

Case Studies in Agency Financing

Case #4: New Day Takes A Fresh Approach

Summary: *Jeff Lejfer, a specialist in environmental and construction risks, has always been detail oriented when it comes to operating efficiency, in his career with insurance carriers and with his specialty firm. When InsurBanc offered banking products and services targeted to the insurance industry, Lejfer took a look—and became a believer in partnering with a financial services firm that specializes in insurance agencies.*

Over a 30-year career, Lejfer has built a broad knowledge base in assessing risk and protecting clients in the areas of environmental insurance and construction-related professional liability. His team of New Jersey-based insurance professionals at New Day Underwriting Managers LLC works nationally with a growing number of insurance agencies—adding 10 in 2010, upping the total to 50 brokers.

New Day works in tandem—Lejfer calls it “co-brokering”—with those brokers to manage environmental exposures (in commercial real estate, manufacturing, environmental consulting and transportation) and construction related professional liability (for contractors, developers, owners, architects, and engineers).

“What we’re selling to our broker customers is our intellectual capital and our ability to get an optimal solution for a risk,” declared Lejfer, “as opposed to getting access to an insurance market.”

“We are philosophical partners with retail brokers, and we work more like a consultant in analyzing



risk, making underwriting submissions to carriers, and recommending coverages and markets,” Lejfer explained.

“What we’re selling is that we save time and money for retail brokers” who are dealing with complex risks. New Day offers the broker “a significant enhancement, since we give them the capabilities and expertise that the large national [brokerage] houses have on staff,” Lejfer added.

Lejfer—an insurance executive who managed operations and underwriting as president of XL Programs and spent a dozen years with environmental insurance pioneer XL Environmental/ ECS Underwriting—formed New Day Underwriting Managers in 2005 with two partners.

Along with his expertise, Lejfer brought from the corporate world a keen focus on operating efficiency. Even in his firm’s first year in 2005, he instilled big-firm discipline in everything from business processes to presentations to



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Owner's Profile

Who: Jefferey S. Lejfer, CPCU, President and Founder, New Day Underwriting Managers LLC

What: Growing his specialty insurance firm and making it run more efficiently and effectively.

How: For his insurance firm focusing on environmental and construction-related professional liability coverages, Lejfer turned to InsurBanc for online banking to process premiums more efficiently and lending products to support his growth ambitions—and because its philosophy and specialty matched well with his firm and his broker partners.

information technology to the telephone system. He still personally reviews, for example, every line of the customer service surveys his firm conducts.

With his eye for expertise and efficiency, Lejfer appreciated InsurBanc's service philosophy and its focus on knowing insurance distribution business models. InsurBanc, he said, "understands the insurance business. Their clients—-independent agents—are my clients."

Lejfer has freed up time by working with InsurBanc. Lejfer was hampered by another banker's inability to understand the business practices of the insurance industry. "When I went for a line of credit to a local bank, I was asked to put up a fiduciary account as collateral. The banker did not even know that was not my money. They just did not understand the financial statements of an insurance agency," Lejfer recounted.

InsurBanc provides New Day Underwriting Managers with a line of credit for working capital and cash management products for its deposit relationship. New Day takes advantage of InsurBanc's suite of online banking tools, including electronic bill pay and remote deposit. Lejfer's keen desire to use technology to enhance

relationships and create efficiencies is illustrated by his investment in a Web-based video telephone system that lets him work, virtually, face to face with broker partners around the country.

InsurBanc backs up its expertise with efficiency of its own, Lejfer pointed out. "We've been using online banking since day one with InsurBanc," he recounted, explaining that tight timeframes for accepting premiums and binding policies make remote deposit a competitive advantage. "We've been paperless since day one, too. We felt that was the only way to create efficiency, and we would not be able to operate as well as we have without technology. That's allowed us to be successful in our business."

"It's been a good switch," he said of working with InsurBanc. "We're all talking the same language. It's been beneficial to have our own banker."

"I look at it as a long-term partnership," similar to New Day's relationships with agent partners, Lejfer reported. "Even for a small company like myself, having that relationship with InsurBanc for the long term and having them understand my business and the challenges I go through" is beneficial.



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