

HMS NEWSLINE

FALL 2008 ISSUE

HMS INSURANCE ASSOCIATES, INC.

HMS—Growing Again!

HMS is pleased to formally announce that effective October 1, 2008 Warfield-Dorsey Company Inc., will be merging with HMS Insurance Associates Inc. Official closing of the transaction is expected to occur by the end of October.

With over 100 years and four generations of exceptional business tradition, its excellent reputation, professional staff and quality client base, Warfield-Dorsey is a key addition HMS and certainly fits

well with our business culture. Although considered a comprehensive insurance agency, Warfield-Dorsey also specializes in manufacturing, non profits, schools, cultural organizations, clubs and property accounts.

With many public and regional brokers and agencies looking to grow in the Baltimore area, Warfield-Dorsey had multiple options in who to select. It is a compliment to HMS and our long term growth initiative that we pre-

vailed in this process and were able to merge the two companies.

As a result, HMS will be adding the Warfield-Dorsey office location at 11031 McCormick Road in Hunt Valley to our existing location on Falls Road in Lutherville. This will accommodate our employee growth and help to further develop our business operations in the area.

We look forward to the future; servicing the new and existing clients from both companies.

The Perfect Storm: Be Prepared for the “Nor’easter”

Nor’easters are macro-scale storms along the East Coast of the United States usually developing between October and April. The strong counterclockwise winds coming from a northeasterly direction lend its name. More specifically, it describes a low pressure area whose center of rotation is just off the East Coast and whose leading winds in the left forward quadrant rotate onto land.

Nor’easters can cause coastal and inland flooding, heavy snow and hurricane force winds.

Often, people mistake nor’easters

for tropical cyclones and do not differentiate between the two weather systems. Nor’easters are cold-core low-pressure systems, meaning that they thrive on cold air and affect the northeastern United States, from Virginia to New England. Tropical cyclones are warm-core low-pressure systems, which means they thrive on warm temperatures and can run many different courses leading from the Caribbean.

Nor’easters strike the northeast almost every year with varied impact. Are you taking the right steps to prepare your home and or

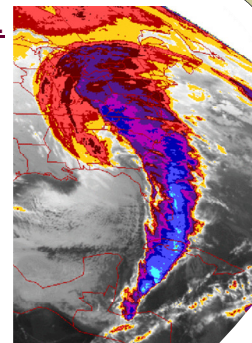
business for a storm if it strikes. Safely trim overhanging tree limbs away from power lines and windows. Be sure drain spouts and drains stay clear as the Autumn leaves fall and debris. It is a good time to check your battery supply. Test your sump pump to ensure proper drainage under and around your home or business. Secure lawn furniture and objects that could become airborne in a storm during the winter months. And most importantly, review your insurance policies to be sure you have the proper coverage in the event of a severe storm.

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Recent Notable Nor’easters ...

- 1993 - Storm of the Century
- 1996 - North American Blizzard
- 2003 - North American Blizzard
- 2005 - North American Blizzard
- 2006—Late November Nor’easter
- 2006 - North American Blizzard

Are you prepared for a storm?



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Child Passenger Safety

How long does my child need to stay in a safety seat?

According to Maryland's law, every child under 8 years old must ride in a booster seat or other appropriate child safety seat unless the child is 4 feet 9 inches or taller or weighs more than 65 pounds.

When can my child move from a booster seat to a seat belt?

Seat belt fit varies from car to car and from person to person. A good indication of when a booster seat is not longer needed is when a child's legs bend over the edge of the seat.

When can my child sit in the front seat?

Safety seats are not permitted in the front of a vehicle with air bags. It is also recommended that children under the age of 13 not ride in the front of a vehicle with an active passenger side air bag. The safest location for a child is buckled in the middle of the rear seat.

Reaching Out...

Baltimore's Ronald McDonald House

Opening on June 28, 1982, Maryland's only Ronald McDonald House has been the home to more than 35,000 families with seriously ill children seeking medical attention in Baltimore. Last year, families throughout the state of Maryland, 41 states and 26 countries temporarily resided at Baltimore's Ronald McDonald House. They extend care for six world-renowned Baltimore hospitals: University of Maryland Medical Center; R. Adams Cowley Shock Trauma Center; Johns Hopkins Hospital; The Rubin Institute at Sinai Hospital; Kennedy Krieger Institute and Mt. Washington Pediatric Hospital. Each night, as many as 36 families share this home. Families pay up to \$15 per night if they are able. Since the house is an independent nonprofit organization they are responsible for 100 percent of the \$1,200,000 annual operating budget.

To learn more about the Ronald McDonald house visit their website at rmhbaltimore.com. Join HMS and many of its employees

by sponsoring events that support this wonderful charity and by making donations directly or through United Way.



Maryland's Ronald McDonald House.



Insurance Fraud - Impact on the Industry

Fighting insurance fraud is serious business, leading insurance companies, consumer advocacy groups and even individual state attorney general's offices and insurance departments to establish task forces that identify, fight and prosecute cases.

Fraud may be committed at different points in the insurance transaction by different parties; applicants for insurance, policyholders, third-party claimants, or professionals who provide services to claimants. Common frauds include "padding," or inflating actual claims; misrepresenting facts on an insurance application; submitting claims for injuries or damage that never occurred; and staging accidents.

Swoop & Squat. Backing. Phantom Vehicle. Paper Collision. Arson For Profit. These are all terms that the average consumer may not be familiar with, but all are terms for insurance fraud, and they ultimately have an effect on your insurance premium.

According to the National Insurance Crime Bureau (NICB), insurance criminals are stealing more than \$30 billion a year from organizations and the American public. Insurance fraud is the second-most costly white-collar crime in America, behind only tax evasion and it's the honest consumer who pays for it. The average American household pays \$200 to \$300 in increased insurance premiums each year,

just to cover the cost of insurance fraud.

How can you help?

You wouldn't stand still while pick-pockets helped themselves to your wallet, so why would you ignore insurance fraud? More public awareness will help generate assistance on the part of the law-abiding public, who are the victims of fraud when they have to pay higher rates.

Reporting Insurance Fraud

Maryland: 1-800-846-4069
DC: 1-202-727-8000
Delaware: 1-800-632-5154
Pennsylvania: N/A
Virginia: 1-877-62FRAUD