REFLECTING THE PAST
INSURING THE FUTURE
LUMBERMEN’S UNDERWRITING ALLIANCE

100th Anniversary
1905 - 2005
MESSAGE FROM THE CHAIRMAN

It is a monumental achievement for any company to reach its 100th anniversary. For an insurance organization, even more so. And for a private company, that level of longevity is practically unheard of. There is, in fact, only one way that such an organization can remain vital for so long – through the combined action of a fully committed ownership team and a staff of dedicated, talented employees. That is why this occasion is particularly gratifying. As Chairman, I have had the great privilege of working with some of the most accomplished and ambitious people imaginable, and it is through their united effort that Lumbermen’s Underwriting Alliance has been successful at providing outstanding protection for our customers for more than a century.

This book is a record of that success. It has been in the making for almost two years now, and during that time I have had the pleasure of helping in its creation. As I reviewed the records in our archives, poring over old photographs, reading records and memos from years past, one thing became eminently clear: we are a company of character. Through times of peace and times of war, times of abundance and times of scarcity, our employees have proven themselves to be men and women with the insight and intelligence to move our company forward, to innovate and execute and ensure that there will be an LUA around for future generations.

In my own tenure at the LUA, I have seen similar determination and resourcefulness from our employees. They have worked diligently to overcome challenges, to position our company for the changes that are sure to come, and to create an LUA that is stronger and more capable from each day to the next.

There was a time when every ledger, every balance sheet, every piece of paper that our company processed was hand written or typed. Computers and software complete those tasks today. We can only imagine what sort of technology will be available to assist us in the years ahead, but we do know that the LUA will be around to take advantage of it. We have thrived for so long in part because of our adaptability, our willingness to embrace new ideas, new systems and new solutions, and that spirit of fearless flexibility will be our strength as we enter our next era of service.

No matter how much things change, though, there is one thing about the LUA that will always remain the same: our commitment to the principles set forward by my late husband Gene Lynn, that we will always strive to the very best service and value to our subscribers and we will always strive to be the best company to work for. For a 100-year-old veteran of the insurance industry, our future is bright. Please enjoy this commemorative book and join me in ushering in our next 100 years of accomplishment.

Christine E. Lynn
Chairman of the Board
and Chief Executive Officer
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The turn of the century – 1900. The forest products industry was beginning a westward migration, and southern and mid-western lumber businesses were struggling against hard and fast competition. One group of lumbermen, competitors by nature with businesses in Texas, Louisiana, Arkansas, Alabama and Missouri, shared similar goals,
### ORIGINAL SUBSCRIBERS OF THE LUMBERMEN’S UNDERWRITING ALLIANCE

**JANUARY 10, 1905**

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ideals and needs. One of their most pressing needs at the time was protecting their livelihood, their business, their property and their equipment from potential loss due to fire. Through sound management and careful maintenance, their better-than-average mills had sustained few, if any, losses. Insurance companies, however, made no provision for their preferred-risk status. The standard insurance markets in those days did not want to write insurance on any forest products, regardless of their risk potential. Insurers restricted their writings by charging very high rates and writing only limited amounts of coverage. Many stock, mutual, and Lloyds organizations would not write fire insurance on a sawmill property for any price. There was a definite need for a stable insurance market at a reasonable cost. On January 9, 1905, in Kansas City, Missouri, this group of pro-active lumbermen met to search for a solution to their common insurance problems.

Recalling the plight of early Chinese merchants, running trade goods down the Yangtze River, who had a similar insurance need that was filled through the invention of reciprocity, these innovative midwest and southern lumbermen, borrowed the concept to develop a reciprocal insurance exchange. The creative spirit of pioneering forefathers came to life as they worked through a solution for their seemingly insurmountable problem. They decided to apply the principle of reciprocity to the forest products industry. It was a daring move born of the necessity for survival in their competitive trade.

On that cold January day in 1905, twenty-three independent lumbermen organized and became charter members of Lumbermen’s Underwriting Alliance. Their interests were reciprocal with no thought of individual gain; their single purpose was to provide insurance protection for all at the lowest possible cost.
In the spirit of reciprocity, the Lumbermen’s Underwriting Alliance members agreed to exchange insurance contracts with each other on January 10, 1905. Ideally, the LUA would provide insurance at absolute cost for those lumbermen who would qualify for membership and subscribe to its reciprocal plan of operations. The plan called for each “Subscriber” or member to place an annual premium deposit in their account with LUA and to pay out of this fund all losses and expenses of the reciprocal insurance exchange.

This differed greatly from the policies offered by most other insurance companies at the time, who provided insurance protection at a fixed rate with a dividend, in some instances, declared at the discretion of company management. In the LUA reciprocal plan, after losses and expenses were charged against the annual premium deposit, the balance would accrue in a “Surplus Account” until it reached a sum stipulated in the Subscriber’s Agreement. After this sum had been reached, all further savings could be returned to the Subscriber, thus providing insurance at absolute cost.

Each of the subscribers of the newly formed Alliance was actively engaged in his own business in the forest products industry; they were not schooled in the nuances of insurance management nor had the time to devote to such administration. To ensure a stable start to the venture and steady performance of their reciprocal insurance plan, the group sought an intermediary to have central power over the organization and to act on behalf of each participant. They engaged the services of Uriah S. Epperson, a strong organizer and recognized authority on reciprocal insurance, as the manager of the LUA. Uriah had been instrumental in forming a grain dealers inter-insurance exchange and had an outstanding reputation in the community as a business leader and a man of
Pioneering lumbermen of the early 1900s were an innovative group. Unable to rely on man alone to transport massive timber cuttings, they enlisted the help of beasts of burden to get the job done.
The Company’s first office was sufficiently staffed with a half a dozen workers who oversaw the early days of the Alliance as it grew into being. Less than a month in business, LUA experienced its first loss on January 20, 1905 - a fire amounting in $245.22 in damage. All loss documents were kept in dossiers like the one shown below. Attention to detail in settling the loss carries over to today’s customer service commitment to fast and fair claims settlement.
character. Both traits were essential to the success of the lumbermen’s venture because of the unique fiduciary nature of a reciprocal operation.

He formed the U. S. Epperson Underwriting Company to manage the affairs of the Alliance as set forth in the “Subscribers Agreement.” It was and continues to be a very strict trust relationship. Uriah felt that the reputation of the LUA would be its most prized possession, and that the Alliance would be built upon integrity, performance, and fair dealing in providing services to its members. The managing company under his leadership and guidance was to provide the basic insurance services, but Uriah went one step further by evaluating the needs of the lumbermen and meeting them.

An insurance rating schedule was developed to fairly and equitably measure a Subscriber’s physical property, protection, spread of risk, and other underwriting factors, thereby assuring that each Subscriber made the proper contribution to the plan. Investments were prudently and wisely handled to broaden the Company’s economic base and a unique accounting system with an individual ledger sheet for each subscriber was instituted. Uriah earned confidence and respect by providing services which no other company offered at that time -- fire protection and loss prevention engineering assistance as well as specialized adjusters to handle losses for forest products risks.

The original staff of the Lumbermen’s Underwriting Alliance consisted of four office members and two territory representatives. They were in business for less than a month when the LUA was called to aid one of its members, the Central Coal and Coke Company of Carson, Louisiana. The blacksmith shop suffered a fire loss amounting in $245.22 in damage, not a great sum of money

Robert Alexander Long was a turn-of-the-century lumber baron. He formed Long-Bell Lumber Company with his cousin Victor B. Bell. They opened branches throughout Kansas and moved their headquarters to Kansas City in 1892. Within 15 years he had a hundred yards in the west and southwest. He owned enormous mill properties, timberland, railroad and steamship lines. One of the original founding subscribers of Lumbermen’s Underwriting Alliance, he served as the first chairman of the Alliance’s Advisory Committee and continued in that capacity from its organization to the time of his death 29 years later.
even by the standards of the day, but enough to prove to both the subscribers and the industry as a whole that the concept of reciprocal insurance would work in the forest products industry.

The original subscribers had confidence in the soundness of the Alliance, but to be consistent and permanent, the undertaking could not deviate from the basic principles. An Advisory Committee, made up of and selected by the subscribers, was given the authority to oversee operations of U.S. Epperson Underwriting Company. The Committee was chaired by Robert A. Long, who was directly instrumental in the organization of LUA. His wise counsel and unstinting support were highly attributed to the progress and the position of the financial strength of the Exchange.

With a total liability of $475,500 and annual premium deposits of $14,478 at the end of 1905, the LUA proved successful in its first year as a reciprocal insurance exchange, leading to many more years of achievement and growth.
Between 1910 and 1919, much of the world was focused on the Great War in Europe and revolutions in Russia and Mexico, which affected all industries in North America in some manner.

The ramifications for LUA were significant. In an annual letter to subscribers, Mr. Epperson wrote,
“Lumber is a peace product and the general opinion seems to be that the coming of peace will usher in a time of great prosperity in the Lumber Industry. Under these conditions and prospects, therefore, the loss by fire of lumber plants is even more disastrous to owners than in normal times.”

Due to World War I expenses and rationings, the cost of construction, machinery, and electrical equipment for everyday businesses increased significantly, which in turn caused insured replacement values to be higher in the event of a loss.

The U.S. Government took over the railroads and put many passenger trains out of service during the war effort, leaving LUA’s field staff with limited ground transportation. Inspection work was rendered much more difficult, but the staff of LUA remained committed to making its service as regular and prompt as possible. The rail car shortage also hindered quick deliveries and caused long delays in rebuilding and replacing following a loss.

If battling the war front had not taken its toll on business, the decade ushered in long bouts of unprecedented droughts, accompanied by extreme heat – the perfect formula for fire. LUA, as well as all other insurance companies underwriting lumber manufacturing plants, was taxed by the climate.

Because of the unusual and widespread economic and climatic conditions affecting the lumber industry during the middle of the decade, LUA sought to further safeguard the properties of its subscribers through increased efforts. The tenet of preventing fires and saving properties was addressed in a two-fold manner. First, LUA heightened its underwriting processes. No risk was written with which the Exchange was not familiar. The careful selection of these risks was the cornerstone of LUA’s

The onset of World War I caused many to stand at attention, even businesses who altered their services and production to meet the needs of the men fighting on the front lines.
Perhaps a proto-type of the later day fire engine, this horse-drawn water wagon depicts to what extremes lumbermen have historically taken to protect their inventory, property and livelihood.
With underwriting as its middle name, LUA has always placed strong emphasis on assessing potential risks. This vintage inspection report, completed by hand with an ink pen, is proof that some industry risk factors and prevention efforts remained constant over the decades.
commitment to fire prevention. Once a property was accepted for insurance, and it developed hazardous conditions, LUA was quick to correct them. At the suggestion of their insurance representative, owners and managers of many plants were quick to make changes and improvements, structurally and otherwise, to safeguard their properties; in turn LUA was able to offer a corresponding reduction in rates. In the few instances where LUA’s efforts for correcting the hazards were not met positively, a cancellation notice was sent to the offending subscriber and the Exchange and remaining subscribers were relieved of the liability.

The second part of U.S. Epperson’s approach called for more frequent inspections at questionable locations such as those with reduced production, partial operation closures and unemployed labor due to the war, as well as operations in areas of extreme weather conditions. Increased inspections called for an increase in LUA staff.

In between inspections, LUA’s growing staff was charged with gathering information concerning the origin of every lumber fire – both from subscribers and non-subscribers – and the reason for the failure to control it. This information was assimilated into a comprehensive data warehouse and shared via educational material to subscribers. This new LUA monthly bulletin service proved to be extremely valuable. Originally intended only for the benefit of subscribers, the information was highly sought after, with requests coming from as far away as the Yale Forestry School and U.S. Government sawmills operated by the Bureau of Forestry of Japan.

With World War I came optimistic problem solving, growth, and expansion to the lumber industry. Geared to producing wood for
the war effort, lumbermen now faced problems involving exorbitant shipping rates, non-standardized lumber grades, and competition from the newer construction materials of steel, concrete, and brick. They were also faced with a shrinking workforce as many men were called to serve their country on the war front. Not surprisingly, women were becoming more commonplace in the workplace to supplement the dwindling labor force in the lumber yards. LUA, too, saw its share of staff members join “The Colors” to fight for world freedom.

Assisting the lumbermen in rising to these challenges, Lumbermen’s Underwriting Alliance called on the services of its accounting firm Smith & Brodie to serve as a special investigator of large LUA fire losses. During the middle of the decade when a subscriber’s sawmill near Jackson, MS, burned down under unknown circumstances, U.S. Epperson asked Smith & Brodie to send a competent representative to investigate the origin of the fire. They were quick to send a young man by the name of James Jesse Lynn. While examining LUA’s books and researching the loss, J.J., as he was called, found a letter from Mr. Epperson enumerating the reasons that might have caused the owners to burn down their mill. J.J., in compiling his audit report, took particular care to answer each of Mr. Epperson’s points in detail. The report was highly satisfactory. Approving of J.J.’s thorough business methods in handling these matters, Mr. Epperson would soon call on him again.

In 1917, the general manager of U.S. Epperson Underwriting Company, H. A. Thomson, died, leaving Mr. Epperson with a serious decision to make. The man he wanted as Mr. Thomson’s successor was that intelligent young accountant, J.J. Lynn, whose perceptive audit of the critical loss had revealed a clear motive for arson. When presented with the job proposition, J.J.
Making headlines in LUA’s subscriber bulletin service, the makeup of LUA’s subscribers’ workforce changed dramatically when women were called upon to perform light duties that had previously been handled by men summoned to defend their country in the time of war.
Lynn refused, having been offered partnership with Smith & Brodie. Persistent and knowing what was best for all involved, Mr. Epperson convinced J.J. that his best opportunity was with LUA, and at 24 years of age he became Mr. Epperson's right hand man.

Committed to the reciprocal “ideal,” rapid growth began immediately under Mr. Lynn’s guidance. With lumber production hitting a peak period, lumbermen wanted the best insurance available. By 1918, Lumbermen’s Underwriting Alliance had a greater volume of business than any other inter-insurance exchange specializing in underwriting forest products manufacturing plants. As the Alliance developed increased capacities, its Subscribers demonstrated their confidence by increasing their coverages with LUA. Subscribers heartily recommended the Alliance to their lumber associates and LUA became the recognized leader of this specialized market.

The end of the decade brought much relief as the war drew to an end in 1919.
Providing up-to-date lists of values is a tremendous asset in time of loss. This early-form appraisal, left, was used to help settle a devastating fire loss, above, that destroyed a Vancouver, British Columbia, sawmill, engine room, and fuel vault in 1926. This is the basis for today’s much more sophisticated claims assessment process. Today’s appraisals are now computerized and delivered to subscribers via CD and include digital photos of their operations.
spending money. For LUA, it seemed to be the roar of fire that was heard the loudest.

The lumber industry witnessed peak prices and a demand that could not be supplied at the beginning of the decade, which eventually fell off to prices ranging below cost of production and a demand of almost nil by the end of the 1920s. LUA was concerned with heightened fire hazards due in large part to inefficient labor and subscribers’ need to exert every effort to speed up production in the early 20s. It was also during this period that prolonged droughts, accompanied by high winds in all sections of the United States and Canada, levied their tax of fire losses heavily on lumber properties. Each year seemed to top the previous year in fire and devastation.

In the Company’s 1920 Annual Report to subscribers, the following message expressed the urgency Lumbermen’s Underwriting Alliance was feeling at the time to combat these hazards:

“We wish to impress upon subscribers the importance of using all available means to prevent fires. We urge that no one neglect the care and order of his property and the maintenance in perfect order of the protective equipment. Inattention to these vital safeguards will prove to be false economy and result in the fire dragon taking more than his usual toll.”

LUA’s field force was increased and even more time and attention than ever before were given to proper training and efforts to make thorough inspections. LUA’s fire bulletins were edited with greater care and issued more frequently. Special conservation bulletins calling attention to seasonal hazards or fires from unusual causes were furnished to subscribers as heightened
precautions against fire became necessary. During this period LUA spent several thousands of dollars on telegrams alone in an effort to impress upon subscribers the impending danger of fire—at times several bulletins were sent in a single week.

Lumbermen’s Underwriting Alliance experienced another kind of challenge as well when ownership of U.S. Epperson Underwriting Company changed hands. U.S. Epperson became ill in 1921 and decided to sell the company. J.J. Lynn, not yet 30, saw his career potential diminishing with the prospective sale and offered to buy the company himself. Although he had nowhere near the money needed for the purchase, he was able to get the First National Bank to personally guarantee a loan based on his character alone. Mr. Epperson was so dumbfounded when his young manager showed up with the necessary funds—several hundreds of thousands—that it took him a month to finally agree to the sale.

Rapid growth began immediately under J.J. Lynn’s leadership. He attributed it to the talents of the people in the organization. His staff was motivated by his policy of turning people loose to show what they could do, a policy that also involved paying salaries according to demonstrated ability. As summed up by an employee at the time, “it was a case of opening the door to individual opportunity.”

Taking great pride in not only his personal reputation, but the reputation of LUA as a whole, J.J. Lynn instilled the sound principles of responsibility and ownership and quality of character throughout the organization. In an open letter to his staff, J.J. Lynn wrote:

“We alone are responsible for the character of our subscribers’ impression of us. This impression is not created by any one chief
LUA’s management has always believed that deterrence is one of the best defense mechanisms against loss. Newsletters and bulletins promoting timely guidelines on fire prevention awareness were an LUA signature service to make certain the topic of loss prevention remained in the forefront of subscribers. Extensive research and analysis went into the early marketing of LUA’s property conservation efforts.
LUA was quick to send an inspector to its subscriber’s site after fire destroyed a British Columbia saw mill operation. In the photo to the left, note the pail and water barrel on the right. This was an early form of fire fighting – a water bucket brigade.
thing that we are doing, or by three or four main things, but practically by everything that we do which gives our subscribers a basis for developing an impression about us…preparedness, promptness, thoroughness, loyalty, interest, courtesy, willingness, accuracy and devotion to duty will create the right impression and place us far above the average in the estimation of our subscribers.”

Such words hold true today.

A man of his word committed to the cause at hand, J.J. Lynn believed in and followed four rules of success:

1. Work hard.
2. Be honest.
3. Whatever you do, do well.
4. Prepare yourself for the future.

An example of this forward thinking can be seen in J.J. Lynn’s entrepreneurship spirit. It was during the 1920s that he devised a plan to gain a stronger foothold against fire hazards and to protect LUA; he turned to financing sprinkler protection. During this time sprinkler contractors operated under a rather tight and ironclad arrangement. If a mill operator was interested in sprinkler protection, the three leading companies at the time were called in for the purpose of making a bid. After the sprinkler contractors surveyed the property in question, they met in a local hotel and decided who was going to get the job and bids were rigged accordingly, as accounted by an LUA retiree several decades later. The result was that sprinklers were quite costly.

J.J. Lynn struck up a relationship with a young, local contractor to finance sprinkler contracts. The new venture surveyed unsprinklered lumber plants and offered sprinkler system

LUA PLAYS A SMALL PART OF LINDBERGH HISTORY

In 1927, Charles A. Lindbergh landed his "Spirit of St. Louis" near Paris, completing the first solo airplane flight across the Atlantic Ocean. It is interesting to learn that much of the lumber used in construction of the “Spirit of St. Louis” was manufactured at the plant of one of LUA’s subscribers – the Posey Manufacturing Company of Hoquiam, WA.

One of the LUA’s employee’s at the time took to pen and paper to sum up this historical event:

[LUA] is all puffed up over the fact – THAT the ALLIANCE numbers among its SUBSCRIBERS the plant THAT made the wing beams of the sturdy airship THAT accomplished the wonderful first sea-flight trip THAT won such remarkable renown for its modest owner.

The Roaring Twenties: 1920-1929
installations 30 to 40 percent less than prices which had been quoted by the so-called trusts. It was a win-win situation for all.

Recognizing the potential for further growth within LUA, J.J. Lynn expanded operations into Canada. LUA's reputation spread rapidly and the northern lumbermen were quick to seek out the Alliance's service. As written in a letter from a new Canadian subscriber, J.R. Booth Limited, "We have been fortunate in never having to collect any loss from them, but we understand that they are prompt in this respect, and their inspection service is certainly worth while."

Eager to apply the principles of reciprocal insurance to another high-risk category, J.J. Lynn entered the automobile industry when he instituted Universal Underwriters in 1922 to serve the insurance needs of car dealerships. This company greatly prospered over the years and was eventually sold to Zurich in the 1980s for a respectable profit.

As the decade came to a close, after a quarter century of service, Lumbermen's Underwriting Alliance had 1,500 Subscribers with a written premium of $3,100,820 and a total liability of $170,757,283. Losses totaling $16,305,140 had been paid over these years and a surplus and reinsurance reserve of $3,445,067 had been accumulated. These numbers spoke clearly of the character, quality, stability, and enduring powers of the Alliance, while demonstrating its value to the industry and community for which it served during this period of history.

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**Timeline**

**1920 -1929**

- In 1923, the burial chamber of King Tutankhamen's tomb was unsealed in Egypt.
- In 1923, the 29th president of the United States, Warren G. Harding, died in San Francisco. Calvin Coolidge took the oath of office as President of the United States.
- In 1923, a presidential address was broadcast on radio for the first time as President Coolidge spoke to a joint session of Congress.
- In 1924, Russian revolutionary Vladimir Ilyich Lenin died at age 54.
- In 1924, two United States Army planes landed in Seattle, Washington, having completed the first round-the-world flight in 175 days.
- In 1927, Charles A. Lindbergh landed his "Spirit of St. Louis" near Paris, completing the first solo airplane flight across the Atlantic Ocean.

Color television was invented in 1928.

- In 1928, Amelia Earhart embarked on the first trans-Atlantic flight by a woman. She flew from Newfoundland to Wales in 21 hours.
- In 1929, the St. Valentine's Day Massacre took place in a Chicago garage as seven rivals of Al Capone's gang were gunned down.
- In 1929, the sovereign state of Vatican City came into existence as copies of the Lateran Treaty were exchanged in Rome.
- In 1929, Black Tuesday descended upon the New York Stock Exchange. Prices collapsed amid panic selling and thousands of investors were wiped out as America's Great Depression began.
The grim decade was marked by bread lines and soup kitchens, while the song “Brother can you spare a dime?” echoed throughout the thirties. The Great Depression of the 1930s was one of the century’s darkest periods. Excess and speculation had led to ruin for many, from high society to working-class folks. Meanwhile, desperate farm...
and ranch families made a forlorn exodus from the drought-ridden Dust Bowl of the Midwest, hoping for a better life “out West”. U.S. President Franklin Roosevelt’s “New Deal” helped create jobs, but it would take a second world war to propel America into a new era of prosperity.

North America was completely unprepared for the economic disaster of the Great Depression. The Gross National Product fell 9.4 percent from the year before and the employment rate climbed from 3.2 to 8.7 percent. By 1932, the worst year of the Depression, the economy was in poor shape. The GNP had fallen a record 13.4 percent that year and unemployment had reached 23.6 percent.

Like the national economy, the broad-based lumber industry suffered its hardest blow during the Great Depression. Lumber production fell precipitously in response to the steep decline in new home construction. Market prices dropped overnight from $8 a thousand board feet of lumber to under $5. Mills were caught with millions of board feet of lumber air-drying on the yard with no market. Demand for forest products decreased some 50%, causing cut-backs in operations and many closures. On top of all of this, dry and windy weather took its usual heavy toll on the lumber and woodworking industry in the form of fire losses.

During this period, most insurance companies, suffering enormous surplus reductions due to investment failures, refused to write high risk properties. Through prudent management Lumbermen’s Underwriting Alliance’s investments, by contrast, were in bonds and securities which even under the existing conditions showed a market value greater than cost or book value.
LUA’s tried and true prevention bulletins gained even more prominence during the Great Depression. Vivid graphics and copy – realistic, frightening and humorous – were employed to ensure LUA’s directives made an impact.
As the depression deepened and insurance premiums industry-wide declined, the Alliance refrained from the temptation to write business just for income purposes. Adhering to its founding policy of sound underwriting principles, LUA selected its risks even more carefully, paying particular attention to management competency as well as physical hazards. J.J. Lynn continued conservative underwriting practices by limiting capacities and spreading risks. In 1933, Mr. Lynn wrote to Subscribers, “At the Alliance we have been thoughtful, painstaking, and thorough in the conduct of the business, and we confidently believe the experience will be reflected in the growth of an organization of greater strength and soundness in years to come.”

Continuing its vigilant stand of careful risk selection and preemptive loss prevention, LUA reinforced the need for diligent inspections to avoid unnecessary and unusual physical hazards, as well as verification of the soundness of businesses to be insured to avoid any potential moral hazard of self-started fires during this perilous period of history.

J.J. Lynn urged LUA subscribers to be more interested in dependable indemnity and in an insurance service which met their needs for the long-term than in any temporary cutting of rates and cost. While “cost is an important item . . . one must remember always that the premiums supply the funds for the payment of losses and expenses, regardless of the nature, kind, or form of insurance carrier. A successful insurance business must adhere closely to the principles governing the business of insurance. Ability and judgment are necessary in the selection of risks, in the application of rates, in the prevention of losses and to efficiently administer the underwriting and conduct of the business,” professed J.J. Lynn.
The Alliance also relied on its reputation as recounted in the words of its many satisfied subscribers and business partners at the time to market the positives of reciprocal insurance and the many benefits associated with being insured by LUA. The Company developed a handbook of letters from creditors and subscribers alike to serve as a first-hand reference for LUA’s insurance products and services. Called the Public Opinion of The Lumbermen’s Underwriting Alliance, the booklet was comprised of some two dozen letters offering independent comments on the Alliance’s outstanding commitment to the lumber industry in a time when many insurance companies were on the brink of bankruptcy.

The introduction of President Roosevelt’s New Deal initially offered relief, recovery, and reform to solve the economic problems brought on by the Depression. The New Deal included federal action of unprecedented scope to stimulate industrial recovery, assist victims of the Depression, guarantee minimum living standards, and prevent future economic crisis.

Through the concentrated efforts of the Alliance, LUA’s sales force was able to weather the stormy economic climate born out of the Depression. By the end of the decade, the Alliance occupied five strategically-located regional offices to provide prompt, complete service in all of its territories. Each office was managed by an experienced insurance executive who was assisted by a capable office staff and traveling representatives. Camaraderie and morale were high, even spilling over into leisure sports as the Company fielded its own softball team in 1936.

On and off the field, the strong leadership of J.J. Lynn, along with his deep devotion to LUA and motivation to succeed, had
Competitive by nature and committed to working hard, team building did not stop in the office for LUA’s staff. Company employees enjoyed camaraderie in many other areas including on the softball field. Levity and team spirit were a must during this decade.
everyone working toward the same goals. The Alliance remained committed to the following tenets outlined in the 1938 Financial Statement:

- Competent inspection and fire prevention service
- Conservative and experienced management aided by an active Advisory Committee of prominent lumbermen
- Prompt and fair loss adjustments and prompt payment of all claims
- Personal selection and underwriting of best risks of the class
- A limited and minimum operating expense which averages about half the expense cost of stock companies
- "A+" rating and excellent management and loss payment record.

That same year, the U.S. Congress passed the last of the major New Deal legislation with the Agricultural Adjustment Act of 1938 and the Fair Labor Standards Act. After this, Roosevelt, with his weakened political power, was unable to get any more major New Deal legislation through Congress.

World War II erupted in September 1939. While many viewed this as yet another setback for North America, the war actually triggered massive industrial expansion, brought about full employment, and pushed the economy to new heights during the next decade.

The next decade would also hold promise for the newest member of Lumbermen’s Underwriting Alliance – Eugene M. Lynn, the nephew of J.J. Lynn. Committed to carrying out the reciprocal ideal and being a long-range planner, J.J. Lynn recognized LUA had to continue under positive leadership to effect its practical application. Young Gene Lynn was introduced to the world of insurance in 1939, long before J. J. Lynn was ready for a successor.
The decade’s headlines told the story of the Allies quest to defeat Hitler in World War II and in America, the triumph of returning soldiers spawned a sense of new possibilities filled with fresh energy and optimism.

It began in the United States with the attack on Pearl Harbor on December 7,
Once again the world was at war, and the conflict produced acts of courage, sacrifice, and patriotism, the likes of which had never before been seen. No business sectors were left untouched including the insurance and forest products industries.
1941, which made it clear to even isolationists on our shores that participation in the war was inevitable. The following spring in 1942, a Japanese submarine surfaced near the coast of Southern California and fired a salvo of shells that exploded on an oil field near Santa Barbara, very close to the Los Padres National Forest. Americans throughout the country were shocked by the news that the war had now been brought directly to the American mainland.

Americans and Canadians on the home front found themselves rolling up their sleeves and participating in the war effort in a variety of ways. Some bought war bonds. Some turned in their aluminum pots and pans. Everybody rationed butter and gasoline and meat. Concern continued in fear that further attacks could bring a disastrous loss of life and destruction of property from enemy incendiary shells exploding in the timber stands of the Pacific Coast. With experienced firefighters and other able-bodied men engaged in the armed forces, the home communities had to deal with forest fires as best they could. Protection of these forests became a matter of national importance, and a new idea was born. If people could be urged to be more careful, perhaps some of the fires could be prevented. With this in mind, the Forest Service organized the Cooperative Forest Fire Prevention Campaign with the help of the Wartime Advertising Council.

Posters and slogans were created by the War Advertising Council, including "Forest Fires Aid the Enemy," and "Our Carelessness, Their Secret Weapon." By using catch phrases, colorful posters and other fire prevention messages, the Advertising Council suggested that if people could prevent accidental fires, it would help win the war. In

**THE REAL LIVE SMOKEY BEAR**

Smokey Bear officially came to life during a fire in the Capitan Mountains of New Mexico. Forest rangers, men from the New Mexico State Game Department, and civilian volunteers worked together to gain control of the raging fire. Nearby, a little bear cub who had been caught in the path of the same fire took refuge in a tree that was now nothing but a charred smoking snag. His climb saved his life but left him badly burned on the paws and hind legs. The cub needed veterinary aid and was flown to Santa Fe and treated and bandaged.

The news about the little bear spread swiftly throughout the U.S. Many people inquired about the bear’s progress. The State Game Warden wrote a letter to the Chief of the Forest Service, presenting the cub to the agency with the understanding that the bear would be dedicated to a publicity program of fire prevention and conservation. The go-ahead was given to send the bear to Washington, DC, where he found a home at the National Zoo, becoming the living symbol of Smokey Bear. Created in 1944, the Smokey Bear Campaign is the longest public service campaign in the U.S.

Courtesy of www.smokeybear.com
1944, the first poster of Smokey Bear was prepared depicting the cartoon bear pouring a bucket of water on a campfire.

Lumbermen’s Underwriting Alliance did its part for fire prevention as well. LUA management, always vigilant about the need for inspection and fire prevention services, placed all other field and service activities subordinate to the inspection and fire prevention work in the early 1940s. These services were performed on the belief that the greatest contribution LUA can render to the war effort was an intensive fire prevention program to reduce losses in the lumber industry. LUA’s print advertising campaign at the time reflected similar sentiments with an image of Uncle Sam saying, “Stop the Saboteur. The Saboteur is our most deadly enemy on the Home Front . . . FIRE is the Saboteur’s strongest ally.”

Eugene Lynn’s contribution to the war front took him in another direction. At the start of the decade, Gene Lynn was taken under the wing of his uncle and learned the basics at LUA – accounting and underwriting. World War II interrupted his insurance education, and in 1943 he became a flight instructor for the U.S. Air Force’s pilots at the Spartan School of Aeronautics in Tulsa, OK. In 1944, he joined Trans World Airlines as a copilot and rose through the ranks to Captain in 1945. At this time he was based in the Los Angeles area and was still in touch with the insurance business.

In 1946, he charted his course for the future by returning to the challenge offered in insurance and working in Los Angeles for Universal Underwriters as a sales representative. The following year a promotion moved him to Portland, OR, as a combination field representative for LUA and Universal Underwriters. In 1948 he returned to Kansas City as a regional sales manager.

While he enjoyed his new foray in the insurance industry, Gene Lynn recognized the need to serve his country during WWII. Applying his skills in a time of need, Gene Lynn took a leave of absence from LUA and trained U. S. war pilots, preparing them for battle overseas.
The effects of the war were seen by many insurance organizations operating at the time, including the granddaddy of them all, Lloyd’s of London. In their November 1940 magazine, Lloyd’s featured photos of their work shelters that were some 60 feet underground. Adequate provisions had been made for whatever might befall their offices above ground.

Injecting a tone of patriotism into its advertising, LUA reminded its subscribers of the role they played on the home front. “Your Country needs Your Plant in Operation . . .” were strong words of the times.
Attention to detail was ever-important. The manual production of underwriting maps was a finely honed skill and art that could take hours to produce a final, exact specimen. Numerous hand-drawn symbols were generated to depict LUA risks.
Accounting for LUA’s expenses was always an important component of its reciprocal bookkeeping. While prices may have changed since this report in 1947, the need to document such expenses has not.

Serving as Vice President of Sales and later as Vice President and Assistant to uncle J.J. Lynn, Gene Lynn was gaining the valuable experience necessary to one day take over the reins of LUA.

Still feeling the effects of the Great Depression, the U.S. insurance industry itself was facing a need for succession planning. In 1944 the question of how the insurance industry would be regulated was raised. Since the late 1800s, individual states had exclusive authority to regulate the business of insurance. In 1944, the U.S. Supreme Court ruled that the business of insurance was interstate commerce and subject to regulation by the federal government; this called into question the entire system of state regulation.

In 1945, U.S. Congress passed the McCarran-Ferguson Act, which reaffirmed continued state regulation of insurance by providing that no federal law would apply to the business of insurance unless it specifically so states. The act also exempted the business of insurance from federal antitrust laws to the extent that it is regulated by state law. In no event were instances of boycott, coercion, or intimidation legal.

The year 1945 also saw the close of World War II, as the Japanese foresaw doom as its navy and air force were virtually destroyed, its cities at the mercy of American aircraft, and its people cut off from sources of supply of much-needed raw materials. The dropping of two atomic bombs on Japanese cities and the Soviet invasion of Manchuria hastened Japan’s decision to surrender on August 14.

Closing out the decade, the operations of LUA were extremely sound and profitable. Premium writings were at a level of
approximately four times higher than the volume transacted in 1940. This rapid expansion was accomplished without deviation from sound underwriting practices. A.M. Best, a worldwide insurance-rating and information agency, noted this achievement as it ran counter to prevailing underwriting trends in the fire insurance field at the time.

As LUA continued to prosper, J.J. Lynn turned his golden touch to some of his other ventures. Sensing continued growth in the automobile industry, J.J. Lynn organized the Universal Underwriters Insurance Company in 1949 for the purpose of writing casualty insurance. The additional services complemented those already offered to the automobile dealer under Universal Underwriters and included Workers’ Compensation and Garage Liability.

Timeline

In 1941, Japanese warplanes attacked the home base of the United States Pacific fleet at Pearl Harbor, an act that led to America’s entry into World War II.

In 1944, the D-Day invasion of Europe took place during World War II as Allied forces stormed the beaches of Normandy, France.

In 1945, Franklin D. Roosevelt, the 32nd president of the United States, died of a cerebral hemorrhage in Warm Springs, Georgia, at age 63. Vice President Harry S. Truman became president.

In 1945, Germany signed an unconditional surrender at Allied headquarters in Rheims, France, ending the European conflict of World War II.

In 1945, Japan formally surrendered in ceremonies aboard the USS Missouri, ending World War II.

In 1945, the United Nations officially came into existence as its charter took effect.

In 1946, the microwave oven was invented by Percy L. Spencer.

In 1947, a six-man expedition sailed from Peru aboard a balsa wood raft named the Kon-Tiki on a 101-day journey across the Pacific Ocean to Polynesia.

In 1947, U.S. President Truman signed the National Security Act, creating the Department of Defense, the National Security Council, the Central Intelligence Agency and the Joint Chiefs of Staff.

In 1947, in the first televised White House address, President Truman asked Americans to refrain from eating meat on Tuesdays and poultry on Thursdays to help stockpile grain for starving people in Europe.

In 1948, Indian political and spiritual leader Mahatma Gandhi was murdered by a Hindu extremist.
BOOM TIME: 1950-1959

As the Cold War heated up, the post-World War II boom hit its stride with widespread economic expansion and optimism. The boom in the economy was accompanied by a boom in babies. The decade also gave birth to the modern day credit card, which today outnumbers baby boomers many times over.
At the beginning of the decade, J.J. Lynn’s health began to deteriorate. Following a series of operations, the Kansas City insurance executive succumbed to pneumonia in his weakened state. He died February 20, 1955, at his farm home at Borrego Springs, CA.

Even in mourning for the man who was very much like a father to him, Gene Lynn was able to assume leadership of LUA. Combining youthful energy with a perceptive understanding of people, he quickly earned the loyalty and dedication of the best talent in the field. He knew the importance of surrounding himself with the most competent and willing staff available and proceeded to give his employees the freedom of operation necessary to the success of any business. His progressive thinking encouraged everyone to try new ideas and expand operations.

Applying first-hand knowledge, he made positive changes expanding LUA to better meet the lumbermen’s needs of the time. An example of this can be found in Gene’s Lynn proactive approach to the unequalled era of technological progress and increased productivity the Post War 50s brought as Americans looked for ways to enjoy peace and capitalize on the enormous industrial energies developed by the war effort. This increased production brought growth and change to the forest products industry, but it also meant increased hazards and greater losses. As Gene Lynn was keenly aware, the real test of an effective insurance program comes when a loss occurs and lumbermen were in need of prompt and satisfactory payment of losses to allow rapid return to full production and to reduce loss of income. By 1958 Gene Lynn doubled LUA’s adjusting staff placing emphasis on the need for specific training in forest products losses and an understanding of the unique reciprocal position of the Subscriber as both the Insured and the Insurer.
Eugene Matthew Lynn was born in Kansas City, MO, on November 6, 1918. He lived in Kansas City until 1930 when his father was killed in an airplane accident. After this tragedy, the family moved to Florida where he continued his education. He attended Stetson University in Deland, FL and the Spartan School of Aeronautics in Tulsa, OK.

Mr. Lynn was married to the former Mary E. Spoors from March 12, 1947 until her passing. He married Christine E. Koppl on January 19, 1980.

Mr. Lynn was first employed by the U.S. Epperson Underwriting Company in Kansas City, MO, in 1939 until he entered aeronautical training in 1940. Following his graduation from flight training, he had a distinguished flying career with TWA from 1943 to 1947 attaining the rank of captain.

Mr. Lynn resumed his career in insurance at USE and LUA in 1947 and assumed ownership of the Company in 1955. His leadership principles guided the organization until his retirement in 1998. He passed away in November 1999.

An extremely philanthropic individual, Mr. Lynn supported numerous charitable, educational and medical organizations in his surrounding communities. He received recognition from many media outlets and business associations honoring him for his generosity and giving spirit over the years.
Following the post-war building boom, LUA took a pro-active approach to making sure Subscribers were adequately insured for higher building costs, machinery and equipment prices, and lumber market values. The above marketing tools helped educate subscribers of the importance of carrying the correct coverage for their insurable values.
The valued reputation of an excellent loss adjusting department produced additional business for LUA as Subscribers demonstrated their approval of an adjusting staff that kept channels of communication open and expressed concern for their needs. Encouraged by Gene Lynn’s spirit of teamwork, LUA adjusters studied the standard insurance contract forms and relayed information in the form of a communication titled *Lessons from Losses* to members of the production, underwriting, and engineering staffs, enabling them to make changes appropriately suited to the forest products industry.

In the mid-1950s, LUA witnessed great changes in sawmill operations. The number of small mills driven by the power takeoff of a tractor had diminished. In large, high-production band mills, steam power became a thing of the past as individual machines were converted to electrical power. With the increase in sophisticated and costly equipment came the need to better track Subscribers’ values and replacement costs in the event of a loss.

Incorporating one of LUA’s basic concepts of insuring to value, loss adjusters recognized the Subscriber most satisfied with his adjustment was one whose property carried the proper amount of insurance to rebuild at current market prices. An affiliated appraisal department was formed in 1958 to assist LUA’s Subscribers in keeping buildings, as well as machinery and equipment values, in line with property changes and inflation. Subscribers found that using the appraisal service placed them in a better position to make a full loss recovery, along with reduced adjustment expenses and time involved in adjusting a loss.

Marking the Company’s 50th anniversary in 1955, a general communication was shared with all current and potential
At This 50th Anniversary of

A Message from the Advisory Committee

The remarkable growth of Lumbermen's Underwriting Alliance in 50 years... its record of achievement... and its place in the lumber industry... all are matters worthy of special consideration in this Golden Anniversary Year.

Fifty years ago, assets totaled $30,480; now the amount is approximately $20,000,000. Fifty years ago surplus and contingent loss reserves amounted to $30,080.24; now these reserves total $14,173,270.27.

Fifty years ago insurance facilities for lumbermen were scarce—now they are readily available to those qualified; rates were exorbitant—now they are reasonable. It is recognized generally that the Alliance—through its low cost insurance plan—its specialized insurance coverages for lumber properties—and its inspection and fire prevention services has contributed much to the improved insurance markets and low insurance costs now available to lumbermen.

The Alliance has become the largest insurance carrier in the world specializing exclusively in insurance on lumber properties. It is an integral part of the lumber industry.

In this Golden Anniversary year we express our congratulations to the U. S. Epperson Underwriting Company on the faithful services rendered the Lumber Industry... and our very best wishes for even greater success during the years to come.

Chairman of the Advisory Committee

EXECUTIVE STAFF

J. E. CHALLENGER
Executive Vice President 41
L. D. FAYETTE
Canadian Manager 40
H. L. WEIDER
First Vice President 39
W. C. SIMMONS
Vice President 38
D. D. FUNK
Vice President 34
A. H. THURMOND
Vice President and Secretary 33
H. E. FRANZEN
Treasurer 30
L. D. JONES
Vice President and Assistant Manager of Western Division 30
J. M. WHITE
Vice President 29
M. E. DUSSEN
Vice President 28
C. C. ARBESON
Vice President and Manager of Western Division 28

LUMBERMEN'S UNDERWRITING ALLIANCE • U. S. Epperson Underwriting Company, Manager
Home Office, Kansas City, Mo. • Branch Offices, Portland, Ore. and Toronto, Canada
1955 marked the 50th anniversary of LUA, a tremendous milestone for such an enterprising venture. Fifty years ago assets totaled $30,480; in 1955 the amount was approximately $20 million. The growth and success over the past five decades was recognized the industry over; it was a celebration not only for LUA but for the hundreds of lumbermen who had secured their future with the Alliance.
subscribers alike, trumpeting the successes of the organization under the two-generations of Lynn leaders:

Fifty years ago, assets totaled $30,480; now the amount is approximately $20,000,000. Fifty years ago surplus and contingent loss reserves amounted to $30,080.24; now these reserves total $14,173,270.27.

Fifty years ago insurance facilities for lumbermen were scarce – now they are readily available to those qualified; Rates were exorbitant – now they are reasonable. It is recognized generally that the Alliance – through its low cost insurance plan – its specialized insurance coverages for lumber properties – and its inspection and fire prevention services has contributed much to the improved insurance markets and low insurance costs now available to lumbermen.
The 1960s are best described as a watershed decade for America, ushering in the Vietnam War, a cultural revolution and the race to space. U.S. President Kennedy’s assassination on November 22, 1963, marked the end of American innocence, while the Vietnam War led to a period of tumult and discontent, sparking violent demonstrations across the nation.
60th ANNIVERSARY STATEMENT
LUMBERMEN'S UNDERWRITING ALLIANCE
E. M. Lynn, President
Balance Sheet at December 31, 1964

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<tr>
<th>ASSETS</th>
<th>LIABILITIES &amp; SURPLUS</th>
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<tr>
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<tr>
<td>Accrued Interest</td>
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</table>
| TOTAL ASSETS                                |                             $25,609,632

50  The Expansion Years: 1960-1969
The unrest of the 60s did not seem to faze the lumber industry. An economic report released in the summer of 1963 by the U.S. Department of Agriculture revealed that about five percent of the nation’s gross national product and employment originated in timber-based communities. The report showed that employment attributed to timber in all timber-based activities amounted to approximately 3.3 million people or one out of every 20 employed citizens.

The study also showed that timber increased in value nearly 25 times between the stump and delivery of finished products to final consumers. On the average, to each dollar’s worth of stumpage cut, about $1.50 was added in harvesting; $3.85 in primary manufacturing; $5.45 in secondary manufacturing; $7.60 in construction and $5.35 in transportation. Translated, this meant that $1.00 out of every $18.00 of the current gross national product originated from timber-based activities (Miscellaneous Publication 941, U.S. Department of Agriculture, Washington, DC, 1963).

Behind the scenes, Lumbermen’s Underwriting Alliance was preparing itself to heighten its support of this leading economic sector.

Ordinarily success in the insurance industry is based on the law of large numbers, a principle which involves spreading the risk of hazard over the largest number of participants possible. LUA’s philosophy was always the opposite – the “law of small numbers”, emphasizing the personal contact necessary to maintain trusting relationships for successful reciprocal operation. Expanding from the original 23 Subscribers in five states in 1905 to thousands of subscribers in 48 states and Canada in the 1960s, LUA was finding it challenging to maintain individual relationships with all of its Subscribers.
Decades ago, early LUA representatives traveled to remote areas to visit sawmills, lumber yards and similar type customers by means of hand-cranked automobiles, buses, trains, horse drawn sleighs and even mules. By the middle of the decade, LUA’s staff was taking advantage of the modern transportation mode of air. However, servicing accounts still meant weeks of travel with limited Subscriber contact. Evaluating the need for expansion to affect an increased growth rate, yet dedicated to the ideal of personalized service, Gene Lynn and his management staff devised a regional operational plan that divided LUA’s service areas into miniature replicas of the original small company.

Mr. Lynn’s regional development program paid off as management teams moved into the field with the capability of evaluating the market conditions in the area they served and resolving on-the-spot difficulties. Sales and district offices, with a field force of more than 100 members, were strategically located to provide maximum service to each Subscriber. This same model, while larger in size and scope, is still followed today.

Continually looking for ways to enhance the level of customer satisfaction with LUA, Gene Lynn also made an important improvement to LUA’s plan of operation in 1966. After many months of study and painstaking effort, it was considered advisable to modernize LUA’s Subscriber Agreement form in line with present operating conditions and insurance trends. A new Subscriber Agreement was adopted in 1966 which authorized the issuance of non-assessable policies. This was viewed as an important sales advantage. It is important to note, while the old Subscriber Agreement permitted an assessment up to one annual premium, that during the past 61 years of operation no assessment was ever made or contemplated. LUA’s subscribers readily accepted the improvement.

Carrying on its tradition of loss prevention, LUA geared its property conservation messages to those who had a direct impact on safety – the worker.
The ultimate proof of good insurance coverage lies in quick, satisfactory settlement of losses. LUA’s pledge to expedite claims adjustment and quickly return subscribers to operation following a loss was heightened when the Company purchased its first corporate jet.
LUA’s property conservation program received heightened attention during the turbulent 60s. Subscribers throughout the U. S. and Canada reduced losses to a minimum by following the many components of the program.
The rebellious nature of the decade was countered in an open message from Gene Lynn for law and order.

LAW ENFORCEMENT...

Key to Law and Order

Under our Constitution, each Citizen has certain rights to property, freedom and dignity — each with a counterbalancing responsibility to respect the same right for every other Citizen.

Acceptance of this idea is basic to maintenance of law and order. Rejection is, in effect, rejection of the Constitution. Citizenship is acceptance of this philosophy.

We must accept all laws, as written. And although we may not agree entirely with every law, success of our system demands that we obey every law entirely.

To do otherwise invites anarchy and chaos, and loss of the very rights guaranteed by the Constitution.

The foremost legal question involved in recent civil disorders and riots is respect for laws affecting property. On this the law is specific and clear.

No new laws are needed.

Indeed, leading law enforcement people, including J. Edgar Hoover, agree what is needed most is unqualified acceptance of present laws — and unqualified citizen support of the people who enforce them.

So how can the Citizen help?

First, obey the Law. Every law. Even ones we find inconvenient. If a sign says “stop” — STOP! Set a good example and insist on similar compliance by employees and co-workers.

Second, insist on strict law enforcement by legally constituted local authority — with firm application of the proper penalties for EVERY violator. And should the need arise, render every assistance asked by Officers of the Law.

For we must have law and order first, or we ultimately will have nothing.

E. M. Lynn
President
LUA closed out the decade with continued focus on loss prevention. Much effort was placed on putting together a comprehensive program that provided subscribers with the necessary knowledge and tools to identify potential risks and hazards, ultimately protecting their property and equipment from losses. Officially called LUA's Property Conservation Program, it was quick to earn approval and acceptance throughout the United States and Canada and many larger lumber plants, through their experience with the program, were able to reduce losses to a minimum. In Mr. Lynn's eyes, "The conservation program is one of our major contributions to the Forest Products Industry."

One area of particular concern to both LUA and its policyholders was the need to protect their properties against damage resulting from riots and civil disturbances spawned from the varying viewpoints regarding involvement in the Vietnam War. Lumber properties seemed especially susceptible to fire losses, vandalism and looting during this time. Special attention was given to watch services and guards, fencing, window and door openings, property lighting, partnerships with local authorities and the property fire fighting appliances.

In a most eloquent style, Mr. Lynn sent an open letter to policyholders recognizing citizens' rights to free speech, balanced by the need to accept and obey laws to ensure these rights. He stated, "For we must have law and order first, or we ultimately will have nothing."

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**Timeline**

In 1960, the first televised debate between presidential candidates Richard M. Nixon and John F. Kennedy took place in Chicago.

In 1961, astronaut Alan B. Shepard Jr. became America’s first space traveler as he made a 15-minute suborbital flight in a capsule launched from Cape Canaveral, FL.

In 1961, about 1,500 CIA-trained Cuban exiles launched the disastrous Bay of Pigs invasion of Cuba in a failed attempt to overthrow the government of Fidel Castro.

In 1963, poet Robert Frost died in Boston.

In 1963, President Kennedy was assassinated while riding in a motorcade in Dallas. A suspect, Lee Harvey Oswald, was arrested. Vice President Lyndon B. Johnson became the 36th president of the United States. Two days later, Jack Ruby shot and mortally wounded Lee Harvey Oswald.

In 1964, civil rights leader Martin Luther King Jr. was named winner of the Nobel Peace Prize.

In 1965, former Black Muslim leader Malcolm X was shot.

In 1965, the great Northeast blackout occurred as several states and parts of Canada were hit by a series of power failures lasting up to 13 1/2 hours.

In 1967, the first Super Bowl was played as the Green Bay Packers of the National Football League defeated the Kansas City Chiefs of the American Football League, 35-10.

In 1968, civil rights leader Martin Luther King Jr., 39, was shot to death in Memphis, Tenn.

In 1968, Sen. Robert F. Kennedy was shot and mortally wounded just after claiming victory in California’s Democratic presidential primary.

In 1969, the Woodstock Music and Art Fair concluded near Bethel, N.Y.
The 1970s was a period of confusion. The decade saw the Vietnam War draw to a bitter close and in its place Watergate and the energy crisis arrived. Headlines that shocked the nation and the world told the story of the resignation of U.S. President Richard Milhouse Nixon on August 9, 1974, following the break-in at
Democratic National Committee headquarters at the Watergate complex in Washington, D.C. in 1972. Adding to the mix, the United States and Canadian economies were hit with inflation and then recession.

The hardwood lumber industry, too, suffered one of the most pronounced and lengthy recessions in modern times according to the National Hardwood Lumber Association. It wasn’t until late in the decade when very good years in the economies and industry were felt.

Despite the turmoil and unrest of the 1970s, Lumbermen’s Underwriting Alliance was able to record outstanding results year after year that decade. All Company operations were reviewed with the objective of promoting good underwriting and cost efficiency. Underwriting controls were followed and each risk reviewed. Additional staff was hired to add strength to all departments and the underwriting and loss prevention knowledge of LUA’s sales force was continually being extended.

Casualty Claims

Because of the reciprocal nature of LUA, workers’ compensation coverage was not considered a feasible line to offer customers prior to 1975 except through Lumbermen’s sister company Universal Underwriters Insurance Company. Unlike property losses where loss value can be ascertained and quickly paid, workers’ compensation losses can be difficult to value and subject to litigation causing delays in arriving at a conclusion.

In 1975, when premium writings and loss experience were sufficient to provide a sound underwriting base without

The pop art movement of the era was adopted by LUA for its loss prevention messages. Bright colors and striking graphics drew customers’ employees’ eyes to the conservation topics of the time.

58 Expanding Markets: 1970-1979
Beware! Electricity can be shocking!

A property and personnel conservation service of
LUMBERMEN'S UNDERWRITING ALLIANCE
A member company of the Lynn Insurance Group
5115 Oak Street, Kansas City, Missouri 64112, E. M. Lynn, President

Ptd. in U.S.A. 1-76
Always stressing the importance of balanced underwriting and production, the Company made this the central theme of its mid-1970s sales program. Excellent underwriting without taking production into mind or great production without considering underwriting guidelines benefits no one. The two go hand-in-hand as depicted in this 70s sign of the times peace drawing.
jeopardizing customers’ surplus funds, it was decided to place this line of coverage within Lumbermen's Underwriting Alliance. The same personalized contact, the same effective safety management, and the same proficient claims adjustment services offered in the property line were applied to the workers’ compensation line. In a communication to subscribers, LUA announced its new line of coverage:

In this changing world, one thing remains the same: The way LUA faces change! We are pleased to announce our latest change! In most states LUA will become a multi-line carrier and issue its own casualty policies. LUA has provided workers’ compensation coverage to the forest products industry for many years through an affiliated company; but by writing it in the LUA all underwriting savings will belong to the policyholders. Another change to provide you better service.

LUA subscribers heartily responded and the growth rate of workers’ compensation premium increased over 400% -- from $4,000,000 to $17,000,000 in four years.

LIG Insurance Agency, Inc.

With lumbermen still needing other types of insurance to round out their business protection, LUA further researched the prospect of writing liability, accident and health, bonds, boiler and machinery and life insurance. In order to maintain the same standards of specialized service previously offered subscribers, Gene Lynn decided it was not feasible to diversify any further within the LUA.
Honoring its pledge to supply LUA subscribers with the best possible insurance at the lowest possible price, the LIG Insurance Agency, Inc. was formed in 1978 to seek a financially sound insurance market for the forest products industry’s other insurance requirements. Applying the same insight, understanding and specialized knowledge of the forest products industry that had been accumulated over the past 75 years, account representatives, acting as brokers or representatives of the insured, researched and selected the best insurance markets at the most competitive premium to place these additional coverages.

The LIG Insurance Agency, Inc., working in tandem with Lumbermen’s Underwriting Alliance, has earned a reputation for delivering tailor-made, quality insurance protection through a large network of major national, regional, and specialty insurance carriers. Representing a large number of highly regarded traditional and specialty insurance companies, the LIG Insurance Agency, Inc., has the flexibility to develop a coverage plan specifically designed for individual business needs. At the customers’ direction, LIG works directly with the chosen carrier to negotiate the most cost-effective coverage.

Moving South

After more than 70 years in America’s heartland, the Company relocated its headquarters from Kansas City, MO, to Boca Raton, FL, in 1976. The Company purchased 15 acres of land in the polo fields of Boca Raton to construct an expanded new Home Office to meet the needs of continued growth in both personnel and customers. Plans called for 70,000 square feet of office space, which included a four-story structure and separate building nearby for various mechanical equipment, a classroom and a laboratory for the training of personnel in fire and safety engineering work.
The new building consisted of 70,000 square feet, including the four-story main building and a training facility nearby.
As the decade drew to a close, Gene Lynn reflected on the many achievements reached in this decade. During an LUA staff meeting in the late 70s, he expressed his gratitude to all Company personnel who made the decade’s achievements possible:

“I want to take this opportunity to offer my heartiest congratulation and to thank each of you for the achievement of an outstanding result for Lumbermen’s Underwriting Alliance . . . we all know that results such as this don’t just happen, but are the [product] of intelligent, well-trained people working harmoniously together toward a common goal. This describes the staff of LUA.”

### Timeline

- **1970** - The bar code system was created.
- **1971** - The first video game and video disc were introduced.
- **1971** - The United States Supreme Court upheld the use of busing to achieve racial desegregation in schools.
- **1972** - E-mail was introduced by Ray Tomlinson.
- **1972** - The Dow Jones Industrial Average closed above 1,000 for the first time, ending the day at 1,003.16.
- **1973** - Computerized tomography (CAT scan) was introduced.
- **1973** - Artist Pablo Picasso died at age 91.
- **1973** - Billie Jean King defeated Bobby Riggs in straight sets 6-4, 6-3, 6-3 in a $100,000 winner-take-all tennis match.
- **1974** - Newspaper heiress Patricia Hearst was kidnapped in Berkeley, CA, by the Symbionese Liberation Army.
- **1975** - The South Vietnamese capital of Saigon fell to Communist forces.
- **1976** - The United States celebrated its Bicentennial.
- **1977** - Elvis Presley died at Graceland Mansion in Memphis, TN, at age 42.
- **1979** - The Camp David peace treaty was signed by Israeli Prime Minister Menachem Begin and Egyptian President Anwar Sadat at the White House.
The 1980s proved to be a mixed bag. Communism made way for democracy as joyful Germans danced on the wreckage of the Berlin Wall. Back home, as interest rates climbed, housing starts fell. This decade of dollars ushered in yuppies, car phones, the first Lotto millionaires, designer everything, and pyramid...
1980 was highlighted by the Company’s 75th anniversary. Local
and trade media alike reported on the celebrated achievement.

Gene Lynn saw the 75th Anniversary as the ideal opportunity to reconfirm the organization’s commitment to its tried and true business practices while preparing for the future. Addressing his staff, Mr. Lynn reiterated his desire to be the best underwriting organization and reminded everyone that the future was of unlimited potential.
schemes. Even though the game Trivial Pursuit was just introduced, the 1980s were sure to leave behind future answers with the likes of Rogaine and a host of acronyms, such as ABSCAM, that were brought into vogue.

The insurance industry saw its own changes through the decade. Recognizing the effectiveness of competition on insurance rates, states began to repeal laws requiring insurers to obtain prior approval from the state for their rates and to allow rates to be set more by market conditions than by regulatory influence. By the end of the 1980s, approximately 35 states had some form of competitive rate law in effect. This had its pros and cons for insurers in general, while Lumbermen’s Underwriting Alliance continued to prosper even in the ebb and flow of market conditions.

In January 1980, LUA observed its 75th anniversary. Marking the occasion, the Company hosted a diamond jubilee celebration in South Florida.

Preparing for the future while maintaining the sound customs of his predecessors, Gene Lynn was prompted to remind everyone at the 75th anniversary celebration:

Lumbermen’s Underwriting Alliance has had a spectacular growth rate, but it has never been at the expense of lowering our underwriting standards. My goal is one of long-standing—a desire to be the best underwriting organization. We don’t have to be the largest, but we constantly [have to] emphasize the need to provide a superior service if we are to solve the ever-changing and complex problems of the forest products.
industry. The future is what we make it and it is of unlimited potential.

Carrying on the long tradition of a family run operation, Gene Lynn introduced his wife Christine E. Lynn to the business in 1981. With her first profession as a registered nurse in Norway, Christine brought a refreshing perspective to her position at LUA as Vice President of Administration. Her natural approach to dealing with people in an open and caring manner, coupled with her rational management style, proved to be the perfect skill set for LUA.

During the mid-80s, all signs were pointing to a significant recovery for the lumber industry, which had been in a slump for some time. The price and demand for lumber was up sharply. Wholesalers and retailers were re-stocking historically low inventories. Interest rates were down dramatically. Inflationary pressures over overhead costs moderated to an acceptable level. Dismal prior years, however, had left their mark on the lumber industry. Owners’ equities shrank and debt grew. Cash flow restraints continued to be a significant problem for some time to come.

Recognizing subscribers' financial hardships, the Company approved the use of a new premium payment plan for all LUA policies. This “cash flow” plan allowed subscribers monthly premium payment privileges at no interest. This method, in turn, enabled subscribers to enjoy the immediate benefit of investing their own “unearned” premium dollars. With reduced sales opportunities, increased expenses and a record 20% Prime Rate, the forest products industry was being slowly strangled. Some firms had to face bankruptcy or sell out. It was LUA’s hope that this change in the “use of money” would help in some small way with subscribers’ overall cash flow problems.
...IN WITH THE NEW

With a recovering lumber industry emerging in the mid-80s, many of LUA’s subscribers took the opportunity to upgrade their operations; one of the prime areas for increased efficiencies was seen in planing mills. Implementing computerized automation for faster production, the trim saw pictured below, along with a connecting planer and an optimizer pictured at left, showcased the state-of-the-art technology for the decade in a renovated planing mill.
A big supporter of key Forest Products Industry trade associations, LUA has had a long tradition of sponsoring conventions, attending trade shows, and advertising in monthly magazines and annual directories, such as this ad that appeared in a 1987 issue of Florida Building Material Dealers Association magazine.
Slowly by the end of the decade, all signs pointed to a significant recovery for the lumber industry. Price and demand for lumber rose sharply and a building boom was in full swing. Wholesalers and retailers began restocking their historically low inventories. What was good for LUA’s subscribers was good for LUA itself.

Partnerships with industry trade associations flourished. LUA had always prided itself in supporting its subscribers and their endeavors through the various lumber industry organizations to which they belonged. The most important and influential associations in the industry thought extremely highly of LUA, partnering with the Company to provide unsurpassed loss prevention and protection to their members. National and international allegiances blossomed with organizations like the Canadian Lumbermen’s Association in Canada and the National Hardwood Lumber Association in the United States, while regional affiliations grew with groups like the Minnesota Timber Producers Association in the Great Lakes area, the Appalachian Hardwood Manufacturers, Inc. in the eastern U.S., and the Western Wood Products Association on the Pacific coast.

LUA earned its fair share of recognition and plaques from the trade associations over the years as it was acknowledged as the leader in providing lumbermen with quality insurance service and products tailor-made for each individual’s needs, decade after decade. What all of these relationships affirmed was that LUA was universally admired and respected as a standard bearer in the forest products industry for integrity, intelligence, and innovation.
The Company closed out the decade with Gene Lynn celebrating his 50th anniversary with LUA. Committed to the organization, its long-standing principles and its employees and subscribers alike, Gene Lynn announced that he would remain at the helm of the Company, foregoing traditional retirement. The LUA was his passion and would remain so to the end of the century.

### Timeline

<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
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<tbody>
<tr>
<td>1980</td>
<td>In a stunning upset, the United States Olympic hockey team defeated the Soviets at Lake Placid, N.Y., 4-to-3.</td>
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<td>1980</td>
<td>The Mount St. Helens volcano in Washington state exploded, leaving 57 people dead or missing.</td>
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<td>1981</td>
<td>Elizabeth Jordan Carr, the first American test-tube baby, was born in Norfolk, Va.</td>
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<td>1984</td>
<td>The Compact disc (CD) player was introduced.</td>
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<td>1984</td>
<td>More than 4,000 people died after a cloud of gas escaped from a pesticide plant operated by a Union Carbide subsidiary in Bhopal, India.</td>
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<td>1986</td>
<td>The space shuttle Challenger exploded 73 seconds after liftoff from Cape Canaveral, killing all seven crew members.</td>
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<tr>
<td>1986</td>
<td>The world’s worst nuclear accident occurred at the Chernobyl plant in the Soviet Union.</td>
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<td>1986</td>
<td>The experimental airplane Voyager completed the first non-stop, around-the-world flight without refueling.</td>
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<td>1988</td>
<td>A terrorist bomb exploded aboard a Pan Am Boeing 747 over Lockerbie, Scotland, killing 270 people.</td>
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<td>1989</td>
<td>Chinese army troops stormed Tiananmen Square in Beijing to crush the pro-democracy movement; hundreds – possibly thousands – of people died.</td>
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<td>1989</td>
<td>The United States launched Operation Just Cause, sending troops into Panama to topple the government of General Manuel Noriega.</td>
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The 1990s heralded the age of the Internet, cell phones, and digital everything. Violence became a regular topic of conversation from the riots in LA to actions in the Gulf War to school shootings. Terrorism struck home with the initial bombing of the garage beneath the U.S. World Trade Center and then there was the shock of the
bombing of the Alfred P. Murrah Federal Building in Oklahoma City. The much over-hyped Y2K scare gave the entire world even more to worry about. The insurance industry had its own tribulations to contend with, as well.

Insurance companies historically rely on investment income to make a profit, since premium alone is typically not adequate to pay claims. Investment income is used in calculating the rates necessary to meet claims obligations. Since the late 1980s, too much capital in the insurance industry resulted in a "soft market", as evidenced by highly competitive pricing for commercial insurance policies. By the mid 1990s, outstanding performance in the investment market created even more competition for premium dollars among insurance companies, driving the premiums down to even lower levels.


The headlines were hardly an exaggeration. Between September 1989 and September 1994, the world experienced at least 15 separate weather-related disasters in which financial losses exceeded $1 billion. Among the events that created the greatest alarms were Hurricane Andrew, the most damaging storm in U.S. history; two enormously destructive fires in California; and the worst flood ever seen on the Mississippi River. Many insurance companies were facing an unstable and questionable future, while

CHRISTINE E. LYNN

Born in Denmark, Christine E. Lynn studied in Norway to pursue a career in the medical industry. Her compassion and genuine interest in people prepared her well for work as a registered nurse. Furthering her education, Christine received training as a surgical nurse, building a strong foundation for a methodical approach to all facets of her professional life. In the late 1970s, while traveling overseas, Eugene Lynn met Christine. With a commonality about them that radiated, the couple married and began their life together in 1980. Serving not only as her husband and confidant, Gene Lynn was an outstanding mentor for Christine, quick to share his knowledge and passion for Lumbermen's Underwriting Alliance with her. She was welcomed into the family business as Vice President of Administration. In 1997, Christine was named Vice Chairman of the Board and Assistant CEO and in 1998 she assumed the full title Chairman of the Board and CEO. A strong believer in giving back to the community in which she and her employees work and live, Christine is a generous supporter of many educational and health-related institutions and causes throughout Florida.
A testimony of LUA’s financial strength throughout the years has always been its commitment to quickly and fairly settle subscribers’ claims, making it a priority to return operations to production and minimize hardships. This holds true for losses of all sizes: from several hundred thousand dollars to this $14 million loss that occurred in 1998.
the financially strong were quickly laying strategic plans to meet the challenges of the changing industry and prolonged soft market.

Lumbermen’s Underwriting Alliance was no exception. Executives and field representatives worked together to evaluate the current offerings of the Company. After much input and research LUA’s lines of coverage were revamped to meet the risk management requirements of this new business environment.

Breathing life into the traditional workers’ compensation line of coverage, LUA pioneered a large deductible workers’ compensation plan for large and safety-conscious subscribers in the early 1990s. Customers were able to select the deductible amount from a range available under LUA’s plan, along with the maximum outlay of expenses for medical and indemnity costs they were willing to absorb in one year. By participating in “first dollar” loss, customers reduced overall workers’ compensation expenses and gained better control of their cash flow. The large deductible plan was quickly recognized by many as an innovative policy and a viable alternative to self-insurance. Ever popular among appropriate risks, the large deductible plan is the crux of today’s workers’ compensation business.

In 1993, LUA introduced a new property policy written in simplified language to replace its standard Multi-Peril Policy. Called the Alliance Package (ALLPAC), the streamlined policy provided subscribers with broader coverage and automatic extensions of coverage with the option of additional limits. This tailor-made approach was eagerly welcomed by its subscribers and prospects alike.

Change was also happening within the leadership structure of LUA. Committed to carrying on the family tradition, Gene Lynn named his
already assumed the duties and responsibilities of Assistant Chief Executive Officer that same year.

It wasn’t all too long before the Company experienced a bittersweet time in November 1998 when longtime leader, mentor, and father-figure Gene Lynn announced his retirement from the organization. Mr. Lynn shared his news in a heartfelt message to the organization:

As you know, I celebrated my 80th birthday earlier this month and, again, I want to thank all of you for the wonderful cards and expressions of good wishes that I received.

As the saying goes, “there is a time for all seasons”. For me, it is now time to pursue my non-business interests and to – hopefully – enjoy my remaining years. It is also the time for our organization to have new, youthful and energetic leadership – qualities which Christine has demonstrated since becoming Assistant CEO and Vice Chairman of the Board. Therefore, with a great deal of pleasure and with the deepest sense of pride, I now announce to you that, effective with my retirement, which is today, Christine will now serve as Chairman of the Board of Directors and Chief Executive Officer.

I have every confidence that Christine will proudly carry on the Lynn name in our companies and will continue to follow the philosophy which began with my uncle, J.J. Lynn – which is to place honesty, loyalty, and willingness above everything else in business.

EDWARD H. MOSHER, JR.

Ed Mosher was born on June 12, 1950, in Acushnet, MA. The son of a career Air Force pilot whose many assignments required the family to relocate often, Ed attended 19 different schools over a 12-year period. His mobile childhood and teen years were the foundation for shaping his gregarious personality and self-confidence, quality traits he has relied on over the years as a successful manager and leader.

An insurance industry veteran, Ed has more than 26 years of experience in all facets of commercial property and casualty coverages. Continuing his tradition of not staying put, Ed has held many positions within the LUA starting as an Account Representative, proceeding through the ranks of Branch Manager, District Manager and Regional Vice President. He was named Chief Operating Officer in January 2000 and President in January 2003. During his tenure, he has gained firsthand experience of much of LUA’s geographic markets having worked in many of the United States’ major cities including, Richmond, VA; Chicago, IL; St. Louis, MO; Chicago, IL; Houston, TX; Atlanta, GA; Portland, OR; and Boca Raton, FL.

Ed is married and he and his wife Lillian have three teenage children.
Under Christine’s management, LUA’s visibility remained strong as a recognized leader of insurance in the forest products industry and other preferred risks. Her commitment to LUA was evidenced in her dedication to taking care of and servicing its customers first and foremost. Christine coupled this strategy with providing employees with the opportunities to continue their professional growth, sustaining a dynamic workforce. LUA, she noted, will only be as strong as its customers and employees combined.

Christine and the entire LUA family were met with sad times on November 28, 1999 when the Company’s beloved Chairman Emeritus Gene Lynn died following an unexpected complication after surgery.

As the Company prepared to enter the new century, there was an underlying grief in the air as everyone remembered Gene Lynn, the admirable and respected leader of the thousands of people he came in contact with during his 59 years of honorable service with LUA. His entrepreneurial spirit, praiseworthy work ethic and honest-to-goodness compassion touched the lives of so many – employees, subscribers, industry partners and community members alike.

CONTINUING THE LEGACY: 2000 AND BEYOND

With the dawn of a new century and after twelve years of “soft market” conditions, the insurance industry began to show signs of strain and there seemed to be pockets of activity within the marketplace that indicated that a change in the cycle might be near. As the investment market began to change, resulting in a lower rate of return for investors, insurance companies were beginning to increase rates and be more selective in the types of

A GUIDING FORCE OVER THE YEARS

From its inception in 1905 to the present day, LUA’s Advisory Committee, comprised of leading members of the Forest Products Industry, has provided the necessary support and insight for success during the decades of change in the business environment.

From left to right, Advisory Committee Member André Lemire of Lemire Lumber Co., Inc; Advisory Committee Member Len Barrett; LUA Senior Vice President Mike North; LUA Senior Vice President of Finance and CFO Bill Broich; LUA Advisory Committee Member Milton Cole of Cole Hardware, Inc.; Advisory Committee Member William Carden of Potomac Supply Corporation; Advisory Committee Member Gaston Malette of Malette International, Inc.; LUA President and COO Ed Mosher; Advisory Committee Chairman A. Milton Whiting of Kaibab Industries; Advisory Committee Member W.J. Wood of Tolleson Lumber Company, Inc.; LUA Chairman of the Board and CEO Christine Lynn; LUA Vice President and General Counsel Mindy Appel; LUA Senior Vice President of Agency Operations/Administration/Claims Jim Osterman; and Advisory Committee Member Richard Tinney of Washington Alder LLC – Cascade Hardwood LLC.

LEADING LUA INTO THE NEXT CENTURY

Standing, from left to right, Senior Vice President of Operations Mike North, Central Region Vice President Tim Hand, Senior Vice President of Agency Operations/Administration/Claims Jim Osterman, Eastern Region Vice President Angelo Ganguzza, Senior Vice President of Finance and CFO Bill Broich, Vice President of Governmental Affairs Scott Poole, Canadian Region Vice President Maurice Piché, and Western Region Vice President Jamie Trenter. Seated, from left to right, Vice President of Workers’ Compensation Claims Carol Salamida, President and Chief Operating Officer Ed Mosher, Chairman of the Board and Chief Executive Officer Christine Lynn, Assistant Chief Executive Officer and Executive Assistant to the Chairman of the Board Jan Carlsson, Vice President and General Counsel Mindy Appel and Vice Chairman of the Board Ron Blake. Not pictured Canadian Region Vice President Jacques Gagnon.
Just as LUA has evolved over the century, so too have its Subscribers. Potomac Supply Corporation, a family owned and operated company in Kinsale, VA, is a perfect example of today’s LUA subscriber. Potomac operates four manufacturing operations: a computerized sawmill, a high-speed planer mill, a pressure treating plant, and a highly automated facility for the manufacturing of industrial wooden pallets.
Jan Carlsson was born in Oslo, Norway in 1971. In 1990 he left his intended history and archeology studies at the University of Oslo for an opportunity to enroll at the College of Boca Raton (now Lynn University) to experience American culture while studying business administration. He quickly grew strong ties to both the United States and the local community and met his wife, Becky, while attending Lynn University. After graduation, Jan moved briefly to London, England, to pursue a business opportunity, before deciding Boca Raton had indeed become his permanent home and subsequently enrolled at the University of Miami in pursuit of his MBA. Jan graduated from the University of Miami in 1997, and spent the first 5 years of his professional career as a financial analyst for CDII, a global mergers and acquisitions consulting firm with offices in 42 countries. He left CDII as the Director of Central Services for the firm’s 12 North American offices in January 2002, when he joined LUA/USE as the Assistant to the President and COO.

risks they were willing to underwrite – the “hard market” was coming back.

This change in environment was quickly put on hold following the tragic terrorist acts of September 11, 2001. The World Trade Center catastrophe was easily the largest insurance claim event in history, with estimated claims totaling in excess of $40 billion. This devastating occurrence sent shock waves through the entire insurance industry, including the reinsurance market, and hastily sped up what was already happening in terms of rising prices.

LUA had to make some difficult decisions and the right decisions in order to survive in this new world order.

Christine Lynn assessed her management team and quickly recognized the need for a stronger vision, a vision that would be communicated throughout the Company, motivating staff to better utilize talents and skills.

In January 2000, Edward H. Mosher, Jr., was appointed Executive Vice President of LUA. Ed’s 26 years in the insurance industry and experience in a variety of positions and geographical regions of the Company served him well in this new position. He assembled a solid team of key executives and implemented an operating plan for the Company that, for the first time in many years, produced positive financial results. His hard work, insight and commitment were recognized in 2003 when Christine Lynn appointed Ed to the position of President and Chief Operating Officer. This was the first time in the Company’s history that someone other than a Lynn or a member of the family held that title.
Committed to upholding the long family tradition of strong leadership, Christine was proud to introduce her nephew Jan Carlsson to the Company in 2002, as Executive Assistant to Ed Mosher. Through hands-on experience, he rapidly gained a comprehensive understanding of the insurance industry and the particulars of LUA. Jan moved through the ranks to Vice President in 2003 and Assistant Chief Executive Officer and Executive Assistant to the Chairman of the Board and CEO in 2004.

THE NEXT CHAPTER

Celebrating a 100-year history is quite remarkable for any business. From the risk the original founders embraced at the turn of the 1900s to the volatility of both the insurance and forest products industries throughout the 20th century, this LUA milestone is extraordinary. Other companies have come and gone due to bankruptcies or mergers, sacrificing long-term success for short-term profit. Also, many companies cannot boast the fact that they have been guided by only four chief executive officers during the past 100 years, an asset which has allowed LUA to remain focused and consistent from decade to decade. Today’s executives attribute LUA’s long-term success to the development of this infrastructure that has provided subscribers with services and strategies they need from a partner who will be there for them whenever the need arises. Accepting risk and achieving rewards, the next chapter of LUA’s impressive legacy has begun. The second century of business holds much promise as LUA continues to achieve excellence in its industry.

Timeline

In 1990, West Germany and East Germany ended 45 years of postwar division, declaring the creation of a new unified country.

The first Gulf War began in 1990.

The Hubble space telescope is launched into orbit in 1990.

In 1992 the World Wide Web was introduced by Tim Berners-Lee. The first audio and video multicasts are broadcast over the Internet.

In 1992 Hurricane Andrew hits Florida, killing 14 and leaving 250,000 people homeless.

In 1992, Johnny Carson, after 30 years on the Tonight Show retires. America never got to see Johnny again until in 1998 when he was reported having heart trouble.

In 1995, 168 people, including 8 Federal Marshals, were killed in the bombing of a federal building in Oklahoma City.

In 1996, the summer Olympics took place in Atlanta, GA. USA’s women’s gymnastics team steals the gold.

In 1997, Diana, the Princess of Wales, was killed in an automobile accident in a tunnel by the Seine in Paris.

The science community made headlines in 1997 with the news of the first successful cloned sheep, Dolly.

In 1999, two troubled teens go on a shooting rampage at their high school in Columbine, CO, killing 12 students, one teacher and themselves.