

Bar President Writes Membership About Change in Liability Insurance Program Underwriter

November 6, 2000

Dear VSB Member:

Continuing the Virginia State Bar's commitment to serve its members and assist in meeting their insurance needs, it gives us great pleasure to announce that our Virginia State Bar Lawyers Professional Liability Insurance Program will be affiliated with and underwritten by ATTORNEYS LIABILITY PROTECTION SOCIETY, A Mutual Risk Retention Group, effective January 1, 2001. After considering a number of professional liability carriers, including the bar's present endorsed company, the Virginia State Bar chose ALPS for many reasons. Chief among these is ALPS' solid financial condition and rating, combined with its history as a company formed by attorneys for attorneys to provide superior service along with innovative products.

ALPS was formed in 1987 in response to an insurance crisis that found many lawyers unable to afford or even obtain professional liability insurance. Over the years, ALPS has grown and the company and its insureds have prospered to the point that it now enjoys an A- (excellent) rating with both AM Best and Standard and Poor's. ALPS currently does business in 22 states and is the bar-related carrier in a majority of those states. These include several states in the East with which you are familiar, such as South Carolina, Delaware, Vermont, and West Virginia. ALPS enjoys a 97% retention rate, which is virtually unheard of in the industry and appropriately reflects the quality care that ALPS provides to its insureds. We are confident you will be impressed by the individual service you will receive when you obtain or renew your policy with ALPS.

ALPS operates through service teams, composed of attorneys and insurance professionals who stand ready to provide quality and tailored service to you, beginning with your application or renewal. ALPS marketing and underwriting professionals will ensure that you receive the best coverage available at a fair price. ALPS claims attorneys are available 24 hours a day, seven days a week to provide you with courteous, expedient assistance. A claims attorney will work with you in selecting a quality Virginia attorney to handle your defense, should one be needed.

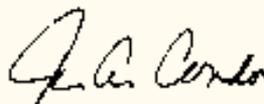
We know one question foremost in your mind is, "Well, that sounds nice, but how can an insurance company working from Montana really understand and serve my needs in Virginia?" The bar's Lawyer Malpractice Insurance Committee discussed this issue at length during its selection process, and ALPS has agreed it will have appropriate personnel on the ground in Virginia beginning this fall to get the program off to a great start. Moreover, ALPS will open a Virginia office within the first year of the new relationship. This office will be fully staffed, complete with claims attorneys admitted to practice here in Virginia. Additionally, our Lawyer Malpractice Insurance Committee will advise and consult with ALPS regularly. Finally, ALPS has a long history of commitment to continuing legal education and risk management services. ALPS' risk managers will be conducting regular CLEs in Virginia and look forward to providing many additional services to Virginia firms and individual attorneys.

We are confident that ALPS' superior service standards, combined with this special arrangement tailored to Virginia attorneys' professional liability insurance needs, will provide the best product and the best service to you. If you are an insured in the bar's previous endorsed program, ALPS will be sending your renewal documents and will be contacting you directly regarding your renewal application. This process can be greatly facilitated by your authorizing the release of your underwriting file by ANLIR to the bar solely for use by ALPS in giving you the best possible quote. If you are not presently an ANLIR insured, or if you have any questions about obtaining coverage, please do not hesitate to contact ALPS at (800) 367-2577 or on the Internet at www.alpsnet.com.

The Special Committee on Lawyer Malpractice Insurance has spent a great deal of time researching how we could improve our program. It has verified that ALPS' reputation is justified with bar leaders, defense counsel, and insureds in other states ALPS serves. We believe ALPS can clearly serve Virginia lawyers best and recommend you give them the opportunity to prove it with your firm's malpractice insurance coverage.

If you have any questions about the bar's decision to make this change from ANLIR to ALPS, or the rationale for it, please call me; Susan Pesner, Chair of the Lawyer Malpractice Insurance Committee, at 703-506-9440; or the bar's Executive Director, Tom Edmonds.

Very truly yours,



Joseph A. Condo