



# GLOBAL IMPACT



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## AMERICAN EXPORTS ARE VITAL TO ECONOMIC GROWTH AND STABILITY

*VARIOUS FEDERAL AGENCIES CAN HELP YOU*

Dear Friends:

*In our last issue of Global Impact, we pointed out where to look for growth in 2010 and beyond. In this issue, we'll help you get there.*

*International sales are an increasingly vital factor in U.S. and corporate growth. Several government programs can help you increase exports or begin the process (p1-2).*

*With the understanding that communications barriers boost costs and frustration, Great American is pleased to introduce its "Agent Portal." It will enhance communications and improve efficiencies—all while benefiting customers (p3).*

*The adage, "What you don't know can't hurt you," probably was never true. Great American's new technology—which can see behind walls—reveals risks before they become dangerous and costly (p4).*

*We hope you enjoy this issue and welcome your comments.*

Sincerely,

John A. Rowney  
Division President  
Ocean Marine Division

**U**.S. exports grew at an annual rate of 28 percent in the fourth quarter of 2009, the fastest increase and the largest contribution to economic growth in 30 years, according to the National Association of Manufacturers (NAM). This is good news since exports are increasingly important to future American economic growth and financial stability.

In fact, in his December 2009 testimony before Congress, Howard Rosen, Visiting Fellow at the Peterson Institute for International Economics, said, "There are several ways the United States can reduce its debt burden, but most of them will require enormous sacrifice on behalf of American workers and their families and will bring considerable damage to the U.S. economy. The only way out of the economic mess we currently find ourselves in, without causing more damage at home and abroad, is to significantly increase U.S. exports." He continued, "Exporting is no longer just an option for the U.S. economy; it is imperative."

With the understanding that exports are vital, in January, President Obama announced the National Export Initiative and the ambitious goal of doubling exports in five years. Although foreign

sales increased toward the end of 2009, total exports of goods and services last year fell to \$1.55 trillion, down from \$1.83 trillion in 2008. However, prior to the recession, U.S. exports doubled—but this occurred over the lengthy period of 2000 to 2008.

### IMPORTANT STEPS TO TAKE

Stated by NAM Vice President of International Economic Affairs Frank Vargo, "We appreciate the \$80 million budget increase for export promotion... But achieving a goal of doubling America's exports in five years is going to require much more than export promotion. The goal is equivalent to a 15 percent increase in exports every year for the next five years—one that can only be reached by major policy changes."

Vargo recommends the following steps:

1. Send Congress the pending bilateral trade agreements with Colombia, Korea and Panama.
2. Complete negotiations for a Trans Pacific trade agreement and other new agreements as well as the Doha Round.
3. Modernize the obsolete export controls system.

Vargo said "U.S. export competitiveness also depends on a dollar that is fairly-valued." Additionally, he noted, the United States has the second highest

corporate tax rate among major industrial countries. “Reducing the U.S. corporate income tax to match the average of other industrial countries could boost GDP by \$375.5 billion in the next decade, enabling U.S. companies to be more competitive in global export markets while creating 350,000 manufacturing jobs.”

#### **FEDERAL PROGRAMS CAN HELP**

According to analysts, each dollar invested in the Small Business Administration’s export finance program or the Department of Commerce’s export promotion program has resulted in hundreds of dollars in export sales. In fact, some estimates are as high as \$500 per invested dollar. Of course, some programs are more popular and helpful than others. For your benefit, several are outlined below.

#### **DEPARTMENT OF COMMERCE**

The International Trade Administration (ITA), a division of the Department of Commerce, is one of the best agencies that provides a multitude of resources for U.S. exporters interested in penetrating new markets. ITA units include trade specialists in 107 U.S. Export Assistance Centers and 150 overseas offices, industry experts, market and economic analysts, market access experts, and import policy and trade compliance analysts who enforce trade laws and agreements that provide remedies to domestic industries injured by unfair import competition. Visit [www.export.gov](http://www.export.gov) or call 1-800-USA TRADE (800-872-8723) for more information.

#### **SMALL BUSINESS ADMINISTRATION**

The Office of International Trade (OIT), a division of the SBA, works with other federal agencies and public and private-sector organizations to encourage small businesses to expand export activities, as well as assists small businesses seeking to export. OIT directs and coordinates the SBA’s export finance and export development assistance. OIT outreach



efforts include regional cooperative relationships with small business government agencies in various countries. In addition, OIT develops “how-to” and market-specific publications for exporters, including *Breaking into the Trade Game: A Small Business Guide To Exporting*. To obtain this guide and other helpful information, or to learn about the SBA’s export loan programs, visit [www.sba.gov/international](http://www.sba.gov/international) or call (202) 205-6720.

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#### **DEPARTMENT OF AGRICULTURE**

The Foreign Agricultural Service (FAS) of the U.S. Department of Agriculture (USDA) works to improve foreign market access for U.S. products, build new markets, increase the competitive position of U.S. agriculture in the global marketplace, and provide food aid and technical assistance to foreign countries.

With a global network of 98 overseas offices covering more than 130 countries worldwide, FAS has the primary responsibility for USDA’s international activities, including market development, trade agreements and negotiations, and collection and analysis of statistics and market information. For more details, call [www.fas.usda.gov](http://www.fas.usda.gov) or FAS’s Office of Trade

Programs at (202) 690-3576.

#### **DEPARTMENT OF STATE**

In addition to advancing U.S. economic policy interests abroad, the State Department’s foreign service officers (FSOs) provide political and economic briefings and advise U.S. firms on the business culture and practices of the host country. Importantly, they advocate on behalf of U.S. businesses with key ministries in for-

foreign countries. Plus, FSOs are responsible for commercial work in more than 100 countries not covered by the U.S. Commercial Service. For more details, call (202) 647-1625, visit the Office of Commercial and Business Affairs at [www.state.gov/traveland-business](http://www.state.gov/traveland-business) or learn about U.S. embassies at [www.usembassy.gov](http://www.usembassy.gov).

#### **FEW COMPANIES CURRENTLY EXPORT**

According to Rosen, only four percent of U.S. companies export and 85 percent trade with only one partner. To benefit the United States’ economy, as well as profit in next decade and beyond, American firms need to expand internationally. Taking advantages of programs offered by the federal government are a great step in achieving global success. ■

# TO ENHANCE COMMUNICATIONS, GREAT AMERICAN ANNOUNCES ITS “AGENT PORTAL”

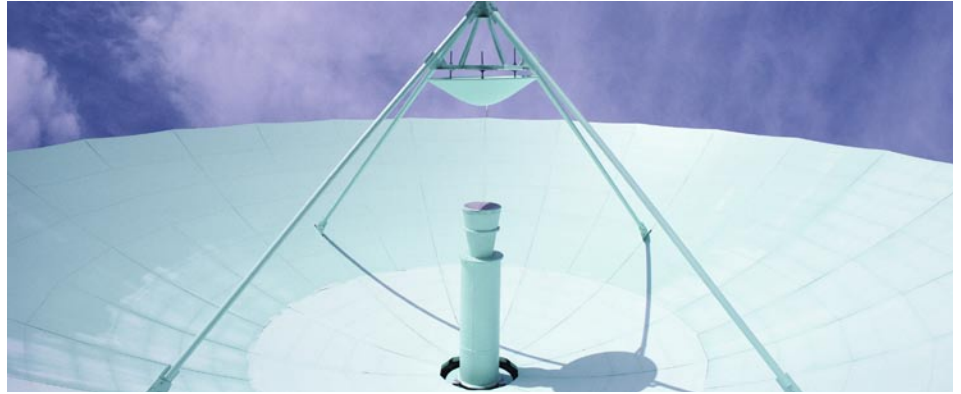
*GREATER EFFICIENCIES KEEP COSTS AND PREMIUMS LOWER AND OUR LEVEL OF COMPETITIVENESS HIGHER*

Inefficient communications across all industries is a costly problem. In fact, according to a 2009 global study sponsored by Siemens Enterprise Communications, a division of Siemens AG, “On average, 70 percent of employee respondents of small and medium businesses with up to 400 employees said they spend 17.5 hours each week addressing the pain points caused by communications barriers and latencies.” In order of unnecessary expenses, the report says the top five pain points—that impact companies of all sizes—include inefficient coordination, waiting for information, unwanted communications, customer complaints, and barriers to communication.

Many of the problems are incurred within companies. Thus, “Sixty-eight percent of respondents have trouble coordinating communications among team members, affecting their ability to respond quickly to time-sensitive customer requests,” the report continues. This “slows the realization of goals and deadlines.” But that’s not all. According to the report, “68 percent of respondents said they experience work delays while waiting for information from others that they have attempted to reach multiple times using multiple methods. The average delay is 3.5 hours per week per knowledge worker. This is a considerable amount of time to spend before making progress on a particular task, which could negatively affect critical business processes.”

## INSURANCE ALSO IMPACTED

Like all industries, the insurance sector has experienced similar problems. And like all industries, this has added costs, as well as a level of frustration.



What’s more, communications among agents, underwriters and others regarding customer accounts, policies, billing,

and closed claims, and the amounts paid out, among many other details,” Prusko said. “Plus, agents can com-

**A Siemens global study says 68 percent of respondents have trouble coordinating communications among team members, affecting their ability to respond quickly to time-sensitive customer requests. Our new “Agent Portal” ensures this doesn’t occur at Great American.**

and claims has become more sophisticated, and in turn, more complex. And this can present additional problems.

## A SINGLE POINT OF INFORMATION

With an understanding of the problems caused by inefficient communications, Great American Insurance Group has always tried to stay ahead of the curve, implementing new technologies and strategies to simplify procedures and enhance communications whenever possible. The development of Agent Portal is another big step in that direction, said Lisa Prusko, Application Manager and Agent Portal Project Manager. “Agent Portal shows the status of policies, billing details and commission reports, open

plete applications and submit them with one click. And users can easily obtain contact details on every office and claims manager.” In addition, she said, “agents can email underwriters directly, along with questions. They can even attach policy pages, claims, submissions or billing information. The Agent Portal is an excellent a one-stop shop.”

## IMPROVING GREAT AMERICAN BUSINESS

Agent Portal will save valuable time and simplify the business process. Plus, it will boost efficiencies enabling Great American to increase its level of competitiveness while reducing costs. In turn, this will allow savings to be passed onto our customers. ■

# GREAT AMERICAN'S NEW THERMAL IMAGING SERVICES CAN REVEAL RISKS BEFORE THEY BECOME COSTLY

## WHAT'S BEHIND YOUR WALLS?

The adage, "What you don't know can't hurt you," was probably never true. In fact, in today's complex world, it's downright dangerous. At Great American Insurance, we believe in the power of knowledge—especially when it comes to reducing risks.

Like a burning cigarette flicked next to a marina gas pump, some risks are obvious. But many are not. For example, faulty fuses, loose connections and overloaded circuits behind walls in marinas, warehouses and foundries can become hazardous, leading to deadly fires. In fact, according to Fabricators and Manufacturers Association, "Insurance industry loss statistics indicate that more than 30 percent of all fire losses are electrical in origin, resulting in electrical failures being the single most likely cause for industrial insurance claims. And more important to the small-business owner, even if an electrical failure doesn't cause a fire, it can result in equipment breakdown and productivity loss."

### GREAT AMERICAN INFRARED TECHNOLOGY AVAILABLE

Dangerous wiring, corroded circuits and other heat-related hazards behind walls are virtually impossible to detect without the use of infrared technology. As a result, the Great American Loss Prevention team

recently announced the availability of its new thermal imaging services. The sophisticated equipment can see and identify hazards behind walls before they become dangerous and costly.

### HOW IT WORKS

All objects emit thermal energy (heat) in the form of electromagnetic radiation. The hotter the object observed, the more intense the infrared radiation emitted. As a result, thermal imaging allows objects behind walls to

become visible, enabling early detection of problem areas. The procedure, which is similar to snapping a photo, is non-invasive, non-destructive and can be completed quickly. Additionally, it does not require the shutdown of equipment that could force costly work stoppages. What's more, the lifespan of capital equipment and other assets can be lengthened.

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**"Few competitors offer this service. And fewer offer it in-house. As a result, those who wanted to utilize this technology typically had to hire an outside consultant at considerable expense."**

outside consultant at considerable expense. For Great American customers, we provide this service for free," says Jim Matthews, Divisional Senior Vice President of Loss Prevention. "Our goal is to help customers reduce risks and raise profits. Our new in-house thermal imaging services, along with our other loss prevention strategies, enable us to achieve this."

For more information on our thermal imaging services, contact Jim Matthews at [jmatthews@gaic.com](mailto:jmatthews@gaic.com) or (513) 412-4094. ■

For more information on how we can help your business stay profitable, contact your agent or **Ed Wilmot** at (212) 510-0135 and [ewilmot@gaic.com](mailto:ewilmot@gaic.com)

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