine Programs Agent Information Sheet</td>
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<td>Residential Builders Risk Agent Information Sheet</td>
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<tr>
<td>Residential Builders Risk Customer Brochure</td>
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<td>Infrastructure Opportunities Agent Mailer</td>
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<td>Difference in Conditions Agent Information Sheet</td>
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#### Ocean Cargo

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<td>Ocean Cargo Agent Kit (includes all of the items listed below)</td>
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<td>Ocean Cargo Agent Letter</td>
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<td>Ocean Cargo Agent Brochure</td>
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<td>Ocean Cargo Agent Myths and Realities</td>
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<td>Hanover C-Port Agent Guide</td>
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<td>Ocean Cargo Customer Coverage Review Guide</td>
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<td>Ocean Cargo Customer Claims Scenarios</td>
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<td>Ocean Cargo Customer Prospecting Letter #1</td>
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<td>Ocean Cargo Customer Prospecting Letter #2</td>
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<td>Ocean Cargo Customer Brochure</td>
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<td>Ocean Cargo Customer Postcard</td>
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<td>Ocean Cargo Customer Cross-sell Letter #1 (Freight Forwarders)</td>
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#### Customer Savings Programs

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<td>Special LoJack Savings Customer Stuffer</td>
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# Hanover Specialty Industrial

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<td>Hanover Specialty Industrial Agent Kit (includes all items listed below)</td>
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<td>Hanover Specialty Industrial Producer’s Advantage Guide</td>
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<td>Hanover Specialty Industrial Capabilities Agent Brochure</td>
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<td>Hanover Specialty Insurance Brokers Agent Kit (includes all items listed below)</td>
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<td>HSIB National Paint and Coatings Program Agent Flyer</td>
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<td>HSIB Chemical Solutions Program Agent Flyer</td>
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<td>HSIB No Sprinklers, No Problem Program Agent Flyer</td>
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<td>HSIB Truckers Program Agent Flyer</td>
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<td>HSIB Clean It Up! Program Agent Flyer</td>
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<tr>
<td>HSIB Problem Solvers Program Agent Flyer</td>
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<td>Hanover Specialty Industrial Target Classes Agent Guide</td>
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Programs/Captives (AIX)

AIX (Program Business)

AIX Agent Brochure 120-0006
Specialty—Hanover Commercial Excess/Umbrella

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<td>Commercial Excess/Umbrella Customer Claims Scenarios</td>
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# Hanover Healthcare

- **Hanover Healthcare Agent Brochure** 126-0003
- **Hanover Healthcare Podiatric Physicians Customer Brochure** 126-0024
- **Hanover Healthcare Podiatric Physicians Customer Prospecting Letter** 126-0023

# Hanover Diagnostic Services Advantage

- **Hanover Medical Diagnostic Advantage Launch Packet** 126-0051KIT
  - **Hanover Medical Diagnostic Advantage Agent Sell Sheet** 126-0032
  - **Hanover Diagnostic Services Advantage Great Reasons Customer Flyer** 126-0043
  - **Hanover Diagnostic Services Advantage Coverage Review Checklist** 126-0048
  - **Hanover Diagnostic Services Advantage Customer Prospecting Letter** 126-0040
  - **Hanover Diagnostic Services Advantage Customer Information Sheet** 126-0045

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- **Hanover Home Health Care Advantage Launch Packet** 126-0050KIT
  - **Hanover Medical Home Care Advantage Agent Sell Sheet** 126-0033
  - **Hanover Home Health Care Advantage Great Reasons Customer Flyer** 126-0041
  - **Hanover Home Health Care Advantage Coverage Review Checklist** 126-0049
  - **Hanover Home Health Care Advantage Customer Prospecting Letter** 126-0038
  - **Hanover Home Health Care Advantage Customer Information Sheet** 126-0046

# Hanover Medical Equipment Advantage

- **Hanover Medical Equipment Advantage Launch Packet** 126-0052KIT
  - **Hanover Medical Equipment Advantage Agent Sell Sheet** 126-0031
  - **Hanover Medical Equipment Advantage Great Reasons Customer Flyer** 126-0042
  - **Hanover Medical Equipment Advantage Coverage Review Checklist** 126-0047
  - **Hanover Medical Equipment Advantage Customer Prospecting Letter** 126-0039
  - **Hanover Medical Equipment Advantage Customer Information Sheet** 126-0044
Loss Control/Risk Management
## Loss Control/Risk Management

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<td>Schools Loss Control Portal Customer Guide</td>
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We make it easy to access the marketing materials and tools listed in this catalog by making them available to order on our password-protected agency portal, The Agency Place (TAP). By visiting https://tap.hanover.com, all of our marketing resources are at your fingertips. Ordering marketing materials is very simple and can be completed by following these steps.

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2) Click on Sales & Marketing and select Commercial Lines.

3) Click on the button Order Agency Materials which will link you to our forms ordering system.

4) You can search for the materials by form #, which can be found within this guide, and complete your order.

Marketing materials are continuously added and updated. Be sure to visit this section of TAP often to access the latest materials.
Local