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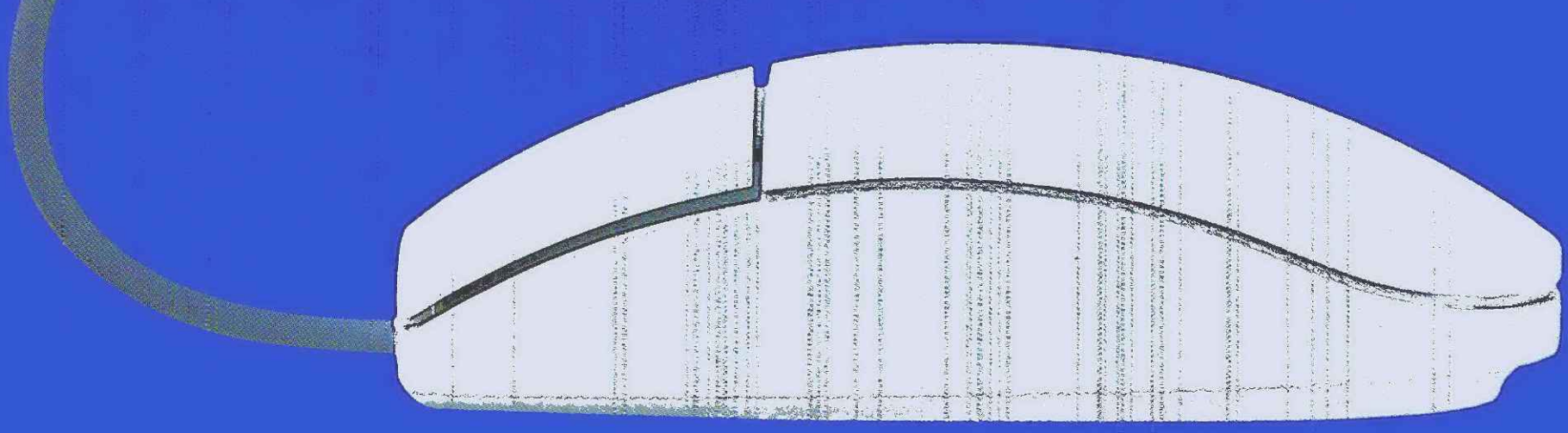
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NEWSPAPER

Conference preview inside

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Updates

American Home Products' diet drug settlement to proceed

MADISON, N.J.—American Home Products will proceed with the settlement of its diet drug suits, after the vast majority of plaintiffs chose to participate, the company has announced.

People who took the company's withdrawn diet drugs, including Redux and Pondimin, had until March 30 to notify the company if they did not want to participate in the structured settlement reached last year. American Home said that only 45,000 people have opted out of the settlement, less than 1% of the

See **Updates** *on next page*

Aetna to alter embattled practices

By MICHAEL PRINCE

AUSTIN, Texas—Aetna U.S. Healthcare Inc.'s agreement to change its business practices in Texas may signal continued erosion of the influence of managed care plans, which could lead to higher health care costs for employers.

Health maintenance organizations in recent years have been hit by a consumer and provider backlash, increasing litigation and state and federal patient rights legislation, all of which are prompting changes in managed care.

Aetna last week agreed to change its business practices in Texas to settle a lawsuit filed against it and other HMOs by the state's attorney general. In addition to establishing an ombudsperson to help members resolve consumer complaints, Aetna agreed to eliminate provisions in provider contracts that allegedly gave doctors financial incentives to deny treatment. The company will pay no money to resolve the suit.

This agreement is the latest episode in an ongoing reshaping of the managed care industry, said Ken Jacobsen, national health practice leader for The Segal Co. in Atlanta. Aetna's move is part of



a continued swing "back away from managed care, back to less-managed medicine," he said. "It's a whittling away of managed care."

The reduced power of managed care companies may enable providers to command higher payments for their services, he noted. Until recently, managed care companies have been able to keep increases in provider reimbursement in check. Now that managed care's power is waning, however, health care prices may spike up, Mr. Jacobsen explained.

"There is no question costs will increase as restrictions are loosened," he said.

The settlement eliminates Aetna from a suit filed in late 1998 by the Texas attorney general against a total of six leading HMOs, three of which were Aetna plans. The suit alleges they provided bonuses to doctors who kept treatment costs below a set figure while penalizing those who exceeded the figure (*BI*, Dec. 21, 1998). Aetna is the first HMO to settle the suit. Remaining in the action are PacifiCare of Texas Inc., Humana Health Plan of Texas Inc. and NYLCare Health Plans' Texas operations.

Texas Attorney General John Cornyn hailed the agreement as a win for both consumers and health care providers.

"Especially important are the provisions ensuring that any financial incentives to doctors do

See **Aetna** *on page 37*

Insurers stymied in managing enterprise risk

By RODD ZOLKOS

A new study shows that insurance company executives believe enterprise risk management will help them improve their own companies' performance, but they are widely dissatisfied with their progress toward addressing risk on an enterprisewide basis.

Respondents to the Tillinghast-Towers Perrin survey of insurers were particularly displeased with their companies' progress toward managing operational risks. Many also indicated that their companies were not doing a good job of prioritizing risks or optimizing business and risk management strategies based on risk/return requirements.

And, though they stressed the value of establishing a framework to guide their companies' risk and capital management activities, many indicated the lack of such a framework at their companies.

"These companies are less disappointed in their ability to get their arms around operational risks than they are dissatisfied in the current tools and techniques to do it," said Jerry Miccolis, the Parsippany, N.J.-based Tillinghast-Towers Perrin principal who conducted the survey.

"I think that dissatisfaction comes from the fact that they're so well equipped on the financial side," Mr. Miccolis said. Given the extent of the tools and techniques available to their companies to address financial risks, the executives surveyed won't be satisfied until they can address their operational risks "with the same level of rigor," he said.

'Dissatisfaction comes from the fact that they are so well equipped on the financial side,' says Jerry Miccolis.

The survey findings are based on responses from 66 chief financial officers, chief actuaries or chief risk officers whose companies are in major markets worldwide.

Respondents ranked in order of importance the top five issues their companies face today as: earnings growth, revenue growth, return on capital, expense control/reduction and competitive risks.

And 80% of those responding indicated they believe enterprise risk management will help them address the top issue before their companies—earnings growth.

"Clearly it's a clear line of

See **Enterprise** *on page 47*

NARAB deadline at issue

States assure Senate

By MARK A. HOFMANN

WASHINGTON—A Senate banking panel plans to review states' progress in enacting uniform and reciprocal insurance producer licensing laws sometime next year.

Members of the Securities Subcommittee of the Senate Committee on Banking, Housing and Urban Affairs appeared somewhat skeptical last week of the expectations of a state lawmaker and a state regulator that enough states will adopt the required laws by November 2002 to prevent the creation of a new entity, the National Assn. of Registered Agents & Brokers, to set national standards for producer licensing.

The financial services modernization act signed into law last November requires that 29 states adopt either uniform non-resident licensing laws or laws granting reciprocity in non-resident licensing within three years of the law's enactment or the National Assn. of Insurance Commissioners would have to put



Sen. Grams

NARAB into place within two years.

Subcommittee Chairman Rod Grams, R-Minn., said "when we passed this bill last November, three years" seemed like a long time.

But now, nearly six months later, only Kentucky legislators have approved complying legislation, the senator noted.

Clare Farragher, president of the Albany, N.Y.-based National Conference of Insurance Legislators, assured members of the Senate panel that several other states would follow

See **NARAB** *on page 14*

Court pressed to clarify claims on lost policies

By ROBERTO CENICEROS

LOS ANGELES—A California dispute over product liability coverage under a lost general liability insurance policy from nearly 50 years ago may have far-reaching ramifications in other disputes.

Nazi Holocaust and Armenian genocide survivors are among a diverse group of parties that have filed amicus briefs urging the California Supreme Court to review a lower court decision that barred coverage in the case.

At issue in that decision was an effort to use secondary evidence to establish the existence of a lost liability insurance policy.

The California Court of Appeal, 2nd Appellate District, ruled Jan. 25 in *Dart Industries Inc. vs. Commercial Union Insurance Co.* that while it is possible to prove the contents of a lost policy through secondary evidence, the policyholder had failed to do so. Dart Industries had demanded defense and indemnity against product liability lawsuits that it maintained should have been covered by Commercial Union under a lost comprehensive general liability policy that had been in effect from 1946 to 1951, according to court records.

Since that ruling, several parties—including insurance regulators and business groups, in addition to genocide survivors—now want the high court to weigh in on the case, to more clearly set the rules for such situations.

Some of these parties argue that the appellate court's decision sets new, higher standards for policyholders to obtain coverage using secondary evidence. Whereas policyholders generally have been able to use secondary evidence to support their claims, the appellate decision will force a policyholder to provide specific coverage language or specific terms and conditions as proof of a lost or destroyed policy, they maintain.

"In essence, the court of appeal has significantly narrowed the rule that secondary evidence suffices to prove the terms of a lost document," the Sacramento-based California Manufacturers

See **Lost** *on page 40*

Updates

Diet drug settlement to proceed

Continued from previous page
estimated 5.8 million users of the diet drugs. These people are now free to sue American Home. The company had the option to cancel the settlement if too many people refused to participate (*BI* Oct. 11, 1999).

"The number of opt-outs is well within the expected range for a nationwide settlement of this magnitude and the company is confident that it can continue to manage this level of opt-outs," Louis Hoynes, general counsel for American Home, said in a written statement.

The company also said it still expects the $4.75 billion reserve charge made last year will cover settlement costs. American Home has no insurance to cover those costs.

A hearing is scheduled for May 2 before U.S. District Court Judge Louis Bechtle to approve the settlement.

IRB auction value changed again

RIO DE JANEIRO, Brazil—The minimum bid for the 45% of IRB Brasil Resseguros S.A. that is due to be sold fluctuated last week after a miscalculation in the amount of tax the reinsurer owed was detected, a Brazilian insurance regulator said.

The minimum bid in the auction, due to take place April 25, will now be 502 million reals ($282.7 million), said Jose Almeida, general coordinator for reinsurance at SUSEP, the Brazilian insurance regulator.

Last week, the price for IRB shares had been lowered to 482.6 million reals from 519.3 million reals (to $271.8 million from $292.4 million) to compensate for outstanding tax payments owed by IRB, he said.

A miscalculation in the tax evaluation was discovered, however, leading to the new minimum bid, Mr. Almeida said.

Five groups are expected to bid for the IRB: Munich Reinsurance Co.; Swiss Reinsurance Co.; Transatlantic Reinsurance Co.; Bradesco Seguros, a Brazilian insurer; and an investment group led by Banco Opportunity, a Brazilian bank.

Cat losses total $1.71 billion

NEW YORK—Catastrophes caused an estimated $1.71 billion in insured property damage during the first three months of this year, according to the Property Claim Services unit of the Insurance Services Office Inc.

Texas suffered more than half of the damage—$990 million—due, in part, to a series of tornadoes that struck Fort Worth and other areas of the state late last month (*BI*, April 3). Louisiana, Kentucky, Georgia, Massachusetts and North Carolina also each sustained at least $40 million in insured property damage.

The $1.71 billion insured losses during the first quarter represent a slight decrease from the $1.85 billion sustained during the same period of 1999. Nevertheless, the first quarter of this year ranks as the fifth worst, in terms of insured property damage, since 1990. The worst on record is the first quarter of 1994, with insured property damage of about $14.5 billion, stemming largely from an earthquake that struck Los Angeles.

Maine considers drug-price caps

AUGUSTA, Maine—The Maine Legislature was expected to give final approval late last week to a bill that would cap prices for prescription drugs sold in the state.

The bill now moves to Gov. Angus King, who has not said whether he supports the legislation. The bill, if enacted, would establish a drug pricing board to examine drug prices from around the world and set a maximum price for each prescription drug. The state would then work with drug makers to implement strategies to bring drug prices in line with the limits. But if that cannot be done, the board will impose its prices on Oct. 1, 2001. This price cannot exceed the prices for the drugs sold in Canada.

Many residents of Maine travel to Canada to buy their prescription drugs, where prices are about 30-70% lower than in the state. Others lack the money to pay for their prescription drugs, prompting the legislative action, said Allison Lazos, legislative aide to state Sen. Chellie Pingree, the bill's sponsor and Senate majority leader.

Gov. King has 10 days to sign or veto the bill. If he takes no action it becomes law.

JLT attracts four IRMG execs

LONDON—Jardine Lloyd Thompson Group P.L.C. has lured away several senior managers from captive manager International Risk Management Group as part of its strategy to bolster its captive management services worldwide.

A JLT spokesman in London said the broker expects to announce soon the details of its plans for expanding captive management operations.

Paul Bailie, president of International Risk Management (Bermuda) Ltd., which is the largest of IRMG's captive management operations in terms of the number of captives managed, left to head JLT's captive management operations in Bermuda. He has been replaced by his deputy, Brian Durrant.

JLT owns Triangle Insurance Management Ltd. in Bermuda, which currently operates as an independent captive manager, Mr. Bailie said.

Triangle will be "rebranded" as part of the planned global JLT captive management group and will seek to sign up large corporate captives in addition to the small and medium-sized captives that make up its existing book of business, he said.

Continued on page 38

Errors & omissions

- Due to inaccurate information supplied to *Business Insurance*, the listing for Risk Management Consulting Associates Inc. in the April 3 Directory of Risk Management Consultants provided an incorrect figure for its number of clients. Risk Management Consulting Associates had 40 clients in 1999.

Aide resigns amid fund controversy

Quackenbush under fire

By ROBERTO CENICEROS

SACRAMENTO, Calif.—A top aide to Insurance Commissioner Chuck Quackenbush resigned last week amid growing controversy over the handling of a foundation created by the commissioner with fines paid by insurers.

Questions about the foundation, though, are the latest in a string of inquiries and allegations dogging California's elected commissioner.

The Department Of Insurance issued a statement Friday from Deputy Commissioner George Grays, who said his resignation was effective immediately as his continued service would distract Mr. Quackenbush from serving consumers.


Mr. Quackenbush

Mr. Gray's resignation followed allegations in the Los Angeles Times that he controlled the California Research & Assistance Fund, a foundation created by Mr. Quackenbush to assist earthquake victims. The fund was financed by fines paid by insurers for alleged mishandling of claims stemming from the 1994 Northridge earthquake.

Consumer groups and lawmakers are questioning whether the foundation's funds have been properly used to help earthquake victims, as well as whether the original fines against insurers were large enough.

See **Funds** *on page 36*

Steinberg sells assets

Proceeds from sale of personal items not for Reliance

NEW YORK—Reliance Group Holdings Inc. Chairman Saul P. Steinberg may stand to gain more than $100 million from the recent sale of his Manhattan apartment and the upcoming sale of an extensive collection of art and antiques.

Mr. Steinberg, who stepped down as the New York-based insurer's chief executive officer last month, sold his 34-room Park Avenue apartment in March for between $30 million and $40 million.

He also plans to sell a collection of 61 old-master paintings valued at $52 million and auction antique furniture and decorative objects valued at another $14 million.

Mr. Steinberg will not be plowing the proceeds of the sales into the struggling Reliance as part of its recapitalization plan, a Reliance spokesman suggested. Instead, Mr. Steinberg decided to sell for personal reasons that have "nothing to do with Reliance," the spokesman said.

The insurer recently sold its profitable surety unit and revamped its top management as part of an effort to bolster its capital and turn around its remaining business (*BI*, March 6).

The efforts haven't helped Reliance's stock, though, which dropped below $3 a share on Friday after hitting a 52-week high of nearly $11 a share last summer. The plummeting share price cuts the value of Mr. Steinberg's reported 36.2 million Reliance shares to approximately $100 million.

Mr. Steinberg's 19,000-square-foot Park Avenue apartment, once owned by John D. Rockefeller Jr., features five master bedrooms, a gym, billiard room and screening room, and carries a monthly maintenance charge of $23,000, according to news reports. Mr. Steinberg and his family have lived in the apartment since 1971, when he bought it for $285,000.

The buyer, who paid a record price for a New York apartment, was Stephen Schwarzman, president of Blackstone Group, a New York investment firm.

—By Douglas McLeod

Panel to view e-commerce

CHICAGO—E-commerce, a topic on the minds of most business executives, will be the focus of this year's Harold H. Hines Jr. Memorial Symposium.

Four panelists representing insurance, risk management, law and information technology will discuss "E-Commerce: Corporate Minefield or Department Gold Mine?" at the annual symposium being held May 23 at the Union League Club of Chicago.

The symposium is held in memory of the former president and chief executive officer of Rollins Burdick Hunter Co., now Aon Group Inc. Mr. Hines, who died in 1984, served in the insurance and risk management industry for nearly 30 years.

The event is presented by the Chicago Chapter of the Risk & Insurance Management Society Inc., the Insurance School of Chicago and *Business Insurance*.

Panelists for the symposium are: John A. Childers, a vp at Johnson & Bell Ltd. in Chicago, where he practices defense law; Thomas Cornwell, a vp of Chubb & Son Inc. in Warren, N.J., who is responsible for the Chubb's worldwide electronics and information technology business; Daniel M. Harris, an information security specialist in Owings Mill, Md., for Aon Corp.; and Pamela Rogers, director of risk management at Sears, Roebuck & Co. in Hoffman Estates, Ill.



Assembly for the May 23 symposium will begin at 3 p.m., with the event starting at 3:30. A reception will follow at 5:30.

There is no charge to attend the symposium, but preregistration is requested. To attend, contact the Insurance School of Chicago, 330 S. Wells St., Suite 300, Chicago, Ill, 60606; 312-427-2520. BI

Inside

- The free ride the Federal Emergency Management Assn. gives to public entities must end, this week's editorial says. **PAGE 8**
- Those employers that focus on instilling in the workplace a sense of respect for their workers are becoming employers of choice. **PAGE 16**
- Lloyd's, the International Underwriting Assn. and the Lloyd's Insurance Brokers Committee announced what they herald as radical proposals to reform the London market. **PAGE 29**
- Multinational companies should be adopting human rights policies as part of their risk management and business strategies, according to the United Nations' top human rights official. **PAGE 29**
- Editor Paul D. Winston revisits the sovereign state of his garage. **PAGE 37**

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New online tool targets loss costs

By SALLY ROBERTS

PORTLAND, Ore.—Safety management is going virtual.

RiskNetWorldwide.com, a wholly owned subsidiary of Aon Corp., is attempting to reduce employers' worksite injury losses and loss costs using a new online tool.

Via this new subscription-based online product, Safetylogic, a safety manager can communicate safety issues in real time with remote locations and can track such information as whether safety meetings or self-inspections have been conducted or whether safety concerns have been addressed. The password-protected, encrypted Web site also can be used to gather, distribute and archive safety management information.

As corporations reduce safety staff, it becomes increasingly difficult for safety and risk managers in large companies with multiple locations to monitor whether each company location is in sync with corporate directives, said Peter Johnson, president and chief executive officer of Portland, Ore.-based RiskNet.

"This gives them the tool to do their job," Mr. Johnson said. The overall goal, however, "is to reduce losses and reduce loss costs."

If Safetylogic is as successful as its predecessor, that should be no problem.

Safetylogic developed out of a faxing service Mr. Johnson provided hospitality clients during the 1990s while working in the Portland office of Aon Risk Services. As part of that service, Mr. Johnson would fax his clients safety meeting topics and checklists for safety inspections, among other items. Each of the client's locations would then fax back the minutes from safety meetings as well as the completed checklists. Aon would then compile all the information into a database and provide quarterly reports to the corporate risk managers, allowing the client to track safety efforts being conducted all over their company.

"Clients became dependent on that" ability, Mr. Johnson said. Managers were being rated based on their safety activity as reflected in the reports prepared by Aon. It was, however, a time-consuming and expensive endeavor for the broker.

The Internet changed all that.

In 1997, with the financial backing of Aon, RiskNet was

See **RiskNet** *on page 38*

Negligence suit upheld against insurance auditor

By JUDY GREENWALD

LOS ANGELES—In a decision described by some as significant and potentially influential, a California appellate court has ruled the insurance commissioner can pursue a professional negligence claim against an insolvent insurer's auditor.

The auditor argued that the commissioner, as a third party, had no standing to sue it for alleged negligence in its audit of the failed insurer. The court disagreed, however, noting that the California insurance code permits such suits.

Some attorneys contend, however, that the April 6 decision by the state appellate court in Los Angeles in *Chuck Quackenbush vs. the Superior Court of Los Angeles County* is only a partial victory for Mr. Quackenbush, as it allows him to pursue these claims only after a company has already been taken over by the Insurance Department.

The focus of the case is Irvine, Calif.-based Cal-American Insurance Co., a personal automobile insurer that was put into conservatorship and then liquidation by the Insurance Department in 1993.

According to Oldwick, N.J.-based A.M. Best Co., the insurer, which wrote $11.7 million in net



premiums in 1992, had conducted transactions with affiliated companies and was underreserved. Arthur Andersen L.L.P. had audited Cal-Insurance in 1990 and 1991, according to the decision.

The decision says an earlier ruling by the appellate court on the issue of whether Mr. Quackenbush can pursue a claim against Arthur Andersen failed to take into account the state insurance code.

In its latest decision, which partially overturns a lower court ruling, the court held that Mr. Quackenbush can file suit against Arthur Andersen under Section 1037 of the California Insurance Code, which states the commissioner has the exclusive authority as liquidator to pursue suits "for the purpose of collecting debts and claims due to the liquidated insurance company."

It follows, the court reasons, that the commissioner "has standing to pursue Cal-American's auditor negligence claim against (Arthur Andersen) for damage to Cal-American and its estate."

According to the decision, though, Mr. Quackenbush cannot otherwise pursue a claim as a third party. It quotes a 1992 California Supreme Court decision in *Biley vs. Arthur Young & Co.*, which states an auditor's potential liability "does not extend to the entire universe of third persons that might possibly read an audit report."

Attorneys involved in the case

See **Ruling** *on page 6*



PHOTO: REUTERS

A tornado that struck Fort Worth, Texas, last month also damaged semi-trailers at a Montgomery Ward distribution center.

Twister loss $445M

FORT WORTH, Texas—Insured damage from storms that blew through central Texas in late March are expected to reach an estimated $445 million, according to the Insurance Services Office Inc.

One tornado, which primarily hit downtown Fort Worth, and hailstorms and high winds across the state as far as San Antonio, resulted in 95,000 insurance claims. Of those claims, 30,000 were for personal property, 15,000 were for commercial damage and 15,000 were for automobile losses, according to New York-based ISO.

The twister blew out windows in several high-rise office buildings in downtown Fort Worth, forcing the closure of the area until city workers could remove the threat of falling glass (*BI*, April 3).

Most claims from the tornado and storms were for roof and structural damage to buildings, homes and automobiles, an ISO spokesman said.

According to ISO's first-quarter catastrophe analysis, Texas had a total of $990 million in insured property damage during the period.

The Fort Worth event was assigned catastrophe number 17 by Property Claim Services, a division of ISO. PCS assigns a catastrophe number when insured losses are expected to exceed $25 million.

—By Lee Fletcher

Regulators pressing insurers

Help on Holocaust claims

By MEG FLETCHER

Regulatory efforts to notify potential claimants of Holocaust-era insurance policies appear to be gaining ground, as several thousand policyholders' names are being reviewed and posted on various Internet Web sites.

The pace of progress is erratic, though, because litigation has been filed or threatened in a few states and possible regulatory sanctions might impede the ability of some insurers to provide coverage in the United States.

Lists of potentially unpaid life, education or dowry policyholders between 1920 and 1945 have been assembled from a variety of sources, including public archives and several individual insurers or insurer groups.

Various lists are available on several Web sites, including one sponsored by the International Commission on Holocaust Era Insurance Claims (www.icheic.org), as well as Web sites sponsored by the insurance departments of California (www.insurance.ca.gov) and Washington state (www.insurance.wa.gov).

For example, the Dutch Insurance Assn.—on behalf of member companies AEGON N.V., Fortis and ING Groep N.V.—has submitted a list of more than 1,000 policyholders to the California and Washington insurance departments. It also has submitted a proposal to join the ICHEIC, if it would permit claims against the Dutch insurers to be paid directly from an existing Dutch foundation rather than requiring funds to be placed with the commission.

In addition, an unidentified British insurer that operated branches in Poland prior to the 1939 Nazi invasion has turned some records over to Washington's Insurance Department.

Several other state insurance departments also have been participating in the Holocaust outreach effort, including New York's, where residents have received 70 offers from insurers totaling more than $500,000.

"The listing of policyholders is a crucial development in finally bringing a measure of justice to Holocaust survivors and their heirs," said Catherine J. Weatherford, executive vp and chief executive officer of the National Assn. of Insurance Commissioners.

See **Claims** *on page 38*

Wanted: Part-time benefits

To attract talent, employers offer scaled-down coverage

By LEE FLETCHER

As flexible work arrangements and part-time employees become a more integral part of the U.S. workforce, employers may expand their benefits to attract and retain these workers.

Often, though, employees who work a limited number of hours are ineligible for health care and other benefits under standard programs. As a result, some employers have been offering these workers scaled-down health care benefits, while at least one company provides to its part-time workers the same benefits plan it makes available to full-time employees.

"Tapping into the part-time market is a big issue now with such a low unemployment rate," said Veronica M. Hellwig, a senior consultant with Watson Wyatt Worldwide in Wellesley Hills, Mass.



According to Ms. Hellwig, part-time work is "especially an issue with people who aren't fully committed to working full-time in their typical working years, like females who want to stay home and take care of their children. Then there's a whole new group—early retirees. They're trying to figure out a way to keep themselves busy."

Health care coverage is increasingly being offered as a benefit for part-time employees, whether the coverage is available through a company's regular plan or through newer, limited-benefit plans, she said.

Ms. Hellwig noted that some employees who would prefer to have part-time schedules stay on as full-time workers simply to

See **Part-time** *on next page*

Part-time

Continued from previous page
maintain their health care benefits.

"Employers need to evaluate whether to offer health care benefits to part-time employees, especially if that's the main reason employees are staying with the company on a full-time basis," Ms. Hellwig said.

In February 1999, American Heritage Life Insurance Co., based in Jacksonville, Fla., began to offer employers a "mini-medical plan" that targets such workers.

Aaron D. Lesher, national product director for AHL, said, "We started to hear from some of our customers who had blocks of employees that weren't eligible for their major medical coverage but they wanted to offer them something. Usually, they were the lower-paid, entry-level part-time worker."

Mr. Lesher said that all of AHL's major medical plans are custom fit for the groups they work with.

"We said, why not build a product that's geared toward those part-time entry-level workers? There's a big need out there, and a lot of the major insurance companies have never focused on it," he said.

He said the plan is designed to cover routine medical care. "We're talking about $5,000 or $10,000 a year in coverage. We're not going to have the transplants covered under this plan."

Mr. Lesher said that 61 large employers, each with more than 30,000 employees, use AHL's mini-medical plan. The plan does not contain a preferred provider network, he said, noting that there is less of an opportunity for savings at the level of care covered.

"Instead of trying to tweak our major medical plans, we took a bottom-up approach. We instituted a $15 copay for doctor visits, but we took out the network component. You have several thousand dollars a year you can use toward your medical coverage. It's almost a throwback to the basic medical programs from years ago," Mr. Lesher said.

While the limits of coverage offered may seem low, Mr. Lesher said it is important for employers considering the AHL plan to step back and look at the plan from the perspective of their employees.

"This is for the one out of five working Americans that have nothing right now. It gives them that first step to enter the private health care market. This gives them that ticket to present their plan (at a doctor's office) in a very professional manner," he said.

Thomas Emerick, vp of benefits for Wal-Mart Stores Inc., based in Bentonville, Ark., said about 92% of its employees are hourly and all have access to the company's unlimited self-insured indemnity plan. "About 40% of the people who enrolled with us did not have coverage before. We like the feature of taking care of people very well. Some other insurance programs (for part-time workers) have lifetime limits of $100,000, $250,000, $500,000. We have quite a number of people every year who go over those numbers, and we're very proud of that. That's what we believe health insurance is for," Mr. Emerick said.

Wal-Mart has never offered scaled-down coverage "because it doesn't take care of people when they really need it. We're afraid that people will think that they have real health insurance when they really don't," he said.

Mr. Lesher emphasized the need to look at the member population when creating and purchasing a plan.

"The trick is to have a plan that's very usable for the member. When you're looking at your part-time entry-level worker and you're rolling out a medical plan to them—usually it's the first medical insurance that they've ever had—it's got to be easy to use," Mr. Lesher said.

Watson Wyatt's Ms. Hellwig said a less-comprehensive plan is "better than nothing." "You're offering low-income folks the opportunity to have some coverage," she said.

An alternative to scaled-down health plans is to offer part-time employees the same benefit plan offered to full-time employees but with one major difference—a much-higher contribution level, she said.

"For the most part, based on research that we've done, if a program is offered to those employees, it's a program that's similar to what is offered to the full-time employees, it's just on a higher contribution level," Ms. Hellwig said.

She emphasized that an employer should examine the needs and wants of its employees when determining which type of health plan to use. "A 17-year-old college student isn't going to be interested in what a 55-year-old semi-retiree is," she said. "You have to make sure you're not throwing money down the wrong hole." BI



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Opinions

Sharing the catastrophe risk

THE FREE RIDE for public entities should end. Many public entities are taking unfair advantage of flaws in the federal disaster relief program. Under the current program, the Federal Emergency Management Assn. advances local governments money to pay for the majority of losses to public property after disasters occur. There is no prior assessment of an entity's ability to finance the loss itself, no differentiation among risks and no consideration of an entity's risk management efforts.

Such a system is basically a handout. And that discourages local governments from taking any responsibility for disaster loss prevention and mitigation. This unfair system must change.

Thankfully, FEMA recognizes that its program is being abused and has recommended several proposals designed to make local governments share some of the cost of and responsibility for losses. These proposals are a good first step for reforming the way local governments finance and manage their risks, but more can be done.

As we reported recently, FEMA is seeking comments on proposals to shift more responsibility for disaster risk to local governments. FEMA is considering three options:

- Making the repair or replacement of public buildings ineligible for disaster relief.
- Making the repair or replacement of public buildings eligible for disaster relief only if the buildings were insured at the time of disaster.
- Leaving the current system of eligibility unchanged.

We do not support the first option, as there are many valid situations where federal assistance will prove crucial to restoring local governments after a disaster. In addition to scenarios in which disaster strikes unexpectedly, some areas of the country have known catastrophe exposures far greater than the ability of local entities to retain that risk.

The third option, the status quo, also is unacceptable, as it would perpetuate the unfair situation that exists today.

Private entities do not enjoy this same degree of federal assistance for disaster losses. In addition, taxpayers should not have to subsidize public entities that made no effort to avoid those losses.

That leaves the middle option: Requiring public entities to purchase property insurance.

This proposal is attractive for several reasons. First, it would expose public entities to a proper, risk-sensitive underwriting of their exposure. The high cost of insurance



would provide a powerful incentive for local governments to try to minimize their exposures—something the FEMA program lacks.

It is also attractive because FEMA's relief would be at an excess level. This would assure that the government is not bailing out first-dollar losses, providing relief solely for true catastrophic losses.

There are flaws in the proposal, however. Requiring entities to purchase insurance is too simplistic and ignores the many other risk financing options available today, including self-insurance. FEMA should therefore set some minimum threshold to be borne by a local entity, leaving it to the entity's discretion whether to transfer this risk to insurers or retain it.

The proposal also does nothing to make FEMA's program more risk sensitive. Its one-size-fits-all approach does not suit the regional and local nature of many natural catastrophe risks. Why should an entity along California's San Andreas Fault pay the same as one in the middle of Wyoming?

FEMA is heading in the right direction. We encourage it to continue down this road but recognize that there are more than three paths to reforming the current system.

Letters

Closing tax loophole levels the field

To the editor: We are writing to express our disappointment and surprise at Kathryn J. McIntyre's commentary appearing in recent issues of *Business Insurance.*

We're disappointed because her attack was launched without first extending the courtesy of listening to our side of the story directly. We're surprised by her analysis, which seems to recognize that there is a tax advantage for foreign-owned insurers in the U.S. market but severely criticizes us for attempting to level the playing field.

Your news article by Gavin Souter was well balanced, but Ms. McIntyre's commentary is decidedly one sided. First, she seems to agree, "The tax advantage is easy to understand: To the extent that a Bermuda-based company reinsures the business of its U.S. subsidiaries, the loss reserves held in Bermuda grow tax-free." But then her discussion of ceding commission and the 1% excise tax seems to imply that this tax advantage might not actually exist. Of course, the public statements and SEC filings of the inverting companies contradict this notion.

She then criticizes our attempts to level this advantage by asking where we would stop. Just because we cannot completely immediately fix an entire problem does not mean that we should not take steps to fix what we can.

The intent is to level the playing field without intruding on tax treaties, and the legislation introduced does, in fact, extend beyond Bermuda to any tax haven.

Ms. McIntyre contends that advocating this tax reform legislation is tantamount to protectionism and inconsistent with our advocacy of free trade.

On the contrary, it is wholly consistent. The object of free trade is to level the playing field among countries by removing artificially imposed elements that favor one country over another. In most cases, protectionist laws favor domestic companies over foreign companies. In the case of this tax loophole, however, U.S. law provides an unintended artificial tax advantage to foreign-owned companies, which gives them an unfair advantage over U.S.-owned companies in our own market. It's reverse protectionism, it was never intended by the government, it robs U.S. taxpayers, and it should be ended.

Ms. McIntyre also says risk managers are unhappy that we are attempting to eliminate their ability to benefit from this price break by doing business with the Bermuda companies. With all due respect to our customers, we think, in the long run, this situation will result in higher rates, when U.S.-owned companies are weakened by the unfair disadvantage and the foreign-owned companies raise rates in the face of the weakened competition. Either that or we will all be forced to level the playing field by moving offshore. A market that is all offshore and outside the U.S. regulatory system should be a matter of grave concern to U.S. risk managers. You might pay a little less now but you'll pay a lot more later.

Finally, she quotes anonymous risk managers who are angry about not being able to place coverage with U.S. companies in certain tough markets. Our legislative proposal does not affect business written in Bermuda; it concerns business written in the U.S. under U.S. regulations. Bermuda capacity is

See **Letters** *on page 12*

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Letters

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not affected and, indeed, as she points out, some of the companies advocating the legislation have captive Bermuda subsidiaries that provide such capacity. This argument is irrelevant to the issue at hand, which concerns business written by U.S. subsidiaries of foreign-based companies, which is then ceded to the foreign companies to avoid tax on the investment income.

It is ludicrous for U.S. tax law to favor foreign companies over U.S. companies with a tax advantage in our own market. A level playing field, not a protectionist advantage, is what we want, and it will benefit our customers as well.

Dean R. O'Hare
Chairman
Chubb Corp.
Warren, N.J.

P/C health depends on rate hikes

To the editor: I am writing to express my concerns with a recent *Business Insurance* editorial titled "Up the Ante on Rate Hikes." Despite what the editorial asserts—that risk managers should "consider calling insurers' bluff" before agreeing to pay higher rates for property/casualty coverage—I see an industry that is at a critical juncture, thanks, in large part, to inadequate rates over the past several years.

I feel that *BI* is setting unrealistic expectations for risk managers regarding rate hikes. Here are some thoughts to consider:

- In 1999, five more property/casualty insurance companies closed up shop. Perhaps even more telling is that four property/casualty insurers have changed chief executive officers in the past nine months.
- The editorial states that the "industry can continue to provide insurance on favorable terms to companies whose loss exposures do not otherwise warrant rate hikes." Of course, this violates the basic insurance principle of the law of large numbers and the fact that history can't definitively tell you about an insured's future losses.
- Poor rates have been posted for too many years in too many areas. On the property side, for instance, the industry has posted an underwriting loss and a 100-plus combined ratio for 10 of the past 11 years, according to A.M. Best Co. Rate increases are one solution to this ongoing problem.
- Industrywide, we're finding that underwriters are seeking rate increases on their entire commercial books of business. In addition, insurers are exercising greater caution when underwriting new accounts. The emphasis is now on long-term viability and operating efficiency, not cash flow or market share.

Yes, as the editorial states, the industry has not been beset with Y2K losses, though it is too early to tell what the misguided sue-and-labor cases will bring. We are also working on many levels to boost efficiencies and lower costs by using the Internet as a marketing tool.

But to ensure a healthy insurance marketplace that fosters competition, rates need to go up.

For the long term, that's the best thing for the insurance companies and the customers they serve.

Rob Fishman
CEO, Diversified Products
Zurich U.S.
Schaumburg, Ill.

Standard benefit is limiting

To the editor: Chairman Mao would be proud of *Business Insurance*'s April 3 editorial, "Customization's Downside," praising standardization of benefit plans sold via the Sageo e-commerce venture.

Chairman Mao was a big fan of standardization. Everyone wore the same clothing, cars were all the same color, etc. Chairman Mao would echo *BI*'s sentiments about it being easier. However, my reaction (despite recognizing the superficial efficiencies) was that "standardization" is a short-sighted strategy. The reasoning seemed to be that standardization would be easier for those of us supplying coverages and services. Who's speaking up for the customer?

In virtually every segment of business and society, increased "choice" is the byword. So, why would the insurance industry be running in the opposite direction?

There is a lesson insurers should note. In the past 20 years, third-party administration firms administering custom-designed self-funded plans have grown many thousands of percent (how many thousands of percent depends on how you want to count). What has been the secret of their success? Personalization, personalization, personalization! It is like asking whether the customer would like a custom-made suit or a one-size-fits-all number off the rack.

TPAs have recognized that without personalization, the market dies. One big reason is that personalization allows employers to get the most bang for the buck. Employers will resent paying rising insurance costs for "standard" coverages that include pieces they don't want or need and lack pieces they would prefer. That's why so many employers have abandoned the mandate-laden state-regulated insurance market.

Workers and individual insureds will be the angriest. With copayments increasing rapidly, individuals are shouldering more and more of the cost of their health coverage. So, if you think employers will resent paying tax-deductible dollars for "standard" benefits they didn't want, imagine the reaction of individuals forced to spend their after-tax copay money for what they consider unneeded coverage, when they would rather have some personalized package of benefits.

"Standardization" is a lazy short cut that will simply stir up more resentment against the private insurance and employee benefit community. The biggest cost savings from standardization would be the tens of thousands of consultants put out of work. After all, *BI* describes a scenario in which there's no need for a consultant's advice.

Frederick D. Hunt Jr.
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NARAB

Continued from page 1

Kentucky's lead this year. "I am here to tell you that the states will do it within the three-year deadline set by Congress," said Ms. Farragher, who also is deputy speaker of the New Jersey General Assembly.

"State legislators are discontent with the NARAB provision. In the next two and half years, they will continue to push for legislation in their states that would provide for more efficient agent and producer licensing. Today, they are well on their way in this endeavor," she said.

Iowa Insurance Commissioner Terri Vaughan, who chairs the National Assn. of Insurance Commissioners' Financial Services Modernization Working Group on NARAB, also predicted that enough states would meet the deadline to render NARAB moot, as the NAIC would like to see happen.

"Let me start by saying the NAIC and state insurance regulators wholeheartedly support the licensing goals endorsed by Congress in NARAB," said Ms. Vaughan.

"We do not, however, support the creation of NARAB itself as a separate organization. We believe NARAB would cast a cloud of uncertainty over the legal authority of state insurance departments to protect consumers throughout the United States. If NARAB were to prevent states from exercising their full range of powers to regulate insurance for the benefit of consumers, there would be nobody to perform this vital function," she said.

The NAIC has already issued a statement of intent in support of streamlined agency licensing and has adopted a "Producer Licensing Model Act" containing reciprocity provisions to bring states into compliance with the financial services modernization act's requirements. The NAIC also has instructed its Insurance Regulatory Information Network to develop recommendations for streamlined national producer licensing.

The NAIC and state regulators are 'well on the way to doing far more than Congress or industry representatives have asked us to do,' says Terri Vaughan.

"The NAIC and state insurance regulators are well on the way to implementing the NARAB provisions," said Ms. Vaughan, adding that "we are also well on the way to doing far more than Congress or industry representatives have asked us to do regarding uniformity, efficiency and modernization." She said that regulators would need help from other state officials, the insurance industry and Congress to complete the job.

Representatives of producer groups also expressed some optimism that the states would be able to finish the job but added that merely enacting legislation in 29 states would not be sufficient reform.

The current system is "out of bounds," presenting producers with expenses that don't benefit customers, said Robert A. Gleason Jr., chairman and chief executive officer of the Gleason Agency Inc. in Johnstown, Pa., and chairman of the Washington-based Council of Insurance Agents & Brokers.

Current state licensing barriers to out-of-state agents are "unacceptable," he said.

Both Mr. Gleason and Ronald A. Smith—president of Rochester, Ind.-based Smith, Sawyer & Smith Inc. and a past president of the Alexandria, Va.-based Independent Insurance Agents of America—expressed concern that some state legislatures wouldn't move quickly in hopes that enough others would approve the required legislation to avoid NARAB.

Mr. Gleason added, though, that states that don't adopt the legislation eventually could find themselves at a competitive disadvantage.

"I think 29 is a number that can be accomplished by the NAIC," said Mr. Smith, but he added that he would be disappointed if the effort ended there.

Members of the Senate subcommittee, while stressing their support of state insurance regulation, appeared skeptical of the states' ability to move quickly enough.

Sen. Jim Bunning, R-Ky., noted that passage of a financial services modernization bill had taken nearly 30 years. "We seriously doubt" the states can meet the deadline, he said.

"It sounds like you've got a long ways yet to go," said Sen. Wayne Allard, R-Colo.

Sen. Grams told Ms. Farragher and Ms. Vaughan that the panel was already planning to have them testify again next year about the progress states had made in meeting the deadline.

"It was clear to us last fall" that meeting the deadline would require a "considerable amount of cooperation" among the interested parties, said Sen. Grams. In fact, NARAB may prove to be the most difficult provision of the financial services modernization bill to enact, he said. BI

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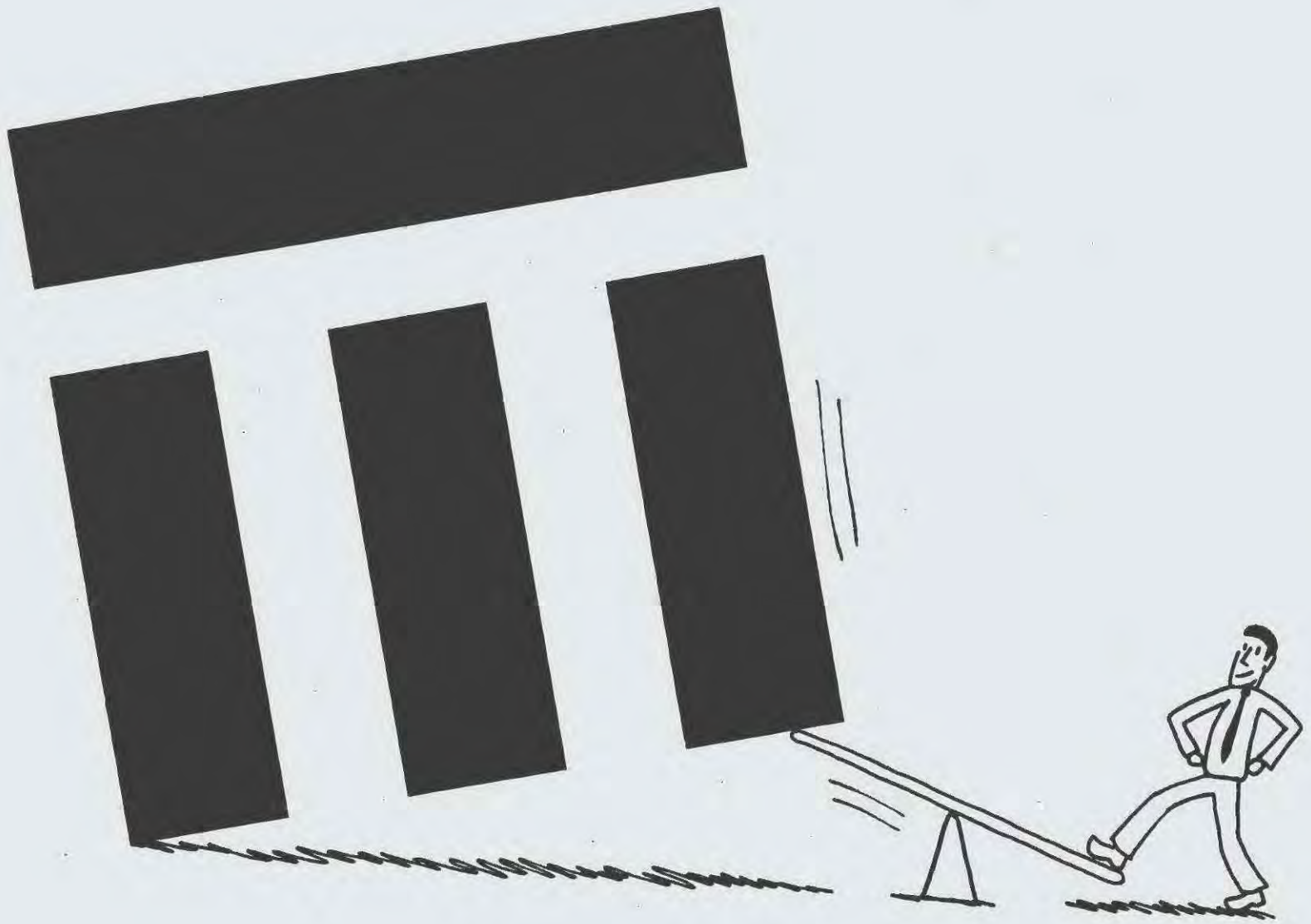
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Management of Capital and Risk

Respect for employees seen as key to retention

By MICHAEL PRINCE

NEW YORK—More and more, those employers that focus on infusing the workplace with a sense of values that employees share are becoming the employers of choice.

An atmosphere of employer respect for employees and other intangible benefits have become vital to attracting and retaining employees, said Alice Campbell, director of work/life initiatives at Baxter Healthcare Corp. in Deerfield, Ill.

Sharing core values connects an employer to its workers and counts a lot when trying to retain employees. For example, Ms. Campbell said that she considers respect in the workplace to be a significant work/life issue; when people are treated poorly at work, she said, those bad feelings carry over to their home lives. Ms. Campbell spoke at a conference last month about work/life programs sponsored by The Conference Board and the Families & Work Institute.

Placing a priority on treating people equitably, another core value, helps employers to establish respect. An atmosphere of inequitable treatment, where some people are made to feel they are not being treated as well as others, hurts the employer's effort to convey respect, she said. And a workplace where people aren't treated with dignity, such as where there is a lack of politeness, hurts morale.

In general, recognizing the whole person—looking at the person not just as a worker but as someone who also has personal interests—is important in building a better workplace.

'You don't want to just bring them in the front door and have them go out the back door,' says Douglas Lennick.

"In recognizing the whole person, you can more fully engage them in the workplace," Ms. Campbell said.

And this recognition cannot be sporadic. Employers need to recognize the whole person on a constant, day-to-day basis, she said.

A company that doesn't respect the whole person won't be competitive in the future, said Steve McMahon, senior vp-human resources at Autodesk Inc. in San Rafael, Calif.

"It's about having a good business plan and motivating your employees," Mr. McMahon said. "It's not about doing a nice thing."

Although a company must recruit employees to grow, it's even better to retain them, said Douglas Lennick, executive vp with American Express Financial Advisors Inc. in Minneapolis.

"You don't want to just bring them in the front door and have them go out the back door," Mr. Lennick said.

One means of retaining employees that he has used with success is to have employees ask themselves what they want. Giving employees what they desire is fine, as long as those benefits are in keeping with the values of the organization, said Mr. Lennick.

Each organization must assess its specific needs and create programs that address them, Mr. McMahon said.

For example, he said, his organization has no onsite day care centers, because it has no locations with enough employees for the centers to make financial sense.

Underlying any program, Mr. McMahon said, lie three fundamental principles: flexibility, learning opportunities and outlets for stress.

Try to create flexibility whenever it "is legal, moral and ethical," he advised.

As the work force changes, employers must learn how to attract and retain workers from a wide variety of backgrounds and within a wide age range. Flexibility means "not just flexible in time but flexible in all policies you have," Mr. McMahon said.

Despite some employers' concerns, flexible work schedules are rarely abused by employees, he said. In fact, employees often are more attracted to employers that allow some flexibility.

Employers should also create constant opportunities for learning, Mr. McMahon said. One option is to provide a wide variety of learning options for employees and let them decide which of those to choose.

Also, he said, many organizational structures are relatively flat, with few places for upward advancement. In such organizations, it may make sense to give employees new tools and move them to different departments to provide opportunities to learn and stay mentally fresh.

When employees learn, the job ceases to be stale, Mr. Lennick noted.

In addition, employers need to provide tools so employees can learn skills that are not taught in schools, Mr. McMahon said.

Finally, employers need to give employees the means to relieve stress throughout the day. His company has meditation rooms, but Mr. McMahon stressed that the rooms were only one of many needed means to accomplish this task. What is key, he said, is that stress relief not be only periodic, or in a big splash. "It has to be built into every hour, every day, every week." BI



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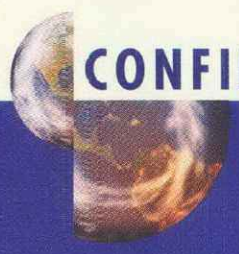
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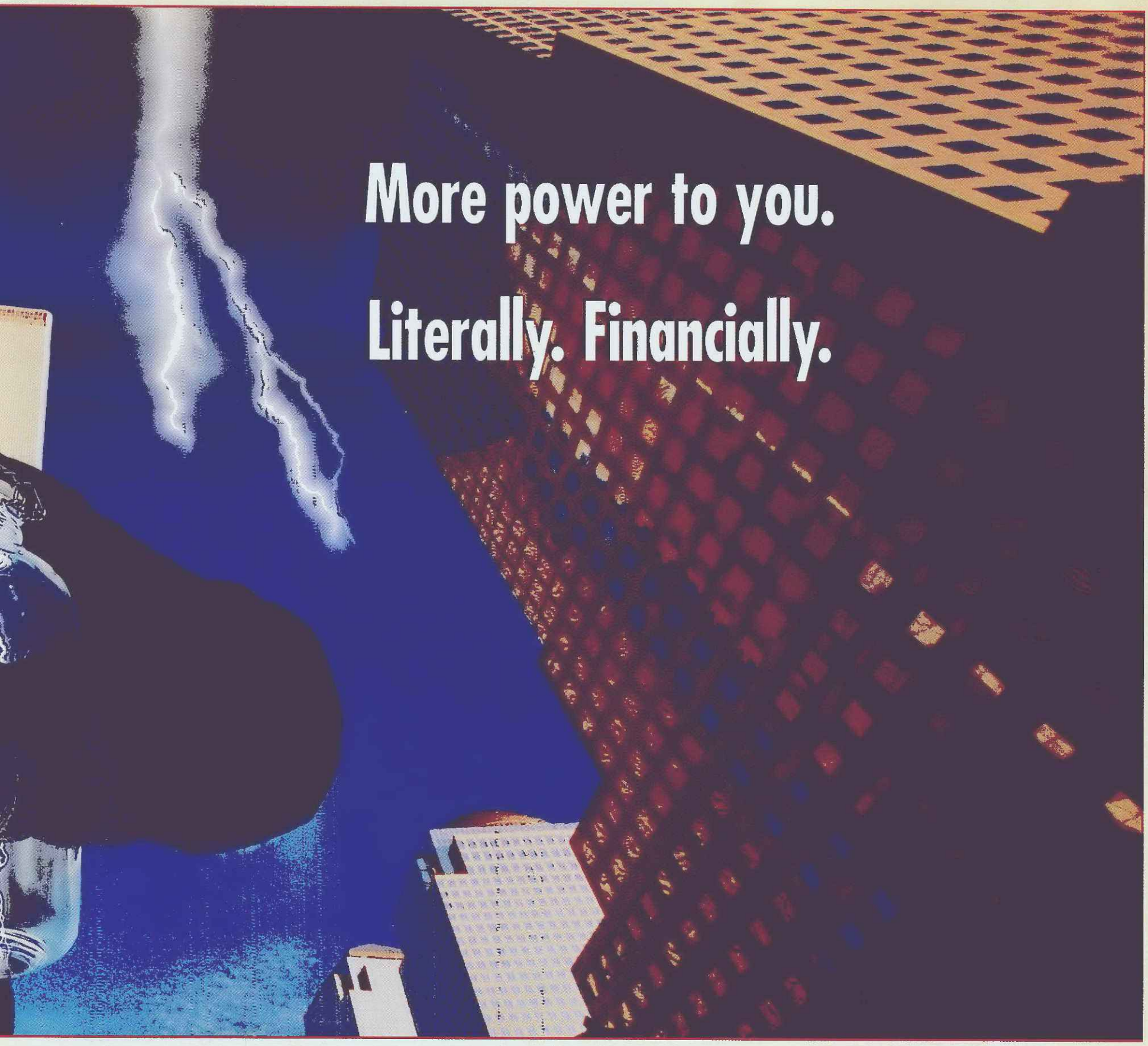
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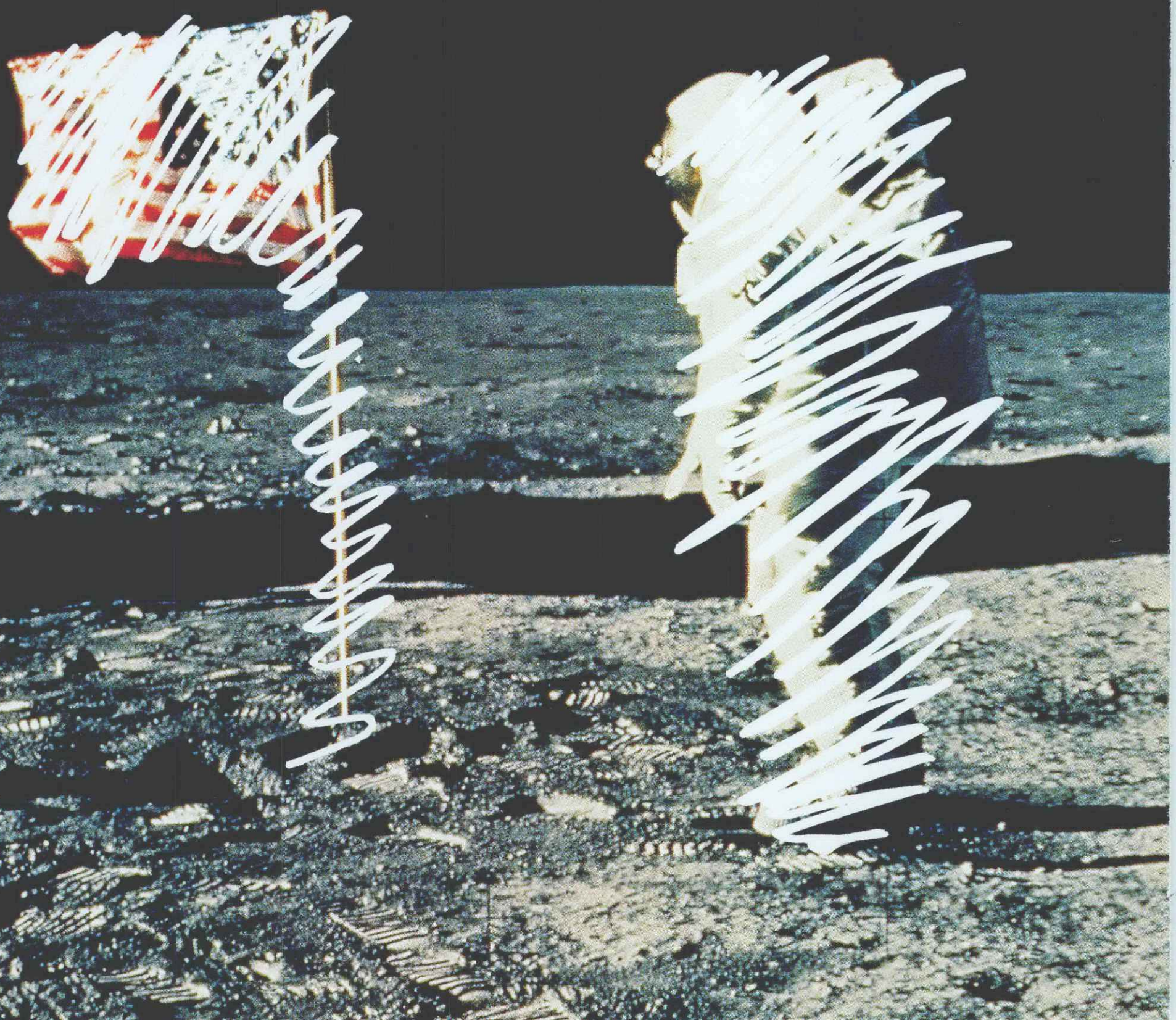
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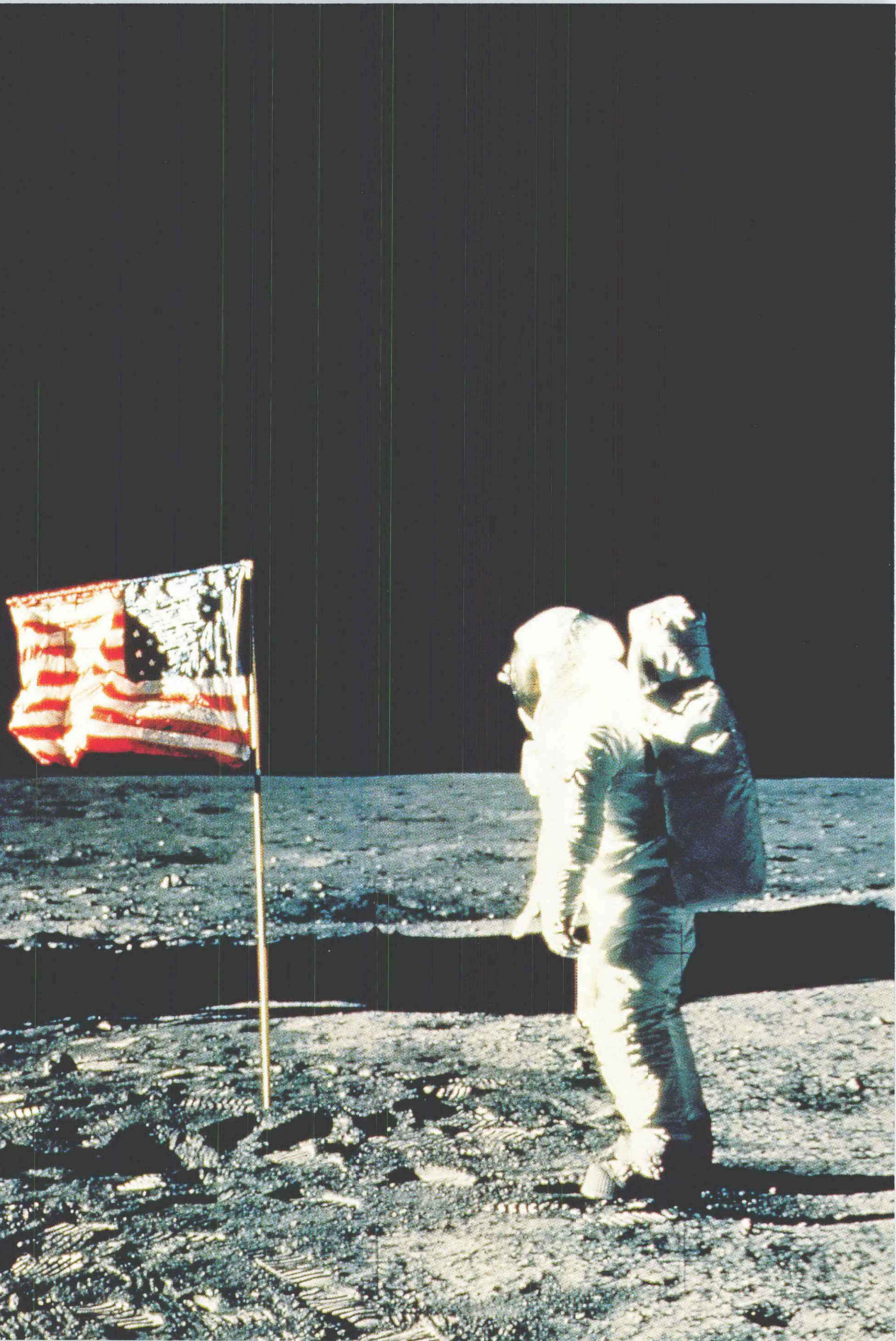
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Errors & omissions

Incorrect information was supplied for the exhibitor list on pages 26-27, which went to press before they could be corrected. Exponent is in booth 1343, and StarTech Software's name was misspelled.

Conference calls for celebration, education

Society's 50th anniversary a key focus of annual meeting

By LEE FLETCHER

The Risk & Insurance Management Society Inc. is celebrating its golden anniversary in a city known for its golden riches.

San Francisco has the honor of hosting the 38th Annual RIMS Conference & Exhibition, April 30 through May 5, with most events at the Moscone Center. This year's conference theme, "Building a Stronger Future from a Rich Past," highlights the 50 years RIMS has played an integral part in commercial insurance and risk management.

"One of our goals is always to have the best educational program available for our members. We find that this is the best venue to get all the experts in the community out there to advance the practice of risk management," said Janet E. Barnes, risk and employee benefits manager at Borel Properties in Tacoma, Wash., and vice chair of the 2000 conference programming committee. "Of course," she said, "it is our 50th year, so we're looking for a big anniversary celebration." Ms. Barnes will become chair for the 2001 RIMS conference programming committee.

Ms. Barnes said that more than 10,000 attendees are expected. This year's attendance at the conference likely will exceed the record of about 10,000 set in Boston in 1990, she said.

According to Karen Banks, director, risk management for Shaklee Corp. in Pleasanton, Calif., and chair of the 2000 conference programming committee, holding this year's RIMS conference in San Francisco "does attract more attendance." "It's a very desirable location to come to; we have great weather. There's a lot available in a pretty short distance. Everything is centered around the Moscone Convention Center, meaning we've got a lot of great hotels in a short walking distance, wonderful restaurants and lots of other things to do in the city."

Although the conference has not been in San Francisco for five years, "we saw really good attendance here in 1995, so it's no surprise to us that we're seeing high registration counts. And my personal wish is that we beat the all-time record," Ms. Banks said.

Education is always a key goal at the RIMS conference, Ms. Barnes said.

"We want to continue to provide educational and industry sessions that continue to raise the bar. We try to focus on taking into account the feedback that we get from the attendants at the previous conference and their comments about the sessions and what they thought about the speakers," Ms. Barnes said.

With 169 educational sessions and 27 industry sessions planned, RIMS organizers said that everyone—risk managers, employee benefit managers, controllers, CFOs/treasurers, human resource/personnel managers, presidents/CEOs, brokers, consultants, actuaries and underwriters—will find something to interest them.

Ms. Banks said that the scheduled conference highlights will differ a bit from past conferences due to the anniversary mark.

Sunday, April 30, will be the RIMS 50th Anniversary Gala Reception at the San Francisco Marriott, when "they'll be doing a lot of the recognition for various awards, which is usually done at the annual membership meeting on Monday morning. This year, we're doing an abbreviated annual membership meeting and following that we're having a general session. That is a change in the program that is kind of new and interesting," Ms. Banks said.

Speaking at Monday's general session is futurist Edie Weiner, president of Weiner, Edrich, Brown Inc., a New York-based consulting group. Ms. Weiner has been in the field of issues analysis and strategic planning for 30 years, having directed the first industrywide futures research program, the Trend Analysis Program of the American Council of Life Insurance.

The keynote speaker at Tuesday's conference luncheon is Jane Sanders, a respected speaker and consultant specializing in office gender relations.

"She is a very motivational and kind of humorous speaker and will be talking about the differences between men and women and how to improve the communication between them," Ms. Banks said.

On Wednesday, "what we used to call the 'Brown Bag Luncheon' topics is now being called 'Lunch-n-Learn.' It will be the same basic format with intimate roundtables at which there will be a facilitator and there will be a whole host of topics, probably 80 to 100. So people can come in, grab a box lunch and sit down and talk with a specific facilitator about an issue that they have," she said.

The name change to Lunch-n-Learn was made, according to Ms. Barnes, so people will better understand that while they're there to have lunch, they're there to learn as well.

"It provides our attendees with an interactive roundtable setting where they're allowed to focus on specific issues that interest them, questions and concerns that they have," Ms. Barnes said.

At Thursday's conference luncheon, "SwissAir Flight 111, Managing a Tragedy," Bruce G. Langille, risk manager for the province of Nova Scotia and Christopher Moir, emergency measures coordinator for Nova Scotia's Department of Transportation and Public Works, will address attendees.

"This one (luncheon) will be interesting but very sad. We'll basically hear firsthand how they put together the response team and how everyone worked together," Ms. Barnes said.

Ms. Banks said that during the last two years, "We've started having speakers who are risk managers talk about crisis situations that they've dealt with. Last year, the topic was the bombing of the World Trade Center. We're trying to expand risk

See HIGHLIGHTS *on page T18*

Good times make San Francisco even better

By ROBERTO CENICEROS

When Risk & Insurance Management Society Inc. conference attendees visit San Francisco, they will find the captivating city itself under a spell—one cast by California's thriving economy and proliferating high-tech companies.

The boom times mean that the city—already highly regarded for its tourism attractions, entertainment options and sophisticated dining—has the creative energy and wherewithal to enhance those offerings.

Signs of the prosperity abound. New, vibrant restaurants flourish under the direction of the city's renowned chefs. Public and private projects—including the refurbishing of vintage trolley cars and the opening of the new Pacific Bell Park baseball stadium—have improved an already-extraordinary landscape.

Industrial areas once left to decline are undergoing makeovers to accommodate thriving multimedia companies and the housing and entertainment needs of their workers. That trend is perhaps most apparent around SoMa, the area south of Market Street where the Moscone Convention Center—the site of this year's RIMS conference—is located.

See VISITORS *on page T24*

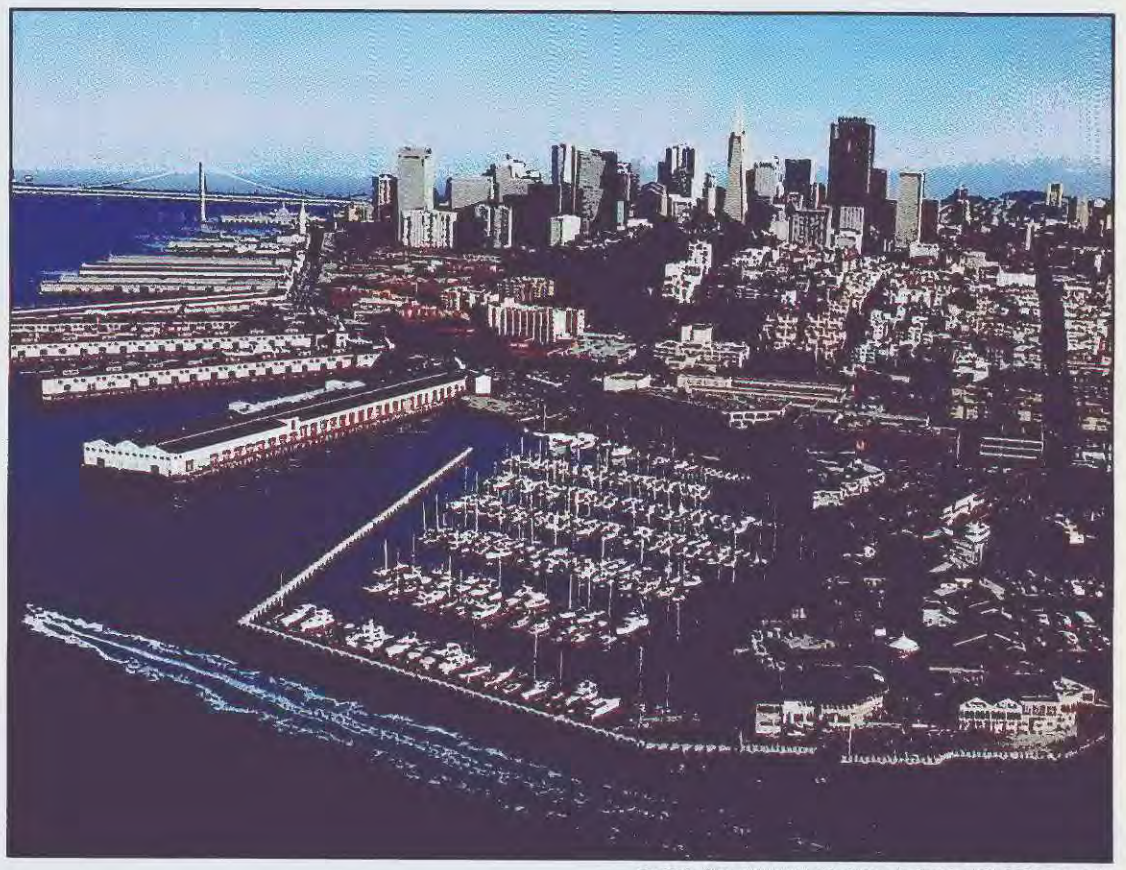


PHOTO: SAN FRANCISCO CONVENTION & VISITORS BUREAU

Presidents

Continued from page T6

"What we're putting our resources toward, instead of those, is an alliance with the Assn. of Financial Professionals," she said. With the association, RIMS is planning three teleconferences that will feature presentations that participants can view over the Internet.

The teleconference on Aug. 17 will be about enterprise risk management, and the Sept. 21 teleconference will be about how to make smart insurance purchases in a changing market. In addition, a teleconference on foreign exchange and interest rate risk management will be held Oct. 19.

In the fall, RIMS will introduce an enterprise risk management course as part of its lineup of professional development courses. The society's professional development courses drew 270 participants last year, down from around 300 in 1998.

Ms. Meltzer said she expects participation will increase as graduates from the FRM program turn to the courses to earn continuing education credits. "That brings us an audience right off the bat," she said.

RIMS also plans to make its voice heard on some key issues in Washington this year.

The Occupational Safety and Health Administration's ergonomic standards are high on the society's list of concerns, and RIMS expects to speak out during public hearings on the issue, Mr. Andrews said.

The society also is watching health care reform movements, particularly in the area of privacy legislation. "That's not only on the federal level but a lot of states as well," he said. "It's important that employers have access to medical information. You can't administer claims—either on the health side or the workers compensation side—unless you have access to the medical information."

On the state level, "workers comp continues to be a concern," Mr. Andrews said. He referred to a legislative victory in California in which RIMS lobbied hard to defeat a bill, backed by Democrats, that would have expanded workers comp benefits and "had the potential to raise workers comp rates significantly in California."

Internationally, RIMS' Canadian members are working with the Insurance Services Office Inc. to cevelop standardized language for risk management. The society has opposed the establishment of professional standards for risk management but is helping to develop terminology that will have the same meaning for risk managers across the globe.

There are now slightly fewer active RIMS chapters than there were a year ago.

RIMS has 88 active chapters, down from 91 a year ago. The Northeast Illinois Chapter merged with the Chicago Chapter, and the Kentuckiana Chapter merged with the Bluegrass Chapter. The Central Illinois Chapter dissolved.

When the conference in San Francisco ends, Mr. Andrews will have at his right hand a new first vp: David Mair, risk manager of the United States Olympic Committee in Colorado Springs, Colo. The position is the traditional steppingstone to the presidency.

Looking to the conclusion of her term, Ms. Meltzer offered Mr. Andrews a bit of advice.

"Pack light," she said, referring to the heavy travel schedule he will soon begin. "It's such an incredible experience."

She emphasized that the presidency "is really about learning to be a team leader" and realizing that you have to rely on the executive council, so that "you don't make it too tough on yourself." BI

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Staying safe if San Fran shakes

San Francisco's last major earthquake occurred more than a decade ago, but visitors to the city should keep in mind a few ways to protect themselves should another hit.

Powerful ground shaking can make the uninitiated want to bolt for the nearest way out of a building—resist that urge. The best thing to do if a quake strikes while you are indoors is to take cover under a sturdy desk, table or other furniture, according the San Francisco Convention & Visitors Bureau and the American Red Cross. Hold on to the piece of furniture serving as shelter, and be ready to move with it. Rushing outside can leave individuals exposed to falling glass and other debris.

Other advice to consider when in a hotel room or conference center includes:

- Try to remain calm.
- Sit on the floor against an interior wall if a table or desk is not accessible.
- Protect your head and eyes by pressing your face against your biceps and wrapping your forearms over your head.
- Stay clear of windows, unsecured heavy furniture or equipment that might fall or slide across a room. Also, keep clear of any hazardous materials that could spill.
- If a temblor strikes while you are in bed, protect your head with a pillow and try to hang on to the bed.
- If going outside is necessary, be careful when stepping through doors and watch for any falling matter on the other side.
- For those already outside, try to get into the open and away from buildings and power lines.
- If you are driving, stop, provided conditions are safe—but do not stop under overpasses, trees, light posts or electrical wires.

—By Roberto Ceniceros

siveness, membership and service—in an effort to strengthen the society and attract new participants.

"Even at the executive council level," he said, risk managers that had enjoyed full participation in RIMS

associate members as of Jan. 31. As of mid-March, 64 chapters had approved associate membership.

and in other ways, than they give up in time or effort."

Regarding service to its membership,

solve the issue of getting education to our members."

See **PRESIDENTS** *on page T8*

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Andrews to take the helm as RIMS reaches milestone

Incoming president has long relied on society as a resource

By MICHAEL BRADFORD

As the Risk & Insurance Management Society Inc. celebrates its 50th year in 2000, it seems fitting that its president is part of a growing number of workers who have found a new way to work in a modern age.

What better point in RIMS history than its milestone anniversary in the new millennium to have a president who is a telecommuting risk manager?

When he's not on the road, Roger L. Andrews is at a home-based office in Provo, Utah. From there, he serves as general counsel and director of risk management for E.D. Bullard Co., a Cynthiana, Ky.-based manufacturer of personal protective gear, such as hard hats, fire helmets, air-supply respirators and other safety equipment.

For Mr. Andrews, 53, the road to risk management has been a path back to where his quest began after graduation. Looking at that path, it's clear that he couldn't always tell exactly where he was going.

Like a lot of other risk managers, he didn't know anything about risk management until he found himself considering it as a career, Mr. Andrews recalled.

After spending 28 months as a missionary in France and Switzerland for the Church of Jesus Christ of Latter-Day Saints, Mr. Andrews graduated in 1972 with a political science degree from Brigham Young University in Provo. Intending to go to law school but needing work to fund his education, he headed to a sister's home in San Diego and landed a job with Travelers Insurance Co. as a commercial underwriter trainee.

Travelers offered Mr. Andrews a spot in its international department in Hartford, Conn., in part because he could speak French and the insurer planned to use him in Brussels when it opened an office there. After eight months, though, it didn't appear that the office was going to materialize any time soon.

"That's when I left and went back to San Diego, where I had been accepted at law school," he said. While attending Western State University College of Law, now known as Thomas Jefferson Law School, Mr. Andrews worked as a communications/security patrol clerk at the FBI.

After taking the California bar exam, he went to work for broker John Burnham & Co. in San Diego as an account manager, pursuing that work—rather than seeking work as a job as a low-paid law clerk—while he waited several months for his exam results.

"It was a bad time to get into law because the wages were terrible," he recalled. And when he and his wife decided in 1979 to move to Maine, where he grew up, Mr. Andrews found work at the Maine Bureau of Insurance as supervisor of the property/casualty division.

> ***'Any time I attended anything associated with RIMS, I came away with a new idea, some way to make my company better.'***
>
> **— Roger L. Andrews**

There, he met the executive secretary of the Maine Advisory Board, whose job was to handle the state's risk management function. "And the more I learned about his job, the more interesting I found it. So, when he retired, I applied for the job and I got it."

Mr. Andrews said that even with his limited knowledge of risk management, he could see room for improvement at the state level. "Again, I had no idea about risk management, but I knew that what they were doing was not very functional. The governor basically had appointed a board of people, some of whom knew something, maybe, about life insurance, but the rest knew nothing about insurance. And they were managing the state's insurance."

With encouragement from his boss at the Advisory Board, Mr. Andrews drafted a bill that created the state's risk management division. "It was interesting. Here I was working for the board, and I was drafting a bill that would eliminate the board. So I was walking a real tightrope." But the bill passed, clearing the way for the risk management division.

It was during his tenure with the state that Mr. Andrews became familiar with RIMS. "I looked to RIMS as a resource to learn more about risk management" by attending the society's national conference and a local meeting in Massachusetts.

"I would go to the (national) conference and just spend the whole week in sessions," he said. "It was just such a learning experience, and any time I attended anything associated with RIMS, I came away with a new idea, some way to make my company better or improve the program that I was working on. It was a great resource."

In 1984, after two years in the state role, he left and took a position as manager of insurance and safety at Hannaford Bros. Co., a large food and drugstore chain based in Portland, Maine.

Among his accomplishments there,

See Andrews *on page T12*

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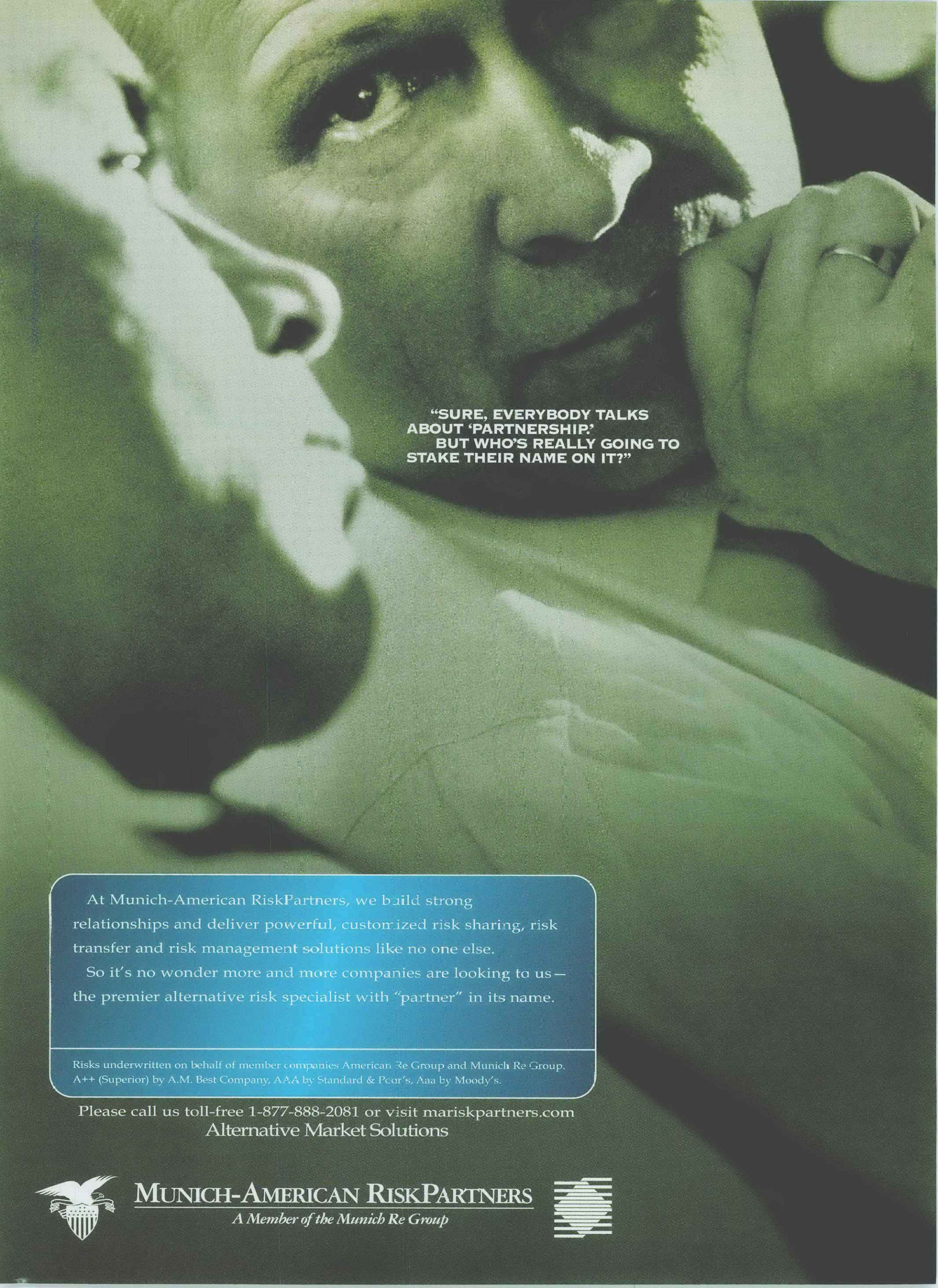
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Andrews

Continued from page T10

Mr. Andrews negotiated all property/casualty policies and, by consolidating all major liability coverages with one insurer, saved Hannaford more than $500,000 in premiums during a hard market.

The job, Mr. Andrews recalled, "was very grueling. They had a very small department."

Feeling burned out after four years, Mr. Andrews joined Bath Iron Works, a U.S. Navy contractor based in Bath, Maine. As director of risk management, he implemented a self-insured, self-administered workers compensation program that lowered costs by more than $20 million. Other accomplishments included a significant broadening of coverages and increased limits within property, liability and marine policies while saving around $1.3 million in premiums.

In 1991, Mr. Andrews joined E.D. Bullard. He directs the company's insurance and litigation activities, and his duties include negotiating property/casualty and employee benefit programs. He is responsible for managing claims within a self-insured retention. Bullard has about 300 employees, all of whom work at its Cynthiana facility.

Mr. Andrews held his first position with RIMS as president of the Bluegrass chapter in Kentucky after he began working with E.D. Bullard. He also served as director of the chapter.

On the national level, Mr. Andrews chaired the task force that reworked the constitutional bylaws for RIMS in 1995 and 1996. "That work on the task force got me introduced to a lot of people at the society level."

In 1998, he began working as treasurer of RIMS' executive council before being named first vp last year.

Two and a half years ago, the road to risk management directed Mr. Andrews right back to Provo. He worked out an arrangement so that he's back in Utah, telecommuting for E.D. Bullard and enjoying life in the community with his wife, Joelyn.

"We have seven children," he said when asked how he spends free time. And apart from responsibilities that go with a large family, Mr. Andrews finds time to play church basketball, hike, bike and participate in family activities. BI

Golden Gate Chapter among oldest, largest

By MICHAEL BRADFORD

The host chapter at this year's Risk & Insurance Management Society Inc. conference and anniversary celebration has nearly as much history as the national organization.

RIMS is celebrating its 50th anniversary in San Francisco at its 38th annual conference and exhibition, and the Golden Gate Chapter of RIMS is only one year away from its own half-century mark. Originally called the Northern California Chapter, the group is one of RIMS' oldest chapters.

With about 160 members, the Golden Gate Chapter also ranks as one of RIMS' largest. Its focus, according to chapter President John Walker, "is to allow networking opportunities for risk managers. We're an internal support network for risk managers."



Mr. Walker

Like many other RIMS chapters, the Golden Gate Chapter meets monthly at luncheons that usually are open to any attendees, including nonmembers, said Mr. Walker, risk manager at Syar Industries Inc. in Napa, Calif. At least one meeting per year is open only to risk managers, who have the chance to talk about "what's working and what's not" in their profession, he noted.

The chapter encourages participation by new risk managers or those considering the occupation, he added.

To increase the networking opportunities, a joint meeting is held each year in conjunction with the Insurance Education Forum and the San Francisco Chapter of the CPCU Society.



Ms. Banks

The RIMS chapter's meetings occasionally feature prominent speakers from the insurance industry. At the Golden Gate Chapter's April 12 meeting, Lloyd's of London Chairman Max Taylor spoke to the group. The chapter also schedules a one-day conference each year, usually held in October.

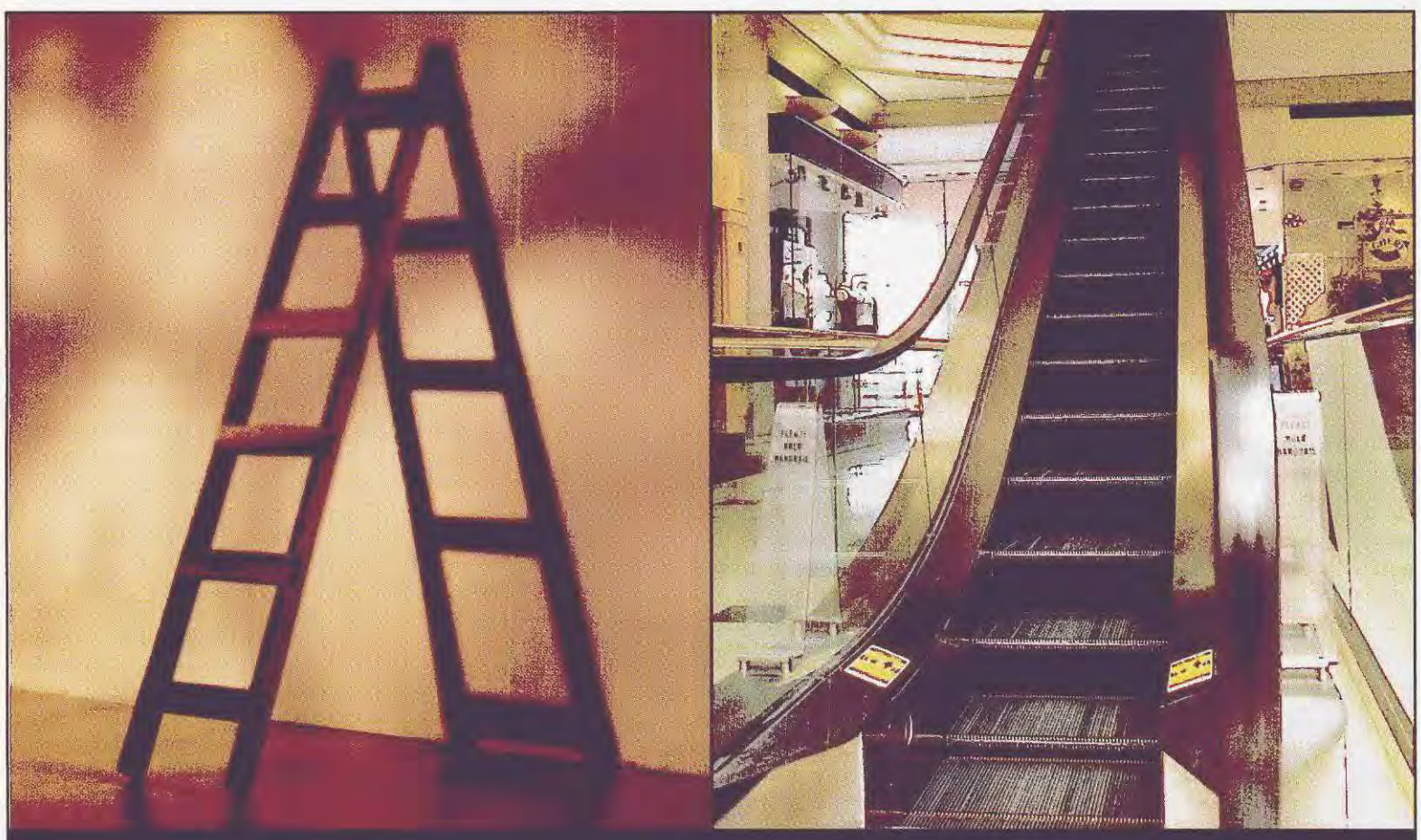
Karen Banks, director of risk management at Shaklee Corp. in Pleasanton, Calif., is the chapter's delegate to the national society and is chairman of national RIMS' conference programming committee. She said last month that the final weeks leading up to the 50th anniversary celebration are the "lull between the storms" of conference planning and the event.

The committee has wrapped up its work for the conference, which included putting together 40 industry sessions and 166 educational sessions.

Ms. Banks said the Golden Gate Chapter has developed an "emergency moderator pool" for the national conference. If, for some reason, a session moderator is unable to attend, "we've got a list of ones we can call upon" as replacements, she explained.

"We are also hosting a cocktail reception for the (RIMS) Executive Council, the RIMS staff and the programming committee on April 28," Ms. Banks said of the chapter's conference involvement.

Mr. Walker pointed out that the chapter's Web site, www.goldengaterims.org, features tips on visiting the San Francisco area. The site lists activities in the city and nearby areas, including the wine country, Carmel, Monterey and Santa Cruz. BI



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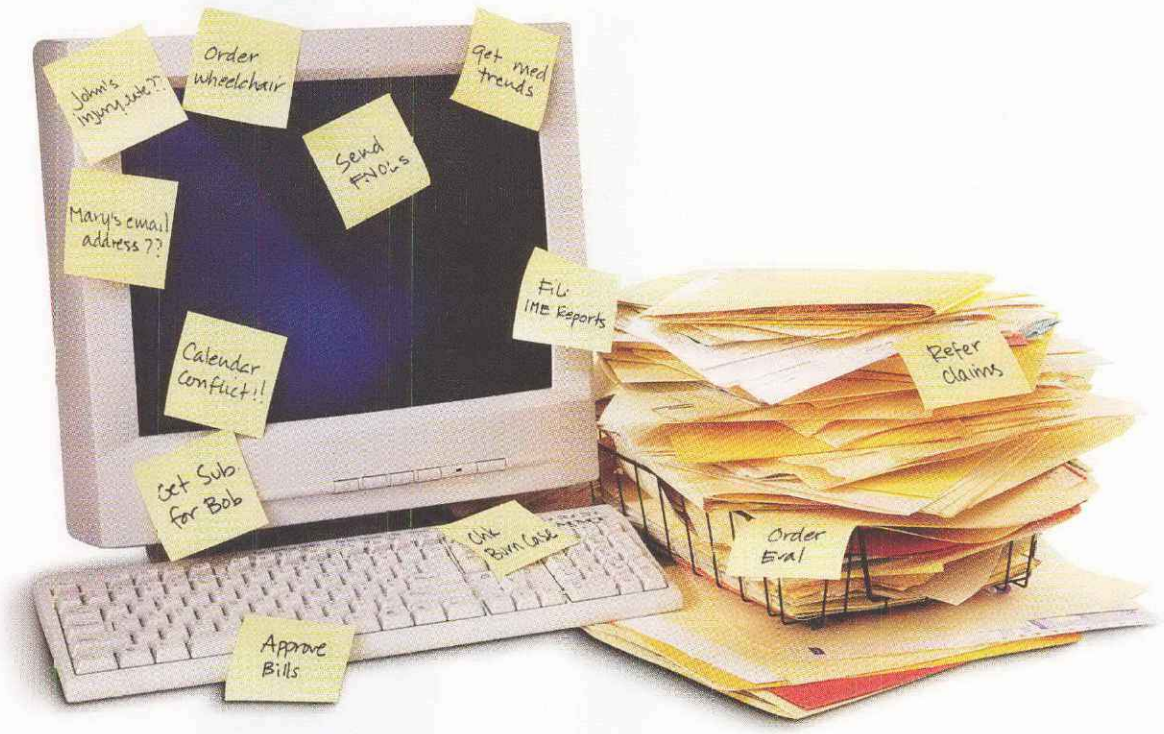
We've created coverage designed to protect organizations with child care facilities. And like all the coverage we provide, Sexual Misconduct Liability coverage can be tailored to fit your company's specific needs. To help protect you against surprises that can negatively impact your bottom line, a 12-point loss control program is available. It can even help you avoid the risks, with a program administered by Child Safe Environments, Inc., nationally acclaimed independent consultants who can evaluate and help minimize your risks on-site.

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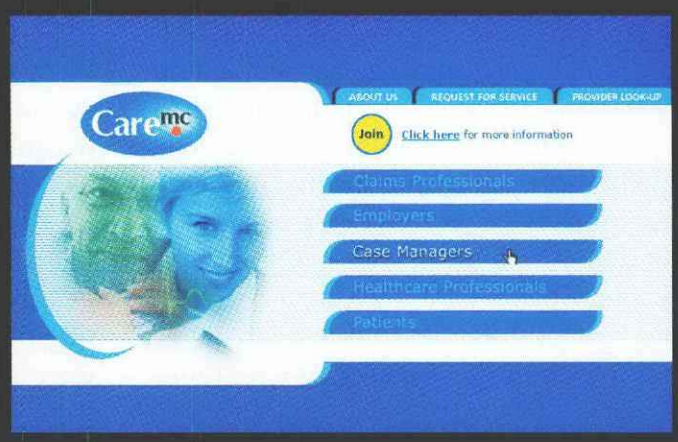
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RIMS 2000

RIMS celebrating its golden jubilee with a look back

By REGIS COCCIA

As the Risk & Insurance Management Society Inc. celebrates its golden anniversary, it's apparent that both the role of risk management and the society have undergone a great deal of growth.

When the organization that became RIMS was founded, the title of "risk manager" didn't even exist. Fifty years ago, corporate policyholders typically had insurance managers who kept track of coverage. The idea of managing risk as a business process was yet to be developed, and so was a national organization to lead the way.

To commemorate its golden jubilee, RIMS is planning to mark the occasion in several ways throughout the year, said RIMS President Susan Meltzer, who also is assistant vp of insurance and risk management at Sun Life Assurance Co. of Canada in Toronto.

"Understanding the need for a national organization is what we're marking" with RIMS' 50th anniversary, she said. "This is really about the fact that risk management has been a discipline that's been around for 50 years and has contributed to shareholder value."

At the society's 38th annual conference and exhibition in San Francisco, RIMS' opening reception on April 30 will have a 1950s theme, from music to clothes from that era. In the exhibit hall, RIMS will have a booth displaying memorabilia from the society's history.

During the annual membership meeting May 1, RIMS will show a video that tracks the society's development, with interviews from past presidents and others who played important roles in risk management, according to Ms. Meltzer. Copies of the anniversary video will be given to all RIMS chapters, she said.

Later this year, RIMS will publish a book retracing its 50 years. RIMS also is sponsoring forums in Toronto and New York after the conference, with panels of chief executive officers discussing ways to address business risks, Ms. Meltzer said.

The history of insurance buyers meeting to discuss insurance issues dates back to the early 1930s, but such meetings generally were local gatherings, Ms. Meltzer noted.

At that time, buyers' access to insurers was often restricted by intermediaries who sought to preserve their role in insurance transactions, said David Haight, a retired risk manager and former RIMS Executive Council member who helped research the book RIMS will publish after the conference.

"In the early days, people were talking about how to get involved in the market. Brokers kept risk managers away from underwriters," he explained.

That situation changed, partly as the result of networking among buyers, one of RIMS' most important functions to this day, he said.

"The basic need that the society has filled has been networking, legislative representation and education," said Mr. Haight.

Until 1950, no national organization representing insurance buyers existed. That year, Harry Goodell drafted the constitution and bylaws of the National Insurance Buyers Assn., a predecessor organization to RIMS. Mr. Goodell, then insurance manager for Western Electric Corp. in Chicago, is considered RIMS' founder.

NIBA was renamed the American Society of Insurance Management in 1955 and included insurance managers of Canadian companies. During this time, the idea of managing risk—not just insurance—began to take root, Ms. Meltzer noted.

"In the late '50s, we began to see a correlation between buyers, insurance pricing and risk exposures," she said.

By the early 1970s, however, ASIM's name no longer accurately reflected its scope and function. On Jan. 1, 1975, ASIM formally changed its name to the Risk & Insurance Management Society.

During the 1960s, risk management was still being defined, and in 1963, Douglas Barlow became the first to adopt the title of "risk manager." Mr. Barlow, who worked at farm equipment manufacturer Massey-Ferguson Ltd. in Toronto, is widely regarded as a pioneering thinker who helped to promote risk management as a profession.

He developed the concept of cost of risk in the early 1960s, formed the first global insurance program, launched one of the earliest captives and in 1971-72 served as president of ASIM. From his retirement in 1972 until his death two years ago at age 91, Mr. Barlow continued to promote risk management and attend RIMS' annual conferences.

"He was a real advanced thinker. A lot of us were considered in a clerical position of minding the insurance policies. Doug was functioning at a much higher level," said Mr. Haight. "Doug always thought we could improve, no matter what we did."

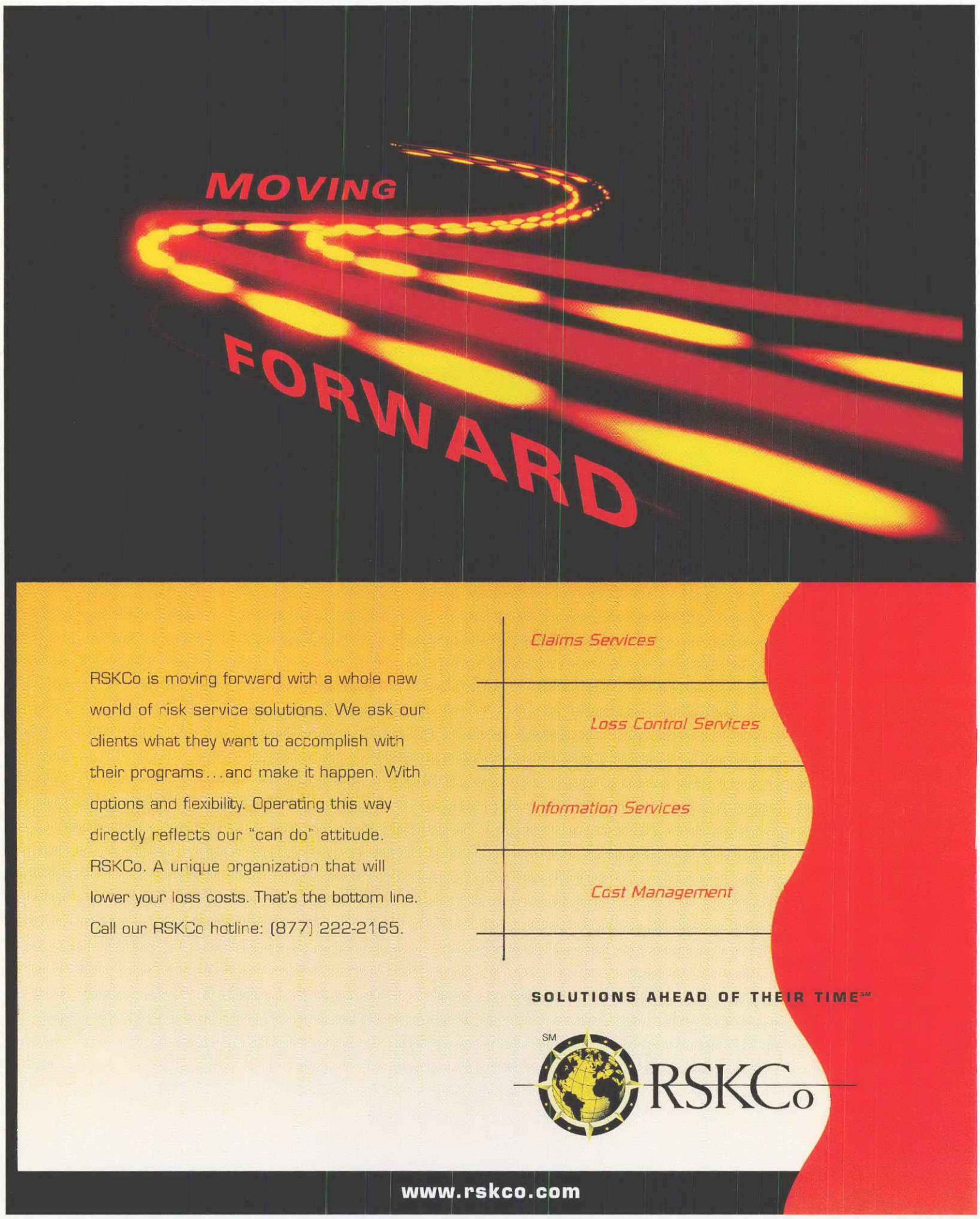
As risk management developed in the 1960s, ASIM recognized the need to educate its members. ASIM and the Insurance Institute of America created a diploma in risk management program.

A hard market occurred in the late 1960s, making coverage difficult to obtain and, for the first time, "the voice of the buyer enters the equation," pointed out Richard Hackenburg. Mr. Hackenburg is president of XL Market Services, a division of XL Capital Ltd. in Stamford, Conn., and was RIMS president in 1985-86.

In 1967, ASIM hired a man who would lead the organization's expansion and help promote risk management around the world: Ron Judd.

Mr. Judd served as executive director of RIMS for 24 years, during which time RIMS appointed a full-time legislative counsel, established the Spencer Educational Foundation to provide scholarships to students of risk man-

See AT 50 on next page



At 50

Continued from previous page

agement and insurance, revamped the annual conference into a major source of revenue and helped raise the profile of risk management internationally.

"When I came to ASIM, the place was ready to have a good shake of the apple tree," said Mr. Judd, who retired in 1991. "I had a lot of fun. There were a lot of crazy moments," he said.

He said one of his first projects was to "clean up" the annual conference and make it educational. He also introduced exhibits. The first conference with exhibits had seven; this year's conference will have more than 400.

Now in its 38th year, the conference is one of the highlights of RIMS' history, Ms. Meltzer said. "We've created *the* forum for insurance and risk management," she said. "I heard somebody say, 'It used to be easy to set up meetings with clients at RIMS, but now everybody is attending sessions.' I think that's wonderful."

Such sessions advanced the cause of risk management and attracted membership, according to Mr. Judd. "Our professional development got people involved. We were pushing the profession of risk management," he said.

Mr. Hackenburg and others credit Mr. Judd's leadership with making RIMS the strong organization it is today. "The organization owes a huge debt of gratitude to Ron Judd. Ron Judd was a creative, energizing, strategically oriented thinker who liked to instigate and motivate things to happen," Mr. Hackenburg said.

"RIMS is what it's become because of people," he said. "Literally thousands of people have put a brick up on the wall."

Their efforts throughout RIMS' history have helped to earn recognition and respect for risk management.

"Right now is a really exciting time. 'Risk' seems to be the buzzword of executive offices and boardrooms throughout North America," Ms. Meltzer said. "Risk is becoming ingrained as part of business strategy."

Into the next 50 years, RIMS will continue to serve its members, using technology to help achieve that goal, Ms. Meltzer said. "The demands on RIMS from our members are 'Educate us and help us network,'" she said. "Our ability to do that is enhanced by the Web."

And as risk management has grown, so has the reputation of RIMS. "Look at where risk management is today; it's on top of the heap," Mr. Judd said. "It's such a simple thing, and it makes such good sense." BI

A look back at RIMS

1932: An insurance buyers organization is created in New York under the American Management Assn.

1935: A buyers group leaves the AMA and becomes the Risk Research Institute.

1930s-'40s: The Risk Research Institute's membership grows; the organization lobbies on behalf of policyholders.

1950: Harry Goodell drafts the constitution of the National Insurance Buyers Assn.

1955: The NIBA becomes the American Society of Insurance Management.

1963: The first national conference attracts 400 to New Orleans.

1963: Massey-Ferguson Ltd.'s Douglas Barlow becomes the first to adopt the title of "risk manager."

1967: Ron Judd becomes the executive director of ASIM and begins promoting risk management worldwide.

1970: ASIM considers changing its name and expanding its focus to include employee benefits.

1973: The Associate in Risk Management program is developed.

1974: In an ASIM survey, members overwhelmingly support a name change.

Jan. 1, 1975: ASIM becomes the Risk & Insurance Management Society Inc. and adopts a unicorn logo.

1979: The Spencer Educational Foundation is created by the Atlanta RIMS chapter.

1981: RIMS supports the first international risk management conference sponsored by risk managers, held in Monte Carlo.

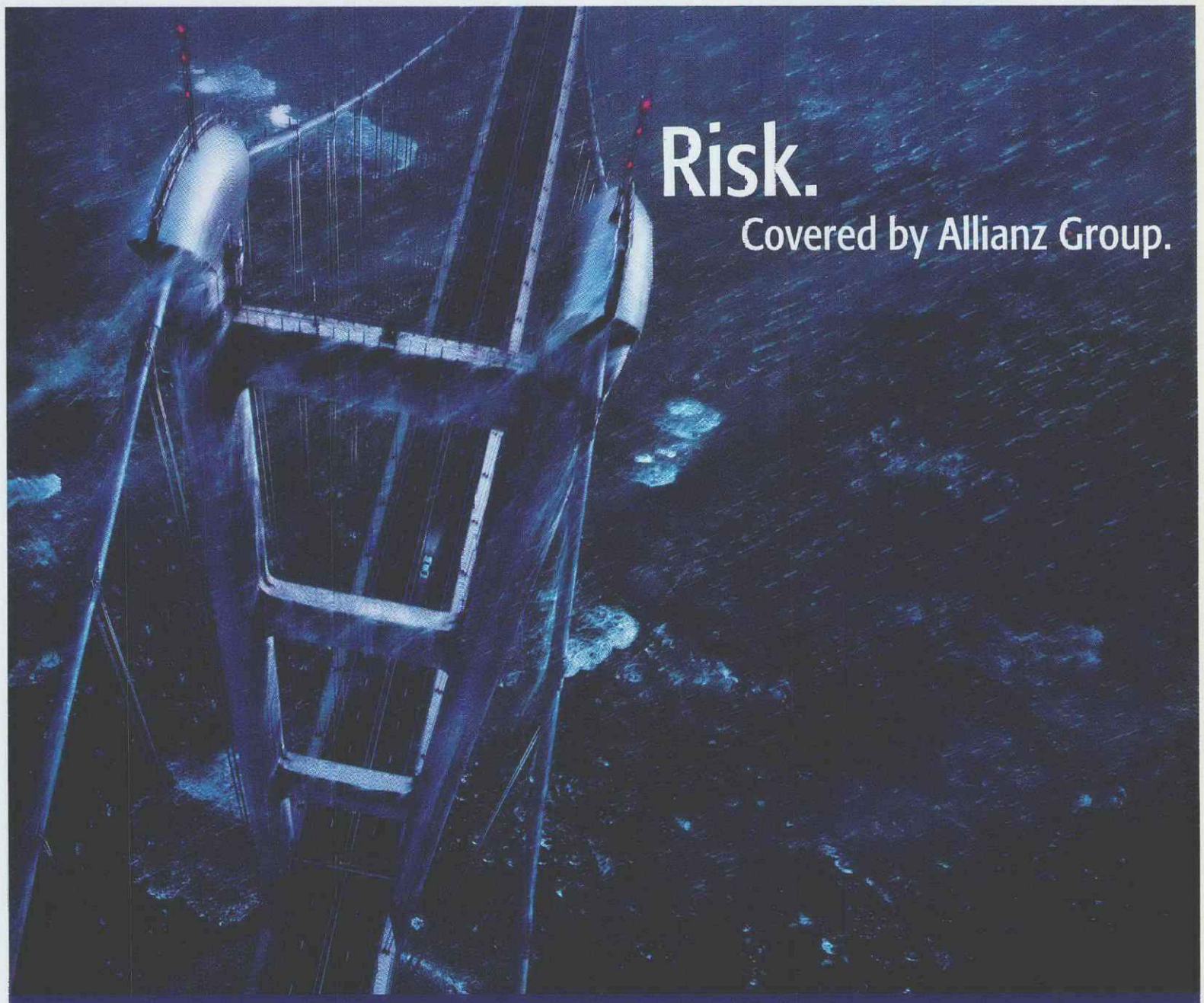
1985: RIMS responds to the insurance capacity crisis, promoting the formation of an alternative market.

1986: After intensive lobbying, Congress passes the Risk Retention Act.

1990: Cheri J. Hawkins becomes the first woman president of RIMS.

1998: RIMS unveils the Quality Scorecard.

2000: RIMS celebrates its 50th anniversary.



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RIMS Booth 418

RIMS 2000

Highlights

Continued from page T5

management beyond the insurance purchasing aspects into true risk management."

On Friday, several interactive solution-sharing sessions will take place during an information exchange brunch. Each session will include a panel of experts and a roving moderator taking questions and comments from the audience. Session topics include employment risks, international issues, finance and insurance, loss control and risk management.

This year's RIMS conference will continue the "Tools Track" sessions that were introduced last year as part of the educational series.

"The Tools Track sessions have a focus on personal and professional development. Some of the topics include presentations to senior management, conducting effective meetings, how to negotiate and prepare for settlements, mastering the media—for example, speaking to the media about how your company is addressing a crisis,' Ms. Banks said.

New to the Tools Track lineup is instruction on how to plan and coordinate a successful RIMS session.

"This is to help people who want to present sessions at RIMS but haven't had the opportunity or experience in the past. It's put on by Catherine Bennett, who has always been one of the best presenters that we've had,' Ms. Banks said. Ms. Bennett is vp at Cost Control Concepts Inc. of Goodlettsville, Tenn.

"It's going to be a busy week with such diverse topics; we hope we're covering everyone's needs," Ms. Barnes said.

The conference also will have lighthearted sessions, such as the game "Risk and Insurance Feud," but it's important for all attendees to keep up with technology and how it affects the industry, she said. She mentioned a few technology-oriented sessions, including "Cyberisk Management," "Cyber Commerce' Cyber Terror" and "Risk Management on the Corporate Intranet/Internet Site."

"In order for us to continue to do our jobs and do our jobs well, it's inevitable that we have a good understanding of the technology that's out there to help us identify risk. We need to have the understanding of the services that are out there to constantly help us improve our jobs," Ms. Barnes said.

The onsite registration fees are, Monday through Friday, $895 for RIMS members, $995 for associate members, and $1,195 for non-members. Onsite registration will take place in the Moscone Center, Hall D. Registration hours are as follows: Sunday, April 30, 10 a.m. to 6 p.m.; Monday, May 1, 7 a.m. to 5 p.m.; Tuesday and Wednesday, May 2 and 3, 8 a.m. to 5 p.m.; Thursday, May 4, 8 a.m. to 4 p.m.

RIMS will accept Visa, American Express and MasterCard payments for onsite registration. Other acceptable forms of payment include cash and traveler's checks or money orders payable in U.S. funds drawn on U.S. banks.

The exhibit hall—the Moscone Center South, Halls A, B and C, 747 Howard St.—will feature 439 companies represented at 1,010 booths. Exhibit hall hours are 9 a.m. to 5 p.m., Monday through Wednesday, and 9 a.m. to noon on Thursday. No exhibit hours are scheduled for Sunday, April 30, or Friday, May 5.

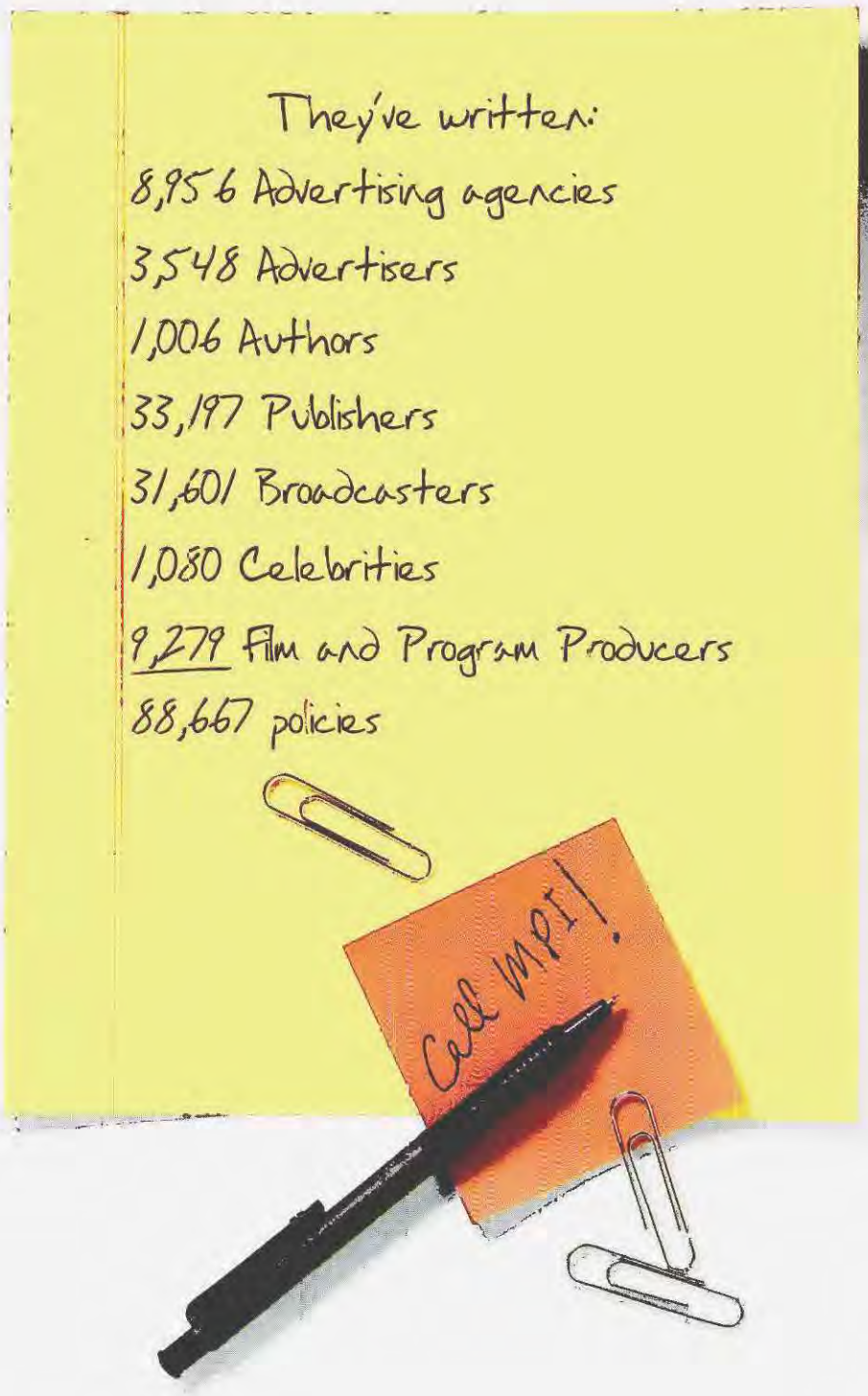
Audio recordings of sessions will be available for purchase at the conference. No recordings of Edie Weiner or Jane Sanders will be available.

For additional information, visit RIMS' Web site, www.rims.org.

As in previous years, RIMSTV, produced by *Business Insurance*, will provide news coverage of conference highlights and events from seminars and the exhibit hall floor.

RIMSTV will be shown at 19 area hotels, as well as throughout the conference center and exhibit hall. BI

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Conference schedule at a glance

Sunday, April 30
Registration hours: 10 a.m.-6 p.m.
Special events:
Board of Directors
Town Hall Meeting
9 a.m.-11 a.m.
Chapter Awards Presentation
Noon-1 p.m.
First Timers' Orientation
4 p.m.-5 p.m.
50th Anniversary Gala Reception
6 p.m.-8 p.m.

Monday, May 1
Registration hours: 7 a.m.-5 p.m.
Special events:
Annual Membership Breakfast/Meeting
7:30 a.m.-9:15 a.m.
General Session
9:15 a.m.-10:30 a.m.,
Speaker: Edie Weiner
First Timers' Orientation
10:30 a.m.-11:30 a.m.
Lunch: Boxed Lunch in the Exhibit Hall
Noon-1:15 p.m.
Sessions: 1:45 p.m.-5 p.m.
Exhibit Hours: 9 a.m.-5 p.m.

Tuesday, May 2
Registration hours: 8 a.m.-5 p.m.
Special events:
Lunch: Noon-1:45 p.m.,
Speaker: Jane Sanders
Exhibit Hall Dessert Reception
1:45 p.m.-3 p.m.
Sessions: 9 a.m.-11 a.m,
3 p.m.-5 p.m.
Exhibit Hours: 9 a.m.-5 p.m.

Wednesday, May 3
Registration hours: 8 a.m.-5 p.m.
Lunch-n-Learn
Noon-1:15 p.m.
Sessions: 8:30 a.m.-11:45 a.m.,
1:45 p.m.-5 p.m.
Exhibit Hours: 9 a.m.-5 p.m.

Thursday, May 4
Registration hours: 8 a.m.-4 p.m.
Lunch: Noon-1:45 p.m.,
Speakers: Bruce G. Langille, Christopher Moir
Sessions: 9 a.m.-11 a.m.,
1:45 p.m.-5 p.m.
Exhibit Hours: 9 a.m.-Noon

Friday, May 5
Solution-Sharing Session
8:30 a.m.-10:30 a.m.
Information Exchange and Closing Brunch
10:30 a.m.-Noon

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Golfers to tee off for Spencer

The Spencer/Gallagher Golf Tournament is expected to raise more than $90,000 this year, a new record for the Spencer Educational Foundation's largest fund-raising event.

The many sponsors—more than 38 this year—participating in the event are the primary reason the tournament raises so much money for the Spencer Foundation, said Dean Shrable of Arthur J. Gallagher & Co. in New Orleans, the tournament chairman since 1994.

"If it wasn't for the sponsorship, we wouldn't be able to do it," he said.

Last year in Dallas, the golf tournament raised more than $80,000 for the Spencer Foundation, which provides scholarships to students in risk management and insurance.

Due to the tournament's continuing popularity, all 360 slots already have been filled.

The tournament will be held Sunday, April 30, at the Chardonnay Golf Club and the Hiddenbrooke Country Club, both in Napa. Whereas previous events were held at two golf courses, this year's tournament will take place on three courses.

At Chardonnay, golfers will enjoy the 18-hole Shakespeare Course, with its signature multilevel island green and several overlooks to San Francisco Bay; and the 18-hole Vineyards Course, which winds around Napa Valley's verdant acreage. Designed by Arnold Palmer, the 18-hole Hiddenbrooke is a four-star course as rated by Golf Digest magazine.

Buses to the clubs depart promptly at 7 a.m. from the Hotel Nikko, the San Francisco Marriott and the Grand Hyatt. Banners will be hung at each hotel indicating the site as a departure area. Registration and breakfast will be held at the Chardonnay club before the tournament, which is set to begin with a shotgun start at 8:45 a.m.

Participants will compete in a best-ball, four-person scramble on the three par-72 courses. Prizes will be awarded to the top two teams on each course. Tournament officials will allow players to purchase up to two mulligans for $5 each.

All three courses will feature a variety of competitions: most accurate drive, longest drive and closest to the pin. In addition, each course will have a special hole offering a $15,000 prize to any golfer able to sink a hole-in-one.

At 2 p.m., a barbecue cookout luncheon will follow the tournament, and buses back to the hotels will depart at 3 p.m.

The entrance fee is $250 per person, which includes greens fee, cart, continental breakfast, lunch and transportation.

—By Richard Trout



The Spencer/Gallagher Golf Tournament will be held Sunday, April 30.

Renewing a rivalry on the ice

A rivalry that has been dormant for three years will awaken this year as Team USA and Team Canada face off at the 2000 "Spencer Cup" hockey game in San Francisco.

The two teams, which are made up of risk and insurance industry professionals, last met at the 1997 Risk & Insurance Management Society Inc. conference in Atlanta, where Team Canada carried the day.

The game will take place Sunday, April 30, at the Yerba Buena Ice Skating & Bowling Center, which is part of the Moscone Convention Center facilities. The puck will be dropped at 10 a.m. After the game, the rink will be opened up to spectators for skating, and lunch will be served for participants and fans at 12:30 p.m. Admission and the lunch are free for spectators.

The event's principal sponsor is Edison, N.J.-based Napco L.L.C. Anyone interested in becoming a sponsor should contact Dave Pagoumian at Napco, 732-549-5222. In addition, some standby player spots remain available. Contact Mr. Pagoumian for further information.



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Aon Risk Services sponsors 5K Fun Run/Walk for Spencer

It would be hard to find a more scenic spot in San Francisco than the location of the Spencer/Aon 5K Fun Run/Walk, to be held in Golden Gate Park on Sunday, April 30.

Starting at the park's Polo Fields at 8 a.m., participants in the charity event, sponsored by Aon Risk Services, will begin with a wake-up lap around the park stadium. Along the three-mile course, runners and walkers will next take in the bucolic sights of the park's Lindley and Marx meadows. Following along John F. Kennedy Drive, which is closed to car traffic on Sundays, participants will run or walk past Spreckles Lake, which attracts both humans operating model boats and migratory birds stopping for a rest. At the park's Buffalo Paddock, race participants will be able to stare back at the park's resident population of 11 bison.

Finally, runners and walkers will move on to the shores of Middle Lake and return to the Polo Fields. There, each participant will be given an award ribbon; a souvenir T-shirt; and a boxed breakfast of a bagel with cream cheese, pastries, fruit and juice. An awards ceremony will follow the end of the race.

The registration fee for the Spencer/Aon 5K Fun Run/Walk is $25, with all proceeds going to the Spencer Educational Fund Inc. The fee includes the cost of bus transportation to and from Golden Gate Park, with pickup and dropoff locations at the Westin St. Francis, San Francisco Marriott and Sheraton Palace motels.

Those interested in taking part in the event can register online, by going to the Web site www.racegate.com and clicking on "running." It is also possible to register by contacting SF Running & Walking, at 415-648-1467 (telephone) or 415-642-3493 (fax); or Angela Sabatino, at 212-286-9292 (telephone) or 212-986-9716 (fax). BI

Golden Gate Park, San Francisco



MAP: COURTESY OF SAN FRANCISCO RUNNING & WALKING PLAN MANAGEMENT

Spencer in center court

Industry professionals whose concerns about service include breaking and holding it may want to attend the annual Spencer/Logic tennis tournament at this year's Risk & Insurance Management Society Inc. conference.

The tournament will be held Sunday, April 30, at the San Francisco Tennis Club. Located at 645 Fifth St., the facility is roughly a 10-minute drive from the Union Square area, where most conference attendees will be staying.

The tournament, which will be played in a round-robin format, is set to begin promptly at 10 a.m. As in previous years, competitors will be divided into two skill levels—beginner and advanced. In addition to the tournament, competitions will be held for the fastest and most-accurate serves, and trophies will be awarded to the tournament and contest winners.

A luncheon, sponsored by American International Group Inc., and an awards ceremony will follow the finals.

Last year, the tournament raised $9,000 for the Spencer Educational Foundation Inc., said Bill Perry of New York-based Logic Associates Inc., which is organizing the event. Mr. Perry said this year's tournament, which is the seventh, will likely exceed that amount.

The entry fee is $50 per player. All tournament slots have already been filled, though there is a waiting list for stand-by slots.

Players who wish to be added to the waiting list and spectators interested in attending the luncheon should contact Mr. Perry, Barry Citron or Abe Altschule at Logic Associates, 212-227-8000.



1999 donors to the Spencer Foundation

The Spencer Educational Foundation Inc. this year is celebrating two decades of providing scholarships to students of insurance and risk management.

In honor of the foundation's 20th anniversary, the Risk & Insurance Management Society Inc. has made a special contribution of $100,000—the largest one-time donation ever made to the foundation. Last year, the foundation awarded more than $130,000 in scholarships and grants to 17 undergraduate and graduate students.

A list of the Spencer Foundation contributions and pledges to date will be available at RIMS' booth during the conference. Contributions and pledges received from Jan. 1 through Dec. 31, 1999, are:

20th Anniversary Club ($100,000 or more):

Risk & Insurance Management Society Inc.

Millennium Leadership (pledge of $50,000 or more for three years):

Aon Risk Services; Atlanta Chapter of RIMS (M); Dallas/Fort Worth Chapter of RIMS (M); Marsh Inc., national; Rocky Mountain Chapter of RIMS (M); Marsh Inc. of Denver.

Millennium Club (pledge of $30,000 - $49,999 for three years):

Delaware Valley Chapter of RIMS (M); Liberty Mutual Insurance Co.; St. Louis Chapter of RIMS (M); XL Insurance Co. Ltd.

Sponsors ($5,000 - $11,999):

American International Group Inc.; Arthur J. Gallagher & Co.; *Business Insurance*; Chesapeake Chapter of RIMS (M); Eastern Oklahoma Chapter of RIMS (M); The Hartford Steam Boiler Inspection & Insurance Co.; Houston Chapter of RIMS (M); Greater Kansas City Chapter of RIMS (M); Memphis Chapter of RIMS (M); Upstate New York Chapter of RIMS (M); Willis Group Ltd.

Benefactors ($2,500 - $4,999):

Central Penn Chapter of RIMS (M); Connecticut Valley Chapter of RIMS (M); ESIS Inc.; General Reinsurance Corp.; MIIX Insurance Co.; South Louisiana Chapter of RIMS (M); Virginia Chapter of RIMS (M); Wausau Insurance Cos.

Patrons ($1,000 - $2,499):

Individuals: William E. Drum; P. Richard and Linda Hackenburg; Kenneth S. Zignorski.

Organizations: Central Ohio Chapter of RIMS (M); Central Texas Chapter of RIMS (M); Chicago Suburban Chapter of RIMS (M); The Dun & Bradstreet Corp. (M); Fairfield/Westchester Chapter of RIMS (M); Long Island Chapter of RIMS (M); New Jersey Chapter of RIMS (M); Ozarks Area Chapter of RIMS (M); Palmer & Cay of Georgia; Physicians' Reciprocal Insurers (M); The PMA Insurance Group; Post & Schell P.C.; San Diego Chapter of RIMS (M); Travelers Property Casualty National Accounts; Washington Chapter of RIMS (M); Wisconsin Chapter of RIMS (M).

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RIMS 2000

Locations of conference hotels

1	The Argent Hotel	17	Mark Hopkins Inter-Continental
2	The Canterbury Hotel	18	The Maxwell
3	The Clift Hotel	19	Monticello Inn
4	Crowne Plaza Union Square	20	Palace Hotel
5	The Donatello	21	Pan Pacific Hotel San Francisco
6	The Fairmont	22	The Pickwick
7	Galleria Park Hotel	23	The Powell Hotel
8	Grand Hyatt Hotel	24	Renaissance Parc 55
9	Handlery Union Square	25	Renaissance Stanford Court
10	Hotel Diva	26	The Ritz-Carlton San Francisco
11	Hotel Milano	27	San Francisco Marriott
12	Hotel Monaco	28	Sir Francis Drake Hotel
13	Hotel Nikko San Francisco	29	Villa Florence
14	Hotel Union Square	30	W San Francisco
15	Kensington Park Hotel	31	The Warwick Regis Hotel
16	King George Hotel	32	Westin St. Francis Hotel



GRAPHIC BY JOHN HALL

2001 conference to be in Atlanta

The 39th annual conference and exhibition of the Risk & Insurance Management Society Inc. will take place April 29-May 4, 2001, in Atlanta. The 2002 convention will be April 14-19 in New Orleans.

For further information, call RIMS customer service at 212-286-9292, or visit the RIMS Web site at www.rims.org.



PHOTO: MICHAEL MARCOTTE

A RIMSTV interview plays on a big-screen television in the *Business Insurance* exhibit booth at the 1999 RIMS conference.

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Business Insurance's RIMSTV will be shown on monitors in the exhibit hall at the San Francisco Moscone Center and on exclusive complimentary TV channels in the following official conference hotels May 1-3:

HOTEL	TV CHANNEL
The Argent Hotel	10
The Canterbury Hotel	11
The Clift Hotel	6
Crowne Plaza Union Square	18
The Fairmont	15
Grand Hyatt Hotel	21
Handlery Union Square	1
Hotel Nikko San Francisco	15
Mark Hopkins Inter-Continental	3
Palace Hotel	12
Pan Pacific Hotel San Francisco	13
The Pickwick	16
Renaissance Parc 55	35
Renaissance Stanford Court Hotel	3
The Ritz-Carlton San Francisco	26
San Francisco Marriott	11
Sir Francis Drake Hotel	17
W San Francisco	15
Westin St. Francis Hotel	19

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▶ *Check out www.businessinsurance.com for additional RIMSTV information.*

Visitors

Continued from page T5

A portion of SoMa is now referred as Multimedia Gulch, after the many new start-up companies in the area. Visitors will find that popular new night spots and restaurants are prospering alongside SoMa's established haunts.

SoMa also is home to cultural and entertainment centers, such as Sony's new Metreon facility and the city's Yerba Buena Gardens.

Elsewhere, San Francisco's charming neighborhoods, reliable tourist attractions and cultural establishments offer interesting and exciting times for visitors.

Many of those attractions are close to the SoMa area. For example, Union Square—a shopping, theater and hotel district—is within walking distance of the conference center. In fact, many conference goers will likely stay in hotels in and around Union Square.

Some of those lodgings, such as the Hotel Monaco and The Serrano Hotel, are vintage palaces that have been refurbished to accommodate tourists and business travelers. While their ambiance is reminiscent of grand times past, high-speed Internet access in the rooms provides modern-day convenience.

The stop for cable cars headed over Nob Hill to Fisherman's Wharf also is near the conference area. At the nearby Halladie Plaza, there is a San Francisco visitors' information center, where out-of-towners can obtain stacks of literature on the sights of San Francisco and Northern California.

Other neighborhoods, including Chinatown and North Beach, are not far from the conference area. These areas are good places to study the city's rich diversity, experience a wide assortment of culinary influences or simply sit and marvel.

Those with time to explore can visit the city's shopping districts, restaurants and museums located a bit farther away from the convention center. Such stops might include Haight-Ashbury for shopping and 1960s nostalgia or the California Palace of the Legion of Honor, an art museum offering visitors a breathtaking view overlooking the Golden Gate.

There are also the better-known tourist spots, such as Alcatraz Island and Lombard Street, known as "the crookedest street in the world."

And if San Francisco's many attractions are simply not enough, even more diversions are available just outside the city. Trips to the wine country, Sausalito and other destinations are easy to arrange.

▶ *Check out www.businessinsurance.com for additional RIMS 2000 coverage.*

How to have a www.onderful visit

By AMY R. KEPKA

If you're going to San Francisco, be sure to wear some flowers in your hair. . .and check out some of these Web sites. They'll help you navigate the city and discover the unique attractions that San Francisco has to offer.

The **San Francisco Convention & Visitors Bureau**, *www.sfvisitor.org*, provides general visitor information, a calendar of events and maps. The **Best of San Francisco**, *www.123-sanfrancisco.com*, is similar to the Visitors Bureau site but takes the general information one step further by suggesting the best that the city has to offer. The site includes information on sightseeing, attractions, museums, shopping, recreation, arts, neighborhoods and tours.

Learn about what your hosts for the week are up to through the **Golden Gate RIMS** site, *www.goldengaterims.org*. There's information about the San Francisco chapter of the Risk & Insurance Management Society Inc., including membership, events, resources and the chapter's monthly newsletter.

Finding your way around the city of San Francisco is made easy with a trip to the **San Francisco Municipal Railway** home page, *www.ci.sf.ca.us/muni/*. This site offers current maps, schedules and routes, as well as general information on San Francisco's bus, light-rail and cable car services.

The **San Francisco Gate**, *www.sfgate.com*, is the Web site for both the San Francisco Chronicle and San Francisco Examiner newspapers. The site provides daily news, sports and business information, as well as entertainment, technology and weather news.

One of the best-known aspects of the city, San Francisco's cable cars, are the United States' only mobile national landmark. A site about **the city's cable cars**, *www.sfcablecar.com*, offers information on the history of the cars, routes and maps, a riders' guide and related Web links.

Before strolling through the city by the bay, be sure to check out the page for the **Fisherman's Wharf Merchants Assn.**, *www.fishermanswharf.org*. This site provides an overview of the Fisherman's Wharf area, including a calendar of events, night life hot spots, an area map, restaurants, shopping and tours. It also details the Wharf's various areas, including Pier 39, The Cannery, Ghiradelli Square, The Anchorage Shopping Center and the Wax Museum at Fisherman's Wharf.

A site devoted to **Chinatown**, *www.sfchinatown.com*, offers restaurant reviews and descriptions of the various types of Asian cuisine to be found in the neighborhood. The site also has an events calendar, directions, an interactive history of the area, and even chopstick etiquette.

A site about the **Presidio of San Francisco**, *www.nps.gov/prsf/*, provides an online glimpse into the history of the former military post. This National Park Service site offers information about the Presidio, as well as natural and cultural history of the Golden Gate National Recreation Area, current events and programming, maps and trip-planning ideas.

Amid the bustling activity of the San Francisco Bay Area sits an area of relative isolation—**Alcatraz Island**. Another National Park Services site, *www.nps.gov/alcatraz/*, provides information about Alcatraz Island tours and ferry rides, as well as detailing the history of the island, the penitentiary and the West Coast's first operating lighthouse.

If the sporting life is what you're after, the official site of the **San Francisco Giants** baseball team, *www.sfgiants.com*, can help fill the sport-lover's void during the RIMS conference. The site has team news, ballpark information and a schedule of games. The Giants host Montreal in a series April 28-30, and the New York Mets are in town May 1-4.

To help plan a day trip to the Wine Country, check out a site devoted to **Sonoma Valley**, *www.sonoma-valley.com*, the birthplace of California's wine industry. If you're looking for information on **Napa Valley**, *www.free-run.com* is a helpful resource. These sites offer information on the various wineries, including maps, directions and information about lodging, dining and attractions in the Wine Country.

▶ *Check out www.businessinsurance.com for additional RIMS 2000 coverage.*

Insurer Topics

A special editorial section sent exclusively to insurers and reinsurers



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Survey predicts widespread Internet impact page 24H

Web site connects agents, specialty insurers page 24B

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Insurer-run service centers free agents to sell

By LEE FLETCHER

Insurer-run customer service centers can take some work off the hands of agents, freeing them to focus on the business of selling insurance.

To attain maximum efficiency and to concentrate on developing accounts, "an agency needs to centralize the processing and customer service" for personal lines and small commercial business, said Carol Hammes, president of Pine, Colo.-based The Middleton Group. "The more volume that you have in one place, the more the people can specialize in what they do best and the more productive they will be," Ms. Hammes said.

"Agencies that are looking for larger, income-producing business aren't putting the staff, the expertise" toward customer service for personal and small commercial lines business, said Emily Huling, president of the agency consulting firm Selling Strategies Inc., in Terrell, N.C. "So they feel that the (insurance) companies are better positioned to do that," Ms. Huling said.

"Many agents don't have the money to invest in the technology to interface with clients at the levels that the insurance companies want," she said.

Randy R. Farless, vp of property/casualty marketing at Seattle-based SAFECO Corp., emphasized the importance of the insurers' customer service centers to independent agents.

"As it is becoming more and more expensive for independent agents to do business, this is an added value that SAFECO can provide agents and their customers—and not only just the access point but it allows agents to focus on providing other things that they may not normally have the time to do," Mr. Farless said.

He said that SAFECO's call centers can handle the less-involved customer concerns, such as claim reports or questions about billing.

"We can do this much more efficiently than an agent can. The agent, in turn, can spend their time and efforts on cross-selling their clients" as well as other activities, he said.

"The simple fact is that most agents cannot provide 365-by-24-by-seven service to their customers, and this gives (customers) the opportunity to get to an actual person—not a recording—to help them with a question," Mr. Farless said.

SAFECO, which currently has nine call centers around the United States, plans to combine the regionally based operations into four national contact centers by the end of 2002.

Ms. Huling noted that some service centers provide such customer services as pre-renewal questionnaires and follow-up phone calls.

One advantage of the centers, she said, is that they have the clients' policy information in the system and can gain access to it quickly, without the back-and-forth calls that often take place between a customer and an agent.

"The benefit to the policyholder is that the policyholder is going to get more attention," Ms. Hammes said.

Another advantage to the service centers, Ms. Huling noted, is that insurance companies often are better equipped to provide the necessary training for center employees.

And Ms. Hammes emphasized that many insurers staff their centers with college graduates who are articulate and can discuss insurance issues in a way that customers can understand.

The quality of customer service centers' staff is a concern for agencies, according to Joseph P. Flanagan, president of Chicago-based agency J.P. Flanagan Corp.

"We do a lot of screening to be sure that the people handling our accounts are people we are comfortable interacting with our clients," said Mr. Flanagan, whose agency has been using customer service centers for about two years. "We went out and interviewed them, and they actually passed with flying colors," he said.

Carter Flatt, executive vp of operations and technology for The Hartford Financial Services Group Inc. in Hartford, Conn., noted the benefits of service centers for agents.

Agents retain ownership of the business, and "they have less expense; therefore, they're enhancing their income from the business and they're getting our best product," Mr. Flatt said.

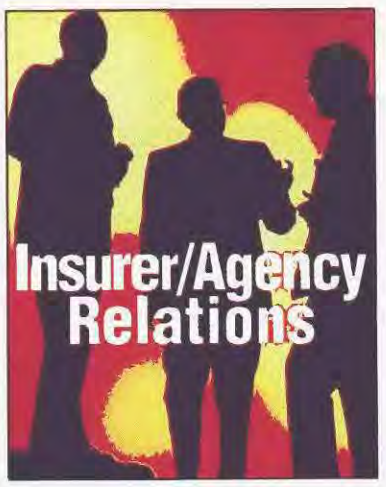
He also emphasized that a customer who calls the service center is not aware that the person answering the call is an employee of the insurer.

"When we respond to a customer's call, we respond as a representative of the agent, not The Hartford," Mr. Flatt said.

Ms. Hammes emphasized that the centers are cost-effective for agencies, because they eliminate the need for in-house staff.

"If you can have well-trained people that somebody else is paying for taking care of your customers' everyday needs," allowing agents to work on expanding accounts, "then it's really very beneficial for the agency," she said. Ms. Huling noted that, in some cases, insurers charge a modest commission for the service.

If an agency opts to use an insurer's customer service center, it is critical that agents keep in touch with their customers at some level, Ms. Huling noted. "It can be in the form of newsletters or simply calling them and asking, 'How's it going with the customer service center?' " she said.



Ms. Hammes also strongly advocated continued communication between the agent and client. "Especially if the independent agent is using a service center, they need to call the insured and let them know they're providing that value-added service," Ms. Hammes said. BI

Web site connects insurers, agents

By DOUGLAS McLEOD

While the Internet holds the threat of weakening the ties between producers and insurers, one fledgling Web site is aiming to bring the two closer together.

Organizers of the Internet Wholesale Insurance Exchange, or iwix.net, plan to launch the site this month as a virtual marketplace that will let small and medium-sized agents place specialty property/casualty coverages with surplus lines insurers.

Independent agents and brokers that typically handle standard coverages may only occasionally encounter a specialty lines risk that requires access to the surplus lines market, explained Max Carter, a former Johnson & Higgins vp who is chief executive officer of iwix.net.

Such agents generally lack the volume of specialty business or the resources to maintain in-house specialty lines departments, and the new Web site is intended to act as a substitute, offering the agents access to specialty lines expertise and speedy quotes from surplus lines insurers.

"It will connect agents, brokers and carriers who typically would not have the resources or opportunity to work together in providing specialty insurance," Mr. Carter said.

It will also give insurers a more-efficient channel for dealing with their existing agency forces, said Joel Campanella, vp with Charlotte, N.C.-based Royal & SunAlliance USA Inc., one of iwix.net's insurer participants.

"This supports the agent and broker and helps them with their business," said Mr. Campanella, who is the insurer's worldwide practice leader for professional and financial risks. "This is still a broker- and agent-driven medium, and that's why we like it."

Once up and running, iwix.net will join a widening array of insurance-related Internet sites,

See **Iwix.net** *on page 24D*

Solutions from Stargate

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Consulting

Solutions from Stargate: INS-Star from TriTech Financial Systems

Since 1992, TriTech Financial Systems has provided automation solutions to over a dozen insurance companies across North America and the Caribbean. Using an Open System, 4 GL development environment, TriTech developed GIMS 5.0, the General Insurance Management System, to meet today's ever-changing insurance market. TriTech, in partnership with Stargate Solutions, is now developing the next generation of this product for the U.S. marketplace, under the name INS-Star

INS-Star, a web-enabled, modular property & casualty insurance company system will offer additional functionality to allow agents to directly query their accounts and enter applications over the internet. INS-Star includes Quote generation and rating; Policy management; Claims management; Reinsurance; Accounting including general ledger, accounts payable; and statistical and regulatory reporting. INS-Star also offers a flexible Forms Management and printing system for Declaration sheets, Correspondence, and Check writing. INS-Star can be configured as a full system or a modular solution depending on the needs of the customer.

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Iwix.net

Continued from page 24B

ranging from the CATEX catastrophe reinsurance exchange to individual insurers' direct sales sites.

It also follows the emergence of proprietary online systems that directly link the world's largest insurance brokers to insurers around the globe.

Under the system, iwix.net will register retail and wholesale agents and insurance company and managing general agency participants, Mr. Carter said.

Once registered, agents will be able to access the site and submit specialty risks—ranging from directors and officers liability to kidnap/ransom business—for quotations by participating insurers.

Insurers registering on the site will set guidelines for the types of business they're willing to consider, allowing iwix.net to point agents only to those underwriters able to provide quotations.

After iwix.net identifies the insurers willing to write a particular risk, an agent can select the companies he or she would like quotes from, choosing up to 10 names.

To save agents from needing to re-key written submission material, the system will allow them to fax paper submissions directly into the site, Mr. Carter said. Each agent will have his or her own "filing cabinet" on the site to keep transactions confidential.

> *'We know it is going to be successful. We don't know how fast it will be successful.'*
>
> —Paul Campanella

The system will e-mail the insurers a link to the site for viewing the submission, and quotes will be delivered to the agent, through the site, via e-mail.

The agent may then send a request to bind coverage through iwix.net, and the agent and insurer can continue with the transaction, either through the site or directly with one another.

Agents will need to hold surplus lines licenses to access surplus lines insurers through iwix.net. An agent without such a license can have his or her submissions referred through surplus lines-licensed intermediaries registered with the site.

Iwix.net will be free for agents and brokers. Insurers will pay a flat fee for each submission quoted and for each risk bound. Mr. Carter and participating insurers would not disclose the fees, but Mr. Carter compared them to the cost of "a family of four going to the movies."

The site is not accepting financial backing from insurers or agents, nor is it selling advertising space, according to Mr. Carter, who funded the start-up through venture capital investors.

"We feel it's very important to be completely independent," he said.

So far, iwix.net has signed up nine insurer participants and about 30 wholesale brokers, according to Mr. Carter and Michael Teden, vp of business development in Charlotte.

Iwix.net aims to provide agents and brokers with instant access to specialty lines insurers they might not otherwise contact, while also reducing costs by eliminating multiple written underwriting submissions.

The site intends to provide insurers with a direct channel—without any marketing costs—to potentially hundreds of independent producers.

"The purpose has really been to mirror, as far as possible, the workflow process in the real world, but with some of the advantages of the Internet," Mr. Carter said.

Insurers that have already joined the site hope to see its potential realized.

"It's a new channel of distribution that is, so far, unexplored," said Sean S. Sweeney, executive vp and director of marketing for Philadelphia Insurance Co., a surplus lines insurer based in Bala Cynwyd, Pa.

"I don't think anybody knows what type of new business can be generated, and we want to be flexible and open to the new opportunity," Mr. Sweeney said

Royal's Mr. Campanella, meanwhile, views online distribution as inevitable and sees iwix.net as a convenient means of dealing with Royal's existing agents.

"We think it's the wave of the future. We think it's going to happen," he said, adding that Royal has set "reasonable" production goals for its participation and doesn't expect overnight success.

"We know it is going to be successful. We don't know how fast it will be successful," he said.

While some might argue that Royal will be paying iwix.net fees for business it would be getting anyway, Mr. Campanella noted that the system should cut costs for Royal and its agents.

"The bet is that the offset will be greater" than the costs, he said. "At this point, it's only about doing business with existing agents and brokers in a more cost-effective medium."

Assuming iwix.net takes hold in the United States, Mr. Carter says he has other plans for the system—by the first quarter of next year, he said he hopes to expand into Europe, where cultural and linguistic barriers could make a common Internet marketplace a useful tool.

"For a Danish company to sell coverage in Portugal, they pretty much need to have a branch office there," Mr. Carter observed. "Effectively, we get around that for them.

"The object is the same—to create a transparent marketplace that's easy to use," he said. BI

Insurer marketing online through agents

By MICHAEL BRADFORD

Harleysville Insurance Cos. has decided to share the wealth of its Internet sales with its agents.

The Harleysville, Pa.-based insurer, which writes personal and commercial lines, has gone online in an effort to market its products and boost its writings through its independent agent network.

Its approach is somewhat different from most other insurers' attempts to use the Internet to increase sales, according to two Harleysville executives.

"Like anyone else, we were seeing all the companies use the Internet to market insurance; one thing that became apparent is that most of them were marketing direct," said Jeff Duplak, assistant secretary of business development and marketing at Harleysville.

Rather than follow the direct-marketing approach, Harleysville decided to take advantage of the "power of the Internet and use it to the advantage of our independent agents," he explained.

To that end, the insurer created a pilot program that sends sales leads to its producers' desktops.

> *'One thing that became apparent is that most companies were using the Internet to to market direct.'*
>
> — Jeff Duplak

The program, developed in-house over a year and a half, aims to give prospective buyers a simple way to obtain quotes and bind coverage. It was unveiled in January after a preview by a group of Harleysville agents.

The process starts when prospective customers click on the "Get Quote" button at the top of any page on Harleysville's Web site, www.harleysvillegroup.com, or on a graphic image link on the page. In the quote-request section, the user provides some basic information, including name, address, phone number and other details.

The next page asks a prospective buyer to check off the types of coverage he or she wants to purchase. The potential buyer can add other information that is not mandatory, including such details as the date of expiration on a current policy and the name of the current insurer.

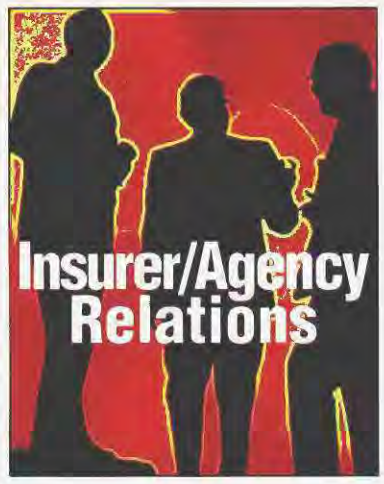
The data is then transmitted to an agent in the prospective buyer's area, and a page pops up providing the user with information on that agent. The agent then can contact the prospective buyer by phone or e-mail to obtain additional information needed to provide a quote.

If the buyer specifies a Harleysville agent not included in the current phase of the program, the lead is e-mailed to the insurer's customer service department to be forwarded to that agent.

The program currently is available in 24 states, and plans call for its expansion elsewhere, said Philip Jacobson, manager of market research and planning at Harleysville. No timetable has been developed for the expansion, he said.

Mr. Jacobson noted that because the pilot program has been in place for only a couple of months, reliable figures on how well the system is performing are not yet available.

The insurer expects that the Internet service, in addition to providing leads on personal lines coverages, will generate new small to medium-sized commercial property/casualty accounts, which are its specialty. Smaller accounts don't always need as much hands-on treatment from an agent as larger accounts require, Mr. Duplak explained.



He said the development of the program isn't just about increasing the insurer's bottom line.

The sales-lead program has three goals, he explained. Those goals are: "to give agents additional leads; to increase the premium income of the agents and ourselves; and, more importantly, to enhance the franchise value for the agents with Harleysville."

Mr. Duplak said that offering the program is a way for the insurer to "reconfirm that it is indeed behind the independent agency system 100%."

The program also allows Harleysville to develop a database for future prospecting efforts.

While the ownership of the business generated through the site remains with the agent that binds it, "we like to understand who is responding to our Web site and lead program," Mr. Jacobson noted.

And Harleysville will use information gathered by the program for "future marketing to support our agents," he said. BI

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Insurer Topics

Diligence needed to avoid becoming a fraud victim

By Thomas M. Regan and Kevin C. Rakowski

IT Perspective

"American crime syndicates have infiltrated the Lloyd's insurance market in a wide-ranging fraud that could cost hundreds of millions of pounds in lost disaster claims. . . .One Lloyd's insider said: "It is difficult to assess the size of the problem, but it could easily top 100 million pounds. These people are highly organized criminals who are using Lloyd's for their own nefarious purposes."

(From "Police Probe £100M City Swindle," by Maeve Sheehan and David Leppard of The Sunday Times, published March 14, 1999.)

Unfortunately, in our increasingly complex and mobile world, the above merely only hints at the scope of a problem that could ensnare any company, association or individual who deals directly or indirectly with offshore insurance companies, reinsurance companies or agents and brokers.

Certainly, the vast majority of offshore-based companies providing insurance-related services and products are legitimate. The problem is distinguishing the good from the bad and the consequences of being wrong.

During the late 1980s and early 1990s, insurance scams involving complex networks of domestic and foreign insurance companies, phony assets and offshore banks, subject to little or no regulation, led to an international "shell game."

In that game, those in the private insurance market, from large insurers seeking reinsurance to professional associations seeking malpractice coverage, found themselves paying premiums to entities that simply did not exist.

The con artists weaving these webs preyed on unsuspecting insureds and insurers by collecting premiums for non-existent coverage and squirreling the money into far-off bank accounts or laundering it through channels of legitimate enterprises.

Despite the efforts of Congress, federal law enforcement and state insurance regulators, these problems still exist, and, as history teaches, the potential exposure can be devastating to all those who participate in the insurance market. Consequently, it's important to know how best to avoid being an unwitting victim, and what, if anything, can be done if you are.

In 1991, U.S. Senate investigators observed that the offshore reinsurance industry was dangerously unregulated and posed a serious threat to the integrity of thousands of American personal and commercial insurance policies.

Although the typical offshore scam involved reinsurance, the fraud tentacles penetrated all levels of the insurance market.

Through a network of brokers, agents and other intermediaries, con artists collected premiums or commissions while allowing offshore companies, unregulated and unmonitored, to assume the risks. The offshore companies often had little or no financial reserves to pay claims.

Frustrated by foreign jurisdiction secrecy laws, insurance regulators and law enforcement personnel often confronted dead ends in investigating these complex scams.

The scams that were discovered were often elaborate. Typically, though, they fell into one of five basic patterns.

In the first fraud pattern, which was perhaps the most basic, an agent, broker or company collected premiums but failed to obtain coverage. In essence, the party committing the fraud was betting that policyholders would file no claims during the coverage period. Of course, if claims developed, the con artist would simply flee.

The second common fraud pattern involved the multiple pledging of insurance receivables by an agent or broker. Essentially, an agent/broker would factor the same insurance premium receivables with more than one premium finance company.

The fraud would either exhaust the available opportunities or would pyramid the victims by attempting to use the proceeds of new loans to pay off some of the earlier obligations. Often, the fraudulent agent/broker would combine this scam with the creation of evidence of fake receivables and factor those as well.

Another popular fraud scam, similar to the first, is premium diversion. In this scenario, a fraudulent insurance company or broker would use some of the premiums for procuring insurance or reinsurance but would pocket the rest. Here, the fraudulent entity might pay some of the earlier claims but would liquidate well before all of the claims would be paid.

Finally, an undercapitalized insurance company, which the party committing fraud would license through the use of false or fictitious assets, often served as the basis for these scams. Of course, in an offshore setting, there would be little or no regulatory supervision to challenge the fraudulent financial statements presented to the state regulators.

These scams often involved insider deals, fraudulent or overvalued assets, dubious appraisals, bogus financial statements and offshore shell corporations.

Such was the case of a reinsurance scam involving an apparently contrived Indian nation called the "Sovereign Cherokee Nation Tejas."

The "nation," which was likely the creation of a retired U.S. Air Force colonel, became the centerpiece of an international insurance fraud scheme involving undercapitalized companies in Ireland, the Netherlands, and the Turks and Caicos Islands.

According to a Senate investigation, two of these reinsurance companies were financed by $50 million in treasury bills issued by the apparently fictitious nation. One of the assets of the "nation" included an estate in Austria, valued at $231 million, which the "nation" never owned nor had the right to list as an asset.

In the face of these offshore insurance fraud problems, Congress enacted the Violent Crime Control and Law Enforcement Act of 1994.

This act included anti-fraud provisions aimed at dealing with the "pirates and dolts who inevitably will plague an attractive industry such as insurance, where customers hand over cash in return for a promise of future benefits," as described in the 1990 Congressional report "Failed Promises: Insurance Company Insolvencies."

Clearly designed to attack fraud at the company level, as opposed to at the claim level, these provisions make it a federal crime to, among other things, misrepresent the financial condition of an insurance company to insurance regulators and misappropriate premiums or otherwise jeopardize the financial security of an insurance company.

The act has resulted in several prosecutions. One of the most significant and successful was *The United States vs. Patrick Gawrysiak*, in which the defendant's guilty plea in federal court in Newark, N.J., included violations of two sections of the 1994 law.

The Gawrysiak case involved a complex investment fraud scam, including an attempt, through the use of $5.5 million in bogus corporate bonds, to purchase a stake in the Texas-domiciled Gulf Atlantic Life Insurance Co.

But as successful as prosecution of the Gawrysiak case was, and notwithstanding the best efforts of federal law enforcement authorities and insurance regulators, it is generally recognized by experts in the area that the offshore insurance fraud problem remains as much a threat as ever.

James Vaules and Donald Wadsworth, working as members of the Federal Bureau of Investigation, successfully investigated many of the original offshore fraud cases.

Remaining active in the fight against the offshore insurance fraud problem as members of the Horsham, Pa.-based National Fraud Center, Messrs. Vaules and Wadsworth have stated, "The publicity of the late '80s and the early '90s certainly highlighted the problem. However, the problem is as bad now as it was then."

The fact that organized crime, or more specifically, the American crime syndicates, have infiltrated the offshore insurance industry provides significant support that the offshore fraud problem is alive and kicking.

How, then, does an insurer or an insurance intermediary seeking reinsurance, or a professional association seeking high-risk specialty lines coverage avoid becoming a victim of international insurance fraud? Although there are certainly no foolproof mechanisms, combating offshore fraud is a war fought on two fronts, one proactive and the other reactive.

Initially, prospective participants in the offshore insurance market must confront the problem through the use of experienced and knowledgeable anti-fraud professionals conducting proper due diligence reviews.

Secondly, should participants be victimized by fraud, recovery options, although often frustrating, are available.

Due diligence review

The fraudulent entities will typically appear to be financially sound, lulling unwary prospective clients into complacency and a false sense of security.

They will use names that sound legitimate and appear to have affiliations with larger, reputable insurance companies or groups, such as "The Wilmington Fire Insurance Co." or "member of the Lloyd's group of insurers."

They will have fully furnished and professionally staffed offices in impressive commercial buildings.

They will offer financial statements, usually on the letterhead of established accounting firms, sporting large net worths and sizable incomes.

Understanding that the frauds practice in an environment that has minimal, or even non-existent, regulatory supervision, the following due diligence steps are recommended:

- Visit the site and interview the principals. Determine the length of time they have been in business, the identities of sizable customers and a list of references. Advise the principals that a due diligence review is being conducted and obtain a signed authorization for the release of financial and business records.
- Meet with the company's accountant and determine the genuineness of the financial statements.

Also, determine the reputation of the accounting firm. Speak directly with the person from the accounting firm who signed the financial statements, and make it clear that you are relying on those financial statements to do business with the offshore entity. Confirm the accuracy of the statements.

- Contact the regulatory authority in those jurisdictions where the company is domiciled or does business and obtain all information relating to the company.
- Contact the entities that the subject company does business with and those that it has given as references.

Determine the extent of the relationship that the referenced entity has with the subject company, whether there is any common ownership or other factors that may affect the ability of the referenced entity to be objective about the company, and develop all facts that the referenced entity knows about the subject company.

- Lastly, due diligence is not a static concept. Periodic and regular audits should be conducted. Avoiding being the victim of an offshore insurance scam requires careful monitoring of the relationship.

A lack of continuous oversight led to approximately $500 million in net losses to the Omaha Indemnity Co., a subsidiary of Mutual of Omaha Insurance Co.

In that case, as documented in the congressional report "Failed Promises," two of the company's managing general agents wrote insurance coverage for more than $196 million in premiums for high-risk blocks of business, such as taxicabs, public transportation, long-haul trucking, restaurants and substandard auto business.

But the managing general agents reported only $61 million of that business to the insurer.

See **Fraud** *on page 24H*



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Fraud

Continued from page 24F

They then pocketed $34.6 million of the money and disposed of much of the remainder in transactions among a network of companies controlled by the managers.

The victimized insurance company later recognized that its failure to exercise proper controls was a contributing factor in this debacle.

In addition, implementing terms of the contract to maintain control is essential. This includes making certain that the scope of the respective parties' authority is clear.

All premiums and reserves must be deposited into segregated trust accounts. Unquestionably, giving intermediaries unfettered authority to bind coverage must be avoided.

Recovery Actions

When victimized by an offshore fraud scam, recovery could potentially be sought against the defrauding party or against third parties whose culpability may either be fraudulent—that is, intentional—or simply negligent.

The latter category of potential defendants includes the various professionals who may have assisted, knowingly or unknowingly, in the commission of the fraud.

Unfortunately, pursuing a recovery from the fraudulent entity often is fruitless. Even in those cases where the fraud has been proved, such as those that have been successfully prosecuted, recovery is often frustrated by foreign financial secrecy laws and by sophisticated money-laundering techniques.

A case in point is *The United States vs. Bramson*, which had culminated in Leonard Bramson's plea of guilty to money laundering arising out of a massive insurance fraud involving Preferred Indemnity Insurance Co. of New Jersey.

Notwithstanding Mr. Bramson's agreement to return nearly $20 million from foreign banks, most of the 1,212 victims, whose claims totalled $66 million, were left uncompensated.

Even the $1 million found in January 1995 in the back of a shiny new Mercedes Benz belonging to Martin Bramson, Leonard's brother, at the Austria-Liechtenstein border, can be classified only as blind luck.

In summary, the offshore insurance market remains an attractive source of business, especially in the specialty and reinsurance markets. But fraud in this market is real, and the potential effect is devastating.

This market should be ventured into only with an abundance of caution and the advice of lawyers and other experienced professionals. BI



Mr. Regan



Mr. Rakowski

Thomas M. Regan is a member of the Cozen & O'Connor law firm in Philadelphia, and Kevin C. Rakowski is an associate with the firm. Both serve in the insurance litigation department, which specializes in arson and fraud cases.

Internet will have widespread impact on insurance: Survey

By RODD ZOLKOS

Insurance and other financial services industry executives expect the Internet to affect every aspect of the life insurance industry, particularly distribution, customer service and pricing, a recent survey shows.

Approximately half of the executives surveyed also expect to introduce mechanisms for online applications and quotes for asset accumulation and wealth protection products, such as life insurance and pension products, within the next five years, according to the survey, conducted by Andersen Consulting and the Atlanta-based Life Office Management Assn. Inc.

Fully 90% percent of respondents indicated they expect the Internet to have a moderate to significant impact on the distribution of asset accumulation and wealth protection products. Over the next five years, respondents indicated, they expect to see distribution changes manifesting themselves through:

- The Internet allowing companies to reach a new group of customers not served by existing distribution channels.
- Online sales taking market share away from traditional distribution channels.
- Internet support increasing the efficiency of traditional channels, resulting in reduced distribution costs.
- The Internet undermining the economics of traditional distribution channels, causing a reduction in the number of brokers, agents and financial advisers.
- Commissions for sales through traditional channels falling as a result of price pressure from Internet sales.

In terms of the scope of the Internet's impact on the number of agents, brokers and financial advisers, 51% of those surveyed said they expect to see up to a 20% reduction in the size of the agent, broker and adviser force over five years, with another 21% projecting a 20% to 50% drop.

Respondents also see the Internet changing the financial services industry's structure, with 80% expecting the Internet to have significant or moderate impact.

Specifically, they indicated they expect to see new competitors entering the market as a result of the Internet; the arrival of companies specializing in particular functions, such as distribution or policy servicing; and the emergence of "shared utilities"—specialists in particular functional areas that are owned and operated by several companies.

Executives questioned generally agreed that the Internet will have little impact on product design, face value or pricing over the next two years. But, looking out at a five-year horizon, respondents' views changed dramatically.

Over the next five years, 77% of respondents expect to see the Internet having significant or moderate impact on the development of a completely new generation of asset accumulation and wealth protection products, and 68% expect Internet sales to drive price reductions.

Also, 62% expect to see the sale of high-face-value products over the Internet over the next five years; and nearly half, 49%, expect to see the sale of complex products over the Internet in that time frame.

Insurance company executives questioned ranked support of existing agents, brokers and financial advisers as the most important use of the Internet, followed by servicing customers and their policies.

In contrast, the non-insurance companies surveyed ranked education of customers the most important use of the Internet.

The Andersen Consulting/LOMA study is based on the survey responses of 213 financial services executives worldwide.

Companies surveyed varied by size. Ninety-one percent were insurance companies, with the remainder including Internet companies, banks, asset managers, securities brokers and others. Executives were surveyed between November 1999 and January.

•

LOMA is distributing copies of the report, "The Asset Accumulation and Wealth Protection Market Place: Winning in the eEconomy," to member company presidents and librarians. Others may purchase copies for $125 for LOMA members or $375 for nonmembers from the LOMA Member Relations Department, 770-984-3784 or 800-275-5662.

IT Briefs

Deregulation survey

DES PLAINES, Ill.—A recent study shows that more than 60% of businesses believe they have the know-how or economic leverage to negotiate a lower premium in a deregulated commercial insurance market, according to the Des Plaines, Ill.-based National Assn. of Independent Insurers.

The survey, commissioned by the Insurance Research Council and conducted by Roper Starch Worldwide, surveyed companies with annual sales of between $5 million and $100 million. Nearly 90% of respondents said they believe they possess the expertise to operate in a deregulated marketplace.

The NAII noted that while the insurance buyers surveyed represent only 4.1% of U.S. companies, they include the firms most likely to be affected by regulatory modernization proposals being considered in states across the country.

Meanwhile, the NAII has come out in opposition to a regulatory modernization model recently proposed by a National Assn. of Insurance Commissioners working group, because it does not go far enough in deregulating commercial and personal insurance forms and rates, the NAII said.

The NAII has developed its own model, which calls for complete deregulation of the market for exempt commercial policyholders. That model has been adopted by the American Legislative Exchange Council, the NAII said.

Online exchange

NASHUA, N.H.—AMS Services Inc. recently formed an online company, TowerStreet, in an effort to create an integrated, Internet-based insurance exchange for insurers and agencies.

TowerStreet, which initially will focus on the insurance sales process, will later be expanded to support the entire insurance transaction.

TowerStreet recently unveiled a prototype of its personal lines point-of-sale service product, which integrates comparative quoting, rating, underwriting report delivery, reference information proposals, ACORD forms and electronic submission. The product is currently in beta testing, with plans for a national rollout later this year. A commercial lines point-of-sale system will be released this summer.

Because online transactions will involve multiple trading partners, TowerStreet is using ACORD standards for extensible markup language, or XML. These standards allow agencies to connect to insurer systems without having to deal with multiple user interfaces and data repositories.

In a statement, John Ashenhurst, executive vp of AMS Holding Group of Nashua, N.H., and business developer of TowerStreet, said: "TowerStreet will finally allow agencies and companies to have the complete integrated systems they have always wanted, without having to spend their time and money running what has become an increasingly complex and expensive office data center. Access to TowerStreet requires only a computer running a browser and connection to the Internet. New users can be online and at work in minutes."

Alliance names exec

DOWNERS GROVE, Ill.—The Alliance of American Insurers has appointed David R. Anderson vp and assistant director of workers compensation and health.

Before joining the Downers Grove, Ill.-based Alliance, Mr. Anderson was vp and associate general counsel for CNA Insurance Cos. in Chicago, overseeing governmental and regulatory affairs.

ING now in Ireland

DUBLIN, Ireland—ING Reinsurance International, the global arm of ING Reinsurance, has opened an office in Dublin. Graham Mackay, will head the new operation as its chief operating officer.

Redman joins SIAA

KEENE, N.H.—Phoenix-based insurer The Redman Group recently became the 400th member of SIAA, a national insurance agency alliance based in Keene, N.H.

As an independent satellite member of SIAA, The Redman Group will be affiliated with the INEX Agency Alliance, an SIAA master agency based in Albuquerque, N.M.

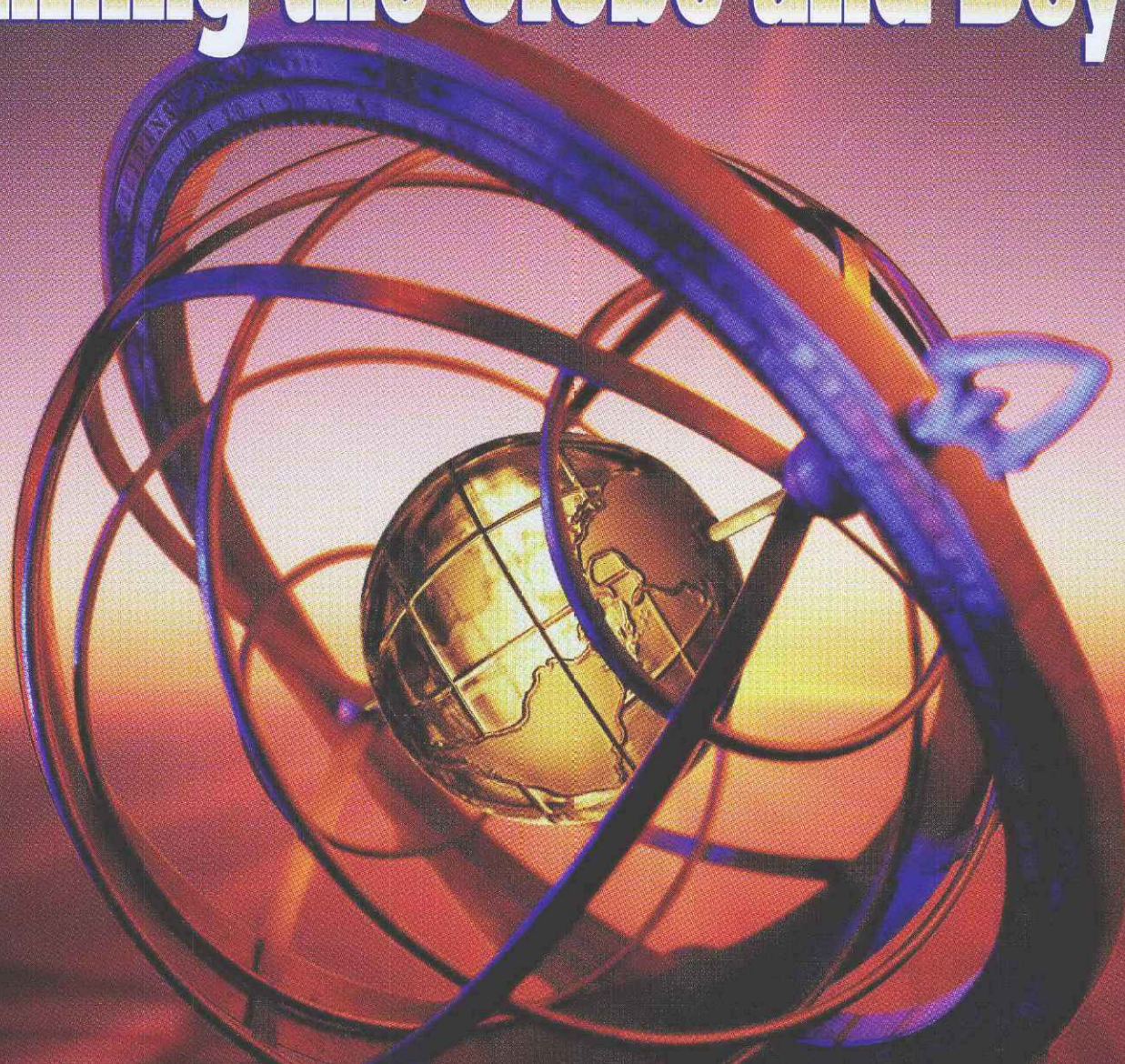
In a statement, SIAA Chairman Jim Masiello said, "As our 400th member, The Redman Group is an example of how independent agencies can thrive in this competitive environment, by forging an alliance that provides access to companies, programs, profit sharing and enhanced compensation opportunities usually reserved for larger agencies." BI

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More that 439 organizations are set to exhibit at the 38th annual conference and exhibition of Risk & Insurance Management Society Inc.

Among those exhibiting at the Moscone Center in San Francisco will be insurers, brokers and consultants. Conference attendees will be able to meet with vendors and obtain information on products and services.

Access to the exhibit hall is included in the registration fee; for those not registered, a one-day pass to the hall costs $200 at the site.

No one under 21 will be admitted to the exhibit hall.

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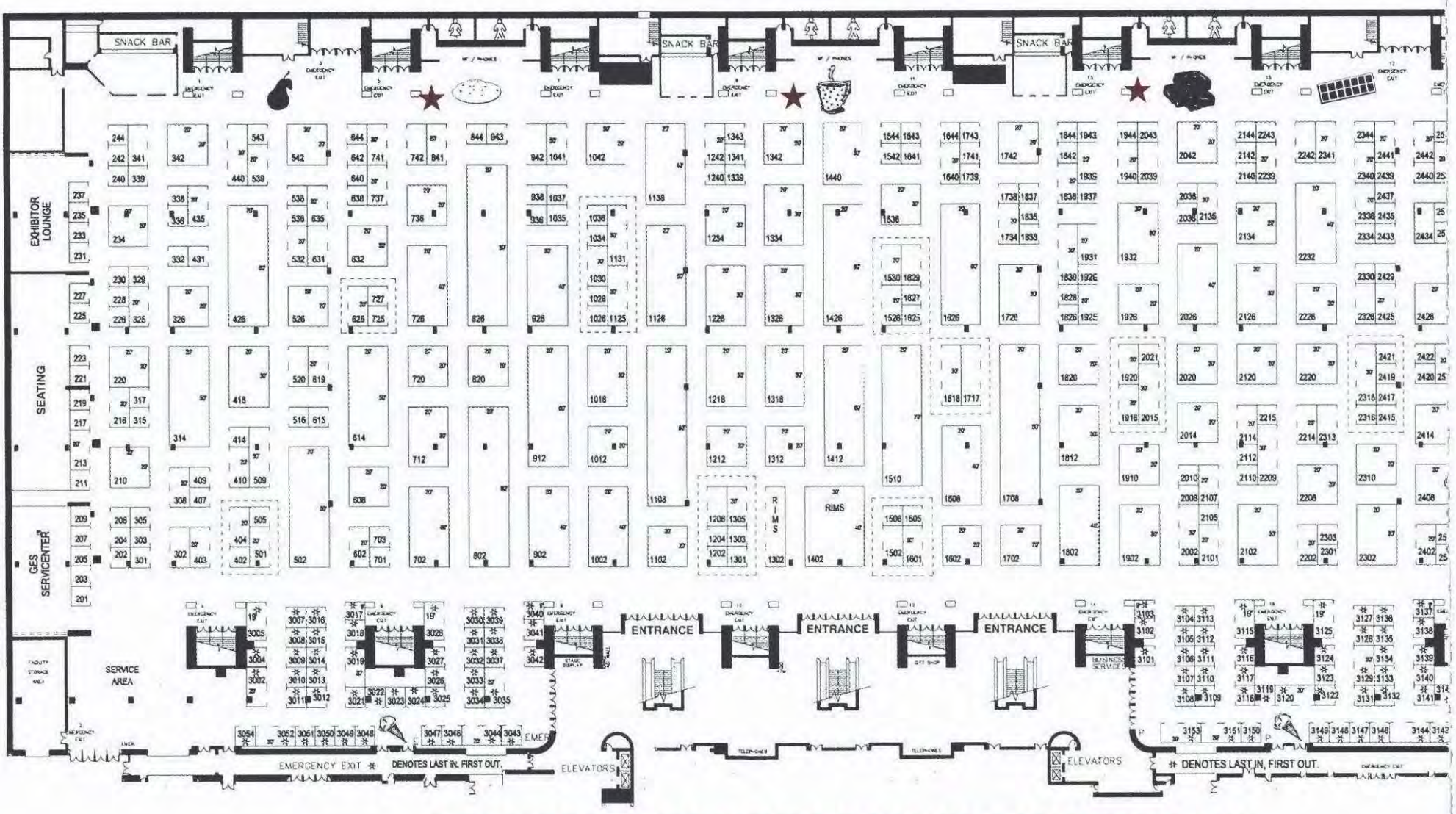
- Monday, Tuesday and Wednesday; May 1, 2 and 3: 9:00 a.m. - 5:00 p.m.
- Thursday, May 4: 9:00 a.m. - noon

Following is a list of exhibitors and their booth numbers supplied by RIMS as of April 5:

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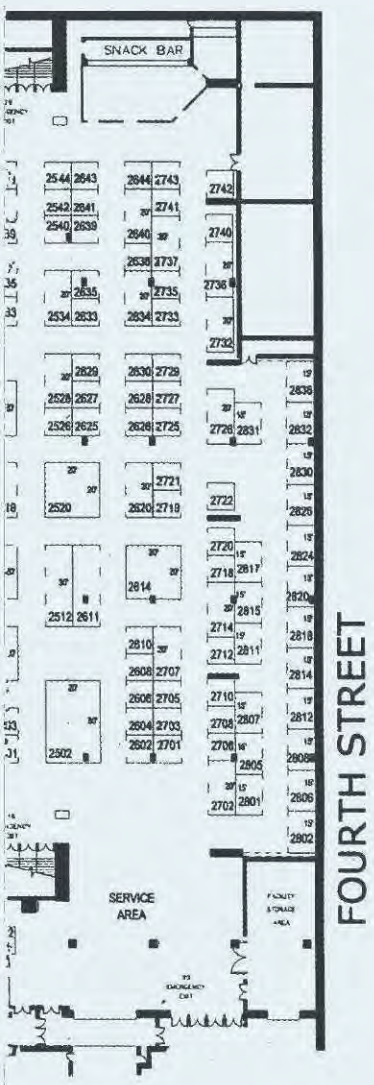
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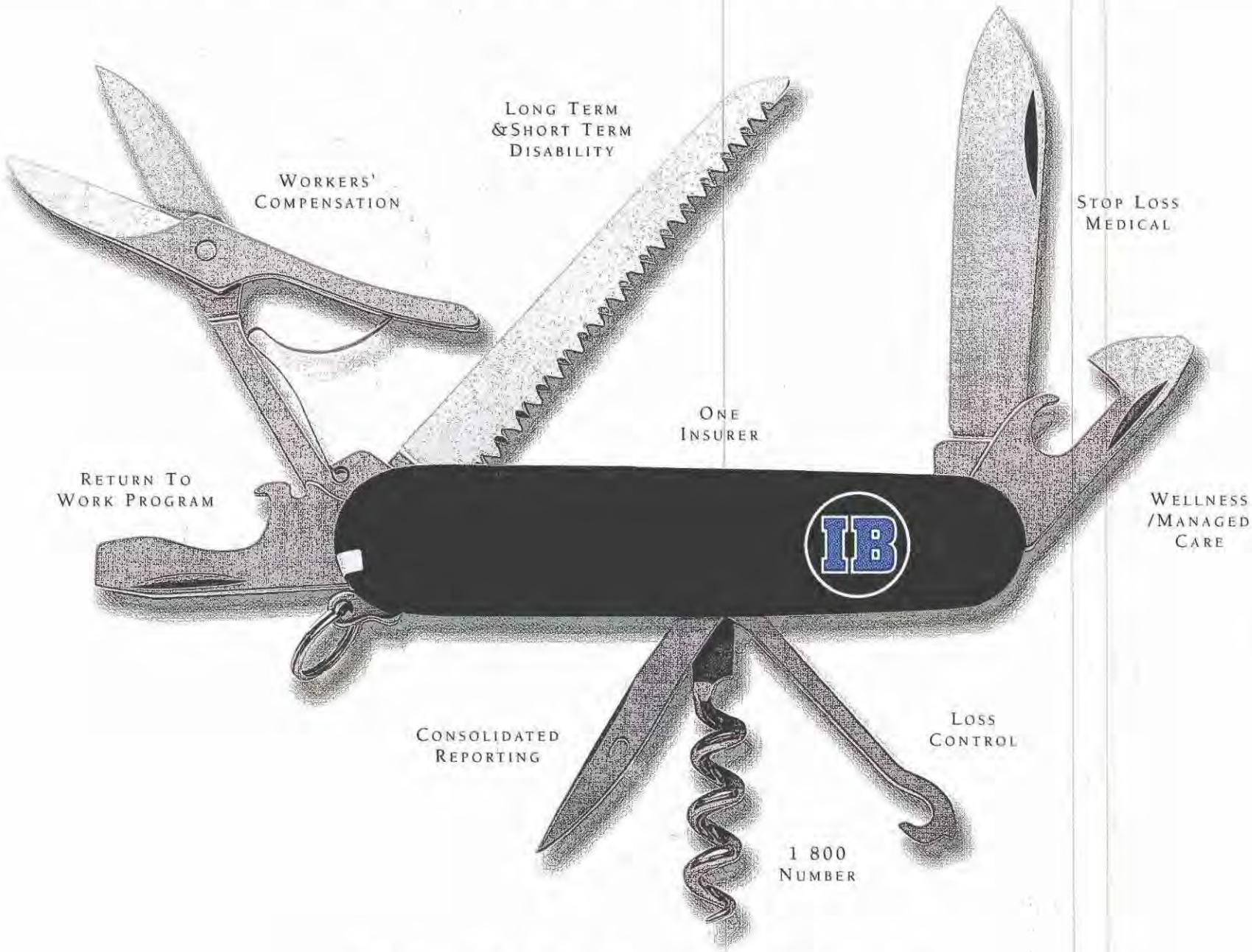
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Beats, eats and other treats await in San Francisco



GRAPHIC BY JOHN HALL

By SALLY ROBERTS and ROBERTO CENICEROS

When it comes to attractions, San Francisco has it all—quality, quantity and remarkable variety.

Visitors to the city can view its skyline and shoreline by taking an inexpensive ferry ride, gain some cultural awareness at one of its many art and science museums, rent a bicycle and pedal through a huge expanse of park greenery, or check out the cutting edge of high-tech entertainment.

Just about anything is available in San Francisco; listed below are a few possibilities. Some, such as Golden Gate Park, have pulled in visitors for decades; others, such as the Metreon, are recent but have already established themselves as crowd pleasers.



PHOTO: MIKE GORZELANSKI

Metreon

San Francisco's four-story, 350,000 square-foot Sony entertainment center is a video game fanatic's dream come true.

Located in the heart of the city's Yerba Buena Gardens, at the corner of Fourth and Mission streets, the nearly 1-year-old Metreon offers interactive, family-friendly attractions as well as shops, restaurants, movie theaters and San Francisco's first Sony-IMAX theater.

The main attraction at Metreon is its Airtight Garage, where the 21st century meets kid's play.

This upscale arcade, located on the second floor, offers virtual reality games that can be found only at Metreon, as well as myriad video games certain to delight both kids and adults.

It also offers a full bar, which may or may not enhance one's game playing abilities.

Bowling enthusiasts will not want to miss HyperBowl, the ultimate virtual bowling experience. In the game, the ball's path is represented on a large screen projecting one of four worlds—San Francisco in 2099, a Roman garden, a traditional bowling alley, and an ancient ship on a windy day. In the San Francisco scenario, for example, a player must steer the ball up and down the streets of the city, dodging cable cars and other obstacles in an attempt to hit the pins at the end.

HyperBowl costs $6 to play. All the other games are $2.50. Game cards must be purchased at the front of the arcade.

If you're planning to spend an evening at Airtight Garage, consider going on Wednesday night, from 6 p.m. until 10 p.m. During that time, unlimited game play is $12, and drinks are only $2. Wednesday nights are open to those 21 and older; Sunday through Thursday, the Airtight Garage is open to all ages, from 6 p.m. until 10 p.m., with unlimited game play for only $10.

Also on the second floor is "The Way Things Work—in Mammoth 3-D," a three-screen, three-dimensional presentation that explains the operating principles of machinery featured in David Macaulay's book "The Way Things Work." There is a $2.50 charge for this attraction.

On the fourth floor, you'll find an interactive display of Maurice Sendak's popular children's book "Where the Wild Things Are." The book, with its monsters, bubbling cauldrons and hall of mirrors, comes to life in a hands-on, interactive play space. For $6, you can tour the display, but be prepared for crowds of children. Enthusiasts of the book might also want to spend some time in the shop located in front of the attraction—stuffed replicas of some of the monsters are hard to resist. If you're hungry, the In the Night Kitchen restaurant is also nearby. The family-friendly classic American diner is inspired by Mr. Sendak's book of the same name.

Seven other restaurants are located throughout Metreon, and they might prove good places to eat lunch during the Risk & Insurance Management Society Inc. conference, given its proximity to the Moscone Center. Among the restaurants are the Firewood Cafe, which offers big salads and gourmet pizza and pasta; and Sanraku, which serves fresh sushi, teriyaki and tempura. Both restaurants are on the ground floor.

Jillian's South of Market restaurant, also on the ground floor, offers white-tablecloth dining, sports on a wall of televisions at the bar, and a back room full of pool tables.

From 10 p.m. until 2 a.m. on Wednesday through Saturday, Jillian's dining area turns into a dance club. Wednesday night is devoted to salsa.

Intermixed among the entertainment and restaurants are such stores as Sony Style; Discovery Channel Store, offering interactive educational exhibits and products; PlayStation store, where Sony PlayStation enthusiasts can play the latest titles at game kiosks; and MicrosoftSF, where shoppers can sample the latest computer software, hardware and other related products.

If you've ever wanted a picture of yourself made into a holographic image for a key chain or card, there's even a vendor offering that service on the second floor.

Metreon also houses 15 movie theaters and a Sony-IMAX theater. For shows and show times or for more information about Metreon's other attractions, call 1-800-638-7366.

Metreon itself is open daily from 10 a.m. until 8 p.m., but many of the restaurants and attractions remain open later.



PHOTO: MIKE GORZELANSKI

Alcatraz

Anyone with a free morning or afternoon should consider a trip to Alcatraz Island. A short ferry ride out from Pier 41 in Fisherman's Wharf, Alcatraz will bring to life what many have seen only in movies and on television.

Whether you have a whole afternoon or only a few hours, there are several ways to tour Alcatraz that will accommodate your schedule and still give you a feel for what it was like on the island during its 29-year history as a federal penitentiary. In addition to a 15-minute introductory film, you can take a 30-minute audio tour of the cell house, with narration provided by former inmates and guards. There also are several free park-ranger guided tours that offer more detail about the prison and the lives of its inmates. For those wishing to tour Alcatraz on their own, there are explanatory brochures that will help.

Whatever route you take, you will have the opportunity to stand in the five-by-nine-foot claustrophobic cells in which inmates spent up to 23 hours a day; to tour the cafeteria; to stand in one of the solitary-confinement cells found in the infamous D Block; and to look upon the recreation yard, where such notable inmates as Al Capone once stood. You also can peer into the cell of Robert Shroud, the "Birdman of Alcatraz."

Also on display are the actual cells of John and Clarence Anglin and Frank Morris. In June 1962, the three escaped from Alcatraz by digging with spoons around the ventilation ducts in their cells, gaining access to the utility corridor and, eventually, the roof. While cells No. 150, 152 and 138 are genuine, the holes have been re-dug and the displayed dummy heads that were used to fool the guards in the escape are replicas. The inmates, whose escape was chronicled in the Clint Eastwood movie "Escape from Alcatraz," were never found. On an interesting note, cell No. 113, down the corridor known as "Broadway," served as Mr. Eastwood's cell in the movie.

There were 14 attempted escapes from Alcatraz during its 29 years as a federal penitentiary, but it was the 1962 escape—as well as escalating operational costs—that led then-U.S. Attorney General Robert F. Kennedy to close the facility in 1963.

Alcatraz was not always a federal penitentiary. Initially, the island had been used as a small military fortification, built in 1853, to protect the port from Confederate raids.

In 1854, the first lighthouse on the Pacific Coast was constructed on Alcatraz. It still operates on the island today.

By the time the Civil War broke out, Alcatraz's defenses were obsolete, and, in 1907, the island was decommissioned as a fortification. In the meantime, starting in the mid-1800s, Alcatraz was used to incarcerate convicted soldiers, citizens accused of treason and the crew of a Confederate ship. The army also used Alcatraz to imprison Hopi, Apache and Modoc Indians captured during the various Indian wars of the mid-to-late 1800s and to hold military convicts during the Spanish-American War in 1898. In 1934, Alcatraz reopened as a federal penitentiary.

A complete tour of Alcatraz covers every aspect

See **ATTRACTIONS** *on next page*

Attractions

Continued from previous page

of life on the island, from its beginnings before the Civil War, to the small community where prison guards lived with their families, to the Native American occupation in the late 1960s.

The Red & White Fleet, which departs from Pier 41, provides ferry service to and from the island every half-hour, starting at 9:30 a.m. Tickets, which are $8.75 without an audio tour and $12.25 with the audio tour, must be purchased in advance. For information, call 415-705-5555.



PHOTO: MIKE GORZELANSKI

San Francisco Museum of Modern Art

Located around the corner from the Moscone Center on Third Street, the San Francisco Museum of Modern Art offers a beautiful and convenient place to take a break from the conference.

SFMOMA, which is San Francisco's newest major museum, is one of the largest single buildings dedicated to modern art in the country.

The $63 million 5-year-old building, designed by Swiss architect Mario Botta, is a beautiful piece of art both inside and out. It consists of four stories of gallery space and one floor devoted to services and amenities.

Admissions, restrooms, the museum store and audio tour information are located on the ground floor, as is the Caffe Museo, which is an excellent place to get breakfast, lunch or a cup of coffee. Caffe Museo has outdoor seating along the front of the museum and offers reasonably priced salads, pizza, pasta and soup, in addition to assorted scones, muffins and croissants. Coffee, juice, beer and wine also are sold.

Caffe Museo is open every day but Wednesday. Normal hours are from 10 a.m until 6 p.m.; on Thursday, though, Caffe Museo remains open until 9 p.m.

The second floor of the museum houses art from its permanent collection in an ongoing exhibit titled "Matisse and Beyond: A Century of Modernism." The impressive collection of modern art includes original paintings and sculptures by such artists as Henri Matisse, Pablo Picasso, Joan Miro, Salvador Dali, Georgia O'Keefe, Jackson Pollock, Roy Lichtenstein and Andy Warhol.

An audio tour that guides you through the museum's permanent collection while exploring the relationship between modern music and modern art is available for $3.

The second floor also houses other special exhibits. During RIMS, you can check out "Structure and Surface: Contemporary Japanese Textiles;" "Paul Klee: Recent Acquisitions of the Djerassi Collection" and "Selections from the Permanent Collection of Architecture and Design: Adams Morioka."

The third floor houses a collection of photography exhibits. In addition to an exhibit from SFMOMA's permanent photography collection—"Picturing Modernity"—work by photographers William Gedney and Germaine Krull will be exhibited during the RIMS conference.

The fourth and fifth floors currently house an exhibit showcasing four decades of work by the artist Sol LeWitt. The exhibit will also be available during the conference.

The museum, located at 151 Third St. between Mission and Howard streets, is open every day except Wednesday. Hours are 11 a.m. until 6 p.m. On Thursday, the museum is open until 9 p.m., and tickets are available at half-price beginning at 6 p.m. Regular admission is $9, although entrance to the museum is free the first Tuesday of every month.

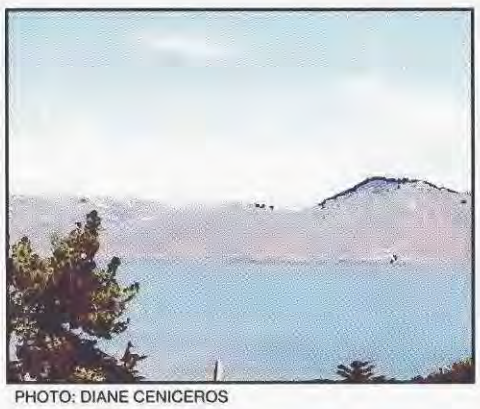


PHOTO: DIANE CENICEROS

Sausalito

Taking the ferry boat ride from San Francisco is part of the fun in visiting Sausalito, a quaint waterfront town that features art galleries, sailboat slips and restaurants.

Ferries that run daily are operated both by the Golden Gate Ferry & Transit Service and by the Blue & Gold Fleet. One Golden Gate ferry departs from the Ferry Building, at the bottom of Market Street.

The snack and beverage bars to be found on Golden Gate's boats have a very utilitarian decor and definitely can't be counted on for anything approaching gourmet luncheon fare. But the bars do stock basic alcoholic refreshments and, by some estimates, the cruise between San Francisco and Sausalito provides just the right amount of time to enjoy a couple of martinis.

By the clock, the trip takes about 30 minutes.

As the ferry pulls away from San Francisco, travelers are treated to an extraordinary panoramic view of the city's skyline and geography. In inclement weather, passengers can sit inside, but if the day is sunny, they can soak up the rays outside while taking in views of Alcatraz Island, the Golden Gate Bridge and the beautiful shoreline of Marin County.

Golden Gate ferry rides are $4.80 each way. Blue & Gold Fleet ferries depart from Pier 41 in Fisherman's Wharf, and the adult fare is $6 each way. For schedules, contact Golden Gate Ferries at 415-923-2000 and Blue & Gold Fleet at 415-773-1188.

Driving to Sausalito takes visitors north on Highway 1/101 and across the Golden Gate Bridge. It's about a 45-minute trip from central San Francisco during non-rush hour traffic. But the parking in Sausalito can be problematic, so many locals prefer to load their bicycles on to the ferry.

Sausalito is known for its scenic bicycle routes, and bikes can be rented either upon arrival or near Fisherman's Wharf before leaving San Francisco.

Once in this Mediterranean-style town, stroll along Bridgeway Boulevard, Sausalito's main street, located just off the ferry stop. Take in Bridgeway's art galleries, shops and rustic houses. Or sit in one of the restaurants that offer breathtaking views of the bay and San Francisco.

For dinner, Ondine, located at 558 Bridgeway Blvd., is one of the better-known restaurants in the area, although it is considered pricey. Ondine also offers a Sunday brunch. For lunch, Margaritaville, also located on Bridgeway, offers large portions of Mexican food served on its waterfront patio. Or, for a drink, try the No Name bar, also on Bridgeway. Some say the bar maintains one of Sausalito's last ties to its bohemian past.

That bohemian spirit developed after World War II, when a shipyard employing thousands of workers closed its doors. Squatters then salvaged scrap materials from barges and decaying ships and built houseboats. Today, the houseboats still bob out in the harbor, providing shelter for area artists; some of those homes have themselves been turned into works of art.

To see the houseboats, head north from the ferry landing on Bridgeway to Gates 5 and 6. To take in more local living and the city's hillside housing stock, climb the steep stairways on the west side of Bridgeway.

Also north up Bridgeway is the Bay Model, a miniature, two-acre version of the area's 350 square miles of ocean and rivers. The model features flowing ocean tides and rivers and is used to study the area's marine life and water conservation efforts.

Still another alternative is to simply sit and relax amid the palm trees in the pretty square just off the ferry landing.

Bear in mind that Sausalito is small, and its sights can easily be seen in half a day or a few hours. Furthermore, the ferries serve as transportation for area workers, so it might be best to travel when local commuters are less likely to be crowding the ships.

If you particularly enjoy the ferry ride, you might consider some of the other destinations offered by both ferry services. If driving, try to visit additional nearby destinations, such as the Muir Woods National Monument, with its beautiful redwood trees.



PHOTO: SAN FRANCISCO CONVENTION & VISITORS BUREAU

California Palace of the Legion of Honor

In a city known as an art center and a bastion of museums and galleries, the California Palace of the Legion of Honor stands out.

The 1920s French neoclassic building that houses the museum stands out for its beauty, for the art exhibits displayed there and for its location. The palace, which is perched atop Lincoln Park, at the city's far west end, offers stunning views of San Francisco and the Golden Gate Bridge.

Architect George Applegarth designed the building as a replica of Paris' 18th-century Palais de la Legion d'Honneur. The Parisian palace formerly served as a royal residence and is considered a landmark of the Left Bank.

San Francisco's palace is currently home to thousands of pieces of ancient and European art. The palace's collection includes an Assyrian wall relief; French furniture, ceramics and antiques; Dutch and Flemish paintings from the 18th century; and 18th-century English paintings.

The museum was a gift to San Francisco from Alma de Bretteville Spreckels, the whose family was prominent in the sugar industry. She befriended the French sculptor Auguste Rodin, who helped her select works for her museum. The palace's collection of Rodin's works now includes an early cast of "The Thinker."

Through May 14, the palace will host 53 works created from 1908 to 1963 by Georgia O'Keefe. "The Poetry of Things" exhibit includes many of O'Keefe's better-known works, as well of some that might not be as familiar to admirers.

The exhibit provides plenty of commentary on the objects O'Keefe chose to paint, such as the bones, shells and flowers prominent in many of her colorful works. The exhibit includes photographs taken by contemporaries of O'Keefe, as well as photographs by O'Keefe's husband, famed photographer Alfred Steiglitz.

For those seeking refreshments, the museum's cafe is enjoyable for its outdoor seating overlooking the Pacific Ocean. Also located on the exterior of the museum is a moving Holocaust memorial.

The palace is open Tuesday through Sunday, from 9:30 a.m. to 5 p.m. General admission is $10. More information is available by calling 415-863-3330.

Those who have additional time after visiting the museum might want to see how some of San Francisco's wealthiest residents live. To do so, visit nearby Sea Cliff, an ocean bluff community of opulent homes. Robin Williams and other celebrities call the area home.

Golden Gate Park

Golden Gate Park, stretching nearly from the middle of San Francisco to the Pacific Ocean, has more to offer than most tourists will ever have time to explore.

But those who do visit can wander through museums, relax in a Japanese tea garden or participate in physical activities such as bicycling or roller-blading. The park is a 1,017-acre expanse of greenery that offers tourists and locals an escape from the surrounding urban environment. Even fly fishing and hikes along secluded nature trails are possible in the park.



PHOTO: SAN FRANCISCO CONVENTION & VISITORS BUREAU

Some of the most-visited sites are located at the park's eastern end, near the 10th Avenue entrance, on the Fulton Street side. One attraction in that area is the H.E. de Young Museum. The museum features American art from Colonial times to the mid-20th century, and it also has a collection of objects from around the world, such as African carvings and European tapestries. Admission for adults is $7. For more information, call 415-863-3330.

Adjacent to the de Young is the Asian Art Museum, which boasts a jade jewelry and craft collection and art from Tibet, Japan, the Middle East and elsewhere. The price of admission to the de Young includes entry to the Asian Art Museum.

The California Academy of Sciences is also in the immediate vicinity. It includes the Morrison Planetarium, the Steinhart Aquarium and the Natural History Museum, all under one roof. One large hall houses an exhibit on the history of life on Earth as well as one on geological plate tectonics and earthquakes. Visitors can stand on an earthquake simulator that vibrates with the intensity of the 1906 temblor that struck the city. That quake, later estimated to be of magnitude 7.9, and the subsequent fire, killed about 700 residents. Admission for adults is $8.50. The museum is open daily from 10 a.m. to 5 p.m. For more information, call 415-750-7145.

Behind the Academy of Sciences sits the Garden of Shakespeare's Flowers, containing about 150 specimens.

Also nearby is the Japanese Tea Garden. Ponds, paths, sculptures, native Japanese plants and cherry trees occupy the five-acre site. Adjacent to that is the 70-acre Strybing Arboretum and Botanical Gardens, featuring thousands of plant species. Admission to the tea garden is $3.50 for adults; admission to the arboretum is free.

But Golden Gate Park has even more than museums and greenery.

Name just about any sport or physical activity, and the park probably has facilities for it. Miles of tree-lined streets and trails wind through the park, and skates and bikes can be rented at shops along nearby streets. On Sundays, one of the park's main thoroughfares, John F. Kennedy Drive, is closed to cars, giving use of the pavement over to bicyclists, skaters, runners and walkers.

Near JFK Drive and 36th Avenue stands a wood cabin that was built during the federal Works Project Administration era. It is now home to The Golden Gate Angling & Casting Club, whose members perfect their art in the fly casting pools behind the cabin. Club members love to give impromptu casting lessons; an interested visitor can leave a drivers license as a deposit for the use a rod.

The park's Sunbather Meadow attracts ultimate frisbee enthusiasts of all levels, as well as crowds that watch. Other sports facilities include a nine-hole public golf course, bridle paths, an archery field and Stow Lake, where rowboats can be rented.

At the far west end, where the park runs into the Pacific Ocean, the hungry and thirsty can stop in at Beach Chalet Brewery. The brew pub overlooks the beach and the crashing waves. The restaurant occupies the top half of a two-story building constructed in the 1920s. The first floor houses a visitor center and gorgeous tile mosaics depicting life in San Francisco.

Other nearby eating establishments can be found along the streets leading up to the Lincoln Avenue side of Golden Gate Park.

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Vintage tourist attraction a short drive from San Fran

Touring California's Napa and Sonoma valleys worth a quick detour during RIMS week

By SALLY ROBERTS

A trip to San Francisco is hardly complete without at least a quick tour—or taste—of California's famed Wine Country.

About an hour's drive northeast of the city's South of Market area are the rolling hills and lush vineyards of the Napa and Sonoma valleys. Along the way, hundreds of wineries beckon you to taste the fruits of their labors.

Although only 20 miles divide the Napa and Sonoma valleys, their separation by Sonoma Mountain makes them worlds apart. Touring both regions in one day is possible, but it is not recommended for those wishing to fully enjoy the experience.

As any travel guide or wine aficionado who has visited the area will tell you, the best way to visit the Wine Country is to pick a few wineries in one region and spend the day learning about the winemaking process and enjoying the scenery with a picnic lunch.

The more popular of the two regions—traffic being a telltale indicator—is Napa Valley, which is home to such commercial giants as Beringer, Sutter Home and Robert Mondavi. Film director Francis Ford Coppola's Niebaum-Coppola Estate winery also is located in Napa. If you go to Napa, be prepared to pay for tastings. The Niebaum-Coppola winery, for example, charges $7.50 for three tastings.

If you're looking for more-rustic, unpretentious, family-owned wineries, Sonoma Valley is your best bet. A trip to Sonoma Valley also can be less expensive—with very few exceptions, most tastings in Sonoma Valley's wineries are free.

Often called the birthplace of the California wine industry, Sonoma Valley is home to some of the state's oldest vineyards and wineries.

The earliest vineyards date back to as early as 1825, two years after the founding of the Mission San Francisco Solano de Sonoma, which was the last and northernmost of California's 21 missions. As they traveled north, Franciscan missionaries brought with them vine cuttings of the highly productive Mission grapes, which they planted to make altar wine.

The art of viticulture as we know it in California today, however, began when Count Agoston Haraszthy de Mokcsa returned from Europe in 1857 with vine cuttings of noble Old World varieties. The Buena Vista Winery, at 18000 Old Winery Road off Napa Road in Sonoma, is where Count Haraszthy laid the foundation for modern California winemaking by planting vines on well-drained hillsides instead of the more conventional well-watered ground.

Buena Vista Winery, the oldest continually operating winery in California, is open every day from 10:30 a.m. until 5 p.m. It offers tastings, guided tours and picnic areas.

The Mission San Francisco Solano de Sonoma is open daily for tours from 10 a.m. until 5 p.m. It is located at Spain Street and First Street East in Sonoma Plaza.

In addition to the historic town of Sonoma, the 17-mile-long valley is home to hundreds of acres of vineyards that provide the grapes for many world-class wines. More than 30 wineries located along the valley are open for tastings.

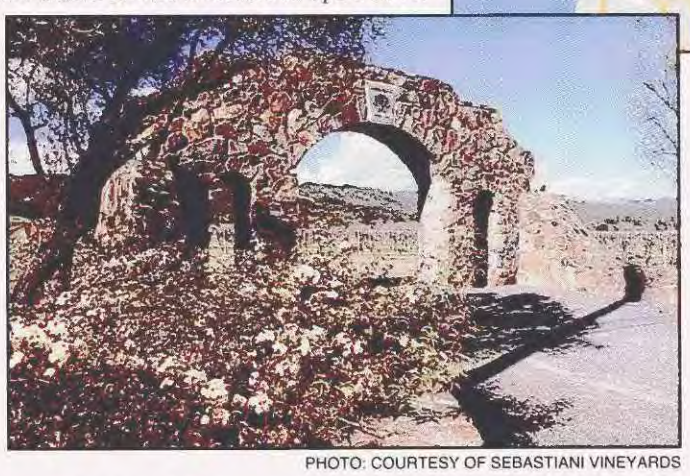


PHOTO: COURTESY OF SEBASTIANI VINEYARDS

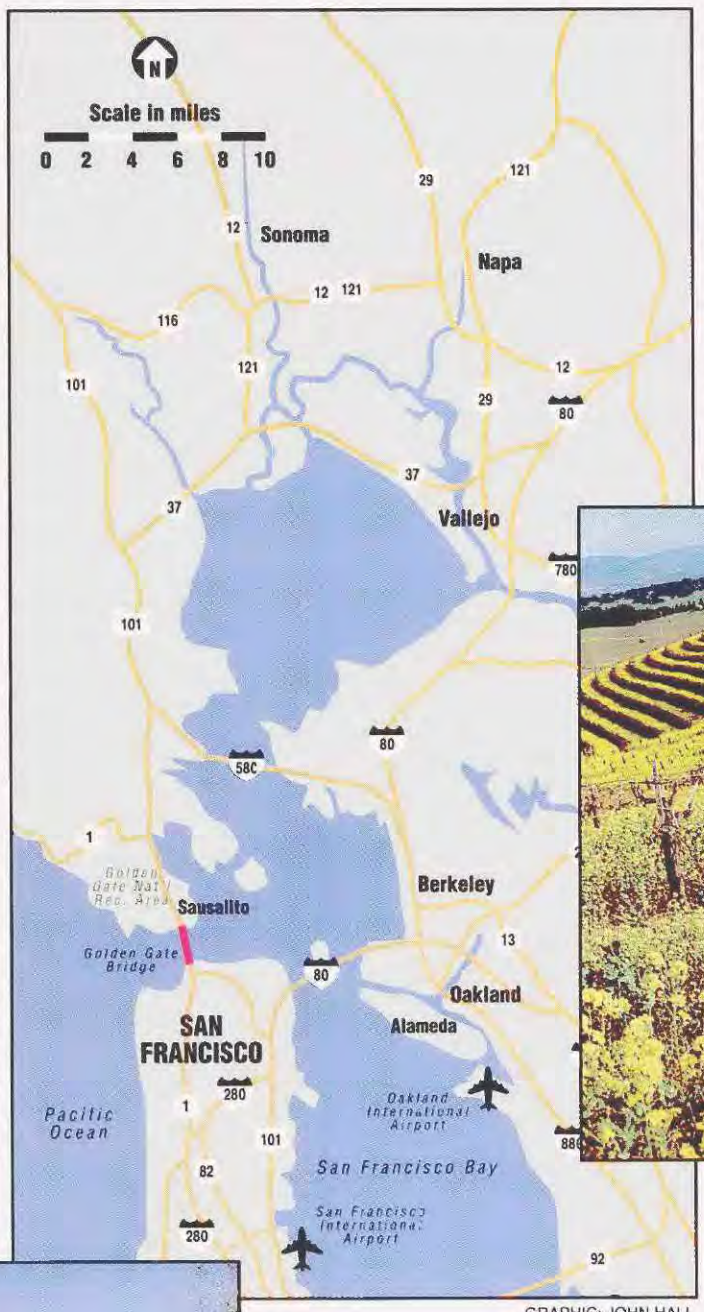
Some notable Sonoma wineries include:

- Viansa Winery, 25200 Arnold Drive in Sonoma. This winery overlooking the valley is reminiscent of a Tuscan villa high on a hill. Viansa derives its name from the first names of its owners, Vicki and Sam Sebastiani, of the renowned Sebastiani winemaking family. The 32 different limited-edition wines made here are sold only at the boutique winery, which produces 50,000 cases a year. Many of the Viansa varietals depart from the traditional California wines, including a 1997 "La Nebbia" Nebbiolo, a delicious, full-bodied red wine with enticing aromas of spices and ripe fruit.

The winery's Italian Marketplace sells sandwiches, salads and other specialty goodies fit for a picnic. The large picnic area, with its exceptional views of the wine country, offers a nice place to dine and drink.

The winery is open from 10 a.m. until 5 p.m. daily.

- Cline Cellars, just north of Viansa at 24737 Arnold Drive in Sonoma, is a small, family-owned winery owned by the descendants of the inventor of the Jacuzzi. The winery specializes in Rhone varietals and Zinfandels, many of which are priced at less than $15 for a bottle. In particular, the winery's 1998 Zinfandel California is a good buy at $9.50 per bottle.



GRAPHIC: JOHN HALL

Just north of San Francisco is the famous Sonoma Valley, often called the birthplace of California's wine industry. Two of the many wineries that are open to the public for tours and tastings are Sebastiani Vineyards (left) and the Viansa Winery.

The tastings, offered daily from 10 a.m. until 6 p.m., are laid-back affairs inside a restored 1850s farm house. Picnic areas, surrounded by more than 5,000 rose bushes, are a great place to sit and savor the Wine Country's atmosphere. Cline also has cheese and salami for sale.

- Gloria Ferrer Champagne Caves, up the street from Cline Cellars at 23555 Arnold Drive in Sonoma, is a champagne lover's delight. Nestled in the Carneros hills, the majestic Spanish-style winery is a spectacular site and worth the trip even if you're not a sparkling-wine enthusiast.

Tasting rooms are open daily from 10:30 a.m. until 5:30 p.m. Unlike many Sonoma vineyards, Gloria Ferrer charges for its tastings. The sparkling wines are available for $3.50 to $6 per glass, and bottles also are available.

Despite its moniker, one-half of Gloria Ferrer's production is table wine. Two-ounce tastes, which are $2 each, are well worth the price. The Gloria Ferrer 1997 Carneros Chardonnay and Gloria Ferrer 1997 Carneros Pinot Noir are both excellent.

After selecting your wine, you'll be served either inside the spacious sitting area or outside on the Vista Terrace.

Gloria Ferrer offers daily guided tours of its underground caves.

- Sebastiani Vineyards, at 389 Fourth St. E. in Sonoma, is one of the oldest wineries in the valley. Originally planted by Franciscans of the Sonoma Mission in 1825, the Sebastiani Vineyards were bought by Samuele Sebastiani in 1904.

The winery is open daily from 10 a.m. until 5 p.m., with guided 20-minute tours from its tasting room leaving every half hour until 4 p.m.

While perhaps not as scenic as some of the other wineries in Sonoma, Sebastiani—one of the largest, oldest and most well-known in the region—is definitely worth a visit. Although it is known principally for its Cabernet Sauvignon and Merlot, its 1998 California Chardonnay, available only at the winery, is also worth trying.

- Kenwood Vineyards, located at 9592 Sonoma Highway in Kenwood, Calif., is a short drive from Sonoma Square. The beautifully rustic grounds and attractive tasting rooms offer a nice wine tasting experience. Picnic areas are limited, though.

Although it produces all premium varietals, the winery is best known for its Sauvignon Blanc, Cabernet Sauvignon and Zinfandel varietals. Its Merlot also is worth tasting.

Kenwood offers daily tours of its winery at 11:30 a.m. and 2:30 p.m.

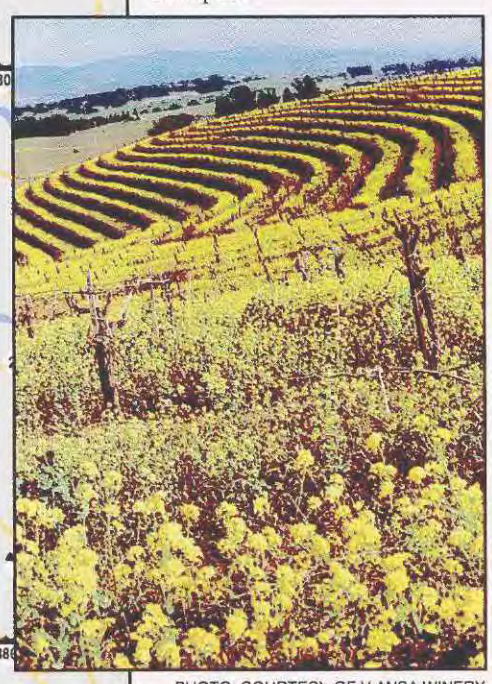


PHOTO: COURTESY OF VIANSA WINERY

To get to the Sonoma Valley from San Francisco, cross the Golden Gate Bridge and take Highway 101 north; go east on Highway 37 to Highway 121 and then follow Highway 12 north, which leads into the town of Sonoma.

Just north of the Viansa and Cline wineries on Highway 121, or Arnold Drive, is the Sonoma Valley Visitor Information Center, where you'll find helpful people who can assist you with your wine tasting experience.

A bit of personal risk management must be exercised when visiting the Wine Country by car, unless you can find a willing designated driver. Even tastings at only a few wineries can catch up to the average person quickly.

One option is to take an organized tour.

The Napa Valley Wine Train allows you to enjoy lunch or brunch on a train that runs between Napa and St. Helena. Lunches are $68.50 per person; brunch, served only on weekends, is $59.50. The three-hour train tour does not stop for wine tastings but offers wine tasting and a full bar on board. Those costs are additional.

One Wine Train tour does stop at the Grgich Hills winery in Napa for tastings and a tour. The cost for that tour is $79, which includes lunch. Call 800-427-4124 for more information.

In addition, double-decker bus tours of the Wine Country are available from Gray Line. In particular, Gray Line offers a nine-hour tour that stops for a tour and tasting in Napa and then heads up to Calistoga and over to Sonoma for another tour and tasting. The cost is $46. Call 415-558-9400 for more information or for reservations.

The Risk & Insurance Management Society Inc. also is offering two Wine Country tours during its week-long conference.

On Wednesday, May 3, from 8:45 a.m. until 4 p.m., you can taste wines in the Sonoma Valley. Tours include the Viansa and Sebastiani wineries, as well as a trip to the historic town of Sonoma. The tour is $62 per person and includes lunch.

On Thursday, May 4, RIMS is offering "An Artful Day in the Wine Country—Napa Valley." From 8 a.m. until 4 p.m., the tour winds through selected properties known for their superb wine, outstanding art collections and stunning architecture. Wineries visited on that tour may include Clos Pegase, Artesa or Mumm Napa Valley. The tour is $95 per person and includes lunch.

RIMS' tours are offered through USA Hosts. Reservation forms are located in the RIMS program guide. For further information, contact USA Hosts at 800-227-3730. BI



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Sampling San Francisco's unique neighborhoods

By SALLY ROBERTS
and ROBERTO CENICEROS

San Francisco comprises many colorful neighborhoods, each with its own history, personality and ethnic identity. Here is a sampling of some of the city's diverse neighborhoods that are worth a stroll on a free afternoon.



PHOTO: DIANE CENICEROS

Chinatown

San Francisco's Chinatown is home to about 10,000 residents and is perhaps best known for its crowded mix of seafood and poultry shops, open produce markets, traditional herb pharmacies, wafts of incense and cheap souvenirs.

Carved pagoda gates, decorated with dragons and topped with green tile, mark a prominent Chinatown entrance at Grant Avenue and Bush Street. Saturday afternoons are a good time to visit, as that's when local families traditionally make their market purchases, creating a lively, if crowded, atmosphere.

Most of the Saturday shopping action happens along Stockton Street, between Columbus and Broadway.

To accommodate the Saturday crowds, merchants busily stock water-filled tubs with live fish, frogs and mussels. At produce stalls, bins are stocked with exotic fruits and vegetables. Because some of the foods sold here are unknown to many visitors, the Chinese Culture Center offers culinary tours of Chinatown. A heritage tour is also available through the center, which is located at 750 Kearny St. For additional information, call 415-986-1822.

Grant Street, with its kitschy gift shops, draws plenty of tourists. The stores are crammed with red lanterns, pottery, plastic Buddha statutes and sundry other knickknacks.

Those looking for a quieter experience of local flavor can visit some of the area's Buddhist temples. Chinatown residents frequent the temples to meditate or pay respect to their ancestors.

The small temples are not well marked, and they are sometimes set back behind old, nondescript doors that open to narrow, austere halls and stairways. But seeking out a temple can provide an enlightening experience.

Three temples sit along Waverly Place, a short alleyway between Washington and Sacramento streets and parallel to Grant and Stockton. Waverly Place is known as the "street of the painted balconies" because of the buildings' brightly colored decor.

The Buddhist Assn. of North America maintains one of the temples on Waverly. Press a buzzer at the top of the stairway and the caretaker will let you pass. He is happy to talk about meditation or the altar, which is adorned with fruits, flowers, incense and statues of the Buddha. He can explain some of the other features of the temple as well, such as the wall covered with red plaques that honor the deceased relatives and friends of temple members. It is suggested that a visitor to a temple make a small donation toward its maintenance.

For a different type of diversion, Chinatown offers some inexpensive drinking establishments. These are good places to get an afternoon sip or to sit and watch the night crowd. Some of the Chinese pubs are a bit worn, with a dark and moody atmosphere.

The cramped Li Po, at 916 Grant Ave., has been described as having a "David Lynch-like flavor," referring to the avant-garde American filmmaker. At Li Po, a giant red lantern hangs overhead, and there is a small back room with large red booths.

Mr. Bings, located at 201 Columbus, is another gritty neighborhood bar that sometimes draws a crowd.

If tea is more your style, visit the Imperial Tea Court, at 1411 Powell St. There visitors can enjoy a cup of tea, and the traditional shop is packed with row upon row of dried tea leaves that can be purchased to enjoy later.

If you have ever wondered how fortune cookies are made, you can visit the Golden Gate Fortune Cookie Factory, at 56 Ross Alley, and watch the workers stuff and fold the dough.

While many Chinatown visitors will be looking for dim sum, a variety of small delicacies served as a light meal, the area also is home to an interesting Japanese sushi restaurant. At the Floating Sushi Boat Restaurant, at 700 Grant Ave., diners sit along an oblong counter. Little boats stacked with various types of sushi float by on a small water-filled canal that flows along the edge of the counter edge. A guest makes his or her choice from among the boats' cargo, grabbing at it as the food floats by. Even if you're not in the mood to eat, it's fun to look in the window or step inside to see the sushi flotilla.

Fisherman's Wharf

Fisherman's Wharf, located along Jefferson Street waterfront between Kearny and Hyde streets, is a monument to all things cheesy, chaotic and touristy. Any recommendation to skip a visit to the Wharf, which remains the most-visited attraction in the city, will undoubtedly be ignored. And if you've never been there, it's worth at least one trip. If you go, expect large crowds, lots of seagulls and amusing street artists.

The Wharf comprises four malls; The Anchorage, The Cannery, Ghirardelli Square and Pier 39, each housing an endless supply of restaurants and shops selling tourist-oriented T-shirts, toys, refrigerator magnets and other kitschy items. The wharf is also home to such tourist attractions as the Ripley's Believe It or Not and Guinness Book of World Records museums.



PHOTO :MIKE GORZELANSKI

Pier 39 is the most popular of the waterfront attractions. The two-story wooden-planked wharf houses dozens of shops. Pier 39 also is home to Underwater World, a giant aquarium with a 300-foot-long tunnel through which visitors can walk while surrounded by sharks and other marine animals. The aquarium is open from 9 a.m. to 6 p.m. on Monday through Friday, and 10 a.m. to 7 p.m. on the weekends. A visit, which typically takes 30 to 90 minutes, costs $12.95 per person.

Pier 39's K-dock also is home to the hundreds of sea lions who live on the newly reinforced docks. The sea lions—whose barking often sounds like an off-key choir—alone are worth a trip to the pier .

Once the largest fish distribution hub on the West Coast, Fisherman's Wharf's "Fish Alley," still sells thousands of tons of fresh fish annually. At Taylor Street, you'll find a variety of sidewalk stands selling steamed shrimp and dungeness crabs to the gathered crowds. Several small restaurants are tucked behind the street vendors, including Nick's Lighthouse at 2815 Taylor St., which has excellent lobster bisque. Whole dungeness crab starts at $23.95.

A fleet of historic ships berths at Hyde Street Pier along the Wharf. For $6, you can board and tour the U.S.S. Pampanito S.S. 383, a World War II fleet submarine, berthed at Pier 45. Just a few blocks from the submarine, on the corner of Polk and Beach streets, is the National Maritime Museum, which exhibits model ships, maps and other artifacts chronicling the maritime history of San Francisco and the West Coast. Admission to the museum is free; it is open daily from 10 a.m. to 5 p.m.

Several bay cruises and ferry excursions also are available from the Wharf.

The Blue & Gold Fleet provides ferries to Alcatraz ($8.75); one-hour bay cruises ($17); and ferries to Sausalito and Tiburon ($12 round trip) and to Angel Island ($11 round trip). Tickets are available in advance by calling 415-705-5555.

The Haight

Just east of Golden Gate Park, you'll find a neighborhood with residents and merchants determined to keep alive the spirit of the Summer of Love.

Once an enclave of large middle-class families of European immigrants, the Haight began to change during the late 1950s and early 1960s. During that period, families began fleeing to the suburbs, and the large old Victorians began deteriorating or were displaced by cheap housing. Not surprisingly, young people found the neighborhood an affordable place to live. By 1966, the Haight had become a hot spot for rock acts such as the Grateful Dead, Jefferson Airplane and Janis Joplin.



PHOTO: MIKE GORZELANSKI

The houses once inhabited by these rock legends still stand today. The Grateful Dead House, a beautiful three-story Victorian, is located at 710 Ashbury, near the corner of Waller Street. The house where Janis Joplin lived is located at 112 Lyon, at Page Street. The mansion formerly occupied by Jefferson Airplane is located just north of the district, at 2400 Fulton St.

Among other notable folks who hung out in the Haight during the 1960s were poet Allen Ginsberg, writer Ken Kesey, political activist Abbie Hoffman and LSD champion Timothy Leary.

Even today, it's not hard to imagine what the neighborhood was like back in the 1960s, despite the fact that The Gap and a Ben & Jerry's ice cream store now occupy two corners of the famed intersection of Haight and Ashbury streets. It was that intersection on October 6, 1967, that hippies took over to proclaim the "Death of Hip."

A stroll down the main drag of Haight Street, between Divisadero and Stanyan streets, guarantees an interesting afternoon. In addition to various stores selling crystals, candles, vintage clothing and everything tie-dyed, you will find the avowedly radical Bound Together Anarchist Book Collective at 1369 Haight St. Nearby, at 1376 Haight St., you'll find Pipedreams, which keeps the hippie era alive with an interesting array of smoking accessories and other merchandise.

Perhaps even more interesting are the colorful people hanging out in the area, many showing off their piercings and tattoos. If you're in the market for some body modification yourself, the Haight offers a bevy of piercing and tattoo parlors.

Be prepared to be approached by the many panhandlers sitting in front of the Haight Street stores.



PHOTO: MIKE GORZELANSKI

Japantown

By the 1930s, many of the Japanese immigrants who had come to San Francisco in the 1860s had opened shops, markets, meeting halls and restaurants. In addition, they had established Shinto shrines and Buddhist temples in the area now known as Japantown. During World War II, the area was virtually deserted, when many of its residents were forced into internment camps.

Today, less than 5% of the city's 12,000 Japanese-American residents reside in Japantown. It remains, however, the city's hub of all things Japanese. Bordered by Van Ness Avenue, Eddy Street, Steiner Street and Pine Street, Japantown is dominated by the three-block long, five-acre Japan Center, a rather plain-looking complex full of shops, art galleries and restaurants, as well as hotels and a multiplex cinema.

In the middle of the complex, at Post and Buchanan streets,

Continued on next page

Continued from previous page
stands a five-tier, 100-foot-tall Peace Pagoda. It is also the site of the Peace Plaza, where seasonal festivals such as the April Cherry Blossom Festival are held.

Japantown, often referred to as J-town, is a sushi lover's delight. The Buchanan Mall, a block-long pedestrian mall with a cobbled street and plum and cherry trees, is a good place to seek out a sushi restaurant. The mall is located at the corner of Buchanan and Post streets.

Although not particularly Japanese in flavor, the legendary Fillmore Auditorium, made famous by rock acts in the 1960s, is located at the southwest corner of Geary and Fillmore streets in Japantown. For information about bands performing at the Fillmore, call 415-346-6000 or visit its Web site, www.thefillmore.com.

Interestingly, two doors west of the Fillmore once stood the People's Temple, the headquarters of the cult of Rev. Jim Jones, whose members participated in a mass suicide in Guyana in 1978.



PHOTO: DIANE CENICEROS

Pacific Heights

If you're looking for the area with the city's most expensive real estate—and most prominent residents—you need look no further than Pacific Heights.

Located in the general vicinity of Van Ness Avenue west to the Presidio and from Pine Street north to Lombard Street, Pacific Heights is lined with grand Victorians homes that, with very few exceptions, give way to magnificent views of the bay.

If you're conducting your own local mansion walking tour, be sure to include Jackson and Washington streets near Lafayette Park. Check out both the Whittier Mansion, at 2090 Jackson St., and the Spreckels Mansion, at 2080 Washington St. The Spreckels Mansion is currently home to romance novelist Danielle Steele.

Also worth a visit are four estates that stand within a block of one another at the crest of the hill at Broadway and Webster streets.

Alta Plaza Park, bordered by Clay, Steiner, Jackson and Scott streets, is also noteworthy for the views it affords. The park was designed in 1910 by landscape architect John McLaren, who was also responsible for Golden Gate Park. On a clear day, you can see Marin to the north, downtown to the east, the Twin Peaks area to the south and Golden Gate Park to the west.

Fillmore Street between Sutter and Washington streets is Pacific Heights' main shopping strip, with many quaint boutiques, coffeehouses, furniture shops and hair salons.

The Risk & Insurance Management Society Inc. is offering a guided walking tour of the area on Wednesday, May 3, from 9 a.m. to 1 p.m., for $17. For information, call 800-227-3730.

North Beach

North Beach businesses make much of the area's connection to the Beat Generation and writers Jack Kerouac and Allen Ginsberg.

Crammed with small cafes, pubs, bakeries and delis, North Beach often is likened to Paris' Left Bank. But it's also known as the "Little Italy of the West" because of the strong influence of the Italian immigrants who once settled here. Today, although the area's population is very diverse, the Italian influence remains.

Columbus Avenue and Broadway are North Beach's main arteries. More than anywhere else in the neighborhood, the area around upper Grant Avenue preserves North Beach's connection to its bohemian past. City Lights, a bookstore started by Beat poet Lawrence Ferlinghetti, is famous as the first all-paperback bookstore in the country and as the center for Beat readings in the 1950s.

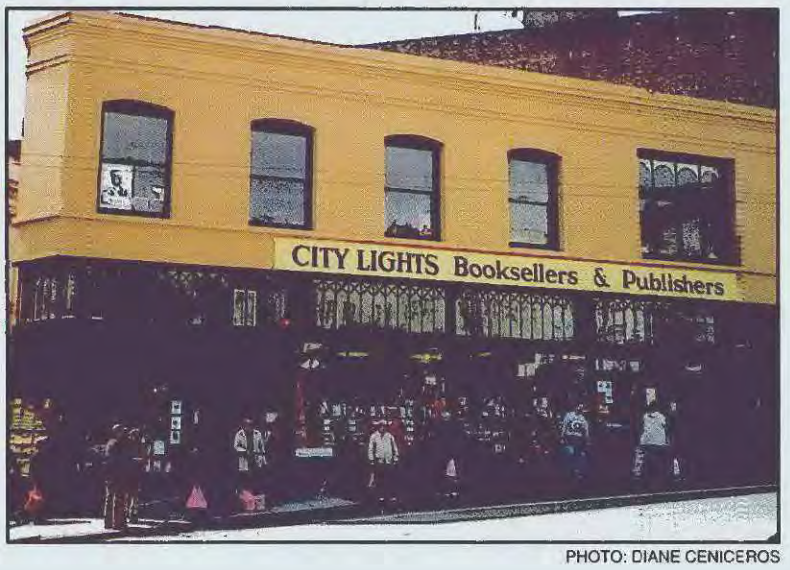


PHOTO: DIANE CENICEROS

Today, City Lights publishes a Pocket Poet Series of books that includes work from a wide range of local and international writers. Visitors will find the store's walls covered with vintage political posters, some bearing such slogans as "Death to the State" and others announcing fund-raising campaigns for the United Farm Workers union.

Plenty of tourists visit the store just

See **NEIGHBORHOOD** *on next page*



Neighborhoods

Continued from previous page

to experience the charm of this literary landmark. Locals go there to purchase books on European fiction, Latin American politics and poetry, among other subjects.

A sign on the storefront at 261 Columbus Ave. declares City Lights to be "A literary meeting place since 1953." Posters depicting some of the famous Beat figures are available for $8.

Next door, located on Jack Kerouac Place, Vesuvio Cafe also maintains its connection to the Beat poets; it once served as a den of creativity—if not iniquity. The saloon is crammed with Beat-era memorabilia and a collection of black-and-white photographs of old North Beach establishments. The bartenders can mix a "Bohemian coffee," made of brandy, amaretto and a twist of lemon; or a "Jack Kerouac," made of tequila, rum and orange, cranberry and lemon juices.

Caffe Trieste, at 601 Vallejo, also dates back to the Beat era. A fun spot for a breakfast pastry and a cappuccino or an Italian-inspired sandwich and beer for lunch, Caffe Trieste is known as a great spot for conversation. The talking stops on Saturday afternoons, when musicians perform relaxed, familial concerts of music that often has Italian roots.

If Irish pubs are more to your liking, North Beach is well represented by an establishment at 622 Green St. Patrons at O'Reilly's Irish Pub and Restaurant can sit outside on the sidewalk and enjoy fish and chips or one of the many brews on tap. Visitors also could sample some of the Barbary Coast saloons located along Grant Ave.

North Beach also offers some fun shopping possibilities. At Quantity Postcards, located at 1362 Stockton, visitors can buy funky or vintage postcards. Clothing boutiques and second-hand shops also abound along Grant Ave.

Between Filbert, Powell, Stockton and Union streets sits Washington Square, a small park where locals gather to visit or practice tai chi. On one street bordering the park, at 1707 Powell St., an old Victorian houses the Washington Square Bar & Grill. The classic San Francisco pub and restaurant, which locals call "the Washbag," is known for attracting crowds of journalists, business dealers and city powerbrokers.

Across the park, at 1652 Stockton St., Moose's provides elegant dining for lunch or dinner. A big blue neon moose marks the spot.

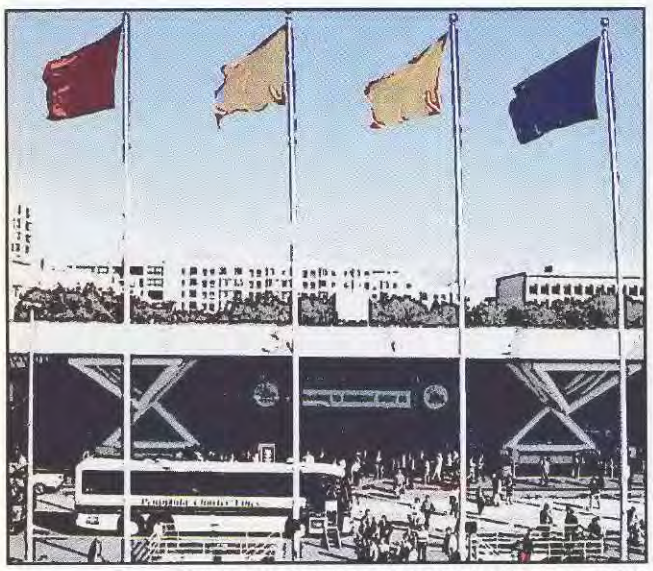


PHOTO: SAN FRANCISCO CONVENTION & VISITORS BUREAU

South of Market (SoMa)

Fortunately for conference-goers, the area south of Market Street has been looking less like an industrial wasteland these days, reshaping itself into one of the San Francisco's most happening neighborhoods.

The Moscone Convention Center, where the RIMS annual conference will take place, is in the heart of SoMa.

As it still has some rough edges, pedestrians need to beware. But, overall, SoMa is in significantly better shape than it was the last time RIMS was held in San Francisco.

For one, the demand for SoMa office property is fierce. With multimedia and other high-tech companies crowding the area, some office rents are now $70 per square foot. That compares to $50 per square foot for Financial District property, according to a recent San Francisco newspaper article. Some SoMa landlords are paid rents in the form of stock options from the start-up companies that are moving into renovated warehouses.

RIMS attendees likely won't be shopping for office space, but they will benefit from the many fine restaurants, cultural centers and entertainment spots that are part of SoMa's revitalization.

Perhaps no addition stands out as much as Sony's Metreon, a four-story palace of high-tech products and futuristic entertainment for kids and adults alike.

The Metreon, which opened just last year, is home to the only Sony-IMAX theater in the city, as well as several eating and drinking establishments. It also houses shops and attractions inspired by Maurice Sendak, author of "Where the Wild Things Are," and David Macaulay, author of "The Way Things Work."

SoMa also has seen the development of the rooftop of Yerba Buena Gardens, which sits atop the Moscone Center. Yerba Buena now houses a 10-lane bowling alley, an ice skating rink with a city view, and a hand-carved carousel built in 1906.

The gardens provide a nice place to take a break from the conference or eat a sack lunch and bask in the sun when it shines on San Francisco. The gardens' centerpiece is a memorial to Martin Luther King Jr. Walk behind a waterfall to read some of his words, inscribed along a wall.

Nearby is the Museum of Modern Art and other smaller museums such as the Ansel Adams Center for Photography, located at 250 Fort St.

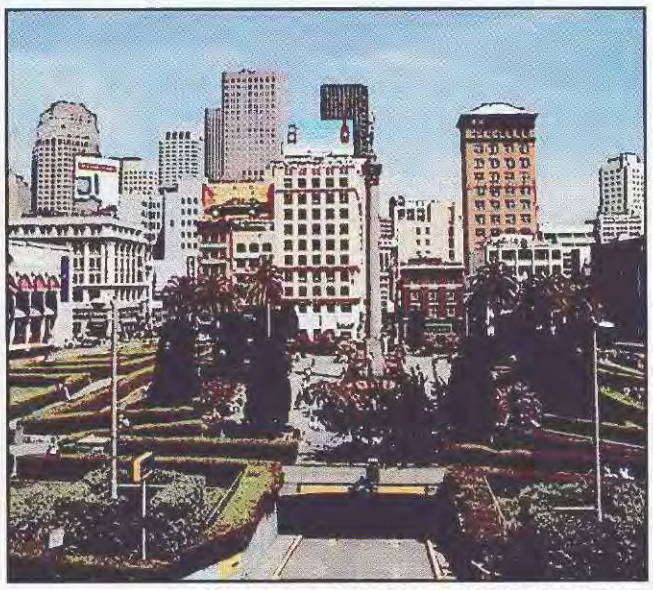
The museum often displays the photographer's better-known works, such as his black-and-white Yosemite landscapes. The center also houses an Optics Arts Gallery, where video, neon and kinetic materials are combined into fanciful creations.

Thanks to the crowds flocking to SoMa, the area has thriving night spots and restaurants, many of which are within easy walking distance of the Moscone Center and surrounding conference hotels.

LuLu, at 816 Fulsom St., is regarded as a SoMa landmark. It offers family servings of French cuisine. It's a respected, flourishing restaurant, although critics have complained about its high noise level.

Right next door, at 826 Fulsom, is Azie, where diners can sample such haute fusion dishes as spice-smoked sturgeon and wasabi-sesame crusted sweetbreads.

In addition, visitors can try some of the other establishments such Fringale, Thirsty Bear or XYZ, detailed in the restaurant overview section, which begins on page 42.



PHOTOS: SAN FRANCISCO CONVENTION & VISITORS BUREAU

Union Square

Most RIMS conference goers will be staying in hotels in and around the Union Square neighborhood. The actual Union Square is a small park lined with palm trees bordered by Geary, Powell, Stockton and Post streets. The site of Union rallies during the Civil War, Union Square is now frequented by an eclectic mix of business lunchers, homeless individuals, fire-and-brimstone preachers, shoppers and conventioneers.

In the middle of the park is a monument, erected by the citizens of San Francisco, that commemorates the 1898 victory of the American Navy under Commodore George Dewey at Manila Bay during the Spanish-American War.

In addition to being home to most of the city's hotels, Union Square is also where most of San Francisco's upper-end shopping and theaters can be found.

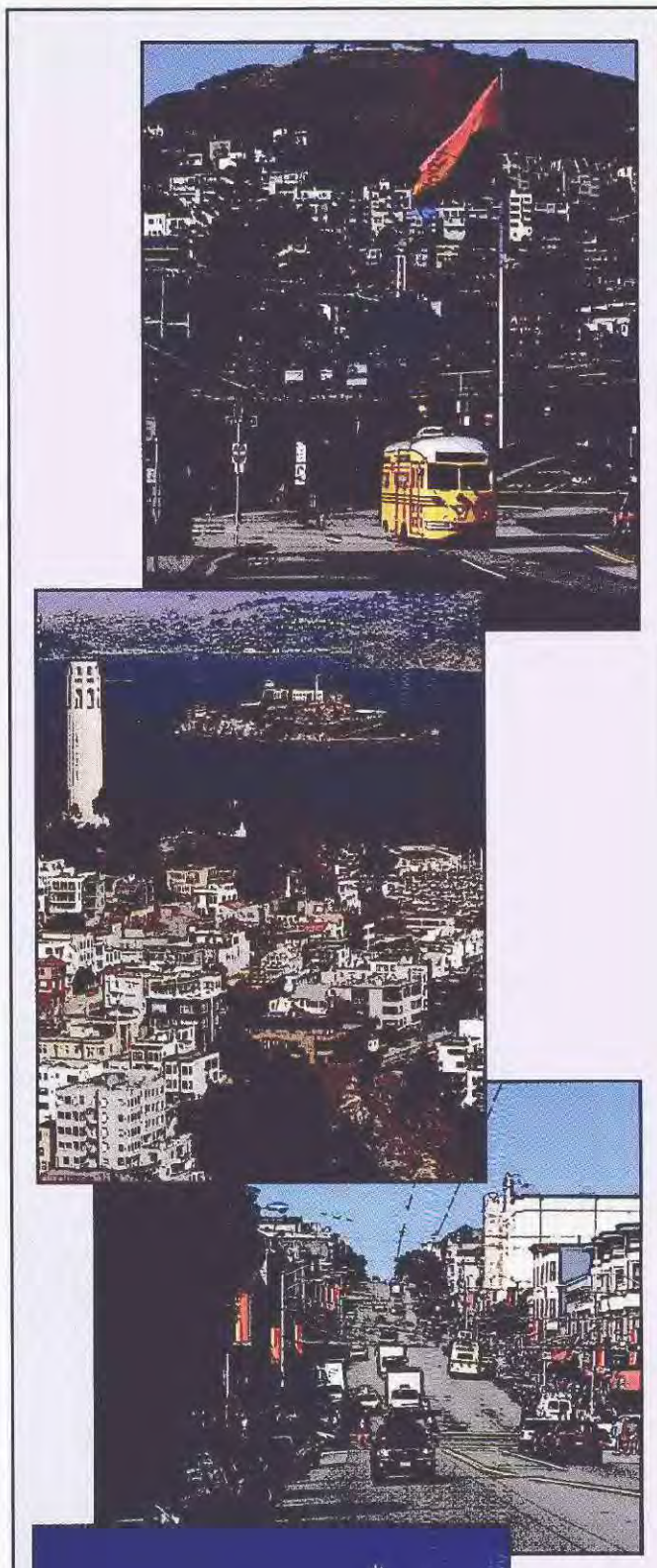
If you're in the mood to shop, Union Square is the place to do it. The park is surrounded by such posh shops as Saks Fifth Avenue, Tiffany & Co., Macy's and Neiman Marcus. Take a stroll down Stockton Street, and you'll find FAO Schwartz, Planet Hollywood, Old Navy and a Virgin Megastore.

Union Square is full of "firsts" for San Francisco. For instance, the Westin St. Francis Hotel, located at the western edge of the park, was the first deluxe hotel in the city. In addition, the 1940s-era underground parking garage, below the square, was the first of its kind in the western United States.

The Square also is the center of the city's theater district; it is home to the Curran, the Golden Gate and the Marines Memorial theaters.

TIX Bay Area is a service that offers half-price, same-day tickets to many of the city's local and touring performances. Cash-only tickets go on sale at 11 a.m. from Tuesday through Saturday at the TIX booth located on the Stockton Street side of Union Square, between Geary and Post streets. For more information, call TIX Bay Area at 415-433-7827.

▶ *Check out www.businessinsurance.com for additional RIMS 2000 coverage.*



PHOTOS:SAN FRANCISCO CONVENTION & VISITORS BUREAU

From top: one of San Francisco's cable cars, the country's only moving historical landmarks; Alcatraz Island, home to the former federal penitentiary, ensconced in San Francisco Bay; the city's famed Castro Street; tai chi enthusiasts practice their art in Washington Square, located in the North Beach area.

San Francisco's nightspots offer views and variety

By SALLY ROBERTS and ROBERTO CENICEROS

There is no shortage of night life in San Francisco. Even those with the most discriminating tastes are sure to find a nightspot worth hitting for a drink or two.

Unlike other cities, there is no one area in San Francisco where you'll find a wide mix of trendy clubs, bars and lounges. Instead, each neighborhood offers its own brand of nightly entertainment.

As a general rule, if you're looking for plush piano bars and lounges with a view, the Nob Hill neighborhood is your best bet. If you're in search of a younger, alternative scene, check out the Mission District and Haight Street. The SoMa neighborhood has become a hub of many nightclubs, bars and lounges; and North Beach is infamous for its adult dance clubs. The gay and lesbian scenes center around the Castro District and the clubs and bars along Polk Street.

Wherever you go, remember that a 1998 California state law banned smoking in any indoor place of work, including all bars and clubs. Those caught lighting up are fined.

Here are but a few of the myriad nightspots San Francisco has to offer.

Located on the 19th floor of the Mark Hopkins Inter-Continental Hotel, the **Top of the Mark Skylounge** is the place to go for panoramic views of the city and the Bay Area. The elegant interior and 360-degree view made Top of the Mark the choice for servicemen on leave or about to ship out during World War II.

On a clear night, the views are spectacular, but be prepared to pay for them. Available cocktails, which include a menu of 100 different martinis, start at $8.50 apiece, and there is a per-person entertainment charge, which ranges from $6 Sunday through Thursday to $10 on Friday and Saturday.

The lounge offers live entertainment and dancing nightly, and complimentary swing dancing lessons are available every Tuesday from 7 to 8 p.m.

Top of the Mark is in the Mark Hopkins Hotel, located at 1 Nob Hill between California and Mason streets. The telephone number is 415-616-6916.

Fake palm trees, bamboo-hut tables, an indoor thunderstorm and a terrible band performing from a stage floating in the middle of a pool provide the ambience in the **Tonga Room**, a late-night lounge that is San Francisco's tribute to Polynesian kitsch.

An evening at the Tonga Room is likely to grow more surreal after sampling a few of its potent cocktails, which include the "Singapore Sling," a concoction of Mount Gay rum, banana liqueur and Grand Marnier mixed with pineapple juice; or a "Bora Bora Horror," a mixture of Myer's dark rum, orange curacao, pineapple juice and grenadine.

In addition, the Tonga Room also offers a full menu. But given all of the great restaurants in San Francisco, the Tonga Room should be strictly a late-night, after-dinner experience. There is a $3 entertainment fee per person. Although the centerpiece pool may look enticing after a few rum drinks, would-be swimmers are quickly escorted out of the lounge.

The Tonga Room is located on the terrace level of the Fairmont Hotel at 950 Mason St., at the intersection of Mason and California streets. The telephone number is 415-772-5278.

Located within walking distance of the famed Haight-Ashbury intersection, the **EOS Wine Bar's** cozy bar offers wine enthusiasts more than 400 wines by the bottle and more than 40 by the glass.

Every Wednesday from 6:30 p.m. until 8:30 p.m., EOS offers a new "wine flight"—a tasting and a presentation by various speakers, highlighting wines from one region, one winery, one vintage or one importer. Wine flight tastings vary in price from $18 to $50.

EOS's extensive wine list is meant to complement the Asian-influenced menu of EOS Restaurant, which, at 901 Cole St., adjoins the wine bar.

Check out EOS' Web site,

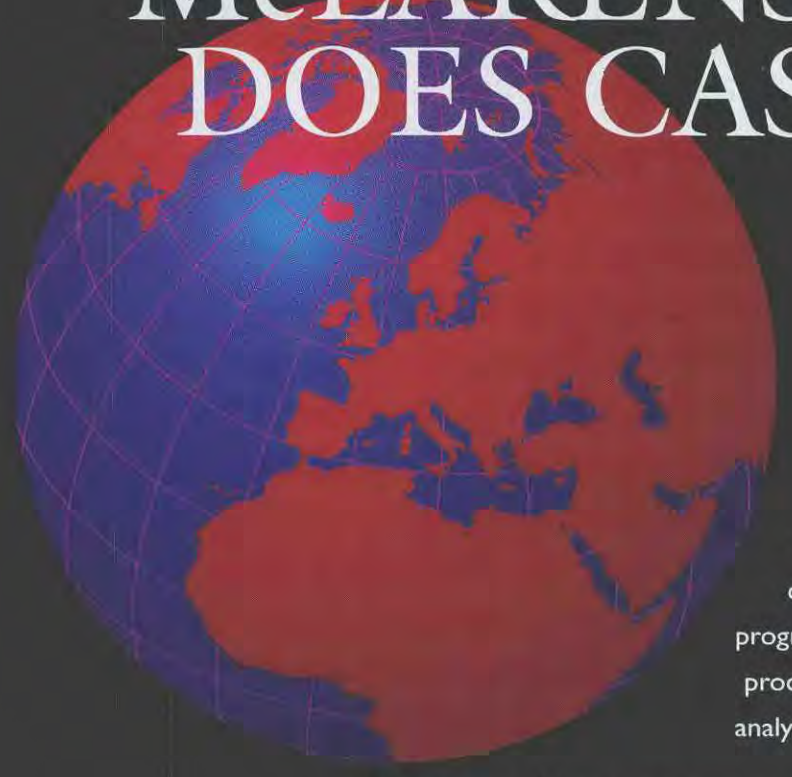
See NIGHTSPOTS *on next page*



PHOTO: SAN FRANCISCO CONVENTION & TOURISM BUREAU

Darkness falls on the City by the Bay.

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Nightspots

Continued from previous page

www.eossf.com, for information about the wine flight for the week of the RIMS conference. EOS Wine Bar is at 101 Carl St. The telephone number is 415-566-3063.

Kate O'Brien's, a woody traditional Irish pub, is the place to go to for a pint of Guinness stout after a long day at the conference. A short walk from the Moscone Center, Kate O'Brien's has a varied lunch menu, including such traditional Irish fare as fish and chips, corned beef and cabbage, and shepherd's pie.

Doors open at 10 a.m. daily, and lunch service ends at 3 p.m. After that, Kate O'Brien's menu dwindles to such items as hot wings, pizzas, burgers and its "famous fish and chips." The doors close at 2 a.m.

Kate O'Brien's is located at 579 Howard St., between First and Second streets. The telephone number is 415-882-7240.

Visitors can dance 21 floors above Union Square at **Harry Denton's Starlight Room**, situated atop the Sir Francis Drake Hotel.

Harry Denton's Orchestra performs swing, jazz, Motown and '70s hits in front of a small dance floor. Harry Denton's has a seafood bar and hors d'oeuvres, but y the emphasis is clearly on the rooftop joint's incredible view of San Francisco, as well as the bar's music and cocktails.

Large, red-velvet booths and chandeliers accentuate an atmosphere that hearkens back to an era in which hotel ballroom dancing flourished. Jackets are recommended for men. Jeans and tennis shoes are discouraged. Cocktail specials and the music vary throughout the week, and there is a small cover charge on some evenings. Harry Denton's is located at 450 Powell St. The telephone number is 415-395-8595.

Biscuits & Blues provides live music nightly in an intimate setting lit with plenty of novena candles and decorated with pictures of blues greats.

Although "dedicated to hot biscuits and cool blues" is the motto of this establishment, San Francisco food critics say the performances easily outrank the food. The inexpensive, Southern cuisine menu includes Mississippi catfish with cornmeal coating, Tennessee pork chops grilled with bourbon and spicy yam fries.

In 1999, Biscuits & Blues won the Blues Club of the Year Award from the Memphis Blues Foundation because of its music presentations, which include several regular acts and a constant rotation of guest performers. Past guests have included Mose Allison, James Cotton and Charlie Musselwhite.

Given the club's limited capacity, dinner reservations or advance ticket reservations are recommended. Performance times and ticket prices vary. Biscuits & Blues is located in the Theater District, at 401 Mason Street, near Geary Street. The telephone number is 415-292-2583.

Those seeking an alternative to tourist haunts can try a cluster of clubs in the SoMa area. **Slim's**, which is co-owned by musician Boz Scaggs, offers up a variety of dance and live music ranging from jazz to alternative. Slim's is located at 333 11th St. The telephone number is 415-522-0333. The nearby **DNA Lounge**, at 375 11th St., is best suited for those who can handle attitude and feel some kinship to San Francisco's weird and trendy side. Those intimidated by cross-dressers might have more fun at Slim's. DNA features live bands and DJs, and the music varies each night. Call 415-626-1409 for information about who's performing on a given evening. **Paradise Lounge**, 1501 Folsom, features rock music. Styles vary, though they tend to lean toward the alternative scene. Call 415-861-6906 for information. **The Stud** is a cavernous gay bar with DJs and live bands. The address is 399 9th St., and the telephone number is 415-252-7883.

Located in the center of the city is **Cafe Du Nord**, at 2170 Market St. It's a low-key yet hip place in a beautiful old building that once housed a speakeasy. The club has a very eclectic variety of live music. Hear Latin jazz, swing, soul, pop, psychedelia and more. Call 415-861-5016 for more information. BI

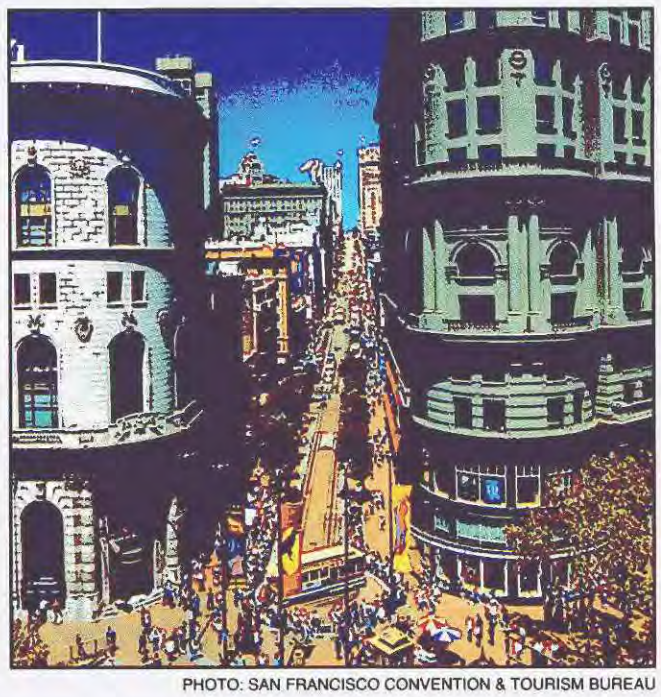


PHOTO: SAN FRANCISCO CONVENTION & TOURISM BUREAU

Dining options cater to sophisticated palates

By SALLY ROBERTS and ROBERTO CENICEROS

When it comes to providing a dining experience, San Francisco is rich with designers and artisans who create elegant atmospheres and chefs who get nearly as much ink as Barry Bonds.

But that's only the half of it.

The city is home to plenty of sophisticated "foodies," who demand quality when seeking out the best culinary creations. And with plenty of local news publications, San Francisco also has an army of restaurant critics who readily chastise those chefs who fail to please.

The result is a city with many great restaurants that compete on the quality of their dishes. Expect creative new twists to old standards and fresh approaches to combining ingredients that range from the commonplace to the exotic.

But getting a seat in one of San Francisco's best restaurants can be tough. So make reservations as early as possible, and be ready to sample some great food. Below are some descriptions of what we found at some of San Francisco's most popular dining spots.





PHOTO: MIKE GORZELANSKI

San Francisco is renowned for its vast array of restaurants, ranging from the eclectic to the exotic. Bix (above) is a popular spot, or visitors can check out storefront options in Japantown.

Bix

Hidden down a film-set alleyway, this old-fashioned supper club is located in a historic building that was an assay office during the Gold Rush days. Reminiscent of an old theater, Bix exudes swankiness, from its dimly lit bilevel dining area to its smooth jazz, to its memorable martinis and gin fizzes.

The best seats are upstairs, on the wraparound balcony, away from the bustling bar, waiting crowds and other tables.

Although Bix's food isn't nearly as perfect as its surroundings, it is good, and the restaurant has a good wine list, with many bottles under $30.

Its menu, which offers daily specials, is classic American fare. To start, the crisp potato pancake with smoked salmon, creme fraiche and caviar is quite good. The steak tartare with Dijon mustard, capers, shallots and toasted olive bread, also comes recommended. Appetizers are priced between $7 and $15.

Main courses include a pan-roasted salmon with bean garlic puree, shiitake mushrooms, artichokes and arugula. Other entrees include the roasted duck breast with duck confit, green lentils and honey rhubarb sauce, and the double-cut pork chop with roasted fingerling potatoes, apple braised cabbage and caramelized onion sauce. Other than the hamburger and chicken hash, entrees are priced at $19 to $24.

The bananas foster is a fine way to conclude dinner.

Bix is located down an alley, at 56 Gold St., off Montgomery Street. It is open for lunch Monday through Friday, starting at 11:30 a.m. Dinner service starts at 5:30 p.m.

Reservations are a must. The telephone number is 415-433-6300.

Boulevard

Nestled between the dramatically lit Ferry Building and the Oakland-Bay Bridge sits one of San Francisco's most popular restaurants. Boulevard is located in a landmark SoMa building that is a survivor of the 1906 earthquake.

The restaurant's interior, designed in the Art Nouveau style, is marvelous. It features artful tile mosaics on the floor—check out the peacock as you enter—and window columns softly accented by one-of-a-kind, hand-crafted lighting fixtures.

Some seating offers views of San Francisco Bay that inspire romance, while other options include bar seating that faces into the open kitchen or along a wall of windows that frames the Ferry Building, the Embarcadero and the turnaround point for the charming vintage trolley cars that the city has refurbished and put back into service.

Celebrity chef and owner Nancy Oakes offers New American cuisine served in generous portions; the dishes incorporate exotic and commonplace ingredients with equal skill. The menu changes frequently, but the porcini risotto with champagne, parmesan and mascarpone ($14.00) and the Stilton cheese and apple salad ($9.75) were enjoyable appetizers that were recently available. The crisp quail with potato crust, roasted butternut squash, celery root, toasted chestnuts, maroon carrots and apples with Calvados-maple syrup ($24.75) was tender but uninspired, whereas the lamb shank braised in wine and herbs ($22.75) was outstanding.

The wine list is extensive and offers nearly unlimited opportunities to complement a meal. Desserts are quite good, especially the ganache mousse tart and decadent pecan pie.

Reservations are required for this popular restaurant, but bar seating is generally available for walk-in patrons. The restaurant bustles and may be a bit noisy for conducting business, but it is otherwise a great destination for a special meal. Boulevard is located at 1 Mission St., at Steuart Street, and is open Monday through Sunday. The telephone number is 415-543-6084.

Fringale

This cozy, popular French bistro is the brainchild of Paris-trained chef/owner Gerald Hirigoyen, who helped create a new wave of French bistros in San Francisco after opening Fringale in 1991. The restaurant is located in an otherwise bleak industrial street in the neighborhood south of Market Street that is known as SoMa. It remains one of the better moderately priced restaurants in the city, with most entrees priced below $20.

The 15 or so small tables, covered with white linens or paper, are occupied most evenings, as is Fringale's curved bar. Reservations are essential to dine at this spot.

The attentive waitstaff is as French as the menu at Fringale, and the restaurant offers a limited but good selection of California and French wines.

To start your meal, try the prawns sauteed in pastis with lemon and cherry tomatoes or the seasonal wild mushroom ravioli. Appetizers are priced in the range of $8 to $9.

For an entree, the steamed mussels with tomato concasse and croutons is delicious, as is the marinated roast rack of lamb with potato gratin.

Fringale's creme brulee and its chocolate meringue enrobed in chocolate mousse are highly recommended.

Fringale is located at 570 4th St., between Bryant and Brannan streets. The telephone number is 415-543-0573. It is open for lunch Monday through Friday, from 11:30 a.m. until 3 p.m. Dinner is served Monday through Saturday, from 5:30 p.m. until 10:30 p.m.

See **DINING** *on next page*

Dining

Continued from previous page

Grand Cafe

Located next door to the decorative Hotel Monaco, in the heart of San Francisco's theater district, this cafe extends the theme of La Belle Epoque so artfully realized in the neighboring hotel.

A restored turn-of-the-century ballroom with sweeping ceilings, whimsical sculptures and poster art by Henri Toulouse-Lautrec, the restaurant features faux finishes, tile mosaics and sumptuous lighting to create a genuinely grand atmosphere.

The well-stocked bar and petite cafe in front are the perfect place to rendezvous and enjoy cocktails, while the relaxing atmosphere of the restaurant invites a patron to linger over a light lunch or full-course dinner.

The California-French menu has been faulted by food critics, who say it fails to live up to the grandeur of the decor. But we found that the salads are beautifully presented, the breads are quite good and the sandwiches are delightful.

Grand's hors d'oeuvres include roasted Sonoma quail, red cabbage, baby shiitake mushrooms and English peas, topped with walnut vinaigrette for $12.95, and pan-seared Hudson Valley fois gras, fava bean cream and cantaloupe salad for $13.95. The specialties include ahi tuna medallions wrapped in bacon with braised fennel, cherry tomato confit and curry sauce for $22.95, and New Zealand venison loin with wild mushrooms, fingerling potatoes and green peppercorn sauce for $24.95.

The wide selection of wines ranges in price from about $27 to $550 a bottle. Enjoy!

The staff is extremely professional, allowing for a leisurely dining experience in a setting that soothes the business traveler. The telephone number is 415-292-0101.

Hawthorne Lane

Not just another beautiful San Francisco restaurant, this place really delivers. Although its street appeal is hidden, once you walk up the steps to this brick SoMa establishment, the beauty of the decor shines. Wrought iron details, exposed beams and black-stained hardwood floors combine to create a stylish atmosphere that is trendy but warm and comfortable.

The front cafe area surrounding the oval bar is a bit noisier than the main salon—where reservations are hard to come by—but it still affords a wonderful dining experience. The food here, California with Asian and European flourishes, is first rate.

Appetizers include a sauteed Hudson Valley foie gras with tarragon waffles and blood-orange sauce, which is highly recommended, and a nice variety of salads. The wild mushroom and radicchio salad with balsamic vinaigrette and Reserve Sonoma Jack cheese is particularly good.

For dinner, the roasted Sonoma lamb with wild mushroom risotto, warm escarole salad and pomegranate sauce, as well as the horseradish beef tenderloin with potato-creme fraiche souffle, baby watercress and daikon radish salad are both outstanding. The Chinese-style roasted duck with steamed green onion buns and mango chutney and the dungeness crab cakes are also recommended.

The desserts are delicious, but the espresso creme brulee with mocha beans and chocolate cookies was particularly noteworthy. Hawthorne Lane is not for the budget conscious; appetizers range from $9 to $16.50, and entrees begin at $23. The wine list is outstanding but is also quite expensive.

The service, however, is seamless. Coupled with the food and surroundings, this is one of the best dining experiences available in a city overflowing with good restaurants.

Located at 22 Hawthorne Lane in the fashionable SoMa district, the restaurant is open Monday through Sunday for dinner, and Monday through Friday for lunch. Reservations are a must; the telephone number is 415-777-9779.

See **DINING** *on next page*

PHOTO: SAN FRANCISCO CONVENTION & VISITORS BUREAU



PHOTO: DIANE CENICEROS

The bohemian Vesuvio, located in North Beach, is one of many San Francisco restaurants that are accessible by trolley car.



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Dining

Continued from previous page

Miyako

San Francisco has its fair share of sushi restaurants, and this traditional sushi place may not be the best of them. But if you are looking for some good sushi in Japantown, you cannot go wrong with Miyako.

Located in Buchanan Mall, between Post and Sutter streets in J-town, Miyako follows the standard Japanese practice of displaying in its window plastic replicas of the various dishes available.

Miyako offers traditional Japanese fare, such as teriyaki chicken, tempura and sashimi, plus a nice selection of sushi. The sushi can be ordered a la carte for between $2.90 and $5. Sushi pieces, which come two to an order, include such regulars as maguro (tuna), hamachi (yellowtail), sake (salmon) and unagi (barbecued eel).

In addition to a traditional California roll, consisting of sticky rice rolled around a seaweed wrap of avocado and crab, Miyako offers the San Francisco roll, which is similar to the California roll but with tempura shrimp, avocado and crab. There is also the Rock-n-Roll roll, loaded with eel, cucumber and avocado. All are delicious.

Miyako is open daily from 11:30 a.m. until 10 p.m. and until 11 p.m. on Friday and Saturday. It is located at 1707 Buchanan, at Post Street in the Buchanan Mall. Reservations are not strictly necessary, but because the restaurant is small, with about a dozen tables and a sushi bar, it is a good idea to call ahead to guarantee a seat. The telephone number is 415-567-6552.

MoMo's

Location, location, location. Situated directly across the street from the stunning new Pacific Bell Park, where the Giants play, MoMo's is extremely popular and will likely become even more so as the baseball season progresses.

The atmosphere teeters between that of a casual sports bar, with all the attendant sports paraphernalia, and a high-end restaurant with homey, Craftsman-style architectural features.

The large, well-stocked bar should prove to be a popular post-game hangout, if it is not too crowded. The restaurant is informal as well, especially the dining deck, which lends itself to large parties and rowdiness.

The traditional American food is mid-ranged in terms of price and quality, although the braised ribs ($16.95) are well respected and the pizza is quite good. Starters range from crispy onion strings ($4.25) to foie gras ($14.95); raw oysters and prawns are also available. Entrees cooked in the large brick oven are a safe bet, notably the "brick chicken: in and under," with asiago potato gratin and shallot jus ($16.95).

MoMo's service has been criticized by reviewers as erratic and was especially bad on a recent visit. With all the competition for your dining dollar, it's hard to recommend this restaurant unless you are an avid baseball fan attending a game or part of a large group looking for a casual dining experience. MoMo's is located at 760 Second St., and the phone number is 415-227-8660.

Moose's

Distinguished by a bright blue neon moosehead at its entrance, Ed Moose's North Beach restaurant often gets voted one of San Francisco's 10 best. The ambiance is quietly elegant, and the relaxed lunchtime mood is perfect for business dining, although a note on the table discourages the use of cellular phones.

The sedate lunch crowd sometimes turns raucous at night, thanks, in part, to the well-regarded martinis and live jazz. The bar is also renowned as the site of many power deals, as is the Washington Square Bar & Grill. The Washbag, as it is known locally, was also founded by Ed Moose.

Moose's Mediterranean-inspired food is simple, pleasingly presented and highly flavorful. The large open kitchen at the back of the restaurant exudes a variety of aromas that can either enhance your dining experience or become oppressively fishy. The wine list is extensive, and the waitstaff is extremely professional and solicitous. The menu changes frequently; a call to 800-286-6673 gets you a recording of the day's menu. But the famous "Mooseburgers" with gorgonzola cheese are always available and are quite delicious, as are the soups, salads. Also worth sampling are the pizzas, which are baked in ceramic ovens.

Appetizers and salads range in price from $5.50 to $15, and entrees begin at $8.75 for the hamburger. Moose's is located at 1652 Stockton St. Reservations are recommended for dinner but generally are not required at lunchtime. Sunday brunch is available from 10:00 am to 2:30 pm.

Plouf

Even amid the bustle of San Francisco's financial district, you can enjoy relaxed sidewalk dining at its best at Plouf. The name, which rhymes with "spoof," is French slang for "splash." Plouf sits along a European-style alleyway of single-story brick buildings tucked among the district's skyscrapers; it provides shelter from the city's winds and the frenetic business pace.

The atmosphere is tres French, with a waitstaff who exude Gallic charm through thick accents and striped sailor shirts. Plouf's interior, which is starkly modern, is warmed by decorative lighting, friendly service and a certain joie de vivre. Plouf offers New French cuisine, specializing in seafood dishes, with an emphasis on its legendary mussels.

Each of the eight variations sound worth trying, but the Plouf mussels with fried garlic and sherry and the classic mariniere mussels are especially good. Locals enjoy a bowl of mussels accompanied by a plate of authentic French fries and a glass of white wine for a light and economical meal. The menu also includes a soup du jour, a large and varied offering of salads, and sandwiches.

Also available are non-seafood dishes, such as chicken breast with Dijon potato puree, seasonal vegetables and fig sauce and peppered New York steak frites with brandy sauce and vegetables. Entrees range in price from $13 for a meal-size bowl of mussels or steamed clams to $21.50 for the steak. Salads begin at $6 and go as high as $15 for the tuna salad nicoise, which is very popular.

Reservations are recommended, although it can be fun to have the waitstaff set up sidewalk dining just for your walk-in party only to see the alleyway fill up with diners by the time you leave. Plouf is located on Belden Lane, just off Bush, between Kearny and Montgomery streets. Lunch and dinner are served Monday through Saturday. Plouf's telephone number is 415-986-6491.

Also in the Belden alleyway are B44, which offers Catalan cuisine, and Cafe Bastille, which serves classic French fare and offers live music nightly. This group of restaurants makes Belden Lane the "French Quarter" of San Francisco and a great destination for lunch or dinner.

Scoma's

This seafood restaurant, located in the heart of San Francisco's Fisherman's Wharf, began in 1965 as a six-table coffee shop for fishermen. It has since grown into a restaurant with a 320-seat capacity that prides itself on its casual atmosphere and efficient and friendly wait service.

A 600-square-foot dock-side facility was built next to the restaurant so that boats and wholesale vans could unload the freshest catch available. Scoma's menu consists of basic, straightforward fresh seafood, with such appetizers as shrimp cocktail, crab cakes and steamed clams. The bluepoint oysters on the half-shell are excellent.

Dinner entrees range from broiled swordfish to lobster thermidor to Pacific red snapper to dungeness crab legs.

In addition to seafood, Scoma's offers a filet mignon, blackened New York steak and beef stroganoff. Several pasta dishes, with and without seafood, also are available.

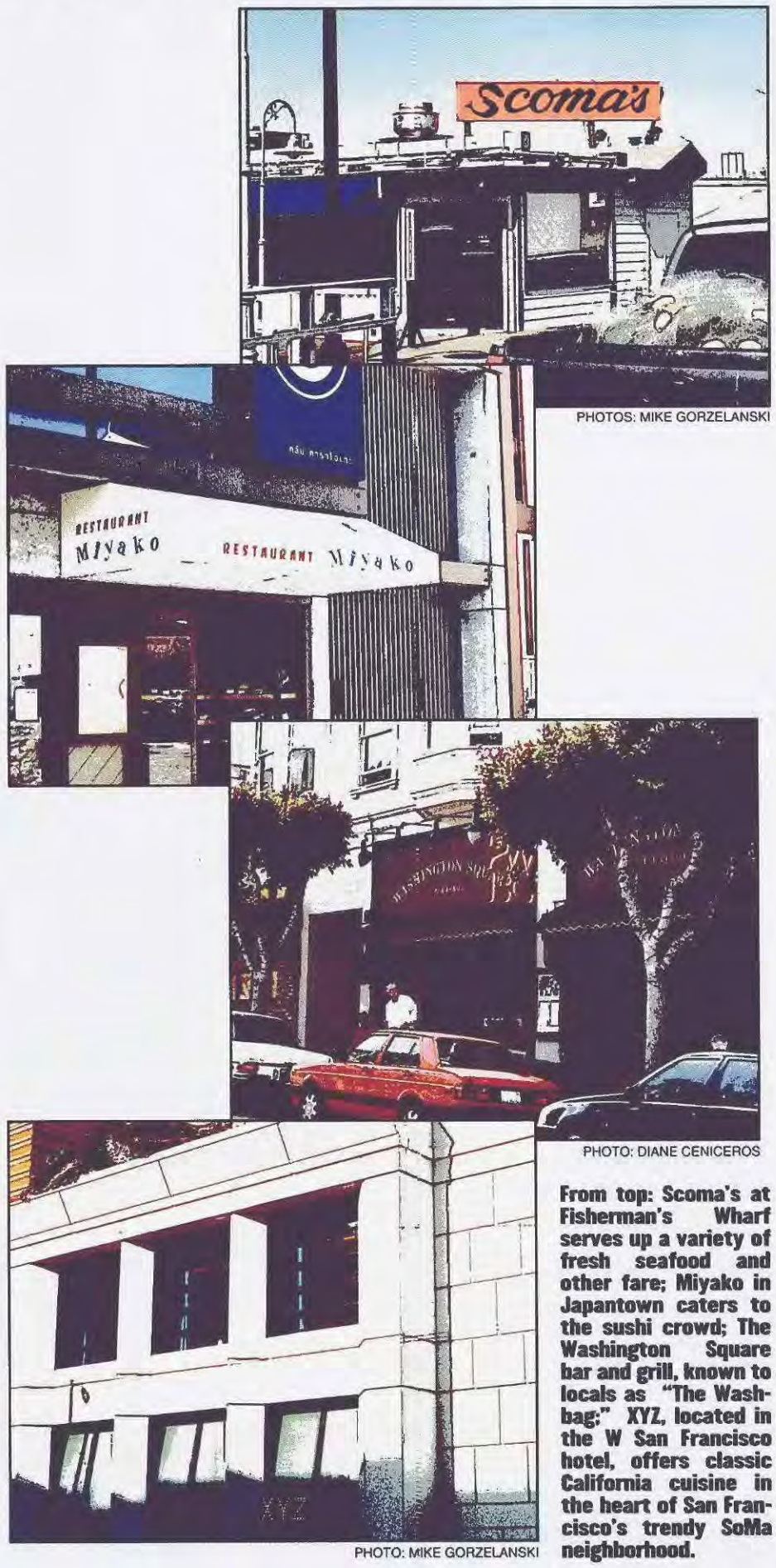
There is a minimum food service of $7.50 per person, but as long as you're eating, that shouldn't be a problem. Appetizers run from $9.50 to $14.75. Entrees average about $20, although many of the fish entrees are priced according to availability.

While Scoma's sits on Pier 47 at the intersection of Jones and Jefferson streets, only limited seating offers any kind of view of the bay.

The dining room is open Sunday through Thursday from 11:30 a.m. until 10:30 p.m. and Friday and Saturday 11:30 a.m. until 11:30 p.m. No reservations are accepted. The telephone number is 415-771-1077.

For more information about Scoma's and a look at its complete menu, check out its Web site, at www.scomas.com

A taste of the culinary wealth



PHOTOS: MIKE GORZELANSKI

PHOTO: DIANE CENICEROS

PHOTO: MIKE GORZELANSKI

From top: Scoma's at Fisherman's Wharf serves up a variety of fresh seafood and other fare; Miyako in Japantown caters to the sushi crowd; The Washington Square bar and grill, known to locals as "The Washbag;" XYZ, located in the W San Francisco hotel, offers classic California cuisine in the heart of San Francisco's trendy SoMa neighborhood.

Thirsty Bear

Located just one-half block from the Moscone Center, this brew pub/tapas bar serves as a great lunch or dinner spot, as well as an ideal watering hole.

Thirsty Bear is as big as a gymnasium, and brick walls, cement floors and stainless steel brewing tanks dominate the center of the multilevel restaurant. The colorful furniture offers a nice contrast to the restaurant's otherwise spartan decor.

The restaurant can be loud, so it may not be the best place for a serious business lunch or dinner. But if you're looking to have a fun, relaxed meal or to have a few beers, Thirsty Bear is a good bet. Pool tables occupy the second level; unfortunately, though, they are typically booked for private parties.

The Spanish-influenced dinner menu offers about 30 hot and cold tapas dishes. Each item description includes beer recommendation that draws from the array of available types.

Among the hot tapas dishes, the Kokotxas Donostiarra—otherwise known as "fish cheeks"—comes highly recommended. The halibut cheeks are sauteed with garlic and sherry and are very tasty. Also recommended is the baked goat cheese with garlic toast, the grilled fennel sausage with white beans, and the sauteed shrimp

See **Dining** *on next page*

Dining

Continued from previous page

with garlic and white wine. The tapas run between $3.50 to $7.75 a piece.

Thirsty Bear also offers main courses, which include such items as rosemary rice with chicken, pancetta and shiitake mushrooms, grilled lamb chops with roasted peppers and garlic potatoes, and roasted sea bass over fennel and tomato with sauteed garlic. Entrees run between $14 and $18.

The lunch menu is a scaled-down version of the dinner menu with the addition of sandwiches. It offers any two tapas for $9.95 per person.

Thirsty Bear has a selection of nine homemade brews; a few are seasonal offerings. Its Howard Street IPA is a very good, full-bodied beer with a huge hop aroma. Its Valencia Wheat beer is a Belgian-style light beer that is very mellow, and its Meyer E.S.B. brew has a copper hue and a very creamy, smooth head. Beer samples are available.

Thirsty Bear also offers a limited wine list of Spanish and California wines, along with various cocktails and its own sangria.

Thirsty Bear is open Monday through Thursday from 11:30 a.m. until 10:30 p.m., Friday from 11:30 a.m. until midnight, Saturday from noon until midnight, and Sunday from 5 p.m. until 10 p.m. It is located at 661 Howard St., between Hawthorne and Third streets. Reservations are recommended. The telephone number is 415-974-0905.

For a look at Thirsty Bear's complete menu and other information, check out its Web site, at thirsty-bear.com.

XYZ

Located on the first floor of the W San Francisco hotel in the heart of the SoMa neighborhood, XYZ is one of San Francisco's newest and trendiest restaurants. And there is good reason for all the attention; the food and atmosphere is terrific.

Walking through the revolving front door of the W hotel, across the street from the Moscone Center, you come upon the hotel bar, instead of a generic lobby.

With pastel colors that offset dashes of smooth black leather, bold blue velvet, silvery brushed steel, frosted glass light fixtures and tall swaying drapes, the bar area has been described as an "upscale Pottery Barn.'

Once inside, you can grab a drink and relax amid plush modern furniture, read a book from XYZ's library or play a game. The best place to go while waiting for your table at XYZ, however, is the hotel's dimly lit upstairs wine bar. There are no signs to lead you; you simply take the stairs up one floor and look for the curtain of metal beads.

The actual restaurant is located to the left of the bar area, on the first floor. The limited menu features classic California cuisine.

Although the menu changes every six weeks, appetizers might include warm lobster with polenta corn cakes, house-cured salmon with sweet onion Sonoma goat cheese, or seared scallops with caviar and bell pepper coulis. XYZ also makes its own soup daily. Appetizers range from $7 to $16.

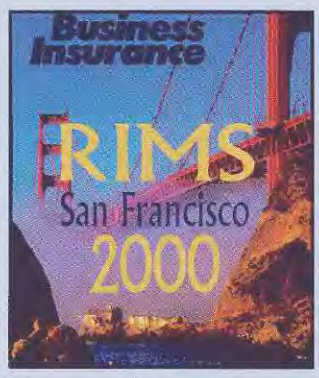
Entrees may include a double-cut pork chop with maple-glazed potato, pear and anisette sauce; seared ahi tuna with sweet potatoes and ginger black peppercorn beurre blanc; pumpkin seed-crusted monkfish with braised spring garlic and acorn squash; or filet of beef with horseradish gratin and burgundy reduction. Entrees range from $20 to $27.

In addition to a good wine selection, XYZ offers a variety of after-dinner drinks and dessert wines. These might serve as accompaniment to XYZ's brioche bread pudding, cappuccino creme brulee or one of its other desserts.

XYZ is located at 181 Third St., on the ground floor of the W San Francisco hotel, next door to the San Francisco Museum of Modern Art and across the street from the Moscone Center.

It is open for breakfast from 6:30 a.m. until 10:30 a.m., lunch from 11:30 a.m. until 2:30 p.m., and dinner from 5:30 p.m. until 10:30 p.m. daily.

Reservations are recommended. The telephone number is 415-817-7836. BI



Tour San Fran at BI.com

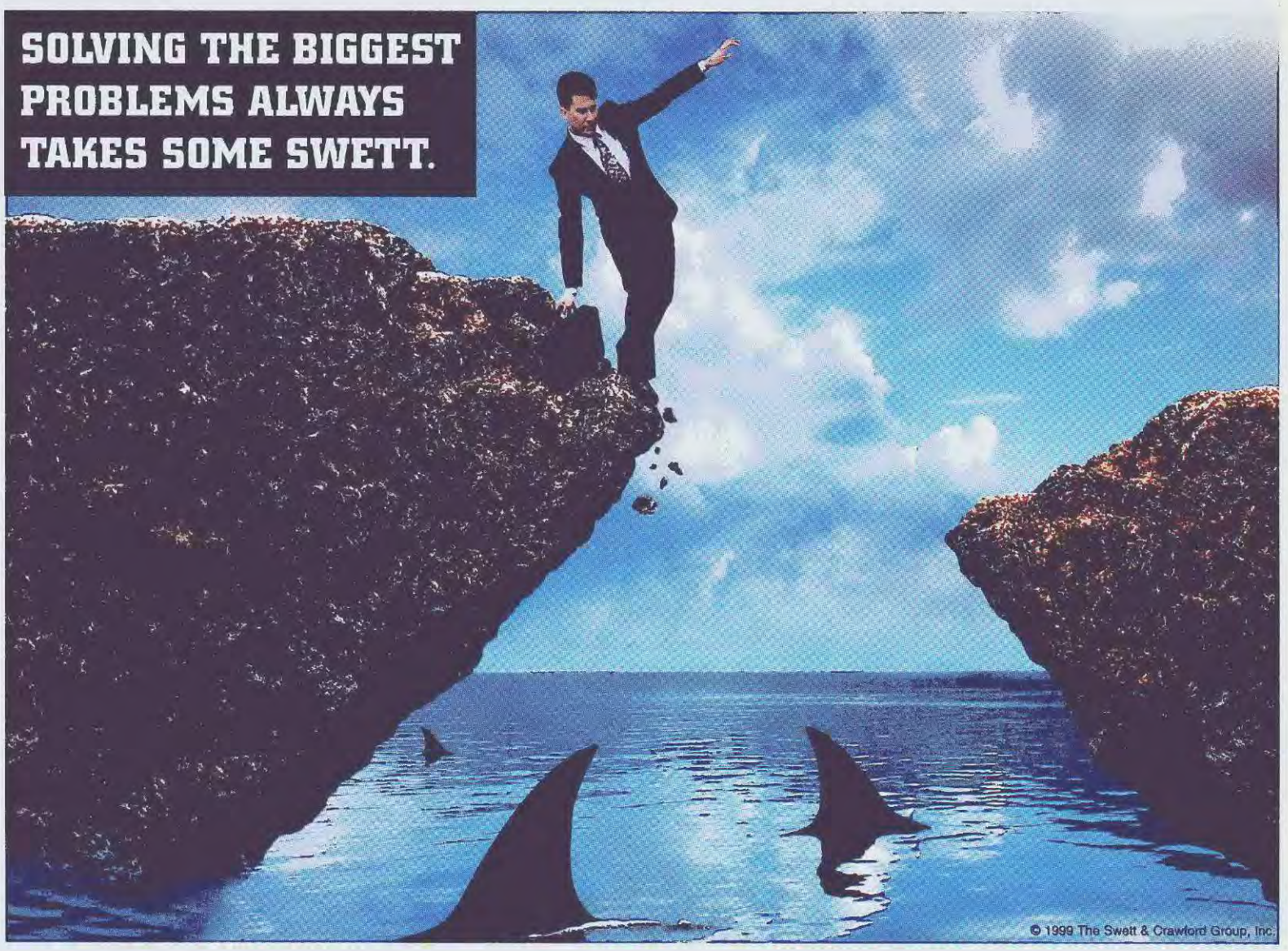
Business Insurance is taking its comprehensive preview of the annual Risk & Insurance Management Society conference one step further this year: Much of the information in this issue is also available online.

Readers can click on the RIMS Preview feature at www.businessinsurance.com.

Online, visitors will find:

- All of the tourism guides found in this issue.
- Links to a broad range of Web sites devoted to San Francisco information, attractions and restaurants.
- The complete *BI* dining guide and its indexes, in Adobe Acrobat (.PDF) files for easy viewing and printing.
- Links to the comprehensive conference and exhibitor information available at RIMS' own Web site.
- A guide to the telephone and fax numbers, as well as the Web sites, for conference hotels, so colleagues and family back home can keep in touch during the week.
- Post-conference coverage of awards, news and and highlights from the RIMS conference.

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RIMS 2000

A guide to dining in and around San Francisco

Visitors to San Francisco for the 38th annual Risk & Insurance Management Society Inc. conference and exhibition will find no shortage of choices for dining during the week. The following is *Business Insurance*'s guide to dining in San Francisco, featuring more than 100 restaurants and myriad types of cuisine. An index to restaurants categorized by price is on page 48. In addition, the complete dining guide is available at www.businessinsurance.com for viewing and printing, along with additional indexes of restaurants by location and type of cuisine. Bon appetit.



A

Albona Ristorante Istriano

545 Francisco St., San Francisco;
415-441-1040; fax: 415-441-5107

Atmosphere: intimate dining room, seating 45; only Istrian restaurant on the West Coast.
Cuisine: Italian.
Specialties: Venetian Italian - Austro/Hungarian-Slavic.
Average dinner for two: $50 to $75.
Neighborhood: North Beach.
Attire: casual.
Hours: dinner: Tuesday-Saturday, 5 p.m.-10 p.m.; closed Sunday and Monday.
Reservations/parking: recommended, parking available.
Credit cards accepted: all major credit cards.

Annabelle's Bar & Bistro

68 Fourth St., San Francisco;
415-777-1200; fax: 415-777-5105
www.victorianhotel.com

Atmosphere: casually funky with a French flare; warm and inviting with a romantic evening comfort.
Cuisine: contemporary.
Specialties: margarita-marinated cured salmon with dill cakes.
Average dinner for two: $50 to $75.
Neighborhood: South of Market.
Attire: casual.
Hours: breakfast: 7 a.m.-11 a.m.; lunch: 11:30 a.m.-4:30 p.m.; dinner: Sunday-Thursday, 5 p.m.-10:30 p.m., Friday-Saturday, 5 p.m.-midnight; bar: 11:30 a.m.-2 a.m.
Reservations/parking: recommended.
Credit cards accepted: Visa, MasterCard, American Express, Diner's Club.

Aqua

252 California St., San Francisco;
415-956-9662; fax: 415-956-5229
www.nextcenturyrestaurants.com

Cuisine: French, seafood.
Average dinner for two: $100 and over.
Neighborhood: Financial District.
Attire: dressy.
Hours: lunch: Monday-Friday, 11:30 a.m.-2:15 p.m.; dinner: Monday-Thursday, 5:30 p.m.-10:30 p.m.; Friday-Saturday, 5:30 p.m.-11 p.m.
Reservations/parking: recommended, parking available.
Credit cards accepted: Visa, MasterCard, American Express, Diner's Club.

Ar Roi Thai Restaurant

643 Post St., San Francisco;
415-771-5146; fax: 415-567-3087

Atmosphere: art deco-inspired.
Cuisine: Thai.
Specialties: authentic Thai cuisine specializing in seafood and seasonal ingredients.
Average dinner for two: $50 to $75.
Neighborhood: Union Square.
Attire: casual.
Hours: lunch: Monday-Saturday, 11 a.m.-3 p.m.; dinner: daily, 5 p.m.-11 p.m.
Credit cards accepted: Visa, MasterCard, American Express.

Asabella's Restaurant

2766 Taylor, San Francisco;
415-771-6775; fax: 415-771-6777
www.asabella.com

Cuisine: contemporary, steak, seafood.
Specialties: whole roasted garlic crab, lobster, abalone, rack of lamb, great wine list.
Average dinner for two: $75 to $100.
Neighborhood: Fisherman's Wharf.
Attire: casual.
Hours: 11:30 a.m.-10:30 p.m.
Reservations/parking: required, parking available.
Credit cards accepted: all major credit cards.

asiaSF

201 Ninth St., San Francisco;
415-255-4514; fax: 415-255-8887
www.asiasf.com

Atmosphere: hip, fun, cabaret-like atmosphere where all can share in the fantasy, illusion and food.
Cuisine: pan-Asian.
Specialties: crisp salmon spring rolls, lavender ribbed fillet mignon with Chinese vegetables and black bean sauce over jasmine steamed rice.
Average dinner for two: $25 to $50.
Neighborhood: South of Market.
Attire: dressy.
Hours: dinner and shows: 5 p.m.-10 p.m. daily; nightclub dancing: Thursday-Monday, 10 p.m.-2 a.m.
Credit cards accepted: all major credit cards.

Azie

826 Folsom St., San Francisco;
415-538-0918; fax: 415-538-0916
www.restaurantlulu.com

Atmosphere: main level has dining booths that can be curtained off for privacy. The room features a two-story "wall of mirrors," an exhibition kitchen and a mahogany-topped bar.
Cuisine: French with an Asian influence.
Specialties: nine bites, whole fish two ways, seared foie gras.
Average dinner for two: $100 and over.
Neighborhood: South of Market.
Attire: dressy.
Hours: lunch: Monday-Friday, 11:30 a.m.-2 p.m.; dinner, Sunday-Thursday, 5:30 p.m.-11:30 p.m., Friday-Saturday, 5:30 p.m.-1 a.m.
Reservations/parking: required, parking available.
Credit cards accepted: Visa, MasterCard, American Express, Diner's Club.

B

B44

44 Belden Place, San Francisco;
415-986-6287; fax: 415-986-6291
www.b44.net

Atmosphere: friendly service with rustic food, outdoor seating.
Cuisine: Spanish.
Specialties: paellas, Catalan cuisine.
Average dinner for two: $75 to $100.
Neighborhood: Financial District.
Attire: casual.
Hours: lunch: Monday-Friday, 11:30 a.m.-2:30 p.m.; dinner: Monday-Saturday, 5:30 p.m.-11 p.m.
Reservations/parking: recommended.
Credit cards accepted: Visa, MasterCard, American Express.

Backflip

601 Eddy St., San Francisco;
415-771-3547; fax: 415-771-3137
www.backflipsf.com

Atmosphere: an aquatically inspired lounge specializing in innovative cocktail cuisine, blue libations and soothing music spun by a disc jockey all night long.
Cuisine: American; eclectic, cocktail cuisine.
Specialties: two-bite burgers, grilled prawn cocktail, calamari, fun and funky appetizers.
Average dinner for two: $75 to $100.
Neighborhood: Civic Center.
Attire: dressy.
Hours: bar: Tuesday-Saturday, 6 p.m.-2 a.m.; kitchen, Tuesday-Saturday, 7 p.m.-midnight.
Reservations/parking: parking available.
Credit cards accepted: Visa, MasterCard, American Express, Diner's Club.

Barcelona

7 Spring St., San Francisco;
415-989-1976; fax: 415-989-1978

Atmosphere: modern Barcelona (Catalan) design, elegant, serving contemporary Spanish cuisine.
Cuisine: Spanish.
Average dinner for two: $50 to $75.
Neighborhood: Financial District.
Attire: dressy.
Hours: lunch: Monday-Friday, 11:30 a.m.-2:30 p.m.; dinner, Monday-Saturday, 5:30 p.m.-10 p.m.
Reservations/parking: required, parking available.
Credit cards accepted: all major credit cards.

Basta Pasta Restaurant

1268 Grant Ave., San Francisco;
415-434-2248; fax: 415-421-4489
www.bastapasta.citysearch.com

Cuisine: Italian.
Specialties: pizza, home-cured prosciutto, gnocchi, pastas.
Average dinner for two: $50 to $75.
Neighborhood: North Beach.
Attire: casual.
Hours: Wednesday-Sunday, 4 p.m.-midnight; Friday-Saturday, 4 p.m.-1 a.m.
Reservations/parking: parking available.
Credit cards accepted: all major credit cards.

Bix

56 Gold St., San Francisco;
415-433-6300; fax: 415-433-4574

Atmosphere: elegant supper club with live jazz nightly.
Cuisine: American.
Specialties: martinis, specialty cocktails, classic/contemporary American food with European influences.
Average dinner for two: $75 to $100.
Neighborhood: Financial District.
Attire: dressy.
Reservations/parking: recommended, parking available.
Credit cards accepted: all major credit cards.

Bizou

593 Fourth St., San Francisco;
415-543-2222; fax: 415-543-2999

Atmosphere: romantic and warm.
Cuisine: Mediterranean.
Average dinner for two: $75 to $100.
Neighborhood: South of Market.
Attire: casual.
Hours: lunch: Monday-Friday, 11:30 a.m.-2:30 p.m.; dinner: Monday-Thursday, 5:30 p.m.-10 p.m., Friday-Saturday, 5:30 p.m.-10:30 p.m.
Credit cards accepted: Visa, MasterCard, American Express.

Blowfish Sushi to Die For

2170 Bryant St., San Francisco;
415-285-3848; fax: 415-285-0281

Atmosphere: Japanese anime, cutting-edge music, huge saki cocktails and Chef Tsurhida's fusion dishes.
Cuisine: Japanese.
Specialties: Ritsu roll.
Average dinner for two: $25 to $50.
Neighborhood: Mission District.
Attire: casual.
Hours: lunch: Monday-Friday, 11:30 a.m.-2:30 p.m.; dinner: Sunday-Thursday, 5:30 p.m.-11 p.m., Friday-Saturday, 5:30 p.m.-midnight.
Reservations/parking: recommended.
Credit cards accepted: all major credit cards.

Brandy Ho's Hunan Food

217 Columbus Ave., San Francisco;
415-788-7527; fax: 415-788-7528
www.brandyhos.citysearch.com

Cuisine: Chinese.
Average dinner for two: $25 to $50.
Neighborhood: Chinatown.
Attire: casual.
Hours: Sunday-Thursday, 11:30 a.m.-11 p.m.; Friday-Saturday, 11:30 a.m.-midnight.
Reservations/parking: recommended.
Credit cards accepted: all major credit cards.

Bull's Texas Cafe

25 Van Ness, San Francisco;
415-864-4288; fax: 415-864-0552
www.bullstexascafe.citysearch.com

Atmosphere: Texas roadhouse decor.
Cuisine: American.
Specialties: Southwestern and Texas-pit barbecue.
Average dinner for two: $25 to $50.
Neighborhood: Civic Center.
Attire: casual.
Hours: Monday-Thursday, 11:30 a.m.-9 p.m.; Friday, 11:30 a.m.-10 p.m.; Saturday, 5 p.m.-10 p.m.
Reservations/parking: parking available.
Credit cards accepted: all major credit cards.

C

Cafe Metropol

168 Sutter, San Francisco;
415-732-7777; fax: 415-732-7778

Atmosphere: relaxed downtown cafe.
Cuisine: Mediterranean.
Average dinner for two: $25 to $50.
Neighborhood: Financial District.
Attire: casual.
Hours: Monday-Friday, 7:30 a.m.-9 p.m.; Saturday, 11 a.m.-4 p.m.
Credit cards accepted: Visa, MasterCard, American Express, Diner's Club.

Cafe Mozart

708 Bush St., San Francisco;
415-391-8480; fax: 415-391-8507
www.citysearch.com/sfo/cafemozart

Atmosphere: romantic.
Average dinner for two: $25 to $50.
Neighborhood: Nob Hill.
Attire: casual.
Hours: Tuesday-Thursday, 5:30 p.m.-10:30 p.m.; Friday-Sunday, 5:30 p.m.-11 p.m.
Reservations/parking: recommended.
Credit cards accepted: all major credit cards accepted.

Caffe Trieste

601 Vallejo, San Francisco;
415-392-6739; fax: 415-982-3045

Cuisine: Italian.
Specialties: coffee, pastries, desserts.
Average dinner for two: $25 to $50.
Neighborhood: North Beach.
Attire: casual.
Hours: Sunday-Thursday, 6:30 a.m.-11 p.m.; Friday-Saturday, 6:30 a.m.-midnight.
Credit cards are not accepted.

Caribbean Zone

55 Natoma St., San Francisco;
415-541-9465; fax: 415-974-6416

Atmosphere: a hide-away. Sit by the waterfalls for a delicious lunch or dinner.
Cuisine: California, Caribbean.
Specialties: island barbecue shrimp, jerk chicken, garlic-chili crusted pork chops.
Average dinner for two: $75 to $100.
Neighborhood: South of Market.
Attire: casual.
Hours: lunch: Monday-Friday, 11:30 a.m.-2:30 p.m.; happy hour: Monday-Friday, 4 p.m.-7 p.m.; dinner: Monday-Thursday, 5 p.m.-9 p.m., Friday-Saturday, 5 p.m.-10 p.m.; dancing: Friday-Saturday, 10 p.m.-2 a.m.
Reservations/parking: required.
Credit cards accepted: all major credit cards.

See GUIDE *on next page*

Continued from previous page

Castagnolas

286 Jefferson St., San Francisco;
415-776-5015; fax: 415-776-0463
www.castagnolas.com

Atmosphere: located by the fishing fleet in the original Fisherman's Wharf.
Cuisine: seafood.
Average dinner for two: $50 to $75.
Neighborhood: Fisherman's Wharf.
Attire: casual.
Hours: Sunday-Thursday, 8:30 a.m.-10 p.m.; Friday-Saturday, 8:30 a.m.-11 p.m.
Reservations/parking: recommended, parking available.
Credit cards accepted: all major credit cards.

Charles Nob Hill

1250 Jones St., San Francisco;
415-771-5400; fax: 415-771-3542
www.nextcenturyrestaurants.com

Atmosphere: an intimate setting for any special occasion or business dinner.
Cuisine: French.
Average dinner for two: $100 and over.
Neighborhood: Nob Hill.
Attire: dressy.
Hours: Tuesday-Sunday, 5:30 p.m.-10 p.m.
Credit cards accepted: Visa, MasterCard, American Express, Diner's Club.

Che Bar y Restaurante

320 Third St., San Francisco;
415-546-3131; fax: 415-546-4098
www.eatatche.com

Atmosphere: a warm and casual ambiance with mosaic tile, rich hues and wood finishing. Half-priced selected drinks available during festive happy hour.
Cuisine: contemporary, nuevo Latino.
Specialties: ceviche tasting, mojitos, corncakes, caramel creme brulee, cuisine and cocktails from all Latin cultures.
Average dinner for two: $25 to $50.
Neighborhood: South of Market.
Attire: casual.
Hours: lunch: Monday-Friday, 11 a.m.-3 p.m.; happy hour, Monday-Friday, 4 p.m.-7 p.m.; dinner: Monday-Friday, 5 p.m.-10 p.m.; Saturday, 5:30-9:30 p.m.
Reservations/parking: parking available.
Credit cards accepted: all major credit cards.

Cioppino's on the Wharf

400 Jefferson St., San Francisco;
415-775-9311; fax: 415-775-7044
www.cioppinosf.com

Cuisine: Italian, seafood.
Average dinner for two: $50 to $75.
Neighborhood: Fisherman's Wharf.
Attire: casual.
Hours: daily: 11 a.m.-10 p.m.
Credit cards accepted: all major credit cards.

The Cliff House

1090 Point Lobos, San Francisco;
415-386-3330; fax: 415-387-7837
www.cliffhouse.com

Atmosphere: westernmost view in the city, great for sunset viewing. Fine dining.
Cuisine: American.
Specialties: seafood, omelets.
Average dinner for two: $50 to $75.
Neighborhood: Richmond District.
Attire: casual.
Hours: breakfast: 9 a.m.-3 p.m.; lunch: 11 a.m.-4 p.m.; Sunday buffet: 10 a.m.-2 p.m.
Reservations/parking: recommended, parking available.
Credit cards accepted: Visa, MasterCard, American Express, Diner's Club.

Cypress Club

500 Jackson St., San Francisco;
415-296-8553; fax: 415-296-9250
www.cypressclub.citysearch.com

Atmosphere: 1940s-style jazz supper club with live music nightly and a unique decor.
Cuisine: American.
Specialties: double thick-cut seared pork chop, Cypress Club chocolate tower.
Average dinner for two: $100 and over.
Neighborhood: Financial District.
Attire: dressy.
Hours: Sunday-Thursday, 5:30 p.m.-10 p.m.; Friday-Saturday, 5:30 p.m.-11 p.m.
Reservations/parking: recommended, parking available.
Credit cards accepted: Visa, MasterCard, American Express, Diner's Club.

D

Delfina

3621 18th St., San Francisco;
415-552-4055; fax: 415-552-4095

Atmosphere: casual neighborhood trattoria, lively and fun, newly expanded—now seats 65, down-to-earth and friendly.
Cuisine: Italian.
Specialties: daily changing menu based on available products, well-priced wine list.
Average dinner for two: $50 to $75.
Neighborhood: Mission District.
Attire: casual.
Reservations/parking: recommended.
Credit cards accepted: Visa, MasterCard.

The Dining Room

The Ritz Carlton, 600 Stockton St.,
San Francisco;
415-773-6198; fax: 415-951-8730
www.ritzcarlton.com

Atmosphere: classic elegance in a beautifully appointed room with a harpist entertaining.
Cuisine: French.
Specialties: prix fixe menu.
Average dinner for two: $100 and over.
Neighborhood: Nob Hill.
Hours: Monday-Saturday, 6 p.m. to 9:30 p.m.
Reservations/parking: required, parking available.
Credit cards accepted: all major credit cards.

E

Eastside West

3154 Fillmore St., San Francisco;
415-885-4000; fax: 415-885-4001
www.eastsidewest.com

Cuisine: Seafood, American.
Specialties: 12-foot shellfish bar, game dishes.

Continued on next page

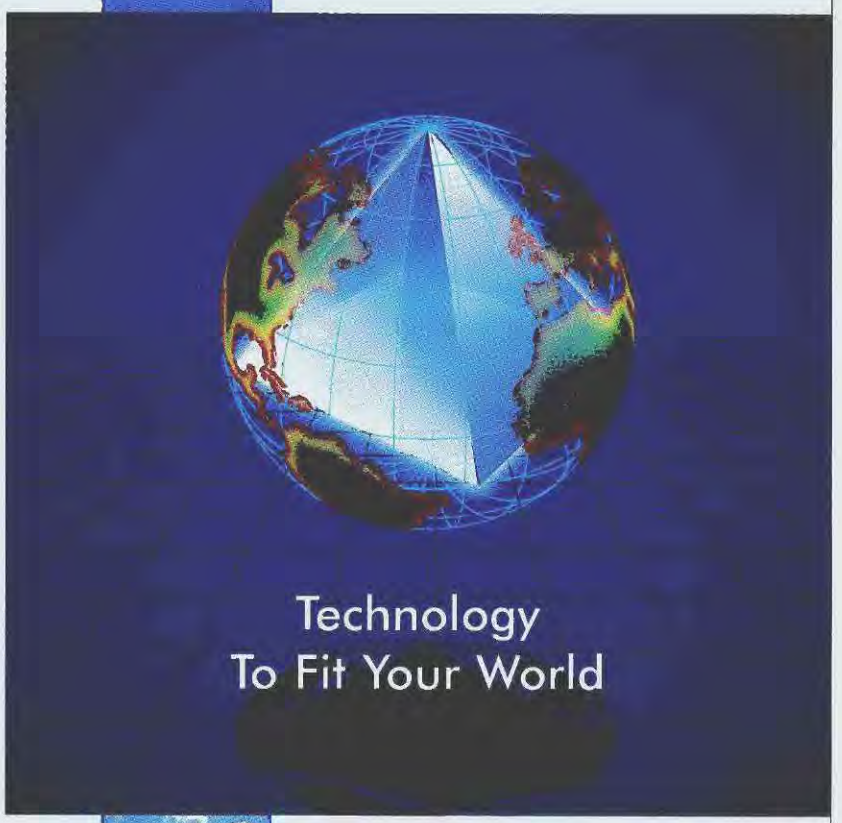
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RIMS 2000

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Average dinner for two: $50 to $75.
Neighborhood: Cow Hollow/Marina.
Attire: casual.
Hours: dinner: Sunday-Wednesday, 5 p.m.-10 p.m., Thursday-Saturday, 5 p.m.-midnight; brunch, Saturday-Sunday, 10:30 a.m.-3:30 p.m.
Reservations/parking: recommended, parking available.
Credit cards accepted: all major credit cards.

Elka's

900 Bush St., San Francisco;
415-928-1888; fax: 415-928-5888

Atmosphere: "Bamboo meets Godzilla."
Cuisine: French, Japanese.
Average dinner for two: $50 to $75.
Neighborhood: Nob Hill.
Reservations/parking: recommended, parking available.
Credit cards accepted: Visa, MasterCard, American Express.

Eos Restaurant & Wine Bar

901 Cole St., San Francisco;
415-566-3063; fax: 415-566-2663
www.eossf.com

Atmosphere: industrial, minimalistic, dressed in metals and natural wood, vaulted ceilings, exposed beams, split levels, cozy wine bar, black granite tables, open pastry kitchen.
Cuisine: Asian Fusion.
Specialties: Shiitake mushroom dumplings, tea-smoked duck breast, banana misu for dessert.
Average dinner for two: $75 to $100.
Neighborhood: Haight-Ashbury.
Attire: casual.
Hours: Sunday, 5 p.m.-9:30 p.m.; Monday-Thursday, 5:30 p.m.-10 p.m.; Friday-Saturday, 5:30 p.m.-10:30 p.m.
Reservations/parking: recommended, parking available.
Credit cards accepted: Visa, MasterCard, American Express.

F

Farallon

450 Post St., San Francisco;
415-956-6969; fax: 415-834-1234
www.farallonrestaurant.com

Atmosphere: beautiful, elegant, under-the-sea decor.
Cuisine: Seafood.
Specialties: fresh seafood from around the world.
Average dinner for two: $50 to $75.
Neighborhood: Financial District.
Attire: dressy.
Hours: lunch: Monday-Saturday, 11:30 a.m.-2:30 p.m.; bistro: Monday-Saturday, 2:30 p.m.- 5 p.m.; dinner: Sunday, 5 p.m.-10 p.m., Monday-Wednesday, 5:30 p.m.-10:30 p.m., Thursday-Saturday, 5:30 p.m. to 11 p.m.
Credit cards accepted: all major credit cards.

Fleur de Lys

777 Sutter St., San Francisco;
415-673-7779; fax: 415-673-4619
www.fleurdelys.citysearch.com

Atmosphere: immense garden tent setting, a Venetian chandelier, natural, amber conces and hand-printed pomegranate, saffon and parsley fabric compliment the romantic aura.
Cuisine: French, Vegetarian.
Specialties: contemporary French cuisine with a Mediterranean touch, including a la carte selections, a tasting menu and a vegetarian menu.
Average dinner for two: $75 to $100.
Neighborhood: Nob Hill.
Attire: dressy.
Hours: Monday-Thursday, 6 p.m.-9:30 p.m.; Friday-Saturday, 5:30 p.m.-10:30 p.m.
Reservations/parking: recommended.
Credit cards accepted: Visa, MasterCard, American Express, Diner's Club.

Floating Sushi Boat Restaurant

700 Grant Ave., San Francisco;
415-956-8318; fax: 415-956-6887

Cuisine: Japanese.
Specialties: sushi, dim sum on elegant floating boats.
Average dinner for two: $25 to $50.
Neighborhood: Chinatown.
Attire: casual.
Hours: 11:30 a.m.-10 p.m.
Reservations/parking: recommended.
Credit cards accepted: Visa, MasterCard, American Express, Diner's Club.

Florio

1915 Fillmore, San Francisco;
415-775-4300; fax: 415-775-4343

Atmosphere: warm French bistro brasserie, intimate and exciting.
Cuisine: French.
Specialties: steamed mussels, roasted chicken, steak fries.
Average dinner for two: $50 to $75.
Neighborhood: Pacific Heights.
Attire: dressy.
Hours: Sunday-Thursday, 5:30 p.m.-10 p.m.; Friday-Saturday, 5:30 p.m.-11 p.m.
Reservations/parking: recommended.
Credit cards accepted: Visa, MasterCard, American Express.

The Fly Trap Restaurant

606 Folsom St., San Francisco;
415-243-0580; fax: 415-243-9539

Atmosphere: hip 1920s clubby atmosphere.
Cuisine: Continental.
Specialties: seafood, steak, classic, French.
Average dinner for two: $75 to $100.
Neighborhood: South of Market.
Attire: casual.
Hours: Monday-Friday, 11:30 a.m.-10 p.m.; Saturday-Sunday, 5:30 p.m.-10:30 p.m.
Reservations/parking: recommended, parking available.
Credit cards accepted: Visa, MasterCard, American Express, Diner's Club.

Food Inc. Trattoria

2800 California St., San Francisco;
415-928-3728; fax: 415-928-0494
www.foodincusa.com

Atmosphere: casual Mediterranean cafe.
Cuisine: American, Mediterranean.
Specialties: hand made gnocchi.
Average dinner for two: $25 to $50.
Neighborhood: Pacific Heights.
Attire: casual.
Credit cards accepted: Visa, MasterCard, American Express.

Foreign Cinema

2534 Mission St., San Francisco;
415-648-7600; fax: 415-648-7669
www.foreigncinema.com

Atmosphere: where fine dining meets foreign movies.
Cuisine: French.
Specialties: bouillabaisse.
Average dinner for two: $25 to $50.
Neighborhood: Mission District.
Attire: casual.
Hours: dinner: Tuesday-Sunday, 6 p.m.-10:30 p.m.; closed Mondays.
Reservations/parking: parking available.
Credit cards accepted: Visa, MasterCard, American Express.

42 Degrees

235 16th St., San Francisco;
415-777-5558; fax: 415-777-2938

Atmosphere: cool industrial setting with live jazz.
Cuisine: Mediterranean.
Average dinner for two: $75 to $100.
Neighborhood: South of Market.
Attire: casual.
Hours: Wednesday-Sunday, 6 p.m.-10 p.m.
Credit cards accepted: Visa, MasterCard, American Express, Diner's Club.

Fournov's Ovens

905 California St., San Francisco;
415-989-1910; fax: 415-732-4017

Atmosphere: Mediterranean influence with old world charm and French provincial artwork.
Cuisine: American.
Specialties: rack of lamb, rack of veal, oven-roasted duck, fresh seafood.
Average dinner for two: $100 and over.
Neighborhood: Nob Hill.
Attire: casual.
Hours: Sunday-Thursday, 5:30 p.m.-10 p.m.; Friday-Saturday, 5:30 p.m.-10:30 p.m.
Credit cards accepted: all major credit cards.

Franciscan Restaurant

Pier 43 1/2 Embarcadero, San Francisco;
415-362-7733; fax: 415-362-0174
www.franciscanrestaurant.com

Atmosphere: panoramic bay views from an earth-tone tiered dining room featuring hardwood and natural stone.
Cuisine: seafood.
Specialties: dungeness crab cioppino, fresh salmon, crabcakes.
Average dinner for two: $50 to $75.
Neighborhood: Fisherman's Wharf.
Attire: casual.
Hours: 11:30 a.m. to 10 p.m.
Reservations/parking: recommended, parking available.
Credit cards accepted: Visa, MasterCard, American Express, Diner's Club.

G

Gabbiano's Restaurant

1 Ferry Plaza, San Francisco;
415-391-8403; fax: 415-391-9889
www.wenet.net/~gabbiano

Atmosphere: breathtaking view of the bay, bay bridge, Cost Tower and Treasure Island.
Cuisine: seafood.
Specialties: paella, cioppino, risotto, catch of the day.
Average dinner for two: $25 to $50.
Attire: casual.
Hours: lunch: 11:30 a.m.-2:30 p.m.; dinner: 4:30 p.m.-9:30 p.m.
Reservations/parking: recommended, parking available.
Credit cards accepted: all major credit cards.

Gary Danko

800 North Point, San Francisco;
415-749-2060
www.garydanko.com

Cuisine: American, French.
Specialties: three- to five-course meals.
Average dinner for two: $100 and over.
Neighborhood: Fisherman's Wharf.
Attire: dressy.
Hours: 5:30 p.m.-9:30 p.m.
Reservations/parking: required, parking available.
Credit cards accepted: all major credit cards.

Gaylord Indian Restaurant

Ghirardelli Square, 900 North Point,
San Francisco;
415-771-8822; fax: 415-771-6980
www.gaylords.com

Atmosphere: elegant, romantic setting overlooking San Francisco Bay, dine in atmosphere surrounded by Indian art and exotic greenery while enjoying the panoramic views from large bay windows.
Cuisine: Indian.
Specialties: authentic Indian cuisine, full range of tandori and curry dishes.
Average dinner for two: $50 to $75.
Neighborhood: Fisherman's Wharf.
Attire: casual.
Hours: lunch: 11:45 a.m.-2:00 p.m.; dinner: 5:00 p.m.-11:00 p.m.
Reservations/parking: parking available.
Credit cards accepted: all major credit cards.

Girasole

480 Sutter St., San Francisco;
415-398-8900; fax: 415-989-8823

Atmosphere: Mediterranean with an Italian Flare.
Cuisine: Mediterranean, Italian.
Average dinner for two: $50 to $75.
Neighborhood: Union Square.
Attire: casual.
Hours: 6 p.m.-10 p.m.
Reservations/parking: recommended, parking available.
Credit cards accepted: Visa, MasterCard, American Express.

Golden Dragon Restaurant

816-822 Washington St., San Francisco:
415-398-3920; fax: 415-398-8387
www.goldendragon.citysearch.com

Atmosphere: friendly, specious, intimate, reasonably priced, facility able to serve up to 1000 guests or three levels, offers complete audio-visual equipment, stages and dance floors available.
Cuisine: Chinese.
Specialties: peking duck, served and prepared at your table, no advance order necessary.
Average dinner for two: $50 to $75.
Neighborhood: Chinatown.
Attire: casual.
Reservations/parking: recommended, parking available.
Credit cards accepted: all major credit cards.

Golden Turtle

2211 Van Ness Ave., San Francisco;
415-441-4419; fax: 415-440-7201
www.goldenturtle.net

Atmosphere: warm interior design featuring wood carvings and Vietnamese artwork.
Cuisine: Vietnamese.
Specialties: seafood and vegetables, traditional Vietnamese cooking.
Average dinner for two: $50 to $75.
Neighborhood: Pacific Heights.
Attire: casual.
Hours: dinner: Tuesday-Sunday, 5 p.m.- 11 p.m.
Reservations/parking: recommended, parking available.
Credit cards accepted: Visa, MasterCard, American Express.

Grand Cafe

501 Geary St., San Francisco;
415-292-0101; fax: 415-292-0150
www.grandcafe.citysearch.com

Atmosphere: reflects grandeur of old Europe with touches of art nouveau, sumptuous, elegant room with comfortable, non-formal decor.
Cuisine: French.
Specialties: scallops with golden meats, blood orange, apple balsamic vinegrette, bacon wrapped around all tuna, braised baby fennel, green/yellow curry sauce, cherry tomato confit.
Average dinner for two: $75 to $100.
Neighborhood: Union Square.
Attire: casual.
Hours: Monday-Thursday, 7 a.m.-10 p.m.; Friday, 7 a.m.-11 p.m.; Saturday, 8 a.m.-11 p.m.; Sunday, 9 a.m.-10 p.m.
Reservations/parking: parking available.
Credit cards accepted: all major credit cards.

Great Eastern Restaurant

649 Jackson St., San Francisco;
415-986-2500; fax: 415-986-5603

Atmosphere: family-style.
Cuisine: Chinese, seafood.
Average dinner for two: $25 to $50.
Neighborhood: Chinatown.
Attire: casual.
Hours: 11 a.m. to 1 a.m.
Credit cards accepted: Visa, MasterCard, American Express.

Greens Restaurant

Fort Mason, Building A, San Francisco;
415-771-6222; fax: 415-771-3472
www.greensrestaurant.com

Atmosphere: Greens overlooks the Golden Gate Bridge and Marin Headlands from the historic Fort Mason, a former Army supply facility.
Cuisine: Vegetarian.
Average dinner for two: $50 to $75.
Neighborhood: Cow Hollow/Marina.
Attire: casual.
Hours: lunch: Tuesday-Friday, 11:30 a.m.-2 p.m., Saturday, 11:30 a.m.-2:30 p.m.; brunch: Sunday, 10 a.m.-2 p.m.; dinner: Monday-Friday, 5:30 p.m.-9:30 p.m., Saturday, 5:30 p.m.-9 p.m. (prix fixe menu).
Reservations/parking: recommended, parking available.
Credit cards accepted: Visa, MasterCard, Discover.

H

Hard Rock Cafe

1699 Van Ness Ave., San Francisco;
415-885-1699; fax: 415-885-0701
www.hardrock.com

Cuisine: American.
Average dinner for two: $25 to $50.
Neighborhood: Pacific Heights.
Attire: casual.
Hours: Sunday-Thursday, 11:30 a.m.-11 p.m.; Friday-Saturday, 11:30 a.m.-midnight.
Credit cards accepted: all major credit cards.

Harris' Restaurant

2100 Van Ness Ave., San Francisco;
415-673-1888; fax: 415-673-8817
www.harrisrestaurant.com

Atmosphere: tall ceilings of mahogany paneling, brass accents, Victorian details, and roomy plush leather booths.
Cuisine: Steak, American.
Specialties: dry-aged steak, seafood, lobster.
Average dinner for two: $100 and over.
Neighborhood: Pacific Heights.
Attire: dressy.
Hours: Sunday, 5 p.m.-9:30 p.m.; Monday-Thursday, 5:30 p.m.-9:30 p.m.; Friday, 5:30 p.m.-10 p.m.; Saturday, 5 p.m.-10 p.m.

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RIMS 2000



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Look for special monitors at the Moscone Convention Center

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RIMS 2000

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Reservations/parking: recommended, parking available.
Credit cards accepted: all major credit cards.

Hayes Street Grill

320 Hayes St., San Francisco;
415-863-5545; fax: 415-863-1873

Atmosphere: casual atmosphere with high ceilings and comfortable chairs, a typical German grill.
Cuisine: seafood, American.
Specialties: charcoal grill, fish, meats, fresh produce.
Average dinner for two: $75 to $100.
Neighborhood: Civic Center.
Attire: casual.
Hours: Lunch: Monday-Friday, 11:30 a.m.-2 p.m.; dinner: Sunday-Thursday, 5 p.m.-9:30 p.m., Friday-Saturday, 5 p.m.-10:30 p.m.
Reservations/parking: recommended, parking available.
Credit cards accepted: all major credit cards.

The Helmand Restaurant

430 Broadway, San Francisco;
415-362-0641; fax: 415-362-0862

Cuisine: Afghan.
Specialties: kebabs, lamb, beef, chicken.
Average dinner for two: $25 to $50.
Neighborhood: North Beach.
Attire: casual.
Hours: Sunday and Tuesday-Thursday, 5:30 p.m.-10 p.m.; Friday-Saturday, 5:30 p.m.-11 p.m.; closed Mondays.
Reservations/parking: required, parking available.
Credit cards accepted: Visa, MasterCard, American Express.

Jardiniere

300 Grove St., San Francisco;
415-861-5555; fax: 415-861-5580

Cuisine: French.
Average dinner for two: $100 and over.
Neighborhood: Civic Center.
Attire: casual.
Hours: 5:30 p.m.-midnight.
Reservations/parking: parking available.
Credit cards accepted: all major credit cards.

Jax Steak House

171 O'Farrell St., San Francisco;
415-421-2100; fax: 415-421-2009

Atmosphere: California wine menu, attentive service and an eclectic food menu, all housed in a traditional San Francisco ambiance.
Cuisine: steak.
Specialties: aged "certified angus beef."
Average dinner for two: $75 to $100.
Neighborhood: Union Square.
Attire: casual.
Hours: 11:30 a.m.-9:30 p.m.
Reservations/parking: recommended, parking available.
Credit cards accepted: all major credit cards.

J

Julie's Supper Club

1123 Folsom St., San Francisco;
415-861-0707; fax: 415-861-8078
www.juliessupper.citysearch.com

Atmosphere: friendly, lively fun with a funky '60s ambiance.
Cuisine: California, American.
Specialties: fresh local foods.
Average dinner for two: $50 to $75.
Neighborhood: South of Market.
Attire: casual.
Hours: Monday-Friday, 5:30 p.m.-10:30 p.m., Saturday-Sunday, 5:30 p.m.-11:30 p.m.; bar closed on Sunday.
Reservations/parking: required, parking available.
Credit cards accepted: Visa, MasterCard, American Express, Diner's Club.

K

Kyo-ya

2 New Montgomery, Sheraton Palace, San Francisco;
415-512-1111; fax: 415-512-8062

Atmosphere: contemporary, elegant and quiet.
Cuisine: Japanese.
Specialties: sushi, sashimi, butterfish, tempura, sukiyaki, shabushabu.
Average dinner for two: $75 to $100.
Neighborhood: Financial District.
Attire: dressy.
Hours: lunch: Tuesday-Friday, 11:30 a.m.-2 p.m.; dinner: Tuesday-Saturday, 6 p.m.-10 p.m.
Reservations/parking: recommended, parking available.
Credit cards accepted: all major credit cards.

L

La Folie

2316 Polk St., San Francisco;
415-776-5577; fax: 415-776-3431
www.lafolie.com

Atmosphere: Roland Passot's extravagant playground extends a welcoming and intimate setting offering patrons five-star dining without pretentious airs.
Cuisine: French.
Average dinner for two: $100 and over.
Neighborhood: Russian Hill.
Attire: dressy.
Hours: 5:30 p.m.-10:30 p.m.
Reservations/parking: recommended, parking available.
Credit cards accepted: all major credit cards.

Laghi

2101 Sutter St., San Francisco;
415-931-3774; fax: 415-931-1895

Atmosphere: friendly, family-owned and operated, specializing in regional food from chef's home in Emilia-Romagna.
Cuisine: Italian.
Specialties: homemade pastas, bread, desserts.
Average dinner for two: $50 to $75.
Neighborhood: Fillmore Street.
Attire: casual.
Hours: lunch: Monday-Friday, 11:30 a.m.-2:30 p.m.; dinner: Sunday-Thursday, 5 p.m.-9:30 p.m., Friday-Saturday, 5 p.m.-10:30 p.m.
Reservations/parking: recommended, parking available.
Credit cards accepted: Visa, MasterCard, American Express, Diner's Club.

Le Colonial

20 Cosmo Place, San Francisco;
415-931-3600; fax: 415-931-2933
www.lecolonialsf.com

Atmosphere: two-tiered, '20s-themed, French colonial restaurant decorated with tall shuttered windows, graceful palm fronds stamped tin ceilings, twirling fans, vintage lamps. The overall decor of Le Colonial is exotic and elegant.
Cuisine: Vietnamese, French.
Specialties: suon tru nuong, charbroiled Colorado lamb chops with spicy peanut sauce and sweet potato puree.
Average dinner for two: $75 to $100.
Neighborhood: Nob Hill.
Attire: casual.
Hours: Sunday-Thursday, 5:30 p.m.-9:30 p.m.; Friday-Saturday, 5:30 p.m.-11 p.m.
Credit cards accepted: Visa, MasterCard, American Express, Diner's Club.

Little City Antipasti Bar

673 Union, San Francisco;
415-434-2900; fax: 415-434-1501
www.littlecitysf.com

Atmosphere: Old North Beach feel with young, friendly staff; fine dining overlooking romantic Washington Square Park.
Cuisine: Italian.
Specialties: roasted brie and garlic, osso bucco with polenta.
Average dinner for two: $50 to $75.
Neighborhood: North Beach.
Attire: casual.
Hours: Monday-Thursday, 4 p.m.-10 p.m.; Friday, 4 p.m.-11 p.m.; Saturday, 11:30 a.m.-11 p.m.; Sunday, 11:30 a.m.-10 p.m.
Reservations/parking: recommended, parking available.
Credit cards accepted: all major credit cards.

Long Life Noodle Co.

639 Steuart St., San Francisco;
415-281-3818; fax: 415-281-9088
www.longlife.citysearch.com

Atmosphere: trendy, fun, casual dining in sugary Asian tones.
Cuisine: pan-Asian.
Specialties: all noodles, wok-style or soup style.
Average dinner for two: $25 to $50.
Neighborhood: Financial District.
Attire: casual.
Hours: Monday-Friday, 11:30 a.m.-10 p.m.; Saturday, 5 p.m.-10 p.m.
Reservations/parking: parking available.
Credit cards accepted: Visa, MasterCard.

M

The Magic Flute Garden Ristorante

3673 Sacramento St., San Francisco;
415-922-1225
www.citysearch.com/sfo/magicflute

Atmosphere: heated Italian garden; the Magic Flute Garden's dining rooms resemble those of a Tuscan ristorante.
Cuisine: Italian.
Specialties: char-grilled veal chop with truffe-scented whipped potatoes, risotto with wild mushrooms and breast of chicken.
Average dinner for two: $75 to $100.
Neighborhood: Sacramento Street.
Attire: casual.
Hours: brunch: Saturday-Sunday, 10 a.m.-2:30 p.m.; lunch: Monday-Friday, 11 a.m.-2:30 p.m.; dinner: Wednesday-Saturday, 5:30 p.m.-10 p.m.
Reservations/parking: recommended, parking available.
Credit cards accepted: Visa, MasterCard, American Express.

Masa's

648 Bush St., San Francisco;
415-989-7154; fax: 415-989-3141
www.masas.citysearch.com

Cuisine: French.
Average dinner for two: $100 and over.
Neighborhood: Union Square.
Attire: jacket required.
Hours: Tuesday-Saturday, 6 p.m.-9:30 p.m.
Reservations/parking: required, parking available.
Credit cards accepted: all major credit cards.

The Matterhorn Swiss Restaurant

2323 Van Ness Ave., San Francisco;
415-885-6116; fax: 415-885-6116
www.matterhorn.citysearch.com

Atmosphere: romantic and rustic
Cuisine: Swiss.
Specialties: fondue.
Average dinner for two: $50 to $75.
Neighborhood: Pacific Heights.
Attire: casual.
Hours: Tuesday-Sunday, 5 p.m.-10 p.m.
Reservations/parking: recommended, parking available.
Credit cards accepted: all major credit cards.

Maya Restaurant

303 Second St., San Francisco;
415-543-2928

Atmosphere: casually elegant, soft, coral-colored walls displaying distinctive Mexican art and silver pieces; features a bar lounge and outdoor dining room that seats up to 80 people.
Cuisine: Mexican.
Average dinner for two: $75 to $100.
Neighborhood: South of Market.
Attire: casual.
Reservations/parking: recommended, parking available.
Credit cards accepted: all major credit cards.

McCormick & Kuleto's Seafood Restaurant

900 North Point St., San Francisco;
415-929-1730; fax: 415-567-2919
www.mccormickandkuletos.com

Atmosphere: panoramic views of Alcatraz Island and San Francisco Bay.
Cuisine: Seafood.
Specialties: crab cakes, oysters, fresh seafood.
Average dinner for two: $75 to $100.
Neighborhood: Fisherman's Wharf.
Attire: casual.
Hours: Monday-Saturday, 11:30 a.m.-11 p.m.; Sunday, 10:30 a.m.-11 p.m.
Reservations/parking: recommended, parking available.
Credit cards accepted: all major credit cards.

MoMo's

760 Second St., San Francisco;
415-227-8660; fax: 415-227-8693
www.eatatmomos.com

Atmosphere: comfortable, clubby and timeless; two outdoor dining patios, two private dining rooms and a lively bar.
Cuisine: American.
Average dinner for two: $25 to $50.
Neighborhood: South of Market.
Attire: casual.
Hours: lunch: Monday-Friday, 11:30 a.m.-5 p.m.; brunch, Saturday-Sunday, 10:30 a.m.-3:30 p.m.; dinner: Sunday-Wednesday, 5 p.m.-10 p.m., Thursday-Saturday, 5 p.m.-11 p.m.
Reservations/parking: recommended, parking available.
Credit cards accepted: Visa, MasterCard, American Express.

Mona Lisa Italian Restaurant

353 Columbus, San Francisco;
415-989-4917; fax: 415-986-6662

Atmosphere: open kitchen, original Italian atmosphere.
Cuisine: Italian.
Specialties: over 58 different pasta dishes, ossobuco with polenta, veal, chicken, fish, pizza, eggplant parmesan.
Average dinner for two: $50 to $75.
Neighborhood: North Beach.
Attire: casual.
Hours: Sunday-Thursday, 11 a.m.-11 p.m.; Friday-Saturday, 11 a.m.-midnight.
Credit cards accepted: all major credit cards.

Moose's

1652 Stockton St., San Francisco;
415-989-7800; fax: 415-989-7838
www.mooses.com

Atmosphere: open, airy, fun restaurant overlooking Washington Square Park and featuring nightly live jazz as well and a bar.
Cuisine: American, Mediterranean.
Specialties: crab cakes with spicy remoulade, caesar salad with shaved grana.
Average dinner for two: $75 to $100.
Neighborhood: North Beach.
Attire: casual.
Hours: Sunday, 9:30 a.m.-11 p.m.; Monday-Wednesday, 4 p.m.-11 p.m.; Thursday-Friday, 11:30 a.m.-11 p.m.; Saturday, 9:30 a.m.-midnight.
Reservations/parking: recommended, parking available.
Credit cards accepted: Visa, MasterCard, American Express, Diner's Club.

Moscone Pizzadelli

257 Third St., San Francisco;
415-541-9238; fax: 415-541-9356

Atmosphere: bistro setting, both indoor and outdoor seating serving breakfast and lunch.
Cuisine: Italian.
Average dinner for two: $25 and under.
Neighborhood: South of Market.
Attire: casual.
Hours: Monday-Friday, 8 a.m.-4 p.m.; open weekends during major conventions.
Reservations/parking: parking available.
Credit cards are not accepted.

N

Neptune's Palace

Pier 39, Second Level, San Francisco;
415-434-2260; fax: 415-434-4208
www.pier39restaurants.com

Atmosphere: casual elegance with spectacular views of the Golden Gate Bridge and Alcatraz Island.
Cuisine: Seafood.
Average dinner for two: $25 to $50.
Neighborhood: Fisherman's Wharf.
Attire: casual.
Hours: lunch: 11:30 a.m.-4 p.m.; dinner: 4 p.m.-10 p.m.
Reservations/parking: parking available.
Credit cards accepted: all major credit cards.

North Beach Restaurant

1512 Stockton St., San Francisco;
415-392-1700; fax: 415-421-4489
www.nbeachrest.citysearch.com

Continued on next page

Continued from previous page
Cuisine: Italian.
Average dinner for two: $75 to $100.
Neighborhood: North Beach.
Attire: casual.
Hours: 11:45 a.m.-11:45 p.m.
Reservations/parking: recommended, parking available.
Credit cards accepted: all major credit cards.

O

Kate O'Brien's Irish Restaurant & Bar

579 Howard St., San Francisco;
415-882-7240; fax: 415-882-7241
www.kateobriens.com

Atmosphere: traditional Irish pub with an international crowd and great lunches.
Cuisine: Irish.
Specialties: fish and chips, perfect pints of Guinness.
Average dinner for two: $25 to $50.
Neighborhood: South of Market.
Attire: casual.
Hours: Daily, 11 a.m.-2 a.m.
Credit cards accepted: Visa, MasterCard, American Express.

Occidental Grill

453 Pine St., San Francisco;
415-834-0484; fax: 415-834-9448
www.occidentalsf.com

Atmosphere: old San Francisco.
Cuisine: American.
Specialties: steaks, chops, seafood.
Average dinner for two: $50 to $75.
Neighborhood: Financial District.
Attire: casual.
Hours: Monday-Thursday, 11:30 a.m.-9 p.m.; Friday, 11:30 a.m.-10 p.m.; bar: Monday-Friday, 11:30 a.m.-11 p.m.
Credit cards accepted: Visa, MasterCard, American Express, Diner's Club.

One Market Restaurant

1 Market St., San Francisco;
415-777-5577; fax: 415-777-4411
www.onemarket.com

Atmosphere: open kitchen offers a view of the chefs at work, open airy views of the Ferry Building and bay bridge, accommodates private parties up to 80.
Cuisine: contemporary, American.
Specialties: fresh regional cuisine, seafood and an all-American wine list.
Average dinner for two: $50 to $75.
Neighborhood: Financial District.
Attire: casual.
Hours: Monday-Friday, 11:30 a.m.-10 p.m.
Reservations/parking: required, parking available.
Credit cards accepted: Visa, MasterCard, American Express, Diner's Club.

Oritalia Restaurant

586 Bush St., San Francisco;
415-782-8122
www.oritalia.citysearch.com
Cuisine: fusion.
Specialties: Tuna Tartare
Average dinner for two: $100 and over.
Neighborhood: Union Square.
Attire: dressy.
Hours: 5:30 p.m.-10 p.m.
Reservations/parking: recommended.
Credit cards accepted: all major credit cards.

More-detailed information on some of San Francisco's many restaurants begins on page T38.

P

Pacific

500 Post St., San Francisco;
415-929-2087; fax: 415-398-0267

Atmosphere: elegant yet casual with lovely floral arrangements.
Cuisine: American.
Specialties: roasted lobster, rissot lamb chops.
Average dinner for two: $75 to $100.
Neighborhood: Nob Hill.
Attire: dressy.
Reservations/parking: required, parking available.
Credit cards accepted: Visa, MasterCard, American Express, Diner's Club.

Palio d'Asti Restaurant

640 Sacramento St., San Francisco;
415-395-9800; fax: 415-362-6003
www.paliodasti.com

Cuisine: Mediterranean, steak, Italian.
Average dinner for two: $25 to $50.
Neighborhood: Sacramento Street.
Attire: casual.
Hours: Monday-Friday, 11:30 a.m.-9 p.m.
Reservations/parking: recommended.
Credit cards accepted: all major credit cards.

Palomino

345 Spear St., San Francisco;
415-512-7400; fax: 415-512-0648
www.palominosf.com

Atmosphere: a vibrant open kitchen offering an imaginative menu of seasonal and regional flavors with European influences.
Cuisine: California.
Specialties: garlic chicken, dungeness crab dip, paella.
Average dinner for two: $75 to $100.
Neighborhood: South of Market.
Attire: casual.
Hours: Sunday-Thursday, 11:30 a.m.-11 p.m.; Friday-Saturday, 11:30 a.m.-midnight.
Reservations/parking: parking available.
Credit cards accepted: all major credit cards.

Park Chow

1240 Ninth Ave., San Francisco;
415-665-9912; fax: 415-665-9914

Atmosphere: casual, comfortable and friendly.
Cuisine: Italian.
Average dinner for two: $25 to $50.
Neighborhood: Sunset District.
Attire: casual.
Hours: Monday-Thursday, 11 a.m.-10 p.m.; Friday, 11 a.m.-11 p.m.; Saturday, 10 a.m.-11 p.m.; Sunday, 10 a.m.-10 p.m.
Credit cards accepted: Visa, MasterCard.

Pastis

1015 Battery St., San Francisco;
415-391-2555; fax: 415-391-1159

Cuisine: French.
Average dinner for two: $50 to $75.
Neighborhood: Northern Waterfront.
Attire: casual.
Hours: Lunch: 11:30 a.m.-3 p.m.; dinner: 5:30 p.m.-10:30 p.m.
Reservations/parking: required.
Credit cards accepted: Visa, MasterCard, American Express.

Pier 23 Cafe

The Embarcadero, San Francisco;
415-362-5125; fax: 415-362-8138
www.pier23cafe.com

Cuisine: American.
Specialties: roast crab, seafood, meatloaf.
Average dinner for two: $25 to $50.
Neighborhood: Northern Waterfront.
Attire: casual.
Hours: Monday-Friday, 11:30 a.m.-midnight; Saturday, 10 a.m.-2 a.m.; Sunday, 10 a.m.-9 p.m.
Reservations/parking: parking available.
Credit cards accepted: Visa, MasterCard, Discover.

Plouf

40 Belden Lane, San Francisco;
415-986-6491; fax: 415-986-6492
www.citysearch.com

Atmosphere: nice French bistro with seating for 60 in an outdoor terrace.
Cuisine: French, seafood.
Specialties: mussels.
Average dinner for two: $25 to $50.
Neighborhood: Financial District.
Attire: casual.
Reservations/parking: required, parking available.
Credit cards accepted: Visa, MasterCard, American Express, Diner's Club.

Powell's Place

511 Hayes St., San Francisco;
415-863-1404; fax: 415-863-2368

Cuisine: American.
Specialties: Southern cuisine, soul food.
Average dinner for two: $25 and under.
Neighborhood: Hayes Valley.
Attire: casual.
Hours: 9 a.m.-11 p.m.

R

Reservations/parking: parking available.
Credit cards accepted: Visa, MasterCard, American Express, Discover.

Red Herring Restaurant

155 Steuart St., San Francisco;
415-495-6500; fax: 415-957-0369

Atmosphere: comfortable, inviting restaurant on San Francisco's waterfront featuring views of the bay and bridge, also offers a jumping "bait bar."
Cuisine: seafood, American.
Specialties: bold flavored seafood, lobster cones, whole snapper.
Average dinner for two: $75 to $100.
Neighborhood: Financial District.
Attire: casual.
Hours: Lunch: Monday-Friday, 11:30 a.m.- 3 p.m.; dinner: Monday-Saturday, 5:30 p.m.-10:30 p.m., Sunday, 5p.m.-9:30 p.m.
Reservations/parking: recommended, parking available.
Credit cards accepted: all major credit cards.

Restaurant Jeanne D'Arc

715 Bush St., San Francisco;
415-421-3154; fax: 415-399-1442
www.cornellhotel.com

Atmosphere: elegant but casual medieval decor, fixed price, four-course menu, wine list.
Cuisine: French.
Specialties: cuisine traditionelle.
Average dinner for two: $50 to $75.
Neighborhood: Union Square.
Attire: casual.
Hours: Monday-Saturday, 6 p.m.-9 p.m.
Reservations/parking: recommended.
Credit cards accepted: all major credit cards.

Restaurant Lulu

816 Folsom St., San Francisco;
415-495-5775; fax: 415-495-7810
www.restaurantlulu.com

Cuisine: French.
Specialties: wood ovens - rotisserie chicken and pork, oven-roasted mussels.
Average dinner for two: $75 to $100.
Neighborhood: South of Market.
Attire: casual.
Hours: 11:30 a.m.-11 p.m.
Reservations/parking: recommended, parking available.
Credit cards accepted: Visa, MasterCard, American Express, Diner's Club.

Rick's Restaurant & Bar

1940 Taraval St., San Francisco;
415-731-8900; fax: 415-731-1699
www.citysearch.com

Atmosphere: cruise ship setting with huge mahogany and brass bar, Hawaiian background music, live music on weekends.
Cuisine: Seafood, Hawaiian, American.
Specialties: Hawaiian luau first Monday of each month, pot roast, veal chop, hot crab dip, Hawaiian ceviche, Kahlua pork, mai tais.
Average dinner for two: $25 to $50.
Neighborhood: Sunset District.
Attire: casual.
Hours: Brunch: Sunday, 11 a.m.-3 p.m.; dinner, Monday-Thursday, 4:30 p.m.-10 p.m., Friday-Saturday, 5 p.m.-10:30 p.m., Sunday, 4 p.m.-10 p.m.
Reservations/parking: recommended, parking available.
Credit cards accepted: Visa, MasterCard, American Express, Discover.

Rotunda-Neiman Marcus

150 Stockton St., San Francisco;
415-362-4777; fax: 415-291-9150

Atmosphere: beautifully set beneath a stained glass dome and overlooking Union Square.
Cuisine: American.
Specialties: club sandwich, seafood pasta.
Average dinner for two: $50 to $75.
Neighborhood: Union Square.
Attire: casual.
Hours: Lunch: noon-5 p.m.
Reservations/parking: recommended.
Credit cards accepted: American Express.

Rubicon Restaurant

558 Sacramento St., San Francisco;
415-434-4100; fax: 415-421-7646
www.myriadrestaurantgroup.com

Atmosphere: sophisticated urban setting with rich mahogany trim, casually elegant.
Cuisine: American.
Specialties: seared sea scallops, foie gras, rack of lamb.
Average dinner for two: $100 and over.
Neighborhood: Financial District.
Attire: casual.
Hours: Lunch: Monday-Friday, 11:30 a.m.-2:30 p.m.; dinner: Monday-Saturday, 5:30 p.m.-10:30 p.m.

S

Reservations/parking: required.
Credit cards accepted: Visa, MasterCard, American Express, Diner's Club.

Sam's Grill & Seafood Restaurant

374 Bush St., San Francisco;
415-421-0594; fax: 415-421-2632
www.citysearch.com/sfo/samsgrill

Atmosphere: old-time grill atmosphere, open kitchen, provides private dining booths, open since 1887.
Cuisine: seafood, American.
Average dinner for two: $25 to $50.
Neighborhood: Financial District.
Hours: Monday-Friday, 11 a.m.-9 p.m.
Reservations/parking: required.
Credit cards accepted: Visa, MasterCard, American Express, Diner's Club.

Scoma's

Pier 47, San Francisco;
415-771-4383; fax: 415-775-2601
www.scomas.com

Atmosphere: casual, nestled among the fishing fleet, off the beaten path.
Cuisine: Seafood.
Specialties: shellfish saute, pastas, various fresh fishes daily.
Average dinner for two: $75 to $100.
Neighborhood: Fisherman's Wharf.
Attire: casual.
Hours: Sunday-Thursday, 11:30 a.m.-10:30 p.m.; Friday-Saturday, 11:30 a.m.-11 p.m.
Reservations/parking: parking available.
Credit cards accepted: all major credit cards.

Shanghai 1930

133 Steuart St., San Francisco;
415-896-5600; fax: 415-896-5688

Atmosphere: upscale, elegant dining in a mysterious setting, live jazz nightly.
Cuisine: Pan-Asian.
Average dinner for two: $75 to $100.
Neighborhood: South of Market.
Attire: dressy.
Hours: Monday-Friday, 11:30 a.m.-2:30 p.m.; Monday-Thursday, 5:30 p.m.-10 p.m.; Friday-Saturday, 5:30 p.m.-11 p.m.
Reservations/parking: required, parking available.
Credit cards accepted: all major credit cards.

The Slanted Door

584 Valencia St., San Francisco;
415-861-8032; fax: 415-861-8329

Atmosphere: contemporary nest with two levels of dining serving beer and wine. The space is arty without being industrial, has an open kitchen.
Cuisine: Vietnamese.
Specialties: Vietnamese cooking with local ingredients.
Average dinner for two: $25 to $50.
Neighborhood: Mission District.
Attire: dressy.
Hours: Lunch: Tuesday-Sunday, 11:30 a.m.-3 p.m.; dinner: Tuesday-Thursday and Sunday, 5:30 p.m.-10 p.m., Friday-Saturday, 5:30 p.m.-10:30 p.m.
Reservations/parking: recommended, parking available.
Credit cards accepted: Visa, MasterCard.

Splendido

4 Embarcadero Center, Promenade Level, San Francisco;
415-986-3222; fax: 415-434-3530
www.splendido.citysearch.com

Atmosphere: country Italian decor with stone archways and pillars, includes a central stone stove featuring 60-million-year-old fossils.
Cuisine: Contemporary, Italian
Specialties: risotto changed daily, homemade pastas, fresh baked goods, Torre di Alici, a marinade with white anchovies.
Average dinner for two: $75 to $100.
Attire: casual.
Hours: Lunch: Monday-Friday, 11:30 a.m.-2:30 p.m.; dining in the bar: Monday-Friday, 2:30 p.m.-5:30 p.m.;
dinner: daily, 5:30 p.m.-10 p.m.
Reservations/parking: recommended, parking available.
Credit cards accepted: all major credit cards.

Continued on next page

RIMS 2000

Continued from previous page

Stars Bar & Dining

555 Golden Gate Ave., San Francisco;
415-861-2827; fax: 415-554-0351

Atmosphere: a celebration every night and a steady stream of champagne in this high-energy brasserie where divas and socialites mingle with young trendsetters.
Cuisine: Mediterranean.
Specialties: fresh seafood, spit-roasted meats and fowl.
Average dinner for two: $50 to $75.
Neighborhood: Civic Center.
Attire: casual.
Hours: lunch: Monday-Friday, 11:30 a.m.-2:30 p.m.; dinner: daily, 5:30 p.m.-10:30 p.m.
Reservations/parking: recommended, parking available.
Credit cards accepted: Visa, MasterCard, American Express, Diner's Club.

The Stinking Rose

325 Columbus Ave., San Francisco;
415-781-7673; fax: 415-391-1601

Atmosphere: garlic theme, colorful and fun with several dining rooms including some in different styles.
Cuisine: Italian, Garlic.
Average dinner for two: $25 to $50.
Neighborhood: North Beach.
Attire: casual.
Hours: 11 a.m.-11 p.m.
Reservations/parking: recommended.
Credit cards accepted: Visa, MasterCard, American Express, Diner's Club.

Suppenkuche

525 Laguna St., San Francisco;
415-252-9289
www.suppenkuche.com

Atmosphere: casual, mystic, busy, neighborhood restaurant that can get loud.
Cuisine: German.
Specialties: 20 German beers on tap.
Average dinner for two: $25 to $50.
Neighborhood: Hayes Valley.
Attire: casual.
Hours: dinner: daily, 5 p.m.-10 p.m.; brunch: Saturday-Sunday, 10 a.m.-2:30 p.m.
Reservations/parking: required.
Credit cards accepted: Visa, Master Card, American Express.

T

Tadicu Grill

240 California St., San Francisco;
415-391-1849

Atmosphere: dressy yet laid-back atmosphere, noisy, fast, old San Francisco.
Cuisine: Steak, American, Seafood, Vegetarian.
Average dinner for two: $25 to $50.
Neighborhood: Financial District.
Attire: casual.
Hours: Monday-Friday, 11 a.m.-9:30 p.m.; Saturday, 11:30 a.m.-9:30 p.m.
Credit cards accepted: Visa.

Ti Couz

3108 16th St., San Francisco;
415-252-7373; fax: 415-252-7712

Cuisine: French.
Specialties: traditional creperry breton with new seafood and full bar, available desserts to die for.
Average dinner for two: $50 to $75.
Neighborhood: Mission District.
Attire: casual.
Hours: Sunday, 10 a.m.-11 p.m.; Monday-Wednesday, 11 a.m.-11 p.m.; Thursday-Friday, 11 a.m.-2 a.m.; Saturday, 10 a.m.-2 a.m.
Reservations/parking: parking available.
Credit cards accepted: Visa, MasterCard.

Tommy's Joynt

1101 Geary Blvd., San Francisco;
415-775-4216; fax: 415-775-3322

Atmosphere: San Francisco landmark serving over 100 kinds of beer from all over the world.
Cuisine: Hofbrau.
Specialties: Hand carved sandwiches, buffalo stew.
Average dinner for two: $25 and under.
Neighborhood: Union Square.
Attire: casual.
Hours: bar: 10 a.m.-1:45 a.m.; restaurant: 11 a.m.-1:45 a.m.
Reservations/parking: parking available.
Credit cards are not accepted.

V

Vivande Ristorante

670 Golden Gate Ave., San Francisco;
415-673-9245; fax: 415-673-2160
www.vivanderistorante.citysearch.com

Cuisine: Italian.
Average dinner for two: $75 to $100.
Neighborhood: Civic Center.
Attire: dressy.
Hours: Monday-Friday, 11:30 a.m.-10 p.m.; Saturday, 5 p.m.-10 p.m.; Sunday, closed.
Reservations/parking: recommended, parking available.
Credit cards accepted: all major credit cards.

W

The Waterfront Restaurant

Pier 7, Embarcadero, San Francisco;
415-391-2696; fax: 415-391-7125
www.waterfront.citysearch.com

Cuisine: Seafood, Contemporary.
Average dinner for two: $100 and over.
Neighborhood: Northern Waterfront.
Attire: dressy.
Hours: 5 p.m.-11 p.m.
Reservations/parking: required, parking available.
Credit cards accepted: all major credit cards.

X

XYZ

181 Third St., San Francisco;
415-817-7836; fax: 415-817-7885

Atmosphere: casual elegance in an energetic ambiance.
Cuisine: California.
Specialties: pumpkin seed crusted monkfish.
Average dinner for two: $75 to $100.
Neighborhood: South of Market.
Attire: dressy.
Hours: breakfast: 6:30 a.m.-10:30 a.m.; lunch: 11:30 a.m.-2:30 p.m.; dinner: 5:30 p.m.-10:30 p.m.
Reservations/parking: recommended, parking available.
Credit cards accepted: all major credit cards.

Y

Yabbie's Coastal Kitchen

2237 Polk St., San Francisco;
415-474-4088; fax: 415-474-4962
www.yabbies.citysearch.com

Atmosphere: simple but cozy interior of weathered wood, high-tech decor, concrete and dramatic lighting.
Cuisine: seafood.
Specialties: spicy raw tuna poke, oyster bar, crab cakes.
Average dinner for two: $50 to $75.
Neighborhood: Russian Hill.
Attire: casual.
Hours: Sunday, 5:30 p.m.-10:30 p.m.; Monday-Thursday, 6 p.m.-9:30 p.m.; Friday-Saturday, 6 p.m.-10:30 p.m.
Reservations/parking: parking available.
Credit cards accepted: Visa, MasterCard.

Yank Sing Restaurant

427 Battery St., San Francisco;
415-781-1111; fax: 415-391-3003
www.yanksing.com

Atmosphere: timeless, simple and casual.
Cuisine: Chinese.
Specialties: dim sum.
Average dinner for two: $25 to $50.
Neighborhood: Financial District.
Attire: casual.
Hours: Monday-Friday, 11 a.m.-3 p.m.; Saturday-Sunday and holidays, 10 a.m.-4 p.m.
Reservations/parking: parking available.
Credit cards accepted: Visa, MasterCard, American Express, Diner's Club.

Z

Zax

2330 Taylor St., San Francisco;
415-563-6266; fax: 415-563-6157
www.citysearch.com

Atmosphere: casual but chic with a cozy, comfortable feel.
Cuisine: Mediterranean.
Specialties: goat cheese souffle with fennel apple salad.
Average dinner for two: $75 to $100.
Neighborhood: North Beach.
Attire: casual.
Hours: Tuesday-Saturday, 5:30 p.m.-10 p.m.
Reservations/parking: recommended.
Credit cards accepted: Visa, MasterCard.

Zuni Cafe

1658 Market St., San Francisco;
415-552-2522; fax: 415-552-9149

Cuisine: Mediterranean.
Average dinner for two: $75 to $100.
Neighborhood: Civic Center.
Attire: casual.
Hours: Tuesday-Saturday, 11:30 a.m.-midnight; Sunday, 11 a.m.-11 p.m.
Reservations/parking: recommended.
Credit cards accepted: Visa, MasterCard, American Express. BI

There's something for every budget and every taste in San Fran

$25 and under

Moscone Pizzadelli
Powell's Place
Tommy's Joynt

$25 to $50

asiaSF
Blowfish Sushi to Die For
Brandy Ho's Hunan Food
Bull's Texas Cafe
Cafe Metropol
Cafe Mozart
Caffe Trieste
Che Bar y Restaurante
Floating Sushi Boat Restaurant
Food Inc. Trattoria
Foreign Cinema
Gabbiano's Restaurant
Great Eastern Restaurant
Hard Rock Cafe
The Helmand Restaurant
Kate O'Brien's Irish Restaurant & Bar
Long Life Noodle Co.
MoMo's
Neptune's Palace
Palio d'Asti Restaurant
Park Chow
Pier 23 Cafe
Plouf
Rick's Restaurant & Bar
Sam's Grill & Seafood Restaurant
The Slanted Door
The Stinking Rose
Suppenkuche
Tadicu Grill
Yank Sing Restaurant

$50 to $75

Albona Ristorante Istriano
Annabelle's Bar & Bistro
Ar Roi Thai Restaurant
Barcelona
Basta Pasta Restaurant
Castagnolas
Cioppino's on the Wharf
The Cliff House
Delfina
Eastside West
Elka's
Farallon
Florio
Franciscan Restaurant
Gaylord Indian Restaurant
Girasole
Golden Dragon Restaurant
Golden Turtle
Greens Restaurant
Julie's Supper Club
Laghi
Little City Antipasti Bar
The Matterhorn Swiss Restaurant
Mona Lisa Italian Restaurant
Occidental Grill
One Market Restaurant
Pastis
Restaurant Jeanne D'Arc
Rotunda-Neiman Marcus
Stars Bar & Dining
Ti Couz
Yabbie's Coastal Kitchen

$75 to $100

Asabella's Restaurant
B44
Backflip
Bix
Bizou
Caribbean Zone
Eos Restaurant & Wine Bar
Fleur de Lys
The Fly Trap Restaurant
42 Degrees
Grand Cafe
Hayes Street Grill
Jax Steak House
Kyo-ya
Le Colonial
The Magic Flute Garden Ristorante
Maya Restaurant
McCormick & Kuleto's Seafood Restaurant
Moose's
North Beach Restaurant
Pacific
Palomino
Red Herring Restaurant
Restaurant Lulu
Scoma's
Shanghai 1930
Splendido
Vivande Ristorante
XYZ
Zax
Zuni Cafe

$100 and over

Aqua
Azie
Charles Nob Hill
Cypress Club
The Dining Room
Fournov's Ovens
Gary Danko
Harris' Restaurant
Jardiniere
La Folie
Masa's
Oritalia Restaurant
Rubicon Restaurant
The Waterfront Restaurant

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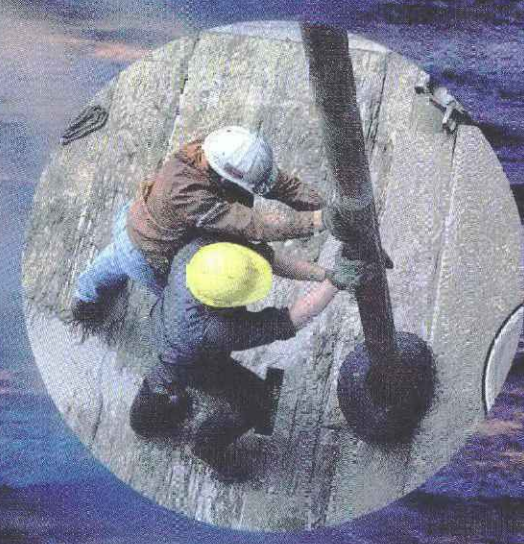


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Ohio bill would let public entities self-insure comp

Altering its longtime opposition, bureau takes neutral stance on legislation

By CHRISTOPHER SERRES
Crain News Service

COLUMBUS, Ohio—A lobbying group that includes the city of Cleveland has cleared a major hurdle in its ongoing effort to give public employers in Ohio the right to opt out of the state-run workers compensation program.

In testimony last week before the Ohio Senate in Columbus, the Ohio Bureau of Workers Compensation declared itself "neutral" on S.B. 266—legislation currently under debate that would allow large government entities to self-insure their own workers compensation programs.

"As the bill is currently written, we are neither for it nor against it," according to Jim Samuel, director of corporate affairs for the Ohio Bureau of Workers Compensation.

To supporters of the bill, even that non-position is a radical change.

The bureau long has opposed any effort to allow government entities, from cities to counties to school districts, more choice over how to insure injured employees. Ohio is one of five states that require all public entities to buy workers comp insurance from a state-run program, while large private employers are allowed to opt out of the public insurance program and self-insure.

"This is a major, major victory. . . .It should take the air out of any argument against a free-market alternative," said Brad Norrick, senior vp with the Cleveland office of broker Marsh Inc. Mr. Norrick played a key role in forming a lobbying group of 35 public employers, including the city of Cleveland, that supports self-insurance.

S.B. 266 would allow public entities that pass stringent financial requirements to assume financial responsibility for their own workers compensation claims. Instead of paying premiums to the bureau, they would pay into their own self-insurance programs and pay the claims themselves.

The attraction: Public employers across the state long have argued that the bureau's premiums are too high and its service too slow.

For instance, the city of Cleveland recently did its own self-insurance analysis and concluded that it could slash its workers compensation premiums by 75% to 80% a year, said Robert Lawson, manager of workers compensation for the city. Had a self-insurance program been in place in 1996, the city would have paid just $3.3 million in workers comp premiums that year rather than $21 million, according to the city's analysis.

However, Mr. Lawson insisted that self-insurance is about more than just dollars and cents. In other states, public employers that run their own workers comp programs can certify claims and pay injured workers within days or weeks. In Ohio, it often takes three months for the bureau to resolve a claim, he said.

"Sure, we would save a huge amount of money, but the primary benefactors will be our workers," Mr. Lawson said.

The bill also has the support of private insurance and consulting firms that would jump at the opportunity to earn fees by helping public entities create their own workers comp programs.

"You will see more (insurance) companies do business in this state if public entities are allowed to self-insure," said David Jacobs, regional vp in Cleveland for American International Group Inc.

Despite such arguments, it took years of lobbying to convince the bureau to back down from its opposition to self-insurance programs run by public entities, Mr. Norrick said. Two years ago, a similar bill, S.B. 27, died in committee after the bureau predicted that premiums would go up for smaller employers if public entities were allowed to opt out.

"The bureau stirred up real fears that if too many employees left (the state-run system), then there wouldn't be enough money around to pay for everyone else," said David Paragas, a partner with the Cleveland law firm Benesch, Friedlander, Coplan & Aronoff L.L.P., who specializes in public law and has been lobbying in support of S.B. 266.

Added Mr. Norrick of Marsh: "Basically, the bureau put the fear of God into state legislators. . . .The fear was, 'Gosh, if the big guys leave, then what's going to happen to the little guy?' "

So why did the bureau change its tune?

The primary reason is that the sponsor of the bill, Sen. Charles Horn, R-Dayton, added tough financial requirements that would minimize the impact of the change on the bureau, Mr. Samuel said.

For instance, S.B. 266 would allow public employers to self-insure only if they have at least 500 employees, an investment-grade credit rating, and the ability to borrow enough money to pay claims without resorting to special taxpayer levies. In addition, any government entity that established a self-insured program would be evaluated periodically by the bureau to ensure it maintains state safety standards.

The state government already applies similar standards to large corporations doing business in Ohio, Mr. Samuel said.

All told, only 30 to 35 public entities across the state actually would meet the requirements in S.B. 266, Mr. Paragas estimated.

"It's very difficult to argue that this (bill) would put the public program in jeopardy," Mr. Paragas said.

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Christopher Serres is a reporter for Crain's Cleveland Business, a sister publication of Business Insurance.

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Keeping consultants, project on track

Selecting and managing a consultant requires some strategy and discipline to avoid getting taken to the cleaners

By Kevin R. Gallagher

A risk manager who is in the process of selecting a consulting firm first and foremost should select a firm and partner with whom he or she feels comfortable working. After all, the project could take a long time to finish.

When soliciting a consulting firm, risk managers should ask themselves the following:

- Is my company one of many clients the consulting firm is currently working with on various ongoing projects?
- Is the firm unproven, and am I willing to subsidize its learning curve?
- Can the consultant devote the time necessary to get to know my business and what I seek to accomplish on this specific project?
- Is the firm licensed in my state? Many states now require insurance consultants and certain adjusters to complete formal training and pass exams. Check with your state to confirm if these licenses are required.

Discuss the firm's failures with it. What did the consultant learn as a result of these failures? Make sure to check for conflicts of interest before entering into negotiations.

Obtain resumes of the individuals who would be assigned to your project. What experience do they possess? What is their educational background? What is their cost?

The risk manager seeking to control consulting costs should also consider smaller firms and individual consultants. Many smaller firms and individuals can perform the project as well as the larger firms for substantially less. Many independent consultants have as good if not better experience than their counterparts in the Big 5 consulting firms, and their costs are significantly less. Do not be afraid to interview these individuals.

Is the firm a 'can do' firm, or do they just intend to figure out what needs to be done and have someone else do the work?

Check job references and determine which individuals were on the project. Check with the potential consulting firm to see if these individuals are still with the firm. Many of the larger consulting firms have high turnover. These firms will still list the projects as references; but many of the individuals who performed the work may no longer be employed with the firm.

Is the firm a "can do" firm, or do they just intend to figure out what needs to be done and have someone else do the work? Do they have the manpower to roll up their sleeves and get the job done?

Be aware of local offices of large consulting firms where there are out-of-state consultants from their other offices working on your project. The local offices may attempt to have some of their senior personnel on site to "supervise" the other consultants, but in reality they just intend to keep their visibility with the client. This will increase your costs. Many times the local offices will not have the expertise, but will try to convince you they do. Scrutinize their expertise and motives. Regardless of what you have been told, partners at the larger firms do not want revenue going to other offices.

Appoint a liaison officer from your company to interact with the consultants. This individual needs to oversee the consultant's progress and be available for interpretation and project guidance. Budget overruns need to be approved by this individual. The liaison officer will need to approve additional consultant staffing and expense.

For long-term projects discuss expense reimbursement up front, and incorporate the results of these discussions into the contract wherever possible. Items that need to be agreed to up front are travel—are the consultants flying home each week?; lodging—have apartments been rented, or are consultants staying at hotels?; meals and other considerations. Are outside consultants being used, and if so what is their markup? For long-term projects it will be beneficial to check for corporate apartment rates, which will be substantially less than the costs of hotels.

Negotiate the fees up front and incorporate them into the contract. If the consultant receives a promotion are you going to pay for his or her increased billing rate? Are you receiving a discounted rate? Many firms will discount their normal billing rates to stay competitive. Do you really want to pay $600 per hour for a partner to oversee the project? Is that senior consultant really worth $400 per hour? How many individuals are going to be on the project? Many of the Big 5 firms have priced themselves out of the market for long-term projects.

The risk manager seeking to reduce costs with a Big 5, or medium-sized firm should negotiate a blended rate based on the number of consultants working on the project, and their various billing rates. Try to utilize the firm's local office employees instead of flying in all the consultants. Where the partner is involved, limit his or her time involved to a specific hour amount per month; any additional time, and increased cost will have to be approved by the liaison officer.

Most partners have billing requirements, along with requirements to bring in business. Examine the partner's billings on your project. Is the partner billing for specific work that a subordinate could and should be performing? On large projects where various lower level consultants are to be utilized, one or two partners should be involved in the initial setting up of the project, and continue as an overseer on the project. Partners working in the "trenches" can substantially increase their billable hours at your expense.

Requirements for partners to bring in $1 million per year are not unrealistic.

Partners at the larger firms will attempt to sell you other services that you may or may not require. Their rationale for hiring them over other equally qualified individuals who charge substantially less, is that their firm can provide you with a plethora of services. Today with the Internet and other online services, consultants in just about any field can be located. If you require these other services do not hesitate to contact other firms. There is no reason why two or more firms cannot work on separate projects within your company.

Does the project start to take on a life of its own? Keep close tabs on the project. A "cash cow" project is one that the partners hate to finish. Again, active management interaction with the consultants is essential to maintaining control of the project.

The best way to manage your consultant's time is to have a spreadsheet that details each consultant's hours per day, and the account or activity they are working on along with their hourly rate totaled each week. Establish work hours for your consultants. Should they work an eight-hour day, or a 10-hour day? In the larger firms one of the criteria for bonuses is billable hours. Assign one individual to gather and coordinate this information, preferably this individual will be one of your employees. At the end of the month analyze the time per consultant to determine if it is appropriate for the project. If a consultant is billing for a 10-hour day when only eight hours has been authorized find out why.

The use of a spreadsheet is one way to determine if the partner or other consultants may be overbilling on your project. At the same time this type of accountability will weed out unauthorized expenses that are recouped by adding additional hours to the project. Request an explanation if there appears to be too much time appropriated to a particular segment of the project. In addition, copies of expenses over $25 should be provided. A detailed spreadsheet for expenses is also advantageous.

The use of a spreadsheet is one way to determine if the partner or other consultants may be overbilling on your project.

Some of the newer midsize consulting firms are experimenting with a consultants-on-call database. Consultant resumes are gathered and inputted into their database for reference as needed. When a project with their particular expertise is required they are called. This is a cost-effective measure to keep overhead and payroll costs down. These consultants may be independent consultants or contract employees. Contract employees are covered by the firm's liability insurer, and taxes may be withheld. Independent consultants provide their own liability insurance and pay their taxes. The disadvantages to this approach are that it does not lock in the consultants, who may not be available for your project.

When dealing with this type of firm, confirm that these consultants are available for your project. This type of firm may force you to start your project earlier than anticipated, to lock in these consultants.

Smaller consulting firms containing several skilled individuals can be quite cost effective for your projects.

These firms have contacts with various other consultants and can organize a large task force, which would include temporary skilled individuals. Training costs may actually be less than the larger firms, as many temporary employees have years of insurance training and are working in a temporary capacity due to company downsizing.

If the consultant firm is hiring outside consultants to assist them, they may be charging a surcharge for those individuals. A reasonable charge may be necessary to cover insurance expenses and some profit, but watch out for excessive profit. Many times, outside consultants will be replaced by the consulting firm's own employees coming off other projects, who often do

See **Consulting** *on next page*

Consulting

Continued from previous page
not possess the same expertise. This will create additional cost to the client for their learning curve. Question the degree of expertise these new individuals bring to the project. It usually is more cost efficient for the client to keep the outside consultants involved in the project.

If the project is long in duration, discuss rotation of employees. What is the expertise of the new individuals, and how much of a learning curve is involved? Will there be a discount for those new individuals with minimal experience who are brought onto the project? Some consulting firms will hire staff directly from college and place them on long-term projects. If it is feasible, consider using several of your own people on the project. The risk manager needs to work with the liaison officer to establish exactly what the roles will be and to whom employees will report, especially if there are many consultants involved.

To sum up, to complete your project in a timely and efficient fashion, work with your consultants and demand adherence to the budget unless specific authorization is extended to exceed it. Interview large, midsize and small firms to evaluate their expertise for the project. Monthly invoices provide an opportunity to review and discuss project costs. Time and expense spreadsheets help consultants adhere to the budget. If results are not forthcoming, formal monthly status meetings can be beneficial.

Know your goals and maintain an interactive role in the project. Paying attention to the details initially will produce a timely and cost-effective project. BI



Kevin R. Gallagher is a home-office supervisor for AIG Technical Services in New York, a division of American International Group Inc. He has previously worked as an independent consultant and with a Big 6 consulting firm as a senior claims consultant.

Few specifics to support health care predictions

"Healthcare.Com: Rx for Reform"
By David B. Friend
Published by St. Lucie Press; 93 pages
$24.95

Copies of the book may be purchased from Watson Wyatt Worldwide at 800-388-9868 or by visiting www.watsonwyatt.com.

By Michael Prince

A new century deserves a new health care system. An aging population that consumes more health care services, tight labor markets that make employees' health more valuable to employers, and the extension of life through technology are all forces pushing for a radical redesign of the current health care system, argues Dr. David Friend in his new book, "Healthcare.com: Rx for Reform." Dr. Friend is a consultant with Watson Wyatt Worldwide.

In this short, easy-to-read but ultimately unconvincing book, Dr. Friend outlines today's health care system and how it evolved during the 20th century. Dr. Friend doesn't see the current environment, characterized by managed care, as the end of this evolution. Rather, he considers it to be an interim step, one that has succeeded in wringing out much of the inefficiency that developed during the fee-for-service era. Looking beyond managed care, Dr. Friend envisions a new system that uses technology to speed the transmission of information to providers. Such technology, he posits, will allow for faster decision making, creating better and less-expensive care.

A major problem with the current system, he writes, is that doctors spend too much time acquiring information and implementing treatment decisions. This, he suggests, leaves too little time for the most important element: thinking about the patient's problem and how to fix it.

Therefore, the way to improve care is to reduce the time spent on less-valuable aspects, freeing up doctors to do the most important part of their jobs.

How will this take place? According to Dr. Friend, the answer is the digitizing of medical information, which would allow it to move freely. Such an approach would dramatically change medicine, he argues. "Providers and patients are no longer bound by physical constraints to provide and receive treatment. Care giving becomes possible at an unlimited number of locations. . . .The entire economics of medical care is shattered and changed forever."

In contrast to current practice, Dr. Friend proposes a virtual health care system that consists of providers, each with a certain specialty, networked together into what he terms "webs." Various webs would address specific areas. For instance, one would handle preventive care; another, treatment.

One significant advantage of such a system is that the easy exchange of information would promote the use of best practices, he argues. Dr. Friend notes that many treatments are based on tradition rather than on proven science. Using the Internet, "physicians and other health care professionals can punch in specifics about a patient's symptoms, health history and numerous other variables and get back a treatment plan for everything from length of hospital stay to drug regimen and exercise recommendations," he writes.

In this new system, the participants' roles will change. For example, patients will be expected to become more accountable for their own behavior and health and to become better-educated consumers. Also, physicians will become "resources managers," with responsibility for allocating health care resources in an efficient, cost-effective manner. They will ensure that the patient and buyer get the best health for the money spent.

The role of managed care organizations also will change, moving from being marketers to serving as fiduciaries, that look out for the best interests of patients and act as the conduit between patients and the health care webs.

But while his proposition sounds interesting and may become reality, Dr. Friend doesn't support his various assertions with studies or specific information. His ideas, although intriguing and easy to read, are somewhat vague, and this lack of specificity plagues the book. In fact, with so little specific information supporting his ideas, the book amounts to little more than a long essay.

What would transform this essay from an idea into a blueprint for the future would be heft. Not just length, but weight. What do others in the health care community have to say on these points? What is currently being done along the lines of what he proposes? Has any research been conducted to substantiate his claims? How, for instance, does he know that doctors spend too much time finding and retrieving information? These are only some of the questions that came to mind when reading the book.

In terms of its ideas, the book is interesting, and it may stimulate some debate. But with the weight of a feather, it won't influence the current health care system, no matter how sound the ideas seem. BI



Michael Prince is an associate editor in Business Insurance*'s New York bureau.*

TPA not an automatic ERISA fiduciary: 9th Circuit

When the administrator of an employer's 401(k) plan lacked discretionary authority or control over the management and administration of the plan, it cannot be deemed a fiduciary under the Employee Retirement Income Security Act, according to the 9th U.S. Circuit Court of Appeals.

Levi Carey, the chief executive officer of Computer Software Analysts Inc. and a co-trustee of CSA's 401(k) benefit plan, embezzled funds from the plan. After the employees learned that their trustee had absconded with the funds, the plan sued Pension Professionals Inc., which had been hired to prepare financial reports and to perform other third-party administrative services for the plan. The employees' suit alleged the 401(k) plan administrator was liable as fiduciary for the funds embezzled from the plan.

About six months into the job, PPI discovered discrepancies between the amount of funds that CSA withheld from employees' paychecks for investment in the plan and the amounts actually deposited in the employee 401(k) retirement accounts.

PPI notified the plan trustees of the discrepancy and subsequently resigned as third-party administrator of the plan after receiving falsified financial statements from CSA. The trial court ruled that Pension Professionals Inc. was not a fiduciary and, thus, was not liable to the plan participants.

Legal Briefs

The appellate court said that third-party administrators are not fiduciaries if they perform merely ministerial functions, including the preparation of financial reports.

To become a fiduciary, the court said, the person or entity must have control respecting the management of the plan or its assets, give investment advice for a fee or have discretionary responsibility in the administration of the plan.

Since Pension Professionals Inc. had no such power over the management or disposition of the assets, the court concluded it could not be deemed a fiduciary under ERISA. The trial court decision was affirmed.

CSA 401(k) Plan vs. Pension Professionals Inc., 9th U.S. Circuit Court of Appeals, Nov. 23, 1999. (BI/03/A.- $10)

Copyright claim denied

A claim for copyright infringement did not give rise to an advertising injury within a commercial general liability insurance policy, according to the 5th U.S. Circuit Court of Appeals.

Telephone Electronics Corp. and others were sued by Delta Computer Corp. for a copyright infringement of DCC's computer software. DCC developed, for the purpose of generating long-distance resale bills, a computer program to record the identity of long-distance callers. The computer program allowed for the inclusion of advertisements along with the text of the bills.

Telephone Electronics was covered by a commercial general liability insurance policy issued by United States Fire Insurance Co. The insurer denied that the CGL policy insured Telephone Electronics against DCC's claim. The trial court ruled for the insurer.

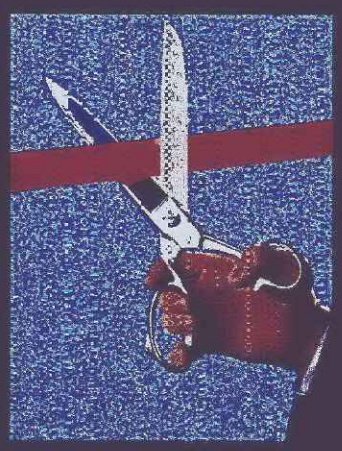
On appeal, the 5th Circuit said that DCC's claim was essentially for infringement of its copyrighted software program, which was developed for billing purposes, not for advertising activity. The court emphasized that any advertising done through use of the software was incidental to DCC's core complaint. Thus, the appellate court agreed that the insurer had no duty to defend Telephone Electronics.

Delta Computer Corp. vs. Frank, 5th U.S. Circuit Court of Appeals, Dec. 2, 1999. (BI/04/A.- $10) BI

These abstracts were prepared by Mayo H. Stiegler. Copies of these decisions are available by sending a $10 check payable to Mayo H. Stiegler, to Business Insurance, 740 N. Rush St., Chicago, Ill. 60611-2590. Provide the listed number for each opinion.











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APRIL 25. E-Commerce Seminar, in Chicago, sponsored by the Assn. of Lloyd's Brokers; free admission. Allison Bernie Firth, 312-577-5500; allison_firth@ars.aon.com

APRIL 26. Reinsurance Conference, in Chicago, sponsored by the Illinois CPA Society; $190. ICPA, 222 South Riverside Plaza, Chicago, Ill. 60601; 312-993-0393.

APRIL 30-MAY 5. The 38th Annual Risk & Insurance Management Society Inc. Conference & Exhibition, in San Francisco, sponsored by the Risk & Insurance Management Society; $745 for members and $1,045 for non-members. www.rims.org; 800-713-7467.

MAY

MAY 7-9. Eighth Annual Latin American Human Resources Conference, in Turnberry Isle, Fla., sponsored by Towers Perrin; $900. Mary Beth Reidy, 100 Summit Lake Drive, Valhalla, N.Y. 10595, 954-767-1370.

MAY 7-11. American Assn. of Managing General Agents Meeting, in Orlando, Fla., sponsored by the American Assn. of Managing General Agents; $525 for members and $675 for associate members. AAMGA, 9140 Ward Parkway, Kansas City, Mo. 64114; 816-444-3500.

MAY 11-12. Critical Illness Conference, in Atlanta, sponsored by the Institute for International Research; $1,495 for main conference and $1,895 for main conference and workshop. www.iir-ny.com; 888-670-8200.

MAY 18-19. Advanced Strategies for Servicing the Alternative Market Conference, in Boston, sponsored by the Institute for International Research; $1,495 for main conference and $1,895 for main conference and workshop. www.iir-ny.com; 838-670-8200.

MAY 21-24. ACORD Technology Conference, in Lake Buena Vista, Fla., sponsored by ACORD, $415 for members and $485 for non-members. ACORD, 1 Blue Hill Plaza, Pearl River, N.Y. 10965; 914-620-1700, ext. 506.

MAY 23-25. Luxembourg Rendez-Vous, in Luxembourg, sponsored by the Risk & Insurance Research Group and SINSER; £800 ($1,270). Susan McMahon, 44 Maiden Lane, Covent Garden, London WC2E 7LJ, England; 44-171-836-0614.

JUNE

JUNE 4-7. American Assn. of Health Plans Conference, in Orlando, Fla., sponsored by AAHP; $950 for members and $1,150 for non-members. AAHP, 1129 20th St. N.W., Suite 600, Washington, D.C. 20036; 877-291-2247.

JUNE 4-7. The Insurance Accounting & Systems Assn. Inc. Conference and Business Show, in Washington, sponsored by the IASA; $460 for members and $920 for non-members. IASA, www.iasa.org; 919-489-0991.

JUNE 4-7. Public Risk Management Assn. Conference, in Charlotte, N.C., sponsored by PRIMA; $450 for members, $575 for non-members in government and $715 for corporate non-members. PRIMA, 1815 N. Fort Myer Drive, Suite 1020, Arlington, Va. 22209; 703-528-7966; www.prima-central.org.

JUNE 5-7. Assn. of Insurance & Risk Managers conference in Birmingham, England. AIRMIC, 6 Lloyd's Ave., London EC3N 3AX, England. 44-171-480-7610.

JUNE 5-7. Corbel First Annual Client Conference—Connection 2000, in Jacksonville, Fla., sponsored by Corbel; $395 before May 5, $425 after. Laural DeWild, 800-326-7235 ext. 1137; www.corbel.com.

JUNE 10-14. National Assn. of Insurance Commissioners Summer Meeting, in Orlando, Fla.; no fee for regulators and $450 for non-regulators. Miriam Hennosy, NAIC, 120 W. 12th St., Kansas City, Mo. 64105; 816-889-4400.

JUNE 12-13. Structuring and Financing Executive Compensation Plans Conference, in Washington, sponsored by the Institute for International Research; $1,495 for main conference and $1,995 for main conference and workshop. www.iir-ny.com; 388-670-8200.

JUNE 14-15. Second Annual Group Self-Insured Workers' Compensation Executive Forum, in Nashville, Tenn. sponsored by the Self-Insurance Institute of America Inc.; cost varies. Mike Ferguson, 1250 H. St., NW, Suite 901, Washington, D.C. 20005. 202-463-8161.

JUNE 22-23. Cyber Risks 2000, in New York, sponsored by the Institute for International Research; $1,495 for main conference and $1,995 for main conference and workshop. www.iir-ny.com; 888-670-8200.

JUNE 22-23. Property and Casualty Claims Conference, in Atlanta, sponsored by the Institute for International Research. www.iir-ny.com; 888-670-8200.

JUNE 25-28. Insurance Marketing & Communications Assn. Annual Conference, in Hilton Head, S.C., sponsored by IMCA; $595 for members, $695 for non-members. Bill Hadley, IMCA, 9710 N. 80th Place, Scottsdale, Ariz. 85258; 480-443-8860.

JUNE 25-28. 52nd Annual Society for Human Resource Management Conference & Exposition, in Las Vegas, sponsored by SHRM; $760 for members and $960 for non-members. SHRM 2000, P.O. Box 79402 Baltimore, Md. 21279-0482; 800-283-7476.

SEPTEMBER

SEPT. 4-8. Monte Carlo Rendez-Vous de Septembre, in Monte Carlo, Monaco; $92. Rendez-Vous de Septembre-Direction du Tourisme et des Congres, 2a, boulevard des Moulins, MC 98030 Monaco; 377-9216-6050.

SEPT. 10-13. International Union of Marine Insurance Conference, in London, sponsored by IUMI. David Matcham or Rachel Turner, International Underwriting Assn., London Underwriting Centre, 3 Minster Court. Mincing Lane, London EC3R 7DD, England; 44-207-617-4444.

SEPT. 13-17. National Assn. of Professional Surplus Lines Offices Conference, in Chicago; NAPSLO members only. Debbie Hill, 6405 N. Cosby Ave., Suite 201, Kansas City, Mo. 64151; 816-741-3910.

SEPT 18-19. Casualty Loss Reserve Seminar, in Minneapolis, sponsored by the Casualty Actuarial Society, the American Academy of Actuaries and Conference Consulting Actuaries; $500 for members and $600 for non-members. Diana Heckman, 1100 N. Glebe Road, Suite 600, Arlington, Va. 22201, 703-276-3100.

SEPT. 18-20. International Society of Certified Employee Benefits Specialists Conference, in San Diego, sponsored by ISCEBS; $650 for members and $750 for non-members. ISCEBS, P.O. Box 209, Brookfield, Wis. 53008-0209; 414-786-8771.

SEPT. 24-27. National Assn. of Mutual Insurance Cos. Annual Convention, in Nashville, Tenn. Larry Baile, NAMIC, P.O. Box 68700, Indianapolis, Ind. 46268; 317-875-5250.

SEPT. 30-OCT. 4. Insurance Leadership Forum, in White Sulphur Springs, W.Va., sponsored by the Council of Insurance Agents & Brokers/Council of Insurance Co. Executives; contact CIAB for registration fee. Lori Baldauf, CIAB, 701 Pennsylvania Ave. N.W., Suite 750, Washington, D.C. 20004-2608; 202-783-4400.

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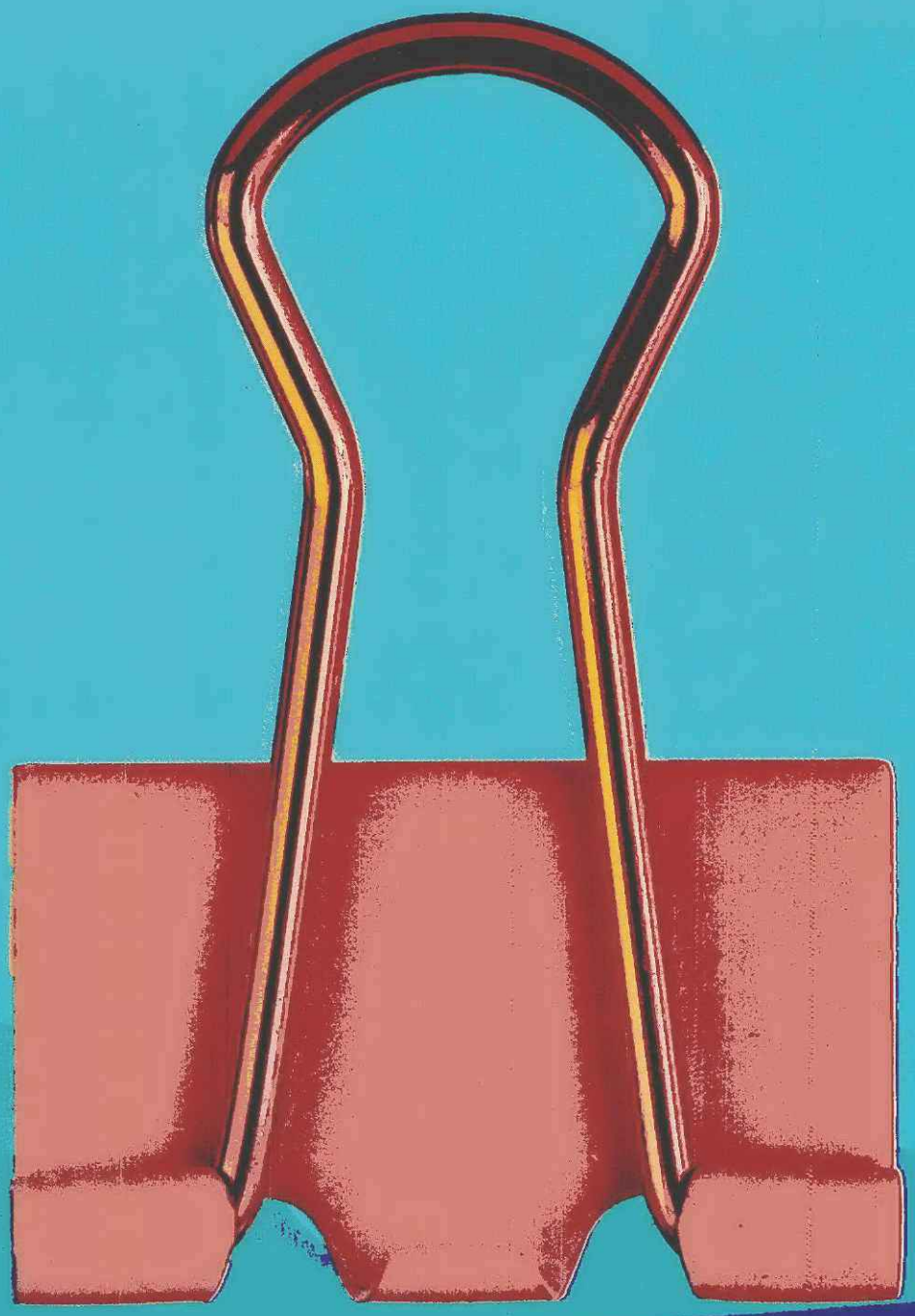
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INTERNATIONAL

Global Briefs

Delegates at the spring conference of the Assn. of Lloyd's Members revealed that more than 24 **Lloyd's of London syndicates** have made cash calls to their investors. Cash calls of between 10% and 20% of capacity had been made by some syndicates, delegates said. No syndicates have had to make cash calls since before the implementation of the market's reconstruction and renewal program of 1996. Market sources said that syndicates with aviation or marine books were among the worst hit. Michael Deeny, chairman of the ALM, said the cash calls may have more impact on corporate participants than on individual names. . . .**Transamerica Reinsurance Co.** has opened a liaison office in Seoul, South Korea. The office will provide risk management consulting, asset liability management consulting, product development, actuarial consulting and training programs in product development and underwriting. Transamerica Re already has a reinsurance service center in Taipei, Taiwan. . . .The final deadline for bids for state-owned Brazilian reinsurance company **Instituto de Resseguros do Brasil** was reached on April 12. Swiss Reinsurance Co. and Transatlantic Re are reported to have been among the bidders. The sale of IRB is scheduled for April 26. . . .Paris-based reinsurer SCOR S.A. is to acquire **Partner Re Life**, the U.S. life reinsurance subsidiary of Bermuda-based Partner Re Group Ltd. The acquisition, which is subject to regulatory approval in the United States, is expected to close in the second quarter of 2000. . . .Australia's QBE Insurance Group Ltd. plans to sell off the non-London brokerage operations of **Iron Trades Insurance Co. Ltd.** QBE has appointed the investment bank of Donaldson, Lufkin & Jenrette to seek a buyer for the operation. QBE acquired Iron Trades in December 1999. . . .The preliminary technical report into the **Erika disaster** has revealed that the vessel sank because of a crack in the lower part of its hull. The report, by Italian classification bureau RINA, said that the problem was worsened by mishandling of the vessel and poor loading of its cargo. The Erika broke up off the coast of France in December 1999, spilling about 10,000 metric tons of oil. . . .A new brokerage and risk management operation has opened in the Netherlands. **Independent Risk Solutions B.V.**, based in Rotterdam, will broker insurance and reinsurance and advise on marine, construction, energy, property risks and employee benefits. The new company has access to the marketing network of London-based Jardine Lloyd Thompson Group P.L.C. . . .French credit insurer **Euler** will debut on the Paris stock exchange on April 28. The group's three principal shareholders—Swiss Reinsurance Co., Assurances Generales de France and SCOR S.A.—will put shares representing 25% of Euler's capital on the market at a price of between 50.50 euros and 59.50 euros per share ($48.38 and $57.01). . . .German insurer Allianz A.G. has said it will hold on to its 21.7% stake in **Dresdner Bank** after the failure of the merger of Deutsche Bank and Dresdner Bank. Allianz also said that it would still like to reach a deal with Deutsche Bank over the retail bank Deutsche 24, in which Allianz is seeking to become a majority shareholder. . . .**David Bland**, director of the U.K. Chartered Insurance Institute, will step down after 10 years of service on his 60th birthday in December. Mr. Bland, who has published several textbooks on insurance, will return to academia.

London reforms proposed

Lloyd's, IUA, brokers jointly seek to streamline processes

By SARAH VEYSEY

LONDON—Lloyd's of London, the International Underwriting Assn. and the Lloyd's Insurance Brokers Committee announced last week what they herald as a radical plan to change the way the insurance and reinsurance businesses are conducted in London.

"We believe that it is imperative that the London market dismantles the 'Victorian pipework' it uses for the processing of premiums, documentation and claims and moves rapidly towards the latest generation of business-to-business trading systems," the three groups said in a joint statement.

A report released by the groups to market participants includes seven recommendations for improving market processes. Among the proposals is the designation of a single lead underwriter for each risk to clarify administrative responsibility and speed claims payment, and the eventual convergence of the market's two back-office bureaus—the Lloyd's Policy Signing Office and the London Processing Centre—though no time frame has been set for such a move. The report also calls for the creation of a quality standards body to monitor and measure the performance of London market participants and publish its results.

Additionally, the report recommended a re-design of the London market "slip"—the piece of paper listing pertinent information about a risk and the terms and conditions on which coverage is based—to clarify responsibility and timetables for such issues as claims payment and premium collection.



'It is very important that Lloyd's and the company market can now talk with the cohesion we have established.'

— Marie-Louise Rossi

In addition, the reform plan seeks recognition throughout the London market that e-commerce will alter the processes involved with premium and claims transactions.

The proposals will now be subject to wider industry consultation, but members of the Lloyd's-IUA joint forum hope that the guidelines will be implemented in time for the 2000/2001 renewal season.

"We are very much hoping that we will be able to implement the proposals from September onwards. The recommendations have come from working parties drawn from across the market, and what we now have to do is explain to the rest of the market how the working parties have arrived at those conclusions. That process is going on at the moment," said IUA Chief Executive Marie-Louise Rossi.

The IUA and Lloyd's have been working together since July 1999 and opted to get the brokers' organization involved in their discussions at the earliest possible opportunity, Ms. Rossi said.

The working parties included representatives from DP Mann Ltd., Norman Butcher

See **Reforms** *on page 32*

Awareness of rights issues growing: Study

By CAROLYN ALDRED

Although few companies have adopted formal human rights policies, more are expected to do so, according to a survey of the world's largest companies.

"Growing public awareness and concern about the broader social impacts of business have made developing appropriate codes and living by them important to corporate reputation," according to the report, "Business Responses to Human Rights," by the Ashridge Centre for Business & Society, an international business school in Ashridge, England.

Five hundred of the world's largest corporations were contacted by the center, according to report authors Andrew Wilson and Chris Gibben. Of the 52 responding companies, 98% have codes of ethics, statements of business principles or similar policy guidelines that address issues such as discrimination and working conditions, the report noted.

Of those codes, less than 10% date back more than 20 years, and two-thirds were developed in the last seven years; 69% have been reviewed in the last year, the survey found.

Less than 44% of the company codes make explicit reference to human rights, although 48% of those companies that don't currently include such references to human rights are considering them in future ethics codes.

Sixty percent of the companies have individuals whose corporate positions are responsible for human rights, but only 16% have dedicated human rights managers. Meanwhile, 45% of companies that responded make efforts to ensure that their contractors, suppliers and business associates also have relevant policies on human rights.

Of the respondents, 36% have made decisions not to proceed with proposed investment projects because of concerns about human rights, and 19% have taken investment out of particular countries because of human rights concerns.

"Business interest in the issue of human rights has reached unprecedented levels," ac-

See **Report** *on next page*

Human rights seen as business issue

By CAROLYN ALDRED

GENEVA, Switzerland—Multinational companies should be adopting human rights policies as part of their risk management and business strategies, according to the United Nations.

"Having a strong human rights policy and a sound implementation strategy is about risk management and reputation assurance. Human rights is a bottom-line issue," according to Mary Robinson, the United Nations High Commissioner for Human Rights.

Human rights are fast becoming a mainstream business issue, and global corporations are under growing pressure to demonstrate social interest beyond shareholder returns, as the angry scenes at Seattle's World Trade Organization showed, Ms. Robinson noted in an article published this month by the United Nations.



PHOTO: REUTERS

Mary Robinson, the U.N. High Commissioner for Human Rights, called human rights 'a bottom-line issue.'

"In the last few years, perceived corporate complicity in human rights abuses has damaged corporate reputation and, in some cases, share price," Ms. Robinson pointed out.

The human rights and business issue hit the headlines last week in the United Kingdom, when a government Foreign Office minister asked London-based oil company Premier Oil P.L.C. to withdraw its commercial operations in Burma—also known as Myanmar—a country long criticized by the international community for its poor human rights record.

A Foreign Office spokeswoman confirmed that its minister, John Battle, had met Premier's chief executive officer, Charles Jamieson, on March 27 and wrote to him on April 10, saying that the government "would welcome" the company moving out of Burma to the fullest extent that it lawfully could.

Although the government has no legal powers to stop Premier from operating in Burma, where it is has invested £120 million ($190.3 million) in a project to pipe gas to Thailand, it decided to bring political pressure on the company because it is the largest U.K. investor in the country and Burma has an appalling record on human rights and no open dialogue on discussing human rights, said the spokeswoman.

Premier Oil's Mr. Jamieson said the company has no intention of pulling out of Burma and that it had legal commitments to its partners in the project, including Thailand-based gas company PTT.

"I believe that constructive economic engagement" can have more influence in changing human rights policies than "continued isolation," said Mr. Jamieson, pointing out that Premier Oil has implemented a companywide human rights policy, drawn up last year with the help of Amnesty International.

"We have a statement on human rights which all our employees are aware of, and human rights principles which we require our contractors and sub-contractors to adhere to," Mr. Jamieson said.

See **Rights** *on next page*

Rights

Continued from previous page

"If we come across violations of people and the environment in areas where we operate, we take the issues up with the local authorities. We believe that, in our small way, we can make a difference by setting standards and helping in community programs," he said, noting that by 2005, Premier Oil will be aiding about 1 million people through community programs.

Human rights issues are moving into the boardroom in the same way that environmental issues have received corporate attention during the last two decades.

"Twenty years ago, few companies had environmental policies. Compare that with today's picture, where the environment is unquestionably a mainstream business issue. So it should be with human rights," according to Ms. Robinson.

Last year, U.N. Secretary-General Kofi Annan challenged world business leaders to participate in a Global Compact of shared values and principles. The Global Compact is a joint initiative of the International Labor Organization and the United Nations; it seeks to engage corporations in promoting and implementing international standards in labor, environment and human rights.

However, a survey of Fortune 500 companies published this month by the Ashridge Centre for Business & Society, an international business school, reveals that only a handful of companies "have woken up to the fact that human rights are one of the greatest challenges they face in today's globalized economy," according to Ms. Robinson.

"This group of companies appreciates that their human rights performance affects their reputation and brand image and their ability to recruit and retain the best employees, to gain acceptance with host communities and to secure their license to operate with governments. Others will inevitably follow this lead," said Ms. Robinson.

> *'It makes sense for a company to have a human rights policy if they are operating overseas.'*
>
> — David Gamble

David Gamble, the executive director of the Assn. of Insurance & Risk Managers, concurred.

"It's a very important problem, and it makes sense for a company to have a human rights policy if they are operating overseas. The policy should come right from top management and be implemented across the whole group, with local managers adopting the same high standards," Mr. Gamble said.

"Companies should also make sure that suppliers follow the policies," he said, pointing out that companies whose suppliers are seen to flout human rights could see their brand image damaged.

"There are a lot of pressure points on management to get this right," Mr. Gamble said, adding that, for example, "shareholders will not be pleased if a company share value drops 10% because of poor human rights publicity."

A management guide to help companies to define and promote human rights and to assess key risks and problems was published earlier this month jointly by Amnesty International and the Prince of Wales Business Leaders Forum.

The guide, titled "Human Rights—Is It Any of Your Business?" enumerates the business reasons for adopting a human rights policy and shows ways in which several major companies have put policies in place.

According to the guide, human rights are now seen as an integral part of responsible business. The internationally accepted framework for human rights is the United Nations' Universal Declaration of Human Rights, the guide says, and it advocates that this framework form the basis of a company's human rights policy and strategy for implementation in all its legitimate spheres of influence.

"Companies operating in countries where serious human rights violations occur are under heightened scrutiny from local communities, non-governmental organizations, consumer groups and the media. These companies will find that a human rights policy, underpinned by full support from the board and appropriate organizational positing, is an essential element of sound risk management," the guide notes.

"Growing public awareness is focusing more and more on transnationals operating in countries where governments do not comply with internationally accepted standards of human rights," the guide states, adding that "without an explicit human rights policy and implementation strategy which can be independently monitored and verified, companies are leaving themselves exposed" to criticism.

"The experience of (multinationals) operating in such countries as Nigeria, Colombia and Burma proves that it is naive and risky for companies not to take their human rights responsibilities very seriously," the Amnesty International guide warns.

According to the guide, company that can demonstrate a good record on human rights will reap many commercial benefits, including lower security costs and insurance premiums; enhanced corporate reputation and brand image; improved employee recruitment, retention and motivation; increased productivity; reduced risk of consumer protest; improved risk assessment and management; strengthened shareholder confidence; and a competitive advantage over companies not yet adopting human rights policies.

According to Amnesty International, when setting up a corporate human rights strategy, a company should:

- Incorporate a commitment to

See **Rights** *on page 32*



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Report

Continued from previous page

cording to the report, pointing to high-profile cases of adverse publicity attracted by companies operating in such areas as Burma, also known as Myanmar; Colombia; and China.

"Increasing globalization, advances in formation and communications technology, and the rising power and influence of stakeholder groups are driving human rights issues up the corporate agenda," the report notes. It adds that there are now more than 50,000 companies operating internationally, compared with 7,000 companies in 1970.

"Globalization has coincided with a decline in the power and influence of national governments. The traditional focus on the state's role in preventing human rights abuses has begun to shift to the private sector. Rightly or wrongly, businesses are now viewed as playing a critical role in respecting human rights in the countries where they operate," the report states.

"It is clear that businesses are taking action in order to protect one of their most valuable assets—brand image," the report notes.

So far, "it is only a minority of companies that have invested time and effort into creating formal policies that address issues of human rights. However, this minority group does represent some of the world's largest and most influential corporations," the report concludes, adding that "there is a much larger number of companies that are considering introducing human rights policies. This, in itself, should send an important signal to the corporate world at large that companies can no longer remain silent on this issue."

"And while a relatively small number of multinationals have adopted human rights policies, these companies are putting pressure on their suppliers to comply with their own high standards in these areas. As such, it is legitimate to suppose that the activities of those responding to this survey will have a 'trickle down' effect on a much broader cross section of companies," the report concludes.

It is also "possible to surmise that public interest in this issue will broaden to encompass the activities of a wider range of business activities," the report notes.

Developing formal policies to deal with human rights issues is a "critical aspect of managing corporate risk," says the report. The cost of getting it wrong is "potentially huge. The most-enlightened companies have realized this and put in place the policies and procedures to reduce that risk to a minimum."

•

Copies of the report "Business Responses to Human Rights," by Andrew Wilson and Chris Gibben, are available from the Ashridge Centre for Business & Society, Ashridge, Berkhamsted, Hertfordshire, HP4 1NS, United Kingdom; telephone: 44-144-284-1171. The ISBN is 0903542-38-2, and the price is £25 ($39.65).

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Rights

Continued from page 30

support the Universal Declaration of Human Rights.

- Assign responsibility to a senior manager for developing and implementing the human rights strategy.
- Consult with employees and community groups in the development of the strategy.
- Communicate the strategy to all parts of the business and all business partners in local languages.
- Conduct training.
- Incorporate human rights criteria in the pre-investment risk analysis of potential areas for new operations.
- Require local managers to demonstrate that they have apprised themselves of the human rights situation in their countries.
- Establish procedures for local managers in the event of staff being arbitrarily arrested.
- Establish ongoing dialogue with non-governmental organizations or local authorities about the improvement of human rights.
- Establish mechanisms of both internal and independent monitoring and reporting on the company's compliance with its human rights commitments in all of its operations.
- Raise human rights concerns with governments.

•

Copies of "Human Rights—Is It Any of Your Business?" are available from Amnesty International U.K., 99-119 Rosebery Ave., London EC1R 4RE, United Kingdom; telephone: 44-207-814-6200. The product code is PB179; the ISBN is 1-873328-43-5. The price is £15 ($24).

Reforms

Continued from page 29

& Jones, CNA Re, Beazley Furlonge Ltd., Willis Group Ltd. and Aon Group Ltd.

"I think (the joint forum) is a very important development," said Ms. Rossi. "I think it is very important that Lloyd's and the company market can now talk with the cohesion we have established. It is something that we have been working towards for a number of years but which we have just, only latterly, achieved."

Max Taylor, chairman of Lloyd's, said: "The consensus we have achieved is unprecedented. We have reached unanimous and enthusiastic agreement about where we need to be and how we need to get there."

Ms. Rossi concurred. "A couple of years ago, the idea of the IUA and Lloyd's issuing a joint statement would have been unthinkable," she said.

Ms. Rossi said she believes that the most important recommendations have yet to be made but will be addressed as the joint forum's work continues. "We are looking forward as to what e-commerce is going to mean for the market, and some of that work is still going on in parallel to what has already come out. We have rolled out what we think we can do straight away and is not that reliant on technology. But I think technology will further change how we do things," she said.

Ms. Rossi said that the joint forum has already drawn up draft proposals for the market standards it has envisaged.

"What we have to do now is some sort of market testing to get the reaction of the practitioners," she said.

The members of the joint forum say they are confident that their recommendations will be accepted by the London insurance market.

"Our initiative is about quality, transparency and cost effectiveness, which is what our customers most want. We are confident that, when it gains critical mass, the desire to take part will become overwhelming," said Nigel Barton, joint chairman of the forum's standards and protocols working group, who is also underwriting director at DP Mann.

The joint forum's report has not been made publicly available. BI

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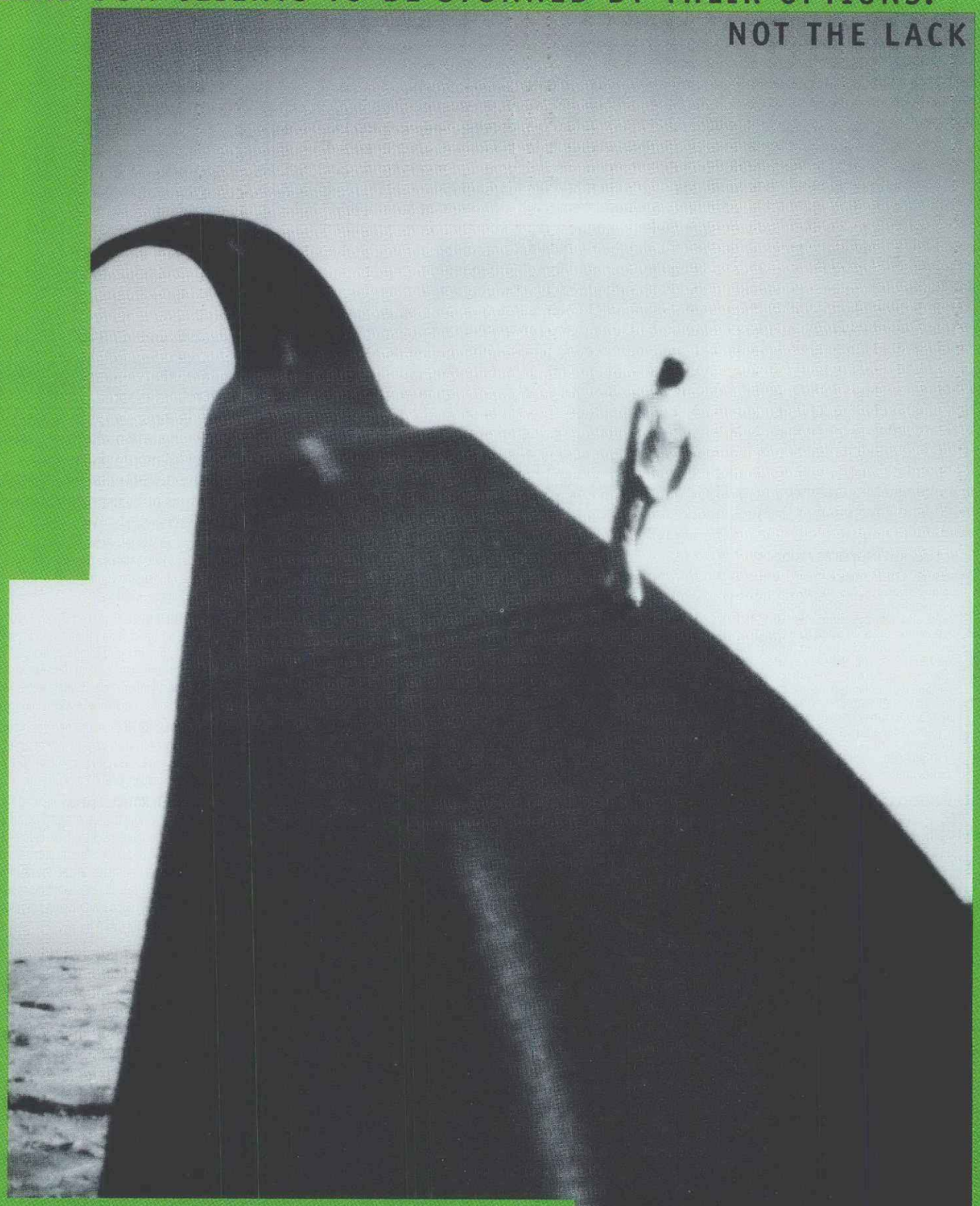
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LEGAL NOTICES

THE CIRCUIT COURT OF COOK COUNTY, ILLINOIS
COUNTY DEPARTMENT, CHANCERY DIVISION

IN THE MATTER OF THE LIQUIDATION)
OF ALLIANCE GENERAL INSURANCE COMPANY) 00 CH 00293

NOTICE OF CLAIM FILING DEADLINE AND PROCEDURES

PLEASE TAKE NOTICE, that on January 7, 2000, the Circuit Court of Cook County, Illinois, entered an Agreed Order of Liquidation With a Finding of Insolvency and Injunctive Relief against Alliance General Insurance Company ("Alliance"). Nathaniel S. Shapo, Director of Insurance of the State of Illinois, is the statutory and court affirmed Liquidator of Alliance ("Liquidator").

TAKE FURTHER NOTICE, that on March 1, 2000, the Circuit Court of Cook County, Illinois, entered an Order Fixing Rights and Liabilities and Providing for the Filing of Claims and the Setting of Claim Filing Deadlines ("Fixing Order"). Pursuant to the Fixing Order, all rights and liabilities of Alliance and its policyholders, creditors and stockholders, and all other persons interested in its property or assets, are fixed as of January 7, 2000, unless otherwise provided in prior or subsequent orders of the Court.

TAKE FURTHER NOTICE, that all persons, companies or entities who have, or may have claims against Alliance, its property or assets, or against an Alliance insured or policyholder, shall have the right present and file with the Liquidator proper proofs of claim on or before January 8, 2001 at 4:30 p.m.

TAKE FURTHER NOTICE, that any insured under an insurance policy issued by Alliance shall have the right to present and file with the Liquidator a proper proof of claim setting forth a contingent claim on or before January 8, 2001 at 4:30 p.m. No contingent claim shall be allowed for the purposes of participating in any distribution of estate assets that may be made at the fourth priority level [215 ILCS 5/205(1)(d)] unless such claim has been liquidated and the insured claimant has presented and filed evidence of payment of such claim to the Liquidator on or before January 8, 2002 at 4:30 p.m.. Any contingent claim for which a proper proof of claim is filed on or before January 8, 2001 at 4:30 p.m., but which is not liquidated on or before January 8, 2002 at 4:30 p.m., may be estimated pursuant to 215 ILCS 5/209(4)(b) for purpose of participating in any distribution of estate assets that may be made at the fifth priority level [215 ILCS 5/205(i)(e)] unless otherwise directed by the court.

TAKE FURTHER NOTICE, that the form and required contents of all proofs of claim are described in 215 ILCS 5/209. Proofs of claim, along with supporting documents, if any, are to be filed with, and may be obtained from, the Liquidator of Alliance, c/o the Office of the Special Deputy Receiver, located at 222 Merchandise Mart Plaza, Suite 1450, Chicago, Illinois 60654. A proof of claim shall be deemed "filed" with the Liquidator upon the Liquidator's receipt thereof. The Liquidator reserves the right to require such additional information with respect to any claim filed with him as he may deem necessary. The Liquidator further reserves any and all defenses available to Alliance upon all filed claims. All proofs of claim must be duly sworn to before an officer authorized to take oaths.

THE LAST DATE FOR THE FILING OF PROOFS OF CLAIM WITH THE LIQUIDATOR IS SET FORTH ABOVE. NO PERSONS, COMPANIES OR ENTITIES HAVING OR CLAIMING TO HAVE ANY CLAIM AGAINST ALLIANCE, ITS PROPERTY OR ASSETS, OR AGAINST AN ALLIANCE POLICYHOLDER, SHALL PARTICIPATE IN ANY DISTRIBUTION OF THE ASSETS OF THE COMPANY UNLESS SUCH CLAIMS ARE PROPERLY FILED WITH THE LIQUIDATOR ON OR BEFORE JANUARY 8, 2001 AT 4:30 P.M.

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Funds

Continued from page 2

Sen. Richard Polanco, D-Los Angeles, chairman of a Senate budget subcommittee, said he would hold up approval of the Department of Insurance's 2000-2001 budget until the commissioner answers questions regarding the foundation's funds, according to an aide for Sen. Polanco.

The California Assembly's Insurance Committee, for example, has asked Mr. Quackenbush to appear at an April 26 hearing regarding the foundation and complaints about his regulatory efforts.

The hearing arises from charges by consumer advocate Harvey Rosenfeld and others that Mr. Quackenbush failed to adequately fine insurers that mishandled claims stemming from the 1994 Northridge earthquake.

They contend that Department of Insurance documents show the department's own staff suggested fining insurers hundreds of millions of dollars for improperly handling Northridge earthquake claims. Instead, the commissioner created the foundation and forced insurers to pay $12 million in fines to fund it.

The state attorney general also is auditing the foundation's disbursement of funds, including $3 million spent on public service announcements featuring Mr. Quackenbush and $500,000 contributed by the foundation to a Sacramento Urban League chapter after Mr. Quackenbush joined the chapter's board of directors. Critics of those expenditures contend the money should have been used to aid earthquake victims.

The Department of Insurance responded to the Assembly committee's inquiry in a prepared statement last week that said the commissioner has broad authority in handling insurance issues, that he leveled realistic fines against insurers, and that creating the California Research & Assistance Fund offered the best opportunity to help consumers affected by the earthquake. The statement also pointed out that the commissioner has fined law-breaking insurers a total of $56 million during his tenure.

Commissioner Quackenbush also has come under fire for issues related to political contributions he has received from insurers.

Earlier last week, the California Fair Political Practices Commission confirmed that it received a complaint alleging that Mr. Quackenbush violated state campaign laws.

Tony Miller, a former secretary of state and Democrat, filed the complaint, which alleges that the elected commissioner broke state conflict-of-interest laws by accepting large political contributions from insurers he regulates.

Aides for Mr. Quackenbush's political committee contend the charges are politically motivated and false.

Although the political future of Mr. Quackenbush, a Republican, is unknown after his term expires at the end of 2002, he will be barred from seeking re-election to the commissioner's office under state term limits.

The commissioner, however, has continued to collect political contributions from insurers.

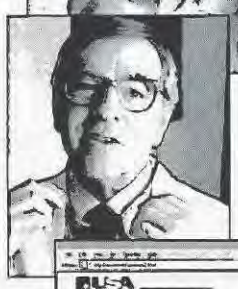
Mr. Quackenbush also has been criticized in local media recently for transferring $250,000 in political contributions from insurers to pay off his wife's debt stemming from her failed 1998 state senate race.

A Department of Insurance spokesman referred calls concerning that issue to Quackenbush's political committee. A committee representative said the transfer was legal and is not uncommon for politicians. BI

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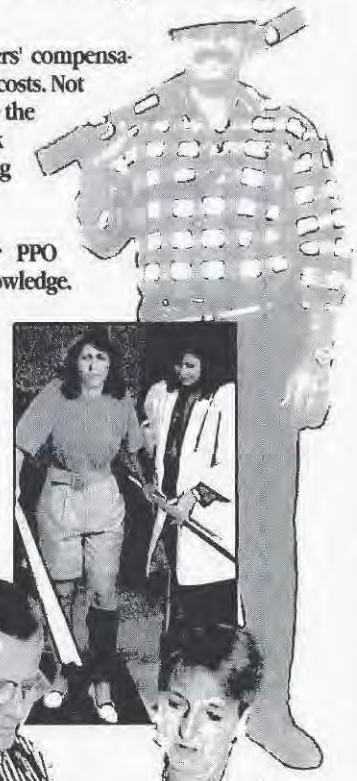




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Commentary

Flag of Winstonia flying high again

At long last, my grand vision to create my own tax-advantaged domicile—Winstonia—is bearing fruit.

As you may recall, about one year ago I hit on the idea of launching my own captive insurance domicile housed in the garage of my home, promoting the many advantages of my domicile in this very column.

Within weeks, I received several expressions of interest in Winstonia, yet none came to fruition. I wish I could say the applicants failed my domicile's requirement that only fit-and-proper people could incorporate there, but I have no such requirement.

In recent weeks, due to lack of interest, I have considered folding up shop and taking down the national flag of Winstonia. I also thanked my lucky stars that no U.S. reinsurers had relocated to my "shores." Otherwise, the full weight and power of the U.S. Congress and Chubb, Hartford, Kemper and Liberty Mutual might have been brought to bear on the unfair tax advantages that I seek to offer companies.

Yet, just when it seemed to be Winstonia's darkest hour, a ray of hope crossed my desk, in the form of an amazing letter from across the Atlantic.

On April 3—coincidentally, the first business day after April Fools' Day—I received a fax from a government official of Nigeria with "a business proposal for our mutual benefit."


Paul D. Winston

No doubt, word had reached his ears about the attractiveness of my domicile, as he referred to the "esteem recommendation made about you by reputable official in the Nigerian Chamber of Commerce who guaranteed your reliability and trustworthiness in business dealing."

To make a long story short, this Nigerian government official—the chairman of the contract reviewing committee of the Federal Ministry of Works and Housing—would like to entrust me with the custodianship of $18.5 million in surplus government funds.

The government apparently gave this official control of $60 million to award in multiple contracts for public works projects. Thanks to his shrewd bargaining, he was able to secure a single superior bid from a Bulgarian contractor for only $41.5 million.

Now, he wants to put his government's savings to work where they will reap the greatest returns; I can see his reluctance to see these funds continue to earn piddly rates of interest in Nigerian bonds. He must realize that with my domicile's asset management services and low tax environment, his earnings potential in Winstonia is second to none.

To make sure his investment scam—er, scheme—is successful, the Nigerian official would like me to provide him with information about my business, so that he may put me down as a second contractor and forward the millions to me. He requested that I fax him this information as soon as possible.

Does he think I was born yesterday? A fax is hardly a secure device for sending such sensitive information, especially with the risk of identity theft these days. So I played it smart and sent the information—along with my Social Security number and bank and credit information he'll likely need—by express delivery.

In return for providing these services, he tells me that 30% of the funds will go to me, "for acting as beneficiary of the fund." Another 10% will go toward reimbursing both of us for expenses we may incur, which is good because Federal Express to Nigeria isn't cheap. And the remaining 60% will be used by him to purchase agricultural equipment.

Nigeria is lucky to have such committed individuals working for the government! Not only is he aggressively seeking to boost his treasury's assets, but he also is using the excess funds to buy top-line Western equipment for the betterment of his country. He must know that John Deere and Case are both within a few hours of my domicile.

In closing, he stressed that "this transaction is entirely based on trust and God fearing." I will strive to prove that this gentleman's trust is not misplaced in Winstonia. We will not let the government of Nigeria down!

As soon as the funds are received, which he assures me will be within 10 to 14 days, I plan to invest the full amount in NASDAQ index funds.

From the soaring market returns I can expect on my share, I estimate I will be able to retire from the tax haven business within a few months. If any other parties want to avail themselves of Winstonia's unique services, act now—it may be your last chance.

Editor Paul D. Winston's commentary appears fortnightly and at www.businessinsurance.com. He can be reached at pwinston@crain.com

Aetna

Continued from page 1

not affect the quality of care received by patients and the provisions clarifying and disclosing how Aetna makes coverage decisions. This agreement takes the surprises out of managed care," Mr. Cornyn said in a written statement.

Other provisions of the settlement require Aetna to use only licensed physicians to make determinations of medical necessity, provide plan members a written statement of covered and non-covered services, give providers an incentive to offer more preventive health services, allow providers under certain circumstances to switch from a capitated reimbursement system to a fee-for-service method and allow physicians more options in choosing the Aetna products in which they participate.

In a written statement, Aetna said that the agreement will help improve the company's relationship with providers in Texas and help the public better understand Aetna's policies.

In addition, the HMO "is in the process of studying the feasibility of these new initiatives in other markets outside of Texas," said Arthur Leibowitz, chief medical officer for Aetna U.S. Healthcare.

Improving relations with physicians is an important goal for Aetna. In 1998, about 400 doctors in a Dallas medical group left the HMO, charging that they were not receiving accurate information from the company needed to run the medical group (*BI*, Oct. 26, 1998).

Richard Sinni, group and health care practice leader for Watson Wyatt Worldwide in New York, said the settlement demonstrates Aetna's "new image of being a more consumer-friendly health plan."

He also noted that Aetna's move

The move demonstrates Aetna's 'new image of being a more consumer-friendly health plan,' says Richard Sinni.

may be part of a strategy to improve its public image, with an eye toward class-action suits filed against HMOs pending around the country.

Mr. Sinni added, though, that Aetna's moves will also add to its costs, pushing up premiums for employers.

In addition to Aetna's agreement to settle the Texas action, Mr. Jacobsen of Segal cited other indicators that HMOs' power is waning.

One, he said, is the spate of class-action suits filed against a number of leading HMOs. Other examples in recent years include the announcement by UnitedHealth Group in 1999 that it was ending pre-certification for many procedures, the patients' bill of rights proposals pending in Congress, large jury verdicts against HMOs, and an increasing number of mandates enacted by states.

Taken together, these factors have eroded the power of HMOs, Mr. Jacobsen said. The resulting higher health care costs will mean double-digit rate increases "for a number of years," he predicted.

"When you pull away the bargaining clout of the middleman and swing it to the supply side...then, inevitably, there is going to be higher-than-accustomed premium increases," he said.

Marianne Fazen, executive director of the Dallas-Fort Worth Business Group on Health in Dallas, said that, on one hand, the Aetna decision is good because it will "reduce the tensions between health plans and physician groups."

On the other hand, however, it might give physicians too much freedom with utilization, which without additional controls could lead to cost hikes.

"The cost issue will always be a big issue with employers," said Ms. Fazen.

To combat this, she said, her coalition of 50 employers with 250,000 employees is looking to use its clout to pressure physicians to adopt evidence-based medicine that will not only improve quality of health care but also hold costs in check.

The attorney general said his office will contact the other defendants to seek their compliance with the terms of the Aetna settlement. BI

Enterprise

Continued from page 1

sight for them between risk management and earnings growth," Mr. Miccolis said.

Nearly half—47.4%—said an enterprise risk management approach would help them address revenue growth, 97.1% said it would help them deal with return on capital concerns, 57.1% said it would help with expense control/reduction, and 62.2% indicated enterprise risk management would help them address competitive risks.

And 100% of those responding said enterprise risk management would help them address the next two concerns on their list—earnings consistency and capital management/allocation.

Only 20% of the executives surveyed reported that their companies have chief risk officers, and those that did were primarily non-North American companies. While only 8% of the North American companies responding said they had chief risk officers, 40% of non-North American companies indicated they have CROs.

Of those companies that reported having chief risk officers, 46% have had the position for less than one year, 46% for two to four years, and 8% for five years or more.

"I don't think a chief risk officer is a necessary condition for enterprise risk management, but the movement to CROs is part of the same phenomenon," Mr. Miccolis said. "They are intimately connected concepts."

Although nearly all the executives surveyed said they believe it is important that their companies integrate risk into their strategic, operational and financial planning, only 83% reported that their companies actually do so.

The chief barriers to integrating risk into a company's planning included: tools, cited by 50% of those surveyed; organizational turf, mentioned by 47.0%; processes, cited by 40.9%; and time, identified by 39.4% of respondents.

The executives surveyed cited technology, interest rates, distribution channels, reputation/rating and expenses as the most important sources of risk their companies face.

Such risks also were among those most often identified as being actively managed by the respondents' companies; in each case, at least 80% of respondents said they were being managed. In the case of expenses, 92.1% said that risk is being actively managed by their companies.

Although people/intellectual capital was ranked as the seventh most important risk source by all respondents, only 59.7% said it was a risk their companies actively manage.

Not surprisingly, perhaps, people/intellectual capital also ranked at the bottom in terms of respondents' satisfaction with the tools and techniques used to assess, mitigate and transfer those risks.

Only 34.5% expressed satisfaction with their companies' assessment and measurement of people/intellectual capital risks, only 33.3% were satisfied with the tools and techniques they are using to mitigate those risks, and only 28.3% were satisfied with the tools and techniques they are employing to retain or transfer people/intellectual capital risks.

Although it was ranked as the top source of risk faced by the companies of the surveyed executives, technology fared poorly in terms of respondents' satisfaction with their companies' mitigation and risk retention/transfer tools, techniques or processes.

While 62.7% of those surveyed said they were satisfied with their companies' assessment of technology risks, fully half said they were not satisfied with their technology risk mitigation efforts, and only 48.2% were satisfied with the tools, techniques and processes their companies use to retain or transfer those risks.

The level of satisfaction among surveyed executives with the tools, techniques and processes their companies use to address another highly ranked exposure—distribution channel risk—fell within a similar range.

Only 61% indicated they were satisfied with their companies' approach to the assessment of distribution channel risks; just 52.6% were satisfied with the tools, techniques and processes their companies use to mitigate those risks; and less than half—49.1%—said they were satisfied with the risk retention/transfer methods their companies employed in that area.

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Copies of the report, Enterprise Risk Management in the Insurance Industry Benchmarking Survey, will be available at no charge in about one month. Inside the United States, a copy can be ordered by calling Tillinghast-Towers Perrin at 800-525-6741; outside the United States, a copy can be ordered by contacting the nearest Towers Perrin office.

An industry panacea?

Tillinghast–Towers Perrin asked insurers whether applying enterprise risk management will address their top concerns:



Source: Tillinghast–Towers Perrin

GRAPHIC BY JOHN HALL

RiskNet

Continued from page 3

incorporated as a wholly owned subsidiary. Today, it serves 22 clients in the construction, manufacturing, health care, hospitality and retail industries, providing custom-tailored safety management programs via Safetylogic.

According to statistics Mr. Johnson has compiled, clients using the fax service experienced an average decrease in loss costs of 18% and an average decrease in loss frequency of 10%. One client, Mr. Johnson said, reduced its loss costs by 30% and loss frequency by 17% over a one-year period beginning in 1995, he said.

Mr. Johnson said he believes reductions in loss costs and frequency will be "more significant" with Safetylogic.

This could be good news for some employers, given that the Occupational Safety and Health Administration recently announced that it had sent letters to some 13,000 employers across the country identified as having the highest lost-workday injury and illness rates, informing them to fix safety and health hazards. Up to 4,200 of the sites may be targeted for comprehensive safety and health inspections by Jan. 31, 2001, OSHA said.

Bob Thimjon, chief financial officer of The Ramkota Cos., a hotel and restaurant management company with 60 locations around the country, said that Safetylogic "is working very well" for his Sioux Falls, S.D.-based company.

Not only is he better able to communicate with various locations, "we can monitor. . .that they have safety meetings, score their safety self-inspections and determine what problems they need to address," said Mr. Thimjon. Using an Internet-based system "takes the labor out," he said.

Last month, RiskNet introduced a new feature to its Safetylogic product that allows forms and audits to be downloaded into a hand-held personal computer, letting field managers record information while away from the office.

"The idea is that safety is managed by walking the property, not from behind the desk," Mr. Johnson said.

The subscription service costs $36 per month per user, in addition to a licensing and training fee. BI

Claims

Continued from page 3

Policyholders, heirs or beneficiaries who find names they recognize will need to contact the ICHEIC or the state insurance departments to follow up on their searches.

The pace of progress in resolving Holocaust-era claims is slowed, however, by litigation that has been filed or threatened in several states.

Much of the litigation focuses on regulators' desire to hold U.S. reinsurer American Re-Insurance Co. accountable for the actions of a German subsidiary of parent company Munich Reinsurance Co., Victoria Lebensversicherung A.G.

The New York Insurance Department is currently reviewing American Re's written explanation as to why it cannot provide the data to the state's claims processing office, according to Audrey Samers, the department's deputy general counsel (*BI*, March 20).

Essentially, neither American Re nor Munich Re has control over Victoria, so they cannot order the company to produce documents or pay claims, according to an American Re spokesman. In addition Victoria has voluntarily provided documents that show there are no open Holocaust-era claims, he added.

That same issue is one of four also being litigated in California.

In another lawsuit, Cologne-based Gerling Group A.G. is suing California Insurance Commissioner Chuck Quackenbush. The insurer's reinsurance and life insurance units are seeking injunctive relief from any fines and from the commissioner's demand for policyholder lists (*BI*, March 27). Gerling filed a similar lawsuit against regulators in Florida, too.

Meanwhile, Wintertour Group, as well as the American Insurance Assn.—acting primarily on behalf of several of its insurer members—filed separate lawsuits challenging the constitutionality of a California state statute that penalizes U.S. companies for failing to produce records they do not control.

That filing was made to halt the insurers' need to comply with an April 7 reporting requirement in the California law or face sanctions.

It was filed on behalf of affiliates of Allianz A.G. Holding, Assicurazioni Generali S.p.A., Zurich Financial Services Group Inc., CGU P.L.C. and Royal & SunAlliance Group P.L.C., according to an AIA spokeswoman. American Re, though not an AIA member, also joined in the lawsuit.

"The American companies did not write the policies and cannot compel their parent companies to produce the records of affiliates that did," an AIA spokeswoman said.

The U.S. insurers, however, would like to see the issue resolved and many of their parent companies are participating in various international Holocaust remediation entities, according to the insurer representatives. BI

Holocaust policyholder settles

SEATTLE, Wash.—A 90-year-old Seattle woman is one of hundreds of claimants nationwide who are now beginning to receive offers from European insurers to settle claims related to Holocaust-era insurance policies.

Marie "Mizzi" Fink decided earlier this month to accept a $6,212.28 offer to settle a claim on her husband's 1928 life insurance policy, which was written by Assicurazioni Generali S.p.A. of Italy.

"I took it as a small measure of justice," Ms. Fink said in an interview.

The Finks had fled Czechoslovakia in the late 1930s, just days after Nazis marched in to seize their homeland. To obtain exit permits, they had to surrender substantial portions of their property, including Mr. Fink's 10-year-old life insurance policy, which was valued at about 50,000 Czech koruna ($1,500) when originally purchased.

The Finks settled briefly in England before immigrating to the United States and settling in Washington state. Mr. Fink, a former office manager, earned a certified public accountant designation and worked in that field prior to his death in 1967.

Ms. Fink filed her records-search request shortly after the U.S. claims effort got under way. Her claim was initially denied by Generali, which suggested that she might be eligible for restitution under a grant the insurer had given the state of Israel to aid Holocaust survivors.

Pressure from Washington state Insurance Commissioner Deborah Senn and other U.S. regulators led to creation of a National Assn. of Insurance Commissioners' working group to look into complaints that many Holocaust-era policies had been ignored by insurers. That effort later resulted in establishment of the International Commission on Holocaust Era Insurance Claims.

European insurers that wrote Holocaust-era coverage were encouraged to participate in the commission's claims-paying process because those failing to do so—and their U.S. subsidiaries—may face tougher regulatory scrutiny in the United States.

Following the denial of Ms. Fink's claim, the Washington Insurance Department's staff later discovered that Generali had included records pertaining to Ms. Fink's claim in other documents provided to the ICHEIC.

After Generali was notified of this, the insurer offered Mrs. Fink about $3,700 initially, though that amount was subsequently increased—without negotiation—to the $6,212.28 she accepted, according to Marvin Stern, a research assistant with the Insurance Department.

Department actuaries reviewed the settlement and determined that the amount was fair, especially because Mr. Fink had paid premiums for only about 10 years before fleeing his homeland, Mr. Stern said.

"Finding this policy in the archives of the Italian insurer Generali underscores what I have been saying for years, which is that the European insurance carriers who sold this coverage must finally open their records and let the sunshine in. Only then will we know the magnitude of this injustice, which has remained unrepaired for more than a half-century," Ms. Senn said in a statement.



Ms. Fink

Under the ICHEIC's operating guidelines, all claims must be filed by Feb. 1, 2002. In addition, any claim should be resolved within two years of filing.

"There is a bittersweet aspect to any asset that is recovered," Mr. Stern said. "It is good that there is a concrete effort to do this quickly, but I'm a little concerned that when the door is closed, it is closed," he said.

"We need to publish the full lists now so that people like Mizzi Fink can confirm the losses they have carried all these years," Ms. Senn said.

Ms. Fink, whose jobs have included clerking in a department store, said the insurance settlement "will make my life easier." She plans to use the money for a variety of things, including repairing the roof of her home, where she lives alone.

—By Meg Fletcher

Updates

JLT attracts four IRMG execs

Continued from page 2

Mr. Bailie will be recruiting additional staff in Bermuda.

Nick Wild, former managing director of International Risk Management (Guernsey) Ltd., has left to set up the newly licensed JLT Risk Services (Guernsey) Ltd. in Guernsey. He has been replaced at IRMG by John Stuart, who previously was finance director.

John English, a former director of IRMG in suburban London, also left to join JLT and help coordinate the broker's captive activities. Mr. English has not been replaced at IRMG.

Also, Jim Hutchin, one of two managing partners of International Risk Management Group in Metro Park, N.J., has left to set up a new brokerage operation for JLT. Bill Ramonas, the other managing partner of the U.S. IRMG unit, remains with the company.

IRMG, which is 70% owned by Swiss Reinsurance Co., manages more than 220 captives worldwide and has a staff of about 400.

The departure of the executives "was a surprise in some ways, but not in others," said Paul Wakefield, manager of client development at IRMG (Guernsey). JLT is now the fifth-largest broker in the world, yet it lacks a sizable captive management operation, so it isn't surprising that it would plan to set up one, he said.

Meanwhile, Mr. Wakefield said, IRMG continues to grow. While last year was quiet as a result of a soft market, more clients are interested in setting up captives this year, he said.

Deregulation laws gain steam

LINCOLN, Neb.—Nebraska has become the fourth state this year to enact laws streamlining the commercial lines rate and form filing process.

Virginia, South Carolina and Kentucky also have enacted such laws this year, while related bills in Colorado and Maryland have gone to the states' governors (*BI*, March 13).

The Nebraska bill, L.B. 1119, was introduced by Sen. Dave Landis, D-Lincoln, at the request of the Nebraska Department of Insurance.

"It wasn't just targeted at streamlining commercial regulation of large commercial risks, but rather modernizing the state insurance department's overall regulation of rates and forms," said Rita Nowak, an assistant vp with the Downers Grove, Ill.-based Alliance of American Insurers.

The 63-page bill, known as the "Property and Casualty Insurance Rate and Form Act," is detailed, though it leaves several key decisions up to the discretion of the state's insurance director, said Paul C. Blume Jr., vp in the Skokie, Ill., office of the American Insurance Assn.

Some provisions in the Nebraska law require regulators to:

- Establish a file-and-use system for all commercial rates—excluding farm, medical professional liability and workers compensation—to replace a rigid system.
- Increase the range of discretionary pricing modifications to 40% from 25%.
- Allow the state insurance director to adopt rules and regulations exempting large commercial policyholders from most rate and form filing requirements.

The legislation, however, curbs the director's discretion by establishing minimum thresholds of $25,000 in annual premiums for rate filing exemptions and $50,000 in annual premiums for form filing exemptions.

- Aid out-of-state policyholders with multistate operations by allowing the insurance director to exempt their policies from Nebraska Insurance Department review requirements.

While the trend toward legislative enactment is continuing in several states, bills pending in Kansas and Vermont are not expected to pass this year, according to Ms. Nowak.

Briefly noted

Gary L. Countryman, 60, chairman of the board of Liberty Mutual Insurance Co., announced his immediate retirement last week, though he will continue to serve as chairman emeritus, as well as interim president of Liberty Financial Cos. Edmund "Ted" Kelly, 54, the company's current president and chief executive officer, will succeed Mr. Countryman as chairman. . . .Standard & Poor's Corp. has put its AA- financial strength rating of **SCOR S.A. on CreditWatch**, with negative implications, following SCOR's announcement last Thursday that it will buy the U.S. life reinsurance operations of Partner Reinsurance Co. Ltd. The large catastrophe losses SCOR suffered in 1999 and the cost of the acquisition could strain SCOR's capital, S&P said. . . .Oregon residents will vote May 16 on Ballot Measure 81, a constitutional amendment that would allow the Legislature to **limit non-economic damages** in personal injury lawsuits, according to the National Assn. of Independent Insurers. The NAII is urging a "yes" vote. . . .**CNA Financial Corp.** is paying former CNA Insurance Cos. CEO Dennis Chookaszian an annual consulting fee of $2.7 million through September 2008, in addition to other corporate benefits, according to CNA's 1999 proxy statement. Mr. Chookaszian's cash compensation in 1998, his last full year as CEO before retiring in February 1999, was $950,000. He now serves as chairman of CNA's executive committee. . . .A San Francisco jury concluded that a **garage door maker** was not responsible for injuries suffered by a San Francisco firefighter after a garage door failed to open. In *Strapper vs. Genie Co.*, the jury found that while Dallas-based GMI Holdings Inc., which does business as The Genie Co., was negligent, it was not responsible for the injuries of Melanie Strapper, who had brain damage and was blinded after she was trapped in a burning garage in 1995 (*BI*, Aug. 16, 1999). Another firefighter was killed in the blaze. . . .House and Senate conferees working to reconcile the competing versions of the **patients' bill of rights legislation** reached agreement on some elements regarding external appeals mechanisms for the denial of benefits. Conferees agreed that patients should have access to outside medical review boards in disputes over denied benefits and that the decisions of medical reviewers should be binding on the plans. Conferees did not, however, resolve differences over liability for coverage denials before Congress recessed for spring break on Thursday. Congress reconvenes on May 2.

FTR FOR THE RECORD

Excerpts from *BI*'s Daily Online Updates, April 10-14, 2000

DOCTORING RULES Nearly four out of 10 physicians report manipulating health plan reimbursement rules to gain coverage for their patients, and the manipulations are likely to increase as efforts to control health care costs increase, a survey published in the Journal of the American Medical Assn. concludes. In the survey, 39% of 1,124 AMA-member physicians reported using at least one of three tactics for manipulating reimbursements "sometimes" or more often in the previous year. The most common tactic, exaggerating the severity of patients' conditions to avoid early hospital discharge, was used by 28% of the responding doctors "sometimes" or more often. Almost as many, 24%, reported changing patients' official billing diagnosis, while 10% said they recorded symptoms that patients did not actually have to help them secure coverage, the survey found. In addition, 28.5% of the respondents agreed with the statement, "Today, it is necessary to game the system to provide high-quality care." While pinpointing physicians' motives is difficult, the JAMA study found that "financial self-interest is not the sole motivation." Instead, time pressures that make regular advocacy routes—such as formal appeals—difficult may tempt doctors to use "covert advocacy tactics."



GALLAGHER GAINS Arthur J. Gallagher & Co. reported double-digit increases in total revenues and net earnings for the first quarter. Announcing its results last week, the Itasca, Ill.-based broker said its total revenues increased 11%, to $152.3 million. First-quarter net income rose 12.5%, to $15.2 million, from the same period in 1999. President and Chief Executive Officer J. Patrick Gallagher Jr. attributed the growth to new business in the company's risk management consulting and claims adjusting operations.

HAAG TO RETIRE Herbert N. Haag, president and chief executive officer of Partner Re Ltd., plans to retire "as soon as a suitable replacement has been appointed," according to the company's proxy statement, filed March 31. Mr. Haag, 53, joined the Bermuda-based catastrophe reinsurer shortly after its establishment in 1993. Prior to that, he was a longtime executive at Swiss Reinsurance Co., one of the founders of Partner Re. Mr. Haag said he will remain with Partner Re while a search for his successor is conducted and for a three- to-six-month handover period. "I expect to be here at least until the end of the year," he said.

DOWNSIZING'S DOWNSIDES Company downsizing may lead to increased absence among the employees who keep their jobs, according to recent research in Finland. Employees who remain after an employer downsizes are twice as likely to take sick leave and to have increased backaches and muscle problems, according to the research, which was reported this month in the British Medical Journal. "The absentee rate was twice as high in downsized groups than in those where there was no downsizing," said researcher Mika Kivimaki of the Department of Psychology at the University of Helsinki. The findings are based on a study of 764 employees who survived a large reduction of the municipal payroll in the town of Raisio, Finland.

MAX RE RAISES FUNDS Max Re Ltd., a Bermuda start-up reinsurer, has $509 million in capital following the completion of a second round of capital raising. The reinsurer will focus on finite risk and other customized reinsurance coverages. It has written two contracts so far this year, said Keith Hynes, executive vp and chief financial officer. The company is headed by Robert J. Cooney, the former president and CEO of XL Insurance Ltd. Max Re is different from most other insurers in that 40% of its assets will be invested by hedge fund manager Moore Holdings L.L.C.—one of Max Re's investors—in an attempt to attain higher investment returns than those of conventional insurance investments such as bonds, Mr. Hynes said.

POLITICAL RISK A new political risk product offered by Hamilton, Bermuda-based Sovereign Risk Insurance Ltd. will cover bond offerings by issuers in emerging-market countries against currency inconvertibility and currency non-transfer risks in the issuer's country. The product is designed to allow issuers to obtain higher ratings on their bonds and, consequently, attract a broader range of investors for their debt offerings while reducing their financing costs. Sovereign, a joint political risk venture formed in 1997 by ACE Ltd. and XL Capital Ltd., will have per project limits of $125 million on the new coverage and can cover issues for up to 15 years.



BROWN & BROWN RESULTS Flat property/casualty premium renewals during the first quarter of 2000 contributed to Brown & Brown Inc.'s strong quarterly results, the company said. Commission and fee revenues increased 8.4% for the quarter ending March 31, to $48.7 million. Adding in investment income and other income, total revenues at Brown & Brown increased 10%, to $50.1 million. Net income rose 14.6%, to $8.4 million. In *Business Insurance*'s 1999 brokerage rankings, Brown & Brown ranked as the ninth-largest broker of U.S. business, with $150.4 million in brokerage revenue generated by U.S.-based clients (*BI*, July 19, 1999). The Daytona Beach, Fla.-based broker generated $153.8 million in gross revenues in 1998.

EPL TRAINING ONLINE Lexington Insurance Co. will soon begin offering its employment practices liability insurance clients online training for workplace behavior. Developed by Gerald L. Maatman Jr., a labor attorney with Baker & McKenzie in Chicago, EPL Select offers five online training modules for supervisors and line employees, covering such topics as workplace laws, hiring, employee evaluation/disciplining, employee termination and sexual harassment. The online training tutorial also brings employers into compliance with various Supreme Court rulings, which set forth the requirement that employers train supervisory staff on appropriate workplace behavior, Mr. Maatman said. One of the system's features is a tracking mechanism so employers know which supervisors and employees have taken and passed which modules.

CAPTIVES SOLD The Enstar Group Inc., a financial services holding company, and two co-investors are buying two captives owned by energy company TotalFina Elf S.A. Enstar will pay $9.4 million for its share of Brittany Insurance Co. Ltd. in Bermuda and Compagnie Europeenne d'Assurances Industrielles S.A. in Belgium. The two other investors, Trident II L.P.—an investment fund managed by Marsh & McLennan Capital Inc.—and an unidentified privately held Bermuda company, will buy the remaining shares for an undisclosed price. The acquisition of the two captives will be made through BH Acquisition Ltd., which has been formed in Bermuda. Enstar will own 50% of the voting stock in BH Acquisition and will hold a 33% economic interest.

CALPERS EXPANDS LTC The California Public Employees' Retirement System is offering improved benefits for its long-term care plans, with no premium increase. The deductible period has been changed to 90 calendar days from 90 service days for two of its long-term care plans, and to 30 calendar days from 30 service days for a third. A CalPERS spokesman explained that "service days" means days on which service is received. This means, for instance, that, under the new benefits, a retiree who uses an in-home service only one or two days a week would meet the deductible much more quickly than previously. CalPERS also said a hospice benefit has been added to all three plans. The benefit will pay for long-term care services for terminally ill patients who are not covered by regular health plans or by Medicare.

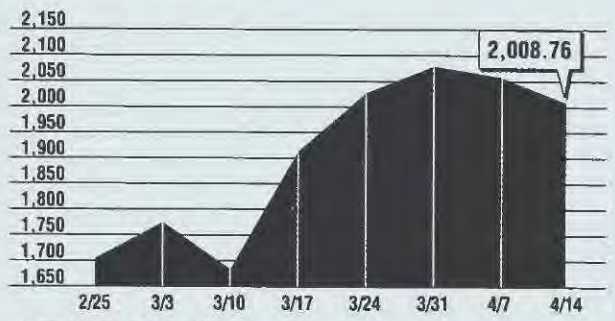
BRIEFLY NOTED Fitch IBCA has completed its offer to buy all the outstanding shares of **Duff & Phelps Credit Rating Co.** that it does not already hold. The merger is expected to be completed by late May. . . .**Lloyd's of London** has named Winifred A. Baker president of its North American division. Ms. Baker, who will oversee marketing communications, distribution and regulatory issues for Lloyd's in the U.S. market, joined Lloyd's in 1998 as senior vp and director of distribution. BI

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BI Industry Stock Report APRIL 10, 2000, THROUGH APRIL 14, 2000

BROKERS		Price	Weekly % change	Year to date % change	Year to date High	Year to date Low	Vol.(000)
Aon Corp.	NYS	25.69	-12.18	-35.78	46.66	20.69	5211
Clark Bardes Holdings	NDQ	13.44	-4.02	-6.52	21.00	11.63	63
E.W. Blanch Holdings Inc.	NYS	18.19	-6.43	-70.31	71.75	18.19	898
Gallagher Arthur J. & Co.	NYS	32.25	-2.09	-0.39	33.25	23.00	664
Hilb, Rogal & Hamilton	NYS	27.69	-2.42	-1.99	29.13	17.00	108
Kaye Group Inc.	NDQ	7.00	-3.45	-16.42	11.88	5.00	12
Marsh & McLennan	NYS	95.63	-4.67	-0.07	110.69	61.75	4959
Brown & Brown	NYS	38.44	-2.84	0.33	40.63	30.38	82
BROKERS	AVERAGE		-3.65	-14.81			
INSURERS/REINSURERS							
ACE Ltd.	NYS	21.06	-0.88	26.22	35.25	14.06*	4523
Accel International Corp.	NDQ	0.72	0.00	-28.20	2.75	0.50	3
Acceptance Insurance Cos.	NYS	4.63	-8.64	-19.57	15.94	2.75	562
AEGON N.V.	NYS	80.50	0.08	-15.71	98.25	63.00	473
Aetna Life & Casualty	NYS	53.56	-5.62	-4.03	99.88	38.50	5213
AFLAC Inc.	NYS	46.06	1.24	-2.38	56.75	33.56	3077
Allmerica Financial Corp.	NYS	46.06	-7.41	-17.19	64.81	35.06	1042
Allstate Corp.	NYS	20.75	-8.29	-13.77	40.75	17.19	13228
Ambac Financial Group	NYS	47.63	-6.62	-8.74	63.00	38.88	1391
American Financial Group	NYS	26.19	-2.78	-0.71	37.38	18.38	258
American General	NYS	53.88	-0.92	-29.00	82.19	45.63	3076
American Intl Group	NYS	103.56	-4.77	-4.22	119.25	78.56	18143
American Safety Insurance	NYS	5.31	-6.59	-18.27	10.00	5.31	26
Argonaut Group	NDQ	17.88	-8.33	-10.06	27.94	16.75	134
AXA-UAP Group	NYS	71.81	-0.17	1.14	79.94	53.75	351
Baldwin & Lyons Inc.	NDQ	17.50	-8.05	-20.90	24.05	16.25	19
Berkley W.R. Corp.	NDQ	20.56	-7.71	-1.50	29.13	14.00	467
Berkshire Hathaway Inc.	NYS	58000.00	2.11	3.39	78600.00	40800.00	3
Capitol Transamerica Corp.	NAS	11.19	-1.65	11.18	15.38	9.38	47
Chubb Corp.	NYS	62.50	-2.44	10.99	76.38	43.25	5212
CIGNA Corp.	NYS	80.69	4.53	0.16	98.63	60.75	4224
Cincinnati Financial Corp.	NYS	38.88	-2.81	21.96	42.50	26.19	2825
Citigroup	NYS	57.75	-2.12	3.70	65.44	40.13	66013
CNA Financial Corp.	NYS	27.94	-10.24	-28.25	45.31	24.56	421
CNA Surety	NYS	14.00	-3.03	7.69	15.56	9.75	246
EMC Insurance Group Inc.	NDQ	7.13	0.88	-21.92	13.38	6.81	95
ESG Re Limited	NDQ	4.00	-9.86	-42.34	20.06	3.19	94
Enhance Financial Services	NYS	9.81	-14.21	-39.62	22.88	9.81	1414
Everest Reinsurance	NYS	27.75	-7.88	24.37	35.69	20.50	750
Fremont General Corp.	NYS	5.94	-5.00	-19.49	21.75	4.69	548
Frontier Insurance Group	NYS	1.00	0.00	-70.91	17.25	0.88	1291
Gainsco Inc.	NYS	5.63	-2.17	4.65	6.94	3.94	33
Harleysville Group	NDQ	14.75	-7.09	3.51	20.88	11.63	68
HSB Group Inc.	NYS	26.13	-2.79	-22.74	42.25	21.50	559
HCC Insurance Holdings	NYS	12.69	-5.58	-3.79	25.13	8.00	272
ING Groep N.V.	NYS	56.81	0.89	-6.86	63.94	46.81	701
IPC Holdings Ltd.	NDQ	12.00	-5.88	-19.33	22.50	9.75	324
Hartford Financial Services	NYS	44.25	-4.97	-6.60	66.44	29.38	4376
John Hancock Financial Service	NYS	18.63	-2.30	9.56	20.12	13.43	1180
LaSalle Re Holdings Ltd.	NYS	12.75	-1.92	-22.73	18.63	10.88	198
Lincoln National	NYS	31.44	2.03	-21.41	57.50	22.63	4179
MAIC Holdings Inc.	NYS	20.38	-0.61	-3.83	29.05	16.63	276
Markel Corp.	NYS	144.88	-6.08	-6.53	193.00	111.50	89
MBIA Insurance Group	NYS	48.88	-4.52	-7.46	71.88	36.31	1543
Meadowbrook Insur. Group	NYS	5.25	-9.68	-20.00	15.31	4.75	42
MetLife	NYS	16.00	4.49	12.28	17.25	14.25	9750
MMI Cos. Inc.	NYS	9.81	-0.63	13.77	17.44	3.31	231
Mutual Risk Mgmt. Ltd.	NYS	17.44	-7.62	3.72	40.81	9.81	1214
Navigators Group	NDQ	10.25	0.00	5.13	16.00	8.75	11
NYMagic Inc.	NYS	13.50	2.86	2.37	19.50	12.00	70
Ohio Casualty Corp.	NDQ	15.75	-3.82	-1.95	20.25	10.75	789
Old Republic Int'l	NYS	13.00	-1.42	-4.59	20.69	10.63	938
Partner Re Ltd.	NYS	36.81	-3.44	13.49	41.69	28.38	263
Penn-America Group Inc.	NYS	7.88	6.78	1.61	11.06	6.63	11
PMA Capital Corporation	NDQ	16.88	-4.93	-15.09	21.13	15.50	48
Philadelphia Cons. Holding	NDQ	14.75	-9.58	1.72	25.50	10.81	312
PXRE Corp.	NYS	15.00	-3.23	15.38	21.25	9.94	83
Reliance Group Holdings	NYS	2.44	-20.41	-63.21	10.88	2.44	2529
ReliaStar Financial Corp.	NYS	28.63	-3.98	-26.95	49.81	23.75	1849
RenaissanceRe Holdings Ltd.	NYS	37.56	-3.84	-8.10	43.19	30.00	319
Risk Capital Holdings	NDQ	15.53	-5.87	23.02	17.38	11.00	160
RLI Corp.	NYS	32.00	-5.19	-5.88	38.81	26.25	70
St. Paul Cos.	NYS	30.00	-5.88	-10.95	37.06	21.31	3600
SCOR	NYS	44.00	-3.83	-0.56	56.75	40.00	32
SAFECO Corp.	NDQ	23.00	-8.23	-7.54	46.75	18.00	5394
SCPIE Holdings Inc.	NYS	29.56	-3.86	-7.98	36.94	23.69	NA
Seibels Bruce Group	NDQ	1.31	-19.23	-25.00	6.25	1.31	108
Selective Ins. Group	NDQ	17.25	2.22	0.36	22.50	14.63	222
Tokio Marine & Fire	NDQ	51.00	-3.09	-13.74	67.00	45.00	78
Torchmark Corp.	NYS	22.38	-5.04	-23.01	38.00	18.75	2095
Transatlantic Holdings	NYS	82.25	-2.37	5.36	87.00	68.75	46
Travelers Property Casualty	NYS	41.63	-0.30	21.53	42.00	27.69	7532
Trenwick Group Inc.	NYS	13.69	-2.23	-19.19	32.00	12.00	85
Unico American Corp.	NDQ	4.88	-7.14	-30.36	10.75	4.50	291
United Fire & Casualty	NDQ	18.44	-3.59	-8.51	27.25	17.38	13
Unitrin	NDQ	34.25	-7.51	-8.97	42.38	30.50	362
UNUM Corp.	NYS	16.31	-1.88	-49.12	56.88	11.94	5998
Vesta Insurance Co.	NYS	4.94	-18.56	27.42	7.88	3.44	339
XL Capital Ltd.	NYS	48.31	-10.94	-6.87	67.19	39.00	2054
Zenith National Ins.	NYS	23.69	-2.32	14.85	26.69	18.75	190
INSURERS/REINSURERS	AVERAGE		-4.31	-7.24			
HEALTH MAINTENANCE ORGANIZATIONS							
Foundation Health Systems Inc.	NYS	8.13	-1.52	-18.24	20.06	6.25	3931
Humana Inc.	NYS	7.13	-12.98	-12.98	17.31	5.88	3383
Oxford Health Plans	NDQ	13.88	-4.72	9.36	24.25	9.75	10384
Pacificare Health Sys.	NDQ	45.00	-13.77	-15.09	98.13	31.13	1756
Sierra Health Services	NYS	4.38	2.94	-34.58	16.25	4.25	588
United HealthGroup	NYS	62.44	1.11	17.53	70.00	39.38	5873
Wellpoint Health Networks	NYS	72.56	-1.02	10.05	97.00	48.25	1323
HMOs	AVERAGE		-4.28	-6.28			
ALL COMPANIES -	AVERAGE		4.08	-9.44			

BI Insurance Index



Base=100 on Dec. 29, 1978

Top advancing issues: Penn-America Group Inc., CIGNA Corp., MetLife. Leading decliners: Reliance Group Holdings, Seibels Bruce Group, Vesta Insurance Co. Most active issue: Citigroup. The *BI* Index fell 2.4%; the Dow Jones 30 Industrials decreased 7.2%; the S&P 500 went down 10.5%, and the NYSE Composite fell 7.3%. Average P/E: Brokers, 17.5; Insurers/reinsurers, 17.4; HMOs, 11.0.

Source: *CNET Investor* (investor.cnet.com) Boulder, Colo.

Lost

Continued from page 1

Assn. states in its letter asking the Supreme Court for review.

"If allowed to stand, the. . .decision undoubtedly will be relied upon by numerous insurers to deprive California policyholders, including but not limited to Holocaust survivors, of the benefits to which they are rightfully entitled," states a California Department of Insurance letter requesting high court review.

"Allowing the decision to stand will also likely lead to extensive litigation between policyholders and their insurers over the terms of lost policies, particularly in light of the seeming conflict between the standard of proof applied in the decision and the standard used in prior cases more liberally allowing proof of the substance of the terms of lost documents by means of secondary evidence," regulators warn in their brief.

Some of the amicus briefs argue for review because currently there exists no clear legal standard on the type of proof that establishes secondary evidence. Others warn that, without a high court reversal, the appellate ruling will motivate insurers to discard records of old policies.

U.S. insurers, to limit their long-term liabilities, have rarely cooperated in helping policyholders with missing policies to recreate forms, said Jane Keegan, risk manager for the Port of Oakland, which is among the parties asking the high court for review.

By law, insurers in the United Kingdom maintain policies for 80 years, she noted, while in California brokers keep them for five years.

Holocaust and other genocide survivors involved in coverage disputes with life insurers also are lobbying the court to clarify the rules.

They fear that life insurers will use the Dart Industries decision to deny coverage under policies that were either lost or purposefully destroyed by criminal regimes, said Linda Gerstel, a partner in the New York firm of Anderson Kill & Olick P.C.

Anderson Kill represents United Policyholders, a San Francisco-based non-profit consumer organization and advocacy group for Nazi Holocaust and Armenian genocide survivors. The organization is among those asking the high court for review.

Survivors involved in coverage disputes with life insurers are also lobbying the court to clarify the rules

Boston-based CGU Corp., a successor to Commercial Union, disagrees, and in an April 5 letter to the California Supreme Court, it urges the high court to reject the survivors' request for a review of the ruling.

The CGU letter states that it is sympathetic to the concerns of Holocaust and other genocide victims. The Dart Industry case, however, involves business-to-business liability and has nothing to do with life insurance policies, the insurer's letter states.

CGU further argues that life insurance policies are very simple. Unlike complicated CGL policies, claims against life insurance do not hinge on such terms and issues as "occurrence," "accident" or "duty to defend."

"The task of proving coverage under a CGL policy simply cannot be compared to that of proving coverage under a life insurance policy," the CGU letter states.

"Even if the decision technically could apply to other types of policies, the holding of the case does not create problems of proof as suggested by amici," the letter continues.

The ability of life insurance policyholders to prove coverage by secondary evidence remains intact, a CGU spokeswoman said.

But those claimants disagree that the decision will not be influential. "You can bet that the next insurer sued will be arguing the policyholder will have to prove the exact language of the terms and conditions of the policy," said Anderson Kill's Ms. Gerstel. That applies to commercial policies as well as life policies, she added.

Not all policyholder representatives agree that the ruling in the Dart Industries case sets a broad precedent or hurts claimants ability to win lost-policy disputes.

The appeals court's decision did not raise the standard of secondary evidence required to prove a policy exists, according to Ty Childress, a partner and co-chairman of the insurance practice at Troop, Steuber, Pasich Reddick & Tobey, a Los Angeles firm representing commercial policyholders.

The appeals decision was specific to Dart, which presented little evidence in its favor, Mr. Childress said. The policy in dispute also might have been a custom manuscript form. Policyholders with standard policy forms will continue to have easier access to evidence to support their cases, he said.

Even so, insurers are likely to repeatedly cite the Dart Industries decision, and even try to misapply it, in lost-policy cases, Mr. Childress acknowledged.

According to court papers, Dart's secondary evidence of the policy's terms and conditions came from the testimony of a former broker who last saw the policy in 1948; a Commercial Union employee who handled the account but had no recollection of the policy language; and "from four one-page documents found in the broker's old records, plus a few scattered documents from two unrelated lawsuits."

In its ruling, the appeals court concluded: "There is no evidence at all concerning the words used in the policy. There is no evidence to show what sort of language was used by Commercial."

Therefore, the appeals court overturned a lower court decision and ruled in favor of Commercial Union. Dart Industries appealed to the state Supreme Court.

Dart Industries Inc. vs. Commercial Union Insurance Co., No. S086518.

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