

Business Insurance

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Phillips faces \$5.7 million fine for explosion at Texas plant

WASHINGTON—Phillips Petroleum Co. faces proposed fines of \$5.67 million for alleged willful and serious violations of federal workplace safety regulations that the Labor Department claims caused the 1989 explosion of the company's petrochemical plant in Pasadena, Texas.

The proposed fines are the second-largest ever proposed by the department.

The catastrophic Oct. 23, 1989, explosion killed 23 workers and injured more than 130 others (BI, Oct. 30, 1989). The

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Spring brings stable renewals

'No shocks or surprises'

By LINDA J. COLLINS

Spring renewals have brought stability to the commercial property/casualty insurance marketplace.

While rates for some risks are rising slightly, rates for other lines of coverage are still falling, though more moderately than in recent years. And, many observers report that accounts are renewing at the same rate as last year.

In addition, insurers, brokers and risk managers agree that there

is ample capacity for nearly all types of coverage and that insurers are not restricting terms and conditions unless loss experience warrants.

"What we're seeing, generally, is some stability in the marketplace, which is a change from what we saw last spring" when insurers were aggressively cutting prices, said Joseph H. Fitzpatrick, vp of Alexander & Alexander Inc. in New York.

There were "no shocks or surprises to what we had planned"

for spring renewals, agreed Harold Lang, director of insurance and risk management for manufacturer Kohler Co. in Kohler, Wis.

Observers predict that there likely will be few surprises for the remainder of 1990: Rates are likely to remain stable for the rest of the year, before they slowly begin to rise during 1991 renewals.

Commenting on April 1 renewals, many brokers describe a two-tiered marketplace, based primarily on the size of the account.

Among medium-sized to large commercial risks, brokers report that rates are more likely to rise for casualty insurance than for

property coverages. Casualty rates generally are flat or increasing 5% to 10%, while property rates generally are flat or falling 5% to 10%, despite record insured property losses in 1989.

Brokers add that Fortune 1,000 accounts are seeing continuing rate competition for both property and excess liability business, though rate reductions now average less than 20%.

However, one risk manager reported that his umbrella rates were cut more than 50% on renewal.

Brokers agree that competition is still strong for large excess liability accounts, even though Wal-

brook Insurance Co. Ltd., which wrote 55% of the U.S. casualty line slip managed by London-based H.S. Weavers (Underwriting) Agencies Ltd., stopped underwriting late last month (BI, April 9; April 2).

Weavers for years has been the largest market in London for U.S. excess liability insurance.

While brokers and risk managers initially feared that many Weavers policyholders whose accounts renewed April 1 might either be left without coverage or forced to pay more money for less comprehensive coverage, domestic and foreign in-

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Questions about runoff of Weavers' claims grow

By CAROLYN ALDRED

LONDON—The orderly runoff of business at H.S. Weavers (Underwriting) Agencies Ltd. could be in jeopardy, developments last week suggest.

Anglo American Insurance Co., which had written 45% of the Weavers slip in recent years, parted company last week with Weavers after failing to agree on how the business should be handled.

"Anglo American is deeply concerned about the proper management of future claims... of all business written by the Weavers stamp," Anglo American Chairman John C. Cumming wrote brokers in a letter last week.

Anglo American, which had been advising Weavers on runoff operations, was not given enough say in Weavers' management, complained Mr. Cumming in his letter, which also assured brokers that Anglo American is continuing to underwrite business with its own staff (see story, page 46).

And, at least 30 representatives of brokers and insurers—including Anglo American—met last Wednesday in London to discuss how to keep the runoff of the Weavers business under central management.

"We are seeking a way forward in the interest of the market and of policyholders," said David Palmer, chairman of British Insurance & Investment Brokers' Assn.

"There is a will to take constructive action but we need to get more information," said Mr. Palmer, who noted that the brokers are looking at the "whole situation," including future underwriting and the runoff of past business.

"We are working extremely hard to come to some solution," said John Garner, chairman of the Lloyd's of London Insurance Brokers Committee. "We are trying to do everything that needs to be done to protect policyholders," he said, adding that "to have an orderly runoff is vital for our clients."

Although Weavers is not a Lloyd's underwriting agent, Lloyd's brokers placed much of Weavers' business.

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Allegedly sold bogus coverage

MET insurer investigated

By JOANNE WOJCIK

DENVER—State and federal authorities are investigating a British Virgin Islands-domiciled insurer for allegedly selling bogus health insurance policies through multiple employer trusts to hundreds of employers in as many as nine states.

State authorities charge that Cabot-Day Insurance Co. Ltd., which is domiciled in the British Virgin Islands but operates from a Denver office, collected more than

\$3.2 million in group health premiums in Texas and Pennsylvania alone without intending to pay claims.

Courts in Colorado and Texas have ordered Cabot-Day and its parent, Denver-based Morgan-Puttmann Insurers Ltd., to stop doing business in the two states. In addition, the Pennsylvania Insurance Department has suspended both insurers from doing business in that state.

Meanwhile, a racketeering task force of the Labor Department's

Office of the Inspector General is investigating the insurers' activities in Colorado. The Colorado, Texas and Pennsylvania regulators are assisting with the federal investigation.

Besides Pennsylvania and Texas, Cabot-Day may have sold an as-yet undetermined amount of coverage in Arizona, California, Colorado, Louisiana, North Carolina, South Carolina and Wyoming, authorities say.

While authorities charge that

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Past, future to meet

Boston offers those attending next week's Risk & Insurance Management Society conference a glimpse of America's past. But conference sessions will focus on cutting-edge risk and employee benefit management issues. For a guide to Boston and the conference, see the special section following page 24.

Judge strikes down portions of Georgia tort reform law
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Fewer employers pay full cost of retiree health care benefits
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Congress not likely to approve benefit laws in '90: House aide
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Update

Fines sought in Phillips blast

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loss of the plant, including business interruption, is expected to exceed the company's \$1.3 billion in insurance coverage.

Overall, 575 alleged willful and serious violations of federal workplace safety regulations caused the explosion, the Labor Department charges. The department claims that Phillips failed to prevent the release of flammable gases, was inadequately prepared to respond to the release of the gases and did not provide the plant adequate fire protection.

In addition, the department has proposed fining Phillips' service contractor, Fish Engineering & Construction Inc. of Houston, \$729,600 for 194 alleged safety violations. Four Fish employees were killed and 52 others were injured in the explosion, the department said.

Fish was "accustomed to tolerating" safety and health violations at the plant, said Gerard F. Scannell, assistant secretary of labor and administrator of the Occupational Safety and Health Administration.

Bartlesville, Okla.-based Phillips says it plans to contest many of the alleged violations.

AIG unit faces rating fines

NEW YORK—The Insurance Co. of the State of Pennsylvania will pay \$425,000 in fines for overcharging New York taxi fleets several years ago following an intermediate New York appellate court ruling last week.

The state Insurance Department had levied a \$348,900 fine against ICP in May 1988, charging that the American International Group Inc. unit had knowingly applied improperly high rates on 1,194 taxicab policies in 1982 and 1983 (BI, May 30, 1988).

The Appellate Division of the New York State Supreme Court last week upheld the department's ruling.

The insurer had said in January that if it lost its appeal, it would pay the fine as well as a \$76,100 fine the department levied against the insurer for similar alleged violations in 1984. The insurer in 1984 implemented a rate increase that had not yet been approved by the department on another 1,132 policies.

Mission reinsurer commutation

LOS ANGELES—Hamburg International Reinsurance Co. will pay \$12.8 million under a commutation agreement reached with the Mission Insurance Co. and Pacific Reinsurance Management Corp., Mission's defunct reinsurance pooling subsidiary.

The agreement, subject to court approval, would remove Hamburg from all litigation involving both reinsurance written directly for Mission and through the PRMC pool. The \$12.8 million reflects paid losses and the net present value of incurred-but-not-reported claims.

In a related development, Kroll & Tract, the New York law firm that had represented Hamburg in the litigation, has refused to remove itself as Hamburg's attorney and be replaced by the firm that negotiated the commutation agreement, court papers indicate.

Attorney Barry Weissman of Los Angeles-based Knapp, Petersen & Clarke has filed a declaration in U.S. District Court in Los Angeles naming himself Hamburg's attorney. Elliot Kroll, a Kroll & Tract partner, would not comment.

Meanwhile, the California Supreme Court agreed to review an appellate court ruling allowing reinsurers to offset amounts they owe Mission units against amounts the units owe them (BI, Jan. 8).

Doctor dropped from fraud suit

MIAMI—Florida prosecutors have dropped criminal charges against a Fort Lauderdale neurosurgeon and several other defendants charged in one of the largest insurance fraud cases ever investigated in Florida.

The state attorney general dropped racketeering and fraud charges April 2 against Dr. Joseph E. Gelety; the Center for Neurological Services Inc. and Woolsey, Gelety, Lane & Centrone, two medical corporations; and Johanna Gelety, a CNS employee.

The defendants had been among several doctors and lawyers accused of conspiring to defraud insurers on workers compensation and personal injury claims (BI, Jan. 1).

Still charged in the case are Mark Marks P.A., a Miami law firm; several Mark Marks partners and employees; and Dr. Ronald J. Centrone, a Fort Lauderdale physician.

A trial is scheduled to begin in July.

Maxicare objects to bid

LOS ANGELES—Maxicare Health Plans Inc. is not interested in being acquired by PacificCare Health Systems Inc., a Southern California competitor that made an unsolicited offer last week.

"We have made it clear for more than a year that Maxicare is not for sale, so we are, quite frankly, puzzled by the timing of this announcement," said Peter J. Raticar, chairman and chief executive officer of Los Angeles-based Maxicare.

Maxicare is expected to ask the U.S. Bankruptcy Court in Santa Ana, Calif., at public hearings today and on May 7 for permission to seek approval of its reorganization plan from creditors and shareholders.

Budd to pay OSHA fine

WASHINGTON—The Budd Co. has agreed to pay \$1.5 million in fines for 843 alleged willful violations of federal workplace safety regulations at its Philadelphia plant.

The Troy, Mich.-based manufacturer also agreed to reduce excessive noise levels in some areas of the plant through engineering controls, repairs and maintenance.

Under the settlement, Budd will create worker hearing conserva-
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Errors and omissions

• Workplace accidents cost employers and society \$47.1 billion in 1988. This fact was misstated in the April 9 Ask a Risk Manager column.

Federal judge strikes 2 Georgia tort reforms

By LINDA J. COLLINS

COLUMBUS, Ga.—Two provisions of a Georgia tort reform law that limit the number of punitive damage awards against a defendant in product liability litigation and a plaintiff's ability to collect the award are unconstitutional, a federal judge has ruled.

U.S. District Judge J. Robert Elliott earlier this month issued a declaratory judgment striking one provision of the Georgia Tort Reform Act of 1987 that allows only one plaintiff in a product liability case to recover punitive damages for a single act or omission by a defendant, regardless of the number of causes of action arising from the act (BI, March 2, 1987).

The judge also ruled unconstitutional another provision of the law that stipulates that 75% of any punitive damage award in a product liability case—less court costs and reasonable attorney fees as determined by the trial judge—must go to the state. The plaintiff would have received the remaining 25%.

Plaintiffs in two personal injury suits pending against General Motors Corp. over alleged defects in its rear-seat lap seat belts sought the declaratory judgment.

No other state has enacted legislation limiting the number of punitive damage awards against a defendant in any type of tort case for one act or omission, according to the American Tort Reform Assn. in Washington, D.C.

And, while seven other states have enacted laws giving a portion of punitive damage awards to that state, those states take a portion of all punitive damage awards—not just those awarded in product liability cases.

The two provisions of the Georgia tort reform law are "pretty unique," said Diane Swenson, vp-legislative and legal affairs for ATRA.

Tort reform advocates, the state attorney general and an insurer trade group expressed disappointment with the ruling.

Insurers believe "it opens up the lawsuit lottery again," said a spokesman in Atlanta for the Alliance of American Insurers.

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GIC contracts yield risks

Plan sponsor must monitor investments: Expert

By JUDY GREENWALD

NEW ORLEANS—Sponsors of employee benefit plans that invest in guaranteed investment contracts should continually monitor the investment market to minimize fiduciary liability risks, a consultant recommends.

"You can't just hire somebody and say, 'Godspeed,'" said J. Thomas Morrow, executive vp and director-research and development for Morley Capital Management Inc., an investment firm in Lake Oswego, Ore.

Mr. Morrow spoke about fiduciary liability for employers that purchase guaranteed investment contracts as pension plan investments at "GICs '90," a conference sponsored by the Institute for In-

ternational Research April 2-4 in New Orleans.

In addition, he discussed a survey of GIC consultants that found issuers' credit quality has become crucially important to plan sponsors.

Guaranteed investment contracts are agreements that guarantee investors a specific rate of return on their invested capital over the life of the contract. GICs, which account for an estimated 75% of funds invested in defined contribution plans, are popular because they are more secure investments than equities and bonds.

GICs is a term that is sometimes used generically to also apply to bank investment contracts. BICs are bank deposits that, although technically different from GICs

underwritten by insurance companies, operate similarly. They account for a small, but growing percentage of the \$150 billion GIC market.

"Life was simple" when GICs were introduced, Mr. Morrow said. In many cases, the purchase of GICs was simply left to corporate personnel departments, he noted.

"Today, life is considerably more complex," he said, because employers can choose from 25 to 30 types of contracts, 15 to 20 managers and "countless" GIC brokers and consultants.

And, moreover, plan sponsors must be aware of their fiduciary responsibilities under the Employee Retirement Income Security Act of 1974. In essence, ERISA says
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Employers offer remedies for problem of uninsured

By ADRIENNE C. LOCKE

WASHINGTON—Health care costs must be brought under control before more small employers will offer their workers health care coverage, employer representatives say.

In testimony last week before the Senate Subcommittee on Health for Families and the Uninsured, employer representatives offered several suggestions for reigning in health care costs. And, the federal government must do what it can to help keep medical costs down, they

said at the April 18 hearing.

Although many small businesses want to offer health care coverage to their employees, the cost is preventing many of them from offering coverage and forcing others to drop it, said Michael O. Roush, assistant director for federal government relations at the National Federation of Independent Business in Washington, D.C.

While employer participation in financing health care is an "essential" part of solving the problem of uninsured workers, the federal government cannot force employ-

ers to provide health insurance in a health care system that is "broken," said Walter B. Maher, director of federal affairs in the Washington, D.C., human resources office of Chrysler Corp.

"Government should not mandate any employer into a system without at the same time assuring that employer it is buying into a rationally priced system, and one whose annual cost increases are relatively predictable," he said.

Although employers disagree whether mandated employer-pro-
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Inside

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- ✓ In Speaking Out, Corroon & Black's Teresa L. Pahl says increased education of young people will improve the insurance industry's image. **PAGE 27**
- ✓ Lloyd's of London is refusing to investigate the placement of runoff reinsurance contracts by Lloyd's syndicates in the early 1980s. **PAGE 35**
- ✓ Preparing for the European Community's upcoming open non-life insurance market, Portugal is taking steps to privatize state-owned companies. **PAGE 37**

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Retirees asked to share costs

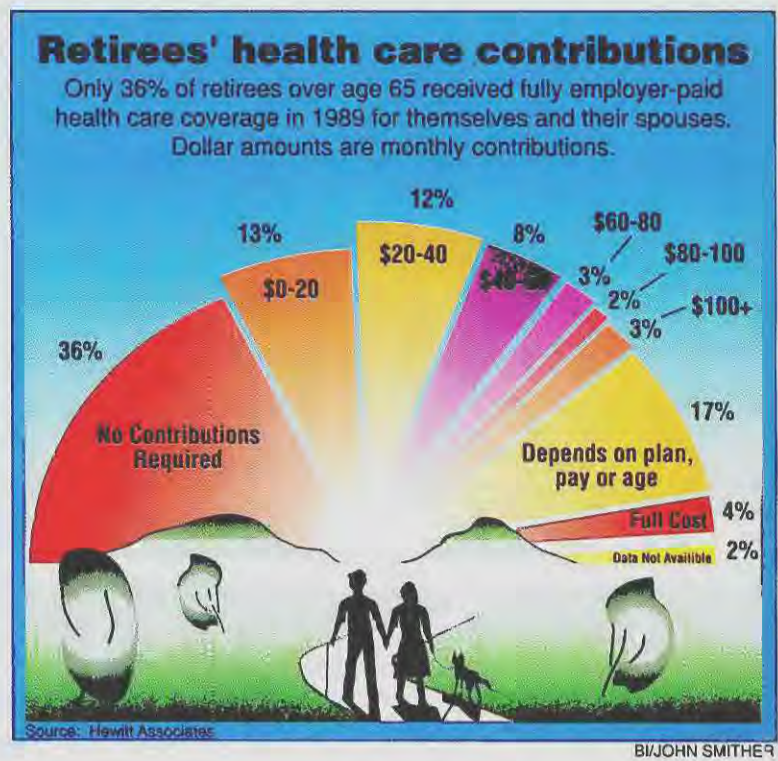
Firms require health plan contributions

By JERRY GEISEL

LINCOLNSHIRE, Ill.—Fewer employers are picking up the full cost of retiree health care premiums, a new survey reports. Forty-four percent of employers last year did not require retirees aged 65 and older to pay a portion of their health care premium for single coverage, down from 48% in 1988. Similarly, 36% of employers did not require retirees aged 65 and older to pay any of the monthly premium for retiree and spousal coverage last year, down from 39% in 1988, a new survey by benefit consultant Hewitt Associates reports. Correspondingly, 32% of employers did not require retirees younger than age 65 to pay for single health care coverage, down from 36% in 1988. And 24% did not require retirees younger than age 65 to pay a portion of the monthly health care premium for retiree and spousal

coverage in 1989, down from 27% in 1988. With companies becoming more concerned about the rising cost of post-employment health care plans, it is not surprising that retirees are being asked to pick up more of the premium, said Kenneth Sperling, a Hewitt consultant in Rowayton, Conn. Adding to employers' concern are proposed rules by the Financial Accounting Standards Board that would require employers to recognize retiree health care liabilities on their income statements and balance sheets, he said. "For some companies the cost of these plans can be a real surprise. In some cases, such as firms with a large retiree population and a declining workforce, the cost of retiree health care coverage can equal or even exceed the cost of benefits for active workers," Mr. Sperling said. The trend toward companies increasingly asking retirees to pay a

part of their health care premium is detailed in "Salaried Employee Benefits Provided by Major U.S. Employers in 1989," a Hewitt survey of 902 major U.S. employers conducted late last year. Employers typically require younger retirees to pay more for health care coverage than older retirees, the survey illustrates. For example, among surveyed employers that provided premium information on a dollar basis, 16% said they required pre-65 retirees to pay more than \$30 a month for single coverage. Only 7% of these employers required post-65 retirees to pay that much. Ten percent of employers required pre-65 retirees to pay more than \$50 a month for single coverage, but just 3% of employers required retirees over age 65 to pay that much. Hewitt found the same pattern— younger retirees paying more than older retirees—for retiree and



Managed care plan cuts California utility's costs

By MICHAEL SCHACHNER

NEW YORK—Managing group health care programs internally can save large employers millions of dollars annually, says the medical director for a large employer that self-insures and self-administers its health care plan. Indeed, implementing a managed care program and conducting utilization review and claims administration services in-house helped Rosemead, Calif.-based Southern California Edison Co. reduce its projected health care costs \$20 million in 1989, the first year after it reorganized its self-insured health care program to make it entirely self-administered, said Jacque J. Sokolov, SCE's vp and medical director. SCE's health care costs had been rising at about 21% annually since 1981, but "we actually reduced health care expenditures by 2.5% last year," Dr. Sokolov said at the Employee Benefits Conference, sponsored by the Conference Board March 28-29 in New York. SCE expects to save \$150 million in health care costs over five years; \$720 million over 10 years and \$5.6 billion over 20 years, he said. In addition to aggressively managing its group health care program, Southern California Edison also operates 10 in-house medical clinics and first-



aid stations for employees throughout Southern California (BI, March 5). Large companies often do little to control their health care costs, Dr. Sokolov said. "Nobody seems to manage costs," he observed. "My concern is that there are all sorts of benefit design changes out there, but you still have to manage the benefits," he said. "We decided to take the initiative by hiring the right people, including a central officer to monitor the dollars." Large employers have the most to gain from a self-managed health care program and "any Fortune 500 company can take pieces of our plan and incorporate them," he said. "Had we not changed our approach, health care costs would have increased to \$187 million in 1992, but with the new program we expect them to be about \$136 million," or about 27% less, Dr. Sokolov said. SCE hopes to hold its annual health care cost increases at 8% to 12% under the plan. The company in 1988 spent \$82 million on health care for 57,000 covered lives: 47,000 active employees and dependents and 10,000 retirees. The new health care plan is the product of 46 negotiating sessions and 164 proposals with the three unions that represent SCE employees, Dr. Sokolov said. Besides the company-run clinics, the company's

Congress won't pass major benefit changes in 1990: House aide

By MICHAEL SCHACHNER

NEW YORK—A lack of presidential leadership likely will preclude Congress from passing monumental employee benefits legislation in 1990, says a congressional staff member who specializes in such laws. "The (health care) system here is chaotic, in shambles and needs to be fixed, but Band-Aids won't work. Government needs to be the solution," said Phyllis C. Borzi, employee benefits counsel to the House of Representatives Subcommittee on Labor-Management Relations. "But because there's no leadership, nothing will happen in 1990 and nothing will happen down the line until the president recognizes that this issue has engaged the American public," she said. According to Ms. Borzi, certain employee benefits legislation will be left on the table at year-end, including proposals designed to:

- Increase access to health care coverage, including a proposal to require employers to offer cover-

age to workers.

- Block employers from terminating overfunded pension plans and collecting the excess assets.
- Force employers to share control of pension plan assets with employees.

"1990 will be the year of commissions, but we probably won't know one thing more than before," she said. For instance, the Pepper Commission earlier this year issued its long-awaited report on how to expand health care coverage to the uninsured. However, observers quickly said Congress was unlikely to approve those proposals (BI, March 12; March 5). Ms. Borzi, widely considered an expert on health and benefits policy, said the crises surrounding rising health care costs and the approximately 37 million Americans without health insurance likely will get worse before getting better. "What we need to do is lock all these Washington people in a room and tell them they can't come out."

Prop. 103 judge's neutrality challenged

By LOUISE KERTESZ

SAN BRUNO, Calif.—The California attorney general is asking the administrative law judge who is to recommend a fair rate of return for the state's property/casualty insurers to disqualify himself because of a conflict of interest. Attorney General John Van de Kamp is asking William J. Fernandez to step aside because the judge's wife, Judith Fielding, is a partner in a law firm representing several major insurers. Ms. Fielding's firm—Ropers, Majeski, Kohn, Bentley, Wagner & Kane of Redwood City, Calif.—represents "more than a dozen property/casualty insurers that are parties in this very proceeding," the attorney general said in an April 13 motion. The state Insurance Department,

Wife's law firm represents insurers

however, contends that Ms. Fielding's ties to the insurance industry were known before the hearings on what constitutes fair rate of return for property/casualty insurers began last year. The motion, the Insurance Department charges, is a political ploy by Mr. Van de Kamp, a Democratic candidate for governor. A 1989 State Supreme Court ruling on Proposition 103 prompted the hearings. The high court found unconstitutional a provision of voter-approved insurance reform law that granted relief from the law's mandatory 20% rollback of insurance "charges" to only those insurers that would be "substantially threatened with insolvency" (BI, May 8, 1989).

Insurers are entitled to a "fair return," the court ruled. Judge Fernandez is to make his recommendations to Insurance Commissioner Roxani Gillespie by April 30. Ms. Gillespie ultimately will determine what constitutes a "fair return." But Mr. Van de Kamp wants Judge Fernandez to take no further part in the Proposition 103 proceedings and has demanded that Ms. Gillespie make her decision based on the record developed in the hearings. Mr. Van de Kamp told *Business Insurance* that state law requires disqualification when the average person "might reasonably entertain a doubt that the judge would be able to be impartial."

The judge also was criticized for playing golf with insurer lawyers earlier this month. That outing had the "appearance of impropriety," charged Mr. Van de Kamp, Harvey Rosenfield, the leading advocate of Proposition 103, and Nettie Hoge, staff attorney for the Consumers Union advocacy group. However, the conflict-of-interest charge is "without merit," says Karl Rubinstein, special counsel and spokesman for Ms. Gillespie, who is out of the country until April 28. Mr. Rubinstein characterized the motion as "politics and pixie-dust" and said representatives of both sides of the controversy were invited to attend the golf outing. But Mr. Rubinstein said that

"now that the finger has been pointed," he will recommend a hearing on the conflict of interest accusation. He said he was unsure if he would ask Judge Fernandez or another judge to preside. Mr. Van de Kamp's motion charges that "public confidence in the fairness" of Proposition 103's implementation "cannot be fostered" by the judge's continued role in the proceedings. Judge Fernandez "has a financial conflict-of-interest arising out of his spouse's partnership in a law firm whose practice consists substantially of representing insurers, including more than a dozen property/casualty insurers that are parties in this very proceeding," the motion charges. According to the motion, Ms. Fielding's firm represents Farmers Group Inc., Fund American Cos.

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Health costs

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 provided coverage is the best way to ensure that all working individuals have health care coverage, most agree that significant changes are needed before employers will be more willing and able to offer coverage.

For example, health insurance underwriting reforms "must be implemented immediately," said Mr. Roush of the NFIB.

Rather than "fragmenting" the health insurance marketplace by individually rating group health insurance policies, the health insurance marketplace should be "re-created" so that all employees are essentially part of the same pool, he proposed.

Subcommittee member Sen. John D. Rockefeller IV, D-W.Va., noted that some insurance information groups, like the Health Insurance Assn. of America, are aware of the lack of affordable health insurance

for small businesses and concur that reforms of group health insurance for small employers are needed.

The HIAA has proposed reform of some underwriting practices involving small employers (BI, March 12).

Among other things, the HIAA proposal would:

- Guarantee health care coverage for employers with fewer than 25 employees even if one or more workers would normally be considered uninsurable or a high risk.

- Guarantee that once insured, neither the group nor individuals in the group may be denied continued coverage because of the group's or the individual's declining health.

- Prohibit the denial of coverage or the application of new restrictions on pre-existing medical conditions to a small employer that changes insurers or an individual that changes employers.

Another needed reform is the

pre-emption of state benefit mandates, which drive up the cost of group health insurance for small employers, said Mr. Roush.

Basic health insurance policies "are appealing to the segment of the business community that is currently unable to provide health insurance," he said.

Some states have already moved to ease benefit mandates. Governors in Virginia and Washington have recently signed into law bills that allow small employers to offer health insurance packages without many of the benefits mandated by the states (BI, March 26).

In addition, legislation introduced in the Illinois Legislature would reduce state-mandated health care benefits for small employers that offer their workers health care plans (BI, April 12).

And, Rhode Island Gov. Edward D. Diprete, who also testified at the hearing, said he would press for legislation this year that would allow insurers to market insurance

plans to the uninsured without some state-mandated benefits.

One panelist called for increased cooperation between employers and health care insurers to design more effective cost-containment techniques.

Health care costs cannot be contained if employers and insurers are not willing to develop and implement new techniques aimed at controlling costs, said Robert Hungate, manager of governmental health care affairs in the Washington, D.C., office of Hewlett Packard Co.

"What we did two years ago" to control costs "may no longer be appropriate next year," he said.

Chrysler's Mr. Maher said that health insurance companies can help cut costs by better organizing their provider networks, thereby reducing excessive administrative costs.

For example, packaging efficient networks of doctors and hospitals, and selling those packages to em-

ployers would reduce health care costs without sacrificing quality, he said.

Another way to cut costs is to prevent the prevalence of "defensive medicine," where physicians perform multiple and often unnecessary tests as a precaution against potential liability, suggested Hewlett Packard's Mr. Hungate.

"Defensive medicine helps drive up the cost of health care," he said.

Mr. Roush of NFIB said the development of physician practice protocols, along with research into the quality outcomes of various procedures, could reduce unnecessary procedures. And, these protocols could be admissible as a defense against malpractice suits, he suggested.

However, subcommittee panelists stressed that as more employers are able to provide group health care coverage, the federal government must assist business in keeping health care costs down.

The Pepper Commission's recommendations—to mandate employer-provided health care coverage as well as establish a federally funded long-term health care program (BI, March 5)—"were much less aggressive than we had hoped for," said Mr. Maher of Chrysler. The commission did not address such issues as finding ways to reduce the growth of U.S. health expenditures or control overspending for health care, he said.

And, while he said the NFIB frowns on most government interference in employer health care matters, Mr. Roush agreed the government "must play a more direct role to encourage market-oriented competition in health care to help bring costs under control." ■



Despite an obvious problem, a three-year-old child succeeds in making music.

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Texas examines auto rates

AUSTIN, Texas—Texas insurance regulators are studying whether a no-fault commercial and personal automobile insurance system and deregulation of auto rates and policy forms would lead to lower auto insurance rates.

"We handle 100,000 complaints a year, and a lot of them are related to the accelerating costs of car insurance," said Kae Patrick, manager of the Texas State Board of Insurance's automobile division and chairman of the committee studying the feasibility of a no-fault system.

Among other things, Mr. Patrick's committee will:

- Study the possible effect of no-fault insurance on premiums.

- Consider whether auto insurance policyholders should be allowed to choose between the current tort system of resolving auto claims and a no-fault system when purchasing auto coverage.

- Study the possible effect of a no-fault system on court dockets.

The committee will consider pertinent data from, among other sources, the Alliance of American Insurers, the American Insurance Assn. and the National Assn. of Independent Insurers.

John D. Collins, deputy commissioner and director of the board's automobile and miscellaneous lines division, is chairman of the committee formed to study whether deregulation of auto insurance rates and forms would lead to lower rates.

The committee also is interested in learning what effect deregulation of auto insurance rates and forms might have on insurance company solvency, he said.

The committees are scheduled to make their recommendations to the State Board by October.

—By Michael Bradford

Sometimes your greatest risk is standing still.

Change may be difficult. But doing nothing is far worse.

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Opinions

Managing the environment

RISK MANAGERS WORTH their salt don't need the 20th anniversary of Earth Day to remind them that pollution is a critical risk confronting their companies.

Whether or not they've been the recipient of a government order to contribute to cleaning up a waste site or suffered through the cleanup of a pollution accident, good risk managers are ever vigilant in helping their employers identify potential pollution problems. And, good risk managers are in the forefront of efforts to prevent pollution and develop emergency plans for when pollution does occur.

The scarcity of broad pollution insurance coverage and the financial impact on a business from a pollution accident demands this dedicated attention to pollution risks.

But, with the 20th anniversary of Earth Day fresh in our minds, it's an appropriate time to consider that efforts to manage pollution risks have to go beyond worrying about potential liability for accidents. We are thankful that more and more effective risk management of the pollution risk is occurring in businesses around the country out of concern for more than the potential liability.

Top executives are increasingly mindful that pollution of the land, water and air will not be tolerated by the investment or consumer communities and that efforts to improve the environment constitute good citizenship as well as good public relations.

Several corporate actions announced this month alone are heartening.

Conoco Inc. said it is ordering two new oil tankers with double hulls "to keep oil spills from happening in the first place."

In minor collisions, only the outer hull may be pierced, with the inner hull containing the oil. Even if both hulls are pierced, the space between the hulls would tend to fill first, slowing the release of oil.

Conoco broke ranks with the oil industry, which has opposed double hulls, presumably because they add as much as 15% to the cost of a new ship.

Another recent environmentally conscious decision was made by Shell Oil Co., which is marketing a less polluting blend of premium gasoline in 10 major metropolitan areas. And Shell says it will absorb the 2-cents-per-gallon additional cost of making the gas.



And, the three largest sellers of canned tuna in the United States announced that they would stop buying tuna caught in nets that also trap and kill dolphins, although this could increase costs a few cents a can. The three companies—Bumble Bee Seafoods Inc., H.J. Heinz Co., which markets the Starkist brand and Van Camp Seafoods Inc.—sell 70% of the canned tuna sold in the United States.

Killing dolphins doesn't pollute our world in the strictest sense, but it does deplete our wildlife. And keeping more dolphins alive makes this a nicer world to live in, as anyone who has been lucky enough to witness dolphins frolic at sea will attest.

Not all corporate efforts to control pollution and prevent killing wildlife have to be costly.

The Hyatt Regency Chicago expects to cut its garbage-hauling costs by 30% this year by investing in an on-site recycling center that breaks glass, bales paper and crushes cans.

Such creativity in risk management departments and boardrooms around the world not only will minimize pollution liability losses but also will make this a cleaner, safer and happier world.

That's really global risk management.

Letters

GASB explanation may cause confusion

To the editor: The Ask a Casualty Actuary article on the impact of Statement No. 10 of the Governmental Accounting Standards Board, "Accounting and Financial Reporting for Risk Financing and Related Insurance Issues," may cause some confusion among your readers.

The question posed to Mr. Sherman concerned GASB-mandated funding requirements (BI, March 5). Mr. Sherman's answer was not clear on the intent of the pronouncement. Statement No. 10 is strictly concerned with the proper recognition and reporting of risk management issues within public entities. The pronouncement intentionally avoids any mention of the appropriate level of funding for those recognized liabilities. Public entities can achieve a positive fund balance without specific funding of reserves within their risk management programs. This pronouncement does

not require that funds be transferred to an internal service fund or general fund line item to match on some percentage a self-insurance funds' recognized liabilities.

Full funding of loss reserves may be prudent or correct from a risk manager's or actuary's viewpoint, but it is not a requirement of the statement.

On a minor note, the illustration titled "Impact of Self-insurance Program on Financial Statements" is incorrect. Public entities do not have income statements. Since GASB mandates the accounting of single-

entity risk management programs to be either in the general fund or an internal services fund, the proper illustration should have been titled "Combined Statement of Revenues, Expenditures and Changes in Fund Balances."

Otherwise, Mr. Sherman gave a very lucid explanation of the actuarial issues and the need to organize claim data.

Mark Ferraro
President

Ferraro & Associates Risk Management
Dallas

Removing subrogation lien won't hurt workers

To the editor: W. Kirk Liddell's letter (BI, March 26), regarding the subrogation provision included in S. 1400, the Product Liability Reform Act, is not accurate.

S. 1400 eliminates the unfair, unsafe and expensive results of the subrogation system by prohibiting the employer—and its workers compensation insurer—from pursuing a subrogation lien, except where the manufacturer or product seller has specifically agreed to hold the employer harmless or in those instances where an employer can prove that it was completely without fault.

The subrogation lien creates an egregious imbalance in the product liability system and fosters excessive transaction costs. In most jurisdictions, it goes into effect regard-

less of employer fault. The subrogation lien also acts as a disincentive to workplace safety by shifting the focus of accident prevention away from the workplace.

The elimination of the subrogation lien would not affect an injured worker's ability to recover benefits or a product liability award, nor would it increase workers comp insurance premiums. Enactment of S. 1400 would simply make clear that the costs of the work comp system will be paid by the employer and not by the tort system.

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Firm builds wellness incentives in plan

By MICHAEL SCHACHNER

Benefit beat

Non-union salaried employees who do not use tobacco and who fall within acceptable weight guidelines will get rebates on their monthly health care premiums, under a new incentive-driven self-insured program at a Phoenix-based development and resort management firm.

The incentives are designed to create a healthier workforce as well as cut down on the time workers take off and the amount of medical care they seek, says an executive with Gosnell Development Corp.

The health care program, administered by Fort Wayne, Ind.-based Lincoln National Insurance Co., requires employees to pay 50% of the program's costs. However,

non-smokers and those within the prescribed weight limits pay significantly less, said Pete Lumianski, Gosnell's vp-human resources.

Of Gosnell's 3,200 employees, only 500 non-union salaried managers are eligible for the rebates. About 350 of those eligible participate in Gosnell's health care plan, with most of those receiving a rebate, he said.

Under the program, single, non-smoking employees who are not overweight pay only \$12 per month. Non-smoking, non-overweight employees with dependents meeting the same standards pay \$96 per month.

Employees who either smoke or

are considered overweight pay \$20 per month for individual coverage and \$126 for family coverage.

Those who smoke and are considered overweight pay \$58 for individual coverage and \$142 for family coverage.

Mr. Lumianski cites several reasons for starting the program.

With insurance costs rising, "the company was requiring employees to pick up their fair share of the costs," he said. "We tried to soften the pill for those who are healthy. We figured those who are unhealthy can either pay more or not use the plan."

Gosnell would not say how much it expects to save with its self-in-

sured plan or how much it spent on health care in 1989.

"This is supposed to be an inflation fighter. We are interested in keeping the cost of insurance down," said Mr. Lumianski. "It's too early to say how successful the plan will be. That depends on safety consciousness and overall health."

Last year the development company offered two insured plans written by CIGNA Corp. of Philadelphia and Mutual Life Insurance Co. of New York, he said.

Gosnell employees also are given 20% discounts at the fitness centers at three resorts the company has built in the Phoenix area.

"We're a young company," Mr. Lumianski said. "Our people programs are not as mature as those at other large hotel firms. We're just

getting started and we'll be monitoring this throughout the year to see how it works."

HMO quality survey

Nine of 10 Blue Cross and Blue Shield health maintenance organization plan participants say they are satisfied with the overall quality of their HMO, according to a BC/BS-sponsored survey.

Of more than 6,000 enrollees in 30 BC/BS plan-related HMOs polled by the Gallup Organization, 91% said they are "satisfied" or "very satisfied" with the quality of the HMO's care and the amount of time they must wait to see a doctor.

Only 76%, however, said they were satisfied with the administrative services, according to the survey.

The survey results mark the second year that approximately 90% of respondents expressed satisfaction with HMO care. Last year, the survey polled participants from 25 HMOs.

When asked what they like most about their HMO, 41% cited the scope of benefits covered and 35% cited prices.

When asked what they disliked most, 33% said the limited choice of providers, and 11% cited poor administrative services.

The survey also found that 89% of respondents were satisfied with the medical knowledge and ability of their primary care physician, and 88% were satisfied with the care and personal interest displayed by both HMO doctors and nurses.

BC/BS is not releasing the survey publicly.

Curbing health costs

Nearly 90% of small and mid-sized companies have taken steps to curb health care costs in recent years, but only a third of those characterize their results as "good," according to a recent survey by a publisher of business newsletters and books.

Of the 250 companies with 10 to 250 employees responding to a National Institute of Business Management poll, 43% said they had increased employee deductibles. Another 16% of those polled said they were forced to increase employee-paid premiums.

The survey also found that 16% of respondents had shopped around for alternative health care plans.

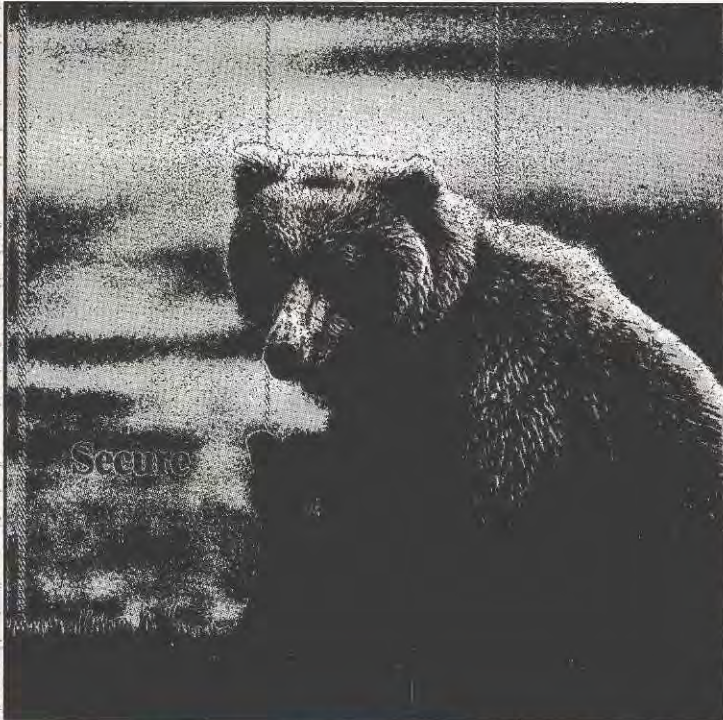
Companies also used other cost-saving methods, including: shifting employees to health maintenance organizations or preferred provider organizations from traditional fee-for-service indemnity plans, 13%; using precertification for hospital admissions and starting a self-insured health care plan, both 9%; and eliminating certain benefits, 4%.

Respondents said they fared poorly in their cost-control efforts.

Forty-eight percent said results were "fair"; 17% said "poor"; and only 35% said their outcome was "good."

When asked what else could be done to control health care costs, 28% favored limiting health care benefits; 27% said the government should pay some health care costs employers now pay; 10% suggested taxing health care benefits; 9% favored limiting hospital and medical fees; and 6% proposed a Canadian-style nationalized health care system.

An executive summary of the survey is available free from the National Institute of Business Management Inc., 1101 King St., Alexandria, Va. 22313; 703-739-3798.



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Hewitt survey

Continued from page 3
spousal coverage.

For example, 30% of post-65 retirees paid \$50 or less toward the monthly health care premium for retiree and spousal coverage compared with 25% of pre-65 retirees.

In contrast, 21% of pre-65 retirees paid more than \$50 a month for retiree and spousal coverage, while only 16% of post-65 retirees paid that much.

And, 11% of employers said they required pre-65 retirees to pay more than \$100 a month for retiree and spousal coverage, compared with only 3% that required more than a \$100 a month contribution from retirees older than 65.

Few companies, regardless of retiring workers' age, require them to pay the full premium for retiree health care coverage.

Hewitt found just 4% of employers required retirees—pre-65 as well as post-65 retirees—to pay the entire premium for single coverage. And, 5% said pre-65 retirees had to pay the full premium for retiree and spousal coverage, while 4% required post-65 retirees to pay the full cost of this coverage.

Besides health care issues, the study also included pension plan information.

For instance, Hewitt found most companies—83%—based defined benefit pension plan benefits on workers' highest average pay over a specified number of years.

Of these employers, 66% said benefits were based on average pay earned over five years, 15% based benefits on a three-year average, while 2% used some other period.

Of employers that used some other method of calculating pension benefits besides highest average pay, 16% said benefits were based on the average pay workers earned during their careers with the companies, while 1% used some other type of formula.

These percentages were unchanged from the 1988 survey.

Similarly, in both surveys, 52% of employers said bonuses were fully included in the definition of pay for purposes of calculating a pension benefit, while 40% said bonuses were excluded and 8% said part of bonuses were included.

Hewitt also found that few companies now provide cost of living adjustments to pension benefits, despite interest among some members of Congress in requiring employers—especially before terminating an overfunded pension plan—to adjust retirees' pension benefits for inflation.

In both the 1989 and 1988 surveys, only 5% of employers reported offering an automatic COLA in their defined benefit plans.

The survey also examined the earliest age at which employers offered unreduced pension benefits to workers with 30 years of service.

Forty percent of companies require 30-year veterans to be 65 to be eligible for an unreduced pension benefit; 32% provided unreduced benefits at age 62; 16% at age 60; 7% at age 55; 2% under age 55; while 3% specified another age. Similar results were reported in 1988.

The overwhelming percentage of employers—96%—said they did not require employees to contribute toward the cost of the defined benefit plan, according to Hewitt.

Three percent required contributions for the basic plan and 1% required contributions only for optional supplements. Similar findings were reported in the 1988 survey.

In addition to their defined benefit pension plans, most employers also offer their salaried employees at least one defined contribution plan.

For example, 66% of respondents said they offered both a defined benefit and a defined contribution plan in 1989, while 17% said they offered a defined benefit plan and two defined contribution plans, and 2% said they offered a defined benefit plan plus

three defined contribution plans.

Just 1% of employers said they did not offer a defined contribution plan. Hewitt did not ask this question in 1988.

One percent of respondents did not offer any type of retirement plan.

Hewitt's 1989 and 1988 surveys also illustrate how 401(k) salary reduction plans—a form of defined contribution plan and the fastest-growing employer-provided benefit of the early and mid-1980s—have become nearly universal.

Last year, for example, 92% of surveyed employers said they offered a 401(k) plan, up from 91% in 1988.

Employers typically give employees several options in which to invest their 401(k) and other savings plans

contributions, the survey found.

For example, last year, 17% of employers said they gave employees two investment vehicles in which to funnel savings plans contributions, while 36% offered three options and 24% provided four options.

In addition, 10% offered five investment options for savings plans contributions and 7% provided more than five options. Just 6% of employers offered only one investment option for employees' contributions. These percentages are similar to the 1988 survey.

The most common investment options employers offered last year for savings plan contributions were: Equity funds, 81%; guaranteed investment contracts, 67%; company stock,

50%; money market funds, 32%; and bond funds, 25%.

Other survey findings include:

• Ninety-one percent of employers last year said they offered a dental plan, unchanged from 1988.

Sixty-one percent of employers' dental plans covered 100% of charges for preventive services, 2% covered 90% of charges, 18% covered 80% of charges and 3% used other percentages.

In addition, 8% said coverage for preventive dental services was set by a schedule, while 5% said coverage depended on which dental plan an employee selected and 3% used other coverage formulas, such as basing benefits on years of service. These findings are similar to those reported

by employers in 1988.

• Twenty-six percent of surveyed employers offered a separate vision care plan last year, up from 25% in 1988.

In addition, 30% of employers last year—up from 24% in 1988—offered flexible spending accounts to allow employees to use pretax contributions to pay for vision care expenses.

Forty-four percent did not offer any type of vision care benefits last year, down from 51% in 1988.

• Copies of "Salaried Employee Benefits Provided by Major U.S. Employers in 1989," are available for \$50 from Cathy Schmidt, Hewitt Associates, 100 Half Day Road, Lincolnshire, Ill. 60009; 708-295-5000.



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Georgia case

Continued from page 2

But, consumer activists were elated with the decision.

"From a consumer point of view, we think this was an excellent decision," said Robert B. Remar, president of the Georgia Consumer Center, a statewide consumer advocacy group, and an attorney with the firm Remar Graettinger in Atlanta.

The one-award provision discriminates against most plaintiffs in product liability cases, and the 75% rule "deprives injured consumers of complete relief if they have been hurt by a defective product," Mr. Remar said.

"There is no evidence that this kind of a restriction limiting punitive damages and requiring that (a portion of the) funds go to the state treasury in any way benefits consumers by reducing the costs of products or of insurance rates," Mr. Remar added.

In a 40-page decision issued April 10, Judge Elliott said the provision of the Georgia tort reform law permitting only one punitive damage award against a defendant in a product liability case for a single act or omission limits punitive damage awards "to the first plaintiff able to win the race to the courthouse and secure an award."

Because "the extent and magnitude of the wrongdoing is seldom if ever determined in an initial instance," there is no guarantee that only one punitive damage award against a product manufacturer would be "sufficient to penalize, punish or deter a wrongdoer," Judge Elliott found.

The judge cited product liability litigation against asbestos and intrauterine device manufacturers as instances in which a defendant's wrongdoing became fully apparent only after courts presided over many suits against the manufacturers.

Limiting punitive damages only in product liability litigation also discriminates between plaintiffs in those cases and "plaintiffs in tort cases other than product liability cases who are not limited to one award of punitive damages," he said.

In addition, the provision giving the state 75% of product liability punitive damage awards "arbitrarily discriminates" between product liability claimants "and punitive damage tort plaintiffs in cases other than product liability actions who may retain 100% of any award of punitive damages," Judge Elliott ruled.

This provision also violates constitutional prohibitions on excessive fines, according to Judge Elliott.

Each of the two tort reform provisions is "so unreasonable and so arbitrary and has such an absolute lack of quid pro quo to seriously injured plaintiffs and such little deterrent effect...that it fails to pass the rational basis test for constitutional validity," Judge Elliott ruled.

The ruling, though, does not mean "a proper statute that places a cap on punitive damage awards could not satisfy constitutional requirements."

But such a statute must "reasonably relate to a deterrence" of offending conduct and cannot "arbitrarily discriminate between tort claimants, favor one class of business defendants over another," or "make the state a non-party judgment creditor so as to gratuitously guarantee it a part of the award," the judge said.

"The court also does not hold that a manufacturer could not in any event assert a due process defense in a multiple substantial punitive damage award situation," the judge noted.

Judge Elliott ruled that "with the challenged subsections of the statute stricken...the remaining portions of the act can stand."

The Georgia act also: prohibits punitive damages when the only injury to the plaintiff is emotional distress; caps punitive damage

awards at \$250,000 except in product liability cases and when a trial court rules the defendant's actions constitute intentional harm; and requires bifurcated trials in cases in which punitive damages are awarded, with the amount of the punitive damage award determined during the second phase of the trial.

To tort reform advocates, Judge Elliott's ruling was disappointing, but "it's not all bad news," said Martin Connor, president of the American Tort Reform Assn.

"The judge makes it clear that the statute could have been constitutional if there had not been this unfortunate distinction between product liability and other cases and if it could have been constructed to ensure that the amount of punitive damages would be reasonably expected to have a deterrent effect," Mr. Connor pointed out.

In addition, while Mr. Connor praises Georgia for attempting to discourage multiple punitive damage awards, he said the law was not a "realistic" solution because it "simply invited a litigant to go to another state" to sue for punitive damages.

Georgia Attorney General Michael J. Bowers said: "I respectfully disagree with the decision. What we are going to do, I am not in the position to say at this point."

The attorney general's office has "been consulting with the defendant's attorneys to discuss where we can go from here," Mr. Bowers said.

One option may be to add the state as a defendant to the GM litigation so it can seek an appeal of Judge Elliott's decision, he said.

Detroit-based GM does not comment on pending litigation, a company attorney said.

Marc Wetherhorn, Georgia director for Citizen Action, a national consumer advocacy organization, said there is "no question" that the decision is "a good thing for consumers."

"In general, one of the things consumers in Georgia have failed to understand about personal injury suits is that one of the effects they have is to make manufacturers correct problems. They wouldn't have as much of an incentive to correct those problems if consumers couldn't sue for punitive damages," he said. ■

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GICs

Continued from page 2

that if an employer's pension plan investment results lag significantly behind those of other plans, "you haven't met your standard of prudence" and could be held personally liable for shortfalls, he said.

Mr. Morrow said three court cases have established fiduciary responsibility for pension plan invest-

GIC

ments:

- In a 1984 case, *Katsaros vs. Cody*, the 2nd U.S. Circuit Court of Appeals in New York ruled that union pension fund trustees violated their fiduciary duty to make prudent investments by approving a \$2 million loan to a bank holding company for its subsidiary bank. Federal regulators later closed the bank and loan repayments to the pension fund stopped.

Trial testimony revealed that trustees had access to ample information that the bank was in danger of failing, Mr. Morrow said.

Although none of the trustees had the proper accounting or banking background to evaluate the investment, they were held liable, Mr. Morrow pointed out. "You can't plead ignorance."

- In 1988, a U.S. District Court in New York ruled in *Whitfield vs. Cohen* that a company president who established an employee stock ownership plan had a duty to monitor the plan's investment manager and withdraw plan assets when it became clear improper investments had been made.

In that case, a company president and majority stockholder established the plan and transferred \$280,000 to an investment manager without investigating the firm or subsequently tracking the investments it made. It was later learned that the firm did not meet standards established by ERISA for an investment manager.

The court awarded the plan damages of \$637,412, which represented the original \$280,000 investment, plus "lost opportunity cost," or money it could have made if its investments had been properly managed.

The total was calculated by using the prime interest rate.

- In *Donovan vs. Bierwirth*, the 2nd Circuit in 1985 ruled that plan investments must be designed to maximize profits. In that case, plan trustees improperly purchased stock of the plan's sponsor corporation to defeat a tender offer.

Mr. Morrow said several lessons should be learned from these cases:

- Use professional investment consultants and managers or trained in-house staff.

Investing should not be left to the employee benefits or human resources staff members if they are unskilled in this area. A competent staff can protect the plan sponsor against fiduciary liabilities, he added.

- Perform "due diligence" in making these investments.

Sponsors "have to continually supervise" the people doing the in-

vesting and "be aware of what's occurring in the plan," he said.

- Monitor the performance of investments. "Is the right decision two years ago still good in 1990?"

- Avoid conflicts of interest.

An example of such a conflict would be making loans to purchase the plan sponsor's own stock when it is fighting a hostile takeover bid.

"All of these things have been held to have potential liability," Mr. Morrow said.

He also recommended that the plan—not the sponsor—pay consulting fees and other plan expenses. If a sponsor hits a budget crunch and stops paying such fees, it could hurt the plan's performance, he explained.

He suggested that a sponsor that has been paying plan expenses should not be concerned about shifting those costs to the plan, be-

cause the plan would ultimately benefit. found that 82% of the respondents believe GIC issuers' credit quality is either an important or critical issue among their clients. Ten per-

If an employer's pension plan investment results lag significantly behind those of other plans, 'you haven't met your standard of prudence' and could be held personally liable for shortfalls, says J. Thomas Morrow of Morley Capital Management Inc.

cent said issuer credit quality is moderately important, and 8% characterized it as unimportant.

Meanwhile, a Morley Capital survey of 50 consultants last March

Among other survey results:

- Sixty percent said they believe credit rating agencies do not do a sufficient job of rating GIC and BIC issuers. Fourteen percent said they do a sufficient job, while the remaining 26% were not sure.

- Fifty-four percent said the U.S. government should mandate more stringent credit research and diversification requirements for investments backed by GICs and BICs, while 32% disagreed and 14% did not respond.

- Half the consultants said the plan sponsor should not be responsible for making up plan losses if a GIC or BIC issuer defaults, while 36% said the plan sponsor is responsible and the remaining 14% did not respond.

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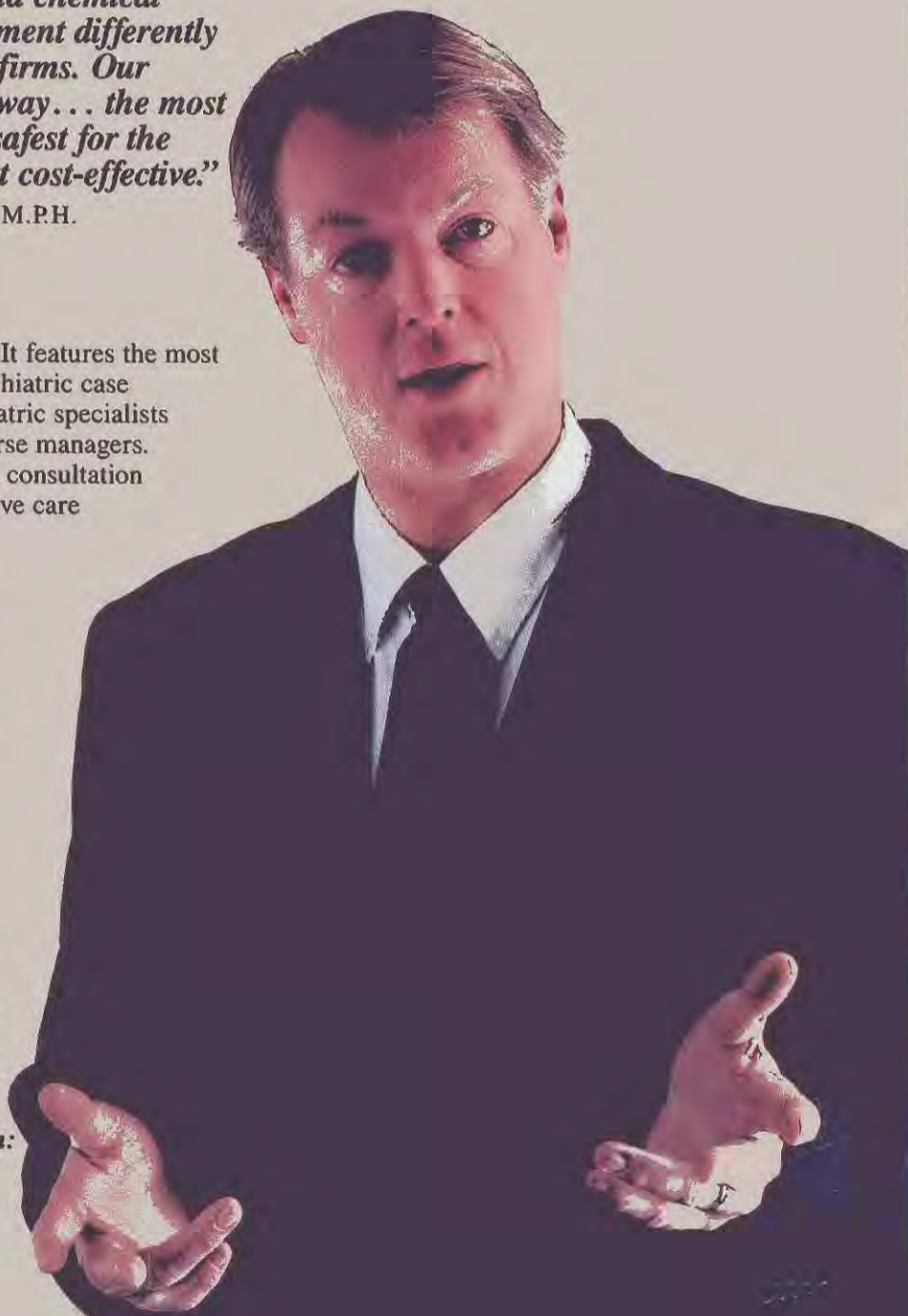
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4th GIC meeting draws 420 people to New Orleans

NEW ORLEANS—About 420 people attended the Institute for International Research's fourth annual conference on guaranteed investment contracts earlier this month.

GICs '90, which was held at New Orleans' Westin Canal Place hotel April 2-4, was attended by plan sponsors, insurers, banks, consultants and GIC managers.

Securities firm buys GICs on its own

By JUDY GREENWALD

NEW ORLEANS—Profit-sharing plan participants "are putting in a dollar. They want to get a dollar back plus interest," says a Goldman, Sachs & Co. official, discussing Goldman, Sachs plan participants' attitude toward their plan's investment strategy.

Richard A. Yacenda, vp-manager in charge of employee benefits at the New York-based securities firm, discussed Goldman, Sachs' guaranteed investment contract portfolio at "GIC '90," a conference sponsored by the Institute for International Research April 2-4 in New Orleans.

Mr. Yacenda noted that unlike some companies its size, Goldman, Sachs—freely drawing upon its in-house financial expertise—purchases GICs itself.

The Goldman, Sachs profit-sharing plan held \$474.6 million in GICs as of January, Mr. Yacenda said.

"We can do a lot of this ourselves because of our unique resources. A lot of plan sponsors cannot," he Yacenda said.

Noting that plan participants are basically interested in earning interest on their plan accounts, Mr. Yacenda said: "They don't care about any of the other issues," such as credit quality of the GIC issuers.

And, when recent articles in business publications raised doubt

'We can do a lot of this ourselves because of our unique resources,' says Mr. Yacenda.

about the quality of GIC investments, Goldman, Sachs profit-sharing plan participants simply asked how the company was managing plan investments, Mr. Yacenda related.

Plan participants want fixed rates, which is why equity funds hold little interest for them, Mr. Yacenda observed. At the minimum, they "want a dollar in, a dollar out," he said.

Only 14.2% of Goldman, Sachs' profit-sharing funds are invested in equities, compared with 79.1% in GIC funds. The remaining 6.7% is invested in three other fixed income funds.

"When we place our money, we are realistic about what the potential risks are," Mr. Yacenda said, explaining Goldman, Sachs' goal of achieving the highest yield consistent with a safe investment of profit-sharing plan funds.

"We will sacrifice rate for safety," he said.

Goldman, Sachs tries to satisfy plan participants' goals through a combination of risk management; portfolio duration, which involves liquidity and cash flow; and implementation, Mr. Yacenda explained.

To manage the risk of having GICs with lower than prevailing interest rates, Goldman, Sachs generally will not purchase a GIC with a term exceeding five years, and is currently looking for GICs with three-year terms on average, Mr. Yacenda said.

But in 1989, when most GIC issuers were writing two- and three-year contracts, Goldman, Sachs was purchasing five-year agreements, because it believed that interest rates would drop. "Most people thought we were crazy," he

said.

Interest rate predictions by Goldman, Sachs experts are a key to when the firm purchases GICs, Mr. Yacenda explained. Within any given period of time, the firm could have \$100 million in maturing proceeds.

Goldman, Sachs does not believe in keeping cash for a long period of time, he said. "But if we saw an opportunity of interest rates being higher in the near term, we won't let bids" on new GICs, he said. "We're not afraid to not place the

money."

The securities firm places its own contracts and manages its own portfolio. Usually, a bid date is set for five to seven days after specifications and proposals are distributed, he said. Insurers then call in rates.

Goldman, Sachs, though, is not reluctant to call back particular insurers and say, "Your rates are low, but we'd like to put money in with you," in an attempt to get a better rate, Mr. Yacenda said.

While insurers have never de-

faulted on any GICs, Goldman, Sachs—because of its fiduciary responsibility—must nevertheless "do everything possible (to ensure) we've invested in prudent companies."

If it turns out Goldman, Sachs has not invested in stable GIC issuers, the exposure and liability "would be substantial," he pointed out.

But, Mr. Yacenda noted that Goldman, Sachs is happy with the companies with which it has placed its GIC contracts.

Goldman, Sachs uses outside agencies to evaluate them, but "we do not use rating services alone," he said.

GICs generally are not purchased from insurers rated lower than AA+ by Standard & Poor's Corp. or Aa1 by Moody's Investors Service. "However, if the circumstances warrant it, we will," Mr. Yacenda said.

Currently, 5.6% of Goldman, Sachs' GIC investments are rated AA- by S&P, while 17.3% are rated Aa2 by Moody's, he said. ■



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Opinions split on GIC managers

By JUDY GREENWALD

NEW ORLEANS—A large, relatively sophisticated employee benefit plan sponsor that invests in guaranteed investment contracts is "extremely unlikely" to benefit from outside management services, asserts Robert Hunkeler, manager-trust investments at CIBA-GEIGY Corp.

But the president of a GIC management firm sharply contradicted Mr. Hunkeler, saying investment managers have better access to the

GIC market and larger full-time investment staffs than even major corporations.

Internal and external management was the subject of an often lively debate at "GICs '90," a conference sponsored by the Institute for International Research in New Orleans April 2-4.

CIBA-GEIGY, a pharmaceutical and chemical company in Ardsley, N.Y., had used a GIC manager for its \$400 million in GIC assets until recently deciding to manage the portfolio on its own, said Mr. Hun-

keler.

Outside managers may be valuable to an "essentially small and unsophisticated" company, he said, but they weren't to CIBA-GEIGY, the U.S. subsidiary of Basel, Switzerland-based CIBA-GEIGY A.G.

Basically every argument for using a manager "we firmly believe is not substantiated in the market and has not been proven," Mr. Hunkeler contended.

Mr. Hunkeler asserted that such managers do not improve analysis

of GIC insurers' creditworthiness or its portfolios and cannot obtain higher returns.

Indeed, his corporation considers doing its own credit research part of its fiduciary responsibility, Mr. Hunkeler said, emphasizing that CIBA-GEIGY was not relieved of its fiduciary responsibility even when it used an outside GIC manager.

In-house and external lawyers examined every contract, he noted.

Even if a plan sponsor uses an outside GIC manager, "it's impor-

tant you understand the extent of our fiduciary liability," Mr. Hunkeler said.

But, "there are degrees of effectiveness in managing GIC funds," said David Perry of Certus Financial Corp. in San Francisco, stressing that "this is participant money."

Mr. Perry added that he can list all the ways a GIC manager does or does not add value to a GIC fund.

Resource commitment must be weighed when deciding whether to use an internal or external GIC manager, Mr. Perry said.

"We have 17 full-time people that do nothing but GIC-related work," he said. Three of them only evaluate GIC insurer solvency, he pointed out.

The idea that an outside counsel can add value beyond what Certus' rating specialists do "is ludicrous," he said.

And, it is "ludicrous and absurd" that a corporation that places contracts three or four times a year and has only one or two part-time staffers to manage "could possibly do it as professionally, effectively, opportunistically, innovatively, as 17 full-time people. Absolutely impossible," he said.

Mr. Perry also noted that he never told any plan sponsor that selecting a GIC manager relieves the sponsor of fiduciary responsibility.

But, he added, if a plan sponsor wants professional investment management, then "it's very clear there is a place" for the GIC manager.

But, Mr. Hunkeler responded: "Our fund is professionally managed. We're doing a professional job."

Mr. Hunkeler also asserted that CIBA-GEIGY's GIC contract review is "intense."

The company places its \$400 million in GIC contracts through a total of about 20 to 30 contracts that are valued at about \$10 million to \$20 million each, he said.

Mr. Hunkeler noted that a professional manager could have 10 clients. "How many contracts is that manager looking at?" he asked.

However, Mr. Perry responded that a GIC manager is the first to learn of new market opportunities.

On the other hand, internal managers must first get approval before they can move ahead, Mr. Perry asserted.

And, he said, if an employer is placing only \$10 million to \$30 million with a GIC insurer, "my guess is that's where (the insurer is) going to make that last call," he said.

If a GIC insurer is managing a large, multibillion-dollar portfolio, it "is difficult to manage that well by picking up the phone and calling people with \$2 million to \$5 million contracts," Mr. Perry said.

No GIC insurer "small or large can be all things to all people," he said.

The speakers also debated the cost-effectiveness of GIC managers.

"You guys all do a great job," Mr. Hunkeler said, referring to GIC managers. But, "it comes under a question of cost," he said.

"Are you getting what you pay for?" he asked. "And that's where we took issue, and we said, 'No.'"

Mr. Perry said he believes a \$400 million fund could be managed for about \$200,000 annually. However, Mr. Hunkeler said he does not consider that expense "cost-effective."

Mr. Hunkeler said the cost of doing the work that a GIC manager would do increases his company's incremental costs by just \$50,000, while the services provided to the plan participants have "never been



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Larger firms have GIC leverage: Advisers

By JUDY GREENWALD

NEW ORLEANS—Large employers should take advantage of their size to obtain favorable guaranteed investment contracts, but it does not pay to be greedy, advises a GIC consultant.

"Don't ask for the moon," advised Murray Becker, president of Teaneck, N.J.-based Becker & Rooney Inc. "Don't take the attitude, 'They will come to me.'"

As a large employer, "there are some things you should ask for," but by asking for other things, "you will shoot yourself in the foot," Mr. Becker said at "GICs 90," a conference sponsored by the Institute for International Research April 2-4.

Mr. Becker suggested large employers—those with at least \$250 million of GIC investments—should have two objectives in purchasing contracts:

- That the interest rate delivered at all times is at least as good as plan participants expect. This means that the interest rates available from GICs can be high when interest rates are low, and low when interest rates are low, but should not be low when prevailing interest rates are high.

- That GIC interest rates, which in today's deregulated environment can deliver some premium over inflation, should perform better than money market instruments. Otherwise, there would be no reason to invest in GICs, Mr. Becker said.

Mr. Becker proposed that large employers follow a four-point GIC strategy:

- Make limited commitments at any one period in time.

- If a contract is available for a shorter period of time, such as three or four years, take that contract rather than a five-year contract. The only time a longer-term contract should be taken is when the contract offers a significant premium or when an existing contract is being extended, Mr. Becker.

- Decide whether fund withdrawals from the plan should be done on a pro rata basis, under which they are drawn proportionately from all contracts in force, or on a "last in, first out" basis, where funds are withdrawn from the most recent contracts.

- Manage a maturity schedule for the contracts to keep pace with prevailing interest rates.

Large employers also must consider how frequently they should seek GIC bids, Mr. Becker said.

A study by his firm concluded that bidding more frequently than quarterly "is straining at a gnat," with little advantage to be gained in terms of interest rates, he said.

A plan sponsor might miss a favorable interest rate by not bidding more often, but it is not "life threatening," he said.

Another advantage of less frequent bidding is that insurers will find it more worthwhile to bid. When an insurer is offered "lots of little deals," none appear very important, he said.

The size of a GIC investment is more important than frequency of bidding, Mr. Becker said.

With smaller deals, the sponsor gives up basis points on every deal because of the fixed costs associated with every contract. A basis point is the smallest measure used in quoting yields. For example, one basis point equals 0.01% of yield.

If an employer has a "decent amount of money" and large issuers are "hot," the employer should deal with them, Mr. Becker said.

But, if small issuers are "hot," a large employer could also break up its GIC investments into smaller contracts.

Mr. Becker also discussed techniques large employers should use in structuring GIC deals.

For instance, "synthetic installments"—under which GIC contracts

mature in three or four pieces over several years—are desirable because they enable the sponsor to keep up with prevailing interest rates, Mr. Becker said.

One way synthetic installments could work is if Insurer A, which offers good short-term deals, writes a two- or three-year contract, while Insurer B, which offers good longer-term deals, writes a four- or five-year contract, he said.

Mr. Becker also discussed using multiple bidding dates when the amount being invested is so great it could drive interest rates down on the funds placed, if the amount were placed in the market on a single day. This way, plan sponsors can avoid accepting contracts with below-market interest rates, he said.

And, when GIC insurers are offering unfavorable rates, it is pref-

erable not to commit funds, Mr. Becker said. "You have to know what the spreads over Treasuries have been in order to judge this," he said.

But, it has been a buyer's market since mid-1989, according to Mr. Becker. There was a "major improvement" in GIC rates over Treasury bill rates in the last half of 1989, he said.

GIC rates also were higher than those on bank investment contracts, he said. This was a case of insurers getting better spreads and sharing them with their customers, Mr. Becker said.

Discussing the current market, Mr. Becker said: "I still view it as somewhat of a buyer's market rather than a seller's."

But, he added, the market is not as good as it was late last fall. While spreads over Treasury bill rates vary depending on the amount of risk in-

involved, a "good working number" would be 60-80 basis points, or 0.6% to 0.8%, Mr. Becker said.

"But capacity is not as widespread," which means large employers must set up multiple bidding dates, and there is less certainty on any given day about plan sponsors' ability to place all of their business, he said.

Large employers, though, can take advantage of their size to set up separate deals, creating better spreads for themselves, he said.

In addition, he said employer have another advantage: Insurers prefer them because they can bring in other non-GIC business.

Mr. Becker also recommended that once a plan sponsor makes a commitment, he stick with it. GIC issuers "will respond with equal integrity."

Mr. Becker also focused on some

articles in business publications that have questioned the credit quality of some GIC issuers.

Most GIC insurers "are in no danger of default," he said.

However, Mr. Becker recommended that sponsors be conservative when analyzing insurers' credit worthiness.

There is an employee benefits side, as well as a financial side to this issue, Mr. Becker said. GICs are "not pure price investments," but integral parts of benefit programs, he said.

Using a particular GIC issuer can make a "helluva lot of sense" from simply the financial perspective, but if that issuer subsequently becomes the subject of negative publicity, it can cause problems on the employee benefit side that company management "would rather not face," Mr. Becker warned. ■



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Educate workers about GICs: Experts

By JUDY GREENWALD

NEW ORLEANS—Employers should do a better job educating employees about how benefit plan funds are invested in guaranteed investment contracts, according to two GIC experts.

Employers should bring the expectations of plan participants in line with reality by developing and communicating an investment policy statement, said James R. Hiner, a principal with William M. Mercer Inc. in Chicago.

A recent spate of articles on GICs that raise questions on how these funds are invested have put GICs in a negative light, Mr. Hiner said at "GICs '90," a conference sponsored by the Institute for International Research April 2-4 in New Orleans.

"It's hitting both the sophisticated

and unsophisticated investor, and perceptions today are being challenged," he said.

Attention is being generated on GICs in part because of the size of the \$150 billion GIC market. Additionally, the savings and loan industry crisis is fueling concerns, Mr. Hiner said.

GIC

"People are starting to take notice. As a matter of fact, they're starting to ask questions," he said.

Questions from plan participants include whether their money is safe, who is "guaranteeing the guarantee," and whether their funds are invested in junk bonds.

And, "many of these questions that are coming out are coming from top management," Mr. Hiner said.

He recommended that plan sponsors

take this opportunity to develop a financial investment statement. Those drafting such statements generally do the best job of communicating with plan participants, he said.

And, once developed, the principles outlined in the statement should be followed, Mr. Hiner said, cautioning that policies are "often underutilized and often ignored" after they are developed.

The fundamentals of an investment policy include objectives, portfolio guidelines and strategy, and standards of measuring results, he said.

Factors that should be taken into account in developing objectives include the safety of principal and accumulated income; the liquidity of benefits for plan participants; and stable, consistent returns.

In developing these objectives, both the financial and the human re-

sources "side of the house" should be consulted, Mr. Hiner advised. "No one side can be dominant. Both sides are critical to the equation," he said.

The next step is developing portfolio guidelines and strategy, encompassing factors such as benefit responsiveness, or the ability to withdraw funds before the end of the contract; credit criteria for selecting a GIC insurer; portfolio diversification; and portfolio duration, he said.

The implementation process involves such factors as portfolio structure, the type of investments and contracts chosen, the frequency of purchases and competitive bidding, he said.

Standards of measurement involve factors such as the credit quality of the total portfolio; portfolio diversification; portfolio duration; benefit re-

sponsiveness and investment performance.

The investment policy must be accurately communicated to plan employees, Mr. Hiner stressed. He warned that any disparity between participants' perceptions of the investment marketplace and reality can damage participants' confidence and plan sponsors' credibility.

However, "if you've done a thorough job in developing policy, communication becomes a natural extension," Mr. Hiner said.

Mr. Hiner emphasized that plan participants need information in order to make effective investment decisions. He asked rhetorically if plan participants can make an informed decision about how much of their funds should be invested in GICs if they do not understand the types of investments in a GIC fund, the fund's credit criteria or the degree of its diversification.

GICs are not riskless, "and that is a perception that has to be changed. On the other hand, (GICs are) not particularly dangerous, either," Mr. Hiner said, adding that plan participants must be educated about this concept of "safe but not riskless."

For instance, it is easy to prepare communications material to educate plan participants that investment safety can be enhanced through diversification.

Some plan sponsors do a great job in this area, Mr. Hiner said, but "the majority do not."

On the issue of investment return, participants must understand how rates of return are calculated, according to Mr. Hiner.

While this type of communication requires some effort, it also helps the participant make an informed choice based on reality, "not just perception," Mr. Hiner stressed.

In line with this idea, Mr. Hiner suggested that plan sponsors consider changing the names of their GIC funds to "bridge the gap" between perception and reality.

He listed several possible names for GIC funds and described the names as "good," "bad" or "ugly."

"Good" names, which synchronize plan participants' perception with reality, include Stable Income Fund and Fixed Income Fund, Mr. Hiner said.

"Bad" names, which leave a discrepancy between perception and reality, include Insured Contract Fund and Secured Income Fund.

"Ugly" names—which may mislead participants—include Guaranteed Investment Fund, Guaranteed Income Fund, Guaranteed Fund, or GIC Fund, he said.

"We suggest the word 'guarantee' be stricken, banished" from all employee communications, Mr. Hiner said. "It is something that definitely needs to be considered and given a high priority," he said.

Larry H. Mylnechuk, a consultant and principal with Minneapolis-based K.H.H. Analytics Inc., agreed with Mr. Hiner that 401(k) plan sponsors "should be providing more information to participants."

The issues that should be addressed by plan sponsors include asset characteristics; the importance of such time horizons as how long it is before participants retire and the need to conserve plan funds as they near retirement; and timing the market to obtain the best interest rate.

Few experts can successfully time the market over the long term, Mr. Mylnechuk said. He added that while he does not know whether participants can do any better, they still need to have information to make investment decisions.

Plan participants also should be educated about the need to diversify their investments, he said.

"Too heavy a concentration anywhere, perhaps even in GICs, can be dangerous," he said.



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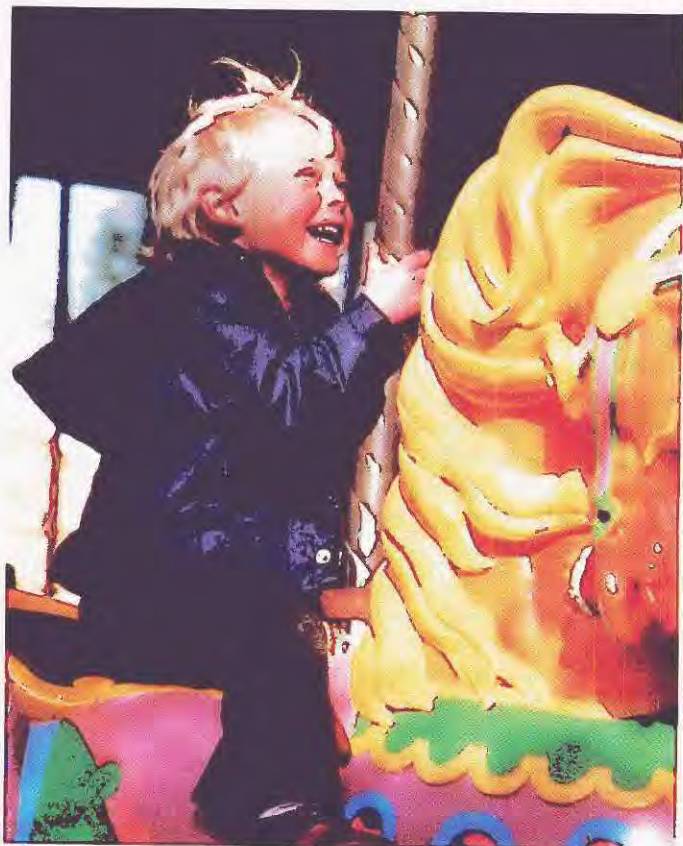


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Benefit proposals

Continued from page 3
until they come up with a plan. Without this approach it will just get worse and worse," Ms. Borzi said last week at a meeting sponsored by the New York Chapter of the Network of Professionals Working in Employee Benefits.

She said the answer to the problem of guaranteeing all Americans affordable health care coverage will not be "Nirvana to the North," referring to a Canadian-style nationalized health care system.

She didn't know what sort of health system changes Congress may approve, "but I know nothing will be happening on retiree health for at least three years," she said.

Ms. Borzi also said it is unlikely that Congress will act on proposals to stop employers from taking excess assets from overfunded defined benefit pension plans.

A bill sponsored by Sen. Nancy Kassebaum, R-Kan., would impose

an 18-month moratorium on pension asset reversions. Under her proposal, S. 2069, employers that terminate pension plans would have to return surplus assets to plan participants or place them in trust. After 18 months employers could remove the surplus from the trust (BI, Feb. 12).

Observers see the proposal as a means of giving legislators more time to decide whether employers should be allowed to continue to collect surplus assets after terminating an overfunded defined benefit plan.

It is also unlikely, Ms. Borzi added, that Congress this year will pass the so-called Visclosky amendment, which would force employers to share control of defined benefit and defined contribution pension plan assets with employees.

The amendment—named after its sponsor, Rep. Peter Visclosky, D-Ind.—was defeated last year when the House voted to strip the proposal from a budget reconciliation bill (BI, Oct. 2, 1989).

However, the bill was reintroduced as H.R. 2664 and is pending before the House Subcommittee on Labor-Management Relations (BI, March 5).

While Ms. Borzi said that it is unlikely that many pending benefit proposals would be passed, she did say that various family and medical leave proposals now pending in Congress would be approved.

Votes on separate Senate and House bills sponsored by Sen. Christopher Dodd, D-Conn., and Reps. William Clay, D-Mo., and Pat Schroeder, D-Colo., could come as early as May, Ms. Borzi said.

The family leave bills call for most employers to provide up to 10 weeks of unpaid leave of absence for employees after the birth or adoption of a child or to care for sick children or parents. The medical leave proposals would make most seriously ill employees eligible for up to 15 weeks of paid leave (BI, April 2; Feb. 13). ■

Robinson dies; was co-founder of Trenwick

MINNEAPOLIS—Angus Robinson, considered an innovator in alternative risk financing and a founder of Trenwick Group Inc. in Bermuda, died last week of cancer.

Mr. Robinson, 43, had been president and chief executive officer of Chartwell Reinsurance Co. of Minneapolis—formerly NWNL Reinsurance Co.—for less than two years.

"We are deeply saddened at the loss of Angus Robinson in both personal and professional respects. We intend to follow the course that Angus set for Chartwell," said Floyd R. Radach, the acting chief executive officer for Chartwell, a subsidiary of Northwestern National Life Insurance Co.

"He was one of the brightest, most dedicated people in the business. Failure was never possible with him," said Brian O'Hara, president of X.L. Insurance Co. in Bermuda and a longtime partner of Mr. Robinson.

Along with two other executives, Mr. Robinson and Mr. O'Hara left General Reinsurance Co. to form Trenwick Group Inc. in 1978. Before early-1980s setbacks the company attributed to widespread rate-cutting and Bermuda's declining reputation as a domicile, Trenwick was considered an innovator for its so-called rent-a-captives and other programs.

Mr. Robinson left what had been renamed Trenwick American Reinsurance Co. of Stamford, Conn., in August 1988. Three months later Mr. Robinson was named president and CEO of NWNL Re.

"I thought if anyone could turn that ship around, it would be Angus," said Mr. O'Hara.

A memorial service will be held soon in Connecticut. Memorials can be donated to the American Cancer Society. ■

Leaseway names Frazier to new post

George C. Frazier, 47, has been promoted to vp-risk management of Leaseway Transportation Corp. in Cleveland. In this newly created position, he is responsible for all insurance and risk management programs at Leaseway, which provides transportation and physical distribution services to manufacturers. He reports to Charles Carden, vp and chief financial officer. Before his promotion, Mr. Frazier was director of insurance and risk management department. Before joining Leaseway, Mr. Frazier was manager of corporate risk and insurance at Pennwalt Corp. in Philadelphia. Before that, he was manager of domestic insurance at Johnson & Johnson in New Brunswick, N.J. Mr. Frazier holds a bachelor of business administration degree and a master of business administration degree from Temple University in Philadelphia. He also holds the Associate in Risk Management and Certified Safety Professional designations. He was on the national conference committee for the Risk & Insurance Management Society in 1986-1987.

Sue Horsfall has been promoted to risk management officer of First Michigan Bank Corp. in Holland, Mich. In this position, she is responsible for property/casualty insurance, claims administration and loss control, safety and security programs for First Michigan and its affiliated banks. She reports to Merle Prins, senior vp-mergers and acquisitions. Ms. Horsfall has been with the FMB organization since 1974 when she joined an affiliated bank, FMB-Lumberman's Bank in Muskegon, Mich. She has been with the parent organization since 1985, and was named risk management coordinator in 1987. In 1988, she was promoted to risk management/insurance coordinator. Ms. Horsfall is treasurer of the Western Michigan Chapter of the Risk & Insurance Management Society.

Alvin S. Johnson, 47, named vp-human resources at Columbia-FreeState Health System in Baltimore. He is responsible for recruiting, management development, compensation and employee benefits programs, as well as organizational development management. Mr. Johnson reports to David Taylor, president. Before joining Columbia FreeState Health System, which is a health maintenance organization subsidiary of Blue Cross/Blue Shield of Maryland, Mr. Johnson was director of human resources administration at Blue Cross/Blue Shield of Maryland in Baltimore. Before that, he was the director of human resources planning at Bristol Meyers Squibb Co. in New York. He holds a bachelor's degree in psychology from North Carolina Central University in Durham, N.C., and a master of business administration degree from Fordham University in New York City.

Donna Stanis named risk manager of Conair Corp. in Stamford, Conn. She is responsible for insurance portfolio management, risk analysis, safety and claims management as well as employee benefit programs. Ms. Stanis reports to John Errett, vp-strategic services. Before joining Conair—a maker of personal and hair care appliances, cosmetics and accessories—she was risk manager at Air Express International in Darien, Conn. She holds a bachelor's degree in ac-

counting from Fairfield University in Fairfield, Conn. Ms. Stanis, a Certified Public Accountant, is currently working toward obtaining the Chartered Property & Casualty Underwriter designation.

We'd like to report on staff changes in your company's risk management, safety and employee benefits departments. Just drop a note to Nancy Johnson, Copy Editor, Business Insurance, 740 N. Rush St., Chicago, Ill. 60611-2590, or call 312-649-7784. Please send a photograph, too.

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Stevens to head Schinnerer Group

James R. Stevens has been named to succeed **J. Sprigg Duvall** as president and chief executive officer of The Schinnerer Group Inc., the largest U.S. insurance wholesaler.

Mr. Stevens had been president of Victor O. Schinnerer & Co. Inc., the group's U.S. underwriting manager subsidiary. Other underwriting manager units are ENCON Insurance Managers of Ottawa and Schinnerer & Co. Inc. in London.

Mr. Stevens will remain president of Victor O. Schinnerer & Co. and Mr. Duvall will be vice chairman of the holding company.

Schinnerer, a Marsh & McLennan Cos. Inc. subsidiary in Chevy Chase, Md., has ranked No. 1 in the *Business Insurance* survey of underwriting managers and managing general agents since 1986.

Other excess/surplus lines changes:

William P. Sabados promoted to vp of Investors Insurance Holding Corp. of Laurence Harbor, N.J. Its two subsidiaries—Investors Insurance Co. of America and Chesapeake Casualty Co.—operate in 41 states as admitted specialty companies or surplus lines insurers.

Mark Smith named president of Major Surplus Inc. of New York, a wholesale brokerage subsidiary of

Willis Faber Holdings Inc.

Bruce Bowers and **Mark Steinkamp** elected vps of Hull & Co., a Fort Lauderdale, Fla.-based wholesaler.

May S. Bell named vp at

Repath Associates Inc., a wholesaler in Nashville, Tenn.



Ms. Bell

Agent/Broker

Johnson & Higgins announced these changes: **Michael P. Davan** named vp in the New York account management department; **Eric R. Vorenkamp** named manager of the Hartford, Conn., office; and **James B. Hatch Jr.** and **Richard F. Nourie** named senior vps in Philadelphia.

Alexander & Alexander Inc. announced these changes: **Laurent M. Lassus** named executive vp of A&A of New York Inc.; **David N. Arel** appointed managing director of A&A's national energy division in New York; **John B. Foley** named deputy director of the national marketing group in New York; **Tommy W. Martin** named managing vp of the San Antonio and Austin offices; **Leilani Kicklighter** named vp and director of risk management services for the national health care division in St. Louis; **Nickolas Dutchak** named deputy managing vp New York; **Tom M. Ascherman** appointed national director of loss control division in Houston.

Leslie C. Dewald joins Aviation Insurance Holdings Inc. of Los Angeles as president. She had been senior vp with Rollins Burdick Hunter.

Steven C. Terry promoted to president and chief operating officer from executive vp of Henderson & Phillips Insurance of Norfolk, Va.

Daniel B. Frainer named vp at Cal-Central Insurance and Management Services Inc. in Fresno, Calif.

R. Peter Urquhart elected chairman and chief executive officer of Tongue, Brooks & Co. Inc. of Baltimore. He replaced **Frank C. Brooks**, who will remain a consultant to the firm.

Irwin B. Sklar, president of Robert F. Driver Co. of San Diego,

Comings & goings: industry

has been given the additional title of chief executive officer.

Cecil W. Powell & Co. of Jacksonville, Fla., announced these changes: **Lon Bryan** elected president; **Stanley L. Storey** appointed executive vp; **John Cowart** elected vp-employee benefits; and **Russell Tull** and **Robert Hazard** elected vps of the surety department.

Rollins Burdick Hunter Co. of Chicago announced these changes: **David M. Glantz** named senior vp of Rollins Burdick Hunter of Illinois Inc.; **Fred Feldman** named president and chief executive officer of Rollins Burdick Hunter International Inc.; **Lee A. Brodsky**,

a Rollins Financial Services Co. senior vp, named executive vp and chief operating officer of the company's Scarborough & Co. unit in Chicago; **Philip J. Baker** named president of Rollins Burdick Hunter of Nebraska Inc.

Claude Gallelo named executive vp of Corroon & Black International, a division of New York-based Corroon & Black Corp.

Sedgwick James Inc. announced these changes: **Richard M. Duvall** and **Steven M. Visner** named executive vps in the risk management services division; **Gregory L. Daniels** named vp in that division; **John A. Mancuso** named executive vp in Short Hills, N.J.; **Alan**

Josefsek appointed executive vp of the information systems division; **Clarence J. Christie** named senior vp and treasurer of Sedgwick James Inc. in New York.

Reinsurance

US International Reinsurance Co. of New York announced these changes: **Renny W. Hodgskin** named vp and director of claims services; **Arthur M. Wilson** promoted to senior vp and controller from vp; and **Mark G. Davidowitz** promoted to vp and assistant controller.

Barbara A. Best named vp of Am-Re Managers Inc., a subsidiary of American Re-Insurance Co. of Princeton, N.J.

Lawrence C. Magnant Jr. joins Herbert Clough Inc. of Stamford,

Conn., as vp in the brokerage area.

General Reinsurance Co. of Stamford, Conn., announced these promotions to vp: **George F. Boser** in Hartford, Conn.; **Bernhard W. Nelson Jr.** in Stamford; and **Ralph C. Belt** in Chicago. Also, at the company's Genesis Underwriting Management Co. subsidiary, **Peter J. Greene** named regional vp in San Francisco; **Frederick C. Ackermann** appointed second vp in Stamford.

Reliance Reinsurance Co., a New York-based unit of Reliance Groups Holdings Inc., announced these changes: **Donald T. Bashline** named vp-actuarial; **John H. Ritz** promoted from vp to senior vp; **Joseph C. Capezza**, who had been chief financial officer at Wilcox Inc., a New York intermediary,

Continued on next page

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Continued from previous page
named senior vp-finance; and
John D. Countryman named vp-
underwriting and administration.

James R. Miller, senior vp and
director at Kemper Reinsurance
Co. in Long Grove, Ill., named head
of the treaty underwriting depart-
ment.

Oriana L. Bakka promoted to
executive vp from vp at Aon Reinsur-
ance Portfolio Management, a
division of Aon Risk Services Inc.
in Chicago.

Carol K. Correia promoted to
vp-underwriting at Transamerica
Reinsurance Co. of Stamford,
Conn.

Edward R. Santos named execu-
tive vp-treaty division at Arthur
J. Gallagher Intermediaries Inc. in
New York, a unit of Arthur J. Gal-
lagher & Co.

Insurers

Associated Aviation Un-
derwriters of Short Hills, N.J., an-

nounced these changes: **Gary
Knudsen** appointed vp and De-
troit branch manager; **Lawrence
J. Colton** appointed vp and San
Francisco branch manager, suc-
ceeding **James McClanahan**, who
is retiring.

Kim B. Rich named senior vp
and assistant division manager for
EBI Indemnity Co., a workers com-
pensation subsidiary of Orion Cap-
ital Corp.

Leslie T. White named vp-un-
derwriting at Firemen's Insurance
Co. of Washington, D.C., a W.R.
Berkeley Corp. subsidiary.

R. Dee Pearsall promoted to
vp-rehabilitation services at Fre-
mont Compensation Insurance Co.,
a workers comp insurer and Fre-
mont General Corp. subsidiary in
Los Angeles.

Patrick A. Leeper named resi-
dent vp in Honolulu for Industrial
Indemnity Co., a Crum and Forster
subsidiary in San Francisco.

Continental Insurance Co. of
New York announced these

changes: **Darrell Stone** named se-
nior vp and chief claims officer
for Continental's agency and bro-
kerage group; **Richard A. Lino**
and **George H. Ramsdell Jr.**
named corporate vps; and **Joseph
A. Lindsay** named vp of the com-
pany's surety and fidelity subsidi-
ary, Continental Guaranty &
Credit Corp. in Cranbury, N.J.

John A. Dodsworth named
president and chief executive offi-
cer of Cal Accountants Mutual In-
surance Co. in Redwood City,
Calif.

Ronald E. Wohlust elected se-
nior vp-claims department of
United States Fidelity & Guaranty
Co. in Baltimore.

Kay W. Suchomel named senior
vp of Associated International In-
surance Co. in Los Angeles.

Beth Brannock named vp of
major account operations at Blue
Cross of California Inc. in Wood-
land Hills, Calif.

James C. Zelko elected vp-
claims for Wausau Insurance Com-

panies. He had been senior vp-
claims for Beaver Insurance Co.,
which Wausau recently sold to Pa-
cific Compensation Capital Corp.

David M. Hupp appointed presi-
dent and chief executive officer of
UNAT S.A., an AIG underwriting
subsidiary in continental Europe.

Elvia Armendariz-Frostic and
Thomas Gahlon promoted to se-
nior vp from vp at Celtic Life In-
surance Co. of Chicago.

Bradley Brandon-Cross named
president and chief operating offi-
cer of Wesco Insurance Co. in Wil-
mington, Del.

Dr. Norma Davis named medi-
cal director with Provident Mutual
Life Insurance Co. of Philadelphia.

Todd Silverman named west-
ern regional vp with Midwest In-
demnity Corp. of Skokie, Ill.,
where he had been a senior un-
derwriter.

Other suppliers

Randall K. Hindman named se-

nior vp at Risk and Insurance Ser-
vices Corp., a Sarasota, Fla., com-
pany which administers the
workers compensation fund for
the Florida Chamber of Com-
merce.

William E. McCool named vp-
Midwest regional manager and
Wayne H. Steele named vp-
southeast regional manager for
Lindsey & Newson Claim Services
Inc. of Tyler, Texas.

Thomas O. Parker Jr. named
managing director of Claims Ser-
vice Corp. of Birmingham, Ala., a
unit of Claims Service Corp. of
America of Richmond, Va. **Ste-
phen C. Mauldin** was also named
senior adjuster in Birmingham.

Kwasha Lipton, the Fort Lee,
N.J.-based employee benefit con-
sulting firm, announced these
changes: **Alan R. Glickstein**
named partner in the actuarial di-
vision; **Robert P. Pollak** named
partner in the defined contribution
operation; and **William J. Danish**
named principal with the group
benefits division.

Fred L. Pool promoted to the
newly created position of senior
vp-operations and chief operating
officer with Associated Claims
Management Inc. of Walnut Creek,
Calif.

Cheryl Alexander named man-
ager-client services for The Mills
Group, a consulting firm based in
Washington, D.C.

Bruce C. Mitchell joined Wil-
liam M. Mercer Inc. as senior con-
sultant in Baltimore.

R. Paul Schrader named con-
sulting actuary and manager of the
Denver office for Buck Consultants
Inc. of New York.

Richard B. Piccinini named
director of Thomas Howell (Inter-
national) Kiewit B.V., a loss ad-
justing firm based in Rotterdam,
The Netherlands. Mr. Piccinini had
been president of International
Surplus Adjusting Services, a Los
Angeles company he founded in
1979.

William R. Talcott appointed
vp to head the managed care ser-
vices unit at Gallagher Bassett, a
third-party administrator based in
Rolling Meadows, Ill. ■

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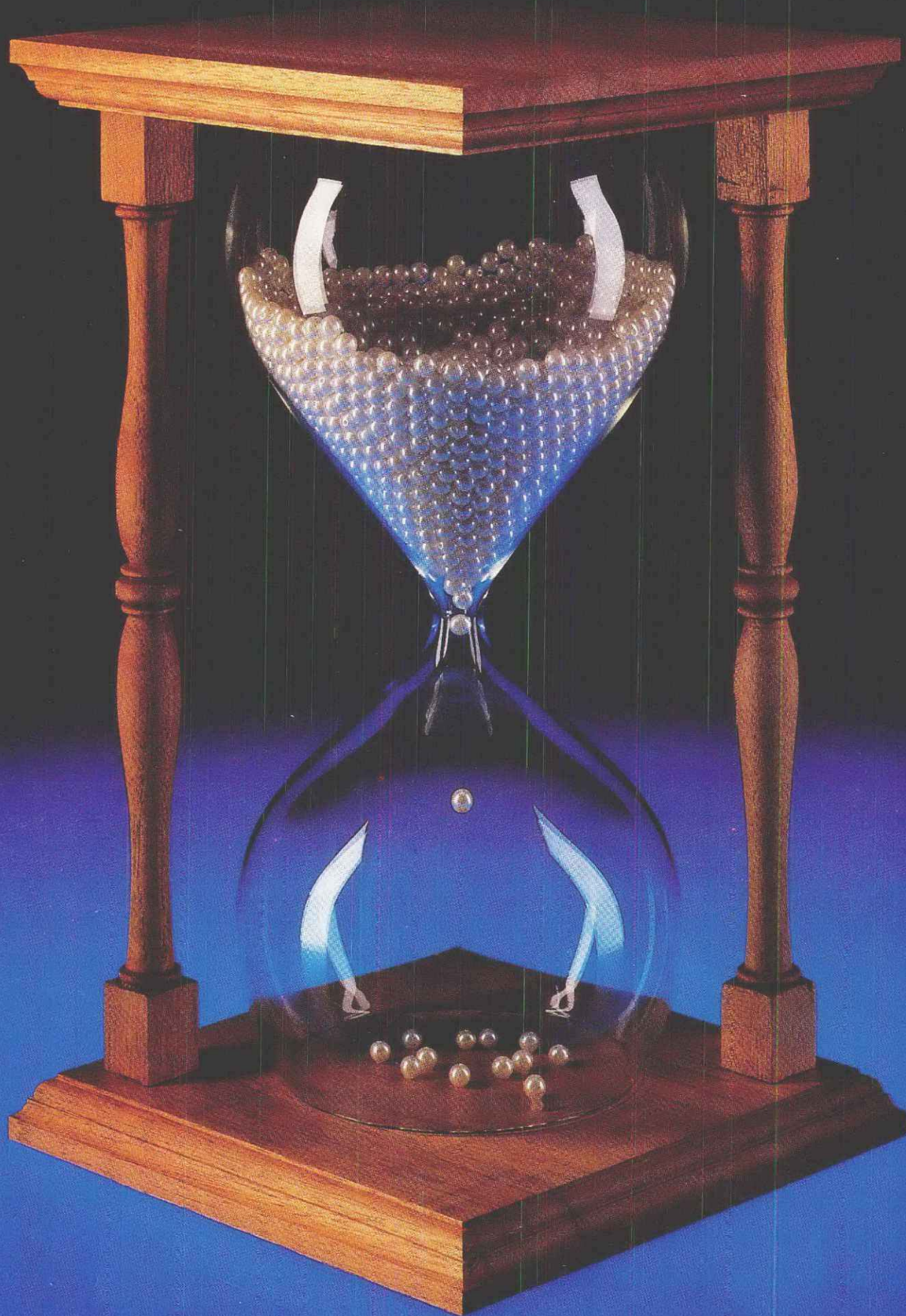
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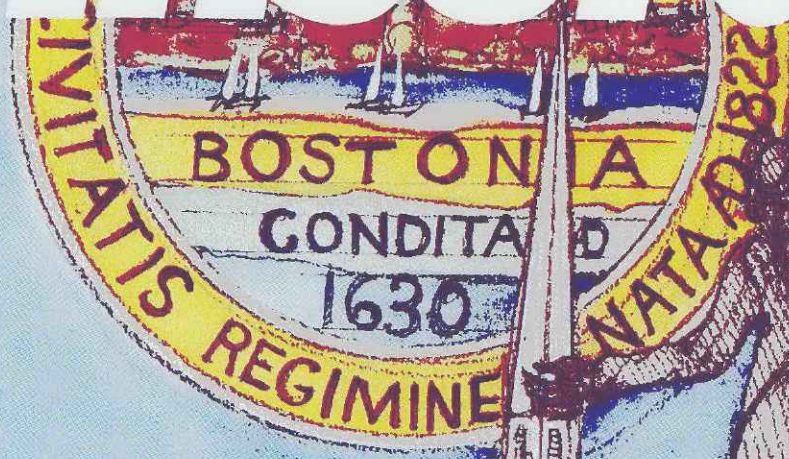
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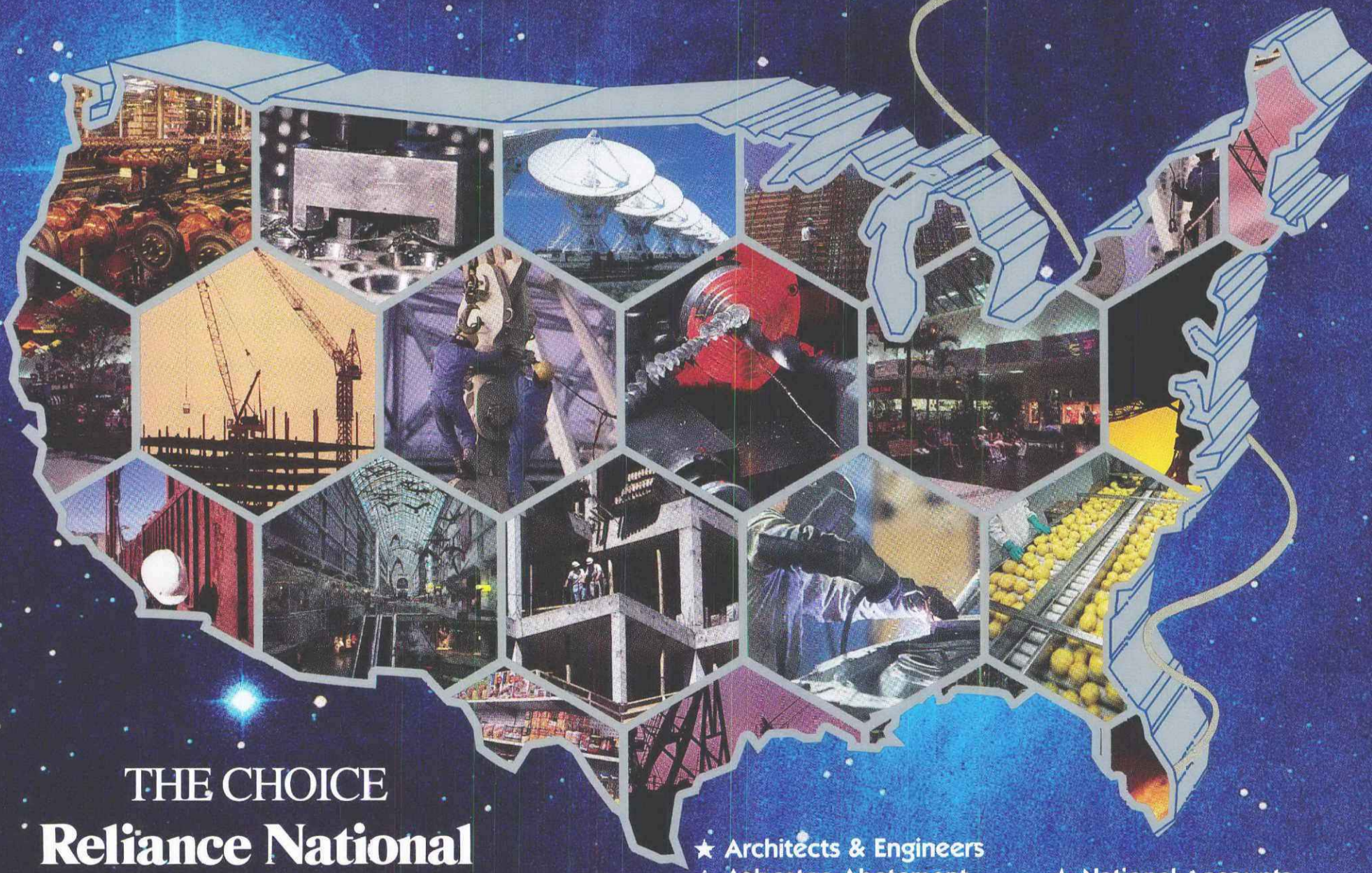
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RIMS adopts 'scholarly' approach

By JOANNE WOJCIK

BOSTON—Risk and benefit managers coming to Boston for the 28th annual Risk & Insurance Management Society conference will be following the path laid by generations of scholars drawn to America's education capital.

More than 4,500 risk and benefit managers will learn more about their professions at the April 29-May 4 conference in the shadows of Harvard University, the Massachusetts Institute of Technology and other prestigious schools.

RIMS projects that attendance at the Boston conference will exceed the 3,805 registrants at last year's meeting in Atlanta, according to

Conference set amid top universities

Barbara Parker, assistant conference director for RIMS in New York.

Changes in the conference program also reflect the educational aim of "Boston Bound 1990," the title of this year's conference, Ms. Parker said. "Sessions are numbered like a college catalog with the degree of difficulty reflected in the title."

Courses in the 100 Series are for those with little experience on a given topic; 200 Series sessions are considered intermediate; and 300 Series courses are intended for ad-

vanced risk and benefit managers.

The number of seminars was trimmed to 90 this year from about 105 in 1989.

Seminars are divided into seven subject areas: employee benefits, financial, insurance, legal/legislative, loss control, risk management and workers compensation.

A special session open to anyone registered for the conference will focus on joint ventures in the Soviet Union and Eastern European countries (*BI*, Feb. 26). The special session will begin at 10 a.m. Wednesday, May 2, in the Westin

Hotel Copley Place.

As in past years, this year's conference will include more than 35 industry sessions for risk managers who want to discuss issues pertaining to specific industries. And the conference will again feature small group sessions for individuals with a common interest.

Sessions will be held in the John B. Hynes Veterans Memorial Convention Center, Sheraton Boston Hotel, Westin Hotel Copley Place Boston and Marriott Hotel Copley Place.

The RIMS Exhibit Hall in the

convention center will feature products and services from more than 250 companies and organizations (see story and map, pages 20 and 21).

The full-week registration fee for this year's RIMS conference is \$695 for RIMS members and \$795 for non-members. Partial week registration—Monday through Wednesday or Wednesday through Friday—is \$575 for RIMS members and \$675 for non-members. One-day registration will cost \$195 for members and non-members.

For more information or to register, contact the RIMS Conference Department at 205 E. 42nd St., New York, N.Y. 10017; 212-286-9292.

Boston takes RIMS visitors back to days of American Revolution

By JOANNE WOJCIK

BOSTON—The city's diverse skyline stands like a monument to its past and present.

It's a haphazard blend of old church steeples and gleaming, mirrored office towers. Each has its own story, from the Old South Meeting House where Ben Franklin was baptized, to the geometric John Fitzgerald Kennedy Library, dedicated to the memory of the 35th president.

Pull open a heavy wooden door, step into historic Faneuil Hall and you understand instantly how Boston came to be called the cradle of democracy.

Indeed, the city won't permit visitors to leave without reliving at least some aspect of its colorful history.

Take the Boston Tea Party Ship and Museum, for example, where complimentary tea is served, but only after visitors are urged to dump a crate or two overboard.

"There are few places where a little chunk of history, an entire event, becomes more tangible than at the Boston Tea Party Museum," the brochures boast.

Equally captivating is the U.S.S. Constitution, called "Old Ironsides," for the combat-proven strength of its wooden hull.

A good place to start a tour of Boston is from the top of the tallest building in New England: the John Hancock Tower.

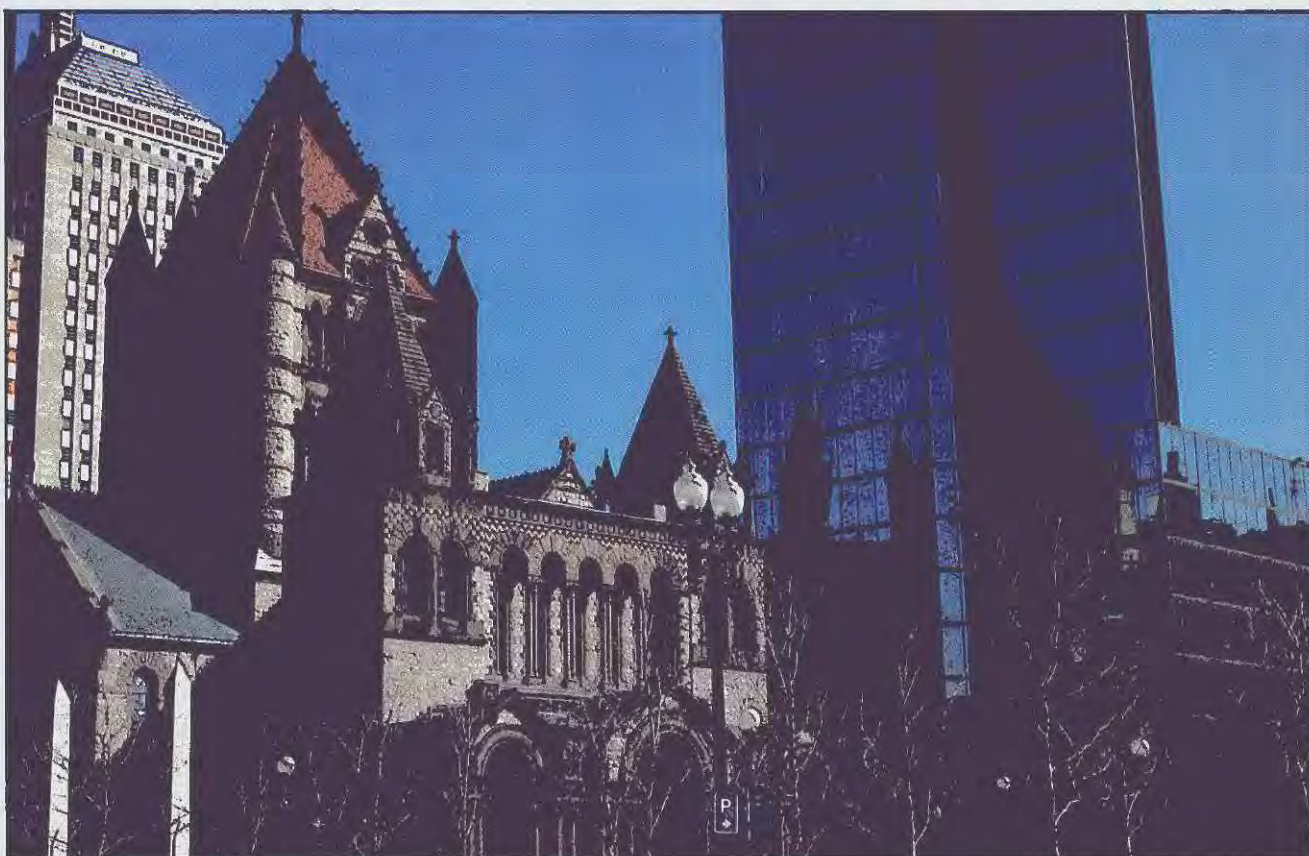
The richly carved exterior of Trinity Church is reflected in the mirrored glass walls of this 1975 addition to Copley Square. The observatory atop the 60-story structure is open from 9 a.m. until 11 p.m. Monday through Saturday and on Sundays from noon to 11 p.m.

An audiovisual presentation in the auditorium that uses a lighted model to trace the changing landscape of Boston since its colonial origins is worth seeing.

If the weather is good and you are sporting a pair of comfortable walking shoes, you may want to hike the Freedom Trail, a red-painted or brick path winding through downtown Boston between 16 of America's most significant historic sites.

Pick up a trail map at the Boston Common information kiosk or the National Park Service Visitor Center at 15 State St.

Along the route, you'll see:



Boston's famous Trinity Church on Copley Square is reflected in the mirrored walls of the John Hancock Tower.

- The Boston Common, bounded by Boylston, Charles, Beacon, Park and Tremont streets, which was once used for public executions.

- The golden-domed Massachusetts State House and Archives at Beacon and Park streets, built in 1795, with two later additions.

- Park Street Church, 1 Park St. at Tremont Street, nicknamed "brimstone corner" because brimstone used to make gunpowder during the War of 1812 was stored in its basement.

- The Old Granary Burying Ground at 83-115 Tremont St., a 17th-century cemetery where Paul Revere, Samuel Adams and John Hancock are buried.

- King's Chapel at 58 Tremont St., Boston's first Anglican church, established in 1686.

- The site of the first public school, erected in 1645 at School Street and Old City Hall.

- The Old Corner Bookstore on Washington Street at School Street, a literary salon for Henry Wadsworth Longfellow, Thomas Emerson, Nathaniel Hawthorne, Harriet Beecher Stowe and other great American writers.

- The Old South Meeting House at 310 Washington St., one of Boston's three remaining 18th-century Anglican churches. Being larger than Faneuil Hall, this church served as a public

meeting hall.

- The Old State House at 206 Washington St., which was built in 1713. Called the "Temple of Liberty," it was where all governing in Massachusetts was done until 1798, when the new State House was erected. A subway station now occupies the basement.

- The site of the 1770 Boston Massacre at 206 Washington St., where former slave Crispus Attucks and four others were killed by British soldiers.

- Faneuil Hall on Dock Square, where from 1760 through 1775 patriots James Otis and Samuel Adams nurtured the American revolutionary spirit. Besides the Old State House, Faneuil Hall, built in 1742, is the only colonial period public building still standing.

- Paul Revere's House at 19 North Square, the oldest dwelling in Boston, dating back to 1676.

- The Old North Church at 193 Salem St. where sexton Robert Newman signaled to Paul Revere on the night of April 8, 1775: "One if by land, two if by sea; And I on the opposite shore will be; Ready to ride and spread the alarm; Through every Middlesex village and farm."

- Copp's Hill Burial Ground at Hull and Snowhill streets, a 17th-century graveyard where most of Boston's founding

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Cover illustration by Mark McMahon



Boston Guide

Boston sites

Continued from previous page
fathers are buried.

- The Bunker Hill monument on Breed's Hill in Charlestown. The June 17, 1775, battle was the first major encounter of the Revolutionary War. This is where Col. William Prescott coined the phrase: "Don't fire till you see the whites of their eyes."

- The U.S.S. Constitution in the Charlestown Navy Yard, dubbed "Old Ironsides" when cannonballs reportedly bounced off its oak sides. Launched in 1797, it is the nation's oldest commissioned warship.

Not tired yet? Then take in the sights and aromas of the famed open-air Haymarket at Blackstone between North and Hanover streets, where pushcart vendors gather on the edge of Boston's Italian North End.

While in the neighborhood, you may want to stop for cappuccino in the oldest residential section of Boston. Built by settlers in the 17th and 18th centuries, the North End became a port of entry for immigrants and has been solidly Italian since the late 19th century.

As your arches ache from the day's journey into America's past, you'll soon discover you've barely scratched the surface of Boston's architecture.

Across the Charles River in Cambridge, for example, lies Harvard University, America's oldest and most prestigious institution of higher learning. Some of the nation's most beautiful academic buildings surround Harvard Yard, and the white tablet-like tombstones of the old Cambridge cemeteries evoke an eerie feeling of foreboding.

On the Cambridge end of Harvard Bridge stands the Massachusetts Institute of Technology. Opened in 1865 as a school for "practical science," MIT has been on this 128-acre site along the Charles River since 1916.

A visit to Boston would not be complete without strolling through the elegant Beacon Hill district, home of the Boston-style buildings designed by Charles Bulfinch, the city's first home-grown architect.

A walk along the cobblestone and brick-paved streets will transport you back to the days of gas lamps and horse-drawn carriages. Don't resist the temptation to stop in the area's many quaint shops.

More shopping can be found on the nearby Newbury and Boylston streets, where Brooks Brothers and

other New York stalwarts are tucked among art galleries and chic boutiques.

Faneuil Hall Marketplace houses even more shopping in the historic Quincy Market buildings.

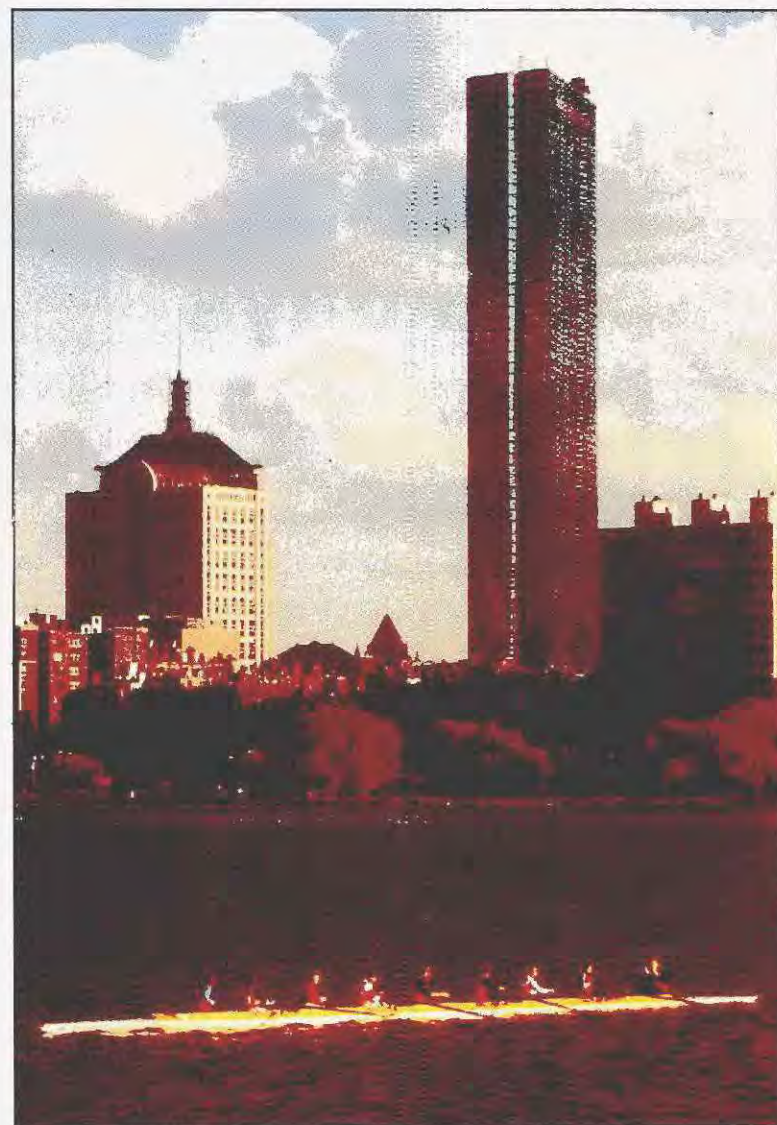
Copley Place, the Back Bay's glitzy new mall connecting the Marriott and Westin hotels, offers two levels of shopping. The lower level is for those with fatter pocketbooks.

And the Downtown Crossing shopping district features Filene's, with its famous bargain basement. There well-dressed women fight over designer dresses while shoppers try on garments in the aisles.

Finally, if the spirit is still willing, but the feet not able, you can relax on a harbor cruise or a narrated trolley ride through town. ■



This bookstore was a literary center during the 19th century.



A group enjoys a pleasant day rowing on the Charles River, which divides Boston and Cambridge and flows into Boston Harbor.



The elegant Beacon Hill district features Boston-style buildings designed by architect Charles Bulfinch.

Photos courtesy Greater Boston Convention & Visitors Bureau



Joanne Wojcik

The Salem Witch Museum and other sites in Salem, Mass., dispell many myths about the witch trials of the 1690s.

Salem casts a spell with bewitching past

SALEM, Mass.—A short drive north from Boston lies Salem, a city with a rich and varied past.

Although it is best known for the witchcraft hysteria that gripped the town in the 1690s, Salem also is notable for its historic shipping industry and some of New England's oldest architecture.

Legend has it that witches were burned at the stake in this seaside town. However, this and other myths surrounding the witch trials are dispelled at the Salem Witch Museum on Washington Square, where wax figures seemingly come alive during an audiovisual presentation recounting the events that gave Salem its notoriety. Most witches, one learns, were hanged.

The Salem Witch Museum is housed in an imposing stone building that, ironically, was once a church.

Other local structures and exhibits related to the witch trials include: the Witch House at 210½ Essex St., which was the home of Jonathan Corwin, who conducted many of the early witch trials; and the Witch Dungeon, where the trials are dramatized daily.

Salem also has a proud maritime tradition.

The Peabody Museum of Salem at 161 Essex St. is America's oldest continuously operating museum, dating to 1799. It houses artifacts gathered on 18th and 19th century voyages to Asia and the Pacific islands.

Another attraction in Salem is the Essex Institute, which features seven period houses restored to illustrate everyday life in the 18th and 19th centuries.

Among the restored homes is The House of the Seven Gables, New England's only remaining 17th century mansion. The house, built in 1668, was immortalized in the Nathaniel Hawthorne novel of the same name.

Located at 54 Turner St., the house now stands adjacent to Hawthorne's birthplace. Originally situated on nearby Union Street, the late 18th century Hawthorne house was moved to its current location in 1958.

Other houses on the Essex Institute grounds include:

- The Retire Becket House, circa 1655, which for five generations was the house of Salem's best-known families of shipbuilders.

- The 1682 Hooper-Hathaway House, which was moved to this location in 1911. The house is closed while undergoing renovation.

- The Courting House, built as a sea captain's or merchant's office in 1840, which is open to the public with a taped description during all but the winter months.

—By Joanne Wojcik



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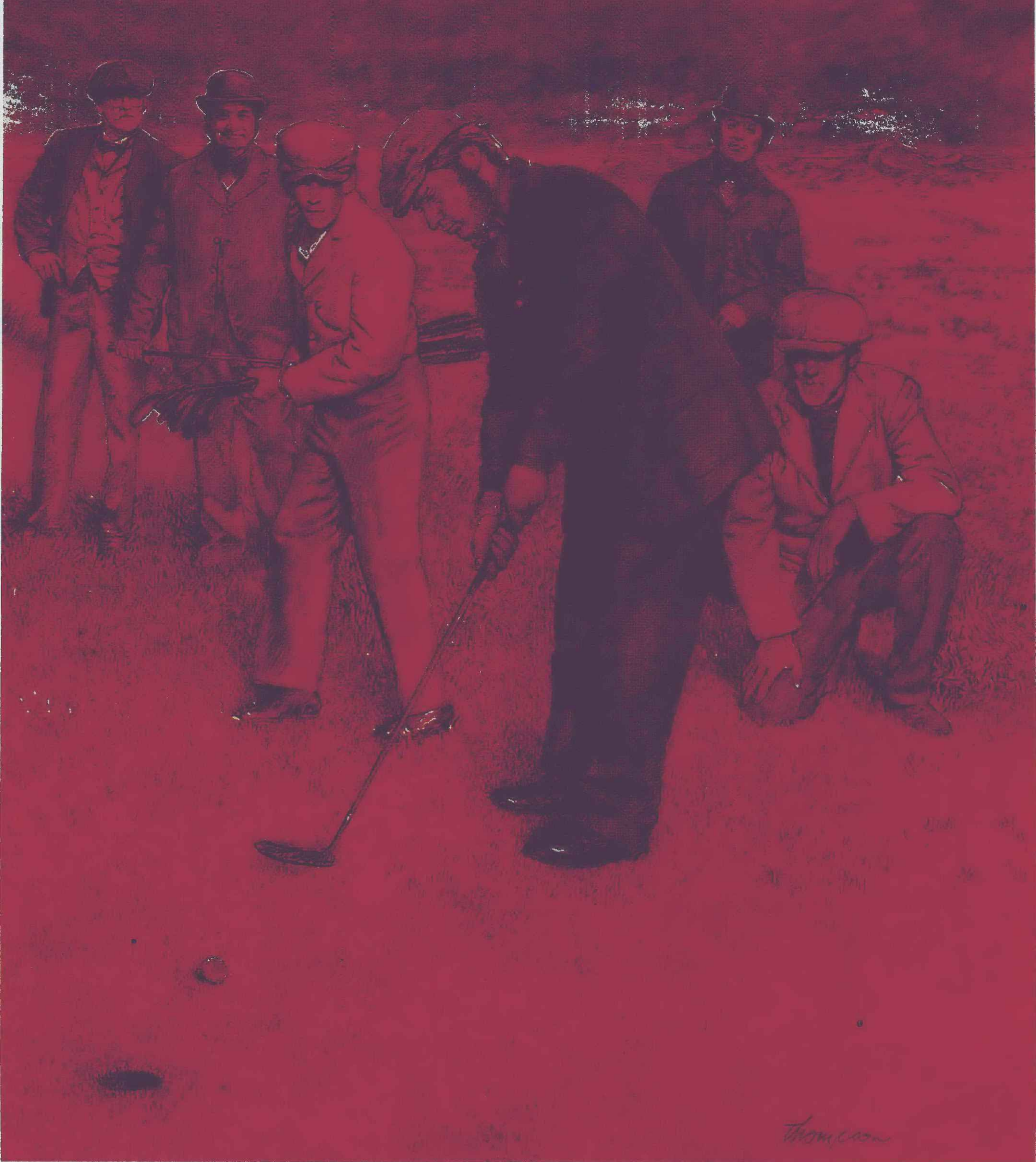


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Albacore to zabaglione: Area eateries serve it all

Boston cuisine sheds 'Beantown' image

By JOANNE
WOJCIK

When one thinks of dining out in Boston, one type of cuisine comes to mind: seafood.

And one of the most-recommended restaurants is Legal Seafoods, whose slogan is "If it isn't Legal, it isn't fresh." Indeed, many natives as well as frequent visitors to Boston say there is no equal.

The shellfish—especially the scallops—are always tender, the scrod is skillfully prepared and the wine list is an eclectic collection of European and American labels.

But, there's one drawback: There's often an hour-and-a-half wait for a table.

Those who do not have time to tarry can choose a number of other fine seafood grills, including the Westin Copley Place's Turner Fisheries, whose New England clam chowder has been entered into the Chowder Hall of Fame.

Turner's, which has a slightly more formal atmosphere than Legal Seafoods, takes reservations. But unless you make them at least a day in advance, you could well end up being seated at 10:30 p.m.

Boston, a bustling Eastern Seaboard melting pot, also cooks up a smorgasbord of fine ethnic offerings, the most prevalent of which is Northern Italian.

Perhaps you remember the old Prince spaghetti commercial in which young knicker-clad Anthony runs eagerly home for dinner in the North End because "Wednesday is spaghetti day"?

Well, Anthony might be in for a surprise if he bounded into a Boston eatery expecting a helping of his traditional mid-week meal. It's not exactly like that. In fact, many restaurants here feature "nuova cucina," the Italian version of nouvelle cuisine.

Rather than finding a hearty plateful of thin spaghetti drenched with thick, red meat sauce, patrons at Michela in Kendall Square are more likely to encounter mouth-watering designer "pizze" topped with sea scallops and Boston scrod over a thin glaze of delicately spiced tomato sauce.

Fishy pizza toppings may appear to be a Boston touch, considering its proximity to the Atlantic, but seafood has long been the staple of many Northern Italian dishes.

The city also has its share of elegant hotel dining rooms, steak houses and quaint American bistros.

There are even a few Southwestern restaurants—such as the Cactus Club on Boylston Street and Zuma in Faneuil Hall—that feature food from Mexico and the American Southwest.

Since the Risk & Insurance Management Society conference rolls over into early May, participants may be able to take advantage of Boston's mild springtime weather and eat at the casual streetside cafes like the funky Harvard Book Store Cafe, which is, in fact, a bookstore.

Dining amid the classics can make you feel as if you also are ingesting a little food for thought. And the nouvelle cuisine, featuring pasta and seafood dishes, is as creative as the literary backdrop.

Interestingly, conservative risk management is practiced here: Patrons are not permitted to take books to their tables without first buying them.

For conference-goers who arrive in Boston early, a good casual brunch spot in the Beacon Hill area is Rebecca's, which features flaky, buttery croissants accompanied by fresh berry preserves and unsalted butter, as well as a full menu of delicately spiced, creative pasta and seafood.

Trendy risk and benefit managers may opt for the Cambridge Brewery Co. in Kendall Square, where house-brewed stout, lager and golden ale accompany sandwiches or pasta at lunch.

Despite its location near the Massachusetts Institute of Technology, this casual pub is not overrun by students, perhaps because the state's legal drinking age is 21.

Two words of caution for those venturing out for food: dress code. Boston is a dress-up town, and many of its finer establishments, like the dining room in the downtown Ritz Carlton, won't let you forget it. Don't expect to be served at the Ritz—even for breakfast—in less than a suit and tie.

Following is a list of restaurants organized by cuisine:
American

AUJOURD'HUI

Four Seasons Hotel, 200 Boylston St.
338-4400.

Formal dress. Average dinner for two with wine and gratuity \$60. Reservations suggested, especially on weekends. Elegant dining, floor-to-ceiling windows overlooking the Public Gardens. Specialties: Homemade pasta with scallops and mussels; braised beef short ribs in pinot noir sauce; stir-fried beef salad; smoked cheddar with aromatic vegetables; confit of duck with snap beans and endive salad. Hours: 7 a.m. to 11 p.m. Monday through Friday; until midnight Saturday; until 10:30 p.m. Sunday. Major credit cards.

BENNETT STREET CAFE

Charles Hotel, 1 Bennett St. at Eliot Street, Cambridge.
864-1200.

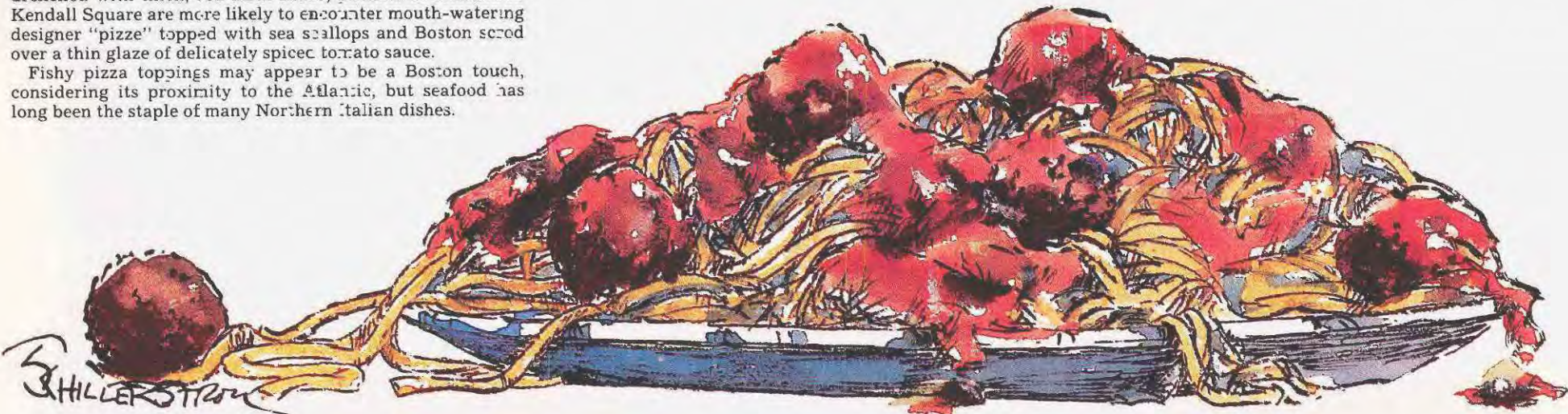
Casual dress. Average dinner for two with wine and gratuity: \$50. Reservations required for parties of seven or more. Pleasant, plush, and popular with murals, mirrors and an atrium. Specialties: Sautéed salmon; rack of lamb with minted barley; sesame chicken; mixed seafood grill; pasta of the day. Hours: 6:30 to 10 p.m. Sunday through Thursday; until 11 p.m. Friday through Saturday. Major credit cards.

CLADDAGH

335 Columbus Ave., near Copley Square.
262-9874.

Dress casual, but stylish. Average dinner for two with wine and gratuity: \$30. Reservations suggested. Cheery family atmosphere featuring live Irish music on Fridays and Saturdays. Specialties: Irish and American favorites like broiled seafood casserole; fish and chips; burgers; corned beef and cabbage; "hefty" sandwiches; chowder. Hours: 11:30 a.m. to 11:30 p.m. daily. Major credit cards.

Continued on page T34



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Boston Guide

Boston museums cater to a variety of interests

BOSTON—One of the nation's premier art museums is now, for all the wrong reasons, among its best known.

For more than 80 years, the Isabella Stewart Gardner Museum housed the stellar collection assembled by its namesake, a turn-of-the-century socialite whose will ordered that the collection could never be expanded or changed.

However, on March 18, two thieves forced their way into the four-story mansion at 280 Fenway Parkway and made off with 12 works, including masterpieces by Degas and Rem-

brandt (*BI*, March 26). The stolen art was valued conservatively at \$200 million, making the heist the largest art theft in history.

Ironically, the Gardner collection's strongest suit is Renaissance artworks, which were left untouched by the thieves.

Often overshadowing the Gardner is Boston's Museum of Fine Arts on Huntington Avenue, the nation's largest privately owned museum. One of this museum's strengths is its collection of Impressionist art.

The Institute of Contemporary Art at 955 Boylston St. showcases the

work of local, national and international artists.

Established galleries are concentrated on posh Newbury Street. But recently Boston has experienced a surge in alternate-space galleries—similar to those found in New York's SoHo district—on Congress Street and in the Fort Point Channel Area.

Science and technology buffs will be interested in visiting the Computer Museum on Museum Wharf in downtown Boston, where interactive exhibits range from a voice-activated personal computer to a tinker-toy powered mainframe.

Museum Wharf also features a Children's Museum and the Boston Tea Party Ship & Museum.

For amateur astronomers, daily shows at the Charles Hayden Planetarium in Science Park focus on seasonal changes in the Boston sky.

More than 400 exhibits on astronomy, natural history, the physical sciences and man and medicine can be found at The Museum of Science, also at Science Park.

The John F. Kennedy Library and Museum at Columbia Point will captivate those who were charmed by the Camelot days of the 35th president's administration.

History is the theme of numerous other area museums, including the Bunker Hill Museum, the Semitic Museum, the Museum of Afro-American History and the Museum of Our National Heritage.

Other historical museums include the Museum of the Ancient and Honorable Artillery Company of Massachusetts at Faneuil Hall, the Museum of the Concord Antiquarian Society in Concord, the Old State House Museum and the U.S.S. Constitution Museum.

Across the Charles River, in Cambridge, the campuses of Harvard University and the Massachusetts Institute of Technology are home to more museums.

The Harvard University Museum at 24 Oxford St. actually houses four museums:

- The Botanical Museum featuring the world-famous Ware collection of glass flowers. Created by two German artists in Dresden between 1877 and 1936, the models are used primarily as a tool for teaching botany.

- The Mineralogical and Geological Museum, with hundreds of exhibits of minerals, gemstones, meteorites and materials of geological interest.

- The Museum of Comparative Zoology, with exhibits of dinosaur skeletons, birds, reptiles, fish, mammals and insects.

- The Peabody Museum of Archaeology and Ethnology, which houses pre-Columbian, American Indian and Central American artifacts.

In addition, Harvard can boast two art museums: The Fogg Art Museum and the Arthur M. Sackler Museum.

The Fogg, at 32 Quincy St. in Cambridge, contain European and American masterpieces from the Middle Ages through the present. The Sackler, at 485 Broadway in Cambridge, includes permanent collections of ancient Oriental and Islamic art.

Also in Cambridge, the MIT Museum, at 265 Massachusetts Ave., features changing exhibits of art, photography and memorabilia.

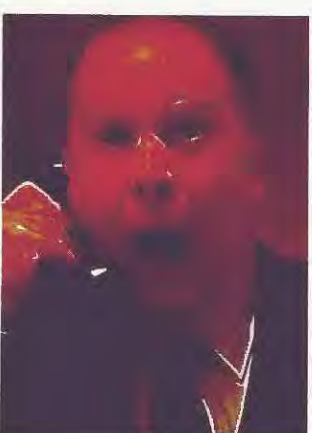
In addition, the MIT Museum's Hart Nautical Galleries, 55 Massachusetts Ave., focuses on naval architecture, marine engineering, ship building and yacht design.

—By Joanne Wojcik



Joanne Wojcik

The Computer Museum features examples of vintage automation.



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Boston Guide

Getting around Boston



- 1** Back Bay Hilton
2 Boston Marriott Cambridge
3 Marriott Copley Place
4 Boston Park Plaza & Towers
5 The Bostonian Hotel at Faneuil Hall
6 The Colonnade Hotel
7 The Copley Plaza
8 Copley Square Hotel
9 The 57 Park Plaza Hotel
10 Guest Quarters Suite Hotel
11 Holiday Inn Government Center
12 Howard Johnson Fenway
13 Howard Johnson Cambridge
14 Howard Johnson Kenmore
15 Hyatt Regency Cambridge
16 Lafayette Hotel Boston
17 The Lenox Hotel
18 The Midtown Hotel
19 Omni Parker House
20 Tremont House
21 The Ritz Carlton Boston
22 Royal Sonesta Hotel Cambridge
23 Sheraton Boston Hotel & Towers
24 Westin Hotel Copley Place
25 Le Meridien Hotel
26 John Hancock Center
- Boston was founded in 1630 by English settlers on a 783-acre parcel. The native Indians called this area *Shawmut*. The city is encircled by a string of public parks called the "Emerald Necklace," which were designed by Frederick Law Olmstead. These include Boston Commons, originally a pasture, which became America's first public park.
- B/I/JOHN HEILAND



Making the most of Boston's nightlife

By PAUL ROBICHEAU

BOSTON—Boston doesn't rank with New York or Los Angeles when it comes to a night on the town, but the city's cultural roots and comfortable size make it New England's hub for night life.

Along with neighboring Cambridge, Boston is an academic mecca, with several major colleges providing a steady stream of diversion-minded students looking for rock, jazz, folk and blues clubs.

Boston also boasts a theater district that's a first stop for Broadway-bound plays, as well as the world-famous Boston Symphony Orchestra and the Boston Pops.

Unlike larger cities like New York, Los Angeles and Chicago, Boston also allows for a manageable romp around town by taxicab (the subway closes between 12:30 and 1 a.m.). However, there lies a sore point: Public transportation isn't the only thing that stops early. Most clubs close at 2 a.m.

Here's a glimpse of some of Boston's nighttime activities:

Rock 'n' roll

Rock is big in Boston, which has produced more than its share of national acts, from 'Til Tuesday and the Del Fuegos to newer acts like the Pixies and Throwing Muses.

The nicest room that regularly presents rock—as well as jazz, blues and world music—is Nightstage (823 Main St., Cambridge, 497-8200), a tasteful tables-and-chairs venue that features both national and local acts.

A similar club, with an accent on national rock bookings, is the mostly standing-room Paradise (967 Commonwealth Ave., 254-2052). Also booking national artists as well as strong local bills is Channel (25 Necco St., in the waterfront warehouse district).

But if you really want to get down and dirty with the local rock scene, you can check out the infamous Rathskellar (528 Commonwealth Ave, 247-8309). It's dark and dingy, but it's also a rock institution that has hosted The Police, Talking Heads and The Cars.

On a similar local rock wavelength is T.T., the Bear's Place (10 Brookline St., Cambridge, 492-0082), a cozy, friendly room that gets oppressive when it's packed.

Big rock concerts are staged at the Orpheum Theater (Hamilton Place, 482-0650), which features the Red Hot Chili Peppers on May 1-2 and Irish singer Sinéad O'Connor on May 3-4. The striking Berklee Performance Center (100 Massachusetts Ave., 266-7455) will present Toronto's Cowboy Junkies on May 4.

Jazz

Boston also has a small but vibrant jazz scene—fueled by young talent from the city's music colleges—that ranges from piano bars to hard-core jazz clubs.

For a relaxing cover-free lounge with solid entertainment, you need go no further than the casual Terrace Bar at the Marriott Hotel Copley Place (110 Huntington Ave., 236-5800), which presents evening piano music as well as jazz quartets led by noted saxophonists Bob Gay or Igor Butman on weekends.

Diamond Jim's Piano Bar (64 Exeter St., 536-2200) offers a slightly more formal experience at the rear of the Lenox Hotel, with vocalists occasionally joining the pianist.

The most famous and formal jazz spot in town is the Plaza Bar at the Copley Plaza Hotel (138 James St., 267-6495), which presents pianist-singer Buddy Greco from April 24 to May 5.

Heading out on Storrow Drive, at

the towering Guest Quarters Suite Hotel, is Sculler's (400 Soldier's Field Road, 783-0090), a comfortable room that also brings in headline jazz acts.

Another place to catch famous jazzmen is the Regattabar (Charles Hotel, Harvard Square, Cambridge, 661-5000), another lounge-style room with multi-night stands by acclaimed groups.

To check out the Berklee College-grown jazz and fusion scene, you can try Ryles (212 Hampshire St., Cambridge, 491-3418), which books different groups upstairs and downstairs each night and offers a informal atmosphere that has prompted Pat Metheny to sit in.

Jazz fans who like to dance to a

swing orchestra can do so Thursday through Saturday at the Roxy (279 Tremont St., 227-7699) and on Saturdays at the Last Hurrah (Tremont and School Streets, 227-8600).

Blues, etc.

Boston is not Chicago when it comes to the blues, but it does have its share of watering holes dedicated to that genre.

Leading the pack is the roadhouse-like Harper's Ferry (158 Brighton Ave., 254-9743) and the rustic restaurant-styled Tam (1648 Beacon St., Brookline, 277-0982).

Also serving food as well as top acts is amiable Johnny D's Uptown (17 Holland St., Davis Square, So-

merville, 776-2004), which books world beat acts as well.

Cityside (742-7390) is also a stylish spot to tap into blues in the bustling bar-and-shopping scene of Fanueil Hall.

Besides the Channel and Johnny D's, the place to go for world beat music—and reggae in particular—is the Western Front (343 Western Ave., Cambridge, 492-7772).

Folk

The clear choice for big-name folk talent is Passim (47 Palmer St., Cambridge, 492-7679), a Harvard Square coffeehouse that has served as a launching pad for Shawn Colvin and Suzanne Vega.

Around the corner from Passim, at First Parish Church, is the Nameless Coffeehouse (Zero Church St., Cambridge, 864-1630), a free showcase for new talent.

Dance clubs

Zanzibar (1 Boylston Place, 451-1955) is downtown's trendiest disco, across from Boston Common in an alley off Boylston Street. A two-level room with music at a comfortable volume, it sports a tropical decor of fake palm trees and bird cages.

Also colorful, with a more streamlined decor, is the nearby Hub Club (533 Washington St., 451-6999), with three floors and a diverse mix of

Continued on next page

Alternative vs. Traditional



Specialists in Alternative Risk Financing • •



BI Boston Guide

Continued from previous page house, hip-hop and international dance music.

Across town, in the shadow of Fenway Park's left field wall, is Citi (15 Landsdowne St., 262-2424), a large and popular multilevel room that mixes various dance music styles. Next door at Axis (13 Landsdowne, 262-2437), the format is industrial new dance music.

The roomy Roxy (279 Tremont St., 227-7699) is a former ballroom that now alternates big-band swing music with contemporary Top 40.

Finally, NYC Jukebox (275 Tremont St., 542-1123) hops onto the oldies bandwagon with dance music of the '50s and '60s.

Irish pubs

For authentic Irish pub atmosphere, head to Faneuil Hall to either The Black Rose (160 State St.,

742-2286) or The Purple Shamrock (1 Union St., 227-2060).

Comedy

At the front of the pack downtown is Nick's Comedy Stop (100 Warrenton St., 482-0930), a former haunt for Jay Leno and Steve Allen.

Nearby, but more upscale, is Duck Soup Comedy Nightclub (246 Tremont St., 695-9922).

In Harvard Square, you can also relax with top-name talent at Catch A Rising Star (30 JFK St., Cambridge, 661-9887).

Classical music

The two leading halls for classical music are cavernous Symphony Hall (301 Massachusetts Ave., 266-1492) and smaller Jordan Hall (30 Gainesboro St., 536-2412). Both feature touring classical ensembles as well as local artists, as does the

Sanders Theater in Harvard's Memorial Hall (Kirkland and Quincy Streets, Cambridge, 495-2420), which presents the Beaux Arts Trio on April 30 in an all-Beethoven program. Arrive at 7 p.m. for stage seats.

Theater

There's always something brewing in Boston's downtown theater district. Among the current big shows are "Les Miserables" at the Shubert Theater (265 Tremont St., 426-4520), the zany "Nunsense" at the Charles Playhouse (74 Warrenton St., 426-6912) and the new comedy "B-Movie: The Play" at the Wilbur Theater (246 Tremont, 423-4008).

In Cambridge, the American Repertory Theater presents "Road to Nirvana," a black comedy with strong language and nudity, at the Hasty Pudding Theater (12 Holyoke St., 547-8300). ■

Quaint Cambridge has rich history

By PAUL ROBICHEAU

CAMBRIDGE, Mass.—Harvard Square has long held a reputation as a quaint place, an image perpetuated by its colonial architecture, cozy shops and colorful foot traffic.

The square, which predates the Revolutionary War, created a different type of revolution in the '60s, when folk singers like Joan Baez and Bob Dylan debuted at the Club 47. Since those days, street performers have been a favorite attraction around the square.

Harvard Square may not be quite so quaint today, with its growing pedestrian traffic and more modern storefronts, not to mention a few punk-styled skateboarders in place of the hippies. But, in other ways, little has changed. Specialty shops still are tucked on side streets. Brick sidewalks remain underfoot. The Brattle Theater still shows vintage films, and street musicians still play in the evening.

At the heart of Harvard Square, on a brick triangle next to the Harvard subway station, is the Out of Town News and Ticket Agency, a kiosk built in 1921 and now a National Historic Landmark. The Out of Town carries 3,000 newspapers and magazines from around the world.

Following the flow of street traffic west out of Harvard Square is a decorated brick and wrought-iron entrance to Harvard Yard, known as Johnston Gate, that leads to a mall of grass and tall trees ringed by Harvard dormitories and administration buildings. The "Yard" moniker comes from the fact that this spot originally was a cow yard.

Across the Yard, conspicuous for its gray granite, is University Hall, built in 1813 by Charles Bulfinch, who also designed Boston's Faneuil Hall.

In front of University Hall is a bronze statue of John Harvard, the benefactor of the college whose name it adopted. Also of interest to the rear of University Hall is Harvard's imposing Widener Library, with its steep staircase and classical columned facade. Its 3 million books make it the largest private collection in the nation and the third-largest overall.

Speaking of books, the library isn't the only place to find them in Harvard Square. There are two dozen bookstores around the square, specializing in everything from rare and foreign books to science fiction. Some of the most popular are found near the beginning of Brattle Street.

Located on Brattle between two bookstores is the recently renovated Brattle Theater, the oldest theater in the square, which screens classic films and regularly hosts Tuesday evening authors' readings.

For fans of colonial houses, a trip outbound from Harvard Square on Brattle—with lovely Radcliffe Yard off to the right—eventually leads into Tory Row, a stretch named for one-time residents loyal to King George. Among the homes of interest are the Longfellow House at 105 Brattle St., home of the famous poet and now open to the public.

Back near the square and off Brattle Street is Church Street, which leads to two modern folk music landmarks. The first, at 47 Palmer St., is Passim, a homespun coffeehouse that has maintained the tradition of Club 47 and has hosted rising folk singers like Suzanne Vega and Nanci Griffith. And at the Massachusetts Avenue end of Church Street is the Nameless Coffeehouse, located in the First Parish Church. A free-admission showcase for local talent, it once served as a stage to a budding Tracy Chapman.

Near First Parish Church is the Old Burying Ground, a cemetery that contains the remains of patriots, Tories and past Harvard presidents. On the far side of the graveyard is Christ Church, built in 1759 and a National Historic Landmark.

Across the street from Christ Church is the Cambridge Common, where troops under the command of George Washington once made battle plans.

The winged keel. With the addition of wings to either side of its keel, Australia II had the winning edge over traditional 12 meter yacht designs. With its alternative

design, Australia II defeated Liberty to break the New York Yacht Club's long string of victories, which first began in 1851.

Traditional



Alternative



The America's Cup competition had always produced a U.S. victory. However, in 1983 Australia II shocked the world with the introduction of the winged keel, a new alternative to the traditional keel design. The winged keel not only produced a victory for Australia II, it revolutionized yachting.



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City offers alternatives to driving nightmares

By JOANNE WOJCIK

BOSTON—To drive or not to drive?

There's no question in Boston: Don't get behind the wheel unless you have to.

Among the hazards that often faze drivers unfamiliar with this historic city:

- Narrow, one-way streets that never seem to go in the right direction.
- Traffic circles, called "rotaries" locally, that challenge a driver's sense of direction.
- Bumpy, hilly cobblestone streets that are difficult to navigate.
- Steep—and we mean steep—downtown parking rates.
- Heavy traffic—the bane of major cities that predate the horse-carriage.

But getting around Boston without a car can be quite manageable. Even a first-time visitor to Boston will have little trouble deciphering maps for the "T"—Boston's subway system—which is "the oldest in America."

Cabs are always available, and many restaurants and shops are within easy walking distance of downtown hotels.

Tour trolleys offer on-and-off privileges for those who want to linger at the historic sites along Boston's famous Freedom Trail, such as the Old South Meeting House and Faneuil Hall.

Following is detailed information to help visitors get around Boston.

The 'T'

The Massachusetts Bay Transportation Authority—best known as the "T"—operates an extensive subway and bus system throughout the metropolitan area.

According to the MBTA, nearly \$2.5 billion has been invested in recent years to update and expand service, making the nation's oldest subway system one of its cleanest and most modern. Some of the new stations have won national design awards.

Using the "T" is convenient for visitors: All major tourist attractions are within a short walk of a subway station or bus line (see map).

The MBTA operates seven days a week from approximately 5 a.m. until 12:30 a.m.

Boston subway stations are clearly marked by large, round signs containing a black "T" on a

white background. Each station also is denoted as either "inbound" or "outbound" referring to trains headed either toward or away from downtown.

Fares vary depending on the type of service used. For example, local buses can cost from 50 cents to \$1.50, depending on the distance traveled. Express bus fares can hit \$1.90.

Subway fares are 75 cents, while subway-bus combination passes cost \$1.25 to \$1.50.

Short-term visitors can purchase three- or seven-day "Passports" that offer unlimited travel on all subway lines, local buses and on some commuter trains.

Adult three-day passes cost \$8, while seven-day passes are \$16. They are available at post offices throughout the city; at the Downtown Crossing, Harvard Square, Government Center and North Station subway stations; and at many banks and retail outlets. Call 617-722-5218 for information.

Taxis

Taxis are ubiquitous in Boston. They can be hailed from hotel cab stands, at numerous museums and other tourist attractions or along



Boston sightseeing can be accomplished by foot, taxi, bus or trolley. Here, a bus load of tourists visits Trinity Church and Copley Square.

most thoroughfares.

Stepping into a taxi will cost a minimum of \$1.50 with no additional charge for up to four passengers.

The rate is \$1.80 for each mile, with the meter clicking in 20-cent increments.

Two major taxi services are Checker and Yellow Cab, both of which can be reached at 617-536-7000.

On foot

Spring and fall offer the best weather for visitors who want to "hoc it" around Beantown.

Boston's orderly Freedom Trail walking tour takes pedestrians past 16 historical sites in the course of two or three hours, depending on walking speed.

The red brick or painted line connecting sites on the trail serves as a guide.

Detailed Freedom Trail guidebooks are sold at local bookstores and maps are available at Tourist Information Center booths throughout the city. For information, call the Boston Visitor Info/line: 617-267-6446.

Trolleys

Boston Trolley Tours buses make stops at all major hotels, the Boston Common, the U.S.S. Constitution and at the intersection of State Street and Atlantic Avenue.

For a single \$12 adult fare, riders may disembark at any stop and re-board for no extra charge.

During the 90-minute ride, tour guides provide a lively, entertaining journey back more than three centuries into Boston's colonial past.

The tour buses are hard to miss: They are painted bright blue.

For more information, call 617-TROLLEY or 617-427-TOUR.

Another trolley service, Old Town Trolley, touts itself as the original and most popular trolley tour of downtown.

Its orange and green trolley buses stop at the New England Aquarium, the U.S.S. Constitution, Quincy Market, Boston Common, Back Bay Hilton/Sheraton, Marriott at Copley Place, Copley Place, Copley Plaza, Park Plaza, Boston Harbor Hotel and the Tea Party Ship and Museum at Museum Wharf.

Like the blue Boston Trolley Tours, Old Town Trolley offers unlimited disembarking and reboarding privileges during a narrated 90-minute tour that also costs \$12 for adults.

For more information call 617-269-7010.

Parking

Conference registrants that must drive to the conference can park at the Sheraton Boston Hotel and Towers, 39 Dalton St., or at the Prudential Center Garage, located below street level of the Prudential Tower.

The front entrance to the Prudential Center Garage is on Boylston Street, while the back entrance is off Huntington Avenue on a service road behind the Prudential Tower that intersects Belvidere and Dalton Streets.

The parking rates are: \$4 for one hour; \$6 for one to two hours; \$11 for three to 10 hours; and \$15 for 10 to 24 hours.





Sports smorgasbord

Clubs, rackets beckon RIMS-goers

By COLLIN NASH

BOSTON—Whatever your game, Boston offers those heading to the Risk & Insurance Management Society conference ample opportunities to indulge—actively or passively—in the sport of their choice.

Whether you prefer to run, pump iron, shoot a round of golf or simply enjoy a spring evening at the ballpark, a myriad of sporting facilities and events are available.

Although the five-kilometer RIMS Run featured at past RIMS conferences has been canceled this year and the Boston Marathon will already have wound its way through the area, runners will be able to keep in practice on one of the scenic trails that loop around the Charles River.

Maps of the trails, which vary in length from four to 10 miles, are available from the concierge at the three main conference hotels: the Marriott Hotel Copley Place, the Sheraton Boston Hotel & Towers and the Westin Hotel Copley Place Boston.

Guests at all of these hotels can tone up, free of charge, in one of the hotels' on-site health clubs. In addition to offering swimming pools, saunas and whirlpools, all three hotels feature state-of-the-art exercise equipment including Universal weight-training machines, Stairmasters, treadmills, rowing machines and Lifecycles. Massage and tanning facilities also are offered at extra cost.

If golf is your game and you enjoy the challenge of elevated greens, abundant, well-placed bunkers and numerous doglegs, consider the Newton Commonwealth Golf Course, opposite Boston College, and the George Wright Golf Club in Hyde Park.

Designed by Donald Ross, the Scottish golf course architect credited with some 600 courses, the 5,600-yard, par-70 Newton Commonwealth and the 6,400-yard, par-70 George Wright are within easy access of the Hynes Convention Center.

Both clubs are open from dawn till dusk and feature practice greens and clubhouse facilities. For information about Newton Commonwealth, call 244-4763. The George Wright course can be reached at 361-8313.

The Putterham Meadows links in Brookline is also highly rated in golfing circles. The 6,307-yard, par-71 course features a pro shop, restaurant, patio and putting greens. Call 730-2079.

While golf lovers will enjoy their game amidst a bucolic backdrop, tennis players need not feel left out.

The Boston Parks and Recreation Department and the Metropolitan District Commission together operate more than 50 courts in the metropolitan area. Facilities closest to the convention center include courts in the Boston Common at Charles Street; Boston-North End Park at Commercial Street; Dorchester-Tenen Beach at Conley Street; and South Boston-Marine Park at Day Boulevard.

All of the courts are open from dawn till dusk daily, while the lighted courts in South Boston-Marine Park are open until 11 p.m.

If you prefer to play indoors or can't get a public court, the Boston Athletic Club will gladly accommodate you. Hotel guests—after showing their room key—will be admitted for \$20 each. Use of the

seven tennis courts, seven racquetball courts and two squash courts will cost another \$6 per hour per court. Call 269-4300.

Baseball fans can get a firsthand look at the famous "Green Monster" at Fenway Park as the Boston Red Sox face the Seattle Mariners and budding superstar Ken Griffey Jr. in a three-game series on April 30 and May 1-2. Call 267-8661 for ticket information.

The Boston Bruins of the National Hockey League at press time were still locked in the first round

of NHL playoffs. If the Bruins are still in contention for the Stanley Cup by conference time, games will be played at the Boston Garden. While Bruins tickets are hard to come by, you may call the Garden at 227-3200 for information.

The rejuvenated Boston Celtics of the National Basketball Assn. have qualified for the playoffs and will face an Eastern conference rival during the first round. Again, the games probably will be sold out, but you can call the Garden for information. ■



Larry Bird leads the playoff-bound Boston Celtics. Boston Garden, home of the Celtics and Bruins, can be reached via rapid transit.

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Hotels offer galaxy of amenities

Services geared to businesspeople

By JOANNE WOJCIK

BOSTON—Businesspeople working on the road expect a lot more from their hotels than the average traveler.

Recognizing this, many of the major hotel chains now provide numerous amenities to attract business travelers, like facsimile and copy services, health club privileges, express checkout and 24-hour room service.

The hotels hosting risk and benefit managers attending this year's Risk & Insurance Management Society conference are no exception.

However, in a survey of the three main RIMS hotels—the Westin Hotel Copley Place, the Marriott Hotel Copley Place and the Sheraton Boston Hotel & Towers—*Business Insurance* found that not all the hotels offer the same business-related amenities, while the fees for the services also can differ.

For example, while all three of the RIMS conference hotels provide FAX services, charges vary considerably.

At the Westin, a "Pay FAX" machine operated by credit card charges \$5 for the first page and \$3 for each additional page.

Across the Copley Place mall at the Marriott, the same service, available through the front desk, costs \$5 for the first page and \$2 for each additional page.

And the RIMS conference headquarters hotel, the Sheraton, features a "business center" where FAX fees are \$2 per transaction, \$1 per page, plus the requisite phone charge.

Charges for making photocopies vary similarly.

While the Westin charges only 10 cents per copy, the Marriott charges 15 cents. And the Sheraton offers a bulk discount with prices ranging from 5 cents to 25 cents per copy, depending on the number made.

In addition, the Sheraton allows business groups to pool their copy totals to reduce the per-page photocopying charge.

While all of the main RIMS conference hotels surveyed offer Federal Express pickup, the time of the latest pickup varies.

For example, the latest Fed Ex pickup at the Westin is 9:45 p.m., while at the Marriott it's 6 p.m. and at the Sheraton it's somewhere

between 7 and 7:30 p.m. However, the Sheraton does offer a guest to request a later pickup—for an extra charge.

Two of the three main conference hotels have desks with desk lamps in all of their rooms: The Westin and the Marriott.

Only one of the three conference hotels surveyed has phone jacks capable of accepting a laptop computer modem: The Westin. However, the Marriott and the Sheraton will alter the jacks if asked.

Concierges at all three conference hotels can arrange for guests to rent computers from area computer stores. The stores will deliver and pick up computers at all three hotels.

All three of these hotels charge for outside local calls, regardless of whether a telephone credit card is used. However, the charges vary (see chart). Calls cost 65 cents at the Westin, 60 cents at the Marriott and \$1 at the Sheraton.

Complimentary newspapers are available at two of these three RIMS hotels: USA Today can be picked up at the front desk at the Westin and Sheraton, or will be delivered to the room with breakfast.

While all three of these hotels post meeting agendas for conferences scheduled on their premises, both the Westin and the Marriott also will provide printed agendas that are available from the concierge or the front desk.

Parking prices in the Boston metropolitan area are high, even for hotel guests, and the three RIMS conference hotels surveyed are no exception.

While all of them give hotel guests unlimited in-and-out privileges, only one offers the option of either valet or self-park.

For example, valet-only parking is available at the Westin for \$18 per day, while self-park only is available at the Sheraton for \$13 per day. The Marriott offers self-park for \$16 per day and valet parking for a daily rate of \$17.

For business travelers who have chosen not to drive—a cost-effective decision in Boston—airport transportation is available at all three hotels. While this service is complimentary at the Westin, guests must pay \$6.50 at both the Marriott and the Sheraton to get to Logan International from downtown Boston.

town Boston.

Two of main conference hotels—the Westin and the Marriott—have Hertz Corp. car rental agencies located in their lobbies. Although the Sheraton does not have an on-site rental agency, guests can access a travel agency by phone using the hotel's Q-DAT on-line system. Information on the travel system and other car rental options is available from the Sheraton concierge.

Like most major hotels, the Westin, Marriott and Sheraton all have on-site health clubs available to guests free of charge (see story, page T17).

All three conference hotels offer express checkout, either by dropping the bill off in the lobby or through a computer accessed via in-room televisions.

Not all of these hotels will permit guests late checkouts. While the Westin and Marriott will give guests an hour or two later checkout if requested in advance, the Sheraton only offers this privilege to its Sheraton Club International members. However, guests can sign up to be club members when they check in.

Both the Westin and the Sheraton provide room service around the clock. However, the room service kitchen at the Marriott is only open from 5:30 a.m. to 1 a.m.

Only the Westin provides minibars in all of its hotel rooms. The Sheraton offers minibars in some of its rooms.

And, while the Marriott does not provide in-room minibar service, guests can arrange to rent miniature refrigerators from the hotel.

Because all of these hotels have a number of restaurants and lounges on their premises and since they all are connected to shopping malls, there are even more dining and entertainment opportunities available.

The connection via climate-controlled skywalks to shopping facilities also makes these hotels attractive to business travelers who need a shoeshine or must purchase an article of clothing that was left at home.

And for clothing that needs to be cleaned, valet service is provided by all three of these hotels.

Turnaround time for laundry and dry cleaning is pretty standard in all three hotels—in by 9 a.m., out by 5 p.m. or so.



The Westin Copley Place is one of the three main hotels for this year's Risk & Insurance Management Society conference.



Newly renovated Quincy Market, located near the waterfront of Boston Harbor, offers many restaurants and shops.

How hotel amenities stack up

65¢		\$1	
24hrs	5:30-1:30 a.m.	24hrs	

Amenities

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Where to find conference exhibitors

The Risk & Insurance Management Society says this year's conference, "Boston Bound 1990...and Beyond," will feature one of the most extensive exhibition halls to date.

More than 250 companies will occupy more than 450 booths on the second level of the John B. Hynes Veterans Memorial Convention Center from April 29 to May 3.

Also this year, two theme lounges will be located in the exhibit hall. Sponsored by San Francisco-based broker Jardine Insurance Brokers Inc., the theme lounges will provide an opportunity for RIMS conference attendees to relax within the exhibit hall and enjoy a variety of international coffees during exhibit hours.

Special activities during the 1990 RIMS exhibition include a boxed luncheon to be held at 12:15 p.m. on Monday, April 30. Tickets for the luncheon are included in all conference registration packets.

In addition, a reception co-sponsored by RIMS and the conference exhibitors will be held at 4:15 p.m. on Monday, April 30 in the exhibit hall. Two complimentary drink tickets are included in each conference registration packet.

The 1990 exhibit hall hours are:

- Sunday, April 29: Noon-5 p.m.
- Monday, April 30: 9:30 a.m.-6 p.m.
- Tuesday, May 1: 8 a.m.-5 p.m.
- Wednesday, May 2: 8 a.m.-5 p.m.
- Thursday, May 3: 8 a.m.-12:30 p.m.

The exhibit hall will not be open on Friday, May 4, the last day of the conference.

Following is a list of exhibitors and booth numbers:

- A.M. Best Co. **211**
- ACS Group **1124**
- Aetna Casualty & Surety Co./Executive Risk Management Associates **1315**
- ALTIS **1907**
- AT&T American Transtech **1708**
- Aberdeen Insurance Managers (Turks and Caicos) Ltd. **807**
- Adjustco Inc. **1333, 1432**
- Advanced Driver Training Services Inc. **1955**
- Advantage Health Inc. **1727**
- Aegis Floor Systems Southeast **1725**
- Alex N. Sill Co. **1309**
- Alexander & Alexander Inc. **1423**
- The Alexander|Consulting Group **1422**
- Alexsis Inc. **1325**
- Allwaste Asbestos Abatement **119**
- America's Pharmacy Inc. **1317, 1319**
- American Appraisal Associates **1407**
- American Excess Insurance Assn. **726**

- American International Adjustment Co./American International Health **1508**
- American International Group Inc. **1507**
- American International Recovery Inc. **1609**
- Anistics Inc. **1327**
- Arkwright Mutual Insurance Co. **621, 623, 720**
- Arthur J. Gallagher & Co./Gallagher Bassett Services **516**
- Assessment Centers Technology **1842**
- Associated Risk Services Corp. **1611**
- Assured Health Systems Inc. **1721**
- The Atlantic Mutual Cos. **223**
- Axia Services Inc. **1943**
- Axon Group/Human Resource Executive Magazine **933**
- BFI Stephens Inc. **113**
- BMS Catastrophe Inc. **803**
- Bahamas, Ministry of Finance **413, 415**
- Baxter Healthcare, Prescription Services Division **1700**
- Becher & Carlson Risk Management Inc. **1605**
- Beech Street Inc. **1718, 1720**
- Bermuda Registrar of Companies **1613, 1615**
- Biodyne Inc. **117**
- Blue Cross & Blue Shield Assn. **721**
- Brokers' Service Corp. **1017**
- Burdco Environmental Inc. **1413**
- Business & Health **125**
- Business Insurance **1023**
- CATCO **318**
- CCN Inc. **417**
- CEI/ClaimsNet Inc. **1520**
- CIGNA Corp. **607**
- California Interactive Computing Inc. **604**
- California Workers' Compensation Enquirer **1029**
- Cargocaire Moisture Control Services **110**
- Carnow, Conibear & Associates **1130**
- Cayman Islands government **1030**
- Central Bank of Barbados **601, 603**
- Charles D. Spencer & Associates **727**
- Chubb Group of Insurance Cos. **1225**
- Coleman & Associates **1824**
- The College of Insurance **1512**
- Commercial Recovery Associates Inc. **1800**
- Commonwealth Risk Services Inc. **901**
- Computations Inc. **508**
- Computer Consultants Corp. **1600**
- Compwatch Corp. **227**
- ConServCo **504**
- Concord Information Systems Inc. **129**
- Consolidated Service Corp. **1949**
- Continental Insurance Co. **301**
- Continental Medical Systems Inc. **608**
- Control Data Corp. **419**

- Control Data Corp./EAR **814**
- Coopers & Lybrand **814**
- Corporate Healthcare Management **831**
- Corporate Systems **1517**
- Corroon & Black Corp. **902**
- Cost Care Inc. **1403**
- Coverbind Corp. **123**
- Crawford & Co. **315**
- Creative Capital Inc. **1801**
- Data General Corp. **1701**
- David Corp. **905**
- Dealers' Digest Inc. **1714**
- Deloitte & Touche **1808**
- Dempsey, Myers & Co. **1026**
- Denver Chamber of Commerce **512**
- Detail Masters Inc. **121**
- Diagnostic Engineering Inc. **1219**
- EFEX Systems, Division of ASAP Consulting **209**
- EQE Engineering Inc. **903**
- Employee Benefit News **1311**
- Employers Reinsurance Corp. **1217**
- Engineering Insurance Group **812**
- Environmental Risk Insurance Co. **1323**
- Environmental Risk Ltd. **1901**
- Equifax Services **715**
- Ernst & Young **1713, 1715**
- Europ Assistance Worldwide Services Inc. **1710**
- The Evans American Corp.

- 1132, 1134**
- FACTS Services Inc. **1935**
- Factory Mutual Engineering Corp. **820**
- FlexRx Pharmacy Services Inc. **1807**
- FlightSafety International **514**
- Frank B. Hall & Co. Inc. **1102**
- The Frank Gates Service Co. **1408**
- Frontier Adjusters **1913**
- GAB Business Services Inc. **811**
- Gates McDonald/Nationwide **500**
- General Rehabilitation Services Inc. **1233, 1235**
- Genesis Underwriting Management Co. **935**
- Geo. M. Ruddy & Co. **930**
- Green Spring Mental Health Services **1320**
- Grupo Nacional Provincial **725**
- HCM Claim Management Corp. **900**
- HCX Inc. **1416**
- Hartford Specialty Co. **1844**
- Hartford Steam Boiler Inspection & Insurance Co. **1019**
- Hawaii Insurance Division **224**
- HazTran Inc. **913**
- Health Care Services Inc.

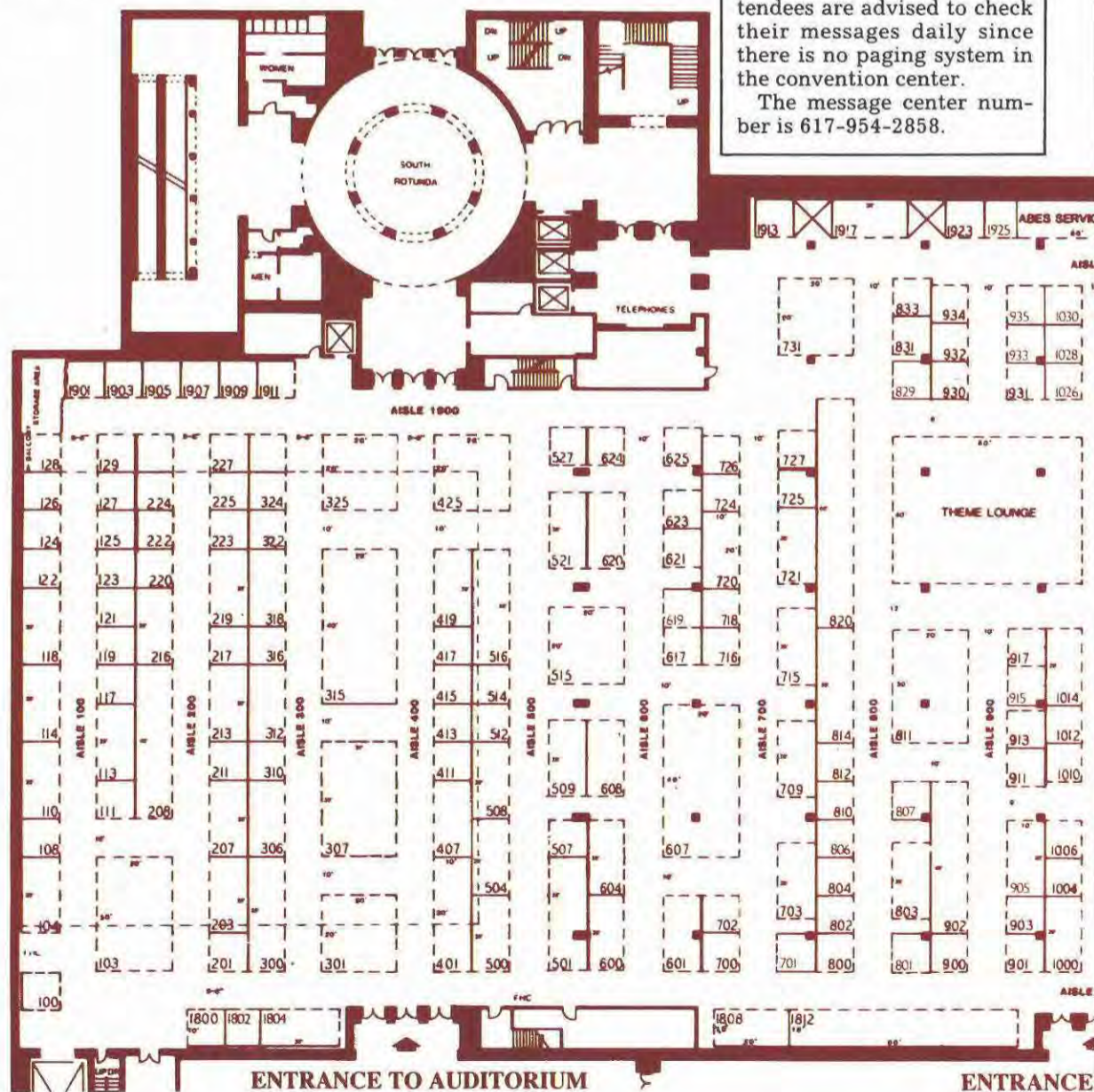
- 1300, 1302**
- The Health Data Institute Inc. **1719**
- Health Economics Corp. **1834**
- Health Examinetics **700**
- Health Management Technologies Inc. **829**
- HealthCare COMPARE Corp. **213**
- Healthdyne Inc. **1417**
- Healthfocus **1712**
- Hewitt, Coleman & Associates Inc. **709**
- The Home Insurance Co. **600**
- Hook-SupeRx Inc. **322**
- Huver & Associates Inc. **220**
- Hygienetics Inc. **1028**
- I.P.M. Inc. **801**
- IDA Ireland **1411**

Message center at conference

As in past years, GAB Business Services Inc. is providing a message center to help RIMS conference goers keep in touch with their offices, friends and families.

Located outside the Exhibit Hall on the second level of the Hynes Convention Center, the message center will operate during registration hours. Conference attendees are advised to check their messages daily since there is no paging system in the convention center.

The message center number is 617-954-2858.





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ISS Indoor Environmental Services **1419**
 Illinois Captive Insurance Assn. **1805**
 Illinois Insurance Exchange **1401**
 Imbach Corp. **1409**
 Impact Hearing Conservation Inc. **222**
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 Independent Medical & Dental Consultants **624**
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 Insurance Review **1208**
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 Insurance and Risk Management/BURAFF Publications **1210**
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 International Accident Facilities Inc. **1414**
 International SOS Assistance Inc. **1706**
 Intracorp **515**
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 Isotechnologies Inc. **217**
 Jardine Insurance Brokers Inc. **1013**
 John Hancock Mutual Life Insurance Co./Managed Health **201**
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Jury Verdict Research Inc. **1201**
 KPMG Peat Marwick/Adjusters International **425**
 Kemper Group/NATLSCO **401**
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 Knapp Shoes Inc. **1723**
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 Marshall & Stevens Inc. **1722**
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 Medco Containment Services Inc. **731**
 Medcor Inc. **931**
 Media/Professional Insurance Inc. **216**
 Medical Claims Review Services Inc. **310**
 Medview/CompPro **1501**
 Micromedex Inc. **1937**
 Milliman & Robertson Inc. **108**
 Morden & Helwig Ltd./Lindsey & Newsom **1000**
 Multilateral Investment Guarantee Agency **1711**
 Mutual of Omaha Cos. **208**

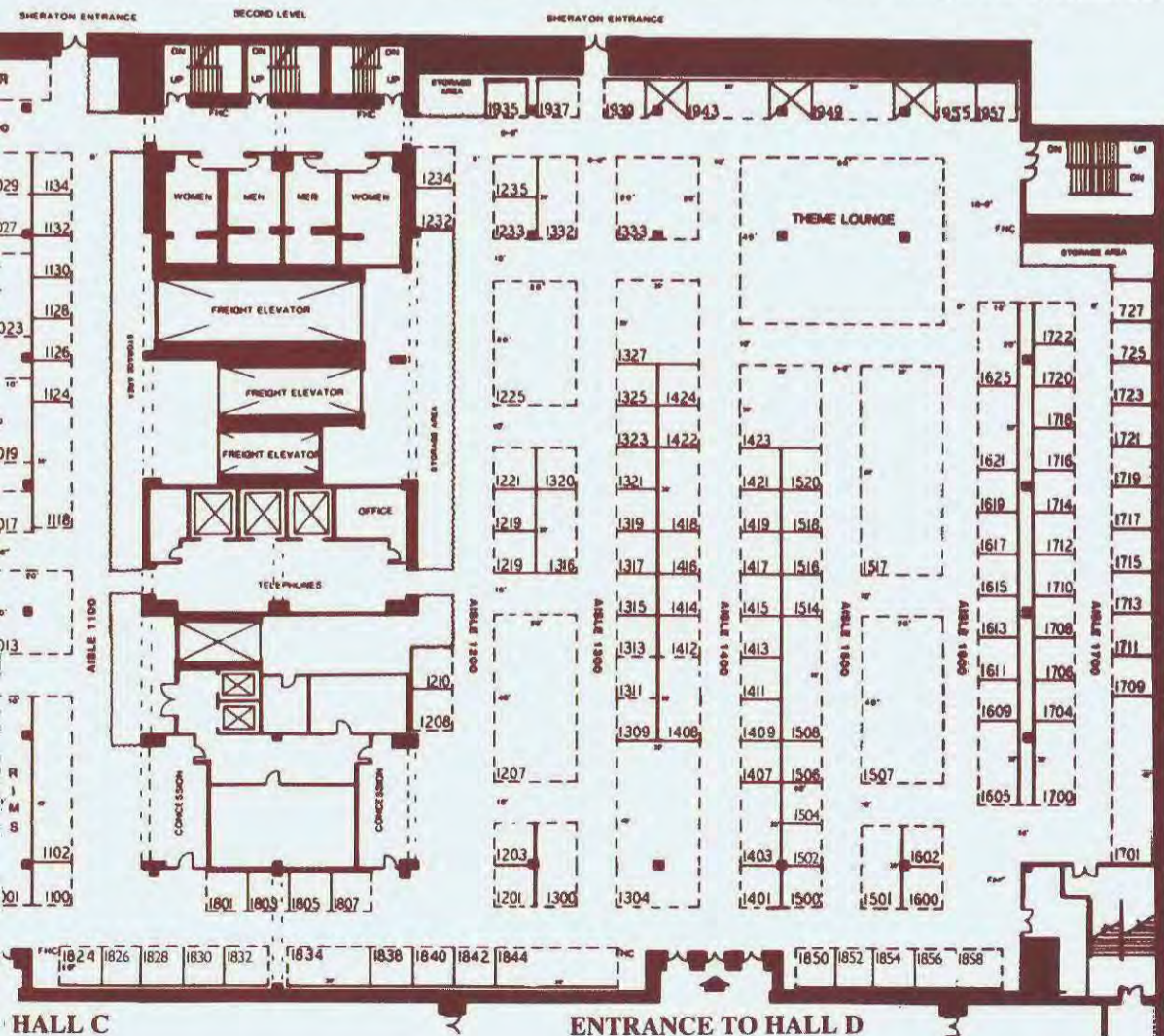


John B. Hynes Veterans Memorial Convention Center

NIA Group International **1514**
 National Assn. of Independent Insurance Adjusters **1100**
 National Fleet Service Inc. **411**
 National Panel of Select Adjusting Cos. **207**
 The National Underwriter Co. **703**
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 Occupational Preventive Diagnostics Inc. **1321**
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PCS Inc. **407**
 Pacific Review Services **1421**
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 Peer Review Systems Inc. **122**
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 Pilot & Associates Catastrophe & Environmental Adjusters **527**
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 Preferred Health Care Ltd. **316**
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 Prudential Reinsurance Corp. **1203**
 Pyramid Services Inc. **1854**
 RMI, Randmark Management Inc. **701**
 Rebound Inc. **1506**
 Rehab Hospital Services Corp **1316**
 Rehab Systems Co. **1027**
 Republic-RSB Cos. Inc. **1621**
 Resource Information Management Systems Inc. **1850**
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 Scott Wetzel Services Inc. **1014**
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 Stay Well Health Management Systems Inc. **421**
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 Tillinghast Division of Towers, Perrin, Forster & Crosby Inc. **325**
 Tokos Medical Corp. **1128**
 Toplis & Harding Inc. **620**
 The Travelers Insurance Co. **501**
 UNUM Life Insurance Co. **1232**
 Underwriters Adjustment Bureau Ltd. **1313**
 United States Testing Co. Inc. **702**
 Vermont Department of Economic Development **103, 203**
 Vermont Insurance Management Inc. **104**
 Victor O. Schinnerer & Co. Inc. **111**
 Video Training Source Inc. **1852**
 WLT Software of Florida Inc. **915**
 WTR Data Services **1858**
 Wausau Insurance Cos. **1856**
 The Wyatt Co. **1332**
 Zurich-American Insurance Group **509**





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Our approach to risk management is enterprising. Our methods, innovative. Our quality control, second to none. That's the only way to manage effective, high quality insurance programs. For alternatives and creative solutions, Jardine Insurance Brokers Inc. is your ready partner. Call us.



Jardine Insurance Brokers Inc.



Celebrity insights

Steinbrenner, O'Neill among luncheon speakers



GEORGE STEINBRENNER

BOSTON—New York Yankees owner George M. Steinbrenner III and former House Speaker Thomas P. "Tip" O'Neill Jr. are among the luncheon speakers that will be featured at this year's Risk & Insurance Management Society conference.

Best known for his ownership of the venerable New York ball club, the New York Yankees, Mr. Steinbrenner also is chairman, president and chief executive officer of American Ship Building Co. of Tampa, Fla.

Mr. Steinbrenner also is a partner in Nederlander-Steinbrenner Productions in New York, producer of the Tony award-winning musical "Applause" and other Broadway plays.

He will speak at noon on Tuesday, May 1, in the ballroom on the



TIP O'NEILL

third level of the John B. Hynes Veterans Memorial Convention Center.

Mr. O'Neill's political career spanned 50 years, culminating with his election as speaker of the U.S. House of Representatives in 1977.

During his tenure as speaker of the House, the Massachusetts Democrat was one of the Reagan administration's strongest adversaries in efforts to curtail federal spending for health and education programs and assistance to the disadvantaged.

Mr. O'Neill will speak at noon on Thursday, May 3, in the ballroom on the third level of the Hynes



DR. PETER HANSON

Center.

Also scheduled as a luncheon speaker at this year's RIMS conference is Dr. Peter G. Hanson, author of "The Joy of Stress" and "Stress for Success."

The Canadian family doctor is considered a leading authority on the subject of stress management in the workplace.

Dr. Hanson will speak at noon on Wednesday, May 2, in the grand ballroom of the Marriott Hotel Copley Place.

—By Joanne Wojcik

Marvin Hamlisch to perform at free conference concert

BOSTON—Popular composer Marvin Hamlisch will provide a midweek entertainment break at the Risk & Insurance Management Society conference.

Mr. Hamlisch will perform 9 p.m. on Wednesday, May 2, in the Hynes Convention Center Ballroom. Doors will open at 8 p.m.

All RIMS conference registrants will receive as part of their registration package tickets to admit two to the concert.

Mr. Hamlisch—who wrote his first top 100 hit, "Sunshine, Lollipops and Rainbows," as a teenager—has composed numerous movie scores, pop songs and songs for Broadway shows.

In 1974, he won two Oscars for "The Way We Were" and one for "The Sting." The next year, he received a Tony Award and a Pulitzer Prize for what eventually became Broadway's longest running hit, "A Chorus Line."

Mr. Hamlisch's music also was featured in other films, including "Same Time Next Year," "Ordinary People," "Sophie's Choice," "Ice Castles," "Starting Over" and "Three Men and a Baby."

CIGNA Corp. of Philadelphia will sponsor the performance.

In addition to this special event, dozens of insurers, brokers and other organizations will again sponsor hospitality suites and rooms during this year's RIMS conference.

Hospitality listing boards, with suite assignments and room numbers, will be located in the RIMS registration area in the Hynes Convention Center and in the lob-



MARVIN HAMLISCH

bies of the Marriott Hotel Copley Place, the Sheraton Boston Hotel and Towers, and the Westin Hotel Copley Place.

To preserve the ambiance and educational reputation of the RIMS conference, RIMS has set the following guidelines for hospitality suites:

- All suites will be closed from 9 a.m.-5:30 p.m., with the exception of Monday evening, when hospitality suites will not open until 6:15 p.m. Organizations not adhering to these rules will be excluded from next year's conference.
- An 11:30 p.m. curfew will be enforced, at which time all hospitality suites must be closed.
- Formal invitations to hospitality suites are not to include the society's official and conference

logos or RIMS' name without prior approval of the conference vp.

- No alcoholic beverage may be served at any breakfast function. Breakfast functions must conclude by 7:45 a.m.

- No signs are to be posted in or taped to hotel walls, elevators, etc. In addition, no announcement or promotional literature of any kind may be distributed in the public areas of conference hotels, the RIMS registration area, the Exhibit Hall, etc., except within the confines of an exhibitor's booth. Furthermore, no kind of exhibit or promotional equipment may be set up or used in any hospitality suite or public room.

- RIMS will provide posting boards in the registration area and large cards for notification of off-site hospitality functions. No other types of signs or materials will be permitted.

- All conference hotels have agreed not to accept any material for mass distribution to conference attendees' rooms or guest boxes.

- Lotteries and raffles are not permitted.

- The use of live models is permitted as long as their appearance and conduct is in keeping with the professional and educational nature of the conference.

- RIMS reserves the right to close any hospitality suite or public room that RIMS determines to be in violation of these regulations. RIMS also reserves the right to refuse hospitality suites or public rooms at future RIMS conferences to any sponsor that violates these regulations.

RIMS conference at a glance

Sunday, April 29

Noon-5 p.m. Exhibit Hall open—Second Floor, John B. Hynes Veterans Memorial Convention Center, 900 Boylston St.

Noon-8 p.m. Conference registration—First Floor, Hynes Convention Center.

7:30-10:30 p.m. "Rediscover the Lost City of Atlantis," Spencer Foundation opening reception—Grand Ballroom, Marriott Hotel Copley Place, 110 Huntington Ave.

7:30-9:30 p.m. Spencer Foundation Silent Auction, Grand Ballroom, Marriott Hotel Copley Place.

Monday, April 30

7 a.m.-7 p.m. Conference registration—First Floor, Hynes Convention Center.

7:30-9:30 a.m. RIMS Annual Membership Meeting and Breakfast—Ballroom, Third Floor, Hynes Convention Center.

9:30 a.m.-6 p.m. Exhibit Hall open—Second Floor, Hynes Convention Center.

10 a.m.-noon Conference sessions. Sessions will be held in the Hynes Convention Center; the Sheraton Boston Hotel and Towers, 39 Dalton St.; the Westin Hotel Copley Place, 10 Huntington Ave.; and the Marriott Hotel Copley Place.

12:15-1:30 p.m. Boxed Luncheon—Exhibit Hall.

1:30-2 p.m. Special Exhibit Time—Exhibit Hall.

2-4 p.m. Conference sessions.

4:15-6 p.m. Welcome Reception, co-sponsored by RIMS and 1990 exhibitors—Exhibit Hall.

6:15-11:30 p.m. Hospitality suites open.

Tuesday, May 1

7 a.m.-6 p.m. Conference registration—First Floor, Hynes Convention Center.

8 a.m.-5 p.m. Exhibit Hall open—Second Floor, Hynes Convention Center.

8 a.m.-9 a.m. Special Exhibit Time—Exhibit Hall.

9-11 a.m. Conference sessions.

11 a.m.-noon Special Exhibit Time—Exhibit Hall.

Noon-1:45 p.m. Lunch featuring guest speaker George M. Steinbrenner III, owner of the New York Yankees—Ballroom, Third Floor, Hynes Convention Center.

2-4 p.m. Conference sessions.

4-5 p.m. Special Exhibit Time—Exhibit Hall.

5:30 p.m. Fourth Annual RIMS "All Stars" Hockey Game—Walter Brown Arena, 285 Babcock St. Admission is \$10.

5:30-11:30 p.m. Hospitality suites open.

Wednesday, May 2

7 a.m.-5 p.m. Conference registration—First Floor, Hynes Convention Center.

7 a.m. Exhibitors Breakfast—Grand Ballroom, Sheraton Boston Hotel and Towers (exhibitors only).

8 a.m.-5 p.m. Exhibit Hall open—Second Floor, Hynes Convention Center.

8-9 a.m. Special Exhibit Time—Exhibit Hall.

9-10 a.m. Special Session, "Futureview: A Look Ahead"—America Ballroom, Fourth Floor, Westin Hotel Copley Place.

9-11 a.m. Conference sessions.

10:15-11:30 a.m. Special Session, "Joint Ventures in the USSR and Eastern Bloc Countries"—America Ballroom, Fourth Floor, Westin Hotel Copley Place.

11 a.m.-noon Special Exhibit Time—Exhibit Hall.

Noon-1:45 p.m. Lunch featuring guest speaker Dr. Peter G. Hanson, author of "The Joy of Stress"—Grand Ballroom, Marriott Hotel Copley Place.

2-4 p.m. Conference sessions.

4-5 p.m. Special Exhibit Time—Exhibit Hall.

5:30-11:30 p.m. Hospitality suites open.

9 p.m. An Evening of Entertainment with Marvin Hamlisch—Ballroom, Third Floor, Hynes Convention Center. Doors open at 8 p.m.

Thursday, May 3

7 a.m.-5 p.m. Conference registration—First Floor, Hynes Convention Center.

8 a.m.-12:30 p.m. Exhibit Hall open—Second Floor, Hynes Convention Center.

8-9 a.m. Special Exhibit Time—Exhibit Hall.

9-11 a.m. Conference sessions.

11:30 a.m. RIMS registration raffle—Booth 1001, Exhibit Hall.

11 a.m.-noon Special Exhibit Time—Exhibit Hall.

Noon-1:45 p.m. Lunch featuring guest speaker former House Speaker Thomas P. O'Neill—Ballroom, Third Floor, Hynes Convention Center.

2-4 p.m. Conference sessions.

5:30-11:30 p.m. Hospitality suites open.

Friday, May 4

7-9:30 a.m. Conference registration—First Floor, Hynes Convention Center.

9-11 a.m. Conference sessions.



New RIMS president sets goals

Hawkins seeks member feedback, improved services

By CHRISTINE WOOLSEY

Seeking member feedback and promoting improved management techniques are among the goals of the Risk & Insurance Management Society's president-elect.

During her term as president, Cheri Hawkins, director of insurance for Weyerhaeuser Co. in Tacoma, Wash., says she will rely on the expertise of the past two RIMS presidents, who will serve for the first time on a "formalized advisory committee to the president and the executive council."

Outgoing RIMS President Ronald W. Stasch said he and former President Richard Heydinger are flattered that Ms. Hawkins wishes to draw on their experience during her term.

"Running these programs is a tremendous drain on" a RIMS president, Mr. Stasch said. During Ms. Hawkins' term as RIMS first vp, "she was really a strong right arm for me," he said.

Now, Ms. Hawkins quipped, "I'll be able to tap all (Ron) has been doing while I've been walking in his shadow."

Ms. Hawkins becomes president of RIMS on May 1, during the RIMS 28th annual Risk Management and Employee Benefits Conference to be held April 29-May 4 in Boston.

Robert W. Esenberg, risk manager for the city of Virginia Beach, Va., will be named RIMS' first vp, which traditionally is the stepping stone to the presidency of the organization. Mr. Esenberg currently is RIMS vp of governmental affairs.

In addition to marking RIMS' 40th anniversary, this is the first year RIMS has elected a woman as its president.

While Ms. Hawkins acknowledged her appointment as a milestone, she said "it feels appropriate. It feels as if the resources of men and women are being used to their full potential.

"When I go through the risk management function in corporations, I see a lot of women," Ms. Hawkins said, noting that currently three women sit on RIMS' Executive Committee.

Mr. Stasch, corporate risk manager at Federal-Mogul Corp. in Detroit, noted that "we don't look at the changing of the guard as a distinctive event." Rather, the RIMS president, first vp and the eight officers who make up the Executive Committee function as a team, he said.

During 1990, the society's leadership team plans to concentrate on boosting membership among smaller corporations, tracking state and federal legislation, and continuing to support RIMS education and research activities.

During her term, Ms. Hawkins says, she will rely on member feedback to help shape the organization's agenda.

Because RIMS members are customers of the organization, "we want to solicit customer feedback from our members" regarding satisfaction with RIMS, she said. In addition, "deputy members of RIMS are customers of the (insurance) industry and we at the RIMS operating level have to identify feedback to the industry."

RIMS has a dual role, she explained. On the one hand it is responsible for meeting the needs of its customers. But, because RIMS members are insurance industry customers as well, RIMS must act as a conduit for their inquiries and complaints about the industry.

Ms. Hawkins said "sooner or later" the insurance industry "has to become results-oriented. And, the results have to be customer-oriented."

"Total quality management" is one way to achieve better results in the risk management and insurance environment, she said. "The concept of total quality management" is to assure that every task within an organization is performed efficiently from beginning to end to ensure that mistakes are not made, she explained.

Ms. Hawkins pointed out that 75% of workers are employed in service organizations and, within that segment, 40% of operating costs are spent on correcting errors.

Risk managers should not "view a problem and then come up with a solution. Rather, they should break it down and look at every part of it. Total quality management is to look at every aspect and analyze it to come to a solution," she said.

Ms. Hawkins has introduced the concept of total quality management to the RIMS staff. "The really exciting thing is you can see people going about their own way of implementing it," she said.

Among the other tasks RIMS faces this year is to increase membership among smaller employers. "We've tried through our research committee to identify or define what a small business is," Mr. Stasch said, noting that RIMS eventually decided any organization with less than \$25 million in gross revenues constituted a "small" business.

Although "we're pretty much known as a Fortune 500 organization, I don't think that's necessarily true anymore," Mr. Stasch said.

"I certainly feel there has been a change in the demographics of the organization over the last five to 10 years," he commented.

RIMS "is focusing on how we can improve our services for different sizes of employers," Ms. Hawkins added.

Currently, no statistics on the number of small-business RIMS members are available. However, the organization is compiling data to gauge that information, said Anita Benedetti, RIMS director of research and education in New York.

In addition, RIMS is planning to survey smaller companies to find out why they are attracted to RIMS and what they get from the organization.

Ms. Hawkins said RIMS will use the survey—which is expected to be sent out this year—as a "marketing tool for membership growth and planning."

RIMS also will survey users of RIMSNET about their suggestions to improve the society's nationwide electronic risk management data and communication system.

"The people working on it are offering feedback on improvements and what is important and meaningful to them" as users, Mr. Stasch said.

Introduced in 1987, RIMSNET "is still in the research and development stage," said Ms. Hawkins. And, while there have been some improvements to the system, "the number of users is still not up appreciably."

However, she pointed out, "the time that the users are on the system is up. That proves that the changes we've made have improved the system."

RIMSNET currently has about 230 users, Mr. Stasch said, adding that increasing that user base is a challenge.

"It's really a chicken and the egg type of thing," he said, explaining that to introduce new programs and features to the service, "you need to get a bigger user base. But to get a bigger user base, you need to get these other programs going."

Ms. Hawkins noted that RIMSNET is much more "user-friendly" than before. For example, users can now transfer

including the subject, time, date, location, committee and subcommittee holding the hearing, and scheduled witnesses.

Among the federal issues RIMS will watch this year are the debate over employer-mandated health care benefits, increases in the excise tax on foreign reinsurance premiums and any attempt to repeal or modify the McCarran-Ferguson Act, according to Mr. Stasch and Ms. Hawkins.

In addition, RIMS will continue to support the changes to the Risk Retention Act recommended by Sen. Robert W. Kasen Jr., R-Wis. (BI, Nov. 27, 1989; May 8, 1989).

And, RIMS will continue to oppose the Bormans Inc. decision by a federal district court in Michigan that prohibits employers over a certain net worth from being covered by a state guaranty fund (BI, July 17, 1989).

LEGI-SLATE will help members keep abreast of these issues, Mr. Stasch said.

Ms. Benedetti mentioned two other recent adaptations to RIMSNET.

Users now have the ability to access full stories that appear on United Press International wires. The RIMSNET news staff scans the UPI wire service each weekday to find stories relevant to the field of risk management and employee benefits.

And, RIMSNET users also can now access an online version of *Risk Management Direction*, a newsletter published quarterly by The Wyatt Co.

Mr. Stasch said RIMS is currently working on establishing interactive links between RIMSNET and other systems.

The service, RIMSLINK, is envisioned as being an interactive mode between suppliers and buyers, Ms. Hawkins said.

"RIMSNET will be used as an intermediary system," Mr. Stasch explained.

"It's a link between suppliers and prospective buyers," he said. The system could help potential buyers pinpoint the services they need before actually identifying themselves to sellers.

For example, users could go through RIMSNET to access an insurer's or risk management consultant's system.

"Users could go through RIMSLINK and check out services or software of different vendors. Or, users could do electronic on-line demonstrations," Mr. Stasch said.

The supplier would most likely pay a fee for the privilege of being accessed through RIMSLINK. The project is still under development but could possibly be ready by year-end, he said.

While the RIMS research staff continues to enhance its computer network, the RIMS Continuing Education Program has added another class to the five successful courses already available.

Advanced Risk Management Analysis is a "graduate level" course, Ms. Hawkins said. She noted that for the first time students in a RIMS course will receive a homework assignment.

Developed with the help of New York-based Coopers & Lybrand—Actuarial, Benefits & Compensation Group, the new course "is geared way beyond just orientation," Ms. Hawkins said.

"It's not introductory and it's something a lot of members who have been in the industry a while want," Ms. Hawkins commented.

Using a case study approach, the two-day program focuses on risk identification and decision making in risk financing and risk control.

RIMS suggests that attendees for this program have already obtained their Associate in Risk Management designation or have attended other RIMS continuing education program classes.

Mr. Stasch said the other five courses are doing quite well.

"That's amazing to me because we're in a soft market. Our services tend to be influenced by the markets, but the attendance in these courses has been very good," he said.

Ms. Benedetti, RIMS director of research and education, said the six courses are offered several times a year and enroll 25 to 30 students per class.

"Of the courses that are currently running, all are at or near capacity," she said.

RIMS also plans to continue to collect and distribute information about commercial insurance market conditions.

For example, the results from RIMS' insurance availability study should be released before the Boston conference, Mr. Stasch said.

The study tracks 10 lines of insurance to give buyers information for their most recent renewals. The study examines coverages available, costs, deductibles and limits. Information about alternative risk financing also is included.

This year's survey was mailed to 4,257 RIMS members and the results reflect responses from 1,315 members, or 31%, Ms. Benedetti said.

"We achieved a greater response rate this year," Ms. Hawkins said, noting that last year only 28% responded.

That "tells us people use the study regardless of the hardness or softness of the market," Mr. Stasch added.

In addition, RIMS is reviving its cost-of-risk survey, last released in 1986, which in the past has been co-sponsored by consultant Tillinghast, a division of Towers, Perrin, Forster & Crosby Inc.

"Our members have indicated they would like to see the cost-of-risk survey come back," Ms. Hawkins said.

Ms. Benedetti said that survey questionnaires likely will go out by the end of the month and that RIMS hopes to have the results by year-end.



New RIMS President Cheri Hawkins says she'll rely on advice from her predecessor, Ronald Stasch.

from function to function merely by switching screens. Previously, users had to exit to the main menu to change functions.

That awkwardness "definitely discouraged use," Mr. Stasch noted. But, he pointed out that the number of RIMSNET cancellations is dropping significantly.

"The most encouraging signs are the fact that the cancellation rate is stabilizing," he said. "And, when you find the real users of RIMSNET, they're diehards. They really find the value in it and use it for professional reasons."

"RIMSNET is a little fledgling information system that somewhere in the world has its niche," Ms. Hawkins said. "Every time you worry about it, a new adaptation comes along and you get enthusiastic."

LEGI-SLATE is the newest module available with RIMSNET. Features of the new service include daily legislative and regulatory summaries and updates.

A customized data base of federal legislation and congressional regulatory activity provides a brief review of the previous day's congressional activities, including:

- Changes in the status of federal legislation pertinent to risk management and employee benefits.
- Status charts that track legislation in committee, out of committee, on the floor and awaiting the president's signature.
- Co-sponsor changes that note any changes in the name and party of the co-sponsors for each bill.
- New meetings and hearings that have been scheduled, in-

Stan Miskiewicz



Portfolio transfers to be explained

By JOANNE WOJCIC

BOSTON—With American businesses increasingly relying on alternative forms of risk financing, the Risk & Insurance Management Society conference will feature a seminar on loss portfolio transfers and other new financial products.

"We have moved from a decade of hidden assets to a decade of hidden liabilities" in which the "build-up of self-insured losses is having an impact on the corporate financial statement," said Dick Stilwell, who will coordinate the session.

Targeted toward experienced risk managers with some financial expertise, the session will focus on how self-insurers can transfer liabilities without dismantling their self-insurance programs, explained Mr. Stilwell, who is senior vp and general manager of the special risk division at Zurich American Insurance Group in Schaumburg, Ill.

Self-insured companies whose liabilities grow over the years seek relief "to smooth out or even to eliminate the effects of these liabilities," he said.

An company with a 5- or 10-year-old captive insurance company, for example, may want to shut the facility down. Or after many years of self-insurance, a company may want to transfer liabilities for incurred-but-not-reported claims.

"What we're teaching them is old reinsurance techniques" employed mainly by insurance companies, said Mr. Stilwell.

The session also will give a conceptual overview of "prospective loss funding," or prefunding of expected losses, such as known environmental damage for which claims have not yet been submitted.

In such a program, a company's exposures are priced based on its own experience, rather than sharing its risks with other policyholders, and risks are financed over time, Mr. Stilwell explained.

Both methods—portfolio loss transfer and prospective loss funding—also can be used to shield large companies from the market volatility in directors and officers, errors and omissions and medical malpractice liability coverages, he said.

They also could be used to push through a merger or acquisition stymied by prospective unfunded future liabilities, Mr. Stilwell added.

Other panel members are Art Bostwick, risk manager at Stone Container Corp. in Chicago, who will moderate; Lawrence Cheng, executive vp of Zurich International Ltd. (Bermuda), a subsidiary of Switzerland-based Zurich Insurance Co.; Robert Lichten, managing director of Shearson Lehman Hutton; and Donald Matthews, se-

nior vp of broker Johnson & Higgins in New York.

"All of us have had experience in this area," said Mr. Stilwell.

While RIMS rated the session at the 300—or advanced—level, "we're trying to keep it simple and more conceptual," Mr. Stilwell explained.

FN 301: "Portfolio Transfers and Other New Financial Products," is slated for 2-4 p.m. Thursday, May 3, in Room 101 on the first floor of the Hynes Convention Center.

Another RIMS conference session of potential interest to risk managers involved in corporate finance is RM 217, titled "Merger and Acquisition Due Diligence—

Steps to 'Insure' a Perfect Marriage."

The program is designed to give risk managers practical tips on performing due diligence investigations before a merger or acquisition.

When embarking on an acquisition, "Do you really know what this is going to cost you?" asks Valerie Oberpriller, session coordinator and risk and insurance manager at Ashland Technology Corp. in Los Angeles.

This session is designed to teach risk managers how to answer that question and others, such as how an acquisition could affect a company's property/casualty insurance

program.

Other members of the panel will include: James A. De Deo, risk manager at Atlantic Richfield Cos. in Los Angeles; John Deitchman, senior vp at Johnson & Higgins of California in Los Angeles; Edward Drake, senior marketing officer at The Hobbs Group in San Mateo, Calif.; and John F. Roskopf, vp and risk management consultant at Rollins Burdick Hunter Co. in Chicago.

The session is scheduled for 10 a.m.-noon on Monday, April 30, and from 9-11 a.m. on Tuesday, May 1, in Room 201 on the second floor of the Hynes Convention Center.

Warm weather common in spring, but bring umbrella

BOSTON—Risk managers packing for this year's Risk & Insurance Management Society conference would be wise to remember the old adage: "April showers bring May flowers."

As in most of the Eastern Seaboard, spring weather in Boston is unpredictable. Average high temperatures range from the mid-50s to upper 60s and the lows dip into the 40s and 50s.

For an update on current weather in the Boston area, call 617-936-1234.

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No smoking during sessions

Smoking will not be permitted during sessions at the Risk & Insurance Management Society conference, at the RIMS Membership Breakfast on Monday, April 30, or during the luncheons on Tuesday, Wednesday and Thursday, May 1-3.

In addition, the RIMS Exhibit Hall on the second level of the Hynes Convention Center also has been designated a no-smoking area.



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Work comp 'gamble' to be explored

By JOANNE WOJCIK

BOSTON—Managing workers compensation costs and rehabilitating injured workers are two of risk managers' top priorities in the coming year if the popularity of work comp sessions at this year's Risk & Insurance Management Society conference is any indication.

Enrollment is particularly high in two work comp sessions: WC 203, "Workers Compensation Roulette," and WC 207, "Return to Work—Remove the Barriers," according to the RIMS conference department.

The work comp roulette session, scheduled for 9-11 a.m. on Tuesday, May 1, and 2-4 p.m. on Thursday,

May 3, in the Fairfax A room on the third floor of the Sheraton Boston Hotel & Towers, provides an opportunity for risk managers to learn while playing a game, said session coordinator Bruce L. Neville, a consultant with The Wyatt Co. in Toronto.

Using the casino game roulette, "we tried to put the same message across" about investing in safety programs to reduce work comp claims that usually would be conveyed in lectures, he said.

Helping Mr. Neville run the "roulette table" will be Robert C. Elinskas, director of risk management at Grow Group Inc. in New York, who will serve as moderator,

and Steven Math, associate actuary in the Boston office of The Wyatt Co.

The session begins with participants completing a two-page questionnaire. The answers will determine the amount of play money each will have to start the game.

For example, if a risk manager indicates his or her company has an injury prevention or rehabilitation program already in place, \$10 to \$20 will be taken from his or her initial allotment of \$1,000 because "it costs you to invest up-front in these programs," Mr. Neville explained.

Conversely, participants receive points for each negative answer, which will translate later in the game

into higher per-claim costs.

"The more 'no' answers, the higher the per-claim cost," Mr. Neville explained.

For example, one participant may pay \$1 for each work comp health claim, \$5 for each lost time claim and \$50 for each permanent disability claim, while another may end up paying 10 times those amounts.

In addition, participants with many positive responses to the questionnaire are given "free pass" cards that make them immune to accidents that turn up with each spin of the roulette wheel.

The game consists of 20 turns of the wheel, on which the 37 spaces are set up to express the probabil-

ity of certain types of claims.

For example, 19 spaces represent health claims, while 16 represent lost-time claims and two represent permanent disability injuries or death.

When a lost-time injury turns up, some participants pay, while others can use their "free pass" cards to escape payment.

The participant with the most cash after the last spin is technically the winner, although no prizes will be awarded. Rather, participants come away with a better understanding "about the relative cost of claims," Mr. Neville explained.

"They learn that injury prevention and rehabilitation are more important than claims management, that it costs money to save money and the more you spend up-front, the lower the cost per injury" later, he added.

The game is the brainchild of three Toronto-based Wyatt consultants: Mr. Neville, Doug Cain and Karen McCourd.

It was developed about a year ago after Wyatt witnessed a lackluster response to its lecture presentations on workers compensation issues, Mr. Neville explained. While the concept took only a couple hours to develop, formulating pertinent questions took far longer, he noted.

Workers Compensation Roulette is targeted toward "financial people in an organization that don't know about workers comp, but see its relationship to the bottom line," Mr. Neville said.

Another workers comp session receiving considerable attention at this year's RIMS conference is the "Return to Work—Remove the Barriers" session slated for 2-4 p.m. on Tuesday, May 1, and 9-11 a.m. on Friday, May 4, in Room 203 on the second floor of the John B. Hynes Veterans Memorial Convention Center.

"By returning the injured employee to work as soon as he or she is medically able, dramatic cuts in the cost of the claim can result," explains session coordinator Philip E. Goldsmith, director of loss control services at J.H. Albert International Insurance Advisors Inc. in Needham Heights, Mass.

"This session will take an inside look at the barriers to a speedy return to work which the employee often faces—the legal, medical, emotional and physical barriers," he said.

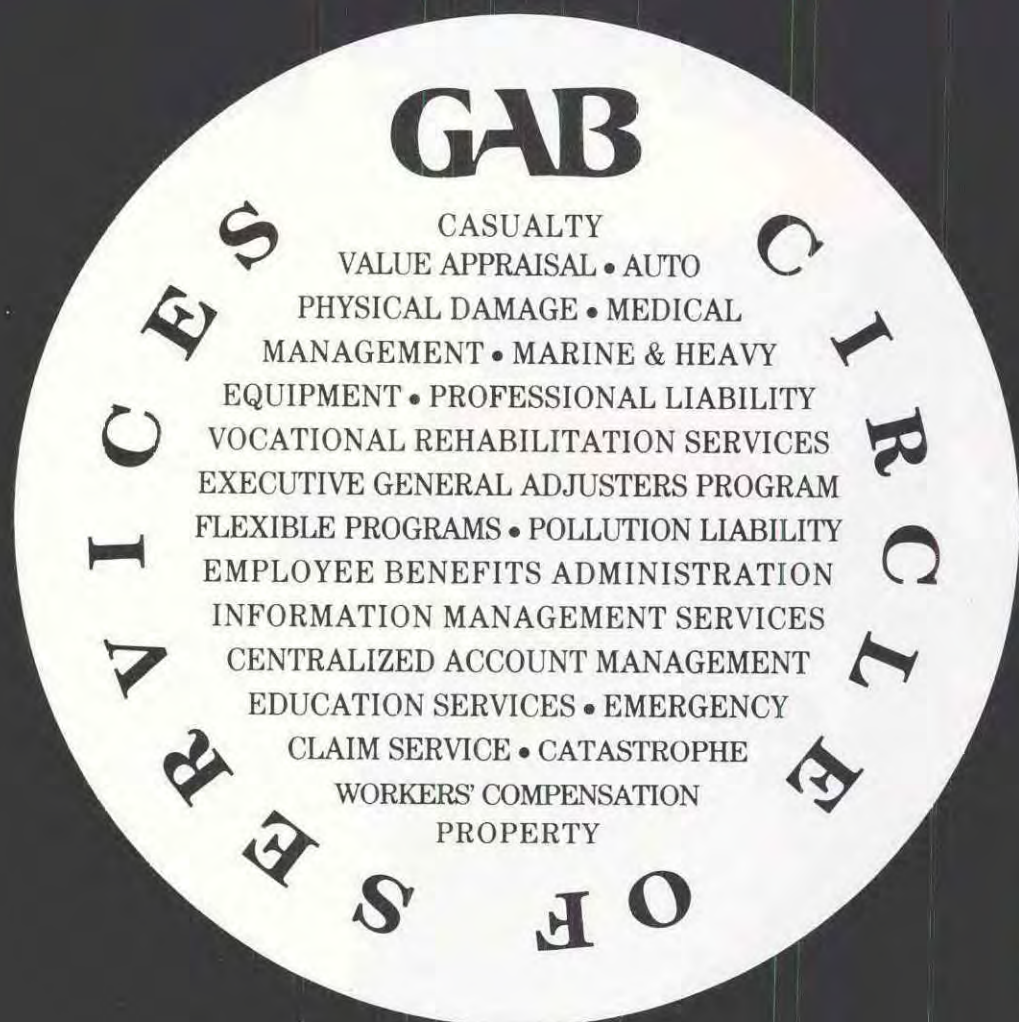
One of the panelists scheduled to speak is Missy Quay, corporate risk manager for Dennison Manufacturing Co. in Framingham, Mass., who will address financial incentives and administrative barriers from the risk manager's perspective.

The medical and psychological barriers will be covered by Dr. Glenn Pransky, director of the Occupational Medicine Clinic of the University of Massachusetts Medical Center in Worcester, Mass., and Edward Swanson, vp of The Return to Work Center in Holyoke, Mass., a physical and occupational therapy clinic specializing in work-related injuries.

Two attorneys, Mark Noonan, assistant vp of Johnson & Higgins of Massachusetts in Boston, and Alan Pierce of Pierce, Schneider and Ricci in Salem, Mass., will exchange views on the legal barriers created by state workers compensation laws.

And Mr. Goldsmith will identify alternative ways to redesign the employee's job to suit his or her temporarily limited abilities.

The session, which was first presented last year to a joint meeting of the Massachusetts Chapter of RIMS and the Boston Chapter of the American Society of Safety Engineers, will be moderated by Stephanie Craig, insurance manager for Grossman's Inc. in Braintree, Mass.



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Benefit sessions focus on cost control

By JOANNE WOJCIC

BOSTON—As part of its continuing effort to strengthen benefit managers' arsenal in fighting rising health care costs, the Risk & Insurance Management Society conference features numerous courses on health care cost containment.

Two sessions—EB 208: "PPOs Reduce Claims Costs—Fact or Fiction" and EB 201: "Health Cost Containment, Wellness and the 1990s"—will advise employee benefit managers on reducing employee health care costs through price negotiation and illness prevention.

Benefit managers must be wary of offers extended by preferred provider organizations, warns Thomas Emerick, a speaker on the EB 208 panel and director of benefits at Burger King Corp. in Miami, who is a strong advocate of individual negotiation of PPO contracts.

"If you've seen one PPO, you've simply seen one PPO," he asserted. "They're all different." Some established PPOs "weren't very good deals," he said.

For example, one hospital may offer a 25% discount on daily room rates, but after ancillary charges are figured in, may cost more than another hospital offering no discount.

"The hospitals that offer the the biggest discounts often have the highest mark-up," Mr. Emerick pointed out.

To help benefit managers identify the best PPOs, the session on PPO claims costs will offer advice on how to "critically evaluate a commercial PPO that's out marketing itself to employers," he said.

In addition, the session will answer such questions as: "How are the contracts established, per diem, by DRG? What are the components? What about a hospital-only PPO? What are the merits?" Mr. Emerick added.

Other speakers on the panel include Herb Leinberger, principal consultant at Godwins Inc. in Coral Gables, Fla.; Anne H. Bergman, vp of risk management at BankAtlantic F.S.B. in Fort Lauderdale, Fla., serving as moderator/coordinator; and Patricia A. Hemingway, senior vp at Partners National Health Plan in Irving, Texas.

EB 208 is slated for 2-4 p.m. on Thursday, May 3, in Room 108 on the first floor of the Hynes Convention Center.

Another benefits session, EB 201, will concentrate on using prevention techniques to cut employee health care costs.

"It is quite apparent that most companies have only begun to realize the savings potential of truly comprehensive health cost management," asserts session coordinator Edward R. Stasica, president of Stasica Associates, a Mount Prospect, Ill.-based health benefit consulting firm.

"It is estimated that the effectiveness level regarding management of employee health costs is probably only 20% to 30% of potential, as compared with how the rest of a given company's operations are managed," Mr. Stasica added.

The solution, according to Mr. Stasica, is a program of total

health management that incorporates medical-surgical utilization review, mental health and substance abuse utilization control, large case management and employee education and motivation.

Well-informed employees with proper incentives "can become cost-saving consumers in their own and the company's best interest," he said.

In addition, employers can avoid having to pay for employees' illnesses later if they implement an effective health promotion or wellness program, Mr. Stasica pointed out.

For example, "it is in the economic interest of virtually every

employer to have a strong, well-designed non-smoking policy and an accompanying smoking cessation program," he asserted.

Such a health management program can trim an employer's costs by reducing medical claims, decreasing absences, reducing the loss of key personnel due to premature death or disability and by removing the risk of being sued by secondary smoke victims, according to Mr. Stasica.

He also advocates:

- Employee assistance programs for alcohol and drug abuse treatment.

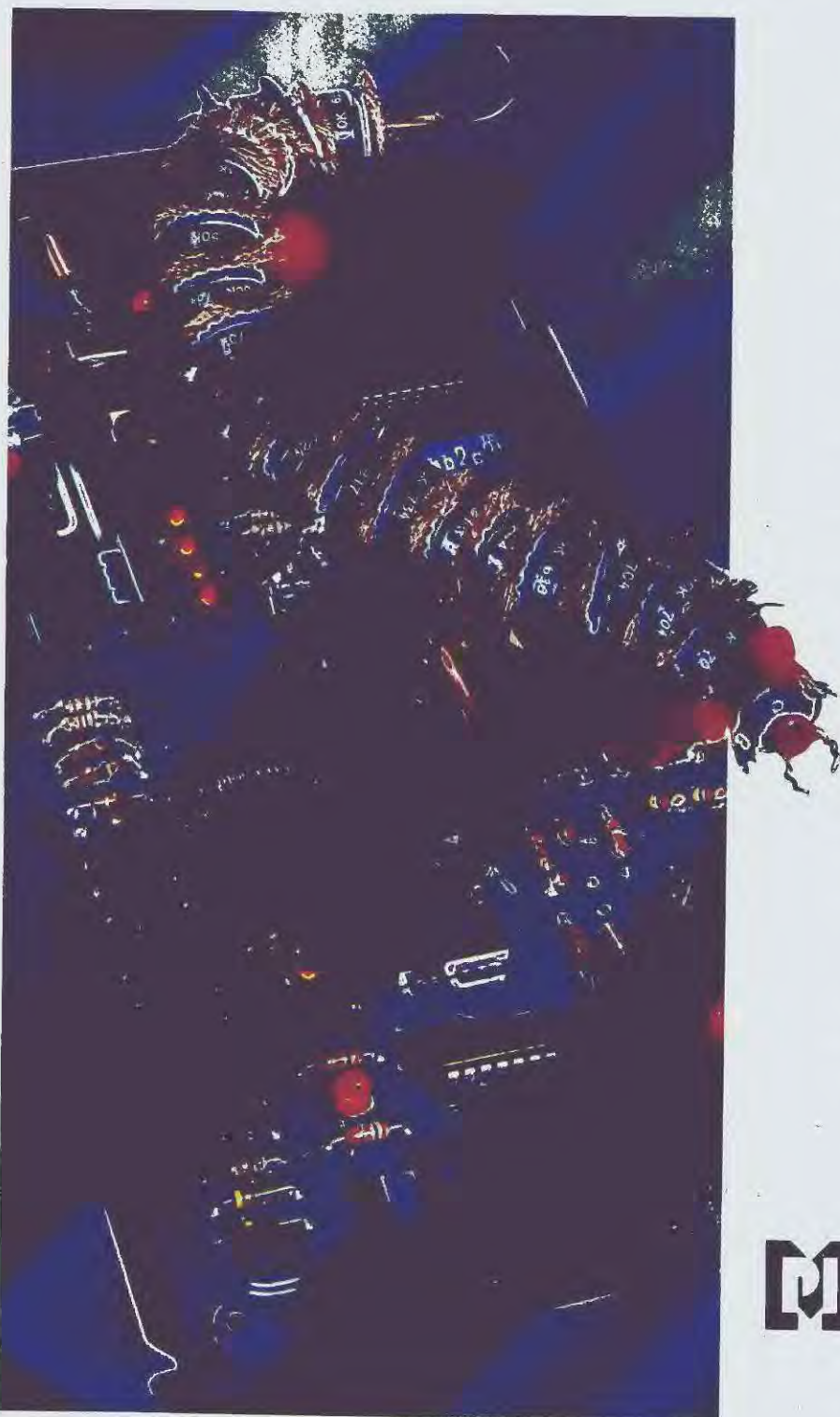
- High blood pressure and cholesterol screening and control.

- Cancer screening tests.
- Back injury prevention.
- Stress management.
- Driver and industrial safety education.

Carol Brocci, corporate insurance administrator at SPX Corp. in Muskegon, Mich., and Miriam Jacobson, director of the Prevention Leadership Forum of the Washington Business Group on Health, are also scheduled to participate on the panel.

Two sections of EB 201 are slated: 2-4 p.m. on Tuesday, May 1, and 2-4 p.m. on Wednesday, May 2. Both sessions will be held in Room 108 in the Hynes Convention Center.

When a programming bug becomes a legal monster.



Today's computer technology was yesterday's dream. But with the continuing advancement in systems, software and computer applications, comes the further evolution of the computer "bug"—that well disguised pest, buried in a program or system, waiting to prove that there is no such thing as a "perfect" system.

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Upcoming RIMS meetings

The Risk & Insurance Management Society's 1991 conference will be held April 28-May 3 in New Orleans.

Other future RIMS conference locations and dates are:

- 1992—Anaheim, Calif., March 29-April 3.

- 1993—Orlando, Fla., April 25-30.

- 1994—New Orleans, April 17-22.



Spencer Foundation increasing grants

By JOANNE WOJCIK

The Spencer Educational Foundation is awarding eight \$6,000 scholarships in 1990 to students of risk management and insurance, announced foundation President Anita Benedetti.

In addition, seven other awards are being made under the foundation's matching funds program in conjunction with individual Risk & Insurance Management Society chapters, she said.

Each scholarship is increased \$2,000 from last year, bringing the foundation closer to its goal of awarding 10 \$10,000 scholarships annually by 1993, said Ms. Benedetti,

who is also director of research and education.

"We're also right on target with our projections" for the entire Spencer Foundation fund-raising drive, Ms. Benedetti said. When the 1990 fund-raising year closes June 30, the Foundation's balance will exceed \$770,000, about \$245,000 higher than the 1989 balance, she said.

The size and number of the scholarships awarded by the foundation are determined annually based on the amount of interest accrued to the foundation's account.

As the funds available for scholarships grow, so does the program's popularity, Ms. Benedetti said. Forty-eight qualified candidates ap-

plied for scholarships this year, up from 40 in 1989.

The scholarship awards are based on merit, not financial need. Candidates must be enrolled in college full-time, earn exceptional grades, and major or minor in risk management, property/casualty insurance or employee benefits-related studies.

Students must submit an essay on their chosen careers, school transcripts and three recommendation letters from academic sources.

The scholarship committee reviews applications and determines the winners, who are notified by mail, usually in March. Money is then issued jointly to the students and the university to be used only for educa-

tion-related expenses.

Receiving Spencer scholarships this year are:

- Daphne Rich, a junior at Temple University in Philadelphia majoring in risk management and accounting.

- Kay Ann Millonzi, a master's degree candidate in risk management and insurance at the University of Wisconsin in Madison.

- Christine B. Horrocks, a senior at the University of Georgia at Athens planning to continue risk management and insurance studies at the graduate level.

- Riaz I. Beekun, a junior at Temple University with a double major in actuarial sciences and risk manage-

ment and insurance.

- Etti Z. Baranoff, a doctoral candidate at the University of Texas in Austin. Her major is finance with a minor in insurance and economics.

- Benjamin C. Iseman, a senior at the University of South Carolina in Columbia majoring in insurance and finance. He is applying to graduate school and plans to major in finance with a concentration in insurance.

- Utu K. Hughes, a junior at Howard University in Washington, D.C., majoring in insurance and finance.

- Roberta L. Schini, a doctoral candidate at the Wharton School of the University of Pennsylvania in Philadelphia majoring in risk management and insurance.

In addition, two students received scholarships under the matching fund program in which both the foundation and a sponsoring RIMS chapter contribute to an award, according to Ms. Benedetti.

The Atlanta Chapter of RIMS awarded a scholarship to Lisa A. Gardner, a student at Georgia State University in Atlanta, while the Carolinas Chapter of RIMS awarded a scholarship to Andrew S. Patton, a student at Appalachian State University in Boone, N.C.

Four chapters participating in the matching funds program requested that their award go to the general scholarship fund for a risk management student at chapter-designated universities, Ms. Benedetti said. Those chapters are:

- The Minnesota Chapter, which has designated St. Cloud State University in St. Cloud, Minn.

- The New York Chapter, which has designated The College of Insurance in New York City.

- The Northeastern Illinois Chapter, which has designated Illinois Wesleyan University in Bloomington.

- The Washington Chapter, which has designated Washington State University in Pullman.

The Rocky Mountain Chapter has asked that its matching-fund award revert to the Spencer Foundation.

This year's scholarship selection committee included:

- Chairman James V. Davis of Corroon & Black Corp. in Nashville, Tenn.

- Norman A. Baglini, president and chief executive officer of the Insurance Institute of America in Malvern, Pa.

- Ms. Benedetti.

- Allan A. Goldberg, manager of property/casualty insurance at Interco Inc. in St. Louis.

- H. Felix Kloman, vp and principal with the Tillinghast division of Towers, Perrin, Forster & Crosby Inc. in Stamford, Conn.

- Dick Smith, senior consultant at Tillinghast in Irvine, Calif.

- Anne M. Zug, corporate director of insurance at Main Line Health Inc. in Radnor, Pa.

This year's fund-raising committee chairman is George H. Shattuck Jr., senior vp and director at Johnson & Higgins in New York.

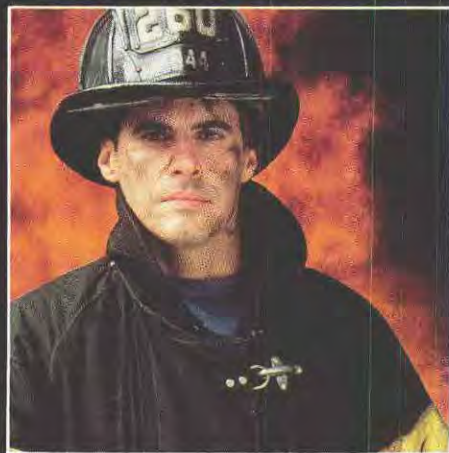
The foundation was established in 1979 to honor the late Robert S. Spencer, a career risk management executive who was committed to education. A former president of both RIMS and its Atlanta Chapter, Mr. Spencer died in 1979 at 53.

Originally organized by the Atlanta RIMS Chapter, the Spencer Foundation is now administered at RIMS' headquarters in New York and governed by a volunteer board of directors of risk managers and members of the insurance community.

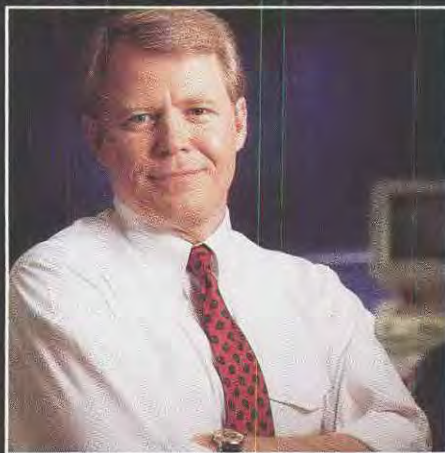
Anyone interested in contributing to the Spencer Foundation should contact Ms. Benedetti at RIMS, 205

Continued on page T30

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Boston Guide

Spencer fund

Continued from page T28
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• **President's Circle** (contribution of \$30,000 or more):
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• **Golden Circle** (\$12,000 to \$29,999):
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• **Benefactors** (\$2,500 to \$4,999):
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Chapter of RIMS in Memory of David L. Broadway.

Also, New York Chapter of RIMS; Northeastern Illinois Chapter of RIMS; Old Republic Risk Management Inc.; Rocky Mountain Chapter of RIMS; Shand, Morahan & Co. Inc.; South Florida Chapter of RIMS; C.J. Spivey Associates Inc.; Tillinghast division of Towers, Perrin, Forster & Crosby Inc.; Virginia Chapter of RIMS; Zurich-American Foundation.

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In addition, the Spencer Foundation recognizes: The Atlanta Chapter of RIMS for sponsoring its benefit golf and tennis tournament, all contributors to the Silent Auction and the hockey "All Stars" for sponsoring the fourth annual hockey game to be held at this year's RIMS conference.

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Auction to raise scholarship money quietly

By JOANNE WOJCIK

BOSTON—Bidders at a new "silent auction," sponsored by the Spencer Educational Foundation Inc., could get a deal on a weekend getaway, box seats for a baseball game or even a blimp ride while helping to raise money for risk management scholarships.

The auction, a new event at the Risk & Insurance Management Society conference, will be held from 7:30 to 9:30 p.m. on Sunday, April 29, in conjunction with the Spencer Foundation reception that traditionally kicks off the RIMS conference.

Bids collected during the silent auction will benefit the Spencer Foundation, which awards scholarships to students of risk management, insurance and employee benefits, says Anita Benedetti, president of the foundation and director of research and education for RIMS.

"The idea originated at a planning meeting last fall. We talked about raising funds" and decided it should be done in "a very silent manner" to maintain the integrity of the Spencer reception, explained James W. Smirles, brokerage marketing officer at the Kemper Group national insurance companies in Long Grove, Ill., and chairman of the Silent Auction Committee.

Bidding will open at 7:30 p.m. on Sunday, April 29, in the Grand Ballroom of the Boston Marriott Copley Place.

Items in four categories—travel, restaurants, sports and special items—will be assigned numbers. Each item will be listed on a separate clipboard, with its approximate value, the minimum bid required and the incremental price increases permitted.

Participants bid by writing in their name, their hotel and the amount of their bid on the list for a particular item. Participants can bid as often as they wish for as many items as they wish.

Bids must be submitted by 9:30 p.m. Full payment, by cash or check only, must be made by 10:30 p.m.

The total value of the items listed to date is about \$16,000, according to Ms. Benedetti.

"It is the hope of the Silent Auction Committee that all of the items will sell for more than their value," she said.

Items range from several nights' hotel lodging to theater and baseball tickets to a lawn mower to a ride on the Goodyear blimp.

Donations come from individuals and corporations and are tax-deductible, as are the bids.

Following are the items scheduled to be auctioned, as of March 23. Anyone interested in donating other items can call Ms. Benedetti at RIMS, 212-286-9292.

Travel/vacations

1. Marriott. Four days/three nights' stay at any domestic Marriott Hotel or Resort. Donated by Marriott Corp. Value \$500. Minimum bid \$200.

2. Westin. Two nights at Westin Resort, Hilton Head (includes room and tax) plus Sunday brunch at Carolina Cafe. Valid until Oct. 18. Donated by Westin. Value \$500. Minimum bid \$200.

3. Myrtle Beach Condo. June 17-24. One week in 1,750-square-foot, three-bedroom/three-bath condominium that sleeps eight. The condo is located at Ocean Creek Resorts in North Myrtle Beach, S.C. Donated by Freida

Jackson. Value \$1,150. Minimum bid \$500.

4. Omni. Any Friday or Saturday night for two, based on availability, at any Omni Hotel. Includes upgraded accommodations and breakfast. Donated by Omni Hotels. Value \$200. Minimum bid \$50.

5. Hawaii & Maui. Nine nights in one-bedroom condo. Sept. 1-5 in Maui and Sept. 6-9 in Hawaii. Donated by Ron and Kelly Winans. Value \$1,000. Minimum bid \$500.

6. Walt Disney World Hilton. Three days/two nights at the Hilton at Walt Disney World Village, Lake Buena Vista, Fla. Valid until April 29, 1991. Donated by the Hil-

ton at Disney Village. Value \$400. Minimum bid \$150.

7. Halloran House. Three days/

Valid until April 29, 1991. Donated by Halloran House. Value \$500. Minimum bid \$200.

Awaiting successful bidders: jazz in New Orleans, Mickey Mouse in Florida, the Yankees in New York, the sunset in Santa Monica, the Los Angeles skyline (from a blimp), sailing in Long Island Sound and a power mower.

two nights New York City weekend package for two in deluxe room with welcome package, free valet parking and two full breakfasts.

8. Hyatt. Three days/two nights deluxe weekend accommodations (room, tax and parking included) at the Hyatt Regency Dallas. Valid

until September. Donated by Hyatt Regency Dallas. Value \$200. Minimum bid \$75.

9. Fairmont. Three days/two nights at the Fairmont Hotel in New Orleans; complimentary champagne upon check-in; jazz brunch for two in the Blue Room. Donated by Fairmont Hotel, New Orleans. Value \$350. Minimum bid \$150.

10. Hyatt. Three nights' stay (includes room and tax) at the Hyatt Regency New Orleans. Valid until Dec. 30, 1990. Donated by Hyatt Regency New Orleans. Value \$400. Minimum bid \$150.

11. Barrier Dunes Townhouse
Continued on next page

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Silent auction

Continued from previous page

Week. One week in two-bedroom/2½-bath, plus sleeping loft, beach-front townhouse on Barrier Dunes in Florida. Sixteen-foot Hobie Cat included provided winning bidder knows how to sail. Donated by B. Scott Rich. Value \$1,000. Minimum bid \$500.

12. New Orleans condo. Four days/three nights during 1990 in two-bedroom/two-bath condo on St. Charles Avenue in New Orleans. Donated by Rebsamen Insurance. Value \$500. Minimum bid \$200.

13. Two airline tickets to Hawaii. Two round-trip coach class tickets to Hawaii via Continental Airlines (holiday blackouts apply). Valid until April 29, 1991. Donated by Garber Travel. Value \$1,600.

Minimum bid \$600.

14. Bed & Breakfast weekend. Room and bath for a couple in Bethlehem, Pa., area for Friday and Saturday nights, including breakfast Saturday and Sunday. Valid June-December. Donated anonymously. Value \$250. Minimum bid \$100.

15. Golf among the sheltering palms. One-week stay in two-bedroom/two-bath Club Cottage Villa at PGA National Golf Resort, Palm Beach Gardens, Fla. Valid May 1 to Oct. 1. Four golf courses; tennis; swimming. Donated by Mr. and Mrs. James W. Smirles. Value \$900. Minimum bid \$400.

16. Hyatt. Weekend for two and dinner at the Top of the Dome at the Hyatt Regency New Orleans. Valid until Oct. 30. Donated by Hyatt Regency New Orleans. Value \$400. Minimum bid \$150.

17. Hyatt. Two weekend nights' (Friday and Saturday) stay for two and dinner for two in the Equinox Restaurant at the Hyatt Regency San Francisco. Valid until Sept. 13. Donated by the Hyatt Regency San Francisco. Value \$1,500. Minimum bid \$500.

18. Loews. Weekend for two at the Loews Santa Monica Beach Hotel, overlooking the Pacific. Valid until April 19, 1991. Donated by Loews Santa Monica Beach Hotel. Value \$750. Minimum bid \$300.

Restaurants

31. Atlanta Dinner. Dinner for two at Pano & Paul's Restaurant on West Paces Ferry Road, Atlanta. Donated by Crawford & Co. Value \$125. Minimum bid \$50.

32. New York Dinner. Dinner for four at the National Arts Club,

15 Gramercy Park S., New York. Donated by Myra Leigh Tobin, Marsh & McLennan Inc. Value \$200. Minimum bid \$75.

33. New York Dinner. Dinner for two at the University Club, 1 W. 54th St., New York. Donated by Myra Leigh Tobin, Marsh & McLennan Inc. Value \$100. Minimum bid \$50.

34. Kansas City Dinner & Theater. Dinner for two at the American Restaurant and two tickets to the American Heartland live theater in Crown Center, Kansas City, Mo. Donated by Hallmark Cards Inc./Crown Center. Value \$160. Minimum bid \$50.

35. New Orleans Dinner. Dinner for two at Arnaud's Restaurant in New Orleans and a copy of "Arnaud's Creole Cookbook." Donated by Arnaud's. Value \$150. Minimum bid \$50.

Sports

51. Red Sox & Dinner. Dinner for two at Morton's and two tickets to a regular season Boston Red Sox home game. Donated by Corroon & Black of Massachusetts. Value \$150. Minimum bid \$50.

52. Yankees. Four box seat tickets to a regular season New York Yankees home game. Donated by American International Group Inc. Value \$100. Minimum bid \$50.

53. Mets. Four box seat tickets to a regular season New York Mets home game. Donated by American International Group Inc. Value \$100. Minimum bid \$50.

54. 1991 Masters Golf Tickets. Four tickets to one day's round of the 1991 Master's Golf Tournament in Augusta, Ga. Donated anonymously. Value \$360. Minimum bid \$200.

55. Hockey tickets. Two tickets to a regular season NHL hockey game in either Vancouver, Edmonton, Calgary, Winnipeg, Toronto, Montreal or Quebec City. Donated by Marathon Realty Co. Ltd. Value \$100. Minimum bid \$50.

56. Golf 'Fore' You. A round of golf on a weekday of your choice at Kemper Lakes Golf Club in Long Grove, Ill., the site of the 1989 PGA Championship. Includes cart and greens fees for four. Donated by Kemper Group's national insurance companies. Value \$350. Minimum bid \$150.

57. Braves. Four tickets to a regular season Atlanta Braves home game. Donated by Crawford & Co. Value \$100. Minimum bid \$50.

58. Sail Long Island Sound. A day of sailing on a 36-foot sloop in June on Long Island Sound from Norwalk, Conn. Includes a gourmet lunch for two, prepared by Chef/Skipper Felix Kloman and musical entertainment by Hugh Rosenbaum. Minimum bid \$250.

59. Yankees. Four box seat tickets to a regular season New York Yankees home game. Donated by Marsh & McLennan Inc. Minimum bid \$50.

60. Red Sox & Dinner. Four box seat tickets to a regular season Boston Red Sox home game and a gift certificate for dinner. Donated by General Rehabilitation Services Inc. Value \$150. Minimum bid \$50.

61. Dodgers. Four box seat tickets to a regular season Los Angeles Dodgers home game. Donated by I.D. Investigators & Adjustors Inc. Value \$100. Minimum bid \$50.

62. Kings. Two tickets to a regular season Los Angeles Kings home game. Donated by I.D. Investigators & Adjustors Inc. Value \$50. Minimum bid \$25.

Special items

71. Snapper Mower. Snapper Walk Behind Mower. Local dealer will make delivery. Donated by Snapper Power Equipment. Value \$500. Minimum bid \$200.

72. Executive Writing Ensemble. Rosewood pen and pencil set with gold appointments and a selection of fine writing papers and notes to meet all your personal correspondence needs. Donated by Hallmark Cards. Value \$110. Minimum bid \$25.

73. Blimp Ride for Two. You and your guest may take a ride aboard one of the Goodyear blimps in Los Angeles, Houston or Pompano Beach during November-April, or wait for one of the airships to return during a summer tour to your area. The ride will be scheduled at a mutually convenient time, priority schedules and weather permitting. Donated by The Goodyear Tire & Rubber Co. Minimum bid \$500.

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Boston Guide

Hockey match pits undaunted against unbeaten

By JOANNE WOJCIC

BOSTON—In a town that still reveres Bobby Orr, Johnny Bucyk and Phil Esposito, the RIMS Hockey "All-Stars" will don their skates to raise money for the Spencer Educational Foundation Inc. at this year's Risk & Insurance Management Society conference.

A relentless Team USA will once again challenge its Canadian adversaries at 5:30 on Tuesday, May 1, in Boston University's Walter Brown Arena.

Underdogs with a record of two losses and one tie, the Americans covet the Golden Skate award that Team Canada has held since 1988 (BI, April 17, 1989; April 25, 1988; April 21, 1986).

"We had a gracious tie back in 1986," in the first meeting in Toronto, said Team USA member Peter J. King, assistant vp at Marsh & McLennan Inc. in Philadelphia.

The Canadians "always seem to find some 22-year-old in the mailroom that they probably employ one week a year," Mr. King observes wryly.

Joe Hardy, captain of Team Canada, bristles at such hints of impropriety. "We're all secret weapons," he counters.

According to Mr. Hardy of The Oshawa Group Ltd. of Etobicoke, Ontario, the American team mustered a 5-5 tie in 1986 only because it had a Canadian goalie.

Steve Patenaude, a senior account representative with Arkwright Mutual Insurance Co. in Montreal, covered the net for the American team that year by virtue of his company being based in the United States. That strategy evidently was not lost on Team USA this year.

"Our secret weapon was going to be a Canadian," Mr. King said of Greg Hales, Cleveland branch manager for American Home Assurance Co. "But he took too much heat and decided to side with his Canadian buddies."

That story sounds much different when Mr. Hardy tells it, however.

Team USA actually sent a jersey to Mr. Hales before asking him whether he wanted to be on the team, according to Mr. Hardy.

But Team USA is undaunted, claiming to have at least one other ace in the hole. "Our big gun is Pete Bostwick. He and his father have been involved in St. Nick's amateur hockey team for years," boasted Mr. King, who captained the American squad last year.

New York-based St. Nick's is the oldest amateur hockey club in North America. Its Ivy League-dominated roster is filled with ex-collegiate hockey players working in New York City.

In fact, the legendary Hoby Baker, after whom the trophy awarded to the nation's top college hockey player is named, played for St. Nick's for three years after graduating from Princeton in 1914.

Mr. Bostwick, of Johnson & Higgins of New York, "is our own Hoby Baker," Mr. King said.

To be fair, he adds that the players on both squads are good amateur players who hit the ice two or three times a week.

Canadian-American rivalries aside, the real reason for the match has nothing to do with athletic prowess, points out Mr. King.

"The more money we make, the more money that's available for scholarships" from the Spencer Foundation, he said.

All proceeds benefit the foundation, which awards scholarships to students of risk management, insurance and employee benefits (see

story, page T28).

The rivals will hold a practice game from 3-5 p.m. on Monday, April 30, at the Walter Brown Arena, 285 Babcock St. Spectators are urged to attend the warm-up, although the match that counts will be held 5:30 p.m. on Tuesday, May 1, at the same location.

In case of injury, all American players are covered by their employer-sponsored group health insurance plans, while the Canadian skaters are covered by Canada's provincial health care system.

Tickets for the Fourth Annual RIMS Hockey "All Stars" match are \$10 and may be obtained prepaid from Mr. King at Marsh & McLennan Inc., 3 Parkway, 15th

Floor, Philadelphia, Pa. 19102; 215-963-2871. Tickets can also be purchased at the door of the arena.

The Team USA roster includes: Coach Stan Tait of Cadbury Schwepps Inc. in Stamford, Conn.; Captain Joseph Tarbell of Corroon & Black Corp. in Boston; John Chaney and Sandy McMillan of Rollins Burdick Hunter of Michigan in Detroit; Rick Morris of RBH of Michigan in Grand Rapids; John Gray and Jim Sweitzer of General Reinsurance Corp. in Stamford, Conn.; John Hickey of Leonard Newman Agency in White Plains, N.Y.; Pat Hickey of Corroon & Black Coro. in New York; Howard Hoskins of Independent Agent magazine in Alexandria, Va.; Felix

Kloman of the Tillinghast division of Towers, Perrin, Forster & Crosby Inc. in Stamford, Conn.; Dave Lyman of Chubb & Son Inc. in Roseland, N.J.; Bob Nason of Trenwick American Reinsurance in Stamford, Conn.; Mark Ryder of Marten Transport Ltd. in Mondovi, Wis.; Jon Vlachos of Rollins Burdick Hunter of New York Co. in New York; Mike White of the Holborn Agency in New York; Mr. Bostwick; and Mr. King.

Team Canada's lineup includes: Coach and Trainer Brian Hammond of Federal Development Business Bank in Montreal; Lionel Lalonde of Reed Stenhouse Ltd. in Montreal; Steve Patenaude of Arkwright Mutual Insurance Co. in

Montreal; Ron Williams of CSP Foods Ltd. in Saskatoon, Saskatchewan; Dan Vujacic of SCOR Reinsurance Co. in Toronto; Daniel Desjardins and Brian Mathews of Domtar Inc. in Montreal; Bob Pusiak of CIGNA Corp. in Toronto; Philip Kane of Johnson & Higgins in Toronto; Ken McCormick of Sedgwick James Ltd. in Toronto; George Balcer of Stone Container Corp. in Chicago; Jean Lizotte of Hydro Quebec in Montreal; Ken Wells of CIGNA in Toronto; Ken Green of Union Gas in London, Ontario; Kosta Saviolis of Grilli Corp. in Montreal; Mr. Hales and Mr. Hardy.

Rene Montpetit of CSL Group Inc. of Montreal will be referee. ■

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Boston Guide

Dining guide

Continued from page T8

COPLEY'S

Copley Plaza Hotel, 138 St. James Ave. at Copley Square.
267-5300.

Casual but neat dress. Average dinner for two with wine and gratuity: \$70. Reservations required. New England brasserie, popular "club-like atmosphere." Specialties: Smoked breast of chicken on bed of fresh apple and chutney; Boston bib lettuce with asparagus tips and enoki mushrooms; wide selection of seafood. Hours: 6:30 p.m. to 11:30 p.m. daily. Major credit cards.

DAKOTA'S

34 Summer St. at Arch Street in the Financial District.
737-1777.

Casual dress allowed, but jackets

preferred. Average dinner for two with wine and gratuity: \$70. Reservations suggested. Casual, elegant atmosphere featuring live jazz piano. Specialties: American favorites, like veal, lamb, duck; selection of fresh seafoods; salads. Fresh pasta and homemade breads are prepared daily. Hours: 11:30 a.m. to 10:30 p.m. Monday through Saturday. Closed Sunday. Complimentary valet parking available. Major credit cards.

DURGIN PARK

Faneuil Hall Market Place at North Market Building.
227-2038.

Jackets preferred but not required. Average dinner for two with wine and gratuity: \$50. Family-style dining in lively hustle-bustle atmosphere. Specialties: Yankee cuisine featuring standards like franks and beans, stuffed turkey, leg of lamb,

pork, lamb roast, broiled Boston scrod; wide selection of fresh seafoods. Hours: 11:30 a.m. to 10 p.m. Monday through Saturday; 11 a.m. to 9 p.m. Sunday. Credit cards not accepted.

FYNN'S

359 Newbury Street at Massachusetts Avenue.
536-1100.

Neat casual or formal dress preferred. Average dinner for two with wine and gratuity: \$90. Reservations suggested. Four separate dining rooms decorated with alabaster lamps and Art Nouveau. Specialties: Swordfish diablo, blackened with sweet pepper creole and mustard cream sauce; chateaubriand with garden vegetables, stuffed Irish potatoes and bearnaise sauce; lamb with spinach and roasted garlic sauce. Hours: 11 a.m. to 10:30 p.m. Sunday

through Thursday; until 11 p.m. Friday and Saturday. Major credit cards.

HARVEST

44 Brattle St. at Mt. Auburn Street, near Harvard in Cambridge.
492-1115.

Dress neat but casual. Average dinner for two with wine and gratuity: \$80. Reservation required for dining room. Quiet, bright dining room, lively bar, and lovely garden, especially on a summer night. Specialties: Grilled rack of Vermont lamb with stuffed chanterelle mushrooms; grilled filet of Norwegian salmon; smoked salmon and wild rice; sirloin with okra salad; stuffed breast of pheasant with chutney. Hours: 11:30 a.m. to 10 p.m. Sunday through Friday; until 10:30 p.m. Saturday and Sunday. Major credit cards.

HOODOO BARBECUE

835 Beacon St., west of Kenmore Square.

267-7427

Here's your chance to show off your funky Bohemian togs. Average dinner for two with wine and gratuity: \$25. Reservations suggested for parties of six or more. Feast on barbecue while you laugh at comedians in the front room of Stitches Comedy Club. Specialties: Barbecued pork, beef and baby back ribs; chicken and shrimp creole; shrimp with banana ketchup; Southern desserts like key lime pie and apple brown betty. Dinner and show package \$14.95-\$18.95. Free parking. Hours: 11:30 a.m. to 11 p.m. Sunday through Thursday; until midnight Friday and Saturday. Major credit cards.

ICARUS

3 Appleton St., between Arlington and Berkley streets in the South End.

426-1790

Dress casually, but with taste. Average dinner for two with wine and gratuity: \$80. Reservations suggested on weekends. Mahogany furniture enhances the soft, warm, spacious atmosphere. Specialties: Grilled veal chops with fontina cheese and potato cakes; sauteed sea scallops with vegetable couscous. Hours: 5:30 p.m. to 10 p.m. Sunday through Thursday; until 11 p.m. Friday and Saturday. Major credit cards.

JASPER'S

240 Commercial St., at Atlantic Avenue, across from Lewis Wharf.

523-1126

Jackets preferred but neat casuals allowed. Average dinner for two with wine and gratuity: \$100. Reservations suggested. Art Deco decor with linen and silver. Specialties: Pan-roasted lobster with chervil and chives; duck salad with papaya and spiced nuts; mixed grilled marinated quail; and spicy duck sausage with parsnip puree. Hours: 6 p.m. to 10 p.m. Tuesday through Saturday; closed Sunday and Monday. Major credit cards accepted.

LOCKE-OBER CAFE

3 Winter Place, between Tremont and Washington streets, near Boston Common.

542-1340.

Formal dress. Average dinner for two with wine and gratuity: \$80. Reservations required, three days in advance for parties of three or more. The second oldest restaurant in Boston, featuring a club atmosphere. Specialties: Lobster Savannah; rack of lamb; clams; veal; and an array of salads. Hours: 11:30 a.m. to 10 p.m. Monday through Friday; until 10:30 p.m. Saturday and Sunday. Major credit cards.

PARKER'S

Omni Parker House, 60 School St. at Tremont Street.

227-8600, ext. 2100.

Jackets required; ties optional. Average dinner for two with wine and gratuity: \$75. Reservations suggested. Club atmosphere, mahogany paneling and chandeliers. Specialties: Filet mignon au poivre; Veal Mediterranean with wild mushrooms and brandy cream sauce; lobster with pickled ginger in cream sauce; scrod; and "famous" clam chowder. Lunch: 11:30 a.m. to 2:30 p.m. Monday through Friday. Dinner: 5:30 p.m. to 9:30 p.m. Sunday through Thursday; until 10 p.m. Friday and Saturday. Major credit cards.

RARITIES

Charles Hotel, 1 Bennett St. at Eliot Street, Cambridge.

864-1200, ext. 1214.

Jackets and ties appropriate. Average dinner for two with wine and gratuity: \$100. Reservations required. Quiet, friendly, and romantic setting with orchids and candlelight. Spe-

Continued on next page

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Boston Guide

Continued from previous page
 specialties: Native scallops with sunchokes and escarole; Long Island duck with ginger and mushroom; roast partridge. Hours: 6 p.m. to 10 p.m. Sunday through Saturday; closed Sunday. Major credit cards.

SEASONS

Bostonian Hotel, 9 Blackstone St. N.

523-3600

Jackets required. Average dinner for two with wine and gratuity: \$60. Reservations required. Courteous service in luxurious setting. Specialties: Cod with Maine shrimp and baked beans; sauteed fish with eggplant and chick peas; grilled lobster with charred almonds; veal; steak; venison; rack of lamb. Hours: 6 p.m. to 10 p.m. Sunday through Friday; until 11 p.m. Saturday. Major credit cards.

ST. CLOUD

557 Tremont St., near Copley Place.

353-0202

Casual dress. Average dinner for two with wine and gratuity: \$90. Reservations advised. Light, airy bistro with floor-to-ceiling windows on three sides. Specialties: Beef tenderloin with rosemary butter; sesame-coated salmon; crab cakes with marinated stuffed artichokes and herb sauce; rack of lamb; duck. Hours: 11:30 a.m. to midnight daily. Valet parking. Major credit cards.

UNION OYSTER HOUSE

41 Union St., one block from Faneuil Hall on the Freedom Trail.

227-2750

Casual or formal. Average dinner for two with wine and gratuity: \$60. Reservations suggested. Lively atmosphere in the country's oldest continually operating restaurant. Specialties: Shore dinner with clam chowder, steamers, lobster, garden salad and ginger bread with whipped cream; beef including prime rib, New York sirloin, and filet mignon; "world famous" oyster bar. Hours: 11 a.m. to 9:30 p.m., Sunday through Thursday; until 10 p.m. Friday and Saturday. Major credit cards.

Asian

AM THAI CUISINE

Chinese Trade Building, 2-22 Boylston St. at Washington Street

451-2233

Casual dress. Average dinner for two with cocktails and gratuity: \$40. Reservations not required. Small, cozy and quiet. Specialties: Thai curry; seafood dishes in wide array of sauces. Hours: 11:30 a.m.-10 p.m. Monday through Friday; 2 p.m.-10 p.m. Saturday and Sunday. Credit cards: MC, V.

DYNASTY

33 Edinboro St., just off Beach Street at the Dragon Gateway

350-7777

Casual dress. Average dinner for two with cocktails and gratuity: \$25. Reservations suggested. Brass, mirrors and velvet. Specialties: dim sum; lobster with ginger and scallions; pan-fried spiced shrimp; Szechuan chicken; soups. Hours: 11:30 a.m.-4 a.m. daily. Major credit cards.

IMPERIAL TEA HOUSE

70 Beach St. at Hudson Street

426-8439

Casual dress. Average dinner for two with cocktails and gratuity: \$30. Reservations suggested for eight or more. Bustling, fun Chinatown atmosphere. Specialties: Lobster with ginger and scallions; Hong Kong steak; sizzling lemon-flavored chicken; Hong Kong-style dim sum. Hours: 11 a.m.-2 a.m. daily. Major credit cards.

MARY CHUNG

447 Massachusetts Ave., two blocks from Central Square, Cambridge

864-1991

Jackets suggested but not required.

Average dinner for two with cocktails and gratuity: \$30. Reservations not required. Staid but functional setting. Specialties: Dun Dun—spicy noodles with peanut butter; hot and sour soup and dumplings. Hours: 11:30 a.m.-9:45 p.m. Monday, Wednesday and Thursday; until 10:45 p.m. Friday through Sunday; closed Tuesday. No credit cards.

MISTER LEUNG'S

545 Boylston St., Copley Square between Clarendon and Dartmouth streets

236-4040

Casual but chic. Average dinner for two with cocktails and gratuity: \$50. Reservations suggested. Stylish, contemporary black and white decor in Back Bay setting. Specialties: Peking duck; fish in wine sauce; spareribs; other Cantonese-Szechuan dishes. Hours: 11 a.m.-10

p.m. Daily. credit cards.

ROYAL EAST

782 Main St., Cambridge

661-1660

Jackets preferred. Average dinner for two with cocktails and gratuity: \$25. Reservations not required. Contemporary decor accented with Oriental screens, prints and calligraphy. Specialties: gourmet Mandarin and Szechuan seafood; braised duck; tangerine-flavored crispy spiced beef; hot-spiced pork. Hours: 11:30 a.m.-10 p.m. Monday through Thursday; until 11 p.m. Friday and Saturday; closed Sunday. Major credit cards.

French

BRASSERIE LES HALLES

301 Faneuil Hall Market Place, North Market Building.

227-1272

Dress formal. Average dinner for

two with wine and gratuity: \$80. Reservations suggested. Boston's answer to New York's South Street Seaport. Open kitchen. Specialties: French onion soup; salads with fresh vegetables and seafood; steak au poivre; chicken; veal; lamb. Hours: 11:30 a.m. to 11 p.m. Monday through Friday; until midnight Saturday and Sunday. Major credit cards.

THE DINING ROOM

The Ritz Carlton Hotel, 15 Arlington St. at Commonwealth Avenue.

536-5700, ext. 6222

Jacket and tie. Average dinner for two with wine and gratuity: \$140. Reservations suggested. Elegant dining overlooking Boston Gardens. Specialties: Chateaubriand; rack of lamb; Dover sole; Boston scrod; other seafood. Hours: 6 to 10 p.m. Sunday through Thursday; until 11 p.m. Friday and Saturday. Major credit

cards.

HAMERSLEY'S BISTRO

578 Tremont St., between Clarendon and Dartmouth streets in the South End.

267-6068

Neat casual dress. Average dinner for two with wine and gratuity: \$80. Reservations suggested. Pleasant, subdued decor. Specialties: Roast chicken with lemon garlic; monkfish in sherry sauce; braised lamb shanks; scallops with artichokes; venison. Hours: 6 p.m. to 10 p.m. Monday through Saturday; until 9 p.m. Sunday. Credit cards: MC, V.

JULIEN

Hotel Meridien, 250 Franklin St. at Pearl Street.

451-1900

If you don't own a tuxedo, rent
Continued on next page

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Dining guide

Continued from previous page
one; dining here is a black-tie affair. Average dinner for two with wine and gratuity: \$150. Reservations required. Quiet, elegant dining in a high-ceilinged room in the old Federal Reserve Bank. Specialties: Roast Maine lobster with compote of mushrooms; lamb medallion with wild caraway seeds and fried celery; Nantucket Bay scallops with apple and beetroot. Hours: 7 a.m. to 10:30 p.m. Monday through Saturday; closed Sunday. Major credit cards.

LE MARQUIS DE LAFAYETTE
Lafayette Swissotel, 1 Ave. de Lafayette at Washington Street.
451-2600
Very formal. Average dinner for two with wine and gratuity: \$130.

Reservations required. Elegant, Waterford crystal and soft lighting. Specialties: Beef tenderloin; duckling with truffles; salmon loin in rice paper; appetizers like tartar of tuna with vegetables and sea urchin with fennel juice; wide selection of pastries. 6 to 10:30 p.m. Monday through Saturday; closed Sunday. Major credit cards.

L'ESPALIER
30 Gloucester St., between Newbury Street and Commonwealth Avenue.
262-3023
Jacket and tie required. Average dinner for two with wine and gratuity: \$130. Reservations required. Elegant Back Bay townhouse with three dining rooms. Specialties: Atlantic salmon; rack of lamb; Maine lobster; farm-raised venison. Hours:

6 p.m. to 10 p.m. Monday through Saturday; closed Sunday. Major credit cards.

MAISON ROBERT
45 School St., between Tremont and Washington streets.
227-3370
Jackets required. Average dinner for two with wine and gratuity: \$120. Reservations suggested. Historic setting in Old City Hall with downstairs cafe and large terrace. Specialties: Rack of lamb; Dover sole; lobster with caviar foie gras. Hours: noon to 10 p.m. Monday through Saturday; closed Sunday. Major credit cards.

PLAZA DINING ROOM
Copley Plaza Hotel, 138 St. James Ave. at Copley Square.
267-5300
Formal attire required. Average dinner for two with wine and gratuity: \$120. Reservations required. Renaissance architecture with floral decor. Specialties: warm oysters stuffed with caviar; assorted duck liver with sauteed truffle and pork dressing; corn-fed chicken; grilled salmon with asparagus and Riesling; grilled duck breast with cranberry sauce; aged sirloin. Hours: 5:30 p.m. to 10 p.m. Tuesday through Saturday; closed Sunday and Monday. Major credit cards.

Italian

ALLEGRO
313 Moody St., between Chestnut and High streets, Waltham.
891-5486
No dress code. Average dinner for two with wine and gratuity: \$75. Reservations required. Original silk screen prints and a fireplace. Specialties: Four different pastas; grilled ribeye steak; lamb osso-buco; wide variety of fish daily. Hours: 6 p.m. to 9 p.m. daily. Credit cards: MC, V.

D'AMORE'S
76 Salem St.
523-8820
Casual. Average dinner for two with wine and gratuity: \$50. Reservations suggested. Small, intimate restaurant in the heart of the North End. Specialties: Rolled chicken and veal marsala; chicken; seafood dishes; pasta. Hours: 11:30 a.m. to 10:30 p.m. Sunday through Thursday; closed Friday and Saturday. Major credit cards.

G'VANNI'S
2 Prince St. between North Square and Hanover Street.
523-0107
Dress casual but neat. Average dinner for two with wine and gratuity: \$55. Reservations suggested. Romantic though somewhat crowded. Specialties: Lobster diablo; shrimp scampi; veal; pasta; tortellini; and ravioli. Hours: noon to midnight daily. Major credit cards.

LUCIA'S RISTORANTE
415 Hanover St. at Harris Street.
367-2353
53 Mt. Vernon St. at Church Street in Winchester.
729-0515
Jackets preferred but tasteful casuals allowed. Average dinner for two with wine and gratuity: \$60. Reservations suggested. Dining rooms on three levels feature mirrored ceilings. Specialties: Veal Carrozella; pasta al tricolore; fresh seafoods daily. Hours: 4 p.m. to 11 p.m. Sunday through Thursday; 11:30 a.m. to midnight Friday and Saturday; 1 p.m. to 11 p.m. Sunday. Major credit cards.

MAMMA MARIA
3 North Square at Little Prince Street.
523-0077
Formal dress preferred. Average dinner for two with wine and gratuity: \$100. Reservations suggested. Elegant dining in rustic North Square town house. Specialties: Sauteed gulf shrimp; seafood antipasto; insalata Caprese; traditional pastas; fettuccine; salads; selection of steaks. Lunch: 11:30 a.m. to 2:30 p.m. Tuesday through Saturday. Dinner: 5:30 p.m. to 10 p.m. daily. Valet parking. Major credit cards.

MICHELA'S
1 Athenaeum St., between 1st and 2nd Streets, Cambridge.
225-2121
Formal dress suggested; no jeans or sneakers. Average dinner for two with wine and gratuity: \$80. Reservations suggested. Festive, tropical atmosphere featuring postmodern dining room and atrium courtyard. Specialties: Moroccan rabbit in fennel and orange lemon with couscous and roasted vegetables; roasted duck in olive and lemon sauce with parsnips and marinated zucchini; pasta. Hours: 6 to 10 p.m. Monday through Wednesday; until 10:30 p.m. Thursday through Saturday. Major credit cards.

OLIVES
67 Main St. at Monument Avenue, Charlestown.
242-1999
Casual. Average dinner for two with wine and gratuity: \$75. Reservations suggested for parties of six or more. Trendy, bustling storefront bistro. Specialties: Spit-roasted chicken; wood-grilled lamb sandwich; roasted lobster with white bean raviolini; grilled fish. Hours: 5 to 10:30 p.m. Tuesday through Thursday; until 10:30 p.m. Friday and Saturday. Closed Sunday and Monday. Major credit cards.

RISTORANTE TOSCANO
41 Charles St., between Mt. Vernon and Chestnut streets, near Beacon Hill.
723-4090
Dress formal. Average dinner for two with wine and gratuity: \$70. Reservations required for parties of 10 or more. Elegant trattoria with exposed brick walls. Specialties: Seafood; steaks; veal; pheasant; venison; various specials prepared with seasonal ingredients. Hours: 11:30 a.m. to 10:30 p.m. daily. Credit cards: AE.

798 MAIN
798 Main St. at Windsor St., Cambridge, near the Massachusetts Institute of Technology.
492-9500
As a reminder of the bistro's for-

mer moniker, dress casual but with "panache." Average dinner for two with wine and gratuity: \$75. Reservations are required. Contemporary, romantic decor. Specialties: Native crab and sea scallop casserole; stews; steaks; desserts including hard apple cider sorbet. Hours: 6 to 10 p.m. Tuesday through Saturday; closed Sunday and Monday. Major credit cards.

VIA VENTO
283 Causeway St.
742-4142
Casual. Average dinner for two with wine and gratuity: \$45. Reservations suggested. Semiformal main dining room and casual cafe. Specialties: Lobster Arrabbiata; Pagliatella alla Romana; Vitello Carrottella; selection of veal, chicken, pasta, and seafood dishes. Hours: 11:30 a.m. to 11 p.m. Sunday through Thursday; until 11:30 p.m. Friday and Saturday. Major credit cards.

International

ANOTHER SEASON
97 Mt. Vernon St., between Charles and West Cedar streets
367-0880
Jackets suggested but not required. Average dinner for two with wine and gratuity: \$80. Reservations required. Romantic, intimate on Beacon Hill, featuring hand-painted murals. The menu changes with the seasons, but standards include seafood; chicken stuffed with cheese, spinach and lemon; pheasant and duck pate; beef tenderloin. Hours: 6-10 p.m. Monday through Saturday; closed Sunday. Credit cards: MC, V only.

AVEROF
1924 Massachusetts Ave., near Porter Square, Cambridge
354-4500
Casual dress. Average dinner for two with wine and gratuity: \$45. Reservations suggested. Palm trees, tapestries and Greek music and belly dancing nightly. Specialties: mous-saka; pastichio; spinach pie; beef and lamb shish kebab; octopus; shrimp; sole; scrod; salads. Hours: 11 a.m.-1 a.m. Sunday through Wednesday; until 2 a.m. Thursday through Saturday. Major credit cards.

BIBA
272 Boylston St., between Arlington Street and Haddassah Way, across from the Public Gardens
426-7878
Casual dress. Average dinner for two with wine and gratuity: \$70. Reservations required. Eclectic fare; bright, sleek, lively setting. Specialties: green tea duck with scallions; grilled stuffed lobster; cow's brains; and crisp-fried capers in sherry vinegar. Hours: 11 a.m.-9 p.m. Monday through Friday; until 10:30 p.m. Saturday and Sunday. Major credit cards.

BORDER CAFE
32 Church St. at Palmer Street, Cambridge
864-6100
Casual dress. Average dinner for two with wine and gratuity: \$40. Reservations not required. Quaint stucco walls with poster-style ad art. Specialties: blackened fish; chicken in assorted sauces; Cajun chicken; tacos; fajitas; pasta; salads. Hours: 11 a.m.-11 p.m. Monday through Thursday; until midnight Friday through Sunday. Major credit cards accepted.

CAFE BUDAPEST
Copley Hotel, 90 Exeter St. at Huntington Avenue.
266-1979
Jackets and ties required. Average dinner for two with wine and gratuity: \$100. Reservations required. Romantic, elegant, old-world charm with European flavor. Three dining rooms. Specialties: veal goulash;
Continued on next page

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Boston Guide

Continued from previous page

stuffed cabbage; filet mignon with goose liver and madeira sauce; cha-teaubriand; fresh catch of the day. Hours: 5-10:30 p.m. Monday through Thursday; until 11:30 p.m. Friday and Saturday; 1-10:30 p.m. Sunday. Major credit cards.

CAMBRIDGE BREWING CO.

One Kendall Square, at Hampshire Street and Broadway, Cambridge 494-1994.

Casual dress. Average dinner for two with wine and gratuity: \$40. Reservations not required. Folk music and jazz, local artworks. Four beers brewed in this rehabbed factory with 20-foot skylights, exposed brickwork and a magnificent oak bar. Specialties: paella; fish; burgers; buffalo wings; salads. Hours: 11 a.m.-1 a.m. Monday through Friday; noon-1 a.m. Saturday and Sunday. Major credit cards.

CASA PORTUGAL

1200 Cambridge St. at Prospect Street, Cambridge 491-8880

Casual dress. Average dinner for two with wine and gratuity: \$35. Reservations required on weekends. Small, earthy and cozy. Specialties: pork cubes with littleneck clams; lobster, shrimp, squid, clams and mussels; pork steak, onions and sausages in wine sauce. Hours: 4 p.m.-10 p.m. daily. Credit cards: MC, V.

EAST COAST GRILL

1271 Cambridge St., near Prospect Street, Cambridge 491-6568

Casual dress. Average dinner for two with wine and gratuity: \$50. Reservations required for parties of five or more on weekdays. Upbeat, fun atmosphere. Specialties: barbecued ribs; spit-roasted chicken; grilled tuna with sauce of the day; barbecued stew with pork sausage; fried plantains; grilled lamb. Hours: 5:30-10 p.m. Sunday through Thursday; until 10:30 p.m. Friday and Saturday. Major credit cards.

GRENDAL'S DEN

89 Winthrop St. at JFK Street, Cambridge 491-1050

Casual dress. Average dinner for two with wine and gratuity: \$45. Reservations suggested. Club setting in

an old fraternity house near Harvard Square; fireplace and porch. Specialties: cheese fondue; salad bar; wide selection of sandwiches; "beggars banquet." Hours: 11 a.m.-11 p.m. Sunday through Thursday; until midnight Friday and Saturday. Major credit cards.

HARVARD STREET GRILL

398 Harvard St., between Naples and Fuller streets, Brookline. 734-9834.

Casual dress. Average dinner for two with wine and gratuity: \$60. Reservations suggested. Laid-back, unpretentious. Specialties: grilled salmon with asparagus and Riesling wine; grilled duck breast with cranberry and barbecue sauce; fresh fish; aged sirloin; pasta. Hours: 5:30-10 p.m. Tuesday through Saturday; closed Sunday and Monday. Major credit cards.

ROCCO'S

5 S. Charles St. at Boylston Street 723-6800

Jackets preferred. Average dinner for two with wine and gratuity: \$60. Reservations suggested, especially on weekends. High-ceilinged brasserie in the theater district. Specialties: stir-fry; roast chicken; steaks; stews; casseroles; pizzas; fruit-and-cheese plates. Hours: 5:30-10 p.m. Sunday through Wednesday; until 11:30 p.m. Thursday through Saturday. Major credit cards.

Seafood

ANTHONY'S PIER FOUR

140 Northern Ave. on Pier 4 423-6363

Jackets required. Average dinner for two with wine and gratuity: \$50. Reservations not required. Nautical motifs and a harbor view. Specialties: Baked fillet of sole; lobster; Boston scrod; oysters; crab; beef including prime rib and filet mignon. Hours: 11:30 a.m.-11 p.m. Monday through Friday; 12:30-11 p.m. Saturday; until 10:30 p.m. Sunday. Major credit cards.

ATLANTIC FISH CO.

777 Boylston St. at Gloucester Street 267-4000
The Mall at Chestnut Hill, 199 Boylston St., Newton 527-6600

Casual dress. Average dinner for

two with wine and gratuity: \$55. Reservations only required for large parties. Casual, noisy Back Bay location. Specialties: Seafood Italia, sauteed shrimp, mussels and clams in garlic butter over linguini; shrimp scampi; lobster; swordfish; clams. Also raw bar featuring more than 22 types of shellfish. Hours: 11:30 a.m.-10:30 p.m. Monday through Thursday; until 11:30 p.m. Friday and Saturday; 3-10 p.m. Sunday. Major credit cards.

BOSTON SAIL LOFT CAFE & BAR

80 Atlantic Ave. 227-7280

Dress casual but no tank tops. Average dinner for two with wine and gratuity: \$40. Reservations not required. On the wharf, with a marina view. Specialties: Fresh seafood; burgers and sandwiches. Hours: 11:30 a.m.-10 p.m. daily; cocktails until 2 a.m. Major credit cards.

FIVE SEASONS

669A Centre St., between Severns Avenue and Green Street, Jamaica Plain 524-9016

Casual dress. Average dinner for two with wine and gratuity: \$45. Reservations suggested on weekends. Casual family atmosphere. Serves seafood, but no chicken or red meat. Specialties: Tofu meatballs; vegetable tempura; whole wheat and potato pancakes; lasagna. Hours: noon-10 p.m. Tuesday-Saturday; 11 a.m.-10 p.m. Sunday; closed Monday. Credit cards: MC, V.

JIMMY'S HARBORSIDE

242 Northern Ave., adjacent to Boston Fish Pier 423-1000

Jackets preferred. Average dinner for two with wine and gratuity: \$70. Reservation required for parties of four or more. Classic Boston seafood, harbor view. Specialties: Blackened swordfish; jumbo shrimp a la Greque; smoked haddock with cream sauce; fish chowder; bouillabaisse. Hours: 11:30 a.m.-9:30 p.m. Monday through Saturday; noon-8 p.m. Sunday. Major credit cards.

LEGAL SEAFOODS

Park Plaza Hotel, 35 Columbus Ave. at Park Square. 426-4444

Five Cambridge Center at Kendall Square, Cambridge 864-3400

43 Boylston St. between Hammond Street and Hammond Pond Parkway, Chestnut Hill 277-7300

Casual dress. Average dinner for two with wine and gratuity: \$75. Reservations not accepted. Decor and atmosphere varies by location but generally casual and comfortable. Specialties: Wide variety of fresh fish prepared in a variety of ways: grilled, sauteed, Cajun, deep-fried, steamed and baked. Hours: 11 a.m.-10:30 p.m. daily. Major credit cards.

ROWES WHARF

RESTAURANT & CAFE

Boston Harbor Hotel, 70 Rowes Wharf at Atlantic Ave. 439-3995

Jackets recommended, ties not required. Average dinner for two with wine and gratuity: \$150. Reservations required, especially on weekends. Elegant dining, spectacular harbor views. Specialties: Wide variety of fresh seafoods; steaks; pastas; soups; salads. Hours: 6:30 a.m.-10 p.m. Monday through Thursday; until 11 p.m. Friday through Sunday. Major credit cards.

TURNER FISHERIES

Westin Hotel, 10 Huntington Ave., between Dartmouth Street and College Place 424-7425, 262-9600

Casual dress. Average dinner for two with wine and gratuity: \$70. Reservations suggested. Contemporary decor of brass and glass; intimate booths. Specialties: Variety of simply prepared scrod, halibut, flounder, swordfish and salmon; lobster; clam chowder. Hours: 11:30 a.m.-11:30

p.m. daily. Major credit cards.

Steaks

FOURS BOSTON: THE SPORTS BAR

166 Canal St. 720-4455

Casual dress. Average dinner for two including wine and gratuity: \$40. Reservations not required. More than 400 sports photos on display, games live on seven televisions. Specialties: steaks; ribs; nightly fish specials; sandwiches. Hours: 11 a.m.-midnight Monday through Saturday; closed Sunday. Major credit cards.

MORTON'S OF CHICAGO

One Exeter Plaza, corner of Exeter and Boylston streets, near the Public Gardens 266-5858

Casual dress. Average dinner for two with wine and gratuity: \$60. Reservations suggested. Specialties: wide selection of steaks including New York strip, porterhouse, tenderloin, prime rib; rack of lamb; seafood. Hours: 11:30 a.m.-11 p.m. daily. Major credit cards.

A STEAK IN THE NEIGHBORHOOD

Sheraton Boston Hotel, 39 Dalton St. 236-2000.

Casual dress. Average dinner for two with wine and gratuity: \$45. Reservations suggested for parties of eight or more. Pool tables, DJ, televisions. Specialties: ribeye steak; filet mignon; prime rib; chicken; seafood, including baked scrod and stuffed shrimp. Hours: 11:30 a.m.-2 a.m. daily. Major credit cards.

These listings were compiled by Editorial Assistant Collin Nash.

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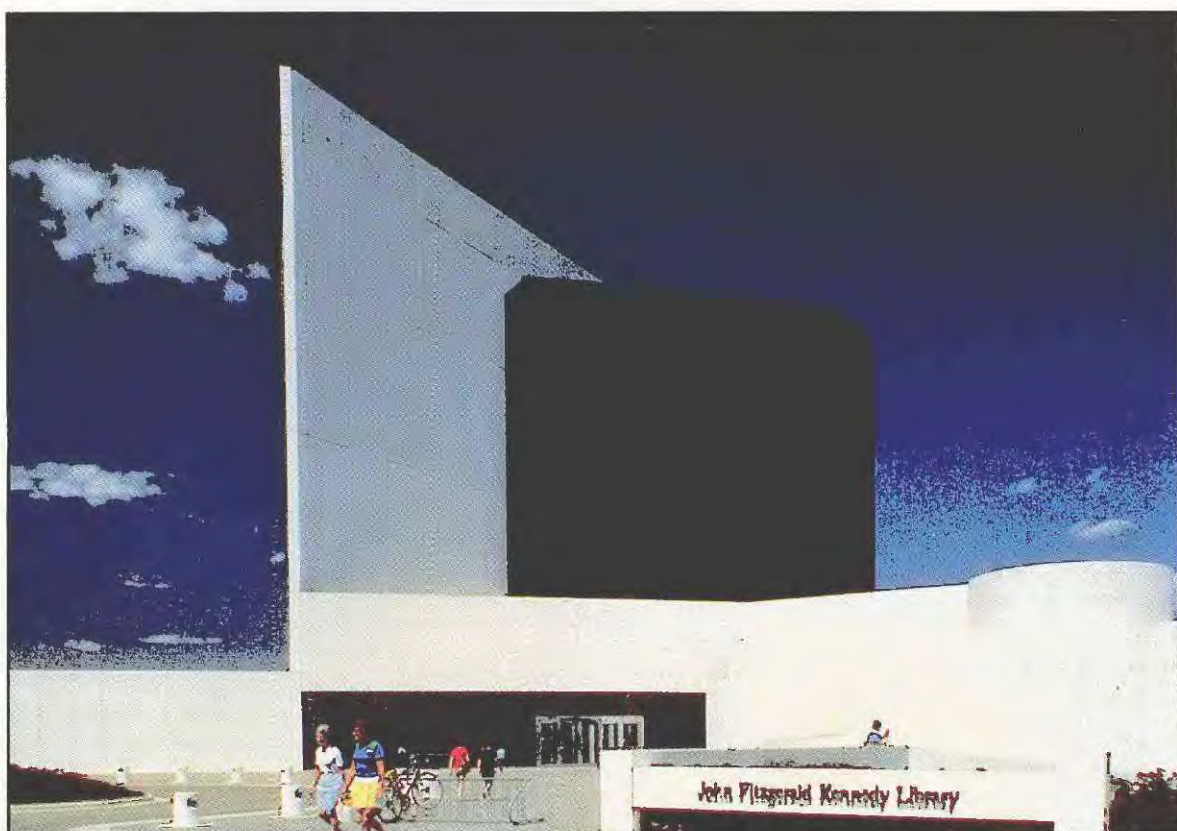


Portraits of Boston



▲ About 15 miles northeast of Boston lies scenic Marblehead Harbor. The town of Marblehead, originally a fishing village, became a popular resort in the 19th century and is now known for yachting.

Greater Boston Convention & Visitors Bureau



▲ The John F. Kennedy Library is dedicated to the memory of the 35th president of the United States. The library, which was designed by I.M. Pei, is part of the National Archives.

Greater Boston Convention & Visitors Bureau



◀ Built in 1713, the Old State House was the seat of the colonial government. A circle of stones on the street marks the site of the Boston Massacre.

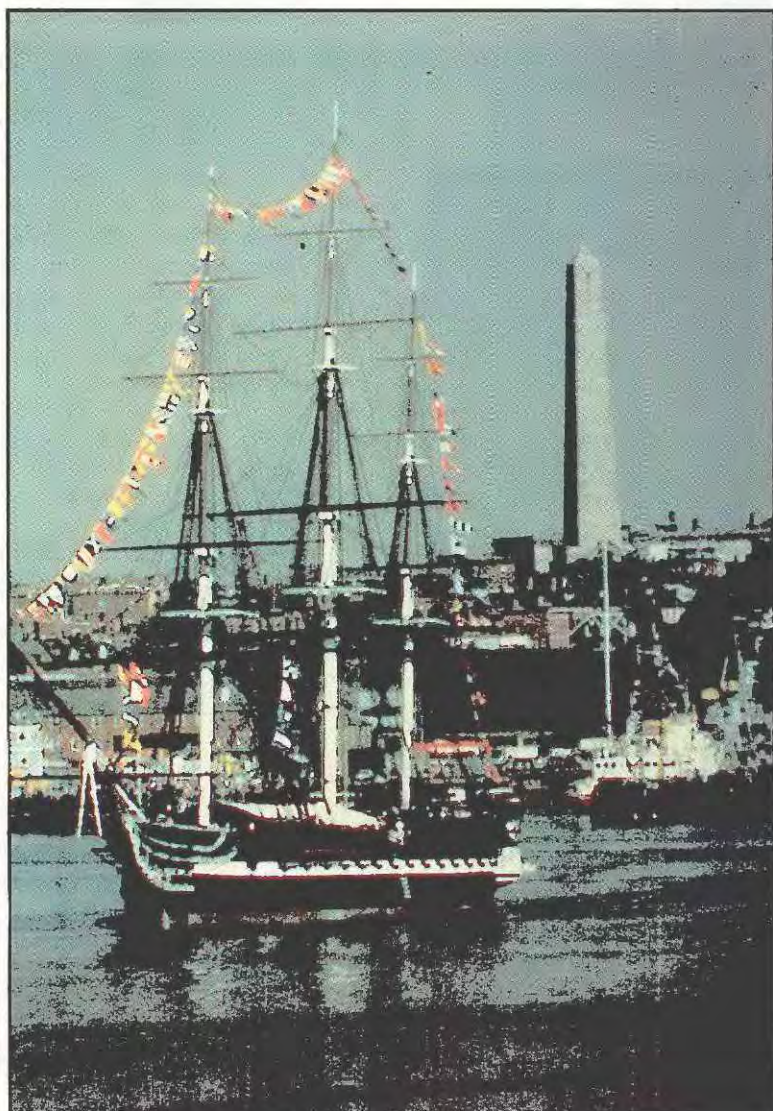
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Faneuil Hall features a market on the first floor, a meeting hall on the second floor and the Ancient & Honorable Artillery Co. Museum on the third floor. ▶



Joanne Wojcik

The U.S.S. Constitution, nicknamed "Old Ironsides," is docked in the Charlestown Navy Yard. The ship, which was launched in 1797, fought several key naval battles in the War of 1812. In the background is Bunker Hill Monument, marking the site of the first major battle of the American Revolution. ▶



Greater Boston Convention & Visitors Bureau



▲ Behind a statue of Paul Revere is the Old North Church, from which lanterns warned Charlestown of the approaching British army: 'One if by land, two if by sea.'

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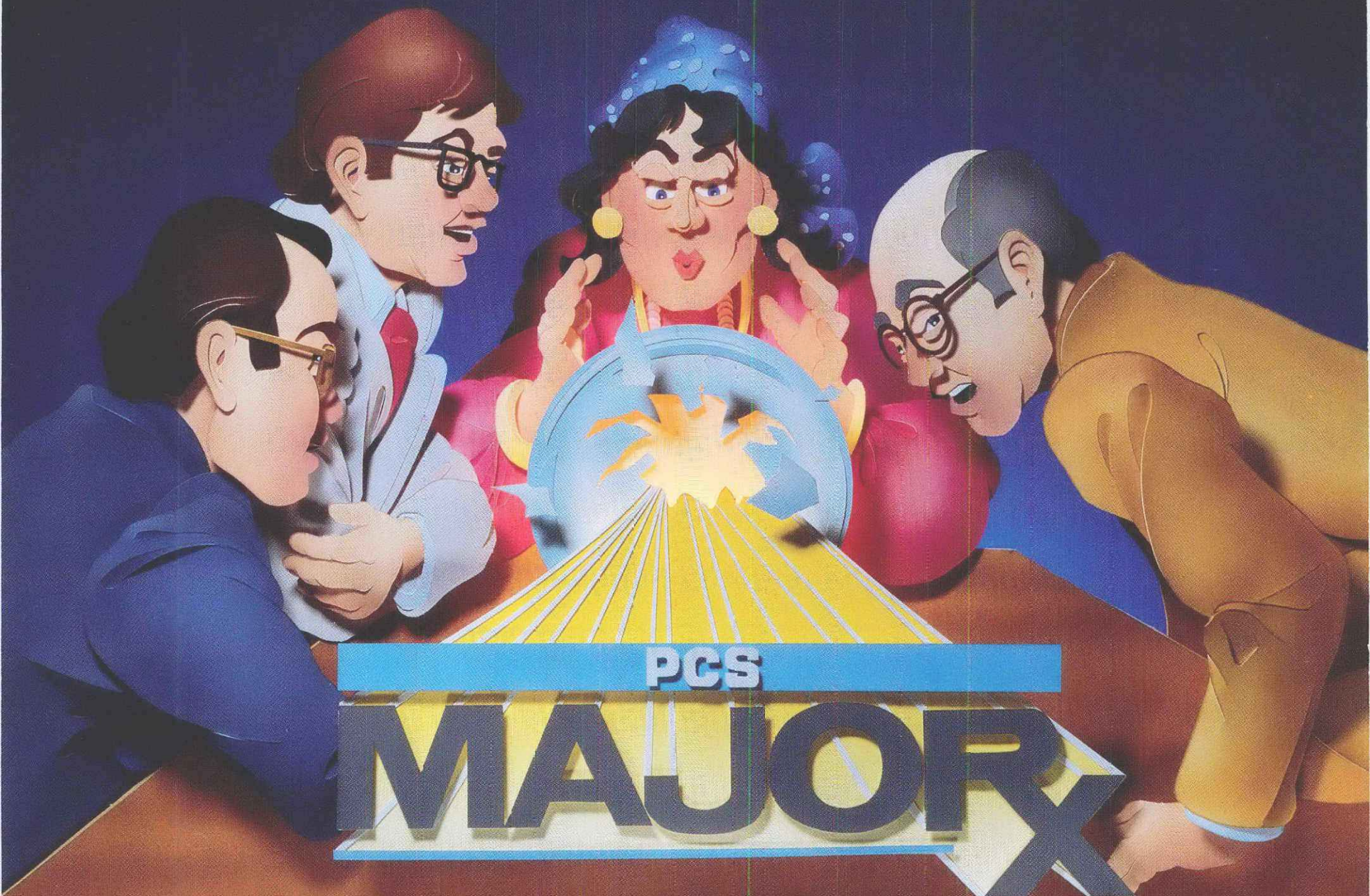
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info

• **"Risk Management Today"** is a 10-minute videotape exploring risk management in today's business environment. In addition to scanning risk managers' responsibilities in the '90s, the presentation by the Risk & Insurance Management Society also focuses on types of risk, risk control and financing, self-insurance, captives, insurance market cycles and risk management career development. Copies of the VHS videotape are available for \$24.95 (\$19.95 for members) plus \$3 shipping and handling from Talieh Sadri, RIMS, 205 E. 42nd St., New York, N.Y. 10017; 212-286-9292.

• The fourth annual edition of **"Who's Who In Self-Insurance Services Directory"** lists vendors serving companies that self-fund property/casualty risks and employee benefit programs. The directory lists consultants, brokers, third-party administrators, reinsurers, claim investigation companies, automation vendors, health care providers and captive insurance company managers. Published by the Self-Insurance Institute of America Inc., the directory will be sent to each SIIA member. Additional free copies are available from SIIA at P.O. Box 15466, Santa Ana, Calif. 92705; 714-261-2553.

• **"Understanding Combustible Gas Sensors"** is a four-page bulletin produced by the Mine Safety Appliances Co. for plant engineers, safety directors and insurance underwriters. Various gas sensing techniques, their effectiveness and costs are discussed. For a free brochure, request bulletin TARP-1013 from MSA Instrument Division, P.O. Box 427, Pittsburgh, Pa. 15230; 800-672-4678.

• The results of a study about how executives determine property values when purchasing insurance are available from American Appraisal Associates. **"Determining Insurance Values"** is based on a national research project by an outside company. Chief financial officers, treasurers, risk managers and agents and brokers were interviewed about the use of independent appraisals, insurer-sponsored valuation programs and broker analyses. Free copies are available from American Appraisal Associates, Marketing Department, 525 E. Michigan St., Milwaukee, Wis. 53202; 800-228-4888.

• A reference on industrial safety, hygiene and security from A.M. Best Co., **"Best's Safety Directory 1990,"** includes information on products, technologies and regulations aimed at maintaining an effective workplace safety program. Sources for nearly 5,000 industrial safety, hygiene and pollution control products are listed. Articles and employee hand-outs that can be incorporated into safety meetings are provided. Copies are \$30 each and quantity discounts are available from A.M. Best Co., Ambest Road, Oldwick, N.J. 08858; 201-439-2200.

• The **"1990 Film Library"** catalog is available from the Greater Los Angeles Chapter of the National Safety Council. More than 250 titles, including topics such as drug abuse at the workplace, back injury prevention and handling hazardous chemicals, are listed in the rental catalog. Free catalogs are available from The Film Library, 3450 Wilshire Blvd., Suite 700-C, Los Angeles, Calif. 90010.

• The **"Employer's Pension Guide"** was developed by the Department of Labor's Pension and

Welfare Benefits Administration, the Internal Revenue Service and the Pension Benefit Guaranty Corp. The 28-page guide to defined benefit pension plans explains requirements of the Employee Retirement Income Security Act on disclosure, tax qualification, fiduciary responsibilities and reporting, and federal pension insurance. Free copies are available from the Pension and Welfare Benefits Administration, U.S. Department of Labor, 200 Constitution Ave. N.W., Washington, D.C., 20210 or the PBGC at 2020 K St. N.W., Washington, D.C. 20006.

• **"Surplus Lines Insurance: The Misunderstood Market"** explores the history, function, structure, regulation and future of the surplus lines insurance industry. It was first published in 1985 by the

American Assn. of Managing General Agents, the National Assn. of Professional Surplus Lines Offices and the National Assn. of Independent Insurers and now is in its second printing. Copies are \$6 each from C. Robert Hall, Vp, NAIL, 2600 River Road, Des Plaines, Ill. 60018.

• **"Cervical Strain"** examines verdicts for whiplash injuries caused by work-related accidents as well as vehicle collisions. According to the study, conducted by Jury Verdict Research Inc., such verdicts typically range from \$7,500 to \$21,500. The firm analyzed expected medical expenses and wage losses from typical verdicts. The study also includes summaries of recent claims of cervical strain. Copies of the study, No. 2.03.1, are available for \$25 each from Jury Verdict Research Inc., 30700 Bainbridge Road, Suite H, Solon, Ohio 44139; 800-321-6910.

• The ninth edition of the **"In-**

ternational Bibliography of Reinsurance" documents about 4,800 reinsurance books and articles that have been published since 1912. Some references to works before that time also are included. The bibliography is published by Munich-based Bayerische Ruckversicherung and is available free from Peter Kimmel, Leiter Information, Bayerische Ruckversicherung, Aktiengesellschaft, Postfach 22-00-10, D-8000, Munich 22, West Germany.

• IRM Insurance, an association of reinsurers that reinsures most government buildings in South Carolina, has made a **video of its response to Hurricane Hugo.** Within 24 hours of the hurricane's passing, 15 loss control representatives began evaluating property damage. The eight-minute video shows adjusters visiting nearly 500 sites in about a week. Free copies are available from IRM Services Inc., 4401 Barclay Downs Drive,

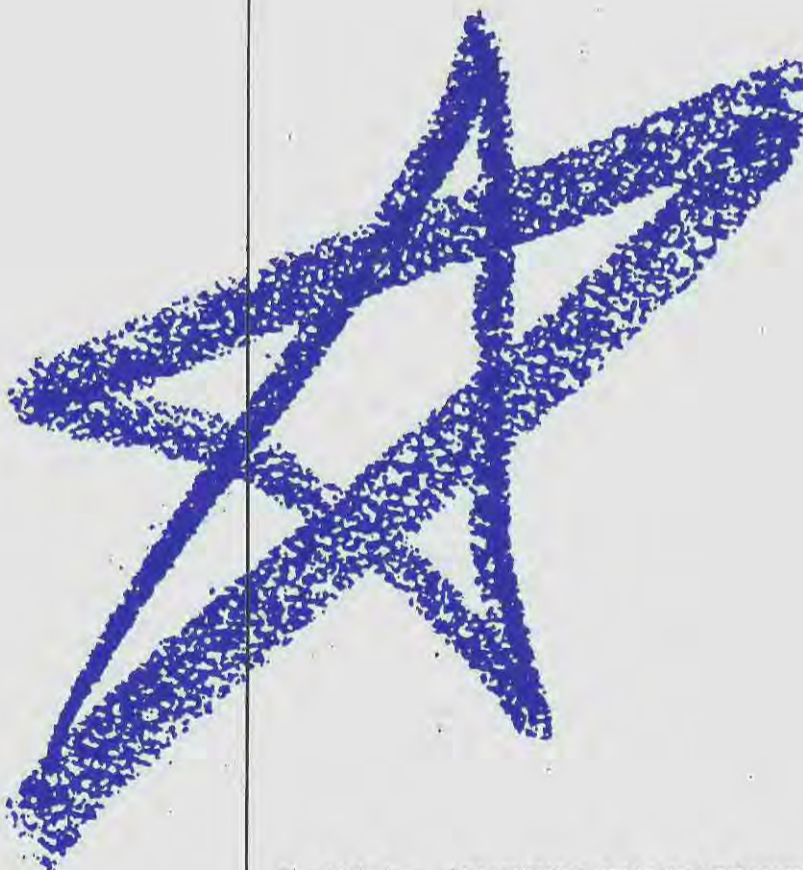
Charlotte, N.C. 28209.

• *Have a new report, booklet or educational brochure you'd like to send to buyers of insurance? Business Insurance will describe material costing less than \$35 as an editorial service in the Info column. Simply send us a copy of the item to be offered and a short description of it, along with the cost and a mailing address. Address all contributions to Info, Business Insurance, 740 N. Rush St., Chicago, Ill. 60611-2590.*

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The 18th Annual EMPLOYEE BENEFITS COMMUNICATION AWARDS will be presented on August 13th during a luncheon, in Chicago, sponsored by Business Insurance, honoring excellence in communicating employee benefits.

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For Competition rules and entry forms, or for details and reservations for the Awards Luncheon, write to the EBC Registrar at the address below, or call (212)-210-0780.

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EBC Awards/Business Insurance
Communication Services Department
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Underwriting member companies and surplus as of 9/89: The Aetna Casualty and Surety Company (\$2.4 billion); American Home Assurance Company (\$886 million); Continental Casualty Company (\$3 billion); Federal Insurance Company (\$1.4 billion); The Continental Insurance Company (\$411 million); United States Fire Insurance Company (\$691 million); General Star National Insurance Company (\$37 million); The Home Insurance Company (\$882 million); Insurance Company of North America (\$814 million); Maryland Casualty Company (\$756 million); NAC Reinsurance Corporation (\$184 million); Royal Insurance Company of America (\$293 million); The Travelers Indemnity Company (\$1.9 billion); Zurich Insurance Company, U.S. Branch (\$446 million).



**American Excess
Insurance Association**

Avoiding liability losses

Some torts arise from interference with others' legal rights

By The Insurance Institute of America

The following question and answer are drawn from the curriculum for the Associate in Risk Management designation awarded by the Insurance Institute of America. They represent the type of question asked on, and possible answers to, the three examinations for the A.R.M. designation.

A.R.M. exercises

protected class of interests, and identify and describe two common law torts that may interfere with these interests.

- Physical safety.
- Freedom of movement.
- Protection of property.
- Right of privacy.
- Economic freedom.

travel throughout the country where one is entitled to live. Two infringements of this right are, first, false imprisonment (any intentional effort to restrict another person's movement by actual or threatened force) and false arrest (the knowingly wrongful use of police power to have another person detained).

- The right to the protection of one's property means the right to use that property, real or personal, and the right to the natural produce of that property, as long as doing so does not interfere with others' use of their property. Two torts that infringe upon this right are, first, conversion of another's personal property (as by its theft or other unauthorized use) and trespass (intentional entry onto another's real property without the owner's express or implied permission).

- Privacy is the right to keep one's personal activities (including information and images related to these activities) safe from unwarranted publicity without one's permission. A person's privacy can be wrongfully invaded through, first, physical entry into one's private chambers or improper disclosure of personal information to some third

party. A second unwarranted invasion of privacy is the unauthorized public use of one's name or photograph as an endorsement of some product, service or position on a public question.

- Economic freedom is the right of a business firm or person to compete with others without wrongful interference while acting within the boundaries of fair competition. Two torts that endanger this right are, first, theft of trade secrets and, second, wrongful interference with another's economic advantage such as by making false statements about another's product or service or harassing another's proper business practices.

Note: Properly described acts of negligence—failure to take reasonable care to safeguard another—also earned credit throughout this question if the example pertained directly to the rights specified in the question. Other appropriate intentional torts also earned the credit. ■

An organization may incur tort liability if it wrongfully interferes with any of several types of interests of others. Among the protected interests: physical safety, freedom of movement, protection of property, right of privacy and economic freedom.

This month's material, drawn from a recent national examination in A.R.M. 54—Structure of the Risk Management Process—illustrates how preventing liability losses for an organization often is essentially equivalent to protecting others' legal rights.

Q: An organization may incur tort liability if it wrongfully interferes with any of several types of interests of others. For each of the following types of interests protected by tort law, describe the nature of the legally

A: • Physical safety involves the right to have one's person free from harm by others.

Two torts that may infringe this right are, first, battery (the intentional harmful or offensive touching of another's person without their consent) and, second, assault (any action which puts another in reasonable fear of battery).

- Freedom of movement entails the right to move without unjustified restriction in a room, building, or other space, including the right to

Changing industry's poor image

Insurance education efforts key to deflecting criticism

By Teresa L. Pahl

ONE CANNOT ATTEND an insurance industry gathering of any significance and not hear the "image" rhetoric.

Under attack by consumer groups, state legislators and the federal government, we at least appear to have realized that the key to our survival will be our ability to turn around an incredibly poor image.

It is interesting that an industry that is so crucial to economic survival is under such ferocious attack.

It gives one pause to imagine that those educated in the sciences, the arts, and the world's complex political and economic systems would be so frighteningly ignorant as to the working of an industry that is necessary to the economic viability of any developed nation.

The reasons why this situation exists are not as important as the ramifications it presents to us as insurance professionals.

The capability of this industry to control its destiny will be dependent upon our ability, as its caretakers, to educate the public, the legislators and, most importantly, our young people. The first two audiences have received much attention of late.

The third is an audience that, if not addressed, will continue to have misconceptions of how the insurance business works. Those misconceptions will only result in our having to constantly attempt to change the views and behavior of prejudiced adults.

Speaking out

Many of us are involved in various volunteer industry organizations. These organizations work not only to promote the education of their members, but also to promote the education of the general public.

With any volunteer industry organization, the talent that gets involved is scarce, strained and therefore not as effective as that of a paid organization.

As a result, the efforts of these organizations go unnoticed, sorely underutilized and certainly undercapitalized.

Several volunteer insurance industry organizations have been working to promote an excellent education package developed by the Insurance Education Foundation.

The insurance education program, called "Choice, Chance and Control," is designed to be introduced into the high school curriculum at the junior-year level.

The two-week program is designed to help students understand the workings of the insurance mechanism. It is supported by a video presentation, as well as an easy-to-use glossary and curriculum guide.

The Insurance Education Foundation has asked

that insurance industry groups work to promote the program and will even supply the material to public schools at no cost.

An insurance organization recently asked for volunteers to help promote this program in the Chicago area.

Of the organization's 400 professional members, only two volunteered.

Yes, one does wonder about our image. Yet wondering about it and doing something about are

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clearly different things.

Some of you may have had the opportunity to get involved with the Junior Achievement program. Most professionals are aware of this program and understand that it has a very noble objective.

The program seeks to promote within young people an understanding of the business world by getting business professionals involved.

Those behind the Junior Achievement program hope that these young people will be positively influenced, in a realistic fashion, as they plan for

Continued on next page

Insurance education

Continued from previous page
college or other careers.

I've had an opportunity to speak to a group of these young people, and I was most impressed by their interest level as well as their thoughtful questions.

Somehow I am confident that the time invested will always be remembered. How many of us can say that we remember conversations we had a few months ago? But how many of us do remember those conversations we had with interested adults at a very influential time in our young lives? That is what one remembers, because it is at that time in our lives that we are most receptive to new ideas and concepts and to our individual dreams.

Unfortunately, the Junior Achievement program appears to be undergoing a downsizing period. Business professionals are—by necessity—increasingly involved in their own careers. In efforts to streamline, to become more efficient, to become more competitive, we are losing sight of the ultimate competitive advantage: a talented and educated pool of young people from which to draw upon.

Look at the various organizations in this industry that embark upon educational as well as research

and development activities. When you look at their membership rosters, you notice how thinly capitalized they are in terms of human talent. There is interest; there is simply not enough people and time to contribute to ideas and guidance in a

In efforts to become more competitive, we are losing sight of the ultimate competitive advantage: a talented and educated pool of young people from which to draw upon.

meaningful way. The changes in this industry over the last five years did not come as a surprise to many of these groups; however, lack of support did not allow them to continue and communicate their findings.

We continue to look on such activities with a leery eye, preferring instead to manage business cycles that are upon us within a matter of months. We spend the majority of our time looking down at our current state of affairs; we rarely step back and look at our long-term responsibilities. That is a responsibility we all have, not only as organizations but as good businesspeople.

The successful insurance entities of the future will understand that, in a world increasingly intertwined economically, our view of our competitive advantages must consider making a long-term investment in both one's current and future employees.

The Japanese, the Germans and the Swiss have always understood this and effectively treated such efforts as a practical investment as opposed to altruistic activity.

By supporting efforts such as those of the Insurance Education Foundation, the Insurance Institute of America and Junior Achievement, we can begin to make an investment at a time in people's lives when the influence will provide the greatest payback.

Ours is a great industry and an important industry that cannot be economically or politically ignored. Like anything, it has its problems, but most of these can be overcome given the tremendous talent this industry has.

Let us each recognize these facts by our actions as professionals and through our individuals efforts. ■

Teresa L. Pahl is a vp of Corron & Black International in Chicago, a unit of broker Corroon & Black Corp.

Insolvency doesn't end duty to defend: Court

Insolvency of a primary general liability insurer did not extinguish its obligation to defend its policyholder in a product liability action, the U.S. Court of Appeals for the 5th Circuit ruled.

Thus, the court, held that under the terms of an excess liability policy, the excess insurer has no duty to defend the policyholder.

Precision Pump & Compressor of Odessa Inc., a pump manufacturer was covered under a primary liability policy issued by United General Insurance Co. for up to \$300,000. Twin City Fire Insurance Co. had issued an excess policy that covered Precision from \$300,000.01 to \$5 million.

William Harville sued Precision in a products liability case, United General engaged counsel to defend Precision. Thereafter, United General was declared insolvent and placed in receivership. The attorney engaged by United General withdrew from the action.

Precision then hired a second attorney to continue the defense against Mr. Harville's suit. The attorney demanded that Twin City assume the defense of the suit. Twin City refused.

Thereafter, Mr. Harville and Precision settled the suit for \$800,000, with Precision also assigning to Mr. Harville an assignment of claims against Twin City. In the present suit before the 5th Circuit, Mr. Harville sued Twin City to recover on the excess liability policy as well as to claim a breach of the duty of good faith and fair dealing by Twin City. The trial court found for Twin City.

The appellate court pointed out that Twin City's excess liability policy required it to defend claims against Precision where no underlying insurer was obligated to defend Precision. The court agreed with Twin City's argument that while United General, the primary insurer, was financially unable to provide a defense for Precision, it was nonetheless still legally obligated to provide such a defense. The court said United General's obligation continued into receivership.

Harville vs. Twin City Fire Insurance

Legal briefs

Co., U.S. Court of Appeals for the 5th Circuit, Oct. 10, 1989 (BI/01/April-\$10).

Compensation unconstitutional

The Supreme Court of Florida ruled that a state law limiting death benefits to \$1,000 for beneficiaries of a deceased worker who are not residents of the United States nor Canada, rather than the \$1,000 available otherwise, was unconstitutional.

This case arose from the death of Maximiano de Ayala during a motor vehicle accident while he was working for Steve's Harvesting Inc., a Florida business. Mr. de Ayala was survived by his dependent parents, wife and six minor children, all of whom were residents of Mexico. After his death, his survivors requested \$100,000 under Florida's workers comp system, the amount generally available to all dependents of Florida workers, as well as non-resident alien dependents living in Canada.

However, the Florida Farm Bureau tendered only \$1,000, based on a Florida law that limited compensation to \$1,000 for dependents of workers not resident in the United States or Canada. The survivors refused the check and brought this suit, seeking a declaration that the law was unconstitutional as a violation of the equal protection and due process clauses. The trial court found in favor of the survivors but was reversed by an appellate court.

The state Supreme Court found the provision unconstitutional, stating that while the Legislature has the authority to dictate the mechanism for computing a particular worker's compensation, it may not attach conditions to those computations that discriminate against persons based on constitutionally impermissible grounds. The court found no rational basis for the distinction drawn by the law between the northern and southern border of the United

States. De Ayala vs. Florida Farm Bureau Casualty Insurance Co., Supreme Court of Florida, March 9, 1989, rehearing denied June 12, 1989 (BI/04/May-\$10).

Car accident death compensable

A surgeon's death in an automobile accident, while on his way home from the hospital, was found to be within the scope of his employment for workers compensation benefits, according to the Supreme Court of Iowa.

On March 1, 1982, Dr. Miles Martin was killed in an automobile accident on his way home from work at the hospital. Dr. Martin saw patients at several hospitals, one a mile away from his primary hospital and the second six miles away. In addition, he served his office on call for emergencies every other day and every other weekend. Dr. Martin's surviving spouse and estate sought and were awarded compensation benefits. The trial court affirmed.

The state Supreme Court noted that ordinarily, injuries occurring off the employer's premises on the way to and from work are not compensable. However, the court recognized that an exception is made where an employee is required, as a part of his employment, to provide a vehicle for his use during the working day. Compensation benefits were affirmed. *Medical Assn. Clinic vs. First National Bank*, Supreme Court of Iowa, May 17, 1989 (BI/02/April-\$10).

Coverage termination negated

A terminated employee's coverage as a dependent under his wife's pre-existing group health plan did not relieve his employer of its federal statutory obligation to make continuation coverage available to the employee, according to the U.S. Court of Appeals for the 10th Circuit.

James Oakley was employed by the

city of Longmont, Colo., as a fire fighter when he was involved in an automobile collision with a drunk driver and suffered a permanent head injury. He was covered under the city's group health plan, which extended coverage until his termination on Aug. 27, 1988, and for an additional 90 days. In July 1988, the city informed Mr. Oakley that he was ineligible to maintain his coverage for an additional 18 months under the city's plan because, pursuant to federal law, he was a dependent under his wife's group plan. Nevertheless, in October 1988, the city notified him of his option to continue the prior medical coverage for 18 months by maintaining the premium payments himself. Mr. Oakley failed to return the election form until November 1988. He sued seeking a declaration that he was entitled to continue his coverage. The trial court ruled against him.

The appellate court reviewed the federal law with regard to the requirements for certain group health plans for local employees and concluded that its plain meaning could not be construed to include a spouse's pre-existing group plan as a condition to terminating coverage. According to the court, Congress did not intend a covered employee's termination to become a condition triggering "other" coverage under a spouse's pre-existing plan. The court said continuation coverage would terminate if Mr. Oakley became covered by another policy because he obtained new employment, was re-employed or remarried—none of which was present here. The trial court determination was reversed. *Oakley vs. City of Longmont*, U.S. Court of Appeals for the 10th Circuit, Dec. 8, 1989 (BI/03/May-\$10). ■

These abstracts were prepared by Cases Unlimited Inc. Copies of these decisions are available by sending a \$10 check payable to Cases Unlimited to Business Insurance, 740 N. Rush St., Chicago, Ill. 60611-2590. List the number for each opinion.

Datebook

APRIL

APRIL 29-MAY 2. The National Arson Investigation Training Seminar in Northbrook, Ill., sponsored by the Insurance Committee for Arson Control; \$125 for ICAC members; \$175 for non-members. Rick Gilman, ICAC, 110 William St., New York, N.Y. 10038; 212-669-9245.

APRIL 29-MAY 4. 28th Annual Risk Management and Employee Benefits Conference in Boston, sponsored by the Risk & Insurance Management Society Inc.; full week: \$695 for RIMS members, \$795 for non-members; partial week: \$575 for RIMS members, \$675 for non-members; one day: \$295. RIMS, Conference Department, Registration, 205 E. 42nd St., New York, N.Y. 10017.

APRIL 30-MAY 1. Product Safety and Liability Prevention course in Madison, Wis., sponsored by the Department of Engineering Professional Development, University of Wisconsin-Madison/Extension; \$695. Wisconsin Center, 702 Langdon St., Madison, Wis. 53706; 608-262-1299; 800-462-0876.

APRIL 30-MAY 1. Society of Actuaries 1990 Spring Meeting in Hartford, Conn., co-sponsored by the American Academy of Actuaries and the Conference of Actuaries in Public Service; \$375 for members of The Society of Actuaries, American Academy of Actuaries, and the Conference of Actuaries in Public Practice; \$400 for members of the Casualty Actuarial Society, the American Statistical Assn. and local actuarial clubs; \$450 for non-members. The Society of Actuaries, P.O. Box 71293, Chicago, Ill. 60694.

MAY

MAY 1. Insurance Tax Update: 1990 in New York City, sponsored by KPMG Peat Marwick; no charge. **Also May 2** in Chicago, **May 9** in Dallas, **May 15** in Atlanta and **May 17** in Los Angeles. KPMG Peat Marwick, Executive Education, 3 Chestnut Ridge Road, Montvale, N.J. 07645; 800-762-3932.

MAY 1-2. Health Care Cost Con-

tainment workshop in Houston, sponsored by Health Research Institute; \$595. **Also June 5-6** in Milwaukee, **June 26-27** in Hawaii, and **Aug. 7-8** in San Diego. HRI, 1600 S. Main Plaza, Suite 170, Walnut Creek, Calif. 94596; 415-676-2320.

MAY 1-3. Reinsurance Underwriting Workshop in London, sponsored by the Insurance & Reinsurance Research Group Ltd.; 525 pounds (\$860). Insurance & Reinsurance Research Group Ltd., Bridge House, 181 Queen Victoria St., London, England EC4V 4DD; phone: 01-236-2175; fax: 01-489-1487.

MAY 2. Strategic Benefit Planning for the 1990s seminar in Milwaukee, sponsored by GENESYS Software Systems Inc.; no charge. **Also May 3** in Minneapolis, **May 8** in St. Louis and **May 9** in Denver. GENESYS Software Systems Inc., 5 Branch St., Methuen, Mass. 01844; 508-685-5400.

MAY 2. The Employers' Perspective on Unemployment Insurance workshop in Springfield, Ill., sponsored by The Illinois State Chamber of Commerce; \$120 for ISCC members; \$180 for non-members. **Also May 10** in Rosemont, Ill. ISCC, 20 N. Wacker Drive, Chicago, Ill. 60606; 800-621-4220.

MAY 3-4. Advanced Safety Management seminar in Albuquerque, N.M., sponsored by Organizational Safety Services Inc.; \$285. **Also May 10-11** in Anaheim, Calif. Keith E. Barenklau, OSS, 11831 Rothbury Dr., Richmond, Va. 23236; 804-794-0691.

MAY 3-5. Workplace Remedies II-Tort and Workers' Compensation conference in Dallas, co-sponsored by the American Bar Assn.'s Tort & Insurance Practice Section; the International Assn. of Industrial Accident Boards & Commissions and the ABA Division for Professional Education; \$425 for ABA members; \$375 for TIPS/IAIABC associate members; \$345 for ABA Young Lawyer members; \$225 for active IAIABC members; \$75 for law students; \$450 for

Continued on next page

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Continued from previous page

non-members. ABA Division for Professional Education, Dept. N1569, 750 N. Lake Shore Drive, Chicago, Ill. 60611; 312-988-6200.

MAY 5-9. Aviation Insurance Assn.'s Annual Convention in Memphis, Tenn.; \$175 for AIA member; \$375 for non-members. Bob Cannon, AIA, 112th St. N.E., Suite B112, Bellevue, Wash. 98004; 206-822-8176.

MAY 6-9. Eighth Annual National Institute of Pension Administrators conference in Monterey, Calif., sponsored by NIPA; \$450 for NIPA members; \$570 for non-members. Davisson Assn. Management & Public Relations, 145 W. First St., Suite A, Tustin, Calif. 92680-3209; 714-731-3524.

MAY 7-9. International Confer-

ence on Operations of United States-Canada Insurers in Arlington, Va., sponsored by the National Center for Tax Education and Research; \$895. Bernard B. Goodman, Executive Director, NCTER, 8 Vista Drive, P.O. Box 414, Old Lyme, Conn. 06371; 203-434-3044.

MAY 7-9. Fundamentals of Insurance course in Orlando, Fla., sponsored by the Risk & Insurance Management Society Inc.; \$495 for RIMS members; \$595 for non-members. **Also June 4-6** in San Diego; **Sept. 10-12** in Chicago; and **Dec. 3-5** in New York City. RIMS, Education Dept., 205 E. 42nd St., New York, N.Y. 10017; 212-286-9292.

MAY 8. Directors' and Officers' Liability Insurance seminar in New York City, sponsored by the

Practising Law Institute; \$350. **Also June 26** in San Francisco. PLI, 810 Seventh Ave., New York, N.Y. 10019; 212-765-5700.

MAY 8-10. Environmental Regulation Course in Salt Lake City, sponsored by Executive Enterprises Inc.; \$990. **Also May 14-16** in Hartford, **May 15-17** in San Diego, **May 21-23** in New Orleans. Executive Enterprises Inc., 22 W. 21st St., New York, N.Y. 10010-6904; 800-831-8333; 212-645-7880.

MAY 8-10. Southeastern Safety and Health Conference and Exhibition in Atlanta, sponsored by the Environmental Sciences and Technology Division, Georgia Tech Research Institute, Georgia Institute of Technology; \$150. Education Extension-R, Georgia Institute of Technology, Atlanta, Ga. 30332-0385; 404-894-2400 or 800-325-5007.

MAY 9. Umbrella/Excess Coverage workshop in White Plains, N.Y., sponsored by The Society of Chartered Property & Casualty Underwriters; \$70 for Society of CPCU members; \$80 for non-members. Bonnie Kinsley, Continuing Education Coordinator, The Society of CPCU, 720 Providence Road, CB No. 9, Malvern, Pa. 19355-0709; 215-251-2735.

MAY 9. Environmental and Toxic Tort Claims: Insurance Coverage in 1990 and Beyond seminar in New York City, sponsored by the Practising Law Institute; \$350. **Also June 27** in San Francisco. PLI, Department. 8A-105, 810 Seventh Ave., New York, N.Y. 10019; 212-765-5700, Ext. 271.

MAY 9. Workers' Compensation-Issues Into the '90s seminar in In-

dianapolis, sponsored by The Society of Chartered Property & Casualty Underwriters; \$140 for Society of CPCU members; \$180 for non-members. Mari Jennings, Continuing Education Coordinator, The Society of CPCU, 720 Providence Road, CB No. 9, Malvern, Pa. 19355-0709, 215-251-2741.

MAY 9-11. CAOHC Approved Training Course in Occupational Hearing Conservation in Milwaukee, sponsored by Impact Hearing Conservation Inc.; \$325 for certification; \$150 for recertification. **Also June 6-8** in Kansas City, Mo. Impact Hearing Conservation Inc., 406 W. 34th St., Suite 400, Kansas City, Mo. 64111; 816-531-4848.

MAY 10. Insurers Vs. Insurer Disputes seminar in New York City, sponsored by the Practising Law Institute; \$350. **Also June 28** in San Francisco. PLI, 810 Seventh Ave., New York, N.Y. 10019; 212-765-5700.

MAY 10. Property & Casualty Market Conduct Seminar in New York City, sponsored by the law firm of Bower & Gardner; \$250. B&G, 110 E. 59th St., New York, N.Y. 10022; 212-751-2900.

MAY 10-11. IAHM0 Annual Spring Symposium: Managed Care in the Non-Acute Setting in Chicago, sponsored by the Illinois Assn. of Health Maintenance Organizations; \$75 for IAHM0 members; \$90 for non-members. IAHM0, 321 N. Clark, Suite 3400, Chicago, Ill. 60610; 312-245-8780.

MAY 11. Arbitration Day '90 seminars in New York City, sponsored by the American Arbitration Assn.; \$95 for AAA members; \$110

for non-members. AAA Department of Education and Training, 140 W. 51st St., New York, N.Y. 10020; 212-586-7000.

MAY 13-15. Utilization Management for Ambulatory & Ancillary Services conference in Orlando, Fla., sponsored by the Group Health Assn. of America Inc.; \$495 for GHAA members; \$575 for non-members. **Also July 22-24** in Vancouver, B.C. GHAA, Dept. 0612, Washington, D.C. 20073-0612; 202-778-3228.

MAY 13-15. 1990 National Financial Insurance Conference in Dallas, sponsored by LOGIC Inc.; \$325 for LOGIC clients; \$425 for others. Eddy Manders, LOGIC Inc., 9330 LBJ Freeway, Suite 500, Dallas, Texas 75243; 214-238-1898; 800-527-2323.

MAY 13-18. Industrial Hygiene in the World of Tomorrow conference in Orlando, Fla., co-sponsored by the American Industrial Hygiene Assn. and the American Conference of Governmental Industrial Hygienists; \$140 for AIHA members; \$25 for emeritus or honorary members; \$30 for retired members, and spouses; \$170 for non-members. AIHA Conference, P.O. Box 8390, 345 White Pond Drive, Akron, Ohio 44320; 216-873-2442.

MAY 14-15. Understanding Re-insurance Contract Language course in New York City, sponsored by Executive Enterprises Inc.; \$1,045. Executive Enterprises Inc., 22 W. 21st St., New York, N.Y. 10010-6904; 800-831-8333; 212-645-7880.

MAY 14-17. Loss Control Management seminar in Calgary, Al-

Continued on page 34



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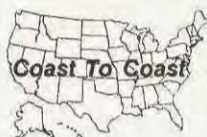
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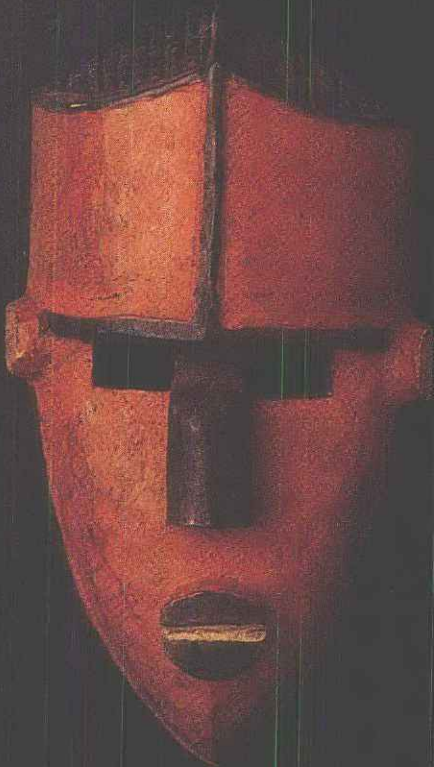
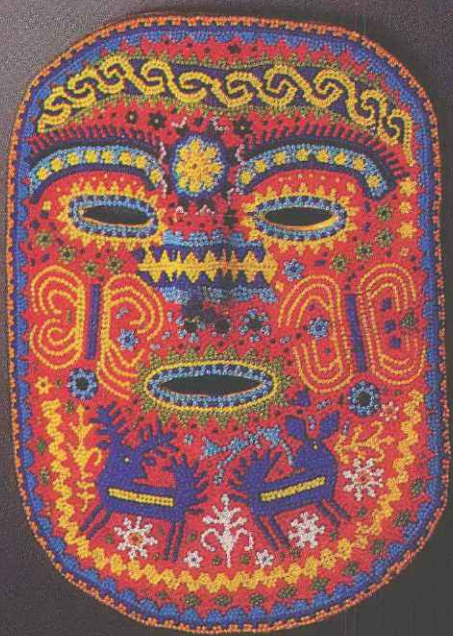
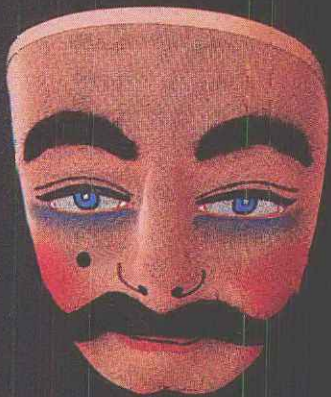
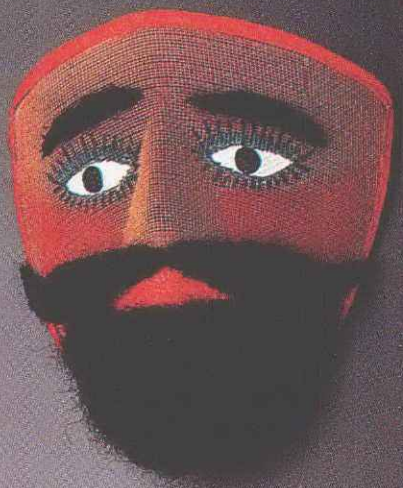
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Datebook*Continued from page 30*

berta, sponsored by the International Loss Control Institute; \$720 for ILCI members; \$800 for non-members. Also **June 18-21** in Philadelphia; and **June 25-28** in Atlanta. ILCI, 4546 Atlanta Highway, P.O. Box 345, Loganville, Ga. 30249; 404-466-2208; 800-554-6001.

MAY 15. Advanced Risk Management Financing Techniques seminar in Allentown, Pa., sponsored by The Society of Chartered Property & Casualty Underwriters; \$125 for Society of CPCU members; \$165 for non-members. Mari Jennings, Continuing Education Coordinator, The Society of CPCU, 720 Providence Road, CB No. 9, Malvern, Pa. 19355; 215-251-2741.

MAY 15. Roundtable on Insur-

ance Conditions in Western Europe in New York City, sponsored by the International Insurance Council; \$75 for conference; \$140 for luncheon. IIC, 1212 New York Ave. N.W. Suite 250, Washington, D.C.; 202-682-2345.

MAY 15-19. 53rd National Assn. of Independent Insurance Adjusters convention in Nashville, Tenn., sponsored by NAIIA; \$250 for NAIIA members; \$150 for spouses. NAIIA, 300 W. Washington St., Suite 805, Chicago, Ill. 60606; 312-853-0808.

MAY 16-17. Risky Business: Health Care & Retirement Planning in an Uncertain Time conference in Washington, D.C., sponsored by the Assn. of Private Pension and Welfare Plans; \$500 for APPWP members; \$600 non-

members. APPWP, 1212 New York Ave. N.W., Suite 1250, Washington, D.C. 20005; 202-289-6700.

MAY 16-18. Workers' Compensation Conference 1990 in New Brunswick, N.J., co-sponsored by Rutgers University, Princeton University, Cornell University, Syracuse University, and the University of Connecticut; \$180; \$90 for one day. Donna Lebowitz, IMLR, Levin Building, Rutgers University, Kilmer Campus, New Brunswick, N.J. 08903-5062; 201-932-5830.

MAY 17. 82nd Annual Meeting of The Surety Assn. of America in New York City, sponsored by SAA; no charge. SAA, 100 Wood Ave. S., Iselin, N.J. 08830; 201-494-7600.

MAY 17-18. Insurance in 2000-Where Will You Stand? conference in London, sponsored by the Insurance & Reinsurance Research Group Ltd.; 450 pounds (\$737). Insurance & Reinsurance Research Group Ltd., Bridge House, 181 Queen Victoria St., London, England EC4V 4DD; phone: 01-236-2175; fax: 01-489-1487.

MAY 20-22. 22nd Annual Midwest Claim Conference: Entering the '90s, a Decade of Change in Itasca, Ill., sponsored by the Chicago Claim Assn.; \$45 for one day; \$80 for two days. Midwest Claim Conference, c/o Patsy Howell, 1 Woodfield Lake, Schaumburg, Ill. 60173; 708-517-6041.

MAY 20-22. Effective Management & Direction of Malpractice Insurers & Trusts seminar in Kailua-Kona, Hawaii, sponsored by the Tillinghast division of Towers, Perrin, Forster & Crosby Inc.; \$750; \$700 for each additional attendee from the same company. Mary Tschopp, Tillinghast Seminars, 1 Atlanta Plaza, 950 East Paces Ferry Road, Suite 1100, Atlanta, Ga. 30326-1119; 404-365-1642.

MAY 21-22. Insurer Solvency: New Market Trends and Regulatory Directions conference in New York City, sponsored by Executive Enterprises Inc.; \$1,045. Executive Enterprises Inc., 22 W. 21st St., New York, N.Y. 10010-6904; 800-831-8333; 212-645-7880.

MAY 22. Questions on the New CGL and CP Policies? Ask the Claims Department workshop in Vienna, Va., sponsored by The Society of Chartered Property & Casualty Underwriters; fee for two workshops: \$140 for Society of CPCU members, \$175 for non-members; fee for one workshop: \$85 for Society of CPCU members, \$105 for non-members. Mari Jennings, Continuing Education Coordinator, The Society of CPCU, Kahler Hall, 720 Providence Road, CB No. 9, Malvern, Pa. 19355-0709; 215-251-2741.

MAY 22-23. Environmental Pollution Liability Workshop in London, sponsored by the Insurance & Reinsurance Research Group Ltd.; 420 pounds (\$688). Insurance & Reinsurance Research Group Ltd., Bridge House, 181 Queen Victoria St., London, England EC4V 4DD; phone: 01-236-2175; fax: 01-489-1487.

The Datebook is compiled from notices sent to Business Insurance. Notices should be sent at least eight weeks in advance to Datebook, Business Insurance, 740 N. Rush St., Chicago, Ill. 60611-2590. Please include the price, if any, of the meeting and information on registration for interested readers. Business Insurance reserves the right to select meetings of most interest to its readers and cannot guarantee that notices will be printed.



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INTERNATIONAL

Lloyd's won't probe runoff contracts

By CAROLYN ALDRED

LONDON—Lloyd's of London is refusing to investigate the placement of runoff reinsurance contracts by Lloyd's syndicates in the early 1980s.

The Council of Lloyd's announced earlier this month "that no grounds have been established for conducting an inquiry into the circumstances surrounding the placing of certain runoff contracts in the period 1980-82; in particular, by syndicates with asbestos-related liabilities."

John Donner, chairman of Donner Underwriting Agencies Ltd., last year called for an inquiry into

the runoff contracts, "in the interests of some of his names affected by the losses of the 1982 Outhwaite syndicate," Lloyd's said.

Members of the 1982 underwriting year of syndicate 317/661, managed by RHM Outhwaite (Underwriting Agencies) Ltd., are suffering huge losses on dozens of runoff reinsurance policies the syndicate wrote to cover other insurers' past underwriting liabilities, often on an unlimited basis.

Mr. Donner's demand for an inquiry arose because of concerns that some of the ceding insurers, many of which were Lloyd's syndicates, may have had access to inside information concerning as-

bestos losses that was withheld from underwriter Richard Outhwaite when the runoff contracts were written.



Working Party, a group formed in 1980 by London underwriters to coordinate the handling of information about asbestos liabilities.

However, "no evidence has been

established that information was withheld from the market by the AWP. On the contrary, the market was fully informed at the time of the existence of information which was available about these claims and was encouraged to make use of it," Lloyd's stated.

And, "contrary to suggestions that there was a high coincidence between members of the AWP and those placing runoff contracts, in fact, only two Lloyd's members of the AWP arranged runoff policies for their syndicates," Lloyd's noted.

"No evidence had been provided which supports the suggestion that in placing their contracts the un-

derwriters took advantage of information which was available to the AWP but was not made available to the market," Lloyd's concluded.

Lloyd's also rejected allegations that it failed to encourage ceding syndicates and their auditors "to adopt a duly diligent attitude in setting their reserves as at Dec. 31, 1981," and charges concerning the role of brokers in placing the runoff contracts with the Outhwaite syndicate.

"Underlying all of these issues is the implication that some syndicates failed to disclose material information when placing their run-

Continued on next page

Walton acquired by current, former execs

Phillips sells captive

By ROGER SCOTTON

HAMILTON, Bermuda—Phillips Petroleum Co. has sold its Bermuda-based captive, Walton Insurance Ltd., to a group of investors led by current and former Walton chief executives.

Walton, which is no longer underwriting, was acquired when the group—Sheldon Investments Ltd.—bought Walton's immediate parent, Offshore Insurance Management Co., a Fort Worth, Texas-based unit of Phillips. The sale price was not disclosed.

Sheldon Investments' shareholders include current Walton President Timothy Spafford; OIMC President Brian Harpster, who previously was president of Walton; and Harold Tornquist, former president and chairman of Walton and the investment group's majority shareholder.

Sheldon Investments was formed to acquire reinsurance entities and risk portfolios in runoff, the group reported in a statement.

"The amalgamation of such assets will provide efficiencies of scale and significantly reduce the legal and claims expense and the costs of administration in such situations," the statement said.

In addition to insuring Phillips' risks, Walton started writing com-

BERMUDA BRIEFS

mercial reinsurance in 1974. However, it withdrew from commercial underwriting in January 1983, after suffering large losses (BI, Jan. 31, 1983).

Bartlesville, Okla.-based Phillips took a \$65 million aftertax charge in 1982 related to Walton and pumped \$55 million into the company in October 1983. Walton's staff has since been running off its book of business.

Although Walton stopped underwriting unrelated risks in January 1983, the company continued to write Phillips business for another three years.

"No related business has been taken on since 1986, when it was decided that Phillips' risks would be handled by its Vermont captive Sooner Insurance," Mr. Spafford said.

He stressed that the acquisition, which is Sheldon Investments' first purchase, will not change the reinsurer's current runoff strategy.

Asked whether Walton's new owners would more aggressively seek to conclude commutation agreements than Phillips, Mr. Spafford replied: "The question presumes that we haven't been ag-

gressively pursuing commutations in the past. Walton has always been interested in commuting at the right terms and will continue to be interested in doing so. We're involved in several commutation negotiations at present."

According to financial information released in March 1983, after the reinsurer stopped underwriting third-party risks, Walton had capital and surplus of \$28.4 million and total liabilities of \$175.4 million, of which \$127 million was described as a "gross case reserves provision for losses from non-parent business."

The provision for losses from Phillips' risks was shown as \$15 million while Walton's provision for incurred-but-not-reported claims at that time was \$73.6 million. Total assets were listed at \$203.7 million.

Walton's 1981 annual report showed that premiums written in 1981 rose to \$118.7 million from \$70 million in 1980. Walton recorded an underwriting loss of \$22 million in 1981 and investment income of \$21.3 million, producing a bottom-line net loss of \$578,000 for

Continued on next page

Australian natural disasters cost insurers billions in '80s

By KATE McILWAINE

MELBOURNE, Australia—Insurers paid claims totaling nearly \$50 billion Australian (\$38.35 billion) in the past decade, according to the Insurance Council of Australia.

The insurers' bill for natural disasters during that time totaled \$2.3 billion Australian (\$1.76 billion), said Tony MacKintosh, Victoria regional manager of the ICA. That includes last December's Newcastle earthquake (BI, Jan. 1), which is the worst natural disaster of the decade and is expected to ultimately cost insurers about \$700 million Australian (\$536.9 million).

During the decade, the industry's combined average daily claims payout increased 145.5% to \$27 million Australian (\$20.7 million) per day in 1989, from \$11 million Australian (\$8.4 million) a day in 1980. Mr. MacKintosh said

In addition to the Newcastle quake, the ICA reports the 10 worst Australian natural disasters during the past decade were:

- Bush fires and storms that hit three states in 1985, causing \$257 million Australian (\$197.2 million) in damage.

- Severe bush fires in Victoria and New South Wales in February 1983, which caused \$253 million Australian in damage.
- A 1985 hailstorm in Brisbane, Queensland, that caused \$216 million Australian (\$165.7 million) in damage.
- An October 1986 hailstorm in Sydney, New South Wales, that caused \$125.8 million Australian



(\$96.5 million) in damage.

- Rain and mudslides, which struck Sydney in November 1984, causing \$103.3 million Australian (\$79.6 million) in damages.

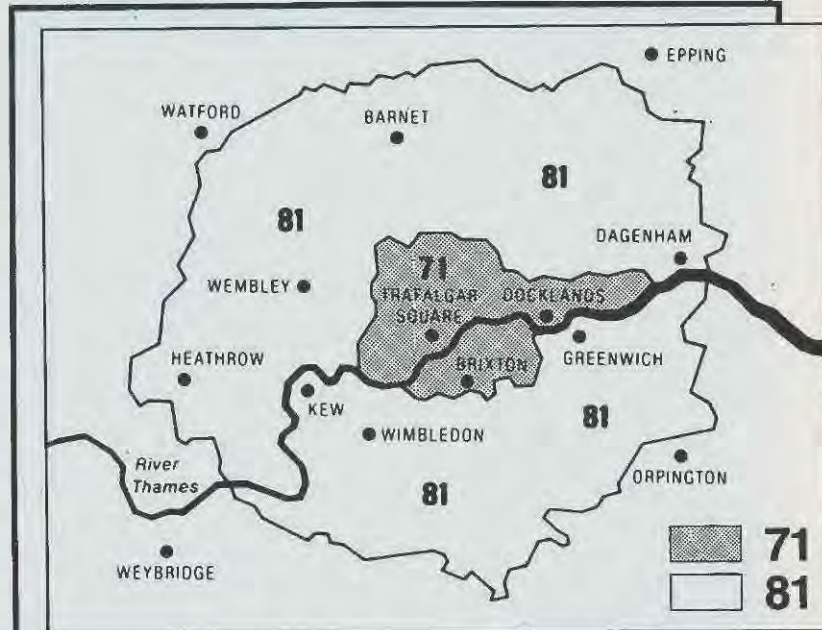
- Cyclone Winifred, which hit north Queensland in February 1986, causing \$50 million Australian (\$38.3 million) in damage.

- Rainstorms that hit central Australia, Queensland and New South Wales in April 1988, causing \$47.8 million Australian (\$36.7 million) in damage.

- Storms and flooding in Western Queensland in March 1981, which caused \$38.7 million Australian (\$29.7 million) in damage.

- Cyclone Dean, which struck part of Western Australia in March 1980, causing \$38.7 million Australian (\$29.7 million) in damage.

- Hail and rainstorms in three states last November, which caused \$30 million Australian (\$23 million) in damage.



London adopting new area codes effective May 6

LONDON—Beginning May 6, callers to London will need to use new telephone area codes.

Instead of simply dialing "1," the current area code for all of London, callers will need to dial either "71," for inner London, or "81" for outer London (see map). For example, 71 will apply to Knightsbridge, Oxford Street and London's financial district, while 81 will apply to Heathrow Airport, Wimbledon and Greenwich.

In the United States, for example, a caller would have to dial 011-44-71 before the seven-digit phone number to reach inner London, while the caller would have to dial 011-44-81 before the phone number to reach outer London.

The new codes are being established because of increases in demand for London telephone numbers, according to British Telecommunications P.L.C. of London.

After May 6, a caller who dials only "1" for a London phone number will receive a recorded message announcing the proper new area code. The call will then have to be redialed with the new code.

British Telecom recommends that businesses with computer-stored phone numbers, facsimile machines, modems and switchboards determine the appropriate new code in advance of the deadline.

The new area codes will be determined by the first three digits of London phone numbers.

The 71 code will apply to all phone numbers beginning with: 210, 212-215, 217-263, 265-281, 283-284, 286-289, 306, 315, 320-329, 331, 333-334, 338, 350-359, 370-389, 400-418, 425, 430-439, 454, 457, 465, 473-474, 476-477, 480-499, 510-513, 515-516, 522, 525, 537-538, 548, 580-589, 600-613, 615, 618-639, 696, 700-704, 706-716, 718-739, 753, 757, 772, 774-775, 779, 782, 790-796, 798-799, 818-824, 826, 828-829, 831-839, 860, 865, 867, 872-873, 901, 911-912, 915-918, 920-939, 955-957, 962, 971-973, 976, 978, 987.

The 81 code will apply to phone numbers beginning with: 200, 202-209, 290-291, 293-295, 297-305, 307-314, 330, 335-337, 339-343, 345-349, 360-361, 363-368, 390-395, 397-399, 419-424, 426-429, 440-453, 455-464, 466-472, 475, 478-479, 500-509, 514, 517-521, 523-524, 526-527, 529-536, 539-547, 549-579, 590-595, 597-599, 640-651, 653-661, 663-695, 697-699, 740-752, 754-756, 758-761, 763-764, 766-771, 773, 776-778, 780-781, 783-789, 800-809, 811, 840-859, 861-864, 866, 868-871, 874-879, 881-886, 888-894, 897-900, 902-910, 913-914, 940-944, 946-954, 958-961, 963-969, 974, 977, 979-981, 983-986, 988-989, 991-995, 997-998.

In certain areas, both area codes will apply. These phone numbers begin with: 528, 895, 945, 975, 982. To determine which code is appropriate, contact your international operator.

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INTERNATIONAL**BERMUDA BRIEFS**

Continued from previous page
the year, compared to a profit of \$18.5 million in 1980.

Sheldon Investments noted that with the purchase of Walton, it had acquired a state-of-the-art computer-based reinsurance administration system, including a data base built up over 10 years of run-off activity.

In addition, it plans to retain Walton's experienced workforce of 22 staffers in Bermuda.

The overriding message to ceding companies from Walton's new management is that business is "status quo," Mr. Spafford said.

Liquidators join forces

HAMILTON, Bermuda—Bermuda's top two insurance liquidators

have joined forces to form a new accounting practice in the wake of the merger last summer of Big Eight accountants Arthur Young & Co. and Ernst & Whinney.

Charles Kempe, joint liquidator of Mentor Insurance Ltd., and Christopher Whittle, liquidator of Norad Reinsurance Co. Ltd., announced the formation of Kempe & Whittle last month.

The new firm, which is affiliated with Ernst & Young International, has a staff of 95, several hundred clients and by far the largest insurance insolvency practice in Bermuda.

Mr. Kempe, whose Charles Kempe & Co. previously was affiliated with Arthur Young, has been named chairman of the new accounting firm, while Mr. Whittle, who previously headed the firm of Whittle Condon, will be managing partner.

—By Roger Scotton

LONDON

Continued from previous page
off contracts," Lloyd's said, pointing out that this is the main issue currently the subject of "litigation, arbitration or negotiation" between Mr. Outhwaite and his cedants.

"In the absence of evidence of concerted action or conspiracy, whose existence or relevance might not come to light in individual cases in the courts or arbitration, there is no case for Lloyd's to interfere in such cases," Lloyd's said.

Despite its refusal to investigate the runoff disputes, Lloyd's last year appointed an attorney to attempt to help settle disputes between Outhwaite and several syndicates (BI, June 19, 1989).

Underwriting merger

Murray Lawrence Holdings Ltd. and BPC Underwriting Agencies say they hope to complete a proposed merger by Sept. 30, subject to the Corporation of Lloyd's approval.

The merger will help Murray Lawrence Holdings, already among the largest underwriting agencies at Lloyd's of London, maintain its market position, said Managing Director Paul Archard.

BPC represents 340 Lloyd's members with a total allocated capacity of 114 million pounds (\$186.8 million). It also manages four syndicates with a total capacity of 81 million pounds (\$132.8 million).

A merger with BPC would create a combined members' agency representing more than 1,000 members and a total capacity of 347 million pounds (\$568.7 million); and two separate underwriting agency units managing a total of 14 syndicates with 412 million pounds (\$675.3 million) in capacity.

BPC Directors Don Carey and Graham Palmer would become directors of Murray Lawrence Holdings Ltd. after a merger.

"We wish to remain one of the larger groups" at Lloyd's, said Mr. Archard.

Confiscation cover

Oil tanker financiers may now obtain insurance covering confiscation of the ships after a major oil spill.

London financial insurance broker Nicholson Chamberlain Colls BankAssure, a unit of Lloyd's of London broker Nicholson Chamberlain & Colls Ltd., has put together a policy that protects a ship's mortgagee against financial loss from such confiscations.

Some shipping banks are concerned that pending U.S. legislation would increase confiscation of vessels should owners' liability coverage be insufficient to pay for a pollution cleanup, said Graham Barnes, managing director of BankAssure.

The new insurance is an extension to mortgagees interest insurance coverage and has been named "M.I.I. Additional Perils (Pollution)" coverage by the broker. The policy covers the confiscation of vessels involved in a spill or any others in a fleet confiscated because of the spill.

One policy already has been written for a consortium of seven banks that hold a \$100 million mortgage for six tankers.

The policy was insured 80% by Lloyd's of London underwriters and 20% by members of the Institute of London Underwriters, said Mr. Barnes.

Meanwhile, BankAssure is preparing to put together an aircraft repossession insurance facility for the Swiss-based International Air Transport Assn., which represents airlines worldwide.

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Portugal selling state-owned insurers

LISBON, Portugal—Preparing for the European Community's upcoming open non-life insurance market, Portugal is taking steps to privatize state-owned companies.

The government's Constitutional Tribunal last month approved a law allowing the sale of the state-owned companies, many of which were nationalized in 1975.

The privatization of companies will be handled three ways:

premium income of 12.4 billion deutsche marks (\$6.36 billion at June 30, 1989 exchange rate), nearly half of which is from its international business.

—By Stacy Shapiro

Solidarity insurer

GDANSK, Poland—The Polish labor union Solidarity is looking to form an insurance company joint

industry. Mr. Levinson is also to help secure political risk insurance for future investors.

Latvia, in turn, will establish a trade office in Delaware to foster trade between the two countries.

For more information, contact David N. Levinson, Department of Insurance, 841 Silver Lake Blvd., Dover, Del. 19901; 302-736-4251.

—By Paul D. Winston

ARP sold to reinsurer

PARIS—French reinsurer Mutuelle Centrale de Reassurance recently acquired Agence de Reassurance de Paris from Norwegian insurer Gjensidige Norsk Skadeforsikring.

Oslo, Norway-based Gjensidige sold its French subsidiary as part of a restructuring of international operations, according to MCR.

MCR, a Paris-based reinsurer, predominantly writes non-life reinsurance for numerous mutual insurers in France and French-speaking Africa and Canada, ac-

ording to Insurance Solvency International Ltd. of London.

As of March 31, ARP personnel and operations were folded into

MCR, which has taken over all underwriting and related operations, the reinsurer reported.

—By Paul D. Winston

GLOBAL BRIEFS

• Listing of shares on the Lisbon Stock Exchange.

• Selling by tender to a group of pre-qualified buyers.

• Entering into direct negotiation with potential buyers.

Ownership by foreign investors, still officially capped at 5%, could be open to negotiation between prospective buyers and the government, sources say.

Among the state-run companies to be sold are Alianca Seguradora S.A. and Companhia de Seguros Tranquilidade S.A. The government sold 49% of their stock to the private sector last year.

Next, the government plans to sell off 100% of Companhia de Seguros Bonanca, Companhia de Seguros Mundiale/Confianca and, finally, Portugal's largest insurer: Companhia de Seguros Imperio.

A government spokesman said Portugal's privatization strategy is to be flexible and pragmatic. Special consideration will be given to the companies' current shareholders if they wish to increase their interests, he said.

Currently, Tranquilidade's major shareholder is Grupo Espirito Santo S.A., a holding company for the Espirito Santo family's industrial and financial interests, which now holds 33% of Tranquilidade's stock. Before 1975, Grupo Espirito Santo controlled both Tranquilidade and Bonanca.

Grupo Espirito Santo, said a spokesman, is interested in restoring its control over both insurers.

Another family holding company, Companhia Uniao Fabriol, controlled by the Mello family, held a majority interest in Imperio until the 1975 nationalization. Although the Mello family has not yet tried to regain control of the insurer, observers say such a move is a strong possibility.

—By Maria Kielmas

Munich Re in Athens

ATHENS, Greece—The Munich Reinsurance Co. has opened an office in Athens to handle business in Greece and Cyprus.

The world's largest reinsurer said earlier this year that it was the first professional reinsurer to open an office in Greece. Previously, Munich Re serviced its Greek clients from its headquarters in Munich, West Germany.

The opening of new offices this year in Seoul, South Korea; Istanbul, Turkey; and Athens constitutes a further development of the company's business policy, said Munich Re Chairman Horst K. Jannott in a statement.

"Today the markets require far more intensive servicing than formerly," he said. "These requirements cannot be sufficiently covered by visits from Munich or other offices abroad. Therefore, we must have a permanent presence ourselves in these important and growing markets."

Munich Re has more than 65 offices in 140 countries outside West Germany. In the 1988-89 business year, the company reported total

venture with a foreign insurer.

The proposed insurer would initially write personal lines coverages but could eventually expand to commercial business.

"We will begin definitely with personal lines such as life, pensions and health and later workers compensation; such cover is needed in the area," said Jerzy Kobylinski, director of Solidarity's Economic Fund. The fund was established to generate income for the union, whose membership has declined in recent years, he said.

"A number of insurance companies have expressed interest in the project. If a major company comes into partnership with us, we could expand the scope of cover available," he said.

Several U.S. and European companies have asked about the project, Mr. Kobylinski said.

The insurer would be a joint venture, with Solidarity holding a 51% stake, he said. "We want to keep control."

The minimum capitalization requirement for insurance companies in Poland is about \$25,000, Mr. Kobylinski noted.

—By Maria Kielmas

AMP buys Pearl Life

SYDNEY, Australia—Australian Mutual Provident Society, the country's largest life and general insurer, has acquired all outstanding shares in the British life insurance group Pearl Group P.L.C.

AMP launched a hostile takeover bid for Pearl last October and had acquired more than 50% of its shares by the end of November.

AMP's combined assets now total more than \$25 billion Australia (\$19.18 billion at current exchange rate), up from \$4.7 billion (\$3.6 billion at current exchange rate) in the 1988 fiscal year. Policyholders now total more than 3 million, up from 600,000 in 1988. And, total premium income now stands at more than \$2.1 billion (\$1.61 billion), up from \$395 million (\$303 million).

The combined figures include AMP subsidiaries in New Zealand and the United Kingdom.

The Pearl takeover would be the largest acquisition of any U.K. financial institution by a non-British organization, according to Ian Salmon, chief general manager of AMP International.

The move ensures that AMP is well prepared for the removal of trading barriers in the European Community in 1992, he said.

—By Kate McIlwaine

Delaware, Latvia accord

DOVER, Delaware—The Delaware Department of Insurance recently entered into an agreement with the Soviet republic of Latvia to help it develop a modern insurance regulatory mechanism.

Under the agreement, Delaware Insurance Commissioner David N. Levinson will be a consultant on the restructuring of Latvia's insurance code and domestic insurance

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STRUCTURED FINANCIAL ASSOCIATES, INC.
OFFICES NATIONWIDE

Spring renewals

Continued from page 1
surers have stepped up to provide replacement coverage at acceptable prices, terms and conditions.

In fact, several brokers, risk managers and insurers say the excess liability market, in which Weavers was a major player, is the most competitive segment of the commercial property/casualty marketplace.

Meanwhile, insurers and brokers unanimously agree that workers compensation now is the most problematic line of coverage, due to escalating medical and litigation costs nationwide and hefty residual market assessments in some states.

Some brokers and insurers also say that directors and officers liability insurers are becoming more cautious, particularly when underwriting coverage for financial institutions and limited partnerships.

However, observers say that marine and aviation insurance markets remain competitive, despite significant losses last year.

But, in general, they characterize the current commercial property/casualty rating environment as stable.

"Many renewals are flat to up 10%," A&A's Mr. Fitzpatrick said. The exceptions, he added, are marine, inland marine, aviation and excess liability business—where rates are down—and workers compensation—where rates are up.

Mr. Lang, who renewed Kohler's auto liability and umbrella liability coverages April 1, said he saw "some slight continued softening" in the umbrella program and "was offered a

whale of a lot higher limits than what I wanted to take on."

And, Larry Sutton, corporate risk manager for Crown American Corp. in Johnstown, Pa., said that his company renewed its property coverages April 1 for the same pricing, terms and conditions as last year, "even after the series of disasters" that hit property insurers in the second half of 1989, like Hurricane Hugo and the California earthquake.

Crown American—which develops, manages and owns shopping malls, department stores and hotels in 11 states east of the Mississippi River—was met with "a willing market" and went through "a really uncomplicated renewal," Mr. Sutton added.

"Almost without exception," accounts are renewing at about the same premium, terms and conditions, said James L. Stone, president of Jardine Insurance Brokers Illinois Inc. in Chicago, a regional office of Jardine Insurance Brokers Inc.

Except for problems in the workers compensation market, which he compares to the medical malpractice crisis of the 1970s and early 1980s, "rates are flat. Those with excellent loss records might experience slight (rate) reductions, and those with high loss records might see increases," Mr. Stone explained.

"Both on January renewals and those we are working on now, we are seeing little or no (rate) increases," agreed Richard W. Wratten, president of the commercial division of Transamerica Insurance Co. in Woodland Hills, Calif.

Mr. Wratten said there have been a few small increases in the East and in California, most in general liability, auto and excess liability, but "in the Midwest, rates are certainly not moving forward," he said.

"It is our perception that prices have stabilized on most lines—they haven't continued to free fall...but they haven't started up," said George

Yeager, a senior vp for Crum & Forster Corp. in New York.

He added that, "in general, we are selectively increasing rates," and have established "a floor, or a walk-away price," below which underwriters are not authorized to quote premiums.

And, "there is a lot more willingness on the part of brokers and agents to negotiate rate increases than there was a few months ago," observed Joseph T. Basta, general manager of the standard lines division of Zurich-American Insurance Co. in Schaumburg, Ill.

"Now they're very happy if there isn't any reduction," he added.

Whether an insurer can make a rate increase for a particular account stick is affected by whether other insurers are competing for that piece of business, brokers say.

J. Bransford Wallace, executive vp of Corroon & Black Corp. in Nashville, Tenn., said the property/casualty market is now "sort of paranoid."

"On the one hand, if an insurer has a risk and doesn't perceive a lot of competition for that business, it is trying to hold the mark on renewal or marginally raise the prices. But, if insurers are going after a piece of business they like the looks of, they can be very aggressive," he said.

While a couple of insurers, which he would not identify, are making a greater effort than others to raise prices, "you still find them, in certain situations, being extremely competitive," he said.

And, while "in general, rates are flat to 10% up or down," where competition exists for an account, rate reductions may range anywhere from 10% to 20%, Mr. Wallace added.

Larry Sorensen, senior vp and director of marketing for Rollins Burdick Hunter Co. in Chicago, also is seeing "some downward

Continued on next page



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Continued from previous page movement in premiums for the right account." He said that occasionally those rate reductions are substantial.

But Charles N. Fiske, senior vp of Sedgwick James Inc. in Memphis, Tenn., said that basically "all markets are reacting about the same. Their guiding principle is making their budgets and holding on to the business they have."

Many brokers describe a two-tiered marketplace, with middle-market accounts—those generating \$50,000 to \$500,000 in annual premiums—generally seeing less rate competition than larger accounts.

Among middle-market accounts, "we haven't seen a lot of changes price-wise" from last year, said George H. Ramsdale Jr., corporate vp and chief underwriting officer of Continental Corp. in Cranbury, N.J.

Although Continental has increased rates for these accounts an average of less than 10%, it is retaining existing business "quite well," he reported.

James S. Kemper III, senior vp-commercial lines underwriting for Kemper Corp. in Long Grove, Ill., said, "We are trying to raise rates by 5% or a little more."

And Roy Gunar, a vp for Royal Insurance Co. in Charlotte, N.C., said: "Our stance is to get our prices up" on the insurer's book of predominantly middle-market accounts.

"Our territorial people say that rates are at least stable and some (offices) are able to achieve price increases," Mr. Gunar added.

For instance, there is more "upward rate movement" for middle-market accounts in the Northeast, he said. In March, one Royal territorial office increased rates an average of 12%, while other offices reported lesser increases, he said.

Since "underlying claims costs are increasing 7% to 9% due to inflation," rate increases of less than that move

insurers "that much farther from profitability," Mr. Gunar cautioned.

But Jardine's Mr. Stone said that "a number of underwriters" still are competing for business among middle-market accounts.

Nelson F. Green, Jr., a senior vp for Poe & Associates Inc. in Tampa, Fla., agreed that "a lot of insurers are going after Main Street business and target marketing specific risks." For example, while most insurers will not cover auto dealerships, "four to five insurers are jumping on that business, mostly through special programs," he said.

Rate increases are more evident on casualty lines than on property lines for middle-market accounts, brokers and insurers say.

"Across the board, in our package book of business, pricing on liability lines is thin," Mr. Basta said. So, Zurich-American is seeking average liability rate increases of 5% to 10% for middle-market risks.

Zurich-American is seeking smaller rate hikes for property accounts because its property loss experience has been better than that of most insurers, Mr. Basta added.

"We still see more competition for property and package accounts than we do in the casualty area," agreed Corroon & Black's Mr. Wallace.

He added that on the casualty side, "we're seeing some companies effectively raise their rates in certain classes of business, one of those being public entity business, where there has clearly been a rate inadequacy."

"Stability is generally seen in the casualty area," as well as some price increases, which are "probably more due to inflation and/or exposure increases" than to a tightening of the market, said RBH's Mr. Sorensen, adding that those increases are less than 5% on average.

"In the property area, we are still seeing strong competition," with little, if any, change in rates, a mainte-

nance of capacity and no decrease of coverage availability for earthquake, windstorm or flood exposures, Mr. Sorensen added.

While Sedgwick James' Mr. Fiske is still seeing a "very competitive" market for middle-market accounts, he also noted that a Sedgwick James survey of 25 leading U.S. insurers found they are seeking rate increases averaging from 5% to 15% on renewal. And, "they have said that if they don't get them this year, they will have to seek 30% to 40% increases next year," he said.

Michael C. McIntyre, senior vp of Allendale Mutual Insurance Co. in Johnston, R.I., which writes property coverage primarily for highly protected risks, said that while rates are "firming up a bit," in the property area, "on targeted accounts we still see competition."

"We go back and work with each account on an individual basis," he said, adding "we do not have any position to implement across-the-board" rate increases.

Mr. McIntyre said that rates for "Main Street" property accounts have firmed more than rates for Fortune 1,000 accounts.

Meanwhile, several brokers and insurers indicated that the strongest competition for Fortune 1,000 accounts is for property and excess liability coverages, with primary casualty rates usually remaining stable or increasing slightly.

"Property coverage in the marketplace today is very competitive, as is umbrella and excess casualty business. That is generally true throughout the country," said Crum & Forster's Mr. Yeager.

"Large-account property business is still a competitive market. The managements of several large insurers have suggested to us that they see a period of stable pricing, but our own studies show that rate reductions are still more common than 'as

is' renewals," said Lawrence L. Drake, managing director of Marsh & McLennan Inc. in New York.

However, the pace of those rate reductions has slowed, Mr. Drake said. They are now "more in the 5% to 15% range, and there are a fair amount of situations where renewals are on an as-is basis."

"Many incumbent insurers are trying to hold the line or get some modest (property) increases, but they are not successful because competing carriers are coming in and offering better terms," said Daniel Batonic, vp of Johnson & Higgins in New York. "Among larger accounts, we're seeing property values go up and overall premiums go down."

Mr. Batonic observed that because fewer insurers are willing to write property coverage for petrochemical risks, rates for those risks are increasing somewhat and insurers are reassessing their limits.

"On the property side—partially based on our experience and partially on the market—we received a renewal quote that was 5% less than last year's, on an apples-to-apples basis," said Edward G. Weiss, director of risk management and security for First of America Bank Corp. in Clawson, Mich.

"We made several acquisitions over the past year, and the property savings for those new affiliates was more in the 7% to 9% range," he added.

Roger D. Oaks, director of risk management for the Tennessee Farmers Cooperative in Laverne, Tenn.—which is owned by 77 state farm cooperatives—said despite an 8% increase in insured property values and the purchase of an additional \$10 million in excess coverage, the cop's combined property premiums rose only 2%.

And, while Crown American Corp.'s Mr. Sutton renewed his company's property coverage with Allendale for the same rate and terms, he

had "lots of brokers remembering it was our renewal time." He explained that he was just not interested in remarketing the account.

Excess liability insurers also are still competing for large risks, despite the problems at Walbook.

Rate reductions are "up to 10% to 20% on the majority of excess liability risks. This is the softest part of the market right now, (although) for difficult or complex risks, rates are stable," M&M's Mr. Drake said.

M&M Managing Director John F. O'Sullivan said that some classes of liability business have been hurt by Weavers' underwriting moratorium, but "we seem to find that there are replacement markets available for most of the risks that were written by H.S. Weavers at acceptable premiums. So far, it has been a manageable situation."

"The excess casualty market is still very, very competitive," Corroon & Black's Mr. Wallace agreed.

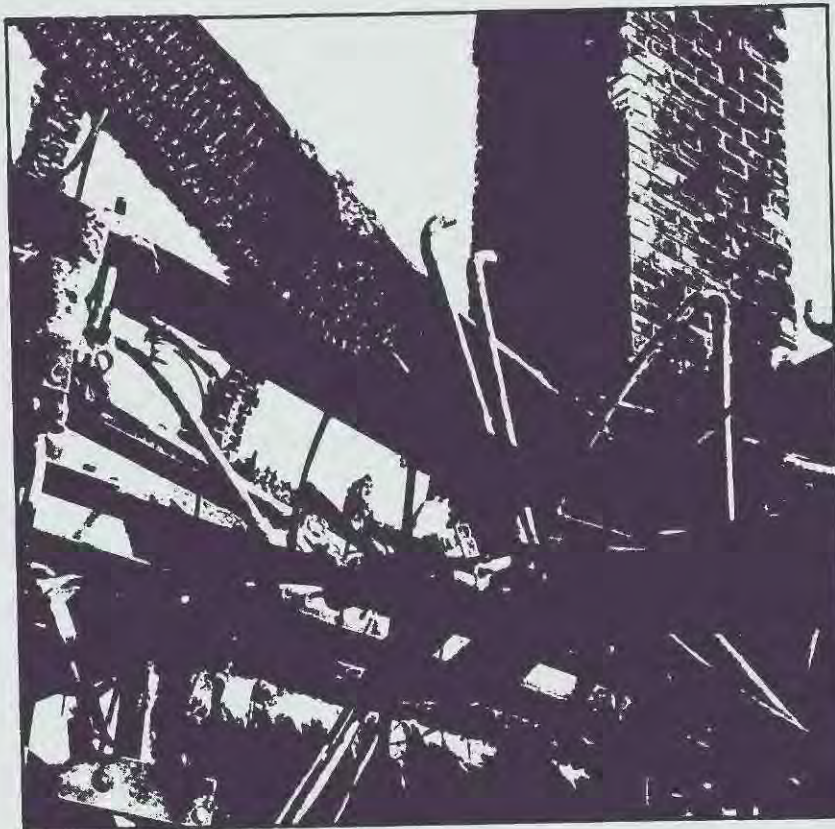
"What this whole subject of Weavers is going to do to that market remains to be seen, but a number of carriers are expressing interest in that business—in a couple of cases, for the same price, terms and conditions," Mr. Wallace added.

"So far, there seems to be capacity surfacing for most of the business that was in Weavers. We've been able to investigate alternative structures and talk to other markets about that business," said Joseph DeChiaro, a vp of J&H in New York.

While the coverage might be structured and priced differently than it was at Weavers, Mr. DeChiaro said he has not seen price gouging from insurers that are replacing Weavers' coverage.

But, Allendale's Mr. McIntyre cautioned that any insurer that "has an influence to the extent that Weavers does on the reinsurance end" will have some impact on the market.

Continued on next page



PROPERTY LOSS CONTROL

PUBLISHING: May 28

AD CLOSING: May 15

Traditional safety methods coupled with technological innovations are helping risk and loss control managers evaluate and prepare for disasters before they strike.

Business Insurance will devote the May 28 issue to the important area of property loss control, and will provide readers with a single source of information on the best property protection methods available. The topics to be covered will range from cutting-edge technology to traditional methods — from data processing and computers used to locate disasters ... to the more familiar alternatives of sprinklers and firewalls. Editors will also talk to some of the experts — architects and engineers — about loss control procedures including structural engineering and earthquake preparedness.

DIRECTORY

The Directory of Loss Control Consultants, also contained in this issue, provides the information and the resources needed by risk and loss control managers to do their jobs better.

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Spring renewals

Continued from previous page when it stops writing business. He predicted that the "first time it will really show up is on the next major reinsurance renewals on July 1."

Brian M. O'Hara, president of Bermuda-based excess liability facility X.L. Insurance Co. Ltd., agreed that it is "too early to know what the aftermath" of Weavers will be.

Meanwhile, X.L. has informed its clients that "we may have to adjust premiums upward 3% to 5%. We keep track of our business by industry class and compare and contrast premiums and claims to keep things equitable," Mr. O'Hara said.

Susan M. Werner, director of risk management for Hardee's Food Systems Inc. in Rocky Mount, N.C., said that she found the excess liability market to be very competitive for her April 1 renewal.

"We had such a favorably priced program last year that it was hard to beat what we already had, but there were some slight reductions this year in some layers," Ms. Werner said. Hardee's changed some insurers in its upper layers, she noted.

Mr. Weiss said that First of America found an "extremely competitive market" for its umbrella liability account. "We saw a good 55% decrease in premium and got broader coverages."

He moved all three layers of the bank's excess liability insurance program from three U.S. underwriters to three other U.S. insurers, Mr. Weiss explained.

In addition to the rate decrease,

Mr. Weiss said he was able to negotiate coverage for properties held in trust, a risk that the bank had formerly self-insured.

Insurers, brokers and risk managers agree that the biggest problem in the insurance marketplace is workers compensation risks, particularly in states like Texas, Florida, Massachusetts, Louisiana, Maine and New Mexico (BI, March 19).

Workers comp is the "No. 1 critical issue facing the industry and, unfortunately, some of the solutions being put forth by state legislatures are not going to be acceptable," said Transamerica's Mr. Wratter.

"Workers comp is the No. 1 problem today due to rate inadequacy that is triggered by the increased legal costs of the system and inflationary medical costs," said Crum & Forster's Mr. Yeager.

Those two problems, in turn, increase residual market loading factors on work comp rates, since many insurers will not write workers compensation insurance in the voluntary market until those problems are resolved, he said.

Mr. Kemper said workers comp "is being written more and more on an account basis rather than a monoline basis. If we can find a way to write an account so that the whole account is profitable, we will write workers comp as part of a total account."

"On the primary side for large account business, workers comp is a critical issue and residual market loadings are one of the most significant cost components of a primary program," said M&M's Mr. Drake. However, because rating formulas for

large accounts "are based on actual losses, there is a chance for underwriters to recoup for bad loss experience," he added.

Mr. Oaks said that his co-op's workers comp premium went up 30% on its April 1 renewal. "Our biggest problem was finding someone who would write the program on a standard basis," either on a guaranteed-cost basis or through a retrospectively rated program with a "low enough maximum."

Some brokers say the D&O liability market is also tightening, particularly for financial institutions and limited partnerships.

According to Frank Englert, vp and manager of the D&O and professional liability unit at J&H in New York, factors that are complicating coverage for financial institutions include new reporting requirements for calculating financial institutions' capital ratios, which reduce the value of a bank's goodwill; the collapse of the junk bond market; the takeover of banks and savings and loans by the federal government; the failure of several savings and loans; and an increase in home foreclosures.

"Depending on the underwriter and the risks, in some cases the premiums are being substantially increased and in other cases they are not. But, by and large, the D&O market for banks has firmed and rates are increasing," Mr. Englert said.

In general, D&O rates for most businesses are going up about 5% to 10%, he added, but "for troubled banks or limited partnerships, rate increases may be much more."

"D&O is getting more pricey, par-

ticularly in the area of financial institutions. We're probably seeing something in the range of 5% to 15% rate increases across the board, but there is still viable capacity available," said RBH's Mr. Sorensen.

But, some brokers note that both the aviation and marine markets still remain very competitive, in spite of major losses in 1989.

"Things are still pretty soft in the aviation market, coming off of two years of back-to-back rate reductions of 50%. We are still seeing 15% to 30% rate reductions across the board" on hull and liability coverages, although some domestic insurers are trying to stabilize rates, said Joseph M. Rosenthal, senior vp and national director of A&A's aviation and aerospace division in New York.

While U.S. insurers may pass on a risk if rates are considered too low, London and European insurers are willing to step in and write the business, Mr. Rosenthal noted.

And Fred W. Reiniger, senior vp of A&A of New York, said the marine market is "selectively aggressive on fleets that are running fairly well or that represent large premiums."

While the marine protection and indemnity market tightened up during February renewals, "cargo, hull and excess liability markets are still fairly aggressive for marine business

and are offering rate reductions where deserved or where competition is brought in," Mr. Reiniger said.

"The marine market is very competitive in London and around the world, though it is mostly U.S. insurers competing for U.S. business," said Corroon & Black's Mr. Wallace.

Overall, while rates are now creeping upward for some types of business, it will be 1991 before rate increases are the norm, some brokers and insurers predict.

"I don't see any hardening before sometime next year," said Poe's Mr. Green.

"I'm sure reinsurance costs are going to go up and treaties may be more restrictive," which may have some impact on the market by the second half of this year, said Mr. Kemper. However, he noted that because most reinsurance treaties renew on January 1, rate increases will likely be more evident then.

J&H's Mr. Batonic said that he also thinks that "reinsurers are going to come back and say that they need a lot more money" when primary insurers renew their treaties, which should affect rates in 1991.

"We feel our clients should budget 10% rate increases plus whatever growth they are experiencing as they go through their 1991 renewals," said Mr. Stone of Jardine. ■

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Business Insurance

Managed care

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medical department has set up a network that includes 7,500 doctors, 75 hospitals and 120 pharmacies that treated about 100,000 SCE covered lives in 1989. That provider network, called HealthFlex, is larger than all but six U.S. preferred provider organizations, according to Dr. Sokolov.

Under the program, SCE's 215-person health care department—which was expanded from 135 staff members to handle its additional duties—conducts all utilization review and negotiates provider contracts. Dr. Sokolov expects the department will process about 700,000 claims annually.

"It was a big decision and it cost big dollars to get this going," Dr. Sokolov said. "But we decided that we had to relook at delivery and payment for health care. The program sounds massive, but to be candid, we simply created a more developed insurance program by adding HealthFlex.

Employees enrolled in HealthFlex can select one of three annual deductible levels, with monthly employee contributions based on the amount of the deductible and, for family coverage, the size of the family.

The three deductible options are:

- \$100 for individuals and \$200 for families. The required employee monthly contribution is \$10 for individuals and \$60 for an employee with a family of four.

- \$400 for individuals and \$800 for families. There is no monthly contribution for individuals. Employees with a family of four would contribute \$33.50 per month.

- \$1,000 for individuals and \$2,000 for families. Individuals receive a monthly rebate of \$10.83, while employees with a family of four receive a rebate of \$5.87.

The SCE plan covers 90% of expenses of employees and dependents that receive care from HealthFlex network providers. Employees' out-of-pocket costs are capped at \$2,000 for individual coverage and \$3,000 for family coverage. SCE pays 100% of health care costs above those levels. The plan covers 70% of expenses if non-network providers are used. The same out-of-pocket maximums apply.

In addition, annual "good health" rebates of \$120 that can be applied to deductibles are available to employees who are approved after voluntary screenings for five health risks: diabetes, smoking, weight, cholesterol level and hypertension.

Those who fail the tests but agree to undergo treatment to improve their condition also can receive the rebate.

Dr. Sokolov said the company has saved \$10.6 million alone by implementing the new PPO.

SCE also renegotiated its contracts with the nine health maintenance organizations with which the company contracts, he said. The company saved about \$7.9

million by restructuring these HMO contracts, according to Dr. Sokolov. The company also saved \$1.5 million in 1989 by requiring employees who retire in 1989 and 1990 to pay part of their health care costs if they do not receive care from HealthFlex providers.

However, those retirees still are not required to pay any monthly contributions toward the cost of their health care coverage nor pay deductibles if they receive care through the network. Those retirees who receive care from providers outside of the network must pay 20% of the cost of care up to \$1,500 annually.

Formerly, retirees did not share in any of their health care expenses and were not subject to most managed care techniques such as utilization review or precertification, Dr. Sokolov said.

The company plans to restructure its retiree health care program for employees who retire in 1991 and later. ■

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447 people attend Conference Board benefit meeting

NEW YORK—The Conference Board's 10th annual Employee Benefits Conference, held late last month in New York, attracted 447 attendees representing all facets of the employee benefits arena.

Next year's gathering is scheduled for March 4-5 at the New York Hilton in New York City. For information on that meeting, contact Conference Registrar, The Conference Board, 845 Third Ave., New York, N.Y. 10022; 212-339-0290.

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Consultant warns of FASB rule's impact

By MICHAEL SCHACHNER

NEW YORK—Employers can take several steps to control the cost of retiree health care as employers prepare for proposed accounting rule changes for retiree health care benefits, a benefits expert says.

The accounting rule changes proposed by the Financial Accounting Standards Board would increase employers' costs for those benefits by three to 10 times, forcing many companies to restructure their benefit plans, said Larry G. Cook, a consultant and analyst for Fairfield, Conn.-based General Electric Co.

And, the proposed FASB rules—which employers widely regard as a threat to earnings (*BI*, Dec. 4, 1989)—also could, in rare cases, force employers to offset unforeseen liabilities with shareholder equity, Mr. Cook said at the 10th Annual Employee Benefits Conference, sponsored by the Conference Board March 28-29 in New York.

The FASB proposal would require companies beginning in 1992 to accrue as an expense against corporate earnings retiree health care liabilities from the date an employee is hired until the em-

ployee is eligible for post-retirement health care coverage (*BI*, Feb. 20, 1989).

In addition, beginning in 1997, employers will be required to list retiree health care liabilities on their balance sheets.

Most employers, which now account for retiree benefits on a "pay-as-you-go" basis, must alter their retiree health care plans to limit the hit to their financial statements under the proposed FASB rules, Mr. Cook said.

Likely to get hit the hardest by the proposed rules changes are employers with a high ratio of retirees to active employees and employers that offer early retirement programs.

"The biggest element of expense under FASB is attributable to assuming future health care inflation. So, any plan that caps this liability will be ahead," he explained.

Mr. Cook said employers could help "eliminate the health care cost inflation factor" by:

- Implementing a schedule of retiree health care benefits based on a worker's length of service.

- Companies must determine whether they can provide the same level of benefits to a 10-year em-

ployee as they do for a 40-year employee," Mr. Cook said.

- Increasing the age at which workers can retire and receive health care benefits.

As a result, employers can shorten the time they pay health benefits before Medicare kicks in at age 65.

In addition, Mr. Cook speculated that a federal law delaying normal retirement age under Social Security to 67 from 65 in the year 2022 could lead to Medicare pushing back its eligibility age.

The result: Employers would have to pay health benefits longer before Medicare kicks in.

- Requiring active employees to prefund their retiree medical benefits.

Fort Worth, Texas-based American Airlines Inc. was one of the first major employers to require active employees to help prefund their retiree medical benefits. The airline in January began charging about 50,000 employees \$10 per month to be eligible for retiree medical benefits (*BI*, Dec. 4, 1989).

American Airline employees will

pay for about 30% of their retiree health care liabilities, said Teri L. Teat, managing director-compensation and benefits for American, who also spoke during the session on retiree health care.

However, General Electric is not threatened by the proposed accounting changes because it began capping retiree health care benefit payments in 1967, when Medicare was created, Mr. Cook said.

In addition, General Electric began accruing a portion of its current retiree health care costs as an expense against corporate earnings during the 1950s, Mr. Cook said.

"It was simply a conservative accounting practice the company started long before FASB," Mr. Cook said.

The company provides health care benefits to about 65,000 retirees older than 65, Mr. Cook said.

The \$500 GE pays per hospital admission covers most of Medicare's current \$592 hospital deductible, he said.

In addition, retirees can buy another \$150 in hospitalization coverage from GE for \$2.50 per month.

Payments for outpatient drugs are capped at \$8 per prescription with retirees responsible for a \$2

copayment on prescriptions.

A program arranged with Travelers Corp. in 1987 fills in the uncovered portion of Medicare Part B coverage, which applies to physician visits, he said. Medicare now pays 80% of all outpatient costs above a \$75 deductible.

Mr. Cook said the Travelers program, which costs GE retirees \$24 per month, covers the outstanding 20%.

Mr. Cook would not disclose GE's savings from capping retiree benefits, but he said the savings are significant.

General Electric's problems arise in the area of retirees who are younger than 65, who receive benefits under the same self-insured comprehensive medical plan the company extends to its active employees. About 25,000 of these retirees are eligible to receive first-dollar hospital coverage, while outpatient physician care is reimbursed at 85% after pay-related deductibles are satisfied, Mr. Cook said.

Mr. Cook said employers' options are limited by the health care plans companies have already created. Each company should look at benefits that are in place to determine liabilities and potential expenses, he said.



Managed care cuts costs best, says expert

By MICHAEL SCHACHNER

NEW YORK—Using managed health care plans is the best way employers can curb rising health care costs, but these plans must be refined before they can live up to their full potential, a managed care expert says.

Managed care is the "only way corporate America can begin to receive value for the dollars it spends on health care," said Robert A. Chernow, vp of New York-based Metropolitan Life Insurance Co.'s Managed Care Services Group.

"Managed care brings accountability through structure and that's something new to medicine," he said.

The United States now spends 12% of its gross national product annually on health care, according to Mr. Chernow. "That's \$650 billion per year, or \$1.8 billion per day. It's more than twice as much as the country will spend on defense in 1990," he said during a presentation at the Conference Board's 10th annual Employee Benefits Conference held late last month.

However, businesses today view managed care's results and potential with uncertainty, he noted.

"America today has not uniformly defined managed care nor has it uniformly implemented managed care programs. Managed care is viewed with uncertainty, and if we continue to take this wait-and-see attitude toward managed care, it will almost ensure (the creation of) nationalized health insurance and kill free choice and managed care," Mr. Chernow said.

To remedy this situation, employers first must agree on what exactly managed care is, he said.

"A PPO here and case management there doesn't work," he said. "Managed care must be synonymous with contracted network care."

A recent Metropolitan Life survey of 50 large employers that had pre-

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Managed care

Continued from previous page registered to attend the conference illustrates the various perceptions employers have of managed health care, according to Mr. Chernow.

The survey found that 22% of respondents thought managed care meant having a gatekeeper controlling access to health care and/or having a third-party reviewer examining the appropriateness of care rendered. About 22% thought use of a health maintenance organization constituted managed care, while 16% thought use of a preferred provider organization was managed care.

Another 20% said any cost-effective means of providing health care could be considered managed care. Only 12% claimed managed care is a network-based system of health care providers. The remaining 8% were not sure how their company defined managed care.

Nearly three-quarters of the surveyed employers—74%—contend

they now offer managed care programs. Of this group, 81% said they were "very" or "somewhat" satisfied with their programs. The remaining 19% were either a "little" or "not at all" satisfied with their programs.

According to 28% of the respondents, the greatest individual flaw in managed care is the lack of choice or access to quality providers.

Separately, 43% of respondents said managed care is not cost-effective because it entails too much administration; 11% said managed care is cost-effective; and 46% said they did not have enough information to assess cost-effectiveness.

But Mr. Chernow said a well-organized managed care network can cut costs and provide quality care.

One advantage managed care has over fee-for-service programs is that doctors in managed care networks see a high volume of similar cases and, therefore, treat patients with fewer complications, he said.

"Complications drive up the cost of health care. Volume improves results. Managed network care can do a better job of reducing complications by seeing more like cases," he said.

One of the problems with managed care programs is the way employers introduce the programs to employees.

"You have to manage expectations. Introduction is a major change at most companies," but a managed care program shouldn't be positioned as a benefit take-away," Mr. Chernow said. "The program has to have (user) incentives."

Employers should also avoid introducing a new managed care plan companywide, Mr. Chernow advised. "It's wiser to roll out a program on a staggered, regional basis. It's good to start with a test market and then refine the product," he said.

Allowing sufficient lead time is also vital to the effectiveness of a managed care program, he said. Employers cannot get a program up and running in 30 days, warned Mr. Chernow, who said, "nine to 12 months is better."

Finally, employers must seek overall value in their program, not just cost savings, he said. By seeking only lower costs, employers jeopardize quality health care, he said.



RIMS PREVIEW

APRIL 23 ISSUE

The perfect kick-off for this year's Risk & Insurance Management Society Conference in Boston is BI's 'Take-Out' section.

BI readers will find last minute details and updated program and speaker changes at RIMS '90; a floor plan and list of exhibitors; a map of Conference hotels; and transportation info; a Boston entertainment and restaurant guide, and weather watch from BI editors; and updates on conference and other hospitality functions.

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CAPTIVES/ RISK MANAGER OF THE YEAR

APRIL 30 ISSUE

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PUBLISHING: MAY 14
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MET insurer

Continued from page 1

Cabot-Day is not licensed in any state. J. William Van Derveer Jr., president of Cabot-Day, maintains that Cabot-Day does not need to be licensed because it merely reinsured coverage that was sold to employers by self-funded METs.

"We've cooperated with everybody," he said, referring to state regulators' investigations.

Mr. Van Derveer previously was general counsel of KLK Consulting & Management Corp., the parent company of American Trust Insurance Co. American Trust was declared ineligible to write insurance in Illinois, Texas and Alabama in 1988 (BI, July 25, 1988).

In Colorado, the Denver District Court on Thursday granted the Insurance Division a temporary restraining order prohibiting the two insurers and Equity Med-Kare Plan Trust, an MET formed by Cabot-Day, from doing business from or in Colorado, said Jeff Froeschle, the assistant attorney general who filed the motion.

The order also freezes the assets of Cabot-Day, Morgan-Putnam and Equity Med-Kare.

A preliminary hearing on the Colorado injunction is scheduled for Thursday.

However, Mr. Van Derveer said Friday that Cabot-Day never has "written any business in Colorado."

In Texas, the Travis County District Court issued a temporary injunction Feb. 22 barring Cabot-Day, Morgan-Putnam and Equity Med-Kare from conducting business in that state.

In addition, the Texas attorney general has filed suit seeking to recover more than \$1.5 million in premiums paid by about 200 Texas employers to Equity Med-Kare, said Caroline Scott, an assistant

Texas attorney general.

Mr. Van Derveer said that Cabot-Day agreed to the order to stop writing in Texas.

The Texas court also has frozen the insurers' and Equity Med-Kare's assets held in Rocky Mountain National Bank in Denver and its investments handled by Shearson Lehman Hutton.

The Texas court appointed Houston-based Health Administration Services Inc. as a special master charged with adjudicating claims and winding up the business of Equity Med-Kare in the state.

Equity Med-Kare was being marketed to employers as either a "fully insured" MET or as a self-funded plan that was exempt from state regulation under provisions of the Employee Retiree Income Security Act of 1974, according to a lawsuit filed by the Texas attorney general and the State Board of Insurance.

Other defendants named in the suit are:

- Neil E. Smith, who the suit says is or was president of Cabot-Day when the alleged fraud occurred.

- Robert Munroe, president of Morgan-Putnam.

- Mr. Van Derveer.

- Frank O'Bryan, a principal of Cabot-Day.

- Samuel Orland Kuykendall, an agent for Cabot-Day and Morgan Putnam in San Antonio, Texas.

- Claims Administrators & Plan Supervisors Corp., an Austin, Texas-based third-party administrator; CAPSCO President Clyde E. Fortenberry; and CAPSCO General Manager David W. Porterfield.

- FMD Investment Associates Inc. of Boston, which allegedly served as a conduit for transfers of funds by defendants.

- FMD Principal Fred M. Dellorlano Jr.

According to the lawsuit, the de-

fendants "engaged in a scheme to deceive consumers and employer groups into obtaining insurance from defendants, when in fact, said defendants were not offering any legal insurance product and were in fact engaged in said activities for their own personal profit."

The suit also charges CAPSCO, Mr. Fortenberry and Mr. Porterfield with negligence for failing to investigate the legitimacy of the Equity Med-Kare plan.

Mr. Van Derveer says that Cabot-Day collected only \$921,000 in premiums in Texas, not \$1.5 million as alleged by the attorney general.

And, of the premiums collected

The Pennsylvania department on Feb. 7 suspended sales by Cabot-Day and Morgan-Putnam, as well as an MET that sold coverage that was underwritten by Cabot-Day.

The MET—Pittsburgh-based Construction Industries MET—had issued group health and accident policies beginning in September 1989 written by Cabot-Day to as many as 3,000 employers covering 12,000 to 13,000 lives, said Ken Wolensky, director of the bureau of licensing and financial analysis for the Pennsylvania Insurance Department.

The Insurance Department was notified in December 1989 that

The defendants 'engaged in a scheme to deceive consumers and employer groups into obtaining insurance from defendants, when in fact, said defendants were not offering any legal insurance product,' the Texas suit alleges.

in Texas by Cabot-Day, \$540,000 was "found in the top desk drawer" of CAPSCO, the third-party administrator, Mr. Van Derveer said.

However, Ms. Scott, the assistant Texas attorney general, said the \$540,000 in checks in CAPSCO's possession were handed over to the court by CAPSCO.

CAPSCO officials did not return phone calls.

Besides the \$1.5 million in premiums allegedly paid by Texas employers, another \$2.7 million in premiums paid by Pennsylvania employers to METs linked with Cabot-Day cannot be accounted for, said Ms. Scott.

However, the Pennsylvania Insurance Department could not confirm this figure.

Cabot-Day was not paying claims, he said.

Mr. Wolensky said the policies were issued by Cabot-Day, though Mr. Van Derveer says that Cabot-Day merely reinsured coverage written by METs.

The Construction Industries MET may be liquidated pending the outcome of a solvency investigation, Mr. Wolensky said.

The Pennsylvania department also has begun liquidation proceedings for the Suburban Professional Business Owners Assn. in Philadelphia, an MET that had issued coverage underwritten by Cabot-Day to approximately 5,000 individuals.

Mr. Wolensky did not know how many employer groups were involved.

33% of firms hike pension benefits

Employers help retirees cope with inflation

Employers that recently have granted post-retirement pension increases to salaried retirees usually did so to offset effects of inflation on pension payments, a survey found.

Of the 456 employers surveyed, one-third granted such increases under their defined benefit pension plans between 1985 and 1989. Almost two-thirds of those employers said they did so to offset the cumulative effects of several years of inflation, according to "Lump-Sum Options and Post-retirement Increases in Pension Plans," by Hewitt Associates.

Other reasons given for increasing pension benefits included improvements in the employer's or the pension plan's finances.

Meanwhile, almost a third of the employers reported offering a lump-sum distribution option in their defined benefit pension plans.

"We were surprised by the prevalence of lump-sum options, particularly because the government has tried to limit the number of lump-sum options" from pension plans, said Mike Johnston, Hewitt consultant in Lincolnshire, Ill.

Hewitt surveyed employers in July 1989 on the prevalence of lump-sum options and post-retirement pension increases in their defined benefit pension plans between Jan. 1, 1985, and June 1989. Some 38% of surveyed employers were manufacturers, the remainder were non-manufacturing firms.

Employer size ranged from large to small, with the greatest percentage—47%—reporting having 1,000 to 5,000 employees. Another 18% had more than 10,000 employees; 18% fewer than 1,000 employees; and 17% between 5,000 and 10,000 employees.

Increases were granted to salaried retirees since Jan. 1, 1985, by 33%, or 151, of the 454 employers that responded to questions about these increases.

The largest percentage of those granting increases—47%—did so in 1985, while another 40% granted increases in 1988. Another 36% granted an increase in 1986; 30% did so in 1987; and another 30% did so in 1989.

Also, of 121 companies responding to a question about when they granted increases, 10% said that while they had not granted an increase in the first half of 1989, that they planned to grant an increase in the latter part of 1989. Another 64% said they would not grant an increase in 1989 and 26% had not yet decided whether they would do so.

As far as the frequency of increases, 66% of 148 employers responding said they had granted only one post-retirement increase to the same retiree group since 1985. However, 34% reported that they had granted more than one increase to the same retiree group.

For example, 16% said they granted four or more increases, while another 15% granted two increases since 1985 and 3% granted three increases.

"The frequency with which employers have granted post-retirement pension increases was a little surprising," noted Mr. Johnston.

Of 149 companies that granted increases since 1985, 13% did so because there is an automatic increase built into their defined benefit pension plans. This was the second most common reason, be-

hind employers granting increases to alleviate inflationary pressures on retirees.

In addition, 7% said they granted an increase because a precedent for granting post-retirement increases was set earlier.

Another 5% did so because of improvement in the financial condition of the pension plan; 5% did so because of pressure from retirees; 5% did so because of other reasons such as plan design changes; and 2% granted an increase because of improvement in the company's financial condition.

Of 141 employers that granted increases, the most common formula used to calculate the most recent increases granted was a percentage increase based on the retiree's retirement date. This formula was used by 54% of the companies, while 16% used a percentage increase directly tied to growth in the Consumer Price Index since the last increase granted by the plan.

Also, 14% granted a flat percentage increase to retirees, regardless of their retirement dates, while 6% granted a flat dollar increase regardless of a retiree's retirement date. Another 2% granted a flat dollar increase based on the retirement date; 1% granted a flat dollar increase based on the retiree's years of service; and 7% used formulas other than these.

In addition to asking about post-retirement pension increases, the survey queried employers about lump-sum distribution options in their pension plans. Some 31% said their defined benefit pension plans include a lump-sum option, while the other 69% of the employers do

not have such an option in their plans.

Of 142 employers with a lump-sum option, 82% said normal retirees are eligible for the option, while 80% said early retirees also are eligible for the option. Another 63% also said retirees who had terminated their employment before they retired, but were vested in the plan, are eligible for the option.

In terms of the interest rate used to calculate the lump-sum distribution, 70% of the 157 responding companies said they used Pension Benefit Guaranty Corp. interest rates. Another 6% said they used a flat interest rate, and 24% said they used others such as Treasury Bill rates or long-term bond rates.

And, in terms of when an employer determines the interest rate for lump-sum distributions, of 139 companies responding, 42% said they use an interest rate current at the time the distribution occurs in calculating the amount of the lump sum. Another 39% determined the interest rate based on the rate at the beginning of the year in which the distribution occurs and 19% said they used other rates.

"It was interesting to see the different ways that companies are defining the interest rate they are going to use, because the rate used can make a big difference in the amount of the lump sum," said Mr. Johnston.

Some 88% of 135 responding employers said they imposed no minimum dollar amount that could be requested by retirees using the lump-sum option, while 7% said their plans required lump-sum distributions to be at least \$3,500. Another 5% said their plans re-

Mr. Van Derveer said he could not comment on action taken in Pennsylvania because "we're in the process of trying to get the books and records from the (Construction Industries) trust in Pennsylvania."

Mr. Van Derveer also asserts that Cabot-Day has "paid in excess of \$2 million in claims in Pennsylvania" and approximately \$250,000 to \$300,000 in Texas.

In addition, Cabot-Day is negotiating with insurance authorities in both Texas and Pennsylvania "to put up a surety bond" to pay outstanding claims, Mr. Van Derveer said. While he said he did not know who would underwrite the bond, "it will be a major carrier," he said.

Meanwhile, the federal investigation of Cabot-Day is one of several inquires into possible abuse of self-funded group health plans formed under ERISA, according to the U.S. Inspector General's Office.

At the culmination of a similar investigation in late January, a federal grand jury returned indictments charging Atlanta-based Harbor Medical Administrators of Georgia Inc. and its two top officers with embezzling nearly \$369,000 from Omni Employee Benefit Trust, a self-funded MET that provided coverage to employees of 296 companies in 16 states (BI, Jan. 29, 1990).

"We're expecting a number of additional indictments in the next 60 to 90 days," said a spokesman for the inspector general.

However, he would not say whether any indictments would evolve from the Cabot-Day probe.

"There are a number of investigations in different states dealing with insurance plans sold through METs and MEWAs" he said, referring to multiple employer welfare associations. ■

quired other minimum amounts for the lump-sum option, such as \$50 or \$350, for example.

Also, of 133 responding employers, 77% said their plans imposed no dollar maximum on optional lump-sum distributions. A maximum of between \$5,000 and \$9,999 was reported by 10%; 7% imposed a maximum of \$10,000; 2% imposed a maximum of \$25,000; and 4% imposed other maximum amounts.

As for the popularity of the lump-sum option with eligible employees, more than half of the employers reported election rates of more than 70%.

For example, 25% of 129 responding companies said 90% to 99% of their eligible employees elected the option. In addition, 10% of the employers reported that between 80% and 89% of employees elected the option; another 10% reported that between 60% and 69% of employees elected the option; 9% reported elections by between 70% and 79%; 7% reported elections by 100% of eligible employees; and 6% reported elections by between 50% and 59% of eligible employees.

Only 17% of the responding employers reported elections by less than 50% of eligible employees, and 16% did not know their election rates.

The greatest percentage of employers—74%—said that their plans imposed no conditions on those employees seeking a lump-sum distribution. ■

Copies of "Lump-Sum Options and Post-retirement Increases in Pension Plans" can be obtained for \$15 from Catherine Schmidt, Hewitt Associates, 100 Half Day Road, Lincolnshire, Ill. 60069; 708-295-5000

Weavers

Continued from page 1

The runoff of Weavers' business has become a concern because Walbrook Insurance Co. Ltd., which wrote 55% of the Weavers slip, was ordered last month to stop underwriting pending an actuarial report (BI, April 2, April 9).

The report will assess the solvency of Walbrook and six other underwriting units of London United Investments P.L.C. that either participated on the slip or reinsured Walbrook.

LUI also owns Weavers.

Anglo American had been brought in last month by Weavers to advise on operations after Walbrook was ordered to stop underwriting.

Weavers and John Head, chairman of Head Insurance Investors (Bermuda) Ltd., which owns Anglo American, could not agree on how the runoff should proceed, said Peter Wilson, LUI's chief executive.

"We have had discussions with John Head to see how we can go forward but we can't seem to reach satisfactory agreements which would make for a successful runoff. In our view, (any runoff) can be handled by ourselves," Mr. Wilson said.

"If Walbrook cannot continue underwriting, then Walbrook has decided that Weavers should do the runoff," he added.

Mr. Cumming's letter told brokers that Anglo American had "offered its services to (Weavers) in an advisory capacity and opened discussions on a possible acquisition of those assets of Weavers which would be required for handling claims."

"That proposal was announced by Weavers, but as events have turned out, Anglo American is not being involved in Weavers' management or day-to-day operations and its proposals for future claims handling arrangements have not been accepted."

However, Mr. Wilson pointed out that Weavers still "is talking" to Anglo American and in the meantime is paying claims on behalf of Walbrook and Anglo American.

At the same time, he added, "There have been very high-level discussions with major players in the insurance industry for the last two weeks."

Marsh & McLennan Cos. Inc. and Sedgwick Group P.L.C. have been leading the discussions, he confirmed.

"These discussions are fairly advanced and we would hope to announce developments next week," said Mr. Wilson, who also referred to money-raising efforts to "prevent the insolvency of the (LUI) runoff companies."

These are the six LUI units other than Walbrook that have suspended claims payments pending the actuarial report.

M&M and Sedgwick over the past several weeks have been trying to assemble information to assess support for a marketwide plan to ensure an organized runoff of the Weavers slip, said a Sedgwick spokesman.

The meeting last Wednesday of 30

to 40 senior executives from London brokerages and several underwriters to discuss the increasingly complex problems at Weavers was led by M&M and Sedgwick officials.

Previous underwriting participants on the Weavers slip also are urging that an orderly runoff of the Weavers slip be guaranteed if the slip is not revived. More than 20 insurers have participated on the Weavers slip since 1970.

Currently, "the Weavers organization is contractually obliged to run off the account of" Winterthur Insurance Co. (U.K.) Ltd., said Andrew Fleming-Williams, Winterthur's managing director.

Winterthur participated on the slip between 1970 and 1983.

"We want a smooth and orderly runoff of our liabilities," said Mr. Fleming-Williams, adding that there are "many other companies in the same position as us."

Insurers that formerly participated on the slip agree that it would be in everyone's interest to consolidate the runoff of all business written by Weavers under some form of central management, rather than each insurer running off its own account.

However, before any runoff plan can be established, brokers need more technical information, including details of the contracts written by Weavers and the results of a forthcoming actuarial report on the reserves of Walbrook and the other LUI units, said Mr. Palmer.

"It's an increasingly complex situation as there is a vast web of interested parties, including brokers, policyholders, other Weavers underwriters, Anglo American and LUI shareholders," said Mr. Palmer.

"At the same time there is a lack of hard information. So there hasn't been a quick solution," he noted.

However, quick action is needed since "clients are not being properly served by this suspended animation," said Mr. Palmer, adding the brokers likely would meet again this week.

Mr. Palmer expressed hope that further developments would be announced this week.

Anglo American still is willing to manage the runoff of Weavers' business, said an Anglo American spokesman, adding that "the runoff has to be handled by somebody. If each (past participant) handles its own runoff, it will involve a huge amount of work for brokers."

However, any runoff proposal will need the support of previous Weavers underwriters and brokers.

"When putting . . . proposals to Weavers, Anglo American made it clear that claims handling arrangements would be subject to a sufficient level of support from former participants in the Weavers stamp," Anglo American's Mr. Cumming wrote in his letter to brokers.

"Although Weavers have not pursued the matter, Anglo American continues to be willing to discuss arrangements which would be supported by those participants, and by the general market, with the object of avoiding disruption in the proper

handling of claims," he wrote.

In addition, Mr. Cumming assured brokers that "Anglo American will respond promptly to claims for all business written for its account."

The British Department of Trade and Industry, which ordered Walbrook to stop underwriting, has made no further comments about the situation at Walbrook and Weavers pending finalization of the actuarial report by the Tillinghast division of Towers, Perrin, Forster & Crosby Inc.

However, a DTI spokesman confirmed that the British government's insurance guaranty fund, which is financed through levies imposed on insurers licensed in the United Kingdom, only covers individual policyholders—not commercial policyholders—in the event of an insurer insolvency.

Meanwhile, regulators in Bermuda have discussed the status of three Bermuda-based LUI subsidiaries—Mutual Reinsurance Co. Ltd., Desert Insurance Co. Ltd. and London United Reinsurance Co. (Bermuda) Ltd.—with LUI officials, said Financial Secretary Idwal Wyn Hughes.

The insurers all filed returns with the government last year that showed they met Bermuda's financial solvency tests in 1988, he noted.

The companies' 1989 returns are not due until June 30.

"We are aware of the difficulties and are waiting for the Tillinghast report," said Mr. Hughes. "When we see that, we'll know better where we stand."

Mr. Hughes stressed that the "companies are in runoff and are not writing any new business." As a result, "during this waiting period, no one is being adversely affected," he added.

If the three LUI insurers do not meet Bermuda's solvency tests—which include capital and surplus of at least 10% of loss reserves—the companies could file a plan of corrective action. The government could accept the plan and not force the companies into liquidation.

"The minister will have to study the numbers when they come out," Mr. Hughes said, referring to Finance Minister David J. Saul.

The contents of the insurers' returns are confidential under Bermuda law.

Update

Budd to pay OSHA fine

Continued from page 2

tion and record keeping programs for its plants in Pennsylvania, Ohio, Tennessee, Indiana, Kentucky and Michigan.

Budd does not admit to violating safety standards, but the company does agree not to contest the fines.

The Labor Department had proposed \$3.3 million in fines against Budd in 1989 (BI, Dec. 18, 1989).

Bus crash settlement reported

McALLEN, Texas—Valley Coca-Cola Bottling Co. Inc. has reached a tentative agreement to pay \$67.5 million to the families of 15 of the 21 children killed when a company truck crashed into a school bus last year near Alton, Texas, according to plaintiffs' attorneys.

The McAllen, Texas-based company has at least \$500,000 in commercial auto liability cover from National Union Fire Insurance Co. of Pittsburgh, Pa., an American International Group Inc. unit, said the Texas Railroad Commission, which regulates trucking.

Under the tentative settlement, the company would contribute \$4.5 million for each of the 15 families to fund annuities.

Attorneys for Valley Coca-Cola Bottling would not comment.

Valley Coca-Cola agreed in February to fund an annuity that would pay \$2.7 million to another family (BI, Feb. 26). Other suits are pending against the company. Besides the five other children killed in the incident, 60 others were injured (BI, Sept. 25, 1989).

Hager considered for NCCI post

NEW YORK—Iowa Insurance Commissioner William Hager is "one of the people" being considered for president of the National Council on Compensation Insurance, a council spokesman said.

Mr. Hager, who will step down as the top Iowa insurance regulator on May 31, is pursuing the position, confirmed an Iowa Insurance Department spokesman. Mr. Hager was unavailable for comment.

The NCCI is looking to replace Kevin Ryan, who left office in March.

Briefly noted

Crum & Forster Inc. announced last week that it is withdrawing immediately from the standard personal lines property/casualty insurance business to concentrate on commercial lines. Metropolitan Property & Casualty Insurance Co. has agreed in principle to renew most of the affected business. Crum & Forster's personal lines book of business generated about \$380 million in premium in 1989. . . . Wind, hail and tornadoes caused an estimated **\$25 million in insured property damage** centered on El Reno, Okla., April 13-14, says the Property Claim Services Division of the American Insurance Services Group. . . . The **U.S. Supreme Court** has agreed to hear an appeal of a Texas Supreme Court ruling permitting employees to sue their former employers in state court for allegedly being fired to avoid payment of pension benefits. Such disputes are subject to ERISA, which limits such cases to federal courts. . . . The Washington Supreme Court refused to reconsider its decision in *The Boeing Co.'s* suit against its insurers that government-ordered **cleanup costs** constitute "damages" under general liability insurance policies (BI, Jan. 15).

Anglo American to write on its own

LONDON—Anglo American Insurance Co. began underwriting again last Wednesday with its own staff.

Anglo American had been a participant on the H.S. Weavers (Underwriting) Agencies Ltd. line slip, but parted company with Weavers last week over how the runoff of Weavers' business should be handled.

Weavers stopped underwriting last month when Walbrook Insurance Co. Ltd., the other participant on the Weavers' slip, was ordered to stop underwriting pending an actuarial report on its reserves and those of other units of London United Investments P.L.C. that participated on the

slip or reinsured Walbrook (BI, April 9; April 2).

Anglo American already has recruited some staff in London and "is recruiting more people to form its own underwriting agency and is looking to build up additional capacity," said a spokesman.

Anglo American currently is prepared to lead U.S. casualty insurance placed in the London market, writing 45% of the capacity formerly offered by the Weavers slip, if brokers can fill out the rest of the coverage in the open market, said the spokesman.

In addition, Anglo American is

standing by commitments made on its behalf by Weavers, Chairman John C. Cumming wrote in a letter to brokers last week.

"Anglo American continues to the extent of its share to be bound by, and does not seek cancellation of, any contracts made for its account prior to the interruption of business caused by Walbrook's cessation of underwriting," wrote Mr. Cumming.

In addition, "Anglo American will offer renewal terms on existing contracts, again to the extent of its current participation," Mr. Cumming told brokers.

—By Carolyn Aldred

Proposition 103

Continued from page 3

Inc., State Farm Mutual Automobile Insurance Co., Travelers Corp. and other insurers.

The attorney general does not charge that Ms. Fielding worked directly on the matters that came before Judge Fernandez.

Ms. Fielding works primarily on medical malpractice cases, according to her firm.

"Surely the average person on the street could 'reasonably question' Judge Fernandez's ability to impartially decide a major proceeding establishing the rules for implementing Proposition 103," the motion says.

"One of the issues presently before Judge Fernandez is how much insurers should be allowed to include in their rates to cover loss adjustment expenses. The fees of the law firm are precisely such loss adjustment expenses. Judge Fernandez is therefore

in the position to decide how much (insurance buyers) must pay insurers for the services of his wife and her colleagues," the motion said.

Mr. Van de Kamp also charges the judge held private, off-the-record "settlement conferences" with representatives of insurers and consumer groups after the hearings had concluded in March. Actuaries and other experts were allowed to testify at these meetings, the motion charges.

That private testimony "was particularly prejudicial to the public's right to a fair and open hearing," the motion says. Experts provided complex, technical testimony, "making the possibility of deferring to their technical judgment and expertise particularly tempting," it charges.

"To the extent that the judge may have solicited opinion testimony as well as augmenting factual evidence, cross-examination as to the bases of

the opinions presented and rebuttal testimony are particularly important to guarantee a fair hearing," the motion said.

Off-the-record conferences did not allow rebuttal or cross-examination, Mr. Van de Kamp charges.

Mr. Rubinstein, the Insurance Department attorney, said "the hearings have gone on way too long for this last-minute attempt to remove the judge." He said "it was no secret" that Ms. Fielding's firm worked for insurers.

And, he said, "it's not particularly relevant" that the firm represents insurers.

But, Mr. Van de Kamp said "neither the attorney general nor any of the consumer representatives had any knowledge of Judge Fernandez's wife's ties to the insurance industry before learning of them on April 5, 1990."

A member of the attorney general's staff said their information came from a San Francisco area lawyer who called Consumers Union.

"It is deeply disturbing, to say the least, that if the commissioner knew about Judge Fernandez's connection to the industry, she would nevertheless handpick him to conduct these hearings, which are so important to the implementation of Proposition 103," Mr. Van de Kamp said.

"Such conduct does little to bolster the public's confidence that she is doing everything in her authority to see that the voters' will is given effect," he said.

In a statement issued before leaving to visit her ailing mother in Greece, Ms. Gillespie said she is "very distressed these motions are supported by the attorney general's office, giving reason to believe that the action is politically motivated

and tied to his upcoming campaign for governor."

Ms. Gillespie charged the attorney general and other groups "seek to derail the process" of implementing Proposition 103 now that the department "has had several months of hearings and is close to reaching decisions and implementation."

"After months of effort by all sides in these hearings, it is extremely frustrating to see one party attempt to undermine the entire process," said a spokesman for Travelers.

The motion is "legal maneuvering (that is) counterproductive to a speedy resolution of the rate issues," he said.

Last fall, Judge Fernandez scolded insurers for impeding "the search for truth. . . by shotgun blasts of procedural questions and motions demanding consideration" during the hearings (BI, Nov. 27, 1989).

Annual reports give insight to brokers' goals, strategies

By LEONARD M. WILSON
Special to Business Insurance

THIS IS THE time of annual reports. They provide an opportunity for insurance brokerage managements to expound their view of the past year, and to set forth a vision of the future. A close reading of the annuals provides insight into priorities and strategies.

Marsh & McLennan Cos. Inc. highlights the strength of its consulting operations. William M. Mercer Inc. now operates in 20 countries, employs 6,700 and generates revenues of \$750 million. M&M's early 1990 acquisition of Strategic Planning Associates, a \$50 million consulting business, signals a determination to reinforce rapid internal growth through marriages of opportunity. Could Mercer reach \$900 million in revenues in 1990?

On the international front, Marsh & McLennan lifted its ownership in Gradmann & Holler, the leading West German broker, to a majority position. International expansion is a strong priority for the company, already a formidable multinational broker. Moreover, as the annual indicates, management is eyeing opportunities in Europe.

For the future, the company envisions six broad sectors driving insurance brokerage growth in the 1990s and beyond: transportation, energy, environment, health, the workforce and information technology. M&M is gearing itself to the demands of a complex society through an exacting professionalism.

Alexander & Alexander Services Inc. noted the importance of new business production and tight cost control in a year of intense rate competition. These efforts largely sustained profitability.

The annual report touches on the firm's commitment to a growing role in international insurance brokerage. Investments in West Germany, The Netherlands and Scandinavia will enable A&A to provide en-

hanced client service. Acting as broker for the new Moscow McDonald's through its Canadian subsidiary, Reed Stenhouse Cos. Ltd., A&A positioned itself at the doorstep of perestroika.

Corroon & Black Corp. cataloged its vigorous acquisition programs last year. We counted 11 acquisitions, including two consummated early in 1990. Critical mass and better geographical coverage were two goals of the expansion. The company also has used the acquisition route to bolster an already formidable position in brokerage for the construction industry.

A strategic plan for the 1990s is also described in Corroon & Black's annual report. The brokerage services group was organized

Optimism about the longer-term potential of brokerage is signaled by ambitious goals for future growth in the industry.

into four divisions, two geographic, a national resource division, and, attesting to a rising market share, a construction industry division. Realignment in reinsurance brokerage, benefits and international were designed to achieve significant growth objectives in coming years.

Sedgwick James Ltd., now the designation for Sedgwick Group's retail brokerage in North America, was restructured to offer a more effective array of activities domestically as well as internationally. Supported by one of the largest global brokerage networks, the firm has set its sights on increased multinational business.

In the face of intense price competition during 1989, Sedgwick James focused on cost control, account retention and expansion of industry specialties. Increased emphasis on benefits consulting was cited as a priority.

Growth was a keynote at Arthur J. Gallagher & Co. in 1989. Three firms were acquired in 1989, adding expertise and geogra-

phical representation. Gallagher Basset Services Inc., the firm's provider of risk management services, registered strong gains during the year, with a rise in total clients to 761. Administration of 70 public entity pools at year-end attested to a pre-eminence in this highly specialized sector.

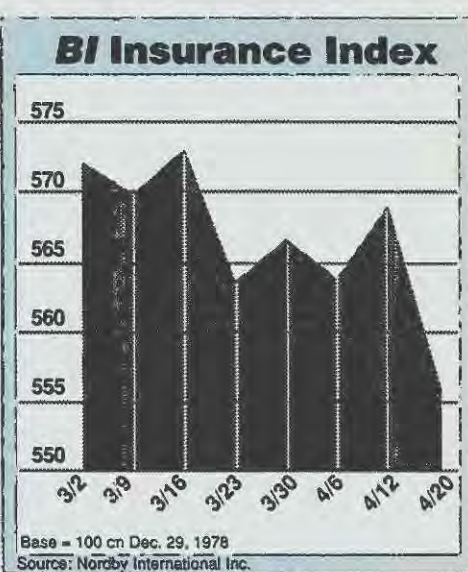
Gallagher has set ambitious goals for the future. In the 1990s, the branch network will be doubled in size. Facets of the company's strategy include a focus on niches, a stress on innovative products, growth in risk management services and self-insurance, and participation in the global market.

Frank B. Hall & Co. Inc. communicated a spirit of confidence in the future throughout its annual report, calling it "the threshold of a new era." New business production in 1989 rose 40% for the U.S. brokerage, total new business rose to more than 20% of the prior year's commissions, and account retention exceeded 90%.

Investment in production talent, disciplined cost reduction, and growth outside the United States were also cited as elements in the turnaround of the company. Hall intends to use acquisitions to strengthen operations, and in July 1989 completed a significant merger with a U.K. broker, Ansbacher Insurance Holdings Ltd.

Common themes inform the brokers' 1989 annuals. Uppermost is an awareness of the need to grow outside the United States. The globalization of international commerce requires as its counterpart truly multinational brokerage capabilities. It remains to be determined who will be the winners and losers in this complex arena.

Optimism about the longer-term potential of brokerage is signaled by ambitious goals for future growth. There is little ebullience about 1990, undoubtedly a reflection of the mixed outlook for insurance markets. We calculated that the six publicly owned brokers accounted for well above \$5 billion in revenues in 1989. This is an industry that has come of age. The annual reports impart that feeling as well as the realization that insurance brokerage with an increased professionalism will witness keen competition in the 1990s.



Insurance industry stocks fell last week, as the *Business Insurance Index* slipped 2.9 points to 568.9 on April 20, from 568.9 on April 12. Advancing issues were led by Pacificare Health Systems, up 10.5%; RLI Corp., up 3.8%; and Frank B. Hall & Co. Inc., up 3.2%. Decliners followed Zenith National Insurance Co., down 10.4%; NWNL Cos., down 9.3%; and SAFECO Corp., down 9.0%. The most active issue during the period was Sears, Roebuck & Co. (Allstate) 2.2 million shares traded. The *BI Index* lost 2.3% for the period; the Standard & Poor's 500 fell 2.7%; the New York Stock Exchange Composite lost 2.5%; and the Dow Jones 30 Industrials dropped 2.0%.

British Issues

April 19 Companies	Price	P/E	Div. %	Yield %	High-Low
Comml Union	461	21.2	28.7	6.2	474-461
Genl Accident	1003	15.4	66.7	6.6	1007-1003
Gdn Royal Exch	224	13.6	15.3	6.8	224-224
Royal	451	24.2	34.0	7.5	461-451
Sun Alliance	304	11.1	16.7	5.5	304-302

Brokers

Company	Price	P/E	Div. %	Yield %	High-Low
Bradstock	247	17.4	10.0	4.0	247-247
CE Heath	528	14.9	34.5	6.5	528-523
Hogg Group	155	9.1	9.7	6.9	155-154
Lloyd Thompson	285	17.8	9.7	3.4	285-285
PWS Holdings	67	10.5	3.3	5.0	68-67
Sedgwick Grp	249	18.7	16.0	6.4	249-249
Steel Brl Jones	285	17.4	14.7	5.1	287-285
Willis Faber	276	17.4	16.0	5.8	276-270

Source: Philip Olsen/Paul Hodges, Insurance Industry Specialists Kitcat & Aitken Stockbrokers, London

BI Industry Stock Report

APRIL 16, 1990 THROUGH APRIL 20, 1990

	Weekly Price	Weekly % change	Year to Date % change	Annual		Vol.(000)	\$ Div.	% Yield	P/E	Book value	Mkt/Bk. value	Weekly Price	Weekly % change	Year to Date % change	Annual		Vol.(000)	\$ Div.	% Yield	P/E	Book value	Mkt/Bk. value	
				High	Low										High	Low							
BROKERS																							
Alexander & Alexander	NYS	26.00	-7.96	-17.46	34.00	24.00	179	1.00	3.85	18	9.18	2.83	26.00	-7.96	-17.46	34.00	24.00	179	1.00	3.85	18	9.18	2.83
Corroon & Black	NYS	30.13	-5.86	-21.24	41.00	30.13	142	1.36	4.51	14	12.73	2.37	30.13	-5.86	-21.24	41.00	30.13	142	1.36	4.51	14	12.73	2.37
Gallagher Arthur J. & Co.	NYS	22.88	-0.54	-7.58	26.50	19.00	22	0.60	2.62	17	5.33	4.29	22.88	-0.54	-7.58	26.50	19.00	22	0.60	2.62	17	5.33	4.29
Frank B. Hall	NYS	4.00	3.23	33.33	4.50	2.50	83	0.00	0.00	-2	-2.80	-1.43	4.00	3.23	33.33	4.50	2.50	83	0.00	0.00	-2	-2.80	-1.43
Hibb, Rogal & Hamilton	OTC	14.25	-5.00	-23.49	20.63	11.25	6	0.28	1.96	19	4.60	3.10	14.25	-5.00	-23.49	20.63	11.25	6	0.28	1.96	19	4.60	3.10
Marsh & McLennan	NYS	70.13	-6.81	-10.10	89.75	59.25	374	2.48	3.54	17	10.56	6.64	70.13	-6.81	-10.10	89.75	59.25	374	2.48	3.54	17	10.56	6.64
Poe & Associates	OTC	11.75	0.00	-11.32	13.00	8.00	2	0.40	3.40	15	1.89	6.22	11.75	0.00	-11.32	13.00	8.00	2	0.40	3.40	15	1.89	6.22
BROKERS AVERAGE																							
-3.3																							
-8.3																							
CONGLOMERATES & HOLDING COMPANIES																							
Berkley W.R. Corp.	OTC	40.63	2.20	-2.40	46.50	30.13	211	0.44	1.08	9	25.06	1.62	40.63	2.20	-2.40	46.50	30.13	211	0.44	1.08	9	25.06	1.62
Berkshire Hathaway Inc.	NYS	6805.00	-2.44	-21.10	8900.00	4900.00	0	0.00	0.00	-26	2869.00	2.37	6805.00	-2.44	-21.10	8900.00	4900.00	0	0.00	0.00	-26	2869.00	2.37
ITT (Hartford Group)	NYS	52.50	-3.45	-12.32	64.50	51.88	934	1.60	3.05	8	56.33	0.93	52.50	-3.45	-12.32	64.50	51.88	934	1.60	3.05	8	56.33	0.93
Sears (Allstate)	NYS	37.25	-2.61	-3.87	48.13	36.50	2163	2.00	5.37	9	37.75	0.99	37.25	-2.61	-3.87	48.13	36.50	2163	2.00	5.37	9	37.75	0.99
CONGLOMERATES AVERAGE																							
-1.6																							
-9.9																							
INSURERS/REINSURERS																							
Aetna Life & Casualty	NYS	46.88	-6.95	-19.18	62.50	46.88	553	2.76	5.89	8	58.11	0.81	46.88	-6.95	-19.18	62.50	46.88	553	2.76	5.89	8	58.11	0.81
Ambase Corp.	NYS	7.00	-3.45	-44.55	16.38	5.75	151	0.20	2.86	2	29.08	0.24	7.00	-3.45	-44.55	16.38	5.75	151	0.20	2.86	2	29.08	0.24
American General	NYS	37.25	-0.67	-13.74	40.25	28.13	1073	1.56	4.19	11	34.68	1.07	37.25	-0.67	-13.74	40.25	28.13	1073	1.56	4.19	11	34.68	1.07
American Heritage	NYS	22.38	-0.56	-21.49	24.63	19.50	0	0.92	4.11	12	22.60	0.99	22.38	-0.56	-21.49	24.63	19.50	0	0.92	4.11	12	22.60	0.99
American Internat'l(Fin)	OTC	5.75	-4.17	-28.13	13.00	5.75	0	0.56	9.74	-2	17.38	0.33	5.75	-4.17	-28.13	13.00	5.75	0	0.56	9.74	-2	17.38	0.33
American International	NYS	95.63	-0.39	-9.36	112.00	78.25	628	0.48	0.50	12	41.92	2.28	95.63	-0.39	-9.36	112.00	78.25	628	0.48	0.50	12	41.92	2.28
Aon Corp.	NYS	35.00	-6.35	-17.40	43.25	31.00	318	1.52	4.34	10	19.62	1.78	35.00	-6.35	-17.40	43.25	31.00	318	1.52	4.34	10	19.62	1.78
Argonaut Group	OTC	72.50	2.84	5.26	72.50	53.00	14	1.60	2.21	9	36.83	1.97	72.50	2.84	5.26	72.50	53.00	14	1.60	2.21	9	36.83	1.97
AVEMCO Corp.	NYS	23.88	-1.04	-2.05	27.50	20.38	45	0.40	1.68	16	9.52	2.51	23.88	-1.04	-2.05	27.50	20.38	45	0.40	1.68	16	9.52	2.51
Baldwin & Lyons Inc.	OTC	20.50	1.23	-4.65	24.00	16.00	1	0.28	1.37	7	20.80	0.99	20.50	1.23	-4.65	24.00	16.00	1	0.28	1.37	7	20.80	0.99
Belvedere Corp.	ASE	4.25	0.00	-22.73	5.88	4.25	5	0.04	9.44	-6	8.03	0.53	4.25	0.00	-22.73	5.88	4.25	5	0.04	9.44	-6	8.03	0.53
Chandler Insurance	OTC	8.88	-2.74	-24.47	13.25	8.75	11	0.00	0.00	4	9.53	0.93	8.88	-2.74	-24.47	13.25	8.75	11	0.00	0.00	4	9.53	0.93
Chubb Corp.	NYS	90.00	-5.01	-6.13	102.75	64.00	327	2.64	2.93	9	55.49	1.62	90.00	-5.01	-6.13	102.75	64.00	327	2.64	2.93	9	55.49	1.62
CIGNA Corp.	NYS	48.38	-4.21	-19.71	66.75	45.25	452	3.04	6.28	11	66.64	0.73	48.38	-4.21	-19.71	66.75	45.25	452	3.04	6.28	11	66.64	0.73
CNA Financial Corp.	NYS	73.50	-2.81	-26.50	108.75	64.50	98	0.00	0.00	8	54.87	1.34	73.50	-2.81	-26.50	108.75	64.50	98	0.00	0.00	8	54.87	1.34
Continental Corp.	NYS	29.25	-0.43	-6.77	38.63	25.75	1470	2.60	8.89	11	41.36	0.71	29.25	-0.43	-6.77	38.63	25.75	1470	2.60	8.89	11	41.36	0.71
Durham Corp.	OTC	31.00	-8.82	0.81	34.75	29.00	0	0.92	2.97	15	26.32	1.18	31.00	-8.82	0.81	34.75	29.00	0	0.92	2.97	15	26.32	1.18
Fireman's Fund	NYS	31.88	-2.67	-9.57	40.75	30.00	486	0.68	2.13	47	32.74	0.97	31.88	-2.67	-9.57	40.75	30.00	486	0.68	2.13	47	32.74	0.97
Fremont General Corp.	OTC	16.75	-2.19	-16.77	22.50	14.38	981	0.80	4.78	8	19.09	0.88	16.75	-2.19	-16.77	22.50	14.38	981	0.80	4.78	8	19.09	0.88
Frontier Insurance Group	NYS	19.63	-1.88	6.08	21.75	13.50	30	0.00	0.00	8	7.29	2.69	19.63	-1.88	6.08	21.75	13.50	30	0.00	0.00	8	7.29	2.69
General RE Corp.	NYS	83.13	-3.48	-7.64	96.25	62.25	262	1.52	1.83	13	29.04	2.86	83.13	-3.48	-7.64	96.25	62.25	262	1.52	1.83	13	29.04	2.86
Hanover Insurance Co.	OTC	27.50	-0.90	-9.84	33.00	25.75	143	0.44	1.60	7	32.03	0.86	27.50	-0.90	-9.84	33.00	25.75	143	0.44	1.60	7	32.03	0.86
Harleysville Group	OTC	22.63	-1.63	-17.73	28.75	19.50	6	0.60	2.65	7	18.94	1.19	22.63	-1.63	-17.73	28.75	19.50	6	0.60	2.65	7	18.94	1.19
Hartford Steam Boiler	OTC	56.13	-6.46	3.46	60.75	38.50	195	1.60	2.85	15	18.94	2.96	56.13	-6.46	3.46	60.75	38.50	195	1.60	2.85	15	18.94	2.96
Kansas City Life Ins.	OTC	35.75	0.00	-0.35	36.00	33.50	5	1.12	3.13	10	39.22	0.91	35.75	0.00	-0.35	36.00	33.50	5	1.12	3.13	10	39.22	0.91
Kemper Corp.	NYS	36.00	-5.88	-23.81	51.88	34.00	243	0.92	2.56	8	29.97	1.20	36.00	-5.88	-23.81	51.88	34.00</						

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