

agent/broker profiles

A very good year

Revenues of the 20 largest U.S. brokers grew faster in 1977 than at any time in the past five years. An overall look at the financial performance of the top U.S. brokers opens this special *Business Insurance* report. **Page 13.**

A new Avis

Aggressive, acquisition-minded Alexander & Alexander is now the second largest broker in the U.S., supplanting long-time rival Johnson & Higgins. But Marsh & McLennan holds its enormous lead as the largest U.S. insurance broker. Extended profiles of the 20 largest American firms are on **pages 18 to 54.**

368 other brokers

Information on gross revenues and other vital information is contained in profiles of 368 other agents and brokers, **pages 55 to 103.**



A difficult relationship

Risk managers and brokers face a difficult assignment in creating an effective relationship. Esmark's Gary Bausom and SGL's Barbara Fisher explain what risk managers can do to create better working links with their broker in the Perspective section, **page 83.** Our Editorial Advisory Panel tackles the question: "How much should you tell your broker?" **Page 84.**

Special reports

What annoys risk managers the most about their brokers? What is the biggest complaint brokers have about their clients? And what do consultants believe is the most common way brokers lose accounts? Three stories on **pages 112 to 144** provide the answers. Meanwhile, *Business Insurance* reporters visited two small brokers—one in New York City and one in Wichita—to see how a firm holds its own against the national houses. See **pages 109 to 111.**

Additional copies

Additional copies of this special report, the largest issue ever published in the 10-year history of *Business Insurance*, can be ordered for \$2 a copy. Requests should be sent to: Circulation Department, *Business Insurance*, 740 N. Rush St., Chicago, Ill. 60611. Further information on additional copies may also be obtained by calling 312-649-5221.

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Business diagnoses Carter health plan: Okay, but...

By JERRY GEISEL

WASHINGTON—The Administration's outline for a national health insurance plan received a yellow caution sign of approval from business, insurance and health groups.

The Administration draws praise for its decision to reserve "a significant role" for the private insurance industry in a national health plan, as well as for deciding that a plan should be phased in gradually and that the costs should be shared by the government, employers and employes.

"We are whole heartedly behind this cautious approach to national health insurance," said Jan Peter Ozga, director of health care for the Chamber of Commerce. "The White House has been responsive to the suggestions from the business community in shaping its plan."

The American Hospital Assn. characterized the plan as a "realistic approach to this complex issue, while Robert Froehle, president of the Health Insurance Assn., said the Administration's blueprint for national health insurance was a "good start."

However, the principal supporters of national health insurance, Sen. Edward Kennedy (D-Mass.) and the United Auto Workers, broke sharply with President Carter.

Sen. Kennedy labeled as unacceptable the Administration's plan to phase in national health insurance only if certain economic and

other conditions are met. UAW president Douglas Fraser said he was deeply disappointed with the Administration's plan because it is "vague and timid."

Sen. Kennedy also had expected President Carter to unveil a detailed plan so that congressional hearings on national health insurance could begin after Labor Day. Instead, the Administration only released a very general and often vague set of principles that will be used as a guide in developing a comprehensive bill.

According to these principles, the Administration will support a national health insurance plan

that:

- Assures that all Americans have comprehensive health care coverage, including protection against catastrophic medical expenses.

- Assures that everyone will have freedom of choice in the selection of physicians, hospitals and health delivery systems.

- Will be phased in gradually. As the plan moves from phase to phase, consideration will be given to economic and administrative experience of prior phases before continuing with scheduled improvements.

Continued on page 123

Lloyd's to probe Sasse, broker on U.S. fire risks

By JOHN H. MILLER

LONDON—Lloyd's is planning a major probe into the placement of substantial U.S. fire risks which have led to a \$8.5 million lawsuit between the Sasse syndicate and the Brazilian reinsurance group I.R.B. in the U.K. courts.

Lloyd's will hold an inquiry through the Committee of Lloyd's into the role of Brentnall Beard, an important U.K. Lloyd's brokerage firm, in the controversial affair.

Details of the investigation have not yet been announced, but will

be formerly communicated to Brentnall Beard in the near future.

The inquiry will be independent of the British lawsuit, due for trial early next year, in which the suspended Sasse syndicate is seeking reinsurance payments on more than 1,300 fire claims in New York paid during the past two years.

Many of the risks were placed with Sasse by Den-Har Underwriters of Florida, an insurance agency run by Londoner Dennis Harrison, in which Brentnall Beard had a 20% interest through its Canadian

Continued on page 123

Javits comp plan 'close': Carter aide

By KATHRYN J. McINTYRE

CHICAGO—A Carter Administration proposal for federal minimum workers compensation standards, though not assured, would look a lot like the current Senate bill, a high ranking Labor Department official says.

Assistant secretary of Labor Donald E. Elisburg told *Business Insurance* the latest legislative attempt at federal minimum standards, proposed by Senators Jacob Javits (R-N.Y.) and Harrison Williams (D-N.J.), is "in the ball park" of Labor Department sentiment. Lacking in their bill (S. 3060), however, is any "tax incentive" to encourage state compliance, a feature the Labor Department is interested in, he said.

Whether or not the Administration will support the Javits-Williams bill or any minimum federal standards hasn't been decided yet, Mr. Elisburg said. "The Administration is not that far along in its consideration," he explained. Broader issues are being explored, he said, such as how the system can provide full coverage for occupational disease without a national health insurance program and how

to make workers compensation the sole remedy for workplace accidents to ease the product liability problem.

Though it has been suggested the Labor Department is circulating a proposal for minimum standards with a tax incentive to encourage state compliance, Mr. Elisburg denied there is any bill "lurking in somebody's file folder" or that there is "an Administration proposal waiting to be announced."

Instead, he maintained, "we're questioning everything." Everything, he suggested, includes the full range of topics discussed earlier in the day by a six-man panel during the *Business Insurance* National Conference on Workers Compensation held here late last month.

The panelists hotly debated if any federal action is necessary to spur improvement in state programs. Their arguments ranged from the suggestion that the federal government should get completely out of the workers compensation arena with the repeal of existing federal workers compensa-

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NATIONAL CONFERENCE
ON
WORKERS COMPENSATION

Conference reports

- EMPLOYERS SHOULDN'T balk at claims since they've failed to control toxic substances. **Page 115.**
- AN ADVERSARY work comp system is around the corner if present trends continue. **Page 116.**
- BENEFITS BASED on actual disruption, not an arbitrary assumption, is proposed. **Page 116.**
- THE U.S. longshoreman's law: A model or a disaster? **Page 117.**

The people column

page 122

List of free zone risks key point as N.Y. leaders draft regulations

NEW YORK—The New York insurance department and constitution drafting committee are engaged in the business of implementing the free trade zone and reinsurance exchange.

Gov. Hugh Carey signed the bill last month at a luncheon for New York insurance leaders at the United Nations. Mr. Carey called its passage a "milestone," taking particular note of its economic impact. The exchange and free zone could create from 2,000 to 8,000 new jobs.

At present, state insurance department officials are working with industry leaders to finalize details for the operation of the free trade zone, which would permit

specially licensed insurers to write \$100,000 premium and unusual or hard to place risks without prior approval on rates and forms. The free zone goes into effect Sept. 1.

A key point currently being considered is the list of unusual and hard to place risks eligible for free trade zone status. Insurance superintendent Albert Lewis said he expects the list to be "substantial."

However, one broker cautioned that unless a large list is implemented quickly, free zone insurers could have relatively few lines to work with if a future insurance superintendent changes the department's policy toward eligibility of risks in the free trade zone.

Rapid turnover of insurance superintendents during the past few years has led to department policy changes in some areas, he noted. In addition, failure of Gov. Carey to win reelection in November would increase the likelihood of New York having a

new insurance superintendent in 1979.

Meanwhile, the 13-member panel that will draft the constitution and by-laws for the New York Insurance Exchange held its first meeting shortly after the bill signing. At that time it organized itself into subcommittees on membership, finance and administration, legal issues and establishment of a guaranty fund.

The subcommittees are chaired by: L. Patton Kline, chairman of Marsh & McLennan Inc. and Edith Lichota, assistant treasurer of Carborundum Corp., membership; Maurice R. Greenberg, president of AIG, and John Cox, president of INA, finance and administration; Joseph Murphy, executive vp, Continental Group, and former New York sanitation commissioner Jerome Kretchmer, legal, and Donald L. Kramer, president of Kramer Capital Consultants, and Richard Shinn, president of Metropolitan Life Insurance Co., guaranty fund.

Other appointees to the 12-member panel are: Thomas Bonaros, associate general counsel of Utica Mutual Insurance Co.; Harold A. Eckmann, chairman of the Atlantic Companies; Charles Havens III, president of the Reinsurance Assn. of America, and William Pollard, chief executive officer of the Reliance Insurance Co. ■

Holton named

A. Lindwood Holton Jr., former Republican governor of Virginia, is the new vp and general counsel for the American Council of Life Insurance. Mr. Holton has been a member of the Washington law firm of Hogan & Hartson since 1975.

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for your information...

House, Senate conferees deadlocked on abortion part of pregnancy bill

WASHINGTON—A House-Senate conference committee has been deadlocked since late July trying to resolve differences in legislation passed by each house that would require employers to provide equitable medical and disability benefits to pregnant employees.

The House conferees are insisting that employers not be required to pay benefits to a pregnant employee who elects to have an abortion. The Senate is opposed to such a restriction.

House and Senate committee staffers, however, believe a compromise can be worked out before the current session of Congress ends in December. "The bill is very much alive," said a staff member of the House Employment Opportunities Committee.

House panel kills no-fault bill

WASHINGTON—The House Interstate and Foreign Commerce Committee killed the federal no-fault bill on a 22-19 vote this month. The committee's action means no-fault legislation is dead in Congress this year.

The Alliance of American Insurers said the vote signifies that "no-fault is a matter best left up to the states."

The defeat of the measure marks the fourth time Congress has failed to pass a no-fault bill. Rep. Bob Eckhardt (D-Texas), who sponsored the legislation, said he would introduce a new no-fault bill next year.

Texas court narrows product suits

AUSTIN—The Texas supreme court has ruled out product liability suits where a defect causes damage only to the product itself.

The ruling came in a case where a New Mexico-based crop dusting firm sued the Missouri-based rebuilder of an airplane forced to make an emergency landing while spraying a Texas field. No injuries resulted, but a trial jury awarded plaintiff Curry County Spraying Service Inc. \$9,300 for property damage and loss of use from Mid Continent Aircraft Corp. and an independent contractor hired by Mid Continent.

An investigation revealed that the independent contractor failed to install a bolt locking device, causing the engine failure that resulted in the forced landing.

In its ruling, the court said the cause of action was not product liability, but breach of warranty as provided by the Uniform Commercial Code. However, Curry agreed to purchase the aircraft "as is" and as such the court ruled that it assumed the entire risk for the quality of the aircraft.

Insurance won't cover truck suits

NEW YORK—An official for Consolidated Mutual Insurance Inc. of Brooklyn, N.Y., has termed the insurance coverage of the Soft Fresh Freeze Ice Cream Corp. as "limited," *Business Insurance* learned.

Fresh Freeze, the Brooklyn-based owner of the ice cream truck that exploded in Manhattan's Wall Street section June 30, has been cited in a number of lawsuits totaling at least \$75 million. Lee Balter, the 23-year-old driver of the truck, was also named in the suits.

New York City police are still investigating the blast, which injured at least 130 people, to determine whether it was caused by an illegally kept gasoline storage can or a bomb. No one was killed as a result of a blast, but it is reported that one woman may remain hospitalized for as long as nine months as a result of severe head wounds.

Specifics of Fresh Freeze's insurance were unavailable, but the official for Consolidated Mutual claimed the policy is "limited" and "minuscule" in comparison to the claims filed thus far.

W. Va. tower builder files suit

BOUND BROOK, N.J.—Research-Cottrell Inc., denying that it is to blame for a recent scaffolding collapse in West Virginia that killed 51 workers, has filed a claim against its concrete supplier and concrete tester in the construction of a cooling tower for a power plant.

Defendants are Criss Concrete Co. of Parkersburg, W.Va., and Pittsburgh Testing Lab of Pittsburgh. Research-Cottrell claims that the concrete used in the construction "collapsed under normal load and working conditions" and that the concrete wasn't tested adequately.

Both Criss Concrete and Pittsburgh Testing deny that the concrete or testing methods were faulty.

Earlier, the Occupational Safety and Health Administration cited Research-Cottrell with "10 willful violations" and "10 serious violations." OSHA has proposed to fine the builder of the cooling towers \$105,100.

OSHA also cited United Engineers & Constructors Inc., the general contractor, and Pittsburgh Testing with two violations each, proposing to fine them \$1,600 separately.

San Diego self-insures liability

SAN DIEGO—San Diego county is beginning to completely self-insure for general liability, according to Gordon Sigafosse, accounting tech-risk manager for the county.

The county will be completely "bare" in general liability in the future, he said, a change from last year when it self-insured up to \$1 million with \$9 million in excess coverage from Central National Insurance Group of Omaha, Neb.

The county has set aside a \$1 million reserve for general liability coverage, Mr. Sigafosse said. In addition, the county plans to put aside \$100,000 each year until \$2 million is reached. These funds also are to be used for paying general liability claims.

San Diego county is self-insured for workers compensation and for property except for fire and extended coverage. Automobiles are self-insured except for fire and theft.

Few fired as outlook brightens following Proposition 13 okay

By JOANNE GAMLIN

LOS ANGELES—Despite grisly predictions of countless layoffs of public employes, only three risk management positions have been abolished and only a handful of safety officials fired since the passage of tax-cutting Proposition 13.

Local governments, hardest hit by the cutback in property taxes, have been greatly helped by the infusion of funds from the state budget surplus. However, that money will not be available next year, which could lead to additional cutbacks.

Nevertheless, public risk managers in California are now hearing of new job openings.

The two public risk managers who have thus far lost their jobs because of the measure did so in different ways.

Jack Kelly, risk manager for the city of Oceanside for the last four years, told *Business Insurance* that he received a letter of termination setting the end of September as his last working date. Mr. Kelly said that his new safety officer will also have to go in six months.

"The city council was faced with making budget cuts of \$2.5 million and they just went down the line of city employes to our names," he said, noting that the city plans to divide up the risk management and safety responsibilities among a number of departments.

For James W. Carlisle, former Marin County risk manager, the experience occurred quite differ-

ently. Realizing in May that if the proposition passed his one-man department would suffer debilitating economies, Mr. Carlisle said he quit on May 5 after failing to receive reassurance that his tiny operation would ever get the funds it needed to make it effective.

Mr. Carlisle is now living in Orange County and looking for another public risk management position. A spokesman for the county, meanwhile, said that his position, which had been in existence for only six months, has been abolished on account of budget reductions required by Proposition 13.

A third risk manager, James E. Miller, who is now working for the joint powers authority (JPA) for the Alameda County School District, said he left a job as workers compensation officer for the city of Richmond in early June after developing what proved to be an accurate fear that the tax-cutting measure meant the end of that job.

Besides the safety officer in Oceanside, two other safety executives have fallen victim to the proposition. Ed Jenkins was fired as safety officer for the city of Riverside and Carl Beyrer, safety officer for the Oakland Unified School District, will have his last day on the job on Aug. 21 if new funds for the district are not uncovered before that date.

However, this small stream of bad news stemming from the proposition has been eclipsed by



Photo: Wide World

3 killed in amusement park accident

Fire department snorkels safely evacuated almost 100 passengers stranded in cable cars at heights of up to 200 feet at the Six Flags amusement park in St. Louis. The ride was halted after one car slipped its cable and plunged 75 feet to the ground killing three of its occupants, two girls and a man. A fourth rider in the car, a young girl, was critically injured in the July 26 tragedy. A

spokesman for Six Flags Inc. said though no suits have been filed yet the company expects legal action to be brought against it. The company is partially self-insured but the "vast majority" of its liability exposure is covered by blanket excess insurance purchased for its five amusement parks and two wax museums.

the good news of new public sector jobs created by—or despite—the initiative.

As of early August, there are at least four public risk management job openings in California. The highest paying is that for the city of San Francisco that will pay a tempting \$41,000. Currently launching a national recruiting effort, the city expects to have its first risk manager on board by mid October.

San Diego county and the 32

"contract" cities in Los Angeles county, which have formed a joint powers authority (JPA), also have openings for risk managers, although they expect to fill these spots by late August.

Madera County in Northern California has begun to scout for its first risk manager and the Metropolitan Water District of Southern California are mulling over the idea of setting up a risk management department if obstacles from

Proposition 13 don't get in the way.

Salary freezes are commonplace throughout the public sector of California and risk managers caught in a city or county or school district that have accepted a no-raises policy may be eager to switch to an entity that doesn't have such a prohibition.

A risk manager with a city that has imposed a freeze on managers' salaries said he is inspecting the new job openings, with rising expectations.

the benefit beat

Armco offers thrift plan to reduce long vacations

ARMCO INC. is instituting a thrift plan on Jan. 1 for hourly workers to lure them from an extended vacation plan that costs the company an additional 10 weeks of vacation time every five years for experienced workers and three weeks for younger workers. To participate in the new thrift plan, the employe will have to give up his extended vacation benefit. He will be able to contribute up to 12% of his earnings to the plan with the company adding another 50% to his savings up to 8% of earnings for workers with 15 years of service and 5% for workers with less service. In addition, an employe may give up part of his regular vacation and have the compensation contributed to the thrift plan.

All company contributions will be invested in Armco stock, said employe benefits manager David Wineland, who knows of few other thrift plans for hourly workers. The employe can invest his money in Armco stock or a guaranteed fixed investment or equity fund, or he may split his account between any two. The employe may change his contribution level once a year and the investment of his money twice a year. The plan provides for full and immediate vesting and the employe can withdraw his money anytime, but in doing so he waives his right to participate in the plan for three months after withdrawing his own contributions and up to 12 months if he depletes the account.

At retirement, the employe may take all the money in cash or stock, defer payment in a lump sum to age 65, take it in installments over five years, convert the funds to one of 10 different annuities or take the money to establish an IRA. Armco is communicating the new benefit to nearly 10,000 eligible employes through a booklet developed in-house and an audio-visual presentation and posters developed by Kwasha Lipton. A hot line is also staffed at each plant to answer employe questions.

GROUP HEALTH coverage for Fremont, Calif., employes is being moved this month to the Prudential Insurance Co. from Blue Cross of Northern California. Risk manager Joe Tonda said city workers have been given a choice between the Blue Cross plan and the Kaiser prepaid health maintenance organization. But Blue Cross premiums in recent years increased to as much as \$83 a month more than the Kaiser plan, forcing a migration of workers into the Kaiser plan. With the move to Prudential, the insur-

ance plan will cost only \$15 a month more than the Kaiser plan. Fremont employes have \$77.36 a month of their health care premiums paid by the city, said Mr. Tonda. This means that over the next 12 months workers covered by Kaiser will have to pay out only \$3 a month of their own money while those protected by Prudential will have to spend \$8.06 a month. Kindler & Laucci of San Francisco helped guide the change in insurers.

FEDERAL REGULATIONS raising the mandatory retirement age to 70 for most workers may hold some surprises for benefits, says attorney John S. Welch. The noted benefits expert told the Western Pension conference that the upcoming rules may prohibit employers from reducing welfare plan benefits for workers who stay on the job past age 65 unless the employers can prove that they have offered the worker a benefit which is equivalent in cost to the benefits being offered to employes under age 65. Mr. Welch predicted that the upcoming regulations may assert that a retirement plan is not a bona fide retirement plan if it provides only a lump sum benefit at retirement. In coping with the different state laws governing retirement and with the new federal law, he said national firms may have to tailor an employe benefit plan for each state in which they operate or design a single plan around the "worst features" in the states in which they have operations. Mr. Welch noted that there is already a mounting number of lawsuits being filed under the federal law.

FOUR UNIONS representing more than 140,000 workers have negotiated a 39-month contract with most U.S. railroads calling for benefit improvements in major medical coverage, surgery schedule, payment for miscellaneous hospital expenses and dental care. The new contract establishes major medical coverage for early retirement. Retired employes between 61 and 65 will receive major medical payments up to a limit of \$50,000, the same benefits provided to active employes. Payment for surgery has been increased to \$1,000 from \$650 while reimbursement for hospital miscellaneous expenses has jumped from \$1,000 to \$2,000. In addition, payment for anesthesia has been increased to \$250 from \$162.50.

Changes in dental care benefits include an increase in the maximum benefit to \$700 from \$500 per year. The

deductible for dental care was raised to \$100 per family from \$50 per individual. The maximum benefit for physician fees was increased to \$10 from \$6 for calls in the hospital. For calls at home, the benefit was raised to \$12 from \$7.50.

The new contract raises wages 14% over three years and calls for a cost-of-living increase of 38 cents an hour for 1978. The railroad workers also won a reduction in the qualification for vacation, allowing three weeks time off after nine years of service rather than the former 10 years.

HEW-SECRETARY Joseph Califano is taken to task in the Mercer Bulletin for his call for federal takeover of the private pension system. The William M. Mercer Inc. publication calls statements that the private pension system covers only half the nation's workforce "misleading," noting that 65% of workers who meet minimum ERISA participation requirements are covered by private pensions. Further, it refutes the argument that private plans do not adjust for increased cost of living, noting that many firms provide ad hoc adjustments while Social Security can only provide such benefit improvements through higher taxation. Mercer took note of the private pension system's role as a source of capital, suggesting that it would be "unfortunate for the economy and harmful to our society as a whole if the private system were destroyed." In his call for federal takeover, Mr. Califano cited the private system's unfunded liabilities. However, Mercer quotes a study showing that only 5% of firms have potential pension liabilities of 30% of net worth. This contrasts with \$3 trillion in unfunded Social Security liabilities which, if it were a private plan, would be amortized at the rate of \$225 billion per year or more than three times the total annual employer-employee contributions to the private pension system, Mercer argues.

Benefit Beat keeps risk managers and employe benefit managers abreast of changes in plans around the country as well as other important developments. We'd like to know if you've made any changes or know of any significant developments. Write Greg David, Business Insurance, 740 N. Rush St., Chicago, Ill., or call (312) 649-5279.

Benefit execs aren't worried by privacy rules

By RICHARD MARINI

NEW YORK—Privacy rights laws, designed to set guidelines on exactly what a company can and cannot do with information concerning their employes, are coming. But, employe benefit managers aren't worried a bit.

Most benefit managers don't believe that such laws will make their jobs any tougher than they already are.

Constance D'Agosta, administrator of employe benefits at the Puritan Fashion Corp., is like most benefit managers queried by *Business Insurance* in that she says she really hasn't given the question much thought. "Such legislation is probably down the road a bit, so for now, I'm not too worried," she said.

Victor Zink, manager of employe benefits with General Motors in

Detroit, also hasn't lost any sleep. "We're not anticipating any difficulty if these laws are enacted," he said. "Sure, these 'secrecy laws' could be overly restrictive, but I doubt they will be."

Mr. Zink continued, "As long as we're given reasonable laws, practices and regulations, there shouldn't be any problems. And it's a good thing too. Right now, there's a lot of negative thinking about 'big brother' in government, in business and even in insurance. People don't like the idea of personal information about themselves being used without their knowledge or consent. So, some form of privacy legislation is probably inevitable."

Speaking to a recent Society of Actuaries Convention, Robert S. Seiler, vp and general counsel of

'As long as we're given reasonable laws, practices and regulations, there shouldn't be any problems . . . People don't like the idea of personal information about themselves used without their knowledge or consent.'

—Victor Zink, General Motors

the Allstate Life Insurance Co., termed the privacy movement as a "hot" item, claiming it has "strong political appeal because . . . it is perceived by the politician as a program that doesn't cost anything—at least not in the sense of a subsidy or tax."

Mr. Seiler also told *Business Insurance* that privacy is a "consumer issue" and predicted that there will eventually be some form

of privacy legislation passed, either on the state or federal level.

On the federal level there are currently no proposals being considered in Congress. On the state level Virginia is the only state to thus far pass what can truly be termed an actual privacy law. Although narrow in scope, the Virginia bill does deal specifically with the insurance industry.

There has been no shortage of

studies on the matter, however, the most extensive being the President's Privacy Protection Study Commission. In July 1977, the commission reported its findings, which included a list of 17 recommendations dealing specifically with the insurance industry and privacy.

The commission's objective was to outline a set of procedures and restrictions for the collection, use, and dissemination of information collected from and about clients.

Some of the more important recommendations made by the commission include the establishment of a government bureau through which individuals could challenge the propriety of information collected, forcing companies to notify individuals about methods used in obtaining information from third parties and the use of authorization forms for the release of information that are clearly written, dated and thoroughly specific as to their intent.

Although most of the recommendations either can be enacted on the state level, or call for amendment of the already existing Federal Fair Credit Reporting Act, two of the recommendations suggest the establishment of totally new federal laws. One suggestion calls for a law prohibiting the disclosure by a company of medical information obtained from a lay person, such as alcoholism or drug abuse. Another recommends a federal law prohibiting the disclosure of individually identifiable information without authorization from the individual. The commission cited a number of situations where exceptions could be made.

The commission's report met with varying degrees of enthusiasm in the industry and soon after the National Assn. of Insurance Commissioners (NAIC) formed a task force of its own to study the issue. In June, the first draft of a model privacy bill was presented to the NAIC by the task force. The draft is very similar to the report of the privacy commission in that it institutes 15 of the 17 original recommendations as its foundation.

The draft is now being considered by an NAIC advisory committee from which will come modifications. At the next scheduled NAIC meeting in December, the bill will be considered for adoption by the NAIC's market conduct and trade practices subcommittee.

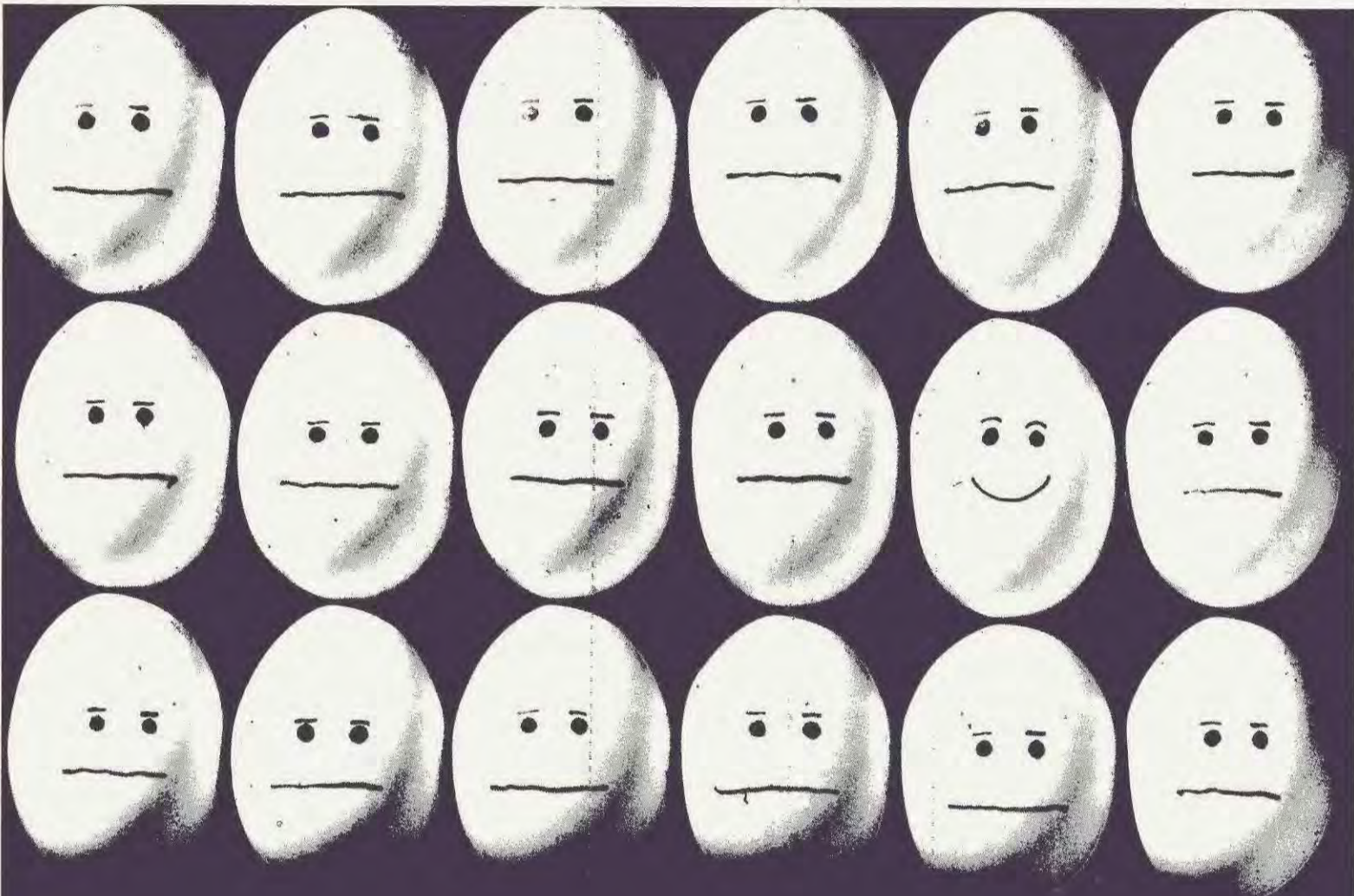
LaVerne W. Cain, senior vp of the Massachusetts Mutual Life Insurance Co. in Springfield said that he expects the NAIC process to result in good feedback and a "unanimity of opinion" among the members. "Originally I figured it would take from one to two years to develop a workable model bill, but I'm beginning to think that we might get one even sooner," Mr. Cain said.

"Things are very loose right now," explained Mr. Seiler. "We're in what you might call a 'working position,' waiting for a few things to happen before we see any definite progress in the privacy rights field."

2 N.Y. brokers plan merger

WHITE PLAINS, N.Y.—George Klavans & Co. of New York will become a division of the Leonard Newman Agency Inc. as part of a merger between the two insurance brokers. Leonard Newman, president of the Newman Agency of White Plains, N.Y., said the merger was effective July 1.

The Klavans division will now operate from the Newman offices in White Plains.



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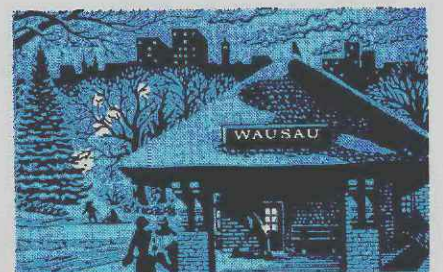
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Aetna ads on rising insurance costs may tamper with juries, says court

Crain News Service

NEW YORK—A New York supreme court preliminary hearing has found that two Aetna Life & Casualty ads may tamper with prospective jurors and the plaintiffs' right to a fair trial under the 6th Amendment.

The three plaintiffs in *Quinn v. Aetna Life & Casualty Co.* currently are engaged in automobile accident litigation and are seeking to bar Aetna ads castigating "excessive" personal injury awards.

In a double hearing, which examined a request from the plaintiffs for a preliminary injunction and a motion by Aetna to dismiss the charges, judge Angelo Graci

ruled Aetna's ads were "false and misleading" as well as an obstacle to a fair trial. The "false and misleading" decision invalidates Aetna's 1st Amendment defense because "commercial speech" is held less legally sacred than "non-commercial speech," the judge held.

Though he refused to dismiss the charges, Mr. Graci exonerated *New York* and *Newsweek*, codefendants in the suit. As the vehicle for the advertiser's message, he said, the media should not be held accountable under the same standards of "commercial speech."

Judge Graci also refused to grant the plaintiffs a preliminary injunc-

tion, "an extremely drastic legal move, especially where constitutional issues are involved," according to Martin L. Baron, counsel for the plaintiffs in both the Aetna and personal injury suits. The judge's ruling, however, clears the way for a trial concerning a permanent injunction scheduled for September.

Meanwhile, Aetna has no plans to restructure its ad campaign. The two ads in question stopped running last spring and the company will probably not treat the controversial topic of tort liability in remaining ads scheduled for this year. Future ads will discuss high health care costs and no-fault auto insurance, said Douglas J. Al-

spaugh, Aetna's advertising director.

"We tried to stimulate public awareness and debate on the issue of high awards, which drive up premiums for everybody. We're very pleased with the result. Certainly we received some complaints but we also got about twice as many favorable responses," Mr. Alspaugh said. "We haven't changed our position at all, but when you're being challenged, you're careful. We're being careful," he added.

The two Aetna ads in question appealed to and therefore tampered with prospective jurors, judge Graci ruled. "Too bad judges can't read this to a jury," reads the tag line on one of the ads.

The "false and misleading" charge involved Aetna's failure to mention that excessive awards can be overturned on appeal, implying that the jury's initial award—excessive or otherwise—is irreversible. ■

Scaffold firms begin captive for insurance

SHERMAN OAKS, Calif.—The 50-member Scaffold Industry Assn. has formed a Bermuda insurance subsidiary called SIA Insurance Co. Ltd. to provide comprehensive general liability insurance.

The coverage will be offered in limits of up to \$1 million in combined single limits, according to D. Victor Saleeby, executive vp of the association.

SIA Insurance will be managed by Association Insurance Consultants Ltd. of Bermuda, which is affiliated with Insurance Management of Washington Inc. Reinsurance has been arranged by Risk Treatment Services (Bermuda) Ltd. ■

Mr. Saleeby said that the limits offered by SIA are far superior to what association members could obtain on their own.

"The insurance industry does not know how to rate scaffolding," he said, "and rates are varying all over the ballpark."

He said some association members were paying as much as \$22 per \$100 of gross receipts while the association considers a rate of \$5 to \$6 per \$100 of gross receipts to be a fair price, depending on various factors.

The Scaffold Industry Assn. has members in 38 states who are in the business of erecting and leasing scaffolds.

The Risk Treatment Services Ltd. is 100% owned by Sperry & Hutchinson Co. It was formed in 1973 and has about 20 clients. ■

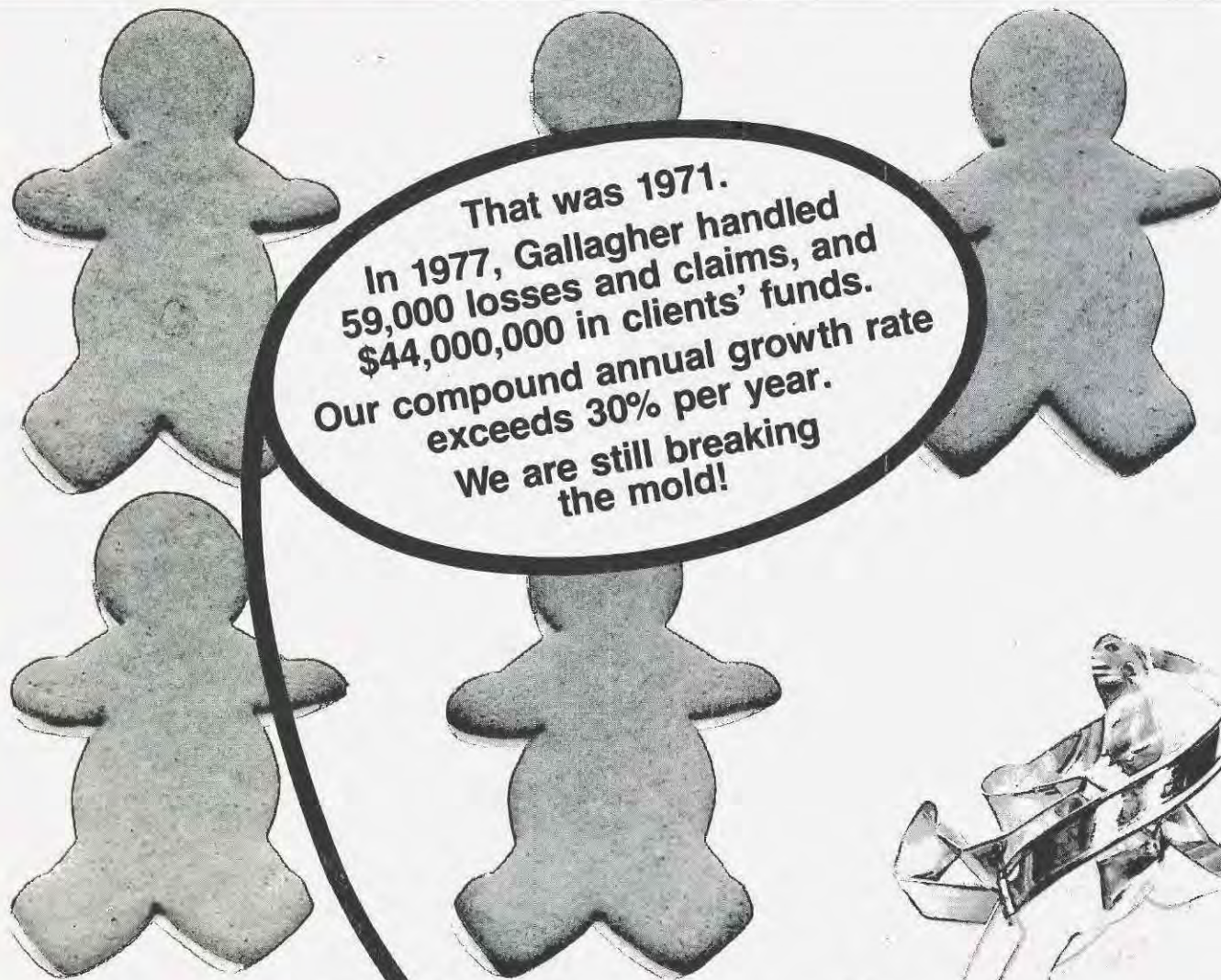
A&A acquires S.C. broker

CHARLESTON—Alexander & Alexander Inc. has acquired the Bernard J. Olasov Agency here.

The 13 members of the Olasov firm will become members of the new Charleston office of A&A. ■

Safety exam

The Board of Certified Safety Professionals announces that the spring 1979 examinations for the designation as a safety professional will be held May 19, 1979. Completed applications must be received by Feb. 1, 1979. More information is available from the Board at 501 S. 6th St., Suite 101, Champaign, Ill. 61820.



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In many countries, compensatory premium reductions for deductibles can't be obtained.

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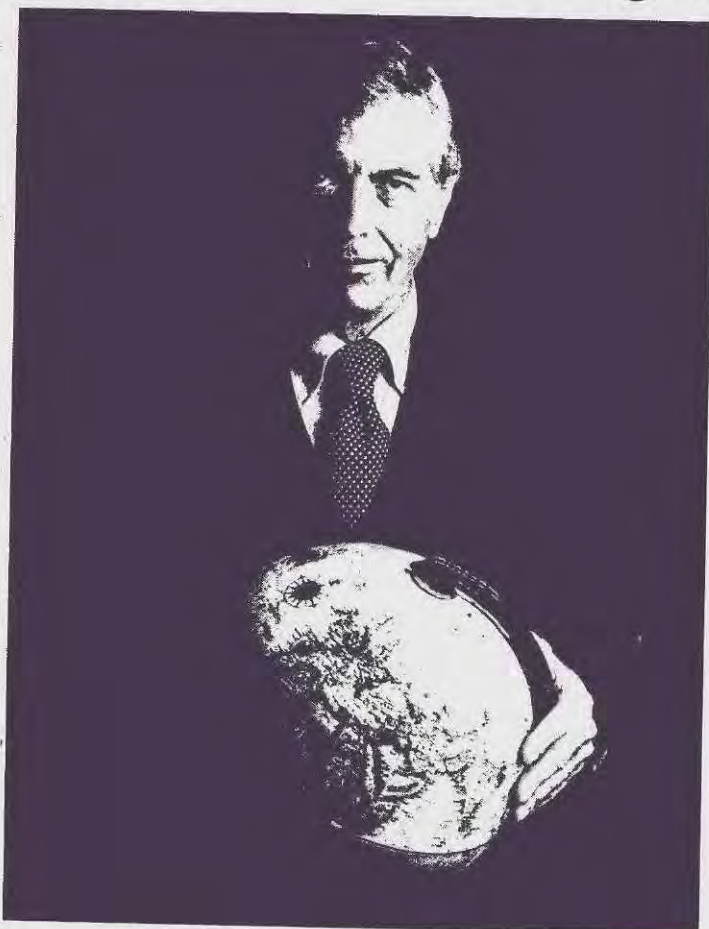
But now, AFIA has developed programs for multinational risks based on global requirements. It takes into account the existing laws and reg-

ulations. It examines the tariffs. It reviews the risks insured—the coverages—the locations.

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If you think it's time to take a new look at what can be done about your deductibles worldwide, talk to the AFIA office nearest you. Doing things worldwide is only natural to us.

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editorial opinions

Innovative industry

WHAT A RELIEF to have met our deadlines and completed the production cycle for this annual Agent/Broker Profiles issue.

You may have noticed that it's the largest issue of *Business Insurance* there's ever been in more than 10 years of our existence. That indicates the innovativeness of the industry that supplies you with insurance and services and the new blood continually coming into the industry, resulting in new companies, new brokers, new services and healthy competition.

Acquisition of many leading regional and local agents and brokers by the large national brokerage houses contributed to a gradual decline over the past four or five years in the number of agents and brokers submitting profiles. But this year, the upturn was clear.

Business obviously was good for agents and brokers during 1977, making more firms eligible for a listing in our issue, using a requisite \$150,000 gross revenues as the cutoff point. This year's issue lists more than 390 North American agents and brokers, including the 20 largest national brokers and the three leading Canadian firms, up from 373 in 1977 and 340 in 1976.

We revamped our system of mailing the questionnaires this year to agents and brokers, aiming to streamline the time-consuming process of compiling this data. But, laughably, Murphy's Law was at work against us. In proofreading the questionnaire before it was mailed out, we failed to catch a typographical error requesting 1978 information rather than 1976 figures and ended up having our jobs become doubly difficult. The tiny error resulted in about one hundred extra phone calls to clarify gross revenue figures for 1976, but you can rest assured you're getting the straight story in this issue.

The big shakeup in our Top 20 rankings has also caused a good deal of conversation here and within the industry. It must be hard for Johnson & Higgins to grin and bear the fact it's been dethroned by A&A as the second largest broker in the U.S., but A&A has done an unbelievable job sustaining its aggressive growth posture and deserves to be congratulated on its achievements.

N.Y. exchange

THE BEHIND-THE-SCENES jockeying that's going on among people involved with the new New York Insurance Exchange is making this innovative idea all the more fascinating. Now it turns out that not only are competitors John Cox of INA and Hank Greenberg of AIG serving together on the committee that'll draw up rules for the exchange, but they're also co-chairmen of the finance and administration subcommittee, deciding how the exchange will dovetail with the free trade zone and types of coverage and premium volume to be written.

All in all, we'd have to conclude that the insurance

exchange is an exciting idea. Our excitement, however, is tempered by a healthy dose of skepticism about whether the so-called "U.S. Lloyd's" will ever get off the ground and how well it'll be received.

It's no secret that insurance industry chieftains have a hard time agreeing on anything, much less rules for the operation of the exchange. Moreover, there are so many vested interests represented in the fray—risk managers, regulators, brokers, reinsurers, insurers, intermediaries, underwriters, excess/surplus brokers and insurers and London bigwhigs—that the negotiations are likely to get livelier as time goes on.

We're sure everyone who's watching this development has as many questions as we have, including: Who will form the syndicates? What incentive, if any, is there for insurance companies to compete with themselves by forming syndicates, investing in them or funneling business to the exchange? Where will all the underwriting talent come from to staff the syndicate operations? How involved will captive insurance companies become in syndicate ventures? Which brokers will invest in syndicates? What's the incentive, if any, for brokers to funnel business into the exchange, rather than to the traditional markets? What kind of advice are the Lloyd's of London experts providing to those who are devising operational rules?

Work comp ideas

WORKERS COMPENSATION commanded the attention of about 140 corporate executives from the risk management, industrial relations, personnel and other fields for two and a half days several weeks ago when *Business Insurance* sponsored its first annual conference on the subject.

It was an impressive gathering of top-notch corporate managers, insurance industry chieftains and brokerage executives from around the nation who came together to hear 30 leading experts discuss almost every conceivable aspect of workers compensation.

The objective of the conference was to provide registrants with information about future risks, future regulation and legislation and emerging liabilities, coupled with nuts-and-bolts assistance in handling their day-to-day problems with claims, insurance, rehabilitation and self-insurance programs.

Judging from the response of those who attended the conference here in Chicago July 23 through the 26, we succeeded at providing speakers who shared worthwhile management ideas for those with rising costs and a growing work comp problem. Thus, we've made the decision to hold the conference annually.

One way we judge the success of such a meeting is to look at whether the speakers generated newsworthy stories; using that criterion also led us to conclude the meeting was worthwhile. Nearly every speaker generated a news story or spawned future Perspective articles that'll appear in coming months in our special section for contributed articles.

For those who couldn't be with us, we hope we'll see you here next year. For those who joined us, we're glad you picked up good information to take home with you.

letters

Business Insurance welcomes letters from its readers. Please keep your comments as brief as possible and we reserve the right to edit or shorten letters for clarity or space. Please send your comments to Letters to the Editor, Business Insurance Magazine, 740 N. Rush St., Chicago, Ill. 60611.

Disaster work

To the editor: In your May 29th issue ("Holiday in the trenches, just another adjustment,") you quote a UAC "spokesman" to the effect that "we have 4,000 of our own employees that we utilize in catastrophic situations."

To set the record straight, UAC has approximately 4,000 employees. Obviously, all of these are not engaged in catastrophe work. However, a substantial number of trained adjusters are available to be sent into a given area. In addition, we have a number of contract adjusters that we utilize during the storm season.

A. C. Avitabile

Executive vp, Underwriters Adjusting Co., New York, N.Y.

Consultants

To the editor: Re May 29 story on risk management consultants.

I would like to bring to your attention our firm of international insurance advisors. We are a firm of seven professional consultants representing a wide clientele throughout the United States, Canada and overseas.

Prior to starting this firm in 1967, I was an executive with another consulting firm, John Liner Associates of Wellesley, Mass. I also originated and wrote the John Liner Letter.

Joseph H. Albert

Principal, J.H. Albert Advisors, Needham Heights, Mass.

Proper settlements

To the editor: I have just a small comment to make about your editorial "Awards That Disappear" (July 10).

One simply wonders what, if any, offer was made to the poor widow in the case described, before she felt the need or was persuaded to contact a plaintiff's attorney!

One wonders whether possibly an offer of the \$10,000 per child trust funds, plus another \$100,000 to the widow, might not have made it possible to avoid the rest of the \$370,000 allegedly expended in the settlement of this matter!

While, of course, one does not pretend to know the "facts" of the case (i.e. whether the claimant had reasonable grounds for her claim) it seems to me that if more concern were shown by insurance companies (in this case Kemper) that legitimate claims be paid promptly

Continued on page 85

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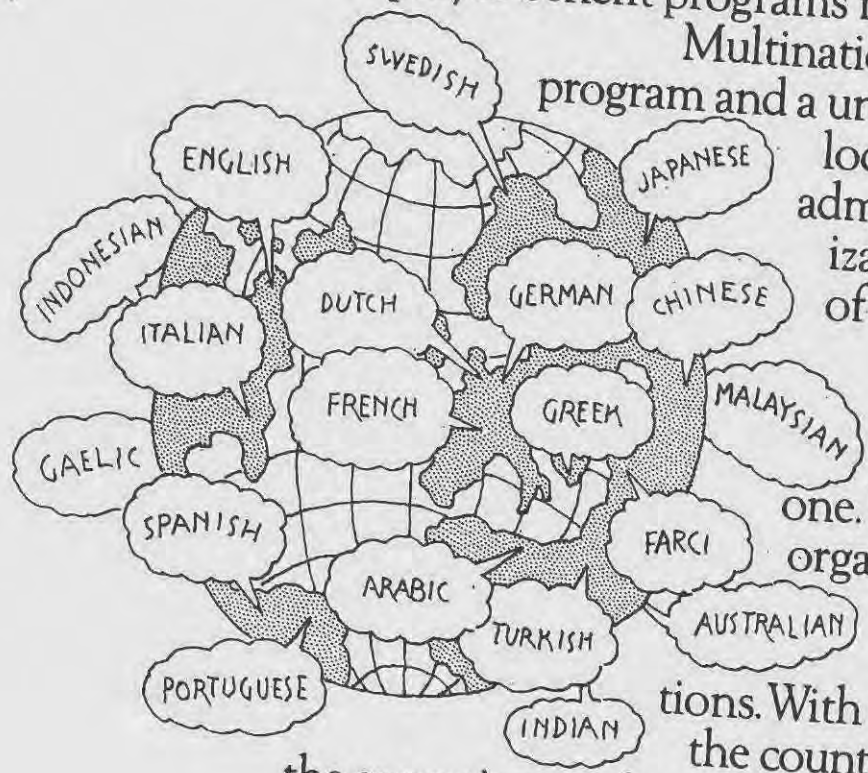
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Kaiser settles claim by purchasing annuity

OAKLAND, Calif.—Kaiser Foundation Hospitals settled a malpractice claim which attorneys involved said could have resulted in a multi-million dollar liability loss by purchasing an annuity policy at a cost of less than \$1 million.

The annuity policy, written by Employer's Reinsurance Co. of Kansas City through its subsidiary National Fidelity Life Insurance Co., provides a seven-year-old brain damaged girl with a living allowance of \$36,000 compounded annually at 4% for a minimum of 12.5 years. At that time the annual amount will reach \$50,000.

If she lives a normal lifespan, statistically 78 years, the victim could receive as much as \$14 mil-

lion.

In addition to the living allowance, Kaiser agreed to pay the parents of the girl \$750,000.

The settlement was covered by Kaiser's liability underwriter, The Insurance Co. of the State of Pennsylvania, one of the American International Group of companies. C.V. Starr is the managing underwriter for the companies.

The settlement resulted from a lawsuit filed by the parents of the girl who suffered brain damage during a breech birth. The parents claimed the birth, which occurred during Labor Day weekend in 1971, should have been by Caesarian section, but the hospital did not have adequate surgical staff on hand to perform the surgery because of the holiday.

Kaiser denied negligence and did not admit liability.

Kaiser has since adopted a binding arbitration policy, requiring malpractice claims to be heard before a panel of objective experts. If that policy had been applied during this settlement, according to Kaiser's attorney, Eugene J. Majeski, "we definitely would have fought."

Mr. Majeski termed the agreement reached in the malpractice case "a good settlement for everyone involved."

To err is not only human, it's expensive!

Even though you have used all your professional skill in protecting your corporation's assets, a simple clerical mistake could prove to be disastrous. Let's face it, even the best people make mistakes. After all they're only human. However, the fact remains that their mistakes can cost your corporation big dollars.

The type of error possibilities we are talking about are failure to pay premiums on a timely basis, reporting of losses and filing of claims, reporting of values or locations, compliance with warranty provisions and policy conditions. You can use your own imagination to add to the list.

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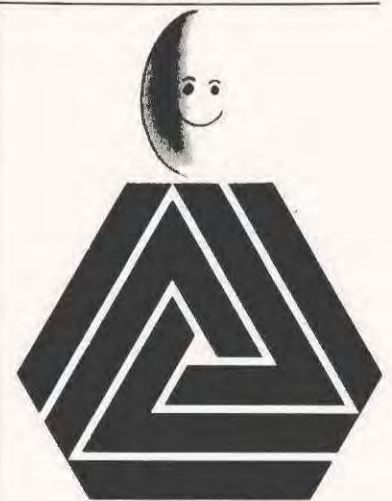
letters

Continued from page 8
and fairly, a tremendous amount of the excess expense on both sides could be avoided.

Somehow, it just does not seem possible that all of this trouble and expense was caused by the claimant's right to a settlement. One wonders how much of the expense was a result of the various insurance companies fighting among themselves as to who was to pay what amount, while the poor widow starved in the background!

I do not propose to try to lay the blame on either side. But it is this type of "horrible example" which leads the general public to get the impression that they are being gouged one way or the other.

Corwin E. Mahle
President, Califaco Insurance Associates Inc., Watsonville, Calif.



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SEE OUR AD ON PAGE 4



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THE INSURANCE BUYER'S ERISA QUIZ

- Does your policy limit coverage to persons defined as fiduciaries?
- Does your policy limit coverage to wrongful acts of insureds only?
- Does your policy provide defense costs within the limits of liability?
- Does your policy limit loss to damages by definition, and exclude non-pecuniary claims?
- Does your policy by definition exclude employee benefits liability losses?
- Does your policy include outside persons as insured fiduciaries?
- Does your policy contain a limited retroactive acts exclusion?
- Has your policy been purchased without the advice of competent legal counsel who has rendered an opinion in writing as to which contract he felt offered the broadest coverage?

If the answer to *any* of the above questions is "Yes," the chances are you have probably purchased the wrong policy. And the real problem is that you will probably never know until you have an uninsured loss.

How do you know you have the right fiduciary liability policy? There's only one way—to *compare*. Remember—*all policies are not created equal*. While all contracts may appear to be similar, there can be substantial differences in their terms and conditions—differences which can be very significant—and costly. And, unfortunately, it's impossible to compare policies without a thorough understanding of the law. (ERISA)

The Professional Indemnity Agency, direct Lloyd's correspondents, is one of the very few insurance underwriters qualified to make sound recommendations. Fiduciary liability coverage is our business—our *only* business. We understand this is a difficult business—and we refuse to take the easy way out. Combining a Fiduciary Liability and a Directors and Offi-

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Before the enactment of ERISA, your sole responsibility was the guarding of corporate assets. But now, because of this law, (ERISA) you are faced with the tremendous additional responsibility of protecting the personal assets of your directors, officers and other employees. You've got to be *sure*. You've got to *compare*. You've got to talk to the experts... NOW!



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agent/broker profiles

Most brokers leap in '77; some surpass major rivals

By SUSAN ALT

CHICAGO—Commission and fee revenues as well as employe rolls grew faster in 1977 for the nation's 20 largest insurance brokers than during any of the last five years, *Business Insurance* found in its annual survey of agents and brokers.

Though some industry-watchers may have wondered a few years ago whether the 10% to 15% annual growth rates of the early 1970s could be sustained, brokers cashed in on tight markets and soaring premium rates during 1977 to come up with an average growth in revenues of 24.3%. This was more than twice the average growth of the 20 largest brokers in 1973, a sizeable jump from the average 15.9% increase turned in for 1974 and still on the rise from near-19% average increases turned in for both 1975 and 1976.

It goes without saying that market conditions helped, along with the higher property and liability insurance limits demanded by many corporate buyers, offsetting a continuing decline in average commission rates to a level of about 8% to 10% on commercial property and liability lines. Commissions generally remain higher on property business, it's said, but are sliding down toward the 5% to 8% that's common for casualty lines.



Johnson & Higgins chairman Richard Purnell is unruffled at the loss of second place, saying J&H remains tops in service compared to its two larger competitors.

Johnson & Higgins chalked up a 22.8% increase in revenues to an estimated \$215 million, but that wasn't enough to keep Alexander & Alexander in its place as the third-ranked U.S.-based brokerage firm. A&A's unbeatable acquisition pace and aggressive stance as a service company boosted it into the coveted number two spot with revenue growth of nearly 29% last

year.

Richard I. Purnell, chairman and chief executive officer of J&H, was seemingly unruffled when informed that his firm slid down the ladder into third place, telling *Business Insurance* that he was sure J&H was tops in quality of services rendered when compared to his two competitors.

Nonetheless, this is the first time in many years that one of the six giants of the industry has surpassed another to climb to a higher rung on the ladder. J&H must have felt some disappointment at relinquishing its long-held position as the second largest brokerage firm in the nation, particularly since the firm is so vocal about extolling the virtues of being a private company.

Now it remains to be seen whether A&A can overtake giant Marsh & McLennan, as some observers think it can and will, in time. The matter of time raises a substantial question, because A&A is only slightly more than half as big as M&M in annual revenues. This gap between the leader and the second largest broker has hardly changed since 1971, when J&H's revenues were estimated for the first time in the first annual Agent/Broker Profiles issue of *Business Insurance* in July 1972.

"I think A&A will overtake M&M in five or 10 years," ventured

Continued on page 16

How our report is organized

Business Insurance's annual Agent/Broker Profiles issue is organized into four sections for easy access to the information we've compiled in the most complete listing of agents and brokers who specialize in commercial insurance.

The top 20. The 20 largest brokers in the U.S. explain last year's results and reveal their plans for the future in extended profiles, ranked in order of size, on **pages 18 to 51**. Reports on the three largest Canadian firms begin on **page 51**.

Other brokers. We've compiled extensive information on 368 other insurance brokers specializing in commercial accounts. These profiles, which include premium volume, gross revenues, number of employes, principal officers and branch locations, appear in alphabetical order on **pages 55 to 103**.

Regional directory. A handy guide to the agents and brokers in this special report listed by geographic location of their headquarters appears on **pages 104 to 108**.

Special reports. What annoys risk managers the most about their brokers? What is the brokers' biggest complaint about their clients? And what do consultants believe is the most common way brokers lose clients? Three stories on **pages 112 to 114** examine the strains in the risk manager-broker relationship.

Meanwhile, *Business Insurance* reporters visited two small brokers—one in New York City and one in Wichita—that are able to hold their own against the giant national firms. **Pages 109 to 111**.

M&M tops veiled world of reinsurance brokers

By ELLIS SIMON

NEW YORK—A good reinsurance broker could be crucial to the success of a corporate insurance program, but most risk managers

rarely have direct contact with these intermediaries.

Reinsurance is an unregulated field and the professional integrity of the reinsurance broker is crucial, said Edward Mallozzi, executive vp and treasurer of Andrew Edwards & Co. "In reinsurance, you're working with utmost good faith and dealing with the wrong reinsurance broker is asking for trouble."

The reinsurance broker's stock-in-trade is his knowledge of the reinsurance markets, not only for price but for financial soundness. Ceding reinsurance to an unsound market could spell disaster for a primary insurer in the event of a catastrophic loss.

However, with the exception of captive operators seeking excess coverage, risk managers rarely deal with the reinsurance markets and the intermediaries who place business in them. Treaty business, coverage on part or all of an insurance company's book of business, accounts for the largest part of the reinsurer's premium and the intermediary's commission.

Even on facultative placements, reinsurance on specific risks, it is rare for the risk manager to have direct contact with the reinsurance broker. However, risk managers do, on occasion have a voice in selection of a reinsurance broker where the ceding insurer has a special relationship with the client, noted Mr. Mallozzi.

Insurance markets that are more involved with risk management are more likely to support a relationship between the risk manager and the reinsurance broker, said Joseph Fayhs, Marsh & McLennan senior vp. Prior to joining M&M, Mr. Fayhs was a senior executive in General Re's facultative department.

While the future might see more risk managers participate in purchase of reinsurance, he said tradi-

Continued on following page

1977 Broker Performance: The Leaders

Company	Ranking		Gross revenues ¹			Employees			Rev./employee	
	1977	1976	1977	1976	% chg.	1977	1976	% chg.	1977	1976
Marsh & McLennan	1	1	415.2	345.7*	20.1	9,564	8,340	14.7	43,415	41,454
Alexander & Alexander	2	3	219.4	170*	29.1	5,100	4,200	21.4	43,020	40,473
Johnson & Higgins	3	2	215**	175**	22.8	4,700**	4,200**	11.9	45,745	41,670
Frank B. Hall & Co.	4	4	149.2	124.8*	19.6	3,200	2,900	10.3	46,629	43,050
Fred S. James	5	5	113.5	88.7	28	2,554	2,252	13.4	44,435	39,380
Corroon & Black	6	6	90	66*	36	1,983	1,531	29.5	45,392	43,093
Rollins Burdick Hunter	7	7	47.1	38.9	21.1	955	906	5.4	49,360	42,968
Bayly, Martini & Fay	8	8	45.5	25.6	77.7	1,200	750	70.3	45,250	34,131
R. B. Jones	9	9	25.7	21.9	17.4	648	695	(6.8)	39,647	31,502
Penri General	10	10	19.0	17.4	9.2	525	476	10.3	36,181	36,518
Arthur J. Gallagher	11	16	18.4	12.1	52.1	445	324	37	41,274	37,268
E. H. Crump	12	12	16.1	13.5	19.2	551	481	14.5	29,220	28,067
Nordstrom Larpenteur Insurance Management	13	11	14	14	—	375	395	(5)	37,333	35,443
Cook, Treadwell & Harry	14	17	13.8	12.04	14.6	385	346	11.3	35,830	34,809
James S. Kemper	15	13	13.8	13.3	3.6	300	305	(1.6)	46,666	43,605
	16	15	12.8	12.1	6.3	381	383	(0.5)	33,711	31,543
Schiff Terhune Intl.	17	20	12.4	8.7	43.2	310	260	19.2	40,000	33,462
Emett & Chandler	18	18	11.7	9.2	27.2	362	301	20.3	32,398	30,697
Ryan Agency Group	19	—	11.64	5.81	19	289	276	4.7	40,280	35,529
Financial Guardian	20	—	11.2	8.2	37	305	265	15.1	36,790	30,879
TOTALS/AVERAGES			1,475.4	1,187.0	24.3	34,209	29,586	15.6	40,479	36,780
Canada-based brokerage firms										
Reed Stenhouse Cos.	1	1	135.3	111.6	21	4,385	4,300	2	***	***
Tomenson Saunders & Whitehead	2	2	27.3	22.9	19.2	820	747	9.8	***	***
Dale & Co.	3	3	14.4	13.6	5.2	515	530	(2.8)	***	***
TOTALS/AVERAGES			177.0	148.1	19.5	6,035	5,577	8.2		

*Restated for poolings of interest

¹Business Insurance estimate.

²in millions

**No revs. per employe computed, because firms don't think operations are comparable to U.S. brokers.

Reinsurance brokers . . .

Continued from preceding page
tion in the reinsurance field "takes a long time to fall."

Traditionally, the reinsurance brokers have maintained a low profile. For the most part, the firms are privately held and financial information is guarded. The best one can do is take "wild guesses" at the size of his competitors, said the president of one of the leading firms.

Only the number one spot in the rankings of the reinsurance brokers is undisputed. It belongs to Guy Carpenter & Co., a subsidiary of Marsh & McLennan Cos., having a lead that even the Boston Red Sox would envy. Carpenter's 1977 revenues were approximately \$51 million or 12.4% of M&M's \$419 million total.

Towers, Perrin Forster & Crosby

probably holds the number two position, with reinsurance revenues estimated to be \$15 million. However, several competitors doubted this figure and some sources mentioned Johnson & Higgins subsidiary Willcox Baringer and independent E.W. Blanch as other possible number two's.

Other leading firms often mentioned were G.L. Hodson & Son, a Corroon & Black subsidiary, and John F. Sullivan Co., a Fred S. James Unit. C&B reported Hodson's 1977 revenues at \$8.1 million. James's annual report lists reinsurance revenues at \$8 million, but a James spokesman would say only that Sullivan represents a "substantial" part of that volume.

The three publicly held firms, Carpenter, Hodson and Sullivan enjoyed growth rates of between

30% and 33% for 1977. Willcox Baringer said its 1977 growth rate was in excess of 20%. But, the president of one firm predicted growth should stabilize as the casualty markets ease.

Insurance companies purchase reinsurance when there is limited capital available to finance their growth or when underwriting losses are high, he explained.

Reinsurance brokers see their principal competition as the large direct writing reinsurers: General Re, American Re and Employers Re. However, there is strong competition among the reinsurance brokers themselves.

Kemper Reinsurance president C. Frank Aldrich said he is confronted fairly often with changes in brokers on accounts and it is not unusual to be asked for quotes by two brokers competing for the same account.

One major reinsurance intermediary reportedly worked 10

Competition among reinsurance brokers is usually based on service rather than price since reinsurance is bought on faith and long-term relationships.

—John Bing
President, Bleichroeder Bing & Co.

years to gain a major portion of the Factory Mutual reinsurance account. Competition among reinsurance brokers is based mostly on service rather than price, since reinsurance is bought on faith and long-term relationships, said John Bing, president of Bleichroeder Bing & Co., an Alexander & Alexander subsidiary doing less than \$1 million in business.

The brokers provide strong competition, to the direct writing

reinsurance companies controlling probably 65% to 75% of the approximately \$6 billion in premium written in the U.S. Their competitive strength is why they have such a large part of the business, said General Re vp James Billett.

However, he said the brokers' share of the U.S. reinsurance market has probably shrunk from a high of 90% 20 to 25 years ago. But, he added, the reinsurance "pot" is much greater today than it was 25 years ago.

Even knowing that reinsurance brokers control almost three-fourths of the \$6 billion U.S. reinsurance premium, one could not determine the total revenues of U.S. reinsurance brokers since much of their business is placed overseas and commissions vary with different lines.

Treaty reinsurance agreements providing pro-rata or share of first dollar loss coverage have commissions ranging from 1% to 2.5% said Mr. Mallozzi. Commission on working excess treaty coverage, which spreads anticipated losses over a period of time, runs from 5% to 10% and straight per occurrence excess of loss treaty coverage earns a 10% commission.

On facultative placements, pro-rata policies have 2.5% to 5% commission and excess of loss coverage carries a 5% to 10% commission.

Although it probably varies from company to company, treaty business accounts for the largest share for most brokers and there are a greater number of excess of loss policies written as opposed to pro-rata, according to General Re's Mr. Billett.

However, there are many companies that specialize in facultative or treaty business only, said Mr. Mallozzi.

Thus, it is difficult to determine how large the reinsurance brokerage field is, either collectively or by individual company. And, as one company official said, it won't be known until everybody "writes their numbers down."

If we didn't own ourselves, maybe we wouldn't send so many people through the College of Insurance.



Randy Roppelt, Linda Bianco and Alan Levine are in work-study programs under J&H sponsorship.

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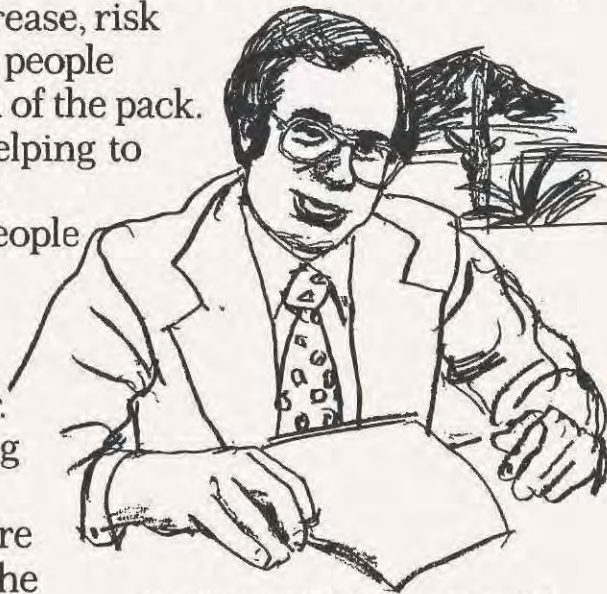
The insurance industry is going to need all the talent it can find and develop.

As corporate responsibilities increase, risk managers will be looking for the counsel of people who are conceptually and technically ahead of the pack.

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through our sponsorship of young people in work-study, graduate study, and self-improvement programs at the College of Insurance. More people than any other broker.

These young talents are important at J&H. Because they're leaders. With ideas. The very ideas you look for. The kind that have made us the leading private insurance broker in the world.



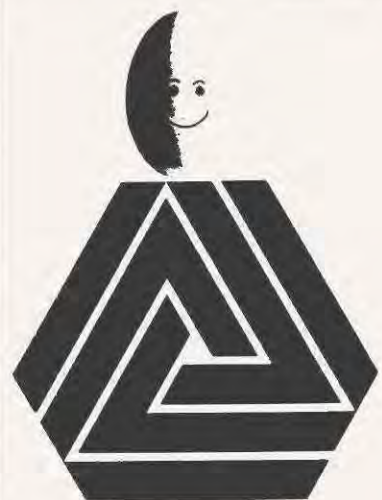
Gary Rimler of J&H Phoenix, Class of '71, is finishing his master's studies in finance at Arizona State.



Rufus Williams of J&H Houston, Class of '72, received his law degree in December 1976.

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How the brokers did . . .

Continued from page 13

one analyst of the industry, expressing his so-called "gut reaction" to A&A's spectacular aggressiveness in services and acquisitions.

The next six months are sure to be difficult for brokers, as premium rates flatten out and begin to fall once again. Executives at a number of leading firms are concerned—even worried—about the imminent recurrence of the competitive cycle of rate cutting by insurers.

But brokers have learned over the last three years that they can make themselves almost indispensable to their clients as long as they succeed at being more than just retail offices for the simple conveyance of insurance. They have learned to be more than just stockbroker types, providing critical market expertise and access to vital markets for corporate purchasers.

Diversification in the form of engineering services, captive management services and claims administration/data processing services has helped brokers become slightly less dependent on the almighty premium rate while building customer loyalty. A few industry observers, however, see that insurance companies will continue to batter away on the service front, competing with brokers to provide more services for risk managers.

The drive by brokers for a broad cross-section of small and medium sized commercial accounts is expected to continue, since most vendors believe that these are potentially the most lucrative accounts.

Industry experts disagree about whether the fastest growth over the next five years will come within the top tier of brokers—the top 10 or so—or within the second and third tier of firms. A key U.S. insurance company is forecasting the greatest growth for second tier firms—eleventh largest to twentieth largest—and third tier brokers, ranging from the twenty-first largest down to fiftieth largest. The last broker on this insurer's list has just under \$2 million in revenues.

One estimate shows that the top 50 brokers will capture 44% of the total commercial and specialty lines premiums by 1983 to 1984, up from about a 35% share of the total commercial market now. This estimate, using a wider viewpoint to include 50 brokers and not just the top 10, comes from an analyst who came up with a startlingly different forecast just two years ago. He told *Business Insurance* then that he envisioned a scenario that would have the nation's top nine brokers capturing just over 45% of the total commercial insurance market by 1980.

But, having refined some data, he sees the nine largest brokers holding about 33.5% of the commercial business by 1980, with their share of market climbing to an estimated 38.5% by 1985, up from an estimated 29% share in 1977, figuring that there's a total estimated market of just under \$4.6 billion in commercial commissions and including service fees.

For 1977, the top 20 firms together controlled an estimated 32% of the overall commercial market, including commissions and service-related fees.

"The whole projection rests upon the movement toward self-insurance" and how fast it proceeds, said the analyst. "We've tried to factor in two major points: The greater use of retentions by corporations, downgrading the amount of premium flowing to insurance companies with commis-

sions going to brokers and the amount of premiums now going into captives, a trend we think will continue."

Non-premium segments of corporate accounts, including various fees for services, will grow to an estimated 20% to 25% portion of broker revenues by 1985 from a

"guesstimated" 10% or 12% portion of revenues in 1977.

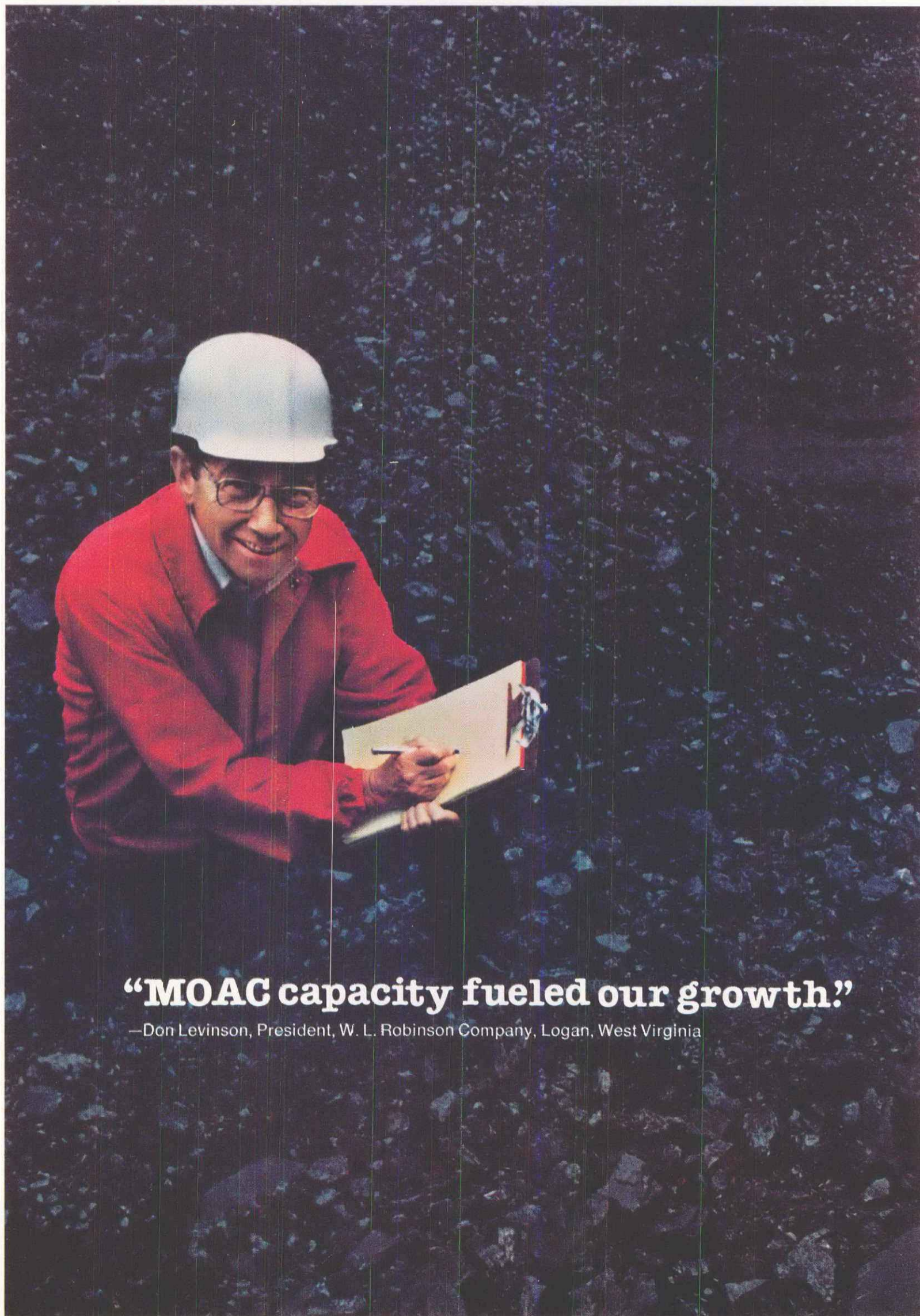
Why the drastic change in share of market: predictions for the top nine brokers versus the top 50 brokers from two years ago for one analyst (who is one of six individuals contacted for data)?

Four basic reasons, he says: increasing offshore insurance business by major clients of the big 9, taking commission out of brokers' pockets; refinement of figures since 1976, when very rough esti-

mates were used as the basis for projections; a predicted slowdown in broker acquisitions, with more emphasis on building internal expertise and providing specialized services to specialized markets, rather than fast expansion into many new markets in the U.S., and finally brokers devoting more of their internal resources to overseas ventures means a slowdown in U.S. market share growth.

The fact is, the top 10 brokers

have increased their share of market somewhat faster than this analyst's projection would indicate, through 1977 at least. The top 10 firms chalked up a much higher average growth rate of 24.3% than the second tier of 10 U.S.-based firms, whose revenues rose only 16.8%, enabling the biggies to capture a whopping 97% of the total commissions and fee revenues recorded by all 20 firms. This is a larger share than a year ago, when the top 10 firms had captured 95%



"MOAC capacity fueled our growth."

—Don Levinson, President, W. L. Robinson Company, Logan, West Virginia

of the revenues that accrued to the 20 leaders. In 1975, the top 10 held 90% of the revenues for all 20, while in 1974 their share was 87%.

Although the 10 largest firms generated enough commissions and fees to increase their rate of growth for 1977 from 1976, quite the opposite occurred with the second tier of firms, who slowed to a 17% rate from 1976's 23.5% average growth rate.

The best growth record was turned in for 1977 by Bayly, Martin

& Fay at 77.7% growth resulting from a merger with Harlan. Much of the increase was due to BM&F's decision not to restate its 1976 revenues for a pooling of interest Harlan added \$12.25 million to BM&F's figures, equal to 62% of Bayly's growth in 1977. Moreover, BM&F also had the fastest growth in number of employees for the same reason and Harlan's 385 employees at yearend 1976 accounted for at least 75% of BM&F's personnel increase.

Arthur Gallagher & Co. had the second fastest growth in 1977, reporting revenues up 52.1%; it also was second in rate of personnel growth with headcount increasing by 37%. Schiff-Terhune turned in the third best increase at 43.2%, almost double the 21.7% revenue rise last year, and pushing Schiff from number 20 on last year's roster to number 17 this year.

Financial Guardian grew by 37%. Corroon & Black, in sixth place

again this year, was also one of the growth leaders with a creditable 36% behind its name. C&B's employe ranks grew 29.5%, putting it in third place in that category as well.

Neither Emmett & Chandler nor Cook, Treadwell & Harry, who were two growth leaders last year, led the pack this year, although Emmett & Chandler did turn in a performance that was better than average. Cook, Treadwell on the other hand turned in a disappoint-

ing 3.6% revenue growth record, putting it with Nordstrom Agency (no-growth) at the bottom of the growth ladder.

Another growth leader from last year, John L. Wortham & Son with 26% revenue increase for 1976, failed to turn in similar results this year. Wortham was on the top 20 list for the first time last year, but came in at only \$9.1 million this year, a 5.5% increase, dropping off the list entirely, displaced by a new entrant, Ryan Insurance Group.

Productivity increased substantially for all but one firm on the top 20 list, that being Penn General, whose revenues per employe dropped for the year despite a 9% gain in revenues. Biggest increases in productivity per employe were chalked up by R. B. Jones, Bayly, Martin & Fay, Schiff Terhune and Financial Guardian, in that order.

Ryan Agency, on the top 20 list for the first time, is part of the Ryan Group, an insurance holding company that owns several insurance companies and bought out this year the entire combined brokerage operation of Esmark Inc.

Financial Guardian returned to our top 20 list after one year's absence.

Nordstrom Larpenteur, moved down on the list to 13th place from the number 11 spot last year, after a second year with virtually no growth in revenues. ■

Reed Shaw leads Canadian firms

Reed Stenhouse Cos. Ltd. continued to be the Canadian leader among the three largest brokerage firms based there, with a 21% growth to \$135.3 million worldwide revenues. Reed Stenhouse disclosed for the first time this year that about 15% of its revenues, or \$20.3 million, came from the U.S., while almost one-half the firm's revenues arose offshore.

Thus, if Reed Shaw Stenhouse were included in the list of U.S. brokers, it would rank as the eleventh largest broker, if only U.S. volume were considered. If total volume were used, Reed Stenhouse would be fifth largest on the list of 20 brokers.

Dale & Co. had a disappointing year with only 5.2% growth in revenues, not keeping pace with the 19.5% average growth for the three Canadian firms or with the overall 23.8% average growth for all 23 brokerage firms. Dale's personnel ranks thinned during 1977 by 2.8%. While Tomenson Saunders & Whitehead increased employment by more than 9% and Reed Stenhouse ranks grew by 2%. ■

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M&M leads 20 largest U.S. brokers as A&A gains

1 Marsh & McLennan Cos. Inc.

1221 Ave. of the Americas, New York, N.Y. 10020; 212-997-2000

	1977	1976
Premium vol.	NA	NA
Gross rev.	\$415,219,000	\$345,725,000*
Employees	9,564	8,340
Rev./employee	\$ 43,415	\$ 41,454
Offices	148	143

Boosted by an aggressive push for new client business, the nation's largest insurance brokerage firm, Marsh & McLennan Inc., increased its revenues in 1977 by 22% to \$206.9 million. The brokerage subsidiaries' growth rate was faster than the 20% growth rate achieved overall by the parent company, Marsh & McLennan Cos. Inc.

The company's growth rate of

approximately 20% has been generally consistent for the last two years. During the past five years, the firm's revenues have increased by more than 15% every year.

But such rapid growth as 20% a year isn't likely to be sustained over the long-term, according to L. Patton Kline, chairman and chief executive officer of Marsh & McLennan Inc. Rapid growth caused by insurance rate increases will begin to subside and growth will come more from increasing market share, Mr. Kline said.

Marsh & McLennan is seeking new business from companies of all sizes and is gaining market share particularly in medium-sized accounts, Mr. Kline said. Highlighting the emphasis on maintaining M&M's growth was a February national management meeting designed to challenge employees to

agent/broker profiles

acquire and keep clients, to continue creative insurance marketing and risk management, to expand use of technical services, to recognize and respond to vital signs of financial progress or problems and to develop people through performance improvement.

A large emphasis has been placed on expanding technical services, Mr. Kline said. "We're proportionately concentrating on expanding into new types of services more than expanding our brokerage services through acquisitions," he added. The push for new technical services is part of the company's five-year plan to meet a

more competitive marketplace for brokers, Mr. Kline said.

For the brokerage operations, casualty insurance brokerage, including workers compensation, produced the greatest share of the firm's revenues at 40%. Property insurance contributed 25% while marine and aviation brought in 15%. Other income, including technical services, made up the remaining 20%.

During the year, M&M continued its pattern of acquisitions and of opening offices. In January 1977, the Marsh & McLennan Inc. subsidiary acquired The Furman Agency of Greenville and Columbia, S.C., and Greensboro, N.C., to expand its southeastern operations. In San Bernardino, Calif., the company acquired The Warren Freeman Agency Inc. in October



Marsh & McLennan is placing a major emphasis on expanding technical services, says L. Patton Kline.

1977. In addition, offices were opened in Stamford, Conn., Baltimore, Salt Lake City and Toledo, Ohio. In June 1978, M&M acquired Gardner, Clarke, Lampton & Feighny Inc. in Oklahoma City, Okla.

Marsh & McLennan International, subsidiary for the foreign insurance brokerage operations, established a new subsidiary called Dahl-Jørgensen in Denmark. In addition, the broker is attempting to strengthen its position in Brazil, Mexico, Argentina and the Andean Pact countries as well as in Japan, Australia and the Philippines.

"We're placing a particular effort into increasing the access of our clients to financially stable insurance operations outside the U.S., notably in Europe, but the Far East as well," Mr. Kline noted.

"It might possibly mean the opening of new offices, possibly also in London, although the situation here is still very fluid," he added, referring to Lloyd's restrictions on U.S. brokers.

William M. Mercer Inc., the employee benefit consulting subsidiary, also completed a merger during the year. The S.M. Hyman Co. the leading pension consulting firm in Baltimore, merged with Mercer late in the year. Mercer plans to develop a network of full-service consulting offices throughout the U.S. and Canada.

The reinsurance subsidiary, Guy
Continued on page 20

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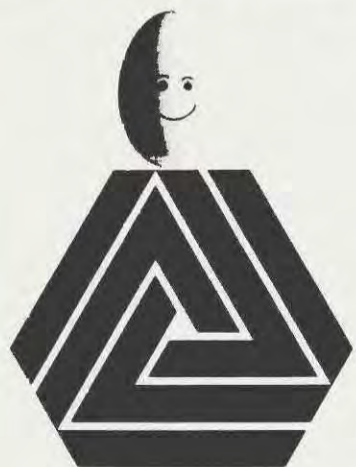
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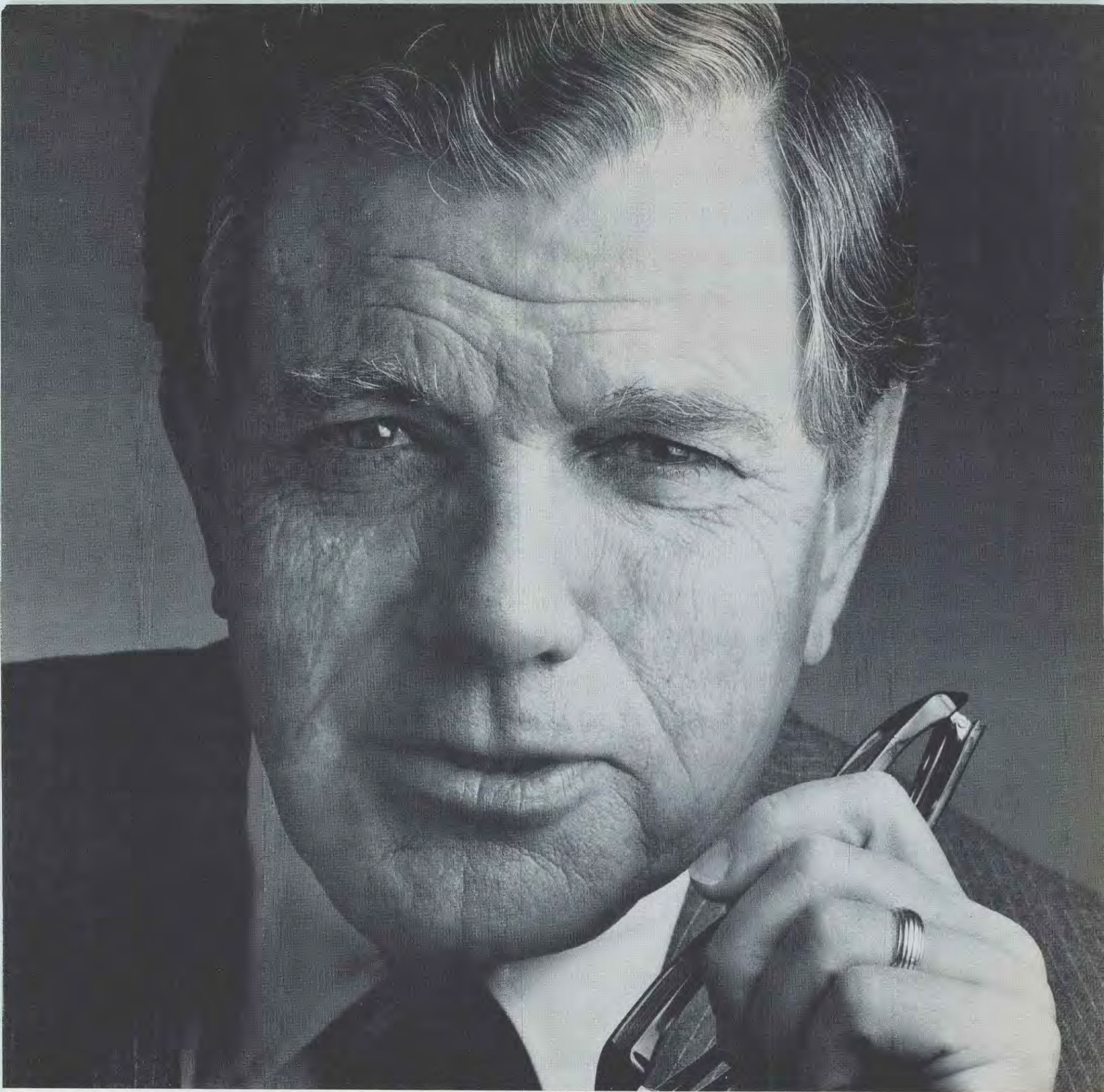
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Bill Carter, chairman, tells how A&A works from a client's point of view:

“The one constant in the ever-changing risk management environment is a partnership relationship.”

“The whole business atmosphere in which an insurance broker and his corporate clients relate today is charged with change — impacting from every social, economic, technological and legal aspect. It's almost a new ball game every day. It requires a high degree of professional sophistication never imagined just a few years ago. But the one factor that hasn't changed — at least at A&A — is the old-fashioned concept of partnership, of in-depth

involvement we pursue with our clients to protect their assets and enhance their bottom line.”

Working from a client's point of view is our way. From our top management to the men and women in over 110 cities here and overseas. That means working as allies, solving business problems together. It's why you can be sure that the programs we recommend — whether insurance-oriented or not — have been chosen as the most effective

way to meet your overall needs.

We think our dedication to acting as an ally of the clients we represent is a big reason why A&A has become a worldwide leader in the insurance brokerage and financial services business. We have the facilities, expertise and strength to act as effective allies. We work from a client's point of view, whether the corporation is large or small.

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agent/broker profiles

Continued from page 19
 Carpenter & Co., opened a new office in Dallas and expanded in Latin America by acquiring a 20% interest in two leading reinsurance brokerage firms, Cover C.A. of Venezuela and Cover International NV of Curacao. In addition, The Carpenter Management Corp. acquired a 17.5% interest in Reaseguradora Delta of Venezuela in November.

Marsh & McLennan Cos. has increased its number of international offices from 57 to 62 offices. The U.S. number of offices remains at 86.

During 1976, the heads of the five operating companies were elected senior vps of the parent company to reflect their involvement in the overall management together with their primary operational respon-

sibilities. Elected senior vps were L. Patton Kline, chairman of M&M Inc.; Alessandro C. diMontezemolo, president of M&M International; George G. Nichols Jr., chairman of Guy Carpenter & Co.; Robert E. Riley, president of M&M Management Co., and A.J.C. Smith, president of William M. Mercer.

In addition, Messrs. Smith and diMontezemolo were elected directors to replace William V. Platt and John Brodhead Jr., who did not stand for reelection.

Principal officers of the parent company include John M. Regan Jr., chairman, and Robert J. Newhouse Jr., president. Within the brokerage operations, principal officers are L. Patton Kline, chairman and chief executive officer; Kennedy B. Galpin, vice chairman; Harold H. Hines Jr., president; Robert Clements, executive vp of national services, and Phillip J. Brown Jr., executive vp of technical services.

	Salary	Cash incentive award
John M. Regan Jr.	\$268,114	\$125,000
Robert J. Newhouse Jr.	\$200,820	\$95,000
L. Patton Kline	\$132,257	\$68,750
Kennedy R. Galpin	\$110,492	\$50,000
A.J.C. Smith	\$104,598	\$50,000

Salaries for 28 directors and officers as a group amounts to \$1,859,127 plus cash incentive of \$651,700.

2 Alexander & Alexander Services Inc.

1211 Ave. of the Americas, New York, N.Y. 10036; 212-840-5500

	1977	1976
Premium vol.	NA	NA
Gross rev.	\$219,402,000	\$169,986,000
Employees.	5,100	4,200
Rev./employee.	\$ 43,020	40,473
Offices.	132	120

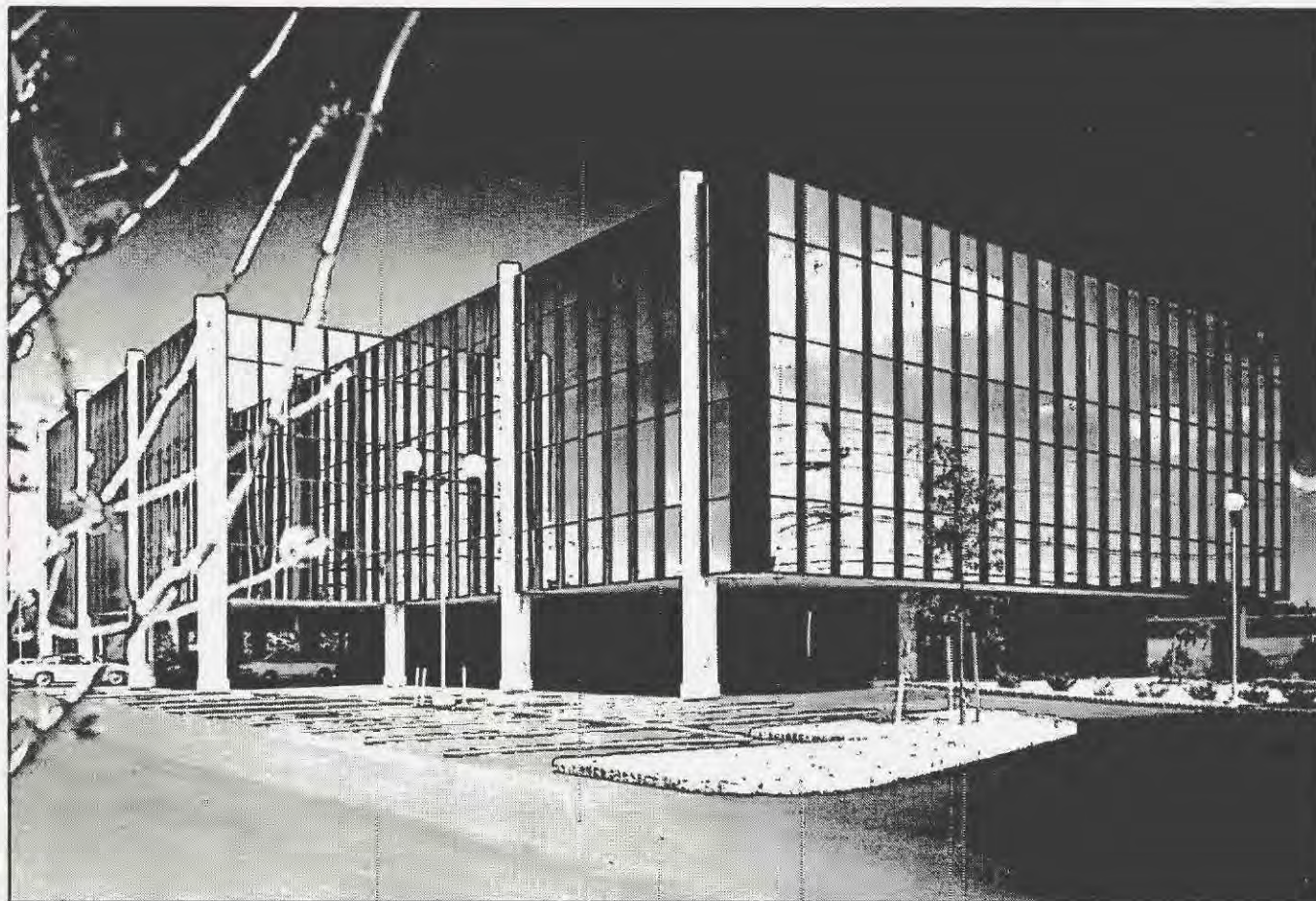
Alexander & Alexander Services Inc. reported the finest year in its history, increasing revenues 29.1% over 1976 to \$219.4 million, moving it to the coveted number two spot on the *Business Insurance* top 20 list.

A&A's growth rate was "slightly faster" than most other brokers, according to president and chief operating officer John A. Bogardus Jr.

Corporate expansion was achieved through record growth of new business development, which totaled more than \$24 million in 1977. Also contributing to the broker's growth were 16 mergers completed in 1977. To date in 1978, A&A has merged with 13 firms.

Mr. Bogardus said A&A considers a firm's geographic location and a broker's specialty areas when deciding whether to merge. He cited a merger with Albert G. Ruben & Co. Inc. in Los Angeles

Continued on page 22



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CORRESPONDENTS IN ALL STATES — EXCLUSIVELY THROUGH AGENTS AND BROKERS

Our sources of information

The information contained in the agent/broker profiles published in this special report was supplied by the brokers themselves. Although the information is accurate to our knowledge, *Business Insurance* cannot guarantee the accuracy of the information.

Special care has been taken with the figures and names contained in the profiles, but errors can happen. We'd like to know about any important errors so that we may correct mistakes. If something went wrong, just drop a note to Greg David, Managing Editor, 740 N. Rush St., Chicago, Ill. 60611 and we'll publish corrected figures.

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agent/broker profiles

Continued from page 20 as fruitful because A&A needed greater exposure to the entertainment accounts that the Ruben agency specializes in. Two mergers made for geographic considerations were with Incentive Industries Inc. in Newport Beach, Calif., and Pitt & Pauley Inc. in Greenwich, Conn.

The most consequential merger, according to Mr. Bogardus, was with Property Tax Service Co., a consulting firm in Dallas. This expanded A&A's property tax services to nine offices, making it the only firm to offer these services nationwide, according to A&A.

Another key merger was with Riscom Organization Ltd. of Great Neck, N.Y., a leader in self-insurance administration.

Two mergers in New York sig-

nificantly expanded A&A's services in the state. The firm merged with F.E. Seymour Inc. in Buffalo, one of the largest insurance agencies in western New York, and with The Holahan Agency, a leading firm in Rochester, N.Y.

An initial entry in central Ohio was achieved with the merger with Turner & Shepard Inc. in Columbus. This move was made to provide additional strength in employee benefits.

Operations were also expanded in Alaska, by merging with Ken C. Johnson Inc. of Anchorage. Elsewhere, A&A merged with a Puerto Rican firm, Barros & Carrion Inc., the broker's initial venture in that area.

Additional mergers were with Michaels Agency Inc. in Chicago; Winger Insurance Inc. in Green Bay; Townsend R. Morey Agency Inc. in Albany; Jules Radow Inc. of Long Island, N.Y.; Campbell & Jamison Inc. of San Francisco, and

Wilson & Alen in New York City.

A&A also expanded by opening 14 offices during 1977 and 1978 by mergers and office openings. Three offices were closed: Kinston and Charlotte, N.C., and Newark, N.J., which was relocated to Bloomfield, N.J. In addition, A&A operates in 36 foreign countries.

In a reorganization of the eastern division, the former east central region was split into a New York metropolitan region and a New York suburban-Puerto Rico region. The Southeast region became part of the expanded network along the entire Eastern seaboard.

To continue increasing internal growth, A&A plans to concentrate on gaining accounts of all sizes.

The small companies need a strong broker as well as large firms, said chairman and chief executive officer William L. Carter Jr. He added that small business accounts are very profitable and are less competitive.

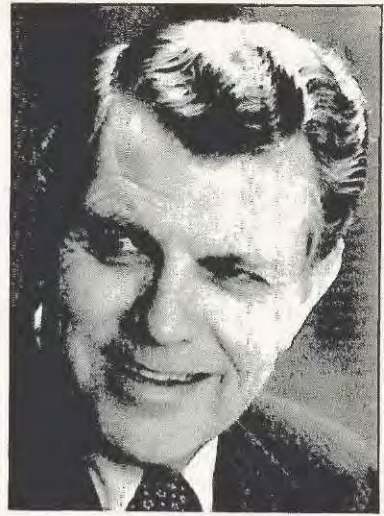
Of the various financial and in-

urance services that the broker offers, the fastest growing service, based on percentage growth, is human resource management, said Mr. Bogardus.

During the past year human resources has created a research and technical services group to update weekly the latest technical and political developments for HMR personnel. For its clients, the service provides periodic mailings concerning news in human resources.

Two other developments occurred in human resources during the past year. The department created an HMR seminar program, an audio visual presentation to update management in all employee benefits and compensation. An ERISA compliance guide developed by HMR is updated quarterly and covers pension and welfare plans for clients.

International services is the fastest growing service based on vol-



Small business accounts are very profitable and are less competitive, says A&A chairman William L. Carter, and they need good brokers as much as large companies.

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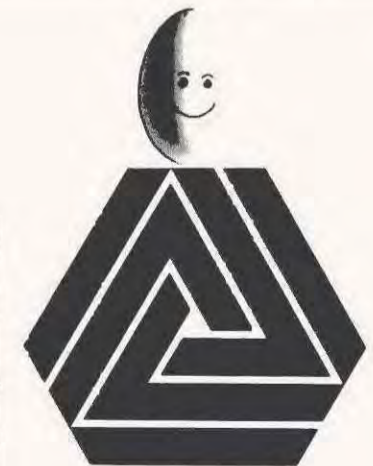
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agent/broker profiles

Continued from page 22
committee.

Another principal officer of the firm, Tinsley H. Irvin, was promoted to executive vp. Mr. Irvin has been a member of the board of directors since 1970 and the executive committee since 1975. He is director of the human resource management group.

Salaries of principal officers are:

William L. Carter Jr.	\$247,333
Kenneth W.S. Soubry	\$213,208
John A. Bogardus Jr.	\$207,673
Tinsley H. Irvin	\$149,042
Paul Gregory Chigrinsky	\$246,667

The salaries consist of base salary plus incentive remuneration, which pays executive and key management personnel specific awards for attaining company or individual goals. Salaries and bonuses for 21 directors and offic-

ers total \$2,467,720.

3 Johnson & Higgins

95 Wall St., New York, N.Y. 10005;
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Premium vol.	1977	1976
	NA	NA
Gross rev.	\$215,000,000*	\$175,000,000*
Employs.	4,700*	4,200*
Rev./employee.	\$ 45,745	\$ 41,670
Offices.	67	NA

*Business Insurance estimate.

Johnson & Higgins last year quietly slipped into a new position as the third largest insurance broker in the U.S., behind fast-growing Alexander & Alexander. J&H's estimated 22.8% growth for 1977 didn't keep pace with A&A's 29.1% expansion, but results nonetheless "exceeded our projections," said chairman and chief executive Richard I. Purnell.

Mr. Purnell didn't want to respond specifically to the news that A&A with its unbeatable acquisition pace passed up J&H and moved into the second spot. He steadfastly maintains that J&H's profit margins are better than A&A's, though he won't disclose exactly what they are, and he believes the quality of J&H's service to clients puts it at the top of the list.

Compared with J&H's growth over the past four years, 1977 looked pretty good. Revenues grew "close to 20%" in 1974, "about 20%" in 1975 and "about 23%" in 1976, Mr. Purnell confirmed. (*Business Insurance* estimated J&H's revenue increases for 1975 and 1976 at 19% and 23% respectively.)

Mr. Purnell was pleased with the development of existing accounts last year, along with "our greatest increase ever" in the acquisition of new business.

For this year, J&H is projecting a 16.5% rise in gross revenues, an 18% to 20% increase in operating profit and a 22.2% hike in net profit, Mr. Purnell disclosed. He attributes the lower goals to current softening of premiums, characterizing the property market as "pretty soft" already and the casualty market as "not quite as hard as it was a year ago."

J&H's revenues per employee rose last year to a healthy (estimated) \$45,745, with all indications that this is just about where Mr. Purnell likes it. "When this figure is at \$40,000 to \$50,000 per employee, it means you're healthy. Anything over that, and you're understaffed," he told *Business Insurance*.

In July 1977 J&H acquired Butler, Maveety & Meldrum Ltd. in Edmonton, Alberta, increasing the number of offices in Canada to eight. J&H has 33 offices outside the U.S. and Canada, including facilities in Teheran and Hong Kong opened in early 1977 and which were mentioned in last year's profile of the company. J&H owns and manages 26 offices in the U.S.

Of J&H's estimated 4,700 employees worldwide, 450 are in Canada and "over-800" are in other foreign operations, Mr. Purnell revealed. International business has doubled in the last four years in terms of gross revenues generated, accounting for about 25% of the total, said Mr. Purnell.

Subsidiaries include Willcox, Barringer & Co. with three offices and U.S. Facultative Management Corp., a wholly-owned division of Willcox, Barringer. J&H is presently forming a Bermuda-based reinsurance operation that will be a subsidiary of Willcox, Barringer. It should be operational by early September, said Mr. Purnell.

Another new venture for J&H during 1977 was the formation of a Brazilian joint venture reinsurance company based in the U.K. but operating in Brazil as a reinsurance

Continued on page 28

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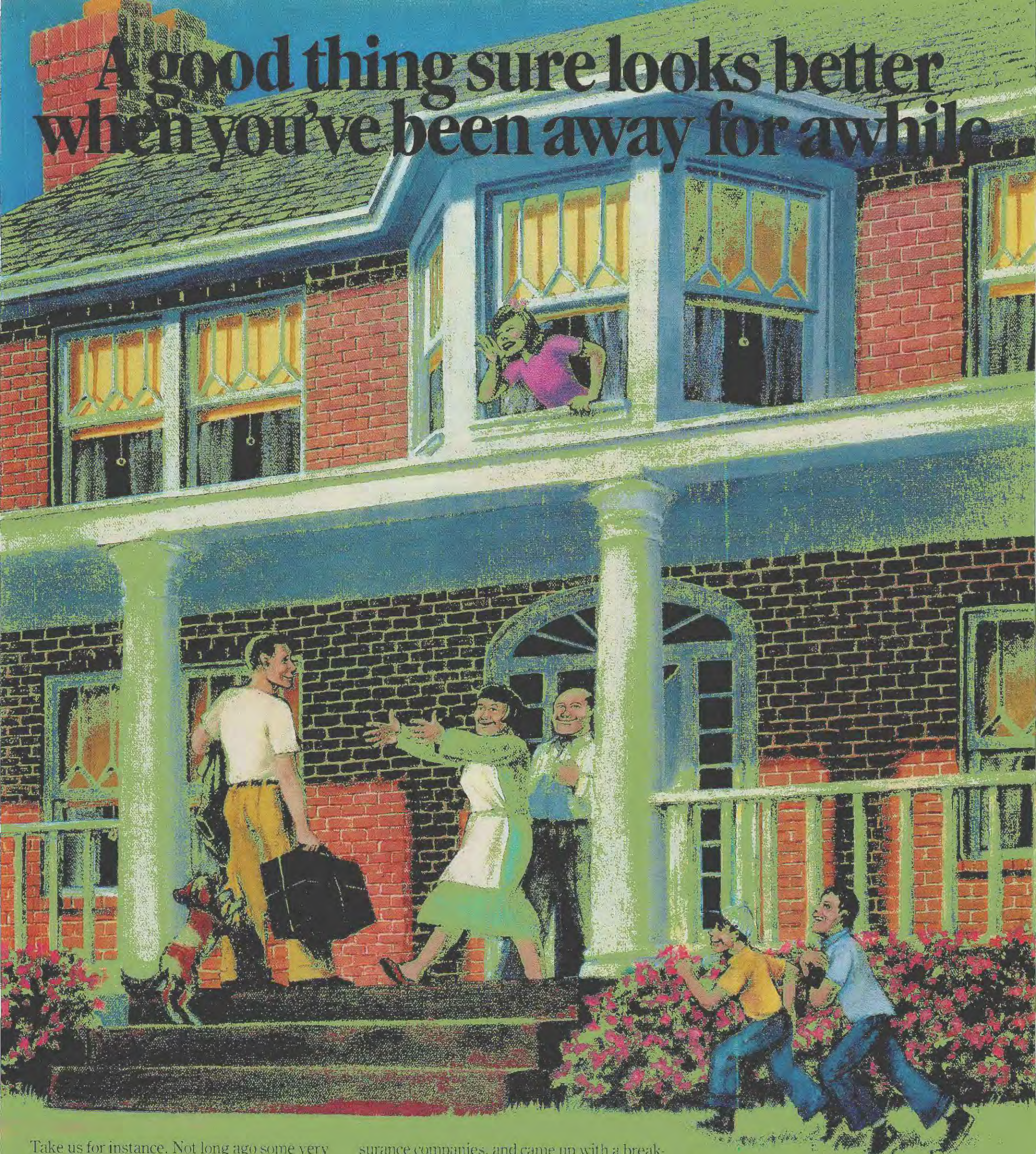
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what seemed to be greener pastures, he's probably watching them turn brown now. Consider this: he's got nothing to lose and plenty to gain by coming back. In fact, from a cost standpoint, he'll find we look very good. Especially after what's happened while he was away.

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agent/broker profiles

Continued from page 26
 broker. "We hope it will be an important reinsurance broker in Brazil and will expand it into other Latin American countries," Mr. Purnell noted.

In the U.S., J&H is looking to expand into a number of growing financial centers, including possibly such areas as Tulsa, Memphis, and Kansas City, as well as parts of Alabama, Mr. Purnell said. He plans to expand J&H's excess/surplus lines business and has the reinsurance operations "under constant review." Reinsurance presently accounts for about 5% of J&H's total business, he said.

J&H's revenues break down by line in this way: casualty generates 25% to 40% of the total, property 25%, benefits and group insurance 20% and marine/aviation 20%.

Risk management services are receiving increasing attention at J&H, which now has a data processing library containing 30 computer programs developed over several years.

More important than some of these developments, Mr. Purnell believes, is J&H's commitment to community and education. He is proud of the firm's expenditure of \$355,000 during 1977 on tuition for J&H staffers, and the pledge of two scholarships in Bermuda that are claimed to be worth \$100,000 over the next five years to help educate Bermudians in the insurance field.

Other key officers of Johnson & Higgins include Robert V. Hatcher, president; David H. Winton, senior vp; Richard A. Mitten, senior vp, and John H. McEown, senior vp. Two new directors were elected last year to J&H's board of 30, including W. Mitchell LaMotte Jr. in Chicago and George F. B. Owens in Pittsburgh.

Only one company offers a comprehensive risk management services program as a matter of policy.

Quarterly engineering publication, "The Locomotive"

Flood recovery action plan

Boiler log programs and start-up checklists

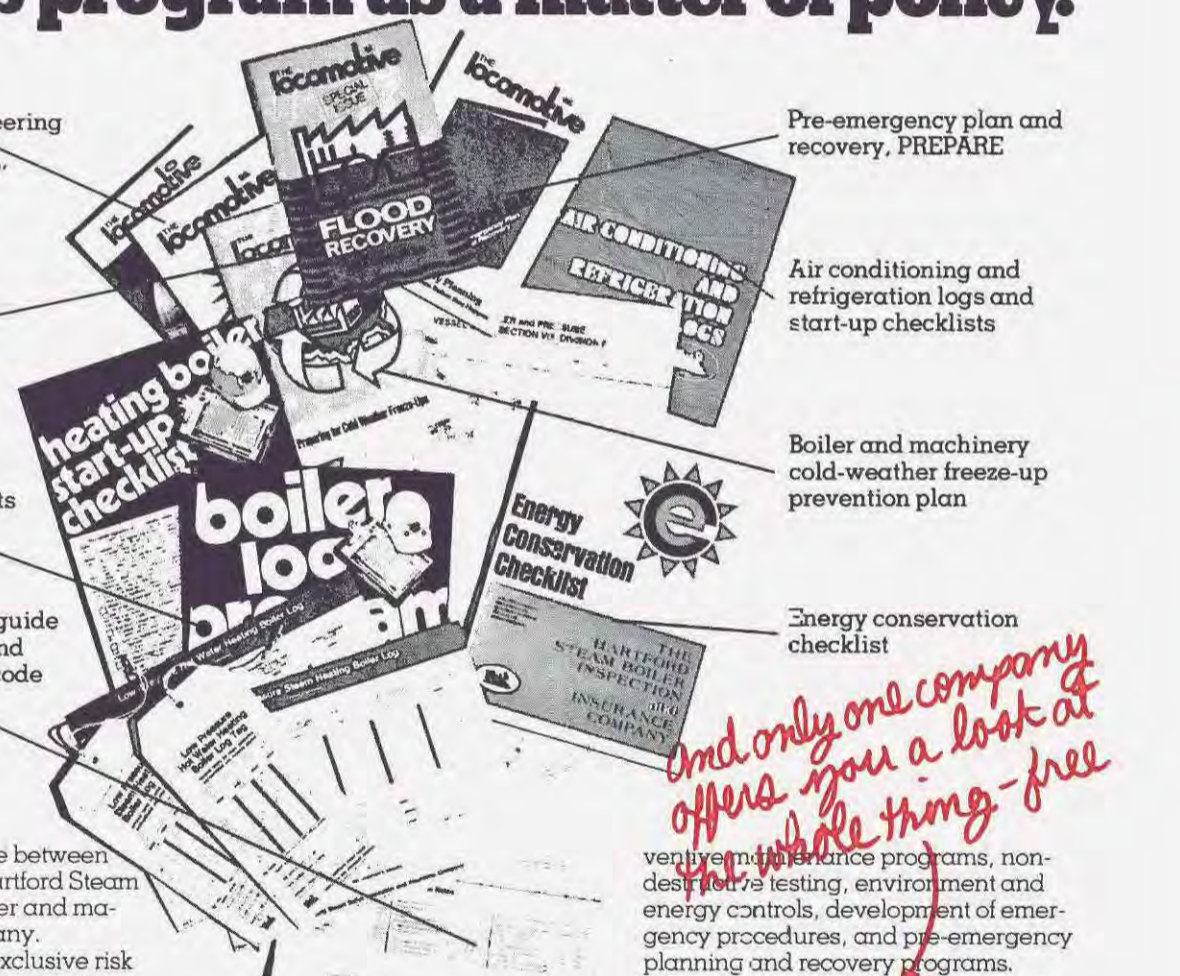
Quick reference guide to ASME boiler and pressure vessel code

Pre-emergency plan and recovery, PREPARE

Air conditioning and refrigeration logs and start-up checklists

Boiler and machinery cold-weather freeze-up prevention plan

Energy conservation checklist



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Fourth, our inspectors are better equipped than any others. For example, their worldwide experience is continuously pooled, thus creating a vast bank of boiler and machinery risk experience. This data is analyzed and updated to help you uncover and evaluate your exposures.

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ventive maintenance programs, non-destructive testing, environment and energy controls, development of emergency procedures, and pre-emergency planning and recovery programs. When intelligently applied, this program

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4 Frank B. Hall & Co. Inc.
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	1977	1976
Premium vol.	NA	NA
Gross rev.	\$149,214,000	\$124,845,000
Employees	3,200	2,900
Rev./employee	\$ 46,629	\$ 43,050
Offices	122	NA

Coming off a year in which its growth rate was almost 20%, Frank B. Hall & Co. Inc., the nation's fourth largest broker, expects to equal or better that performance in 1978, according to vp Peter J. Ripp.

The first quarter of 1978 was the "best quarter we've had since going public," he said. The year should see record growth, possibly exceeding last year's rate. Hall's growth rate has risen for every year since 1973.

However, insurance markets are softening and it is "difficult to discern" how that will affect the brokerage business, Mr. Ripp said. A soft market could mean lower premiums and reduced commissions, but it would also mean extra capacity, the ability to place more risks and to place them at lower marketing costs, he explained.

Thus, Hall is gearing up internally to "offset" any external slowdown. The firm has been aggressively adding to its staff, particularly in employe benefits, reinsurance and international insurance, areas that are enjoying faster growth.

In addition, Hall is developing an internal education facility aimed at upgrading the skills of its workforce. A vp-education has been appointed to develop the internal program and to counsel personnel on how to take advantage of educational opportunities outside the company.

"That skill quality will result in our people getting the business," said Mr. Ripp.

The fields being emphasized reflect corporate priorities, markets that present growth opportunities and Hall expertise, said Mr. Ripp.

Employe benefits represents 9% of Hall's volume, compared with 10% to 15% for the other national firms. While the firm offers the same services as the other national brokers, it can offer these services to a larger number of clients by increasing its staff, he added.

Growing reinsurance needs reflect an opportunity for expertise that has been developed serving present clients. Similarly, present multinational clients represent opportunities on the international level since often 50% or more of their total business is done overseas and it is "logical" for us to serve them from overseas facilities, Mr. Ripp said.

A proposed acquisition that could have major significance in

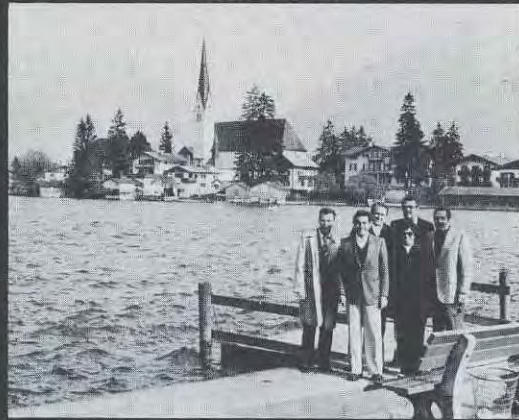
Continued on page 30

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agent/broker profiles

Continued from page 28

Hall's overseas expansion plans is the takeover of Leslie & Godwin of London. Hall has offered the equivalent of \$45 million for the brokerage firm.

An earlier bid by Hall to acquire Leslie & Godwin was rebuffed by the Committee of Lloyd's when it ruled that a foreign company could control no more than 20% of a Lloyd's broker. However, Lloyd's consented to a divestiture by Hall of all but 25% interest in Leslie & Godwin's Lloyd's broking business.

The Lloyd's business represents about 10% of Leslie & Godwin's volume and Hall's main interest in acquiring the British firm was to strengthen its overall position in that country, Mr. Ripp said.

In other international developments, Hall has entered into joint ventures with Malatier in France and M.W. Jast of Hamburg, West Germany. In addition, the company has a 50% interest in Gardner Symons Ltd. of Toronto.

Domestically, Hall made the following acquisitions: Flagler Insurance Agency, Miami, Jan. 1977; Motors Agency Inc., Houston and Dallas, Aug. 1977; Welch & Smith Inc., Seattle, Aug. 1977; Intercontinental Re Inc., Los Angeles, Sept. 1977; Marlette Insurance Agency, Stockton, Calif., Sept. 1977; Union Indemnity Insurance Co., Nov. 1977, and Kopeck Insurance Associates, Chicago, Dec. 1977.

Depending upon the nature of the acquisition, the newly acquired firms were either integrated into existing Hall operations or continued operating as separate entities, said Mr. Ripp. Hall intends to continue growing through acquisitions of offices in new locations, specialty operations and facilities that will strengthen Hall operations in a particular community, he added.

The firm presently maintains 66 domestic offices in 27 states and the District of Columbia. There are 56 foreign offices in 38 nations, 32 in which Hall has an equity interest.

Self-insurance administration and captive management are the fastest growing areas for Hall, Mr. Ripp said. This area has enjoyed strong growth over the past three years as a result of the tightening of insurance markets and currently represents between 10% and 15% of total revenues, he said.

Property/casualty lines represent the lion's share of Hall's revenues with 64%. The company breaks down the balance as aviation 6%; marine 9%; employe benefits 9%, other lines 13%.

The firm's outlook on insurance markets in the near future calls for a lowering of casualty rates, property rates remaining competitive and aviation and marine markets, which are currently soft, starting to level off.

However, Mr. Ripp added that while casualty rates could drop,

capacity will remain a problem and it is likely that the decline in rates will not be as sharp as the one that occurred several years ago.

Principal officers include Albert J. Tahmouh, chairman, president and chief executive officer; William C. Bartholomay, vice chairman; Melvin A. Holmes, vice chairman; Henry E. Froebel, executive vp; Colby Hewitt Jr., executive vp; James Stewart, chairman of the company's executive committee.

Salaries of principal officers are:

Albert Tahmouh	\$355,473
Melvin A. Holmes	\$102,767
Henry E. Froebel	\$236,847
Colby Hewitt Jr.	\$121,895
James Stewart	\$112,109

5 Fred S. James & Co. Inc.

230 W. Monroe St., Chicago, Ill. 60606; 312-726-4080

	1977	1976
Premium vol. ...	NA	NA
Gross rev.	\$113,487,000	\$88,684,316

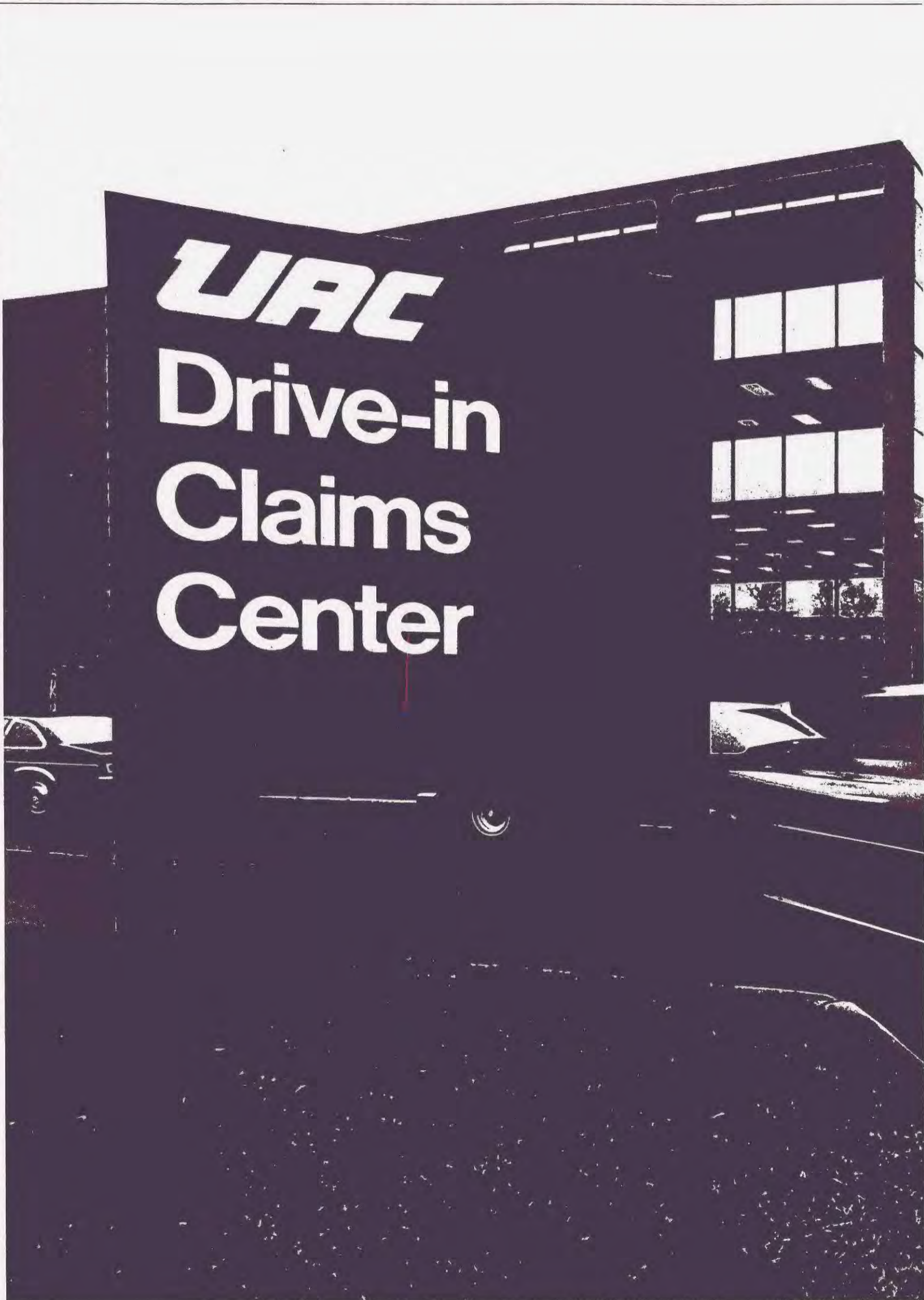
Employees	2,554	2,252
Rev./employee ... \$	44,435	\$ 39,380
Offices	73*	64*

*Domestic offices.

Fred S. James & Co. Inc. held its position as the fifth largest U.S. broker on the *Business Insurance* top 20 list with 1977 gross revenues of \$113 million.

It was "a banner year for James," said president William E. Burch. "Revenues moved over \$100 million for the first time, going from \$88 million to \$113 million, an in-

crease of 28%." He attributed 60% of the revenue growth to new business, including new lines from existing clients, which was due in part to management's emphasis on securing new clients. The balance of growth was spurred by increases in contingent commissions, investment income and insurance rate adjustments. The publicly held broker has showed revenue increases for the past 16 years, most recently 24% in 1976, 14% in 1975 and 13% in 1974.



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The areas of accelerated growth in 1977 included workers compensation and employee benefits self-insurance and rehabilitation services, said the president. "Our revenues from self-insurance services have increased 200% over the last three years. We expect this trend to continue." Reinsurance services, provided through the James subsidiary John F. Sullivan Co., "reported a vigorous revenue increase of 36%," Mr. Burch said. Walker, Sullivan Co., the broker's

surplus lines operation, produced revenues 30% higher than last year.

James serves more than 300,000 clients, primarily commercial accounts of medium-sized businesses. "No single customer accounts for as much as 1% of revenues. The 10 largest customers constitute less than 6%," the company points out.

Casualty business brought in \$48 million in 1977, or 43% of James's revenues, followed by property at

\$22 million or 19% of gross revenues. That represents a small shift toward more casualty business in 1977 compared with 1976, which the company said was influenced by substantial casualty rate increases during the past two years. Employee benefits and life insurance sales generated 9% of James's revenues in 1977, the same proportion as in 1976. Marine insurance also accounted for 9% of revenues in 1977, followed by reinsurance at 7% and bonds at 4%, generally the

same proportions as in 1976.

During 1977, James continued to expand its domestic facilities. It acquired five new firms, including Rathmell Cos. with offices in Houston, Washington, D.C., and Bermuda; W.W. Rice Co. with offices in Chicago and Wichita; Warren F. Kimball & Co. Inc. of Hartford; DeVoto-Lewis & Co. of San Francisco, and Richard J. O'Brien Co. Inc. in Omaha.

In addition to these acquisitions, the broker opened new branch of-

fices to serve the expanding client demand for self-insurance services for workers compensation and employee benefit programs and rehabilitation services.

Internationally, James also branched out during 1977. New offices of Minet James International Ltd., a company jointly owned with Minet Holdings Ltd. of London, were opened in Iran, Thailand and Chile. MJI employs 870 persons in 46 offices throughout the world. The staff of James (Bermuda) Ltd. was also "substantially increased to provide additional support to our captive and offshore reinsurance company management services," said Mr. Burch. Underwriting capabilities are being developed to augment the management services.

"The interrelation of the domestic and international activities has ever-increasing significance to the future growth of James," Mr. Burch continued. "It is a natural by-product of increased levels of overseas business activity and investment by companies throughout the world."

Assessing accomplishments in the last year, the firm is particularly proud of the development of a policyholder errors & omissions policy by board vice chairman Leo C. Havey. "This totally new concept protects clients against their errors and omissions in maintaining their own insurance policies," Mr. Burch explained. "The rate of sales has been very good," he noted.

Considering the state of the insurance business, Mr. Burch observed, "It is generally accepted that the 'boom' will gradually abate, due to the easing of insurance rate increases in certain classes of insurance, increased use of self-insurance or large deductibles and a generally intensified competition among the firms in our industry." Still, the James president predicts "a steady growing need for our expanding field of service.

"The increasing complexity of our industrialized society has brought with it a corresponding need for greater capabilities and more sophistication in the marketing, servicing and funding of the commercial insurance risk," Mr. Burch explained. "This service is necessary and not just limited to the very large commercial insurance purchaser, but to the medium and small purchaser as well."

At this year's annual meeting, the James board formalized the manner in which the company has been operating for the past three years by creating the office of chief
Continued on following page

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Those who just missed

Below the top U.S. firms and the three Canada-based leaders are several fast-growing regional brokerage firms who may be contenders to jump onto the top 20 list in future years. The up-and-comers include Albert M. Bender Co. Inc. in San Francisco, with 1977 revenues of \$9 million on a premium volume of \$60 million. Bender's revenues jumped 42.2% on a 30% growth in premiums. At the same time, Bender's employe roster grew 13.5% to 210 during the year. Part of this growth was due to the acquisition of two agencies during 1977.

Barely below Bender is Poe & Associates in Tampa, who came in with revenues of \$8.9 million, up almost 50% from 1976 revenues of \$6 million. Close behind Poe's \$8.9 million is Lawton-Byrne-Bruner Insurance Agency in St. Louis with \$8.5 million in revenues and 207 employes. Lawton's fortunes improved by 14.8% last year.

A new addition to the list this year, and a comer, is Calco Insurance Brokers & Agents with 230 employes pulling in \$7.25 million revenues, in the booming community of San Mateo, Calif. Calco grew 30.5% during 1977.

agent/broker profiles

Continued from preceding page executive. The responsibilities of the office are shared by president William E. Burch, chairman of the executive committee Charles A. O'Malley and chairman of the board James H. Vaughn.

The five highest paid executives of the firm in 1977, considering base compensation and bonuses were: (Mr. Sullivan is a director and executive vp of the subsidiary John F. Sullivan Co. and Mr. Weatherford is executive vp and a regional director.)

	Base compensation	Bonus
J.F. Sullivan	\$ 83,853	\$188,177
William E. Burch	\$166,178	\$ 97,500
James H. Vaughn	\$157,057	\$ 91,000
Charles A. O'Malley	\$145,536	\$ 91,000
William E. Weatherford	\$123,393	\$ 74,750

As a group, the 28 James directors and officers earned \$1,973,416

in base compensation and an addition \$1,256,523 in bonuses, for a total of \$3,229,939.

6 Corroon & Black Corp.

150 William St., New York, N.Y. 10038; 212-732-4900

	1977	1976
Premium vol.	\$1,030,000,000	\$800,000,000
Gross rev.	\$ 90,012,000	\$ 65,975,000
Employees	1,983	1,531
Rev./employee	\$ 45,392	\$ 43,093
Offices	57	50

A "combination of circumstances" led to a 36.4% growth in revenues for Corroon & Black in 1977, said chairman Robert F. Corroon. The growth rate exceeds the five-year growth rate of 24% and 1977's growth exceeded already high expectations.

Mr. Corroon cited new business from existing and new clients as well as inflation in the form of higher property values, replacement costs and liability settle-

ments as responsible for the company's "exceptional financial results."

The firm had considerable success with some of its specialty lines, including contractors in the western states and coverages for public entities. New business was attracted from a liability program developed for school districts that included a self-insured retention, loss control and excess coverage negotiated on an attractive basis, Mr. Corroon said.

The program has attracted business from smaller cities primarily in the Southeast and Southwest, he added.

During 1977, Corroon & Black acquired Atkinson-Dauksch Inc. of Columbus, Ohio, in March; Dawson & Co., of Seattle, Wash., and Anchorage, Fairbanks, Juneau and Sitka, Alaska, in August, and James Burpo Insurance Inc. of Sacramento, Calif., in October.

So far this year, the company has acquired G&M Associates Inc. and Volin & Associates Inc., two Chicago firms that have been merged into existing operations in that city. In addition, the company announced an agreement in principle to acquire the insurance business of The Caine Co. of Greenville, S.C.

Corroon & Black is continually reviewing acquisition opportunities, both insurance and non-insurance related, said Mr. Corroon. "As we grow we're approached more and more by people who want to sell us something. But, we'll stick to our niche—the insurance business."

The company divested itself in 1977 of a non-insurance related computer subsidiary, Data Service Corp.

Also last year, the firm organized an offshore captive management subsidiary, Corroon & Black - Cockburn Ltd. of Bermuda. Mr. Corroon predicted excellent prospects for this venture, adding that it formalizes operations that had been going on on an informal basis.

Casualty lines represent the fastest growing area of the business, according to Mr. Corroon. He sees rates at a plateau, adding that while they are not dropping, risks such as product liability can now be placed whereas a few years ago a market could not have been found.

Casualty lines account for 44% of Corroon & Black's revenues. Other major areas are property 22%; employe benefits and life 15%; reinsurance 10%; fidelity and surety 6% and marine 3%.

Mr. Corroon said the firm is also considering expanding its benefit communications division

Continued on page 34

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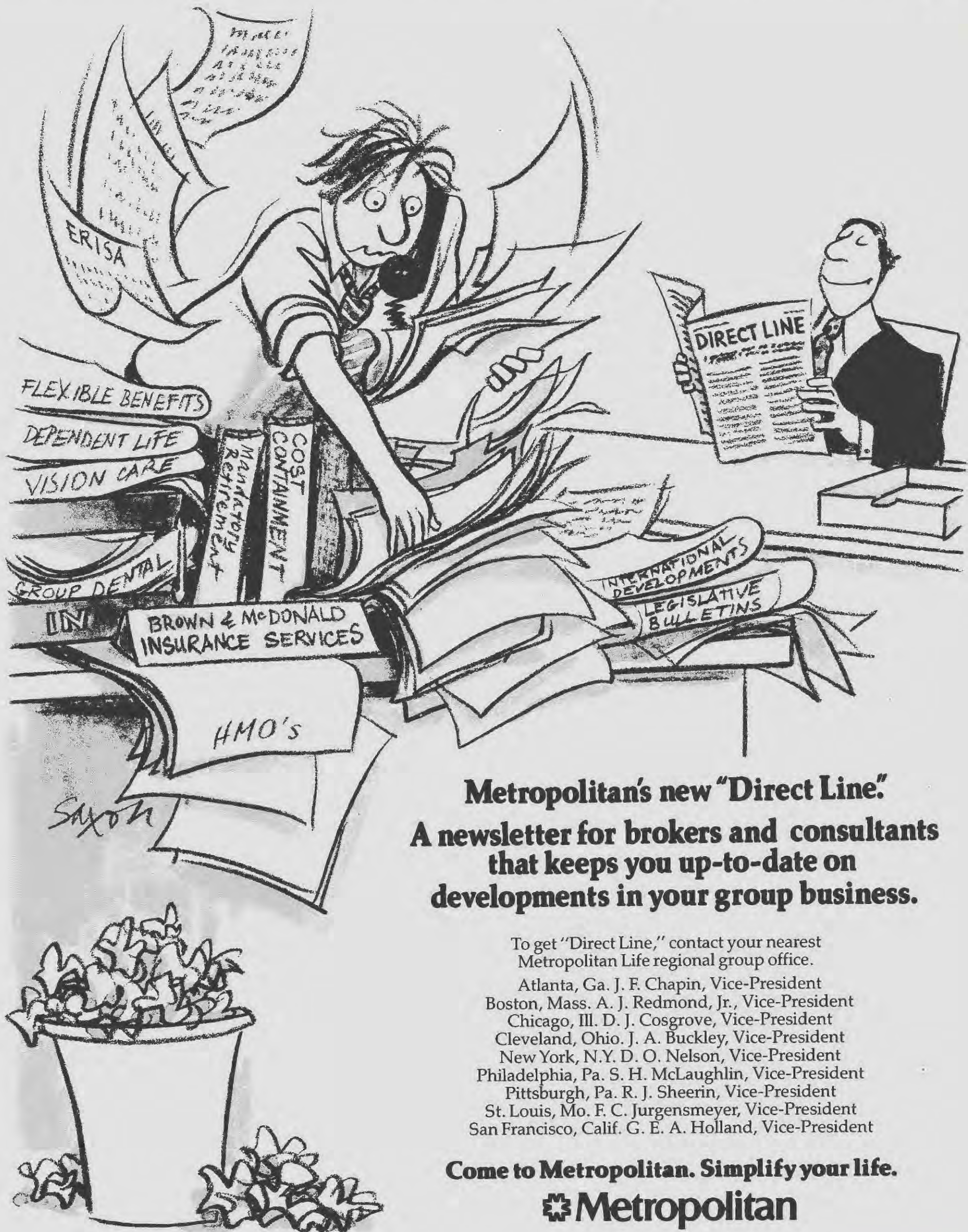
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agent/broker profiles

Continued from page 32

—Fringefacts. While currently a small part of the overall operation, Fringefacts represents growth opportunities, he said.

At present, Corroon & Black serves approximately 50,000 commercial clients of all sizes. Rather than concentrate on one size firm, the company prefers to market in areas where it has expertise, such as contracting and public entities, and pursue organizations of all sizes, Mr. Corroon explained.

"There are only a limited number of Fortune 500 companies, but there are thousands of smaller firms that are excellent prospects for our company," he said.

Principal officers of Corroon & Black include Robert F. Corroon, chairman and chief executive officer; Frank M. Hagan, president and chairman of the executive committee; Richard M. Miller, executive vp and chief operating officer; Joseph V. Ambrose Jr., vp and secretary; Robert H. Kaiser, vp-finance.

Salaries and incentive for the top executives in 1977 were:

Robert F. Corroon	\$229,700
Frank M. Hagan	206,200
Richard M. Miller	182,389

7 Rollins Burdick Hunter Co.

10 South Riverside Plaza, Chicago, Ill. 60606; 312-454-1400

	1977	1976
Premium vol.	NA	NA
Gross rev.	\$47,138,462	\$38,929,325*
Employees	955	906
Rev./employee	\$ 49,360	\$ 42,968
Offices	37	35

*Restated to reflect acquisitions.

Rollins Burdick Hunter Co. maintained its position as the seventh largest broker on the *Business Insurance* top 20 list with a 21% increase in gross revenues in 1977 over 1976. The growth is slightly ahead of the previous two years which each produced a 19% increase in gross revenues, but 1977 produced in a substantial jump in revenues per employee.

The Chicago-based broker, which considers itself very competitive, attributes its continued growth to four factors: the addition of 150 substantial new clients; increased business from existing



Photo: Kathryn J. McIntyre

Sales of services at RBH represent only a small percentage of income since the broker doesn't sell services separately, says the broker's president, Charles H. Mather.

clients; larger premium volume due to increased property values and protection against potentially larger casualty losses, both caused by inflation, and demand for new types of insurance arising from

governmental, environmental and other pressures.

President and recently named chief executive officer Charles H. Mather said, "We were pleased with last year but we always like to do better." In the first quarter of 1978, total revenues had increased 19% over the same period last year.

Property insurance contribution to gross revenues increased slightly in 1977 to 38% compared to 35% in 1976. Casualty insurance

contributed 41% to gross revenues in 1977, down from 43% in 1976. "We've always been strong in the property business," Mr. Mather observed, "while 1976 reflects the casualty market," which was experiencing large price increases that year. Employee benefit programs accounted for 8% of income in 1977, down from 9% in 1976, while marine and reinsurance grew to maintain a steady contribution to revenues of 4% each as in 1976.

Sales of services, however, independently represent only a small percentage of income at RBH since the broker doesn't sell services separately from client-related services, said Mr. Mather. "We do provide a number of services which may not be directly related to a specific insurance package, but we do not independently as a normal course of business sell, for example, engineering services to someone who is not a client," he explained. Personal lines of insur-

ance do not contribute significantly to the commercial broker's income, he added.

RBH, which takes pride in a reputation for being able to handle the difficult-to-place risk, continues its emphasis on serving major accounts, noting that the definition of "major" is relative to the opportunities in a given area. The broker highlights its service to the industrial, utility, transportation and financial sectors of business.



Last year the firm increased the number and geographical spread of its offices with four acquisitions. Strong & Co. of San Francisco became part of Rollins Burdick Hunter of Northern California and D.P. Scharff & Co., formerly in San Francisco, is part of the RBH Palo Alto office. James T. Phelps & Co. in Boston is now Rollins Burdick Hunter of Massachusetts and Ramey-Mannan & Co. of Indianapolis is now Rollins Burdick Hunter of Indiana. So far in 1978,

RBH has acquired George V. Kane & Co. of Houston to form Rollins Burdick Hunter of Texas, which gives the broker additional entry to oil-related accounts. The firm now operates 24 domestic offices, up from 19 in 1976.

In 1977, the broker consolidated its international operations under central coordination and direction in the name of Rollins Burdick Hunter International Inc. Mr. Mather said the reorganization was

intended to improve coordination with domestic activities, improve communications and concentrate efforts. More staff has been added to further foreign insurance business, said vp of finance and administration Michael J. Starshak.

The firm is engaged in two joint ventures with C.E. Heath & Co. of London. Rollins Heath operates offices in Latin America, Japan and Korea and Heath Langeveldt Rollins operates offices in Southeast Asia. Foreign offices now number

13, down from 16 in 1976 due to consolidation of facilities and the closing of the Lima, Peru office. RBH also maintains correspondent relationships with brokers in other major cities around the world.

Also consolidated in 1977 were the broker's services related to captive or subsidiary insurance companies under the name Rollins Burdick Hunter Management Inc. The executives noted that RBH

isn't just involved in captives but can also take a client into the insurance business. Its Bermuda management company, Rollins Burdick Hunter of Bermuda Ltd., shares staff with Armco Insurance Management Ltd.

Last year Rollins Burdick Hunter further developed its loss forecasting services to give clients "a better measuring device to predict probable future loss to make decisions on how to fund risks," Mr. Mather said. The improved financial analysis computer programs provide rapid projection and analysis of anticipated results for each of the risk funding alternatives under study.

Mr. Mather reported some softening of markets now that portends a trend toward insurance companies returning to a more competitive posture in casualty as well as property insurance, though the latter exhibited earlier signs of competition, he said. "But exposure and loss records make a lot of difference," the president stressed.

Chairman Adrian B. Palmer said at the company's annual meeting this year that improved market conditions will allow RBH to "accommodate more fully our clients' needs for insurance coverage and apply more creative thinking in the design of new products and techniques in risk management." Mr. Mather observed that the broker's challenge remains "to grow with our clients and continue to provide the range and quality of service they require and attempt to anticipate their needs."

Mr. Mather was named chief executive officer on July 1, succeeding Mr. Palmer who remains chairman of the board. William C. Snyder was named chief operating officer to succeed Mr. Mather. Other principal officers include A. Norman Freeman, vice chairman; George S. Burrows, executive vp; Michael J. Starshak, vp of finance and administration, and Raymond J. Kenny, secretary/treasurer.

RBH's five highest paid executives and their salaries in 1977, as reported to the Securities & Exchange Commission, are: (Mr. Cole is vp and chairman of Rollins Burdick Hunter of Oregon Inc.)

Adrian B. Palmer	\$165,000
A. Norman Freeman	\$150,000
Charles H. Mather	\$150,000
George S. Burrows	\$122,500
Richard M. Cole	\$116,245

8 Bayly, Martin & Fay International Inc.

3200 Wilshire Blvd., Los Angeles, Calif. 90010; 213-381-5371

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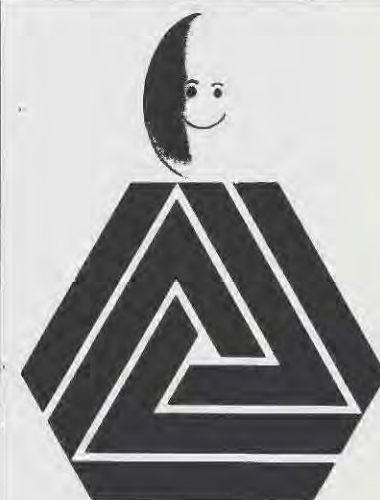
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Continued from preceding page

	1977	1976
Premium vol.	\$543,000,000	\$306,000,000
Gross rev.	\$ 45,500,000	\$ 25,600,000
Employees	1,200	750
Rev./employee	\$ 45,250	\$ 34,133
Offices	39	23

Bayly, Martin & Fay, the eighth largest insurance broker in the *Business Insurance* list of the top 20 brokers, reports that 1977 measured up to the firm's expectations.

"We exceeded our growth goals on continuing operations independent of our gains by acquisitions," said national vp Samuel Alcorn. Property/casualty revenues totaled 78% of BMF's gross revenues while employee benefits and group insurance contracts provided about 22% of gross revenues.

Mr. Alcorn explained that reductions in income as large clients



Bayly, Martin & Fay continues to try to balance its 50,000 commercial clients among large, medium and small accounts, reports national vp Samuel Alcorn.



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moved into higher levels of self-assumption: of risk were offset by generally higher premium levels on all business, by management and consulting fees on loss funding programs and captives and by a continued expansion of clients. Property insurance rate levels were competitive in 1977, he said, while all other lines increased.

Growth rates for last year exclusive of acquisitions were higher than "our average growth rate over the preceding five years," he said.

BMF now has offices in 41 U.S. cities or double the number the firm had last year. Behind the growth is the acquisition of Harlan, Inc. on Dec. 13. This move alone gave BMF 18 more cities. So far this year BMF has acquired Wease & Co. of Portland; Mid Continent Insurers of Lincoln, Neb., and Brady & Associates of Anchorage, Alaska. The firm, which acquired The Clary Agency in Anchorage several years ago, is planning further expansion into additional cities in this country in 1979.

BMF has foreign divisions in London, Paris and Oslo, the same as in 1977.

At the same time, it closed its Stamford, Conn., office a few months ago and moved to incorporate its BMF-Philadelphia office into Harlan's larger Philadelphia division.

Not surprisingly, the greatest growth for the company last year took place in the Sun Belt, specifically in Atlanta, North Palm Beach and Dallas. The acquisition of Harlan greatly increased the firm's penetration in that part of the nation, adding another office in Georgia, two additional offices in Florida, six offices in Louisiana, a major base in Houston and two offices in Oklahoma.

Petroleum and oil contractor clients were markedly increased by the Harlan acquisition while the number of aviation clients was boosted for a number of reasons. These include the work done by the Clary agency in Anchorage, start-up aviation operations in Seattle and Los Angeles, Brady & Associates in Anchorage, the Philadelphia division's aviation unit and Harlan.

BMF has 50,000 commercial clients, a boost from 1977 caused by growth in existing operations and the acquisition of Harlan Inc.

Mr. Alcorn said that BMF business continues to be balanced among large, medium and small accounts. He attributed the growth in smaller clients to association or trade group programs and growth in jumbo sized clients to the expansion of loss funding programs and their administration.

New services added in 1977 include diversification of aviation

Continued on page 38

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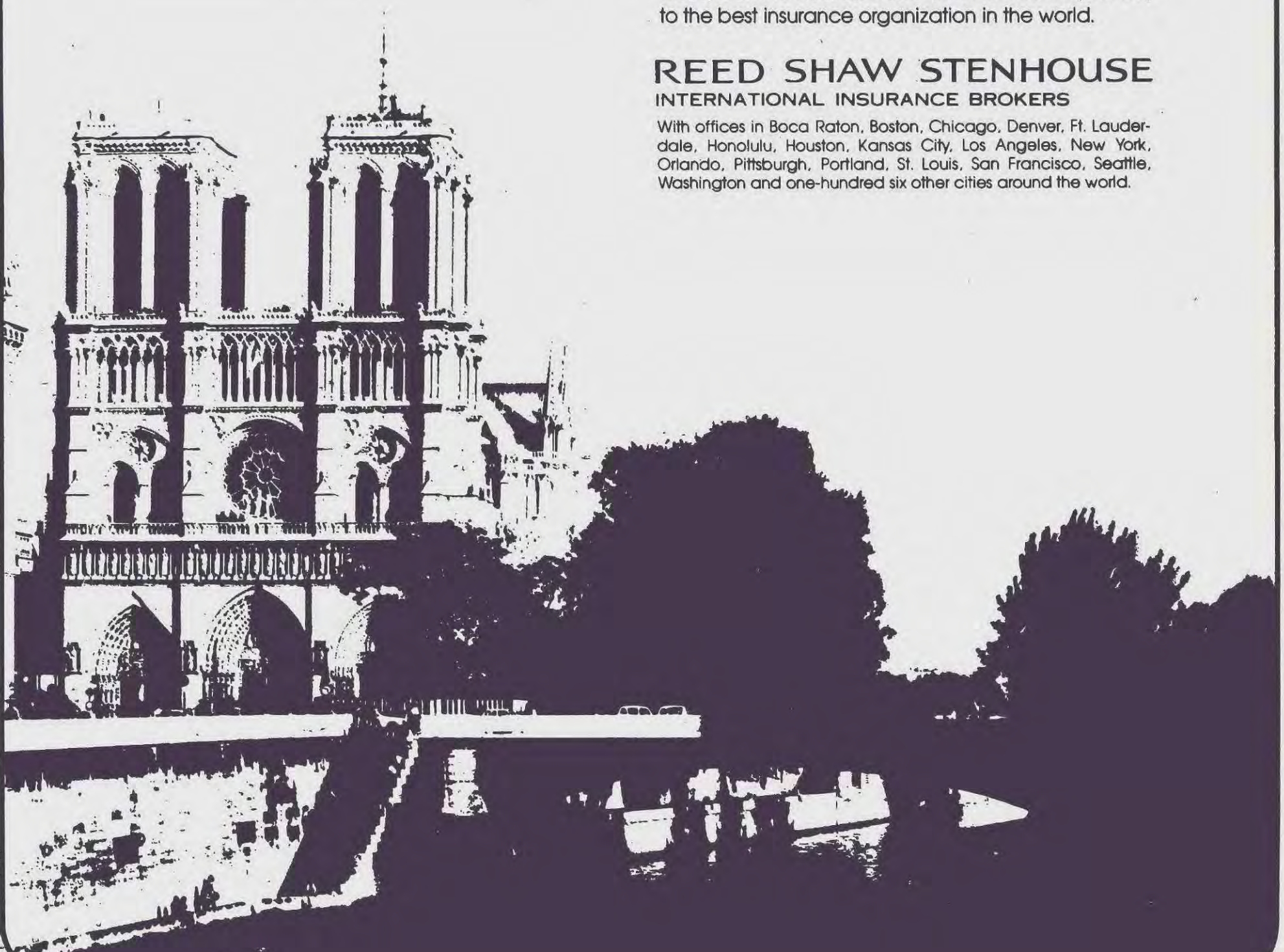
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agent/broker profiles

Continued from page 36

capabilities through the firm's new specialists in Philadelphia, Los Angeles, Seattle and Anchorage. According to Mr. Alcorn, the broadened aviation operations have significantly improved BMF's position with aviation underwriters and have made the company a major competitive factor in the commercial aviation field.

BMF instituted numerous major personnel changes during 1977. Andrew Potash, CPCU, was elevated to president and general manager of BMF, New York, while William Baxter, formerly executive vp of Frank B. Hall & Co. Inc., was hired to be president of the northwestern division of BMF International. Mr. Baxter also coordinates BMF's new aviation cen-

ters throughout the country. Edward Fitch, president of BMF's Los Angeles division, became president of the southwestern region of BMF International.

In addition, with the acquisition of Harlan Inc., BMF International created three regional presidents to coordinate the BMF/Harlan divisions. Joseph N. Tate, CPCU, president of Harlan Inc., became president of the eastern division of BMF International.

The regional presidents coordinate with the corporate staff to BMF International, which remains unchanged.

The state of the insurance business right now? Mr. Alcorn believes that it is in transition, moving into a period of competitive pricing on uncontrolled lines. Workers compensation rates continue to go up, reflecting higher benefit and loss trends. Rates on personal auto in some states still lag behind losses creating severe problems of shortage of market and extensive reliance on assigned risk plans, he said.

Because of consumer pressure, Mr. Alcorn noted that insurance departments are generally resisting rate increases in states where rate approvals are required.

Commercial lines generally are more competitive with prices leveling or reducing, he said. "We foresee acceleration of rate competition which will level brokers' income during the last half of 1978 and will reduce brokers' income during the first half of 1978.

Recruiting qualified people to keep pace with BMF growth is the biggest challenge the firm faces, according to Mr. Alcorn.

The principal officers of Bayly, Martin & Fay International include Charles R. Warde, president; Samuel Alcorn, CPCU, Jack H. Seiter and Benjamin C. Neff, all senior vps; Eric Dahlberg, president-finance; Joseph N. Tate, CPCU, president-eastern region; William Baxter, CPCU, president-northwestern region; Edward M. Fitch, president-southwestern region.

9 R.B. Jones Corp.

Commerce Tower, 911 Main St., Kansas City, Mo. 64199; 816-391-1000

	1977	1976
Premium vol.	NA	NA
Gross rev.	\$25,691,000*	\$21,894,000*
Employees	648	695
Rev./employee	\$ 39,647	\$ 31,502
Offices	17	21

*Fiscal year ending October 31

R.B. Jones Corp., the nation's 9th largest broker, recorded a 17.3% increase in gross revenues in its last fiscal year. "We had an excellent growth year," said chairman of the board James P. Metzler. The firm's gross revenues and net income set all time highs.

Mr. Metzler attributed the record earnings to inflationary factors that boosted premiums from existing accounts, attracting new clients and the development of a more "sophisticated, professional sales force throughout the nation."

In a major development, the Kansas City-based firm is forming a new insurance brokerage company in Bermuda which will function principally as a captive broker.

"It is a whole new horizon of brokering," is the way Mr. Metzler describes the Bermuda venture.

The Internal Revenue Service ruling of August 1977 appears to have made it necessary for a captive to accept outside business so its parent can receive tax deductions for premiums paid into the captive. As a result there is a need for a captive broker to place insurance business from one captive to another, Mr. Metzler explained.

Examples of R.B. Jones's Bermuda insurance brokerage's oper-

Continued on page 40

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81 8/78

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agent/broker profiles

Continued from page 38

ations include placement of part of a corporate risk with a captive and placing one piece of a captive's business with another captive. In addition, R.B. Jones formed a wholly owned management company in Bermuda known as R.B. Jones Bermuda Ltd.

In the last year, R.B. Jones beefed up its risk management services, particularly its fire protection, loss prevention and technical insurance services.

The company's Kansas City, St. Louis, Atlanta, Tulsa and Houston offices all turned in solid performances, but Mr. Metzler singled out the firm's excess and surplus wholesale brokerage operation, Illinois R.B. Jones Inc., for a "super, fantastic" year.

In addition, Mr. Metzler reported that growth in property and casualty coverages was good, while growth in the marine business was excellent.

In its fiscal year, 50% of R.B. Jones's revenue came from casualty insurance, 19% from property, 10% excess and surplus lines, 10% marine and 8% from employee benefits. In the last five years, the percentage of revenues from casualty and excess surplus lines has risen steadily while the percentage of revenue from property coverages has declined.

Mr. Metzler said the marketplace is becoming more competitive again as insurance companies report profits from underwriting operations. "As capacity opens up we are going to see better competitive pricing than we have seen for the last three years," he said.

"I see nothing but good for the insurance broker in the U.S. for 1978 and 1979 provided that the broker is willing to get out on the street and make his calls to solicit new business," Mr. Metzler said.

The biggest challenge brokers will face in the next five years is how to cope with the trend toward group purchase of insurance instead of the traditional individual corporate purchase.

Principal officers of R.B. Jones include: James P. Metzler, chairman of the board; John W. Less, vice chairman of the board; John W. Tucker, president and chief executive officer; H. Gerald Bishop, executive vp; Joseph M. Crahan, executive vp; Louis Lange Jr., senior vp; Robert H. Lange, senior vp; J. Philip Starr, senior vp; Kenneth E. Hawkins, senior vp; and Charles R. Morrell, senior vp.

Salaries of top corporate officers are:

	Salary	Other income
James P. Metzler	\$ 78,333	\$10,000
John W. Less	\$107,500	\$31,667
John W. Tucker	\$ 85,833	\$35,845
H. Gerald Bishop	\$ 63,667	\$15,000
Joseph M. Crahan	\$ 64,167	\$15,000
Louis Lange	\$ 59,000	\$28,831

10 Penn General Agencies

11620 Wilshire Blvd., West Los Angeles, Calif. 90025; 213-820-7070

	1977	1976
Premium vol.	NA	NA
Gross rev.	\$18,995,233	\$17,382,754
Employees	525	476
Rev./employee	\$ 36,181	\$ 36,518
Offices	16	18

Property/casualty revenues constitute 76% of total gross revenues at Penn General Agencies of Los Angeles, the 10th largest broker in the nation. Employee benefits provide only 5% of the firm's revenues, said president Alfred B. Schaeffer.

Last year lived up to Penn General's expectations, in part because operating efficiency improved and earnings levels came up to projections. The growth rate

last year was the same as that of the last five years, Mr. Schaeffer added.

Penn General has 16 offices in this country. In Florida, three offices have been merged into a single office named Penn General Agencies of Florida, in a move aimed at reducing costs and increasing efficiency. In addition, offices in Fort Lauderdale and Hollywood have been closed. PGA of Florida is located in Miami.

Outside of this country, PGA (UK) Ltd., located in London, owns 20% of Bryant and Shaw Ltd., a British corporation and a Lloyd's broker.

Back in this country, the states of Michigan and North Carolina gave PGA its best growth last year. Emphasis on large, medium or small accounts did not change last year, said Mr. Schaeffer.

PGA is, however, moving into the self-insurance area, although there were no new services added last year.

In major personnel moves, last year saw a reorganization at the local agency level "involving in some cases major changes in top management," according to Mr. Schaeffer. At the corporate level, he said that Donald Benyas has been appointed executive vp and given specific responsibilities in addition to his continuing to oversee the Michigan operations and Penn General Service Corp., an entity that provides self-insurance and related services.

Also significant, said Mr. Schaeffer, is the appointment of Vern Dockendorf as head of California operations, including San Francisco and Newport Beach as well as Los Angeles.

Mr. Schaeffer perceives a softening of the insurance market, a trend which he sees extending through 1979.

The most significant challenge confronting brokers remains the job of running a good business, he

said. By "good business," Mr. Schaeffer said he means internal organization and operation, keeping ahead of market trends and developing an aggressive and effective marketing organization.

Principal officers include Alfred B. Schaeffer, president; Donald A. Benyas, executive vp; Arnold Bergson, senior vp; David C. Coleman Jr., vp; William J. Nietschmann, vp marketing; Sanford Smith, vp; Stephen A. Silverman, secretary, and Gary R. Ginsberg, treasurer.

11 Arthur J. Gallagher & Co.

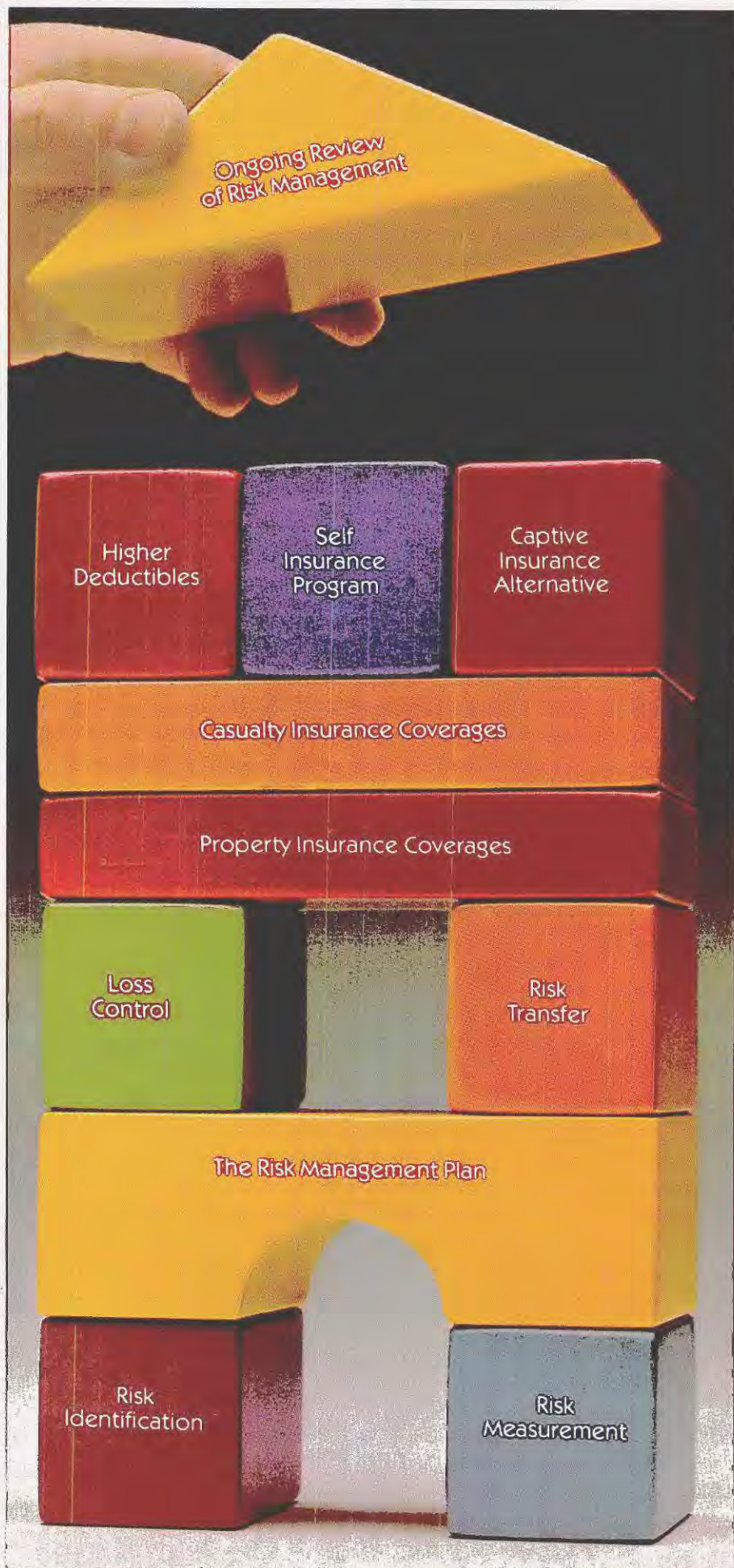
Gould Center, Golf Road, Rolling Meadows, Ill. 60008; 312-640-8500

	1977	1976
Premium vol.	NA	NA
Gross rev.	\$18,367,000	\$12,074,833
Employees	445	324
Rev./employee ..	\$ 41,274	\$ 37,268
Offices	47	44

With a 52% increase in gross revenues in 1977 over 1976, Arthur J. Gallagher & Co. jumped five spots to become the 11th largest broker on the *Business Insurance* top 20 list based on 1977 gross revenues. Gallagher just cracked the top 20 list in 1976 with its 1975 results and president Robert E. Gallagher is already shooting to break into the top 10, maybe next year with 1978 gross revenues approximated at \$25 million.

"Our growth attests to our superior professional people and client satisfaction," Mr. Gallagher explained simply, adding that for the most part growth has been internal and across the board in new accounts and the sale of risk management services. "We have more to offer the client in marketing, engineering and computer sciences," the president maintained.

Mr. Gallagher proudly points out that the firm's growth has accelerated recently with an average annual growth rate over the last 15



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How your company may be able to obtain 'more insurance,' without necessarily buying more insurance.

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Errors are made when you lose sight of the fact that protection is the goal while insurance is merely one means to attain that goal. It follows then that "more insurance" is not necessarily the most advantageous way to achieve a higher level of protection.

The risk management concept

The idea is to start thinking in terms of managing the multitude of risk situations, search-



Photo: Kathryn J. McIntyre

The sale of risk management services as a percentage of gross revenues is decreasing at Arthur Gallagher & Co., says president Robert Gallagher.

years of 29.5%, increasing to 36.3% when figured on the past 10 years and reaching 38.7% over the last five years. The suburban Chicago based broker is the second largest privately held broker in the country behind Johnson & Higgins, the son of the founder boasts.

Over a third of the firm's revenues are garnered by the sale of risk management services, principally through the firm's self-insurance service division, Gallagher Bassett Insurance Service. The division's staff of 240 serves 117 self-insured clients, up from 100 a year ago. Self-insured workers compensation, property and casualty programs are serviced and group insurance programs were actively sought last year after field testing.

Gallagher Bassett's staff includes 16 safety engineers, 11 of whom are certified safety professionals. Though fully-insured Gallagher clients generally receive their risk management services

from their insurers, Gallagher Bassett personnel may be tapped, for example, to do an in-depth underwriting survey on an extremely difficult product problem to assist in the insurance placement. The division's services are also available on a fee basis to insured clients who want more service than the insurer is providing.

The sale of risk management services by Gallagher, however, is decreasing as a percentage of gross revenues compared to a few years ago when risk management service sales brought in 45% of the firm's revenues. "It seems to have leveled off," Mr. Gallagher observed. "Gallagher Bassett will always be an important part of the company," he continued, "but we're not just in self-insurance."

Indeed, nearly two-thirds of the firm's \$18.4 million in revenues in 1977 was generated by insurance brokering for commercial property and casualty risks. The employe

benefit group contributes between 5% and 10% of the company's profits.

In line with a philosophy of internal growth, Gallagher made only one acquisition in 1977, that of the Ruel Insurance Corp. and Employers Insurance Management Corp. Now Arthur J. Gallagher & Co. (Florida), the subsidiary is primarily selling risk management services though insurance is also brokered through the Miami office.

The firm is "very selective" in acquisitions, Mr. Gallagher noted, and will start offices from scratch as it has this year with new sales offices in Sacramento, New York City and Milwaukee. Gallagher now operates 56 domestic offices, 10 of which are staffed to broker insurance and 54 of which are service offices.

Internationally, Gallagher has incorporated a captive management company in Bermuda and is engaged in a joint venture with Hinton, Hill & Coles Ltd. of Lon-

don, affording Gallagher access to Lloyd's and British marketplaces through Gallagher, Hinton & Verker (U.K.) Ltd. Gallagher also maintains correspondent relationships with other brokers around the world.

Gallagher doesn't concentrate its marketing efforts on any particular sized account, preferring to cover the field of small, medium and large accounts. The firm also seeks a broad spectrum of clients, though it is heavy in institutional and governmental clients, accounts some brokers shy away from.

The average age of Gallagher producers is 31. The young age is "a tremendous advantage," Mr. Gallagher said, providing the firm with "great vigor, new ideas and innovations." Many of the producers are home grown, in that for the past decade Gallagher has run its own training program, hiring college sophomores through seniors for the summers to train them in all phases of the business for possible future employment.

Mr. Gallagher noted that Gallagher has its own inhouse excess/surplus lines department but that producers market their risks. "Other large houses have marketing departments; we feel the producer knows the risk best." In addition, there is no corporate staff per se at the fast growing firm. "We came from rather far back in the pack, so we are all totally involved in the various processes. We're all in the trenches."

Mr. Gallagher said growth of the 51-year-old firm has made it "infinitely more professional now, with more resources, such as computer science. We feel we are a few years ahead of our peer group in computer sciences. We run hundreds of tailor-made programs. It's not what do we want to give the client but what does the client need?"

The broker wants to expand its spectrum of brokering services, moving into new marketing areas and areas of the industry. "We are interested in reinsurance brokering," Mr. Gallagher divulged.

Over the past six months Mr. Gallagher has detected a trend toward lower insurance costs. "Insurance companies are bringing down their prices and brokers are trying to take advantage of it for their clients." He expressed concern that this trend could lead to "some difficulties we've just come out of."

But the toughest challenge Mr. Gallagher sees ahead "isn't in the markets. We can deal with that. It's in manpower development and all that connotes in terms of TLC of

Continued on following page

ing always for the most efficient method of attaining the necessary protection. The concept of risk management in today's complex business and legal environment requires more than conventional insurance responses.

In simplest terms, risk management entails identifying risks, assigning value to them, anticipating losses and making objective decisions about what steps to take before losses occur, so that they have the least impact on the operation of your business.

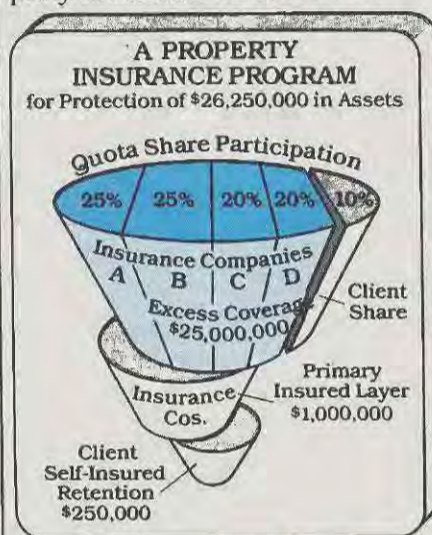
Linked to this, of course, is the need to implement a meaningful loss control program which will help to prevent or reduce the incidence and severity of losses.

Two principal options are open

First of all, risks may be transferred in the conventional insurance manner. The important thing to remember here is that this decision is made only after a thorough review and examination when it is concluded that this is the correct response in the particular case under consideration. It should not be a reflex action.

Secondly, risks may be assumed by your company, either in whole or in part. A higher deductible is an obvious way for a company to assume a portion of the risk and thereby reduce the cost of purchased insurance—yet still retain adequate insurance protection against catastrophic loss. An

established self-insurance program is another way for a company to assume its own risks.



while diverting the money earmarked for premiums into a separate fund to cover projected losses.

The optimum plan may very well contain elements of both (see chart) but only with expert analysis can one approach the optimum with confidence.

Which direction for you?

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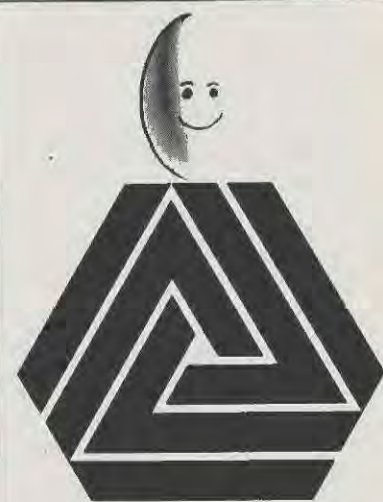
For a more complete examination of this and related subjects, simply send for your copy of: "The Risk Management Concept—Insurance Plus." Write to Dept. 100-BI, Marsh & McLennan, Incorporated, 1221 Avenue of the Americas, New York, N.Y. 10020

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agent/broker profiles

Continued from preceding page the people." With 500 employees the firm is still "paternalistic" about its employees, Mr. Gallagher said, but he is somewhat anxious about how that will be maintained when the company grows to 1,000, 1,500 and 2,000 employees. "We will change, but hopefully we will still be a close, turned-on organization," he said. "We have to follow what got us to our present position."

One contributor to success at Gallagher has been a policy of nepotism, Mr. Gallagher said. "We believe in nepotism. It works for us. We have third-generation Gallaghers here. I've counted 38 relatives. Of course, the nepotism is selective; the process is scrupulous."

Subsidiaries of Arthur J. Gallagher & Co. include Mochel In-

surance Agency, The Wightman Agency Inc., J. Frank Holt & Co. Inc., Arthur J. Gallagher Management Ltd., Arthur J. Gallagher & Co. (Florida). Gallagher Bassett Insurance Service and Enrollment Service Center are divisions and Gallagher, Hinton & Vereker Ltd. is a joint venture with Hinton, Hill & Coles Ltd.

Principal officers are Robert E. Gallagher, president; John P. Gallagher, executive vp; Warren G. Van der Voort, vp; Daniel P. Wachs, vp, and Sterling L. Bassett, vp.

12 E.H. Crump Cos. Inc.

5330 Poplar Ave., Memphis, Tenn.,
38117; 901-761-1550

	1977	1976
Premium vol	\$135,000,000	\$110,000,000
Gross rev.	\$16,100,000	\$13,500,000
Employees	551	481
Rev./employee	\$29,220	\$28,067
Offices	22	16

E.H. Crump Cos. Inc., the 12th largest brokerage firm in the U.S., boosted its total premium volume 22.7% and its gross revenues 19.2% in 1977 over 1976.

"We were very pleased with last year's results," said president Sidney A. Stewart Jr. He attributed the growth to continued expansion into new markets and locations, a beefing up of professional services and "bread and butter basic hard work."

Business for Crump was generally very good last year all across the country with especially strong performances by the Memphis, Knoxville, Dallas and New Orleans offices.

Mr. Stewart last year told a meeting of Memphis security analysts that Crump was out to become the South's dominant insurance broker. In moving toward the objective, Crump acquired two major agencies in the South: Anderson, Fisher, Johnston & Vaughan Inc. of Memphis and Spencer, Murphree Inc. of Jackson, Miss., now known as Crump-Spencer Murphree Inc.

Crump further expanded its retail base when its Memphis flagship insurance office, E.H. Crump & Co., established a national accounts division, a move aimed at winning and servicing major commercial insurance accounts. The national accounts division also has a separate branch that is active with construction industry insurance and surety bonds.

Keeping pace with the retail growth has been the emergence of a nationwide network of excess and surplus lines specialty offices. In 1977, Crump formed three jointly owned excess and surplus lines operations: Crump-Kientz Co. of Columbus, Ohio; Crump International Co. of San Francisco and New York, and Western Commercial Aviation Insurance Inc. of Los Angeles. Earlier this year, Crump-Davis Inc. of Dallas was formed to give the company entry to the big Texas excess/surplus market.

Commercial accounts represented 84% of Crump's business in 1977, up from 82% a year earlier. The revenue pie was divided 23% property; 49% casualty; 12% transportation, 10% surety, and 6% life and employee benefits.

A major goal of the Memphis-based firm is to get more active in the facultative reinsurance business. It also would like to use its Bermuda subsidiary, E.H. Crump (Bermuda) Ltd., to handle more association captive business.

Mr. Stewart described the marketplace as being very soft in the property area and much softer in certain casualty lines. He expects the current competitive pressures to continue through next year.

The major challenge facing brokers today is to develop new

Continued on page 44

Risk management assistance

around the world

ROLLINS BURDICK HUNTER

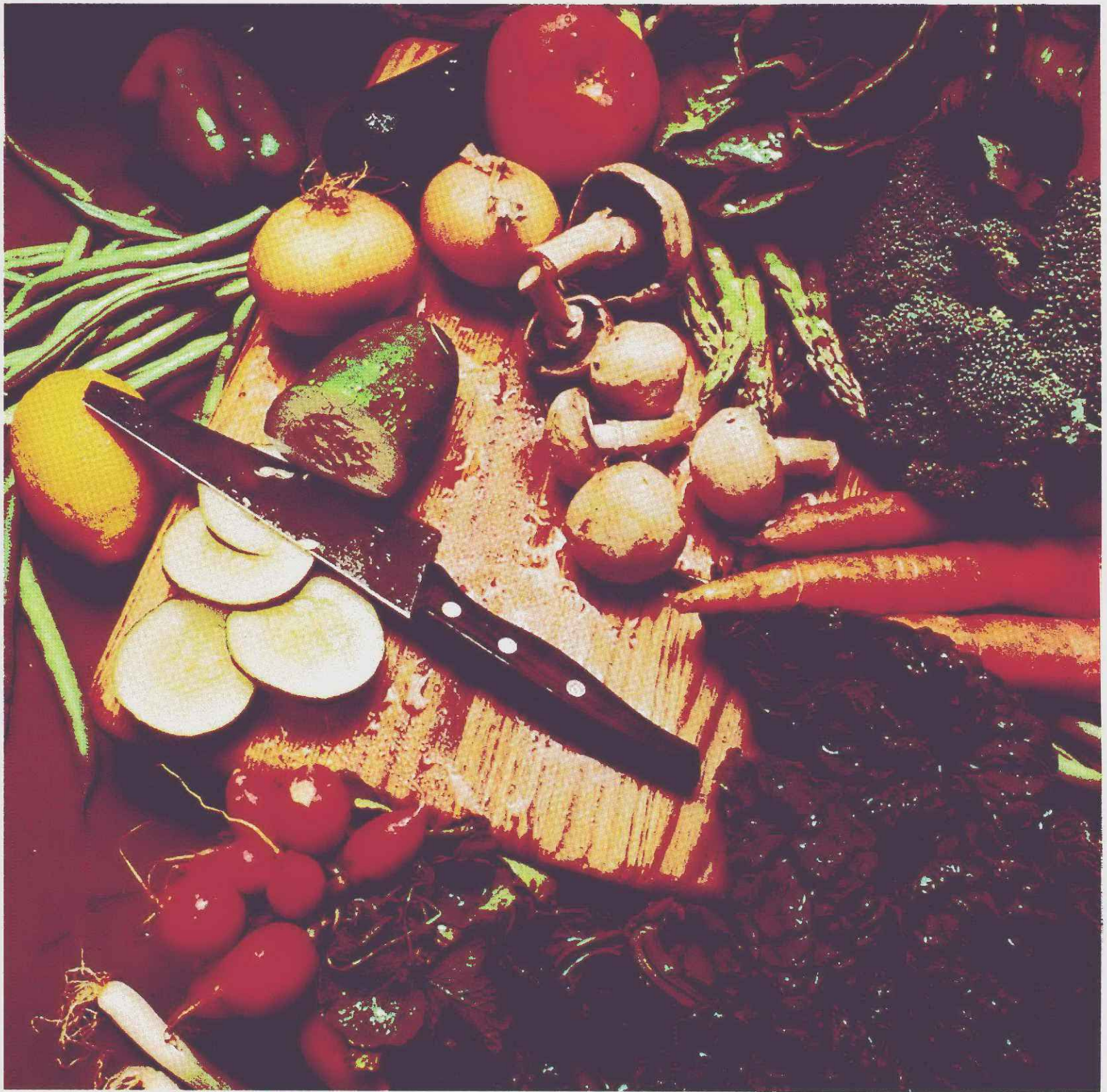
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agent/broker profiles

Continued from page 42
products and services to meet the changing needs of clients, Mr. Stewart said. "Brokers that offer true professional services will continue to grow and we plan to be one of them," he said.

Acquisitions in the last year include: Anderson, Fisher, Johnston & Vaughan Inc. of Memphis, September 1977 and Spencer Murphree Inc. of Jackson, Miss., July 1977. Joint ventures formed include: Crump Davis, Inc. of Dallas, April 1978; Crump-Kientz Co. of Columbus, Ohio, January 1977, and Western Commercial Aviation Services Inc. of Los Angeles, October 1977. In addition, Crump International Co. Ltd. opened offices in San Francisco, May 1977 and in New York, March 1978.

Principal officers are E.H.

Crump Jr., chairman of the board; Sidney A. Stewart, president; James M. Power, executive vp; Frank C. Pidgeon Jr., executive vp, and E.B. Morrow Jr. senior vp.

Name	Salary & incentive compensation
E.H. Crump	\$90,182
Sidney A. Stewart Jr.	\$89,662
Frank C. Pidgeon Jr.	\$44,162
E.B. Morrow Jr.	\$52,162

13 Nordstrom-Larpenteur Agency Inc.

7900 Xerxes Ave. South, Suite 1300, Minneapolis, Minn. 55431; 612-830-3000

	1977	1976
Premium vol.	\$98,000,000	\$95,000,000
Gross rev.	\$14,000,000	\$14,000,000
Employees	375	395
Rev./employee	\$ 37,333	\$ 35,443
Offices	30	33

Maintaining the same gross revenues of \$14 million in 1977 as

in 1976, Nordstrom-Larpenteur Agency fell two slots to 13th this year on the *Business Insurance* list of the top 20 agents and brokers. It's the second year in a row that the Minneapolis-based broker has failed to keep up with its peers, but the privately held firm intends to change the pattern this year.

"Last year, and the year before, our three-year prepaid business dropped off to annual business," explained president John D. Nordstrom. "We didn't lose any accounts and I would guess we added about 1,200 new accounts," he stressed. Reports that his firm had placed substantial property business with the Florida agent Den-Har are "exaggerated," Mr. Nordstrom said. The cancellation of Den-Har's policies by the Lloyd's Sasse Syndicate due to heavy losses and resulting reinsurance problems will not affect Nordstrom-Larpenteur's premium volume or gross revenues, he maintained.

But further thwarting growth of

the agency's gross revenues was the failure of self-insurance and captive related business to develop as quickly as Mr. Nordstrom had anticipated. "We expected an explosion in captives and self-insurance," he said.

The explosion wasn't defused, just delayed, Mr. Nordstrom promises. "In the next year or two, I expect 30% to 40% of our business will be in risk management, self-insurance and captives," the president predicted. The medium-sized account, a company with sales of anywhere from \$5 million to \$200 million, is the target for these alternative program services as it has been the agency's market in the past.

This year the firm is reorganizing "to better service customer needs," Mr. Nordstrom said, particularly aligning facilities to serve the needs of clients pursuing self-insured or captive programs. Overall, on Sept. 1, the parent

company will be named The Nordstrom Group, essentially a holding company, with the current agency as one of its subsidiaries under the new name of The Nordstrom Agency. The executives of the current firm will serve as the executives of the holding company.

Already two new corporations have been formed. Nordstrom Risk Management Inc. was created in June to offer risk management services to clients and to serve as a consultant and risk manager for captives and self-insurance programs, Mr. Nordstrom said. The president is Louis A. Golinvaux, also senior vp of the Nordstrom-Larpenteur Agency. In July, Placements Facilities Inc. was also incorporated as a managing general agency. Under Roger Walsh, also senior vp of the agency, the company will open a home office in New York and initially will act principally for The Nordstrom Group, specializing in excess insurance, reinsurance and foreign insurance. Later, the company will seek to act as a true managing general agency on a wholesale basis, Mr. Nordstrom said.

Also coming out of the reorganization will be the formation of Nordstrom-Worth Inc. to handle employe benefits for the Nordstrom Group under the direction of Peter Worth as president.

"We are looking forward to 1979 with high expectations," Mr. Nordstrom said. "Our entry into the captive market will show substantial increases during the next 12 months," he predicted, with the formation of 10 new captives. Looking at 1978, the president said he is "conservatively" estimating gross revenues at \$17 million, a \$3 million or 21% increase over gross revenues of the last two years of \$14 million.

Currently the agency's 98% commercial business from 15,000 clients is about 65% in property/liability, heavily package policies, 20% in workers compensation, 5% in marine and 8% in employe benefits.

The firm is serving business with three fewer offices and 20 fewer employes than it had in 1976. In 1977, the Omaha office was closed, the Fairfield, Conn., office's business was moved to New York and the Nashville office was folded into the Memphis office leaving Nordstrom-Larpenteur with 30 branch offices throughout the U.S. The cut in employes isn't just a result of closing offices but also reflects "better management," Mr. Nordstrom suggested, giving the firm higher revenues per employe.

The firm did not make any acquisitions in 1977, but Mr. Nord-

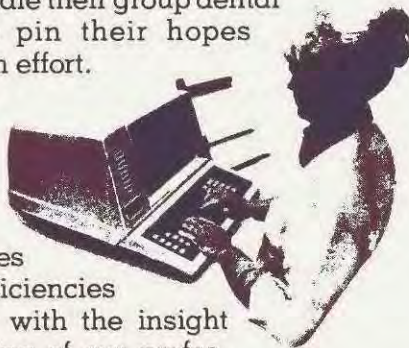
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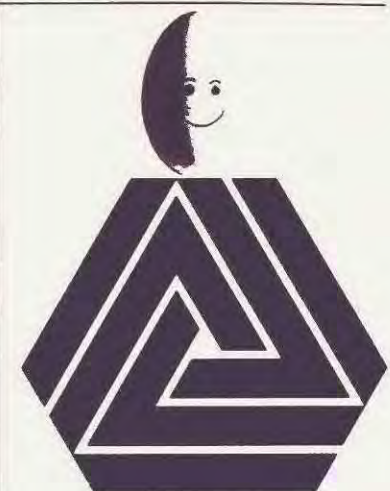


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strom said he is very interested in opening a new office in Milwaukee. In addition, the firm is considering a new office in Washington, D.C., which would assume the business generated by clients in the nation's capital that is now handled by the Columbia, Md., office. Without foreign offices, the firm will handle its business with London and other foreign insurers through its New York branch, Placement Facilities.

Taking the insurance industry's temperature, Mr. Nordstrom pronounced insurance companies as "again becoming well." But he added a note of caution. "Let's hope they're taking a long term look out." As a broker, Mr. Nordstrom sees his toughest challenge as "complimenting" the problems of insurers and customers. For instance he said, "the products problem is not yet being handled right."

Principal officers of the Nordstrom-Larpenteur Agency in addition to president John D. Nordstrom are Steven C. Nordstrom, executive vp, and senior vps Louis A. Golinvaux, Peter H. Lindsay, Roger S. Walsh, Gerald E. Coscia, William F. Comiskey, Glenn A. Pearson and Robert C. Stibor.

14 Insurance Management Corp.

PO Box 27424, 6600 W. Broad St., Richmond, Va. 23230; 804-281-6336

	1977	1976
Premium vol.	NA	NA
Gross rev.	\$13,794,342	\$12,043,904
Employees	385	346
Rev./employee	\$ 35,830	\$ 34,809
Offices	24	20

Insurance Management Corp.'s growth rate slowed to 15% for 1977, following a 20% year in 1976. "While we always would have liked to have done better," revenue forecasts were "pretty much achieved," said vp Marvin Blum.

The company had a couple of off years in 1974 and 1975 and while a five-year average growth rate was not available, Mr. Blum said the 15% increase in revenues for 1977 probably exceeded the five-year average.

In June of this year, Insurance Management acquired Hewitt-Coleman & Associates Inc., a Greenville, S.C., based firm specializing in self-insurance administration for workers compensation. Self-insurance administration represents a new area for Insurance Management and it should be the fastest growing area for the company during the coming year, said Mr. Blum.

While Insurance Management's other subsidiary firms will have access to Hewitt-Coleman's expertise, the facility will remain intact and headquartered in Greenville. Hewitt-Coleman will not become a full service agency since that would duplicate personnel now serving the same geographic territory, Mr. Blum added.

Mr. Blum also forecast employe benefits as an area where growth will be faster than for the company as a whole. Currently employe benefits account for 6% of Insurance Management's revenues compared with 80% for property/casualty lines.

Much of this growth will come as a result of continued industrialization in the Southeast and expanding recognition by employers there of the value of a good employe benefits program, Mr. Blum said. All but three of Insurance Management's subsidiaries are located in the Confederacy.

These are also areas where the big life insurance companies aren't marketing heavily, Mr. Blum added.

Insurance Management sees the brokerage business becoming more competitive as a result of softening of insurance markets. "The client will be shopping more. You just can't treat a renewal com-

Continued on following page



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agent/broker profiles

Continued from preceding page placently," Mr. Blum said. "You have to run it by more markets and that takes time and money."

He added that lower premiums will mean less commission for brokers at a time when fixed costs are rising due to inflation.

"In reality there is no new business, it's someone else's."

Thus, to maintain its competitive position, Insurance Management is stressing education and training for its staff, good service and good management, Mr. Blum said. The company will commit existing space and personnel to the employe benefit area as it develops this business.

Regional accounts with premiums of between \$5,000 and \$100,000 are Insurance Management's "bread and butter." The company looks to serve commercial accounts of any size within its area, providing any or all services offered. However, Mr. Blum said the firm is not set up to serve national or international accounts.

Hewitt-Coleman was the only major acquisition made during 1977-78. However, Mr. Blum said it was probable that another acquisition will be made in the near future.

Insurance Management is a subsidiary of Richmond Co., which itself is a division of The Continental (Can) Group Inc. Principal officers of the firm are William B. Graham, president, and Mr. Blum, vp.

15 Cook Treadwell & Harry Inc.

855 Ridge Lake Blvd., Memphis, Tenn. 38117; 901-767-8950

	1977	1976
Premium vol.	\$76,000,000	\$68,000,000
Gross rev.	\$13,788,000	\$13,300,000
Employees	300	305
Rev./employe	\$ 46,666	\$ 43,605
Offices	14	14

Cook Treadwell & Harry's gross revenues for 1977 eased ahead a modest 3.6%, down sharply from a year earlier when gross revenues surged ahead 29%. The firm ranks 15th on the *Business Insurance* top 20, down two spots from last year.

Although the company's number of commercial clients grew by about 15%, revenues were adversely affected when Cook Treadwell & Harry's parent, Cook Industries, reduced its operations in the grain and cotton business. As a result, premium volume from the Cook Industries account dropped off sharply.

During the year, Cook Treadwell beefed up its life and employe benefit division. The firm embarked on a nationwide talent hunt to bring benefit experts to the company's Memphis office, said chairman of the board Timmons L. Treadwell. "We're trying to stay four to five years ahead of the competition," he said.

The best growth came in the aviation business, followed by strong growth in marine coverages and employe benefits, Mr. Treadwell said.

The firm has not made any acquisitions during the last two years. However, Cook-Treadwell has gotten the green light to slowly begin acquisitions as the opportunities arise. Acquisitions probably would be limited to the southern sections of the U.S.

Cook Treadwell is concentrated in the South and Southwest with 14 offices in Memphis; Mobile, Ala.; Jackson, Miss.; Rockville, Md.; Knoxville, Tenn.; Portland, Ore.; Tulsa; Houston, and Dallas.

Currently, about 94% of its business comes from property/casualty revenues, up from 90% a year earlier. Ninety percent of Cook Treadwell's gross revenues come

from commercial accounts.

Company officials said Cook Treadwell will continue to place major emphasis on medium-sized accounts generating between \$50,000 and \$100,000 in premiums.

Mr. Treadwell said a major problem in the insurance business today is the wild fluctuation in rates. The buyer wants stability, not a situation in which rates soar incredibly followed by price wars, he said.

The challenge facing brokers is "maintaining the reputation of being the most professional agents wherever we are . . . If clients don't think they are getting the service they need, they are going to be looking elsewhere."

Principal officers are: Timmons Treadwell III, chairman of the board; George H. Treadwell Sr., honorary chairman of the board; James L. Barksdale, president; Charles H. Gray III, vp-finance; Louis M. Firbringer, senior vp, and John E. Barger, vp-life and employe benefits.

Top officer salary
Timmons L. Treadwell 5119,166

16 James S. Kemper & Co.

20 N. Wacker Drive, Chicago, Ill. 60606; 312-321-3500

	1977	1976
Premium vol.	\$110,000,000	\$14,000,000
Gross rev.	\$ 12,844,000	\$ 12,081,000
Employees	381	383

Rev./employe	\$33,711	\$31,543
Offices	31	31

James S. Kemper & Co., with only a 6.3% increase in gross revenues in 1977 over 1976, fell a slot this year to number 16 on the *Business Insurance* list of the 20 largest U.S. agents and brokers.

Though revenues of direct agency operations were ahead of budget at an increase of 15.5% over the previous year, 1977 income growth at the Chicago-based brokerage firm was slashed when its subsidiary Excess Underwriters Inc. was forced to stop underwriting professional liability insurance. The elimination of \$15 million in premiums cost the company an estimated \$1 million in

revenues in 1977.

Loss of the lucrative business was triggered by the California insurance department's enforcement of a requirement that unauthorized reinsurers furnish two-year letters of credit, said James S. Kemper president Richard S. Winzer. Excess Underwriters had used Sequoia Insurance Co., a Kemper Corp. subsidiary, as its underwriting facility for professional liability insurance. The business was entirely reinsured through treaties, a third of which were with Japanese companies. Excess Underwriters was unable to secure two-year letters of credit from the Japanese companies and Sequoia elected to discontinue

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serving as a facility for the brokerage firm's professional liability underwriting.

Two other facilities were lined up for the business, but "the stigma of a Kemper insurance company (Sequoia) cutting off Excess Underwriters, a subsidiary of the James S. Kemper agencies, killed us with the reinsurers," lamented Mr. Winzer. Unable to fill 20% of the needed reinsurance, James S. Kemper had to shut off Excess Underwriters on April 1, 1977.

The broker tried until March of this year to reestablish its professional liability underwriting business, but it couldn't win over the reinsurers, losing a battle in its

age-old war to establish James S. Kemper & Co. as a broker that is independent of the giant corporation of insurance companies of the same heritage. As a result, Excess Underwriters staff has been reduced. "We hope to rebuild it in general excess/surplus lines business," Mr. Winzer said. The subsidiary is just now "up and running," with a premium volume in the first six months of 1978 running \$1.5 million.

If one excludes Excess Underwriters, earnings for 1977 were up 24% over 1976, Mr. Winzer said. Commercial business generates 88% of the firm's revenues, up from 85% in 1976. Less than 10% of

that business is generated by employee benefit or group insurance accounts.

So far in 1978, the brokerage firm's gross revenues are up about 20% and earnings from commissions and fees are up 35%, Mr. Winzer smiled, promising to recoup from the Excess Underwriters fiasco.

However, the president is also watching the "dramatic changes in the business," such as premiums going down on renewals with the softening of the markets. "There will be a definite leveling of premium income for companies," Mr. Winzer predicted. "We hope ours won't; we hope we're better salesmen than the next guy." The com-

pany is continuing its emphasis on the medium-sized account, \$50,000 to \$1 million in premiums, though it does go after the large accounts once in a while, Mr. Winzer noted.

Considering the ramifications of softening markets, Mr. Winzer suggested that "the good, professional broker feels he does better in a hard market." In soft markets, price cutting can occur with agents placing business with insurers just coming into a market.

Still, accounts are retained in such a climate. Mr. Winzer recalled "as a classic example" a \$750,000 premium property account that was up for renewal and "someone came in at \$250,000. We pointed out the quality of that market and the

phenomenal loss prevention services we were providing. That insurance manager stuck his neck out a mile when he recommended they stay with us (which the company did). But a year later, when the other insurance company was out of the market, he was a hero."

James S. Kemper did not make any acquisitions in 1977, the second year in a row, but it had "made a pass at a few agencies," Mr. Winzer said. "We're still looking, in Texas, Ohio and the Pacific Northwest."

The president noted that the company is operating "much more efficiently than we used to," with only a few more employees than it had in 1974 when its premium volume was \$81 million. From a loosely knit group of agencies 15 years ago, "we've developed into an organization run with a definite

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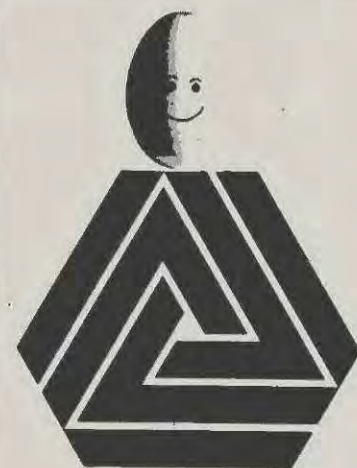
The Kemper Agency hopes to rebuild Excess Underwriters into a general excess/surplus business, says brokerage president Richard S. Winzer. The subsidiary is now just "up and running."

plan. We call it profit planning, but it's just a management by objective plan. We take the corporation apart every October and put it back together again," he said.

James S. Kemper has 31 offices, the same as last year, though it closed its Buffalo office and opened one in Saginaw, Mich., and moved its eastern office from Springfield, N.J., to Millburn, N.J. The largest growth was shown by its Denver office, followed by Chicago and the eastern operation. Its one foreign office is in Toronto, Ontario.

The broker started to promote James S. Kemper & Co. (International) Ltd., a captive management company incorporated in Bermuda in December 1976, in the spring. Five seminars were held last year on captives for Kemper clients and prospects. One captive

Continued on following page



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agent/broker profiles

Continued from preceding page feasibility study has been completed and three more are underway. The management company will contract with J.H. Blades for Bermuda services.

"We don't look to make a lot of money in captive management," Mr. Winzer admitted, "except that in doing a good job for a client we'll handle the reinsurance and the bulk of the account that is not in the captive."

Kemper is also expanding its risk management services for corporate clients with the addition of a claims manager. "We monitor safety and claims now, but we will beef it up," Mr. Winzer said.

A two-year-old venture was shelved Dec. 31 when Kemper's contract to market Telecredit Inc.'s insured check service was termi-

nated because Telecredit wanted control over its sales operation. The sales staff, which was never included in the brokerage firm's employment statistics, was hired by Telecredit. Kemper sold 30,000 accounts for Telecredit and will realize residual income on the contract for three years.

James S. Kemper & Co. subsidiaries include Associated Mutuals Inc., Dominion Mutual Insurance Agency Ltd., Excess Underwriters Inc., James S. Kemper Agency Inc., James S. Kemper & Co. Inc., James S. Kemper & Co. (International) Ltd., James S. Kemper & Co. of Arizona Inc., James S. Kemper & Co. of California Inc., James S. Kemper & Co. of Texas Inc. and Risk Management & Insurance Inc.

Principal officers are Richard S. Winzer, president; John W. Roblee, vp and controller; Bernard J. Sullivan, vp; Peter Van Cleave, secretary, and Maurice F. Thunack, treasurer.

17 Schiff, Terhune International Inc.

100 William St., New York, N.Y. 10038; 212-425-3010

	1977	1976
Premium vol.	NA	NA
Gross rev.	\$12,400,000	\$8,700,000
Employees	310	260
Rev./employee	\$ 40,000	\$ 33,462
Offices	9	NA

With a 43.2% increase in gross revenues, Schiff Terhune International Inc. is well on target towards its goal of becoming a \$25 million company by 1980. The growth at the nation's 17th largest broker reflected new business and improved market conditions, according to vp James M. Christie.

In addition, four acquisitions were completed during the year: Leedom, O'Connor & Noyes of Milwaukee, Roblin Agency of Boston, Brenner Associates of Los Angeles and Swimmer/Wolf Corp. of Philadelphia. With the excep-

tion of Leedom, O'Connor, the acquisitions were integrated into existing Schiff, Terhune operations in those cities, said chairman Frank Schiff.

By 1980, Schiff Terhune anticipates having gross revenues in excess of \$25 million with between 15 and 16 offices, said executive vp Bert Linder. Currently the firm has six domestic offices, two branches in Israel and one in Bermuda.

Mr. Schiff said the company anticipates adding at least three additional offices during 1978. "Our intent is to be in the key industrial cities throughout this country."

The objective is to grow to a specific size as part of a three-year expansion program, Mr. Linder explained. "It won't make us a jumbo, but it will develop us to the size needed to maintain our competitive position."

In May, the firm entered into a joint venture with SIACI (Societe Intercontinentale d'Assurance

Pour le Commerce et L'Industrie) to pursue business from French companies operating in the United States.

In addition, negotiations are nearing completion for Schiff Terhune to become U.S. managing agents for three foreign insurance companies seeking entry as New York admitted companies. This type of work would be performed as a separate operating unit within the Schiff Terhune organization, Mr. Schiff said.

Other plans call for acquisition of a reinsurance broker. Schiff Terhune currently places reinsurance on a facultative basis, but plans to expand into the treaty business this year, Mr. Schiff added.

While the first year of Schiff-Terhune's growth program has measured up to expectations, it is still too early to say whether final goals will be achieved or whether they will be altered, said Mr. Linder.

Some of the ventures entered into by the firm were not part of the original plan, he said, explaining that such opportunities have led Schiff Terhune to grow vertically as well as horizontally.

Growth is necessary to Schiff Terhune's survival, Mr. Schiff said. "If you stay still, you'll die." He added that his company can acquire a merger partner and allow that firm's management to become part of Schiff Terhune's senior management.

Such was the case when Allen Swimmer, formerly of Swimmer/Wolf, became president of Schiff Terhune of Pennsylvania after Herbert Segall was killed in an auto accident in July 1977.

"Our purpose in acquisitions is to strengthen us nationally and develop a good book of business, but, most important, to pick up the right people," said president Hilliard Feldman. Mr. Swimmer filled a gap created by Mr. Segall's tragic death.

To further strengthen the firm's managerial talent, the New York office was reorganized into Schiff, Terhune Inc. and several younger executives were put in charge. These included Mr. Linder as president and Messrs. Christie and Andrew Marks as executive vps.

"These are the fellows who'll be running Schiff Terhune International in the future," said Mr. Linder.

Although the firm's largest client is an \$8 billion company, Schiff Terhune is positioning itself to serve medium-size firms with sales of up to \$200 million. The brokerage firm is small enough to be able to devote top management to serving these type of clients, Mr. Schiff

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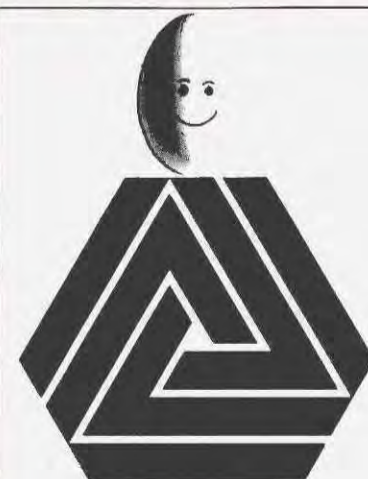
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said.

"With a giant brokerage house you're likely to get lost. You don't get to meet with the chairman and president," he said.

The firm is continuing to eliminate accounts in the \$2,000 to \$5,000 premium range from its books. While the firm is not seeking such business, it plans to retain accounts in this size that it feels represent growth opportunities, Mr. Linder said.

Schiff Terhune sees property markets remaining stable and Mr. Feldman added that while liability premiums may have peaked, he does not foresee the typical shifting of the pendulum toward the other direction. "Everyone will hold their breath," he said.

In the meantime, the brokerage has aggressively tried to pursue product liability accounts from the medium-size firms it views as its target market. With knowledge of the markets and creative underwriting and analysis the firm has saved considerable sums for many clients, according to Mr. Feldman.

Casualty lines represent about 47.5% of Schiff Terhune's volume with property coverages accounting for 37.5% and the balance in employe benefits.

The firm is a licensed excess/surplus broker in New York, New Jersey, Pennsylvania, Wisconsin, Massachusetts and California but acts in this capacity only on behalf of its regular clients.

The firm's principal officers are: chairman, Frank Schiff; president, Hilliard Feldman; executive vp, Bert Linder; vps, James M. Christie, Andrew H. Marks, Lawrence P. McGaitland, Joseph A. Lombardo, Edward C. Healy, Joseph A. Lorenzo, John T. Ross, H. Curtiss Dietrich, William Reilly, Richard Friese, Allen Swimmer; secretary, Constance Conrad.

18 Emett & Chandler

1800 Ave. of the Stars, Suite 400, Los Angeles, Calif., 90067; 213-553-2711

	1977*	1976*
Premium vol.	NA	NA
Gross rev.	\$11,692,000	\$9,240,000
Employees	362	301
Rev./employe ...	\$ 32,398	\$ 30,697
Offices	14	9

*Statistics include Emett & Chandler, R.L. Kautz & Co., PRI Inc., a reinsurance brokerage firm, and Risk Management Inc., a captive insurance management firm, all units of the Pinehurst Corp.

Last year's 27% gain in gross revenues measured up well to Emett & Chandler's expectations, said Charles F. Smith, president of the broker's parent Pinehurst Corp. However, Emett & Chandler only held its 18th spot on the *Business Insurance* list of the top 20 brokers.

Commercial business comprises 99% of Emett & Chandler's total business, Mr. Smith said. Property/casualty accounts for approximately two-thirds of the revenue while the remaining third is provided by services and fees related to self-insurance programs and employe benefits.

Mr. Smith noted that corporate business accounts continued to increase at a 16% rate and "we continued to expand the coverages provided for a large percentage of our existing customers." He said the growth rate was higher in 1977 than in all but one of the last five years and considerably higher than the average growth rate over the last five years.

Emett & Chandler has eight offices in the United States, an increase of three over 1977. Outside of the country, it has a branch office in Bermuda. No offices were closed during 1977.

Parts of the nation that delivered the most robust growth for the company were Los Angeles and New York. Two acquisitions were made in the Empire state. Peter-

son International, a reinsurance brokerage company, and Laverack & Haines of Buffalo, N.Y. It provides self-insurance and insurance brokerage services. These acquisitions helped Emett & Chandler to grow about a 16% rate in commercial accounts in 1977 for a total of 870 accounts.

However, the client emphasis has not changed, said Mr. Smith, remaining on large and medium size accounts.

While no new services were added in 1977, the company is planning to work far more closely with the reinsurance underwriting companies associated with Pinehurst in the future, he said.

In major personnel moves, Thomas J. Peterson was named president of Emett & Chandler of New York, while L. Charles Magnant moved to chairman of the brokerage house.

Offering a forecast of the future, Mr. Smith said that while premium rates should stabilize during 1978, they may deteriorate during the early part of 1979 when a situation of overcapacity develops.

"As a result of this, the underwriting companies are becoming competitive and aggressive and most carriers are now beginning to emphasize growth and retention of their existing accounts," he said.

Consequently, the new challenges confronting the brokerage industry will be to provide its customers with competitive premium rates while remaining sensitive to retaining relationships with reliable carriers who will be loyal when another tight market materializes.

"In parallel with our customer concerns will be the challenge for us to maintain our own growth rate and profit margins as premiums go down," Mr. Smith asserted.

Principal officers include Oren E. Lane, chairman, Emett & Chandler, Los Angeles; Leonard P. Lawrence, president, Emett & Chandler, Los Angeles; Jimmie Bussio, executive vp, Emett & Chandler, Los Angeles; L. Charles Magnant, chairman, Emett & Chandler, New York; Thomas J. Peterson, president, Emett & Chandler, New York; Eugene A. Connell, president, PRI, Inc.; Clifton A. Klensing, treasurer and chief financial officer.

19 Ryan Insurance Agency Group

222 North Dearborn St., Chicago, Ill. 60601 312-346-9300

	1977	1976
Premium vol.	NA	NA
Gross rev.	\$11,641,000	\$9,806,000
Employees	289	276
Rev./employe ...	\$ 40,280	\$ 35,529
Offices	3	3

Now that they are in an "all insurance atmosphere," the four units that make up the Ryan Insurance Agency Group are poised to become a major national force.

The group released its gross revenues for the first time this year after being acquired by the publicly held Ryan Insurance Group in April. The group ranks 19th on the *Business Insurance* list of the 20 largest brokers in the U.S.

"Our goal is for each of the agencies to be a major factor nationally," says Patrick G. Ryan, the 41-year-old chief of the parent Ryan Insurance Group Inc.

The group is comprised of Youngberg-Carlson, a general commercial lines broker based in Chicago; Scarborough & Co., a specialist in bank insurance also headquartered in Chicago; Yarchin & Co., a commercial lines broker and general agency for motorcycles based in Boston, and American Benefit Corp., a third-party administrator of employe benefit claims in Huntington, W. Va. J.H. Lea & Co., a reinsurance intermediary, is part of the Youngberg-Carlson operation.

The four agencies were originally acquired by Esmark, the Chicago conglomerate that includes Swift & Co. Esmark decided to get out of the financial services field and divested those operations in late 1976. The agencies then operated as part of GSI, the former financial services division of Esmark, until being acquired by Ryan.

Ryan, a specialist in credit life insurance sold through automobile dealers, is composed of six life insurance companies and one property/casualty insurance company. Ryan had purchased Globe Life Insurance Co. at the time of the Esmark divestiture, a move that apparently led to the group's purchase of the insurance brokerage operations.

The four agencies have different specialties or geographic concentrations, explained agency group chairman John C. Brogan, although they are managed overall by the Ryan executives in Chicago.

The group hopes to match last year's 19% growth rate in 1978, said Mr. Brogan, despite the general softness in insurance rates that worries other brokers.

Although not ruling out acquisitions, the game plan for agency expansion is geared to a piggyback effort with the Ryan insurance companies. Ryan now has offices in 44 cities and the brokerage firms will open offices in conjunction with existing Ryan offices as opportunities arise.

Youngberg-Carlson is the major revenue contributor to the brokerage group's revenues. Youngberg-Carlson president John H. O'Brien said the firm posted a 10% increase in clients last year. The firm still has the Esmark account, he said, which at one time accounted for 19% of the agency's business, a percentage which has declined. The broker could not break down revenues by line of insurance.

Fifteen percent of the broker's revenues now comes from services, an area where the Ryan executives have major plans. The firm has a safety and loss prevention department, but usually arranges the purchase of risk management services for clients from outside suppliers. Eventually, Youngberg-Carlson will be providing the services itself, possibly using some of the facilities already in existence at American Benefit Corp.

The firm claims Scarborough & Co. provides bankers blanket bond for 25% of the commercial banks in the country. However, an investment report on the Ryan Insurance Group by William Blair & Co. says Scarborough has been losing market share.

The investment report raises an eyebrow at the acquisition of the agencies by Ryan rather than one of the acquisition-minded national brokers. The most likely reasons for the current set-up are that Ryan was willing to pay a higher price and that the brokerage executives preferred to work with a smaller parent company, the report suggests. But Blair also wonders if other brokers detected problems in the group that Ryan was not aware of.

The investment report says that Ryan conducted an analysis of the major account relationships at Youngberg-Carlson to forestall any major loss of clients. The findings of that study have not been released, however.

Principal officers of the brokerage group include J.C. Brogan, chairman of the Ryan Insurance Agency Group; J.J. O'Brien, president of Youngberg-Carlson Co.; E.N. Murray, president of Scarborough & Co.; F. Marcus, president of Yarchin & Co.; J. Neale, president of American Benefit Corp.

20 Financial Guardian Insurance Group

3100 Broadway, Kansas City, Mo. 64111; 816-561-8630

	1977	1976
Premium vol.	\$120,000,000	\$82,000,000
Gross rev.	\$ 11,220,936	\$ 8,182,864
Employees	305	265
Rev./employe ...	\$ 36,790	\$ 30,379
Offices	28	22

Financial Guardian Insurance Group scored a 37% increase in revenues in 1977 due to internal growth and acquisitions. The increase in profits and revenues was in line with the firm's target for the year, according to chairman of the board and chief executive officer Lee Beets.

Internationally, the Kansas City, Mo., firm moved into the European theater for the first time, establishing a foreign holding company in The Hague named Financial Guardian International B.V., an operating office in Paris called Financial Guardian France S.A. and a registered office in London.

The creation of the overseas network of offices is primarily to serve U.S. firms with operations outside this country. In addition, the European offices will be used to obtain coverage for foreign firms that invest in the U.S.

"In time, we feel that there will be only a limited number of U.S. brokerage firms doing truly international business and we expect to be one of those organizations," Mr. Beets said.

Financial Guardian also is setting up two subsidiaries in Bermuda. Financial Guardian International Ltd. will act as a broker for international companies while RAS International Ltd. will provide administrative and management services for Bermuda captives.

Financial Guardian now can set up a captive for a client, administer it, provide professional engineering services and help the captive obtain the insurance coverage that is required, Mr. Beets said.

Mr. Beets said the company has placed increased emphasis on the development of employe benefits. During 1977, the employe benefit division was established as a profit center and operated independently of property and casualty.

To assist companies that self-insure employe benefits, Financial Guardian became the majority owner of Benefit Payments Inc., a corporation that provides claims administration for employe benefits.

Financial Guardian's wholesale insurance brokerage operation, Worldsurance Inc., acquired operations in Portland, Ore., Houston and Phoenix. Offices were opened in Chicago and New York City.

The Houston office added trucking and errors and omissions coverages while additional wet marine expertise was added in New Orleans.

While Financial Guardian traditionally has gone after medium-size accounts, it is moving more aggressively to attract large firms as clients. Its Risk Administration Services Inc. subsidiary was set up last year to solicit big companies by offering such services as risk consulting, retention programs and self-insurance and captive design.

Property/casualty business accounted for 88% of the gross revenues for the year, while life, health and employe benefits brought in another 7%.

Acquisitions include: Bennett, Graham, Green & Peacock Inc. of Detroit, Jan. 1977; Independent Insurers Inc. of Des Moines, Aug. 1977; A.F. Arnold & Co. Ltd. of Los Angeles, Sept. 1977; A.F. Arnold & Co./Northwest of Portland, Ore., Sept. 1977; Rex. B. West & Co. of Phoenix, Dec. 1977; L. Richard Larkin of Des Moines, Dec. 1977; Roland H. Reaver of Detroit, Dec.

Our sources of information

The information contained in the agent/broker profiles published in this special report was supplied by the brokers themselves. Although the information is accurate to our knowledge, *Business Insurance* cannot guarantee the accuracy of the information.

Special care has been taken with the figures and names contained in the profiles, but errors can happen. We'd like to know about any important errors so that we may correct mistakes. If something went wrong, just drop a note to Greg David, Managing Editor, 740 N. Rush St., Chicago, Ill. 60611 and we'll publish corrected figures.

1977; Symmers Insurance Services Inc. of Ford Lauderdale, Fla., Dec. 1977; Professional Liability Agency Inc. of Houston, Dec. 1977; Allen-Kernan-McKown Inc. of New York City, Dec. 1977; Sills-Neder Insurance of Houston, May 1978.

Principal officers of Financial Guardian are: Lee Beets, chairman and chief executive officer; Jack Muma, president and chief operating officer; Donald R. Weber, executive vp; Norbert F. Koehs, vp; Doran R. Oneale, vp; Dean A. Stone, vp; Richard H. Turner, vp. and Lewis A. Dysart, secretary and general counsel.

Canadian top three

Reed Stenhouse Cos. Ltd.

P.O. Box 250, Toronto Dominion Centre, Toronto, Ontario; 416-368-5500

	1977	1976
Premium vol.	\$1,070,000,000	\$879,500,000
Gross rev.	\$ 135,300,000	\$111,600,000
Employees	4,385	4,300
Offices	147	143

In a particularly good year resulting from an increase in multinational accounts and acquisitions, Reed Stenhouse boosted its gross revenues by 21% during 1977, slightly more than the average growth rate during the past five years.

Reed Stenhouse's international network of offices and indigenously owned insurance and reinsurance operations enable the broker to obtain and retain the large, complex accounts in a competitive environment, according to John M. Riley, a director of Reed Shaw Stenhouse & Partners Ltd.

During the year, the Canadian broker opened a reinsurance office in Madrid, Spain, along with offices in Whitehorse in the Yukon Territory, Canada, Athens, Greece, Mexico and Fiji Islands, bringing the total offices to 147 in 29 countries.

In 1978, two major developments occurred. The parent company Reed Shaw Osler Ltd. changed its corporate name to Reed Stenhouse Cos. Ltd. to mark a 1973 merger with A.R. Stenhouse Reed Shaw & Partners Ltd. The company said the merger produced an effective worldwide partnership that should be acknowledged in a more meaningful, formal and permanent

Continued on following page

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agent/broker profiles

Continued from preceding page manner.

Also in 1978, Reed Shaw Stenhouse Inc. acquired Standart & Main of Denver, Colo. Further plans to expand in the U.S. are in the making, Mr. Riley said, adding that Reed Shaw is in contact with several conceivable candidates to develop a much larger base in the U.S.

Approximately 15% of Reed Stenhouse's gross revenues are U.S. based.

While the brokerage firm lost some business due to the Quebec government's takeover of automobile bodily injury liability, Mr. Riley said this amount was minimal compared to the overall operations of the company.

The fastest growing part of the brokerage firm in terms of percen-

tage growth comes from reinsurance brokerage, Mr. Riley noted. Risk management services are also becoming more important within the company, he added.

Reed Shaw, however, didn't add any new services. It offers a wide range of risk management services, including captive feasibility studies and measures of past loss experience and exposures to determine deductibles.

One change occurred in principal officers. Herbert Houghton became the new managing director and chief executive officer for A.R. Stenhouse Reed Shaw & Partners Ltd., replacing John Young, who resigned. Other principal officers are James W. Whittall, president and chief executive officer for Reed Stenhouse Cos. Ltd.; Jack M. Moon, executive vp for Reed Stenhouse Companies Ltd.; Cedric G.E. Gyles, president of Reed Shaw Stenhouse Ltd., the Canadian companies, and Anthony F. Salvatore, president of Reed Shaw Stenhouse Inc., the U.S. subsidiary.

Tomenson Saunders Whitehead Ltd.

PO Box 439; Toronto-Dominion Centre, Toronto, Ont. M5K1M3; 416-361-6700

	1977	1976
Premium vol.	NA	NA
Gross rev.	\$27,262,000	\$22,900,000
Employees	820	747
Offices	18	15

Tomenson Saunders Whitehead marked 1977 with an aggressive plan to win large and international accounts and to move into the U.S. heavily, said vp of finance, J.S. Cameron.

The Canadian broker also has targeted expansion in utilization of world insurance markets, international risk management and captive management services, Mr. Cameron said.

With a 19% gain in revenues during 1977, Tomenson Saunders has maintained consistent growth but has failed to measure up to the 25% compounded growth rate it achieved over the last five years.

While the broker has placed increasing emphasis on gaining the larger accounts, Mr. Cameron said Tomenson Saunders will continue its "major sales thrust across all levels" of accounts.

The growth of the firm's services in international risk management and captive management services has been enhanced by the broker's foreign offices in London and in Hamilton, Bermuda, according to Mr. Cameron.

Specific plans for expansion in the U.S. are underway and a number of options are being considered. The Canadian broker, with its U.S. subsidiary Aries Inc., has five offices, including Long Beach, Calif.; Fort Worth, Tex.; Atlanta, and Paoli, Pa. An office in Chicago was opened in 1977.

In Canada, the broker has 15 offices and has opened three Canadian offices during 1977. They are in Halifax, Nova Scotia, and two offices in Ontario, Ottawa and London. The remaining two offices are in Bermuda and London.

Growth of Tomenson Saunders resulted more from internal business development rather than acquisitions, although the firm acquired five companies during 1977, Mr. Cameron noted.

The acquisitions were made for geographic reasons, he said. Among those acquired were Torcan General Insurance Agency in Toronto; Pulver-Snyder Agencies in Hamilton, Ont.; B.N. Campbell Insurance Agencies in London, Ont.; Lionel E. Lalonge Agency in Montreal, and England Agencies in Calgary, Alberta.

The firm's growth is focused on commercial accounts rather than personal lines. The mixture of ac-

Continued on page 54



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agent/broker profiles

Continued from page 52
counts is 90% commercial and 10% personal.

Property/casualty revenues for the Canadian broker amount to 90% of gross revenues while employe benefit or group insurance sales contribute 10%.

Tomenson Saunders Whitehead, whose parent company is Tosa Ltd., encompasses four subsidiaries. The life and actuarial arm is Tomenson Alexander Associates in Toronto. Foreign subsidiaries are the U.S. unit Aries Inc. headquartered in Paoli, Pa.; the London office, Tomenson Saunders Whitehead (U.K. Ltd.), and the Bermuda subsidiary, Tomenson Saunders Whitehead Int. Ltd.

William E. Toyne, president, has assumed the responsibilities of Walter S. Tomenson, former

chairman of the board who died February 1977. Other principal officers include J.S. Cameron, vp, finance; Kenneth M. Elliot, vp, central region; Douglas M. Lindsay, vp, eastern region, and Robert A. MacFarlane, vp, western region.

Dale & Co. Ltd.

PO Box 18, Toronto-Dominion Centre, Toronto, Ont. M5K1B2; 416-366-4645

	1977	1976
Premium vol.	\$95,771,000	\$87,950,000
Gross rev.	\$14,362,000	\$13,647,000
Employees	515	530
Offices	12	12

A sluggish business economy, an overly competitive insurance marketplace and the Quebec government's takeover of insurance for automobile bodily injury liability in Canada slowed the growth rate of Canadian broker Dale & Co. Ltd.

Growth in gross revenues dropped dramatically from a 20%

increase in 1976 to 5.2% in 1977. Last year's growth rate was also lower than the 23% growth rate achieved during the last three years.

"The business activity to which the premium is geared has just dropped off," said Kenneth M. Gilbert, president and chief executive officer of Dale & Co. Ltd. "The economy is very poor here and plants aren't expanding."

The slowdown has been particularly noticeable in Quebec, where the election of the separatist and socialist Parti Quebecois has brought about a changing political and business environment. Perhaps most worrisome to the business community is the party's decision to make the French language mandatory in Quebec.

Another decision by the new Quebec government to institute government takeover of insurance for automobile bodily injury has adversely affected the Canadian insurance marketplace, according

to Mr. Gilbert.

Because insurance companies have lost this business to the government, the companies are competing by cutting insurance rates dramatically to recoup their losses, Mr. Gilbert said, noting that rates on some of Dale's renewals have dropped 30% to 40%.

"While the reduced rates may be good for the public in the short run, I don't like to see the insurance industry overreacting so much," he added.

Other Canadian brokerage firms such as Tomenson Saunders Whitehead have not experienced the same crunch that Dale has with its slow growth rate. Mr. Gilbert said his firm has been squeezed more because of its greater share of business in Quebec.

Future growth of the Canadian broker will come from more consulting work on a fee basis in the areas of self-insurance and captives. Other growth areas targeted, according to Mr. Gilbert, are addi-

tional actuarial services in pensions and group insurance.

Dale's past efforts to increase its volume of commercial business began to bear fruit during 1977, said treasurer J.M. Lewis. The percentage of business from commercial accounts increased from its 1976 level of 85% to 92.39% in 1977.

Dale plans to continue increasing its share of medium to large accounts, Mr. Lewis said. The Canadian firm doesn't plan to solicit personal lines accounts.

Gross revenues at Dale are composed of 71.4% property/casualty, 2% employe benefits, 8.2% marine and 26.6% for fees and investment income.

Dale & Co. Ltd. opened no offices and made no acquisitions or mergers in 1977. In 1978, however, Dale acquired Morand Insurance Agencies Ltd. in Windsor, Ont., and Hayes Insurance Agency in Halifax, Nova Scotia, in July 1978.

The parent company, Dale-Ross Holdings Ltd., has two subsidiaries: Boyd, Phillips & Co. Ltd., average adjusters and surveyors, and Dale Management Ltd., which encompasses the agency division, Dale Consultants Ltd. and Steers Insurance Agencies Ltd.

Principal officers for the Canadian broker remained unchanged from 1976. Officers are Kenneth M. Gilbert, president and chief executive officer of Dale & Co. Ltd., I.A. Ballantyne, secretary; J.M. Lewis, treasurer; J.F. Wright, senior vp; F.J. Flanagan, senior vp, and W.J. Brant, senior vp.



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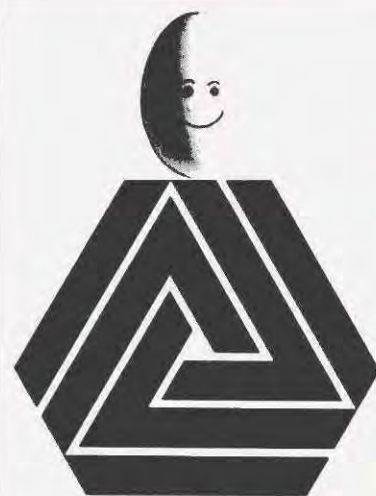
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Abramson-Meltzer Agency

929 Fee Fee Road, Suite 204, St. Louis, Mo. 63043; 314-434-7373

	1977	1976
Premium vol.	\$2,086,000	\$1,621,000
Gross rev.	\$ 296,200	\$ 215,600
Employes	7	5
Commercial bus.	85%	85%

Principal officers: M.M. Abramson, R.F. Meltzer, W.J. Rose.
Compensation: commissions and fees.

Jay Adams & Associates Inc.

P.O. Box 70, 121 Ridgewood Drive, Daytona Beach, Fla. 32015; 904-252-3701

	1977	1976
Premium vol.	\$3,750,000	\$3,600,000
Gross rev.	\$ 567,000	\$ 561,000
Employes	21	20
Commercial bus.	67%	65%

Principal officers: Asher Shapiro, Peter Hjelm, Men Levi, Roy Hjelm, James Coonan.
Compensation: commissions and fees.
Branch offices: New York, Los Angeles, Chicago, Philadelphia,

Principal officers: Jay Adams, president; Charles Bultman, vp; Jerry White, treasurer; Lois Kimball, secretary.
Compensation: commissions.
Licensed excess/surplus broker in: Florida.

Adams, Scott & Conway Inc.

127 John St., New York, N.Y. 10038; 212-248-1570

	1977	1976
Premium vol.	NA	NA
Gross rev.	\$1,411,000	\$1,300,000
Employes	48	45
Commercial bus.	90%	95%

Principal officers: Asher Shapiro, Peter Hjelm, Men Levi, Roy Hjelm, James Coonan.
Compensation: commissions and fees.
Branch offices: New York, Los Angeles, Chicago, Philadelphia,

agent/broker profiles

Miami, Baltimore.
Subsidiaries: Group VII Services Inc.

Licensed excess/surplus broker in: New York, New Jersey, Florida, California, Pennsylvania, Illinois.

Admiral Insurance Agency Inc.

20 State St., Lynn, Mass. 01901; 617-599-2000

	1977	1976
Premium vol.	\$1,923,165	\$1,519,869
Gross rev.	\$ 256,897	\$ 237,333
Employes	9	7
Commercial bus.	65%	70%

Principal officers: Samuel B.

Tassel, CLU, president and treasurer.

Compensation: commissions.
Acquisitions: Sisson & Sons, April 1977; Revere Insurance Agency, Oct. 1977.
Branch offices: Revere, Mass.
Licensed excess/surplus broker in: Massachusetts.

Affiliated Agencies Inc.

2506 Willowbrook Parkway, Indianapolis, Ind. 46205; 317-259-1441

	1977	1976
Premium vol.	\$8,193,750	\$7,374,375
Gross rev.	\$1,311,000	\$1,216,771
Employes	36	36
Commercial bus.	75%	75%

Principal officers: John E. Thurston, president; Alvin L. Cohen, vp; Ronald J. Newmark,

secretary/treasurer; James H. Little, vp-operations; Martin J. Berkowitz, assistant vp.

Compensation: commissions.
Licensed excess/surplus broker in: Indiana.

Agins Agency Inc.

24361 Greenfield Road, Southfield, Mich. 48075; 313-557-8822

	1977	1976
Premium vol.	\$4,400,000	\$3,800,000
Gross rev.	\$ 705,000	\$ 610,000
Employes	16	16
Commercial bus.	90%	85%

Principal officers: Eugene N. Agins, president; Jack B. Sirotkin, CLU, vp; Rose S. Agins, secretary-treasurer.

Compensation: commissions.
Subsidiaries: Agins Estate & Corporate Planners.

Continued on following page

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California Dental Service, San Francisco 415/864-9800
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Colorado Dental Service, Denver 303/832-1111
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- Washington, D.C.**
Dental Health Service Corporation of the District of Columbia, Washington, D.C. 202/686-1980
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Maryland Dental Service Corporation, Towson 301/296-8005
- Massachusetts**
Massachusetts Dental Service, Boston 617/956-3412
- Michigan**
Delta Dental Plan of Michigan, Lansing 517/321-1600
- Minnesota**
Delta Dental Plan of Minnesota, Minneapolis 612/831-3525
- Mississippi**
Mississippi Dental Services, Inc., Jackson 601/922-6107
- Missouri**
Missouri Dental Service, St. Louis 314/576-5340
- Montana, Nevada, Utah**
Delta Plan (Montana, Nevada, Utah), Salt Lake City, Utah 801/487-8804
- Nebraska**
Nebraska Dental Service Corporation, York 402/362-3311
- New Hampshire**
New Hampshire Dental Service Corporation, Concord 603/228-0531
- New Jersey**
New Jersey Dental Service Plan, East Orange 201/674-6500
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South Carolina Dental Health, Inc., Greenville 803/268-4378
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Virginia Dental Service Plan, Inc., Roanoke 703/343-8009
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- Wisconsin**
Wisconsin Dental Service, Stevens Point 715/344-6087
- Wyoming**
Wyoming Dental Service, Cheyenne 307/632-6463

agent/broker profiles

Continued from preceding page
Licensed excess/surplus broker in: Michigan.

Akin-Akin Inc.

2418 E. Great River, Howell, Mich. 48843; 517-546-4810

	1977	1976
Premium vol.	\$1,979,205	\$1,505,000
Gross rev.	\$ 282,197	\$ 199,191
Employees	8	7
Commercial bus.	70%	70%

Principal officers: Edward H. Akin, CPCU, president; Robert C. Peal, vp.

Compensation: commissions. Licensed excess/surplus broker in: Michigan.

All Coverage Agency Inc.

108 S. Franklin Ave., Valley Stream, N.Y. 11580; 516-561-1500

	1977	1976
Premium vol.	\$1,200,000	\$1,100,000
Gross rev.	\$ 205,000	\$ 240,000
Employees	8	8
Commercial bus.	60%	55%

Principal officers: Edward Levine, president; Harold Harris, vp.

Compensation: commissions and fees.

Acquisitions: Business of Charles Mandel.

Allman & Co. Inc.

York & Church Roads, Elkins Park, Pa. 19117; 215-927-6300

	1977	1976*
Premium vol.	\$4,300,000	\$7,000,000
Gross rev.	\$ 580,000	\$ 685,000
Employees	21	31
Commercial bus.	90%	80%

*From 1977 BI listing

Principal officers: Richard Allman Sr., president; John Fiorillo, Garth Miller, Richard P. Allman Jr., all vps; John Marron, controller.

Compensation: commissions and fees.

Acquisitions: Daniel Zamaran & Co. Inc., Jan. 1977.

Subsidiaries: Yorktown Financial Services.

Alper Services Inc.

1 N. Wacker Drive, Chicago, Ill. 60606; 312-236-9600

	1977	1976
Premium vol.	\$ 4,850,000	\$ 3,300,000
Gross rev.	\$ 810,000	\$ 650,000
Employees	19	15
Commercial bus.	95%	95%

Principal officers: Howard C. Alper, president; Robert A. Wilson, vp.

Compensation: commissions and fees.

Subsidiaries: Alper Agency, Audit Rate, Safety Awareness.

Seymour Alper & Co. Ltd.

5165 Queen Mary Road, Suite 300, Montreal, Quebec, Canada H3W 1X8; 514-489-8601

	1977	1976
Premium vol.	\$ 7,512,000	\$ 6,013,000
Gross rev.	\$ 1,300,000	\$ 1,050,000
Employees	30	29
Commercial bus.	75%	75%

Principal officers: Seymour Alper, president; Michel Labelle, vp and general manager.

Compensation: commissions and fees.

Alpha I Insurance Brokers Inc.

564 S. Murphy Ave., Sunnyvale, Calif. 94086; 408-739-4011

	1977	1976
Premium vol.	\$ 1,701,515	\$ 1,613,410
Gross rev.	\$ 236,085	\$ 196,522
Employees	9	9
Commercial bus.	62%	60%

Principal officers: W.J. Connor, president.

Compensation: commissions.

American Coverage Corp.

185 Great Neck Road, Great Neck, N.Y. 11022; 516-487-3800

	1977	1976
Premium vol.	\$10,050,000	\$ 9,000,000
Gross rev.	\$ 1,685,500	\$ 1,224,000
Employees	32	31
Commercial bus.	94%	93%

Principal officers: Robert L. Dubofsky, president; William B. Krug, executive vp; Jesse Gottlieb, CLU, president, American Coverage Life Planners Inc.; Frank A. Marino, vp-claims; Sharon Colon, secretary.

Compensation: commissions and fees.

Subsidiaries: American Coverage Life Planners Inc.; J.M. Marshall Co. Inc.; Wolkenberg & Warshaw Inc., Nat Dubofsky Co. Inc.

Parent company: American Coverage Associates.

Licensed excess/surplus broker in: New York.

American Insurance Associates Inc.

801 1st Ave. NE, PO Box 606, Cedar Rapids, Iowa 52406; 319-366-8621

	1977	1976
Premium vol.	\$ 1,100,566	\$ 869,528
Gross rev.	\$ 150,106	\$ 136,187
Employees	6	6
Commercial bus.	65%	60%

Principal officers: Richard K. Cooper, CPCU president.

Compensation: commissions and fees.

America's Insurance Center

562 Boulevard, Kenilworth, N.J. 07033; 201-272-6300

	1977	1976
Premium vol.	\$ 4,217,604	\$ 3,348,321
Gross rev.	\$ 1,107,102	\$ 623,978
Employees	23	16
Commercial bus.	60%	82%

Principal officers: Raymond R. Kravetz, president; Marko Popin, vp; Arthur F. Kravetz, secretary;

Sylvia Kravetz, treasurer.

Compensation: commissions. Branch offices: Flushing, N.Y. Licensed excess/surplus broker in: New York and New Jersey.

ANCO/The Anderson Co.

6300 Westpark, Houston, Tex. 77057; 713-781-8800

	1977	1976
Premium vol.	\$17,500,000	\$16,000,000
Gross rev.	\$ 2,800,000	\$ 2,500,000
Employees	94	72
Commercial bus.	90%	90%

Principal officers: Joe E. Vincent, CPCU, chairman; M.L. Cashion, CPCU, vice chairman; Dick B. Haddox, CPCU, president; John Van Osdall, CPCU, Jack Gardner, CLU, J.O. Alexander, CLU and J. Van Ballard, all senior vps.

Compensation: commissions and fees.

Branch offices: Bryan, Tex. Parent company: ANCO Corp. Licensed excess/surplus broker in: Texas.

Anderson & Anderson Inc.

333 Bayside Drive, Newport Beach, Calif., 92660; 714-675-9900

	1977	1976
Premium vol.	\$ 8,900,000	\$ 5,300,000
Gross rev.	\$ 1,200,000	\$ 749,000
Employees	32	14
Commercial bus.	95%	95%

Principal officers: Robert M. Anderson, CPCU, president; Donald D. Anderson, chairman of the board; Brian Sincock, Ed Griffith, both vps.

Compensation: commissions and fees.

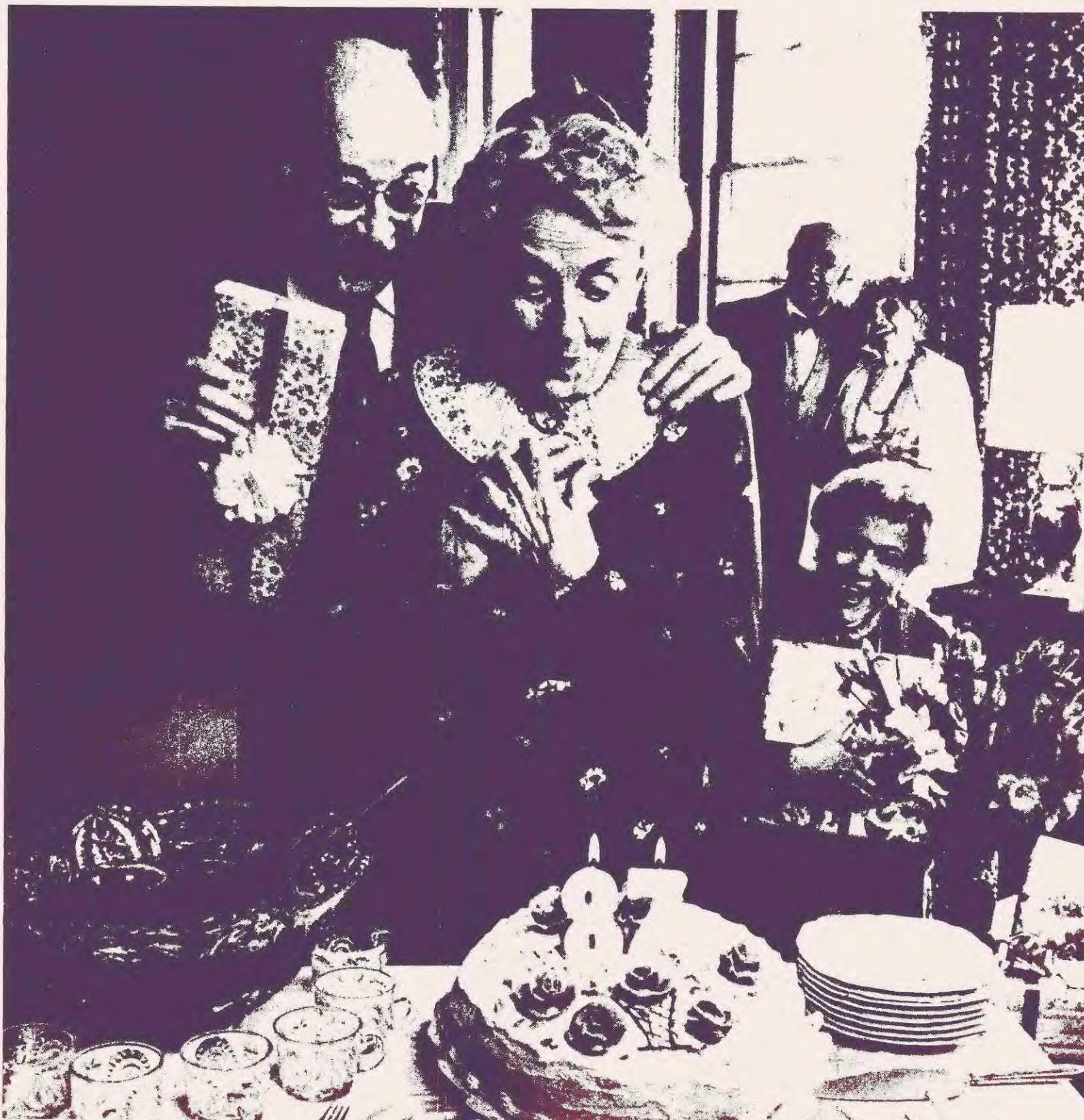
Branch offices: Orange, Calif.

Dwight W. Andrus Insurance Agency Inc.

PO Box 51749, Lafayette, La. 70505; 318-232-6242

	1977	1976
Premium vol.	\$ 8,500,000	\$ 6,450,000
Gross rev.	\$ 1,100,000	\$ 712,000
Employees	18	14
Commercial bus.	75%	60%

The Hartford helped a grow older



Principal officers: Mike Hoagland, vp and general manager; Larry Marcus, John Scopes, David Strassel, Al Nugent, all vps.
 Compensation: commissions and fees.
 Acquisitions in the past year: J.Y. Foreman Insurance Agency, Lafayette, La., Aug. 1977.

The Associated Agencies Inc.

223 W. Jackson Blvd., Chicago, Ill. 60606; 312-322-4800

	1977	1976
Premium vol. ...	\$21,160,000	\$15,000,000
Gross rev.	\$ 2,350,000	\$ 2,200,000
Employees	62	69
Commercial bus.	90%	87%

Principal officers: Max R. Schroyer, chairman; Robert L. Adler, president; Harry T. Helton, executive vp; Peter M. Wolff, T.R. Loeb, both senior vps.
 Compensation: commissions and fees.
 Licensed excess/surplus broker in: Illinois.

Associated Insurance Managers Inc.

5987 E. 71st St., Lakewood 7100, Suite 205, Indianapolis, Ind. 46220; 317-842-1402

	1977	1976
Premium vol. ...	\$ 2,962,692	\$ 2,689,704
Gross rev.	\$ 482,198	\$ 470,782
Employees	22	24
Commercial bus.	50%	40%

Principal officers: William J. Garrity, president; Ralph E. Lecky, senior vp; Nicholas Johantgen, treasurer; Jan Zimmerman, vp.
 Compensation: commissions and fees.
 Acquisitions in the past year: Dardeen-Johnson Agency Inc., Jan. 1978; Joe Huff Agency Inc., March 1978.
 Branch offices: Anderson, Fortville, Muncie, Dunkirk, New Castle, Hagerstown, Richmond, all in Indiana.
 Parent company: Management Advisors Inc.

Association Program Managers Inc.

Lakewood 7100, 5987 E. 71st St., Suite 205, Indianapolis, Ind. 46220; 317-842-1402

	1977	1976
Premium vol. ...	\$ 2,980,000	\$ 1,954,000
Gross rev.	\$ 368,900	\$ 275,000
Employees	12	11
Commercial bus.	99%	90%

Principal officers: William J. Garrity, president; Melvin J. Mathews, executive vp; Annabelle Robbins, secretary; John Hester, vp.
 Compensation: commissions.
 Branch offices: Evansville, Syracuse, both Indiana.
 Subsidiaries: Agency Premium Finance, Lifeway Inc.
 Parent company: Management Advisors Inc.
 Licensed excess/surplus broker in: Indiana.

Athens Insurance Co. Inc.

PO Box 809, Athens, Tenn. 37303; 615-745-3062

	1977	1976
Premium vol. ...	\$ 5,300,000	\$ 4,300,000
Gross rev.	\$ 858,000	\$ 723,000
Employees	25	24
Commercial bus.	75%	75%

Principal officers: Sam L. Fozzell, president; Robert E. Cook, John R. O'Donnell, both vps; Guy Baker, assistant vp; Brody Ellis, treasurer.
 Compensation: commissions and fees.
 Branch offices: Sweetwater, Knoxville, Etowah, all in Tennessee.
 Licensed excess/surplus broker in: Tennessee.

Athens Insurers Inc.

PO Box 626, Athens, Ga. 30603; 404-353-2111

	1977	1976
Premium vol. ...	\$ 2,199,000	\$ 1,506,000
Gross rev.	\$ 257,215	\$ 200,351
Employees	13	12
Commercial bus.	65%	65%

Principal officers: L.L. Scruggs Sr., president and treasurer; Lewis L. Scruggs Jr., Michael S. Gautreaux, both vps; Barbara P. Steele, assistant secretary; Nancy B. Scruggs, secretary.
 Compensation: commissions and fees.
 Subsidiaries: Cornelia Insurance Agency.

Atkins Insurance Corp.

1400 Worthen Bank Building, Little Rock, Ark. 72201; 501-372-2222

	1977	1976
Premium vol. ...	\$21,000,000	\$16,000,000
Gross rev.	\$ 2,200,000	\$ 1,800,000
Employees	60	64
Commercial bus.	90%	90%

Principal officers: James H. Atkins, president and chief executive officer; Richard P. Herget Jr., vp and secretary; Arthur Ranney, vp and controller; Jerry M. Dollins, vp-risk management.
 Compensation: commissions and fees.
 Branch offices: Hot Springs, Ark.
 Subsidiaries: Arkansas All Risks Inc.
 Licensed excess/surplus broker in: Arkansas.

Austin & Co. Inc.

102 State St., Albany, N.Y. 12201; 518-465-3591

	1977	1976
Premium vol. ...	\$ 2,445,000	\$ 1,927,000
Gross rev.	\$ 444,317	\$ 385,254
Employees	15	13
Commercial bus.	80%	75%

Principal officers: Charles M. Liddle III, president; James P. Faughnan Jr., executive vp; Herbert L. Trance, CPCU, vp; George Weber, CPCU, sales manager; Robert M. Cantwell, associate.
 Compensation: commissions and fees.

B

B.R.I. Coverage Corp.

156 William St., New York, N.Y. 10038; 212-233-7171

	1977	1976
Premium vol. ...	\$45,000,000	\$40,000,000
Gross rev.	\$ 5,100,000	\$ 4,500,000
Employees	74	70
Commercial bus.	90%	90%

Principal officers: Donald P. Ferrarini, president; Howard Miller, Arthur Ostrow, Bruno Rumignani, Gred Ghawi, senior vps; James R. Sweitzer, Herbert Kramer, John Kelly, James J.
 Continued on following page

retirement home gracefully.



Retirement homes, nursing homes and health-related facilities all share one thing in common: an awesome responsibility.

They must take numerous and special precautions to protect the safety of their residents. And their residents are not only more vulnerable to illness, they're also more vulnerable to injury, accidents and fires.

To help one of these facilities meet all of its responsibilities as effectively as possible, The Hartford recommended it start a loss prevention program.

Loss prevention is added security.

Working closely with our independent agent, The Hartford was able to help design a program to help prevent fires, injuries, and accidents. And to help prevent a disaster if a fire did strike.

The results? Besides increasing the residents' safety and turning this facility into a model home, The Hartford's loss prevention program helped lead to a 29% reduction in the home's insurance rate.

Health care is just one of our specialties.

Just about any business can benefit from The Hartford's loss prevention counseling.

If you're a manufacturer, our product safety specialists can help you avoid product liability lawsuits.

If you own a truck fleet, our transportation specialists can help improve security. And our 3-D Driver Training Program can

improve your drivers' safety records.

If you're a contractor, we'll help you get jobs done on time. With fewer accidents.

And as part of your program, we may recommend that you use LARS, our unique Loss Analysis Reporting System. At a glance, this computerized summary of losses helps spotlight loss trends and accident areas in your business. So corrective action can be started as quickly as possible.

When losses go down, rates don't have to go up.

The Hartford wants to help your business prevent fires, injuries, accidents and thefts for a very simple reason: to make your insurance more affordable. Because experience has shown that when losses go down, rates don't have to go up.

That's why more and more businesses are turning to The Hartford for loss prevention help. Help that comes with every commercial policy we sell. Free.

See how it can help make your business better. Just check the Yellow Pages for the independent agent who represents The Hartford.

Do it today. And help your business grow to a ripe old age.



The best protection is prevention.

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INCORPORATED
INSURANCE

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agent/broker profiles

Continued from preceding page
O'Donnell, all vps.
Compensation: commissions and fees.
Subsidiaries: B.R.I. Silver Inc.
Parent company: B.R.I. Holding Corp.
Licensed excess/surplus broker in: New York, New Jersey.

Babb Inc.

850 Ridge Ave., Pittsburgh, Pa. 15212; 412-237-2020

	1977	1976
Premium vol.	\$33,698,000	\$30,898,000
Gross rev.	\$ 4,227,000	\$ 3,832,000
Employees	137	142
Commercial bus.	5%	4%

Principal officers: William M. Waugh Jr., chairman; William M. Steele, vice chairman and secretary; Ronald B. Livingston, presi-

dent; John C. McCutchen, vp and treasurer; R. Mark Hainsfurther, vp.

Compensation: commissions and fees.

Branch offices: Wayne, Pa.; Cleveland.

Subsidiaries: Babb-Matthes Inc.; Babb Computers Systems Inc., Higham-Whitridge Inc., Babb Insurance Agency Inc., Higham-Whitridge Securities Inc., Babb-Ohio Inc., Higham-Neilson, Whitridge & Reid Inc. of N.J., National Management Services.

Licensed excess/surplus broker in: Pennsylvania.

Bailey, Engelhardt & Vega Insurance Agency Inc.

213 Baronne St., Suite 300, New Orleans, La. 70112; 504-581-2584

	1977	1976
Premium vol.	\$ 5,200,000	\$ 3,950,000
Gross rev.	\$ 670,000	\$ 594,495
Employees	18	18
Commercial bus.	77%	78%

Principal officers: August C. Engelhardt, president; Curtis H. Bailey, vp; Delery P. Vega, secretary/treasurer.

Compensation: commissions.

Bailey H. Patterson Inc.

4001 11th St., PO Box 391, Riverside, Calif. 92502; 714-683-3300

	1977	1976
Premium vol.	\$ 3,900,000	\$ 3,400,000
Gross rev.	\$ 594,400	\$ 431,000
Employees	16	16
Commercial bus.	80%	80%

Principal officers: James K. Milam, president and treasurer; James R. Cavanaugh Sr., executive vp and secretary; Gene L. LaHusen, Rodney L. Roche, David R. Doig, all vps.

Compensation: commissions.

Subsidiaries: Patterson Financial and Insurance Services Inc.

Baldwin, Simons & Campbell Inc.

1900 Valley Bank Tower, Springfield, Mass. 01115; 413-785-1575

	1977	1976
Premium vol.	\$ 4,300,000	\$ 3,500,000
Gross rev.	\$ 690,000	\$ 669,986
Employees	20	18
Commercial bus.	64%	69%

Principal officers: E.R. Jenks, president; H.T. Jensen Jr., CPCU, vp.

Compensation: commissions.

Subsidiaries: B.S.&C. Financial Services Inc.

Licensed excess/surplus broker in: Massachusetts.

The Barger Agency Inc.

81 Queenwood Road, PO Box 414, Morton, Ill. 61550; 309-267-7411

	1977	1976
Premium vol.	\$ 4,264,000	\$ 3,300,000
Gross rev.	\$ 410,000	\$ 305,000
Employees	6	7
Commercial bus.	96%	94%

Principal officers: Glenn W. Barger Jr., president; Terry J. Petersen, executive vp; Ernest L. Rosecrans, vp.

Compensation: commissions.

Licensed excess/surplus broker in: Illinois.

Barker-Phillips Inc.

1500 E. Sunshine, Springfield, Mo. 65804; 417-887-3550

	1977	1976
Premium vol.	\$ 5,613,223	\$ 3,990,937
Gross rev.	\$ 754,065	\$ 543,878
Employees	18	15
Commercial bus.	89%	87%

Principal officers: Paul O. Barker, president; Milton S. Phillips, vp; Larry W. Giboney, secretary.

Compensation: commissions.

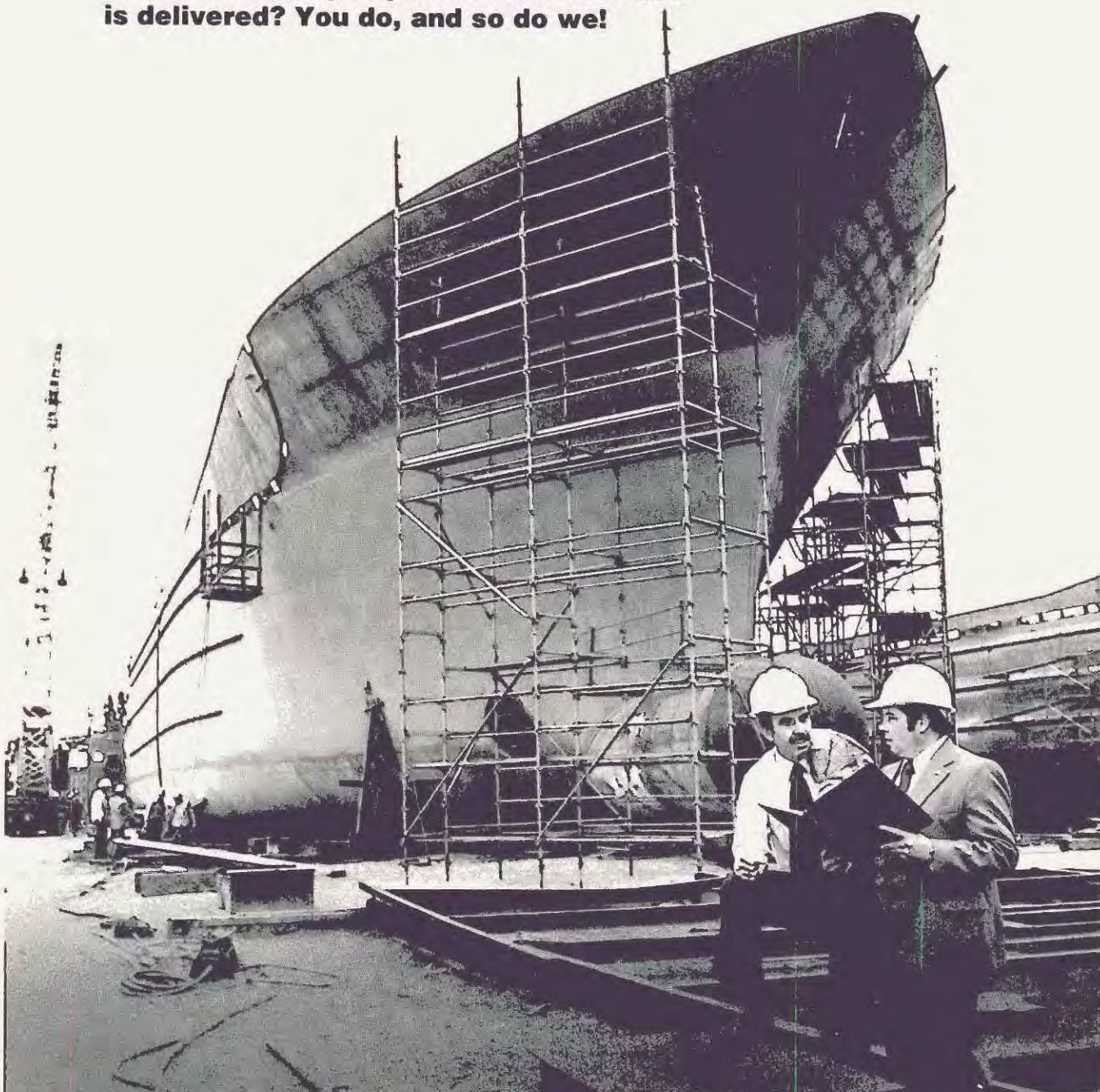
Licensed excess/surplus broker in: Missouri.

L.T. Barton Insurance

PO Box 9320, 607 Bailey St., Ft.

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in fact it is our business.

GROUP DEPARTMENT



CHATTANOOGA, TN 37402

Worth, Tex. 76107; 817-332-1313

	1977	1976
Premium vol.	\$ 2,509,836	\$ 2,119,989
Gross rev.	\$ 420,830	\$ 357,532
Employees	10	10
Commercial bus.	70%	70%

Principal officers: Hayes Tucker, CPCU, CLU, Troy Barton, David Cooper, all partners.
Compensation: commissions.

Beal & Associates Insurance Counselors Inc.

4350 East Camelback Road, Suite 205-A, Phoenix, Ariz. 85018; 602-957-1111

	1977	1976
Premium vol.	\$ 2,954,000	\$ 2,300,000
Gross rev.	\$ 498,000	\$ 394,000
Employees	18	17
Commercial bus.	85%	90%

Principal officers: William A. Beal, president; Norma J. Beal, secretary/treasurer.
Compensation: commissions and fees.

Subsidiaries: Dealer Services. Licensed excess/surplus broker in: Arizona.

Max Behm & Associates Inc.

16633 Ventura Blvd., Suite 1100, Encino, Calif. 91436; 213-981-0600

	1977	1976
Premium vol.	\$ 4,725,000	\$ 2,976,000
Gross rev.	\$ 627,000	\$ 425,000
Employees	21	16
Commercial bus.	85%	75%

Principal officers: Max Behm, president; Gerald P. Baron, CPCU, executive vp; Robert M. Bryar, vp; Virginia Bennett, office manager.
Compensation: commissions.
Acquisitions in the past year: Ben Wohlstadter, Dec. 1976.

Albert M. Bender Co. Inc.

50 Francisco St., San Francisco, Calif. 94133; 415-391-2600

	1977	1976
Premium vol.	\$60,000,000	\$45,000,000
Gross rev.	\$ 9,000,000	\$ 5,200,000

	210	185
Employees	90%	85%
Commercial bus.		

Principal officers: Lewis B. Levin, chairman; Bernard H. Mizel, president and chief executive officer; Richard Metcalfe, executive vp-underwriting; Robert L. Rossi, executive vp-branch and field operations; John W. Kabaker, senior vp-sales; E. Paul Hansen, vp-finance; Edward Greenberg, senior vp-SOCAL region; Robert L. Clark, senior vp-NORCAL region; Earnest Gray, senior vp-Warren, Starkey & Gray division; William Goulet, vp-life and financial services.
Compensation: commissions and fees.

Acquisitions in the past year: Walter J. Warren Agency, Jan. 1977; William F. Mallory Associates Inc., Sept. 1977.

Branch offices: Arcata, Los Angeles, Marin County, Mt. Shasta, Petaluma, Sacramento, San Francisco, Santa Rosa, Walnut Creek, all California; New York.

Subsidiaries: Insurance Marketing Associates, Norman Lawrence & Associates Inc., Warren, Starkey & Gray Insurance Agency.

Parent company: Bender was acquired by the Bache Group Inc. of New York in January 1978.
Licensed excess/surplus broker in: California.

Bennett Wallace Welch & Green Insurance Inc.

641 1st St. South, PO Box 3842, St. Petersburg, Fla. 33731; 813-822-4616

	1977	1976
Premium vol.	\$ 3,785,000	\$ 3,481,000
Gross rev.	\$ 661,210	\$ 590,870
Employees	23	23
Commercial bus.	60%	60%

Principal officers: William P. Wallace, president; John I. Welch, Stanley C. Shaver Jr., J. Hayden Knowlton, Jack Fessler, all vps.
Compensation: commissions.
Branch offices: Clearwater.

Licensed excess/surplus broker in: Florida.

Blumencranz, Klepper & Wilkins Ltd.

3000 Marcus Ave., Lake Success, N.Y. 11040; 212-445-2300

	1977	1976
Premium vol.	\$ 8,000,000	\$ 7,000,000
Gross rev.	\$ 950,000	\$ 810,000
Employees	25	23
Commercial bus.	85%	85%

Principal officers: Roger A. Blumencranz, CLU, president; Aaron A. Wilkins, Frank Ali, Jules A. Birnbaum, CLU, all vps; Stuart Wilkins, treasurer.

Compensation: commissions and fees.
Subsidiaries: B.B.K.&W. Agency Inc.

Licensed excess/surplus broker in: New York.

Bogart & Brownell

4829 Fairmont Ave., Bethesda, Md. 20814; 301-709-1100
Continued on following page

Industrial Risk Insurers

Profit Protection: IRI

When an IRI inspector scales a height, he may be protecting a bottom line. The insurance recommendations that result can affect everything from production through marketing.

At Industrial Risk Insurers, knowledgeable underwriting and loss prevention engineering help protect both property and profits. Here's how: an IRI engineer pointed out in a loss prevention report that three major production units "...are located side by side. If an incident occurred to one, there is the strong likelihood that it would involve the other two. Replacement of this machinery is estimated at one year." This risk involved hundreds of thousands of sales dollars each day. If an incident occurred, the interruption could mean a loss of market share as customers shifted to other available brands. And lost market share could affect profits for years to come. Immediate steps were taken to alleviate the risk.

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An association of 45 leading insurance companies, Industrial Risk Insurers underwrites domestic and foreign property liability in excess of \$400,000,000,000. We offer enlarged capacity, engineering-in-depth, and a commitment to productivity and profits which our customers (and their stockholders) welcome.

For more information concerning IRI's underwriting and engineering services, contact your agent or broker, or one of our offices listed adjacent to this message.

Industrial Risk Insurers



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- Eastern Region**
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C.C. George, Manager (203) 525-2601
- Western Region**
175 W. Jackson Blvd., Chicago, Illinois 60604
H.S. Robinson, Manager (312) 663-4050
- Pacific Region**
One Embarcadero Ctr., San Fran., CA. 94111
A.J. Wert, Manager (415) 434-3356
- FIELD OFFICES**
- Atlanta, Georgia 30341
3300 Northeast Expressway (404) 451-8446
- Baltimore, Maryland 21204
305 W. Chesapeake Avenue (301) 825-6676
- Boston (Wellesley), Massachusetts 02181
20 William Street (617) 237-4506
- Buffalo (Williamsville), New York 14221
5820 Main Street (716) 634-5900
- Charlotte, North Carolina 28202
200 South College Street (704) 333-1108
- Chicago, Illinois 60604
175 West Jackson Boulevard (312) 663-4050
- Cincinnati, Ohio 45202
309 Vine Street (513) 241-8040
- Cleveland, Ohio 44113
614 Superior Avenue, West (216) 621-9088
- Columbus, Ohio 43215
394 Oak Street (614) 224-4278
- Dallas, Texas 75206
8350 N. Central Expressway (214) 692-7631
- Detroit (Southfield), Michigan 48075
16900 West Eight Mile Road (313) 275-5296
- Grand Rapids, Michigan 49506
1331 Lake Drive, South East (616) 459-0277
- Hartford, Connecticut 06102
85 Woodland Street (203) 525-2601
- Houston, Texas 77024
974 Campbell Road (713) 461-1363
- Indianapolis, Indiana 46204
320 North Meridian Street (317) 634-2583
- Kansas City, Missouri 64111
406 West 34th Street (816) 931-5995
- Los Angeles (Anaheim), California 92805
300 South Harbor Blvd. (714) 778-4580
- Milwaukee, Wisconsin 53226
2401 North Mayfair Road (414) 475-1775
- Minneapolis, Minnesota 55402
12 South Sixth Street (612) 339-0474
- Nashville, Tennessee 37204
2934 Sidco Drive (615) 254-1658
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Gateway 1 (201) 643-1005
- New York, New York 10038
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- Philadelphia, Pennsylvania 19106
Fifth and Market Streets (215) 925-5050
- Pittsburgh, Pennsylvania 15220
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- Richmond, Virginia 23230
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- San Francisco, California 94111
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- Syracuse, New York 13202
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The real Madison Avenue is where actuaries, data processors, claims administrators, attorneys, and others are buying their professional liability insurance.

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Incidentally, Madison Avenue is the main thoroughfare of Greenwood, the city that recently put Indianapolis on the Map.

Brougner Agency, Inc.

188 S. Madison Avenue
Greenwood, Indiana
Telephone 317 888 3531
Telex/TWX 810 260 2230

agent/broker profiles

Continued from preceding page
Md. 20014; 301-654-2277

	1977	1976
Premium vol. ...	\$ 7,000,000	\$ 5,600,000
Gross rev.	\$ 860,000	\$ 723,000
Employees	22	21
Commercial bus.	80%	80%

Principal officers: Ralph M. Bogart, Robert W. Brownell, Carl W. Hurlbause, Ben C. Bridgers, William C. Bogart.

Compensation: commissions and fees.

Branch offices: Boca Raton, Fla.

Bone, Robertson & McBride Inc.

1043 Stuart St., Suite 8, Lafayette, Calif. 94549; 415-376-3502

	1977	1976
Premium vol. ...	\$ 1,250,039	\$ 857,420

	1977	1976
Gross rev.	\$ 187,506	\$ 126,439
Employees	7	5
Commercial bus.	86%	78%

Principal officers: Thomas M. Bone, president; Donald L. Bone, vp; C. Dudley Robertson, treasurer.

Compensation: commissions and fees.

Licensed excess/surplus broker in: California.

Boockford & Co.

2021 Spring Road, Suite 230, Oak Brook, Ill. 60521; 312-654-8282

	1977	1976
Premium vol. ...	\$ 10,299,000	\$ 7,411,000
Gross rev.	\$ 949,278	\$ 712,000
Employees	14	12
Commercial bus.	97%	96%

Principal officers: William B. Boockford, president and treasurer; Louis F. Chiodo, vp and secretary.

Compensation: commissions and fees.

Bosworth-West & Co.

1818 West S.W. Loop 323, PO Box 6620, Tyler, Tex. 75711; 214-561-2621

	1977	1976
Premium vol. ...	\$ 3,871,823	\$ 3,685,948
Gross rev.	\$ 388,479	\$ 328,368
Employees	16	16
Commercial bus.	65%	65%

Principal officers: Fred E. Bosworth, senior partner; Jerry R. Shelton, L. Glenn Taylor, partners.

Compensation: commissions.

Bottari, Holland & Sweetman*

2150 Franklin St., Oakland, Calif. 94612; 415-835-4600

	1977	1976
Premium vol. ...	\$ 2,000,000	\$ 1,550,000
Gross rev.	\$ 324,000	\$ 255,000
Employees	9	9
Commercial bus.	70%	70%

Principal officers: Victor Bottari Jr., president; John P. Holland Jr., CPCU, Robert G. Sweetman, both vps.

Compensation: commissions and fees.

Acquisitions in the past year: DeVilbiss, Sweetman, Wentworth & Associates, Jan. 1978.

*Formerly Bottari, Holland & Zarley.

Bowers, Schumann & Welch

21 W. Washington Ave., Washington, N.J. 07882; 201-689-1092

	1977	1976
Premium vol. ...	\$ 4,400,000	\$ 3,400,000
Gross rev.	\$ 764,596	\$ 639,361
Employees	32	25
Commercial bus.	50%	45%

*From 1977 BI listing

Principal officers: Leonard R. Schumann, president; Ralph S. Bowers, vp; Scott F. Welch, secretary-treasurer.

Compensation: commissions and fees.

Acquisitions in the past year: W. Russell Hamlen Agency, Jan. 1977; Gerstner Insurance Agency, May 1977.

Branch offices: Blairstown, Hackettstown, Phillipsburg, all in New Jersey.

Boyer Agency

Savings Bank Building, Manistee, Mich. 49660; 616-723-6283

	1977	1976
Premium vol. ...	\$ 5,200,000	\$ 4,600,000
Gross rev.	\$ 613,000	\$ 575,000
Employees	14	14
Commercial bus.	60%	60%

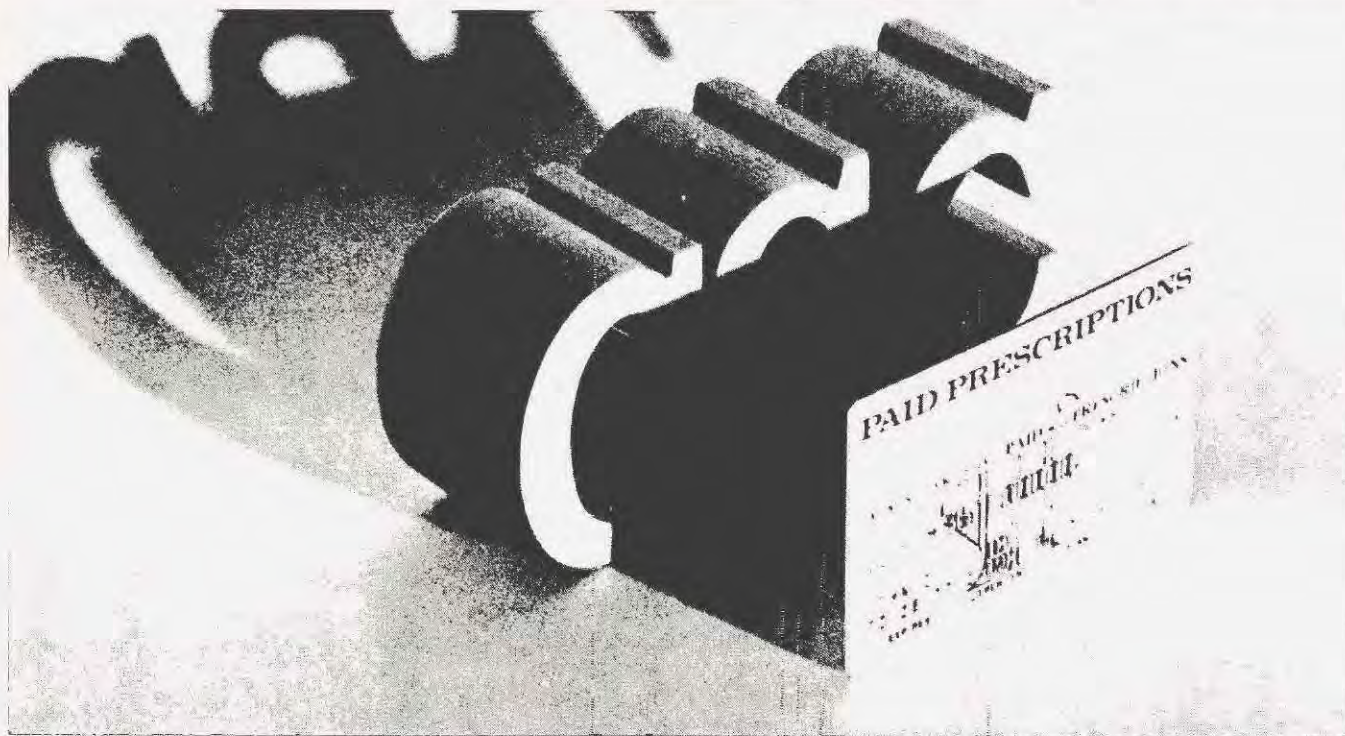
Principal officers: Theodore K. Knott, president; Harold L. Lloyd, vp and treasurer.

Compensation: commissions and fees.

Branch offices: Bear Lake, Mich. Licensed excess/surplus broker in: Michigan.

Bradenton Insurance Inc.

PO Box 70, Bradenton, Fla. 33506;



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PAID PRESCRIPTIONS

A Division of Computer Sciences Corporation
235 Frisch Court
Paramus, N.J. 07652
(201) 845-9000

813-748-0511

	1977	1976
Premium vol. ...	\$ 2,200,000	\$ 1,700,000
Gross rev.	\$ 350,000	\$ 310,000
Employees	12	15
Commercial bus.	50%	65%

Principal officers: John A. Weichel, CPCU, CLU, president and chief executive officer; W. Bert Varnadore, vp-group sales; R. H. Russell, CPCU, vp-commercial sales.

Compensation: commissions. Branch offices: Clearwater, Fla. Licensed excess/surplus broker in: Florida.

Byerly & Co. Inc.

1300 Logan St., Suite 200, Denver, Colo. 80203; 303-831-0070

	1977	1976
Premium vol. ...	\$91,000,000	\$58,000,000
Gross rev.	\$ 613,185	\$ 399,160
Employees	27	17
Commercial bus.	100%	100%

Principal officers: Robert Byerly, president; Robert N. Morehead, executive vp; Richard F. Helm, Jack E. Kennedy, both senior vps; Alfred A. Gimbel, vp; Warren J. Tasset, president Wyoming office.

Compensation: commissions and fees. Subsidiaries: Byerly & Co. of Wyoming.

David Bynum Insurance Inc.

1798 Transco Tower, 2700 S. Post Oak, Houston, Tex. 77056; 713-627-3230

	1977	1976
Premium vol. ...	\$ 4,392,340	\$ 4,393,000
Gross rev.	\$ 487,850	\$ 487,921
Employees	10	10
Commercial bus.	92%	90%

Principal officers: David Bynum, president; Hilda Hines, secretary. Compensation: commissions and fees.

C

Calco Insurance Brokers & Agents

1900 Alameda de Las Pulgas, San Mateo, Calif. 94503; 415-574-0773

	1977	1976
Premium vol. ...	\$45,487,000	\$34,399,000

Gross rev.	\$ 7,249,500	\$ 5,555,000
Employees	230	220
Commercial bus.	99%	99%

Principal officers: Robert E. Tuthill, first vp; Paul J. Warner, vp; Franklin L. Knapp, asst. vp. Compensation: commissions and fees. Branch offices: San Francisco, Los Angeles, Fresno, all in California.

Cal-Surance Associates

3475 Torrance Boulevard, Torrance, Calif. 90503; 310-532-1111
Continued on page 64

Braun & Braun Inc.

7th Floor, Sill Building, Flint, Mich. 48502; 313-767-6180

	1977	1976
Premium vol. ...	\$ 6,054,834	\$ 5,122,341
Gross rev.	\$ 895,194	\$ 742,916
Employees	20	20
Commercial bus.	81%	80%

Principal officers: Philip J. Braun, president; Robert E. Benson, Anthony Abaid, both vps; John J. Byder, secretary; Michael J. Charboneau, treasurer.

Compensation: commissions and fees.

Brendler Insurance Agency Inc.

6011 Executive Boulevard, Suite 205, Rockville, Md. 20852; 301-468-2200

	1977	1976*
Premium vol. ...	\$ 2,000,000	\$ 2,000,000
Gross rev.	\$ 200,000	\$ 200,000
Employees	3	3
Commercial bus.	90%	90%

*From 1977 BI listing.

Principal officers: Ivan B. Brendler, president; Robert D. Brendler, vp; Dossie B. Brendler, secretary-treasurer.

Compensation: commissions. Licensed excess/surplus broker in: District of Columbia, Maryland.

Brown & Holloway Inc.

PO Box 708, Commerce Court, Madisonville, Ky. 42431; 502-821-3033

	1977	1976
Premium vol. ...	\$ 1,725,000*	\$ 1,700,000
Gross rev.	\$ 310,000	\$ 276,583
Employees	7	5
Commercial bus.	85%	85%

Principal officers: Starling Holloway, president; Stephen Palmer, vp; William E. Rudd, secretary-treasurer.

Compensation: commissions. *Premiums and commissions depressed due to difficulties in workers compensation in Kentucky. Large blocks of business were placed in assigned risk pool.

Buckley & Co. Inc.

PO Box 1809, 111 W. Short St., Lexington, Ky. 40593; 606-254-8002

	1977	1976
Premium vol. ...	\$ 2,400,000	\$ 2,160,000
Gross rev.	\$ 300,000	\$ 270,000
Employees	14	13
Commercial bus.	75%	75%

Principal officers: Ben F. Buckley, CPCU, president; B.X. Buckley, secretary-treasurer; John F. Moore, Bill Shecky, Biff Buckley, all vps.

Compensation: commissions.

Business Coverage Corp.

2124 Highway 35 at Laurel Ave., Holmdel, N.J. 07733; 201-671-5111

	1977	1976
Premium vol. ...	\$ 2,250,000	\$ 1,800,000
Gross rev.	\$ 250,000	\$ 220,000
Employees	13	12
Commercial bus.	85%	85%

Principal officers: Alan N. Curry, president; John F. Baldwin, vp and secretary; Margaret F. Curry, vp. Compensation: commissions. Subsidiaries: Business Coverage Life Associates

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This is the fourth in a series.

cy policy.

agent/broker profiles

Continued from page 61
ance, Calif. 90503; 213-542-7301

	1977	1976
Premium vol.	\$16,168,000	\$10,432,319
Gross rev.	\$ 2,657,000	\$ 2,466,254
Employees	95	94
Commercial bus.	99%	99%

Principal officers: Donald E. Martin, CPCU, president; Warren J. Kwedar, executive vp; Terry Martin, Myron Bogen, both vps.

Compensation: commissions and fees.

Branch offices: San Jose, Fresno.

Subsidiaries: MGA Insurance Marketing.

Parent company: Chartered Financial.

Licensed excess/surplus broker in: California.

John Campbell Insurance Agency Inc.

209 N. Walnut, Harrison, Ark. 72601; 501-741-5423

	1977	1976
Premium vol.	\$ 1,309,300	\$ 1,032,356
Gross rev.	\$ 209,000	\$ 164,797
Employees	8	8
Commercial bus.	60%	51%

Principal officers: John O. Campbell, president; D.J. Campbell, secretary-treasurer.

Compensation: commissions.

Cantor & Co. Inc.

174 Central St., Lowell, Mass. 01852; 617-458-3381

	1977	1976
Premium vol.	\$ 3,500,000	\$ 4,500,000
Gross rev.	\$ 525,000	\$ 650,000
Employees	20	15
Commercial bus.	85%	85%

*From 1977 BI listing

Principal officers: James Cantor, chairman; Harold Swartz, president; Neil M. Blume, treasurer; William Abrcmson, executive vp; Robert R. Miller, vp.

Compensation: commissions.

Branch offices: Boston, West Brook, Maine.

Subsidiaries: Cantor Insurance Agency Inc.

Cape Insurance Center Inc.

303 New Jersey Ave., N. Wildwood, N.J. 08260; 609-522-1004

	1977	1976
Premium vol.	\$ 3,624,823	\$ 2,721,041
Gross rev.	\$ 652,000	\$ 599,000
Employees	16	15
Commercial bus.	62%	59%

Principal officers: James E. Wheaton, president; Ernest L. Yarborough Jr., CPCU, vp; Harry N. Hand, secretary-treasurer.

Compensation: commissions.

Branch offices: Avalon, Cape May Court House, Wildwood Crest, all in New Jersey.

Carlin Insurance

209 West Central St., Natick, Mass. 01760; 617-655-0522

	1977	1976
Premium vol.	\$ 3,250,000	\$ 2,750,000
Gross rev.	\$ 438,000	\$ 376,000
Employees	18	17
Commercial bus.	70%	65%

Principal officers: James A. Cotter, CPCU, president.

Compensation: commissions and fees.

Subsidiaries: Consolidated Finance Corp.

Parent company: Consolidated Resources Corp.

Licensed excess/surplus broker in: Massachusetts.

The Carpezzi Agency Inc.

120 N. Main St., New City, N.Y. 10956; 914-634-8716

	1977	1976
Premium vol.	\$ 2,100,000	\$ 1,475,000
Gross rev.	\$ 280,000	\$ 210,000
Employees	7	7
Commercial bus.	80%	75%

Principal officers: Leonard J. Carpezzi, president; Virginia Pellocatta, general manager.

Compensation: commissions.

Catalano Insurance Agency Inc.

251 Broadway, Methuen, Mass. 01845; 617-688-4667

	1977	1976
Premium vol.	\$ 2,000,000	\$ 1,500,000
Gross rev.	\$ 340,000	\$ 255,000
Employees	11	11
Commercial bus.	70%	70%

Principal officers: G. Thomas Catalano, president; William F. Corcoran, Anthony J. Grillo, both vps.

Compensation: commissions.

Subsidiaries: Salem Insurance Agency, Inc., Salem, N.H.; Georgetown Insurance Agency, Georgetown, Mass.; Brewster Brothers, Newburyport, Mass.

Century Insurance Services

840 Oak Grove Road, Birmingham, Ala. 35209; 205-942-9685

	1977	1976
Premium vol.	\$ 1,450,000	\$ 810,000
Gross rev.	\$ 266,000	\$ 134,000
Employees	10	6
Commercial bus.	90%	85%

Principal officers: M. Glen Jackson, president; Maxie R. Jackson, R.B. Moore, both vps.

Compensation: commissions and fees.

Acquisitions: Formed Century Insurance Services of Tennessee, June 1978.

Branch offices: Chattanooga, Tenn.

Subsidiaries: Century Insurance Services of Tenn.

Licensed excess/surplus broker in: Alabama.

Charles & Laubach Inc.

255 East Osborn Road, Phoenix, Ariz. 85012; 602-264-1634

	1977	1976
Premium vol.	\$3,700,000	\$3,200,000
Gross rev.	\$ 560,000	\$ 450,000
Employees	12	11
Commercial bus.	85%	85%

Principal officers: Robert M. Charles, CPCU, president; Robert A. Laubach, CPCU, CLU, vp; Donald G. Alexander, CPCU, secretary-treasurer.

Compensation: commissions.

Licensed excess/surplus broker in: Arizona.

City & County Insurance Agency Inc.

PO Box 10348; Knoxville, Tenn. 37919; 615-637-4519

	1977	1976
Premium vol.	\$ 4,288,229	\$ 2,986,665
Gross rev.	\$ 529,557	\$ 425,759
Employees	18	15
Commercial bus.	85%	85%

Principal officers: C.H. Butcher Jr., chairman; L.S. Moran, presi-



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dent; Harold Trapp, Frank Maples, both vps; Howard Moody, secretary-treasurer.

Branch offices: Maynardville, Clinton, both in Tennessee.

Parent company: Inter-Agency Risk Managers.

Licensed excess/surplus broker in: Kentucky.

Clair Insurance Agency Inc.

717 Bethlehem Pike, Erdenheim, Pa. 19118; 215-CH-2-5555

	1977	1976
Premium vol.	\$ 7,904,329	\$ 5,627,271
Gross rev.	\$ 1,058,806	\$ 827,381
Employs.	38	35
Commercial bus.	80%	78%

Principal officers: Robert A. Clair, president and treasurer; Herbert D. Clair, executive vp; William P. Mohr, first vp; Milton B. Kohn, vp and secretary; David A. Collins, vp.

Compensation: Commissions and fees.

Subsidiaries: Morgan Insurance Agency.

Clark Associates*

307 Cumberland Ave., PO Box 3543, Portland, Maine, 04104; 207-774-6257

	1977	1976
Premium vol.	\$ 3,708,000	\$ 2,900,000
Gross rev.	\$ 586,000	\$ 505,000
Employs.	24	20
Commercial bus.	55%	54%

Principal officers: Richard W. Clark, president and treasurer; Philip F. Chadbourne, Richard R. Carmichael, both vps.

Compensation: commissions. Acquisitions: Goodrich Agency, March 1978.

Branch offices: North Windham, Maine.

Licensed excess/surplus broker in: Maine.

*Formerly Woodworth & Clark.

E.T. Clauss & Co. Inc.

735 Delaware Ave., Buffalo, N.Y. 14209; 716-886-6600

	1977	1976
Premium vol.	\$ 7,000,000	\$ 5,600,000
Gross rev.	\$ 1,200,000	\$ 1,050,000
Employs.	40.5	40
Commercial bus.	65%	60%

Principal officers: James T. Clauss, president; David F. Clauss, Robert L. Pauly, CPCU, Robert S. DiMatteo, CPCU, all vps; Philip W. Cowan, CPCU, secretary.

Compensation: commissions. Branch offices: Syracuse, N.Y.

Subsidiaries: Affiliated with Associated Risk Managers of New York State.

Columbia Insurance Agency Inc.

45 Sutton St., Lynn, Mass. 01901; 617-598-5000

	1977	1976*
Premium vol.	\$ 3,092,000	\$ 2,600,000
Gross rev.	\$ 475,000	\$ 445,000
Employs.	11	12
Commercial bus.	50%	50%

*Figures from 1977 BI listing

Principal officers: Normand A. Dion, CPCU, president; Paul F. Duffy, vp.

Compensation: commissions. Licensed excess/surplus broker in: Massachusetts.

Columbus Interstate Insurance Agency

PO Box 2488, 421 12th St., Columbus, Ga. 31902; 404-324-6634

	1977	1976
Premium vol.	\$ 6,508,000	\$ 5,619,000
Gross rev.	\$ 150,000	\$ 150,000
Employs.	33	35
Commercial bus.	75%	75%

Principal officers: Paul F. Morrison, president; Gus D. Hinson, executive vp; Richard B. Jones, vp and secretary; E.T. Jones, vp and treasurer.

Compensation: commissions. Branch offices: Atlanta. Subsidiaries: Interstate Insurors

Inc. Parent company: Insurance Management Corp.

Colwell James & Hart Inc.

1611 Peach St., PO Box 6365, Erie, Pa., 16501; 814-455-0987

	1977	1976
Premium vol.	\$ 1,200,000	\$ 1,500,000
Gross rev.	\$ 210,000	\$ 202,000
Employs.	7	6
Commercial bus.	70%	70%

Principal officers: H.L. James Jr., president; Donald J. Hart, vp and treasurer.

Compensation: commissions. Licensed excess/surplus broker in: Ohio, Texas, Florida.

Comiskey Insurance Agency Inc.

3915 Essex Lane, PO Box 22751, Houston Tex. 77027; 713-627-7810

Continued on following page

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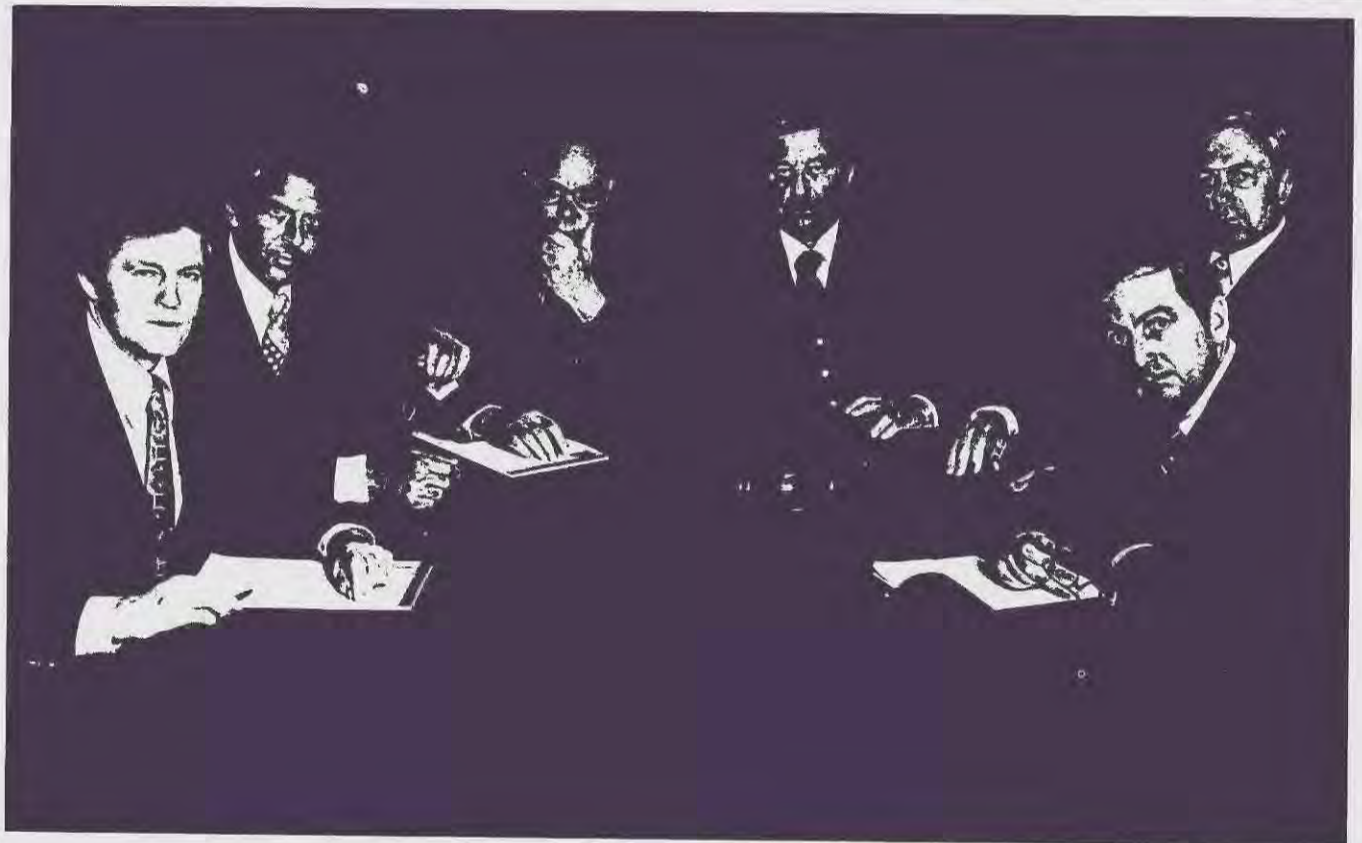
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Number of employees _____

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agent/broker profiles

Continued from preceding page

	1977	1976
Premium vol.	\$5,250,000	\$5,500,000
Gross rev.	\$ 450,000	\$ 550,000
Employees	18	18
Commercial bus.	75%	65%

Principal officers: Frank H. Comiskey, CPCU, president; Charles E. Comiskey, CPCU, executive vp.

Compensation: commissions.

Concord Insurance Agencies

6044 Gateway East, El Paso, Tex., 79905; 915-778-9911

	1977	1976
Premium vol.	\$10,000,000	\$8,000,000
Gross rev.	\$ 2,500,000	\$2,000,000
Employees	125	125
Commercial bus.	60%	60%

Principal officers: R.A. Lowen-

field, president; Rex Glimp, C.F. Saunders, both vps; David Etzold, secretary; R.H. Palm, chairman.

Compensation: commissions and fees.

Branch offices: Albuquerque, Anthony, both in New Mexico.

Licensed excess/surplus broker in: Texas, New Mexico.

Consolidated Insurance Center Inc.

6707 Whitestone Road, Baltimore, Md. 21207; 301-944-9550

	1977	1976
Premium vol.	\$3,775,590	\$3,000,000
Gross rev.	\$ 712,527	\$ 576,098
Employees	20	19
Commercial bus.	70%	65%

Principal officers: Charles P. Bundy Jr., CPCU, chairman; John F. Doetzer, CPCU, president; Thomas F. Campion, CPCU, vp-treasurer; Robert G. Urch, CPCU, vp-secretary; W. Ronald Galloway, CPCU, vp.

Compensation: commissions

and fees.

Subsidiaries: Consolidated Insurance Consultants.

Licensed excess/surplus broker in: Maryland.

Cook & Knight Associates

1172 E. Ridgewood Ave., Ridgewood, N.J., 07450; 201-445-5100

	1977	1976
Premium vol.	\$1,890,000	\$1,400,000
Gross rev.	\$ 225,000	\$ 175,000
Employees	7	5
Commercial bus.	55%	50%

Principal officers: Warren B. Cook, president; John J. Knight, vp; John F. Giegerich, assistant vp.

Compensation: commissions.

Acquisitions in the past year:

two, May 1977 and March 1978.

The Corinth Co.

975 S. Fair Oaks Ave., Pasadena, Calif. 91105; 213-682-3336

	1977	1976
Premium vol.	\$2,000,000	\$1,600,000
Gross rev.	\$ 337,000	\$ 230,000
Employees	10	7
Commercial bus.	80%	85%

Principal officers: William L. Hoyt Jr., president; Joseph M. Green, executive vp; Owen C. Burgess, office manager.

Compensation: commissions.

Branch offices: Beverly Hills, Calif.

Coulter & Groner Inc.

125 Parkway Road, Bronxville, N.Y. 10708; 914-337-9200

	1977	1976
Premium vol.	\$4,500,000	\$3,500,000
Gross rev.	\$ 525,000	\$ 350,000
Employees	10	8
Commercial bus.	80%	75%

Principal officers: Elliott H. Coulter, president; Edward H. Grower, vp.

Compensation: commissions.

Subsidiaries: The Life Agency of America Inc.

Couper-Ackerman-Sampson Inc.

2 Court St., PO Box 1970, Binghamton, N.Y. 13902; 607-772-1444

	1977	1976
Premium vol.	\$3,250,000	\$3,000,000
Gross rev.	\$661,000	\$601,000
Employees	24	24
Commercial bus.	67%	67%

Principal officers: John F. Russell, CPCU, president; John A. Foley, vp and treasurer; William J. McPhail, secretary; Robert H. White, assistant secretary.

Compensation: commissions.

Cox & Associates Inc.

Drawer 448, Troy, Ala. 36081; 205-566-1477

	1977	1976
Premium vol.	\$3,678,432	\$2,297,351
Gross rev.	\$ 454,000	\$391,000
Employees	13	14
Commercial bus.	93%	95%

Principal officers: Ken Cox, president; Dot Howard, John Witherington, Bob Graf, all vps.

Compensation: commissions and fees.

Subsidiaries: Monk Wright Agency, sold May 1978.

Licensed excess/surplus broker in: Alabama.

Crowe Insurance Agency Inc.

169 Washington St., E. Stroudsburg, Pa. 18301; 717-421-3535

	1977	1976
Premium vol.	\$3,675,000	\$3,120,000
Gross rev.	\$561,944	\$422,078
Employees	18	16
Commercial bus.	60%	60%

Principal officers: Walter R. McClelland, president; Richard C. McClelland, vp.

Compensation: commissions.

Frank Crystal & Co. Inc.

61 Broadway, New York, N.Y. 10006; 212-344-2444 or 800-221-5830

	1977	1976
Premium vol.	NA	NA
Gross rev.	\$2,051,000	\$1,100,000
Employees	14	15
Commercial bus.	85%	86%

Principal officers: James W. Crystal, president and chief executive officer; I. Frank Crystal, chairman; Jerome D. Lubin, vp; Steven L. Grossberg, vp and comptroller.

Compensation: commissions and fees.

Subsidiaries: Frank Crystal & Associates Inc.

Licensed excess/surplus broker in: New York.



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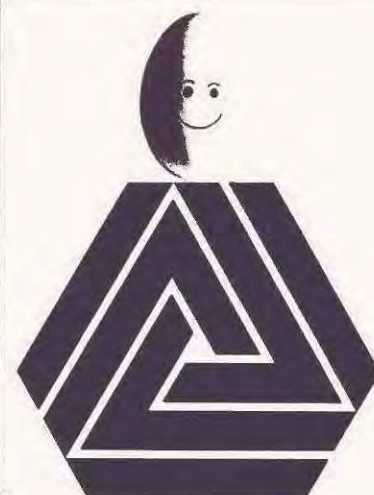
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D.M.A.S. Inc.

1348 Forest Ave., Staten Island, N.Y. 10302; 212-981-0700

	1977	1976
Premium vol.	\$1,650,000	\$1,400,000
Gross rev.	\$ 225,000	\$ 200,000
Employees	5	5
Commercial bus.	82%	57%

Principal officers: Louis J. Milone, president; Herbert R. Applebaum, vp; Sheldon Stillman, secretary-treasurer.

Compensation: commissions and fees.

Dain Insurance Agency

12631 E. Imperial Highway, Suite 103A, Santa Fe Springs, Calif. 90670; 213-864-2715

	1977	1976
Premium vol.	\$1,328,000	\$ 987,000
Gross rev.	\$ 159,300	\$ 128,501
Employees	5	3
Commercial bus.	96%	92%

Principal officers: Ray Urrutia, president; Robert Dain, secretary-treasurer.

Compensation: commissions and fees.

Parent company: Robert Dain & Co. Inc.

Davidson Pierson & Roth Inc.

13316 E. Bailey, Whittier, Calif. 90601; 213-698-7781

	1977	1976
Premium vol.	\$1,400,000	\$1,200,000
Gross rev.	\$ 279,543	\$ 189,540
Employees	6	6
Commercial bus.	90%	90%

Principal officers: Alan C. Davidson, president; Douglas L. Pierson, vp; J. Robert Roth, secretary-treasurer.

Compensation: commissions.

Davis-Grosse Inc.

168 E. Lake St. PO Box 579, Elmhurst, Ill. 60126; 312-834-0056

	1977	1976
Premium vol.	\$3,900,000	\$2,225,000
Gross rev.	\$ 620,000	\$ 433,000
Employees	24	18
Commercial bus.	90%	90%

Principal officers: Edward L. Grosse, president; A.D. Davis, William Opelka, both vps; A.D. Davis Jr., treasurer; Alfred E. Barr, secretary.

Compensation: commissions and fees.

Branch offices: Winnetka, Ill.

Day, Webb & Taylor Inc.

1017 S. Gaylord St., Denver, Colo. 80209; 303-778-0100

	1977	1976
Premium vol.	\$7,890,000	\$5,570,000
Gross rev.	\$1,452,000	\$1,115,000
Employees	23	29
Commercial bus.	70%	85%

Principal officers: Robert W. Webb, CPCU, president; H. Howell Taylor Jr., CPCU, CLU, vp; J. Emmett Taylor, secretary-treasurer.

Compensation: commissions and fees.

Branch offices: Seattle, Los Angeles.

Parent company: D.W.T. Inc. Licensed excess/surplus broker in Colorado.

Dayton, Corey & Dubben Inc.

335 Manville Rd., Pleasantville, N.Y. 10570; 914-769-0013

	1977	1976
Premium vol.	\$1,950,000	\$1,300,000
Gross rev.	\$ 359,000	\$ 260,000
Employees	10	3
Commercial bus.	99%	83%

Principal officers: Marshall T. Corey, CPCU, CLU, president; Andrew T. Robinson, CPCU, sales manager; William E. Smith, general manager.

Compensation: commissions and fees.

DeGrassi-Bates Co.

1008 W. 10th St., PO Box 9067, Amarillo, Tex., 79105; 806-372-6767

	1977	1976
Premium vol.	\$1,872,000	\$1,672,000
Gross rev.	\$ 257,000	\$ 257,000
Employees	7	7
Commercial bus.	65%	78%

Principal officers: Hollis B. DeGrassi Jr., managing partner; George H. Bates, partner.

Compensation: commissions.

L. Robert DeSanctis Insurance Agency Inc.

12 Crescent Ave., Woburn, Mass. 01801; 617-935-8480

	1977	1976
Premium vol.	\$1,700,000	\$1,300,000
Gross rev.	\$ 340,000	\$ 273,000
Employees	4	3
Commercial bus.	96%	86%

Continued on following page

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MERCHANTS MUTUAL INSURANCE COMPANY
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CROWN
LIFE INSURANCE COMPANY
HOME OFFICE, TORONTO, CANADA

**agent/broker
profiles**

Continued from preceding page

Principal officers: L. Robert DeSanctis, president and treasurer; Gregory D. Juwa, vp and clerk.
Compensation: commissions.

The John DeVries Agency Inc.

414 State St., St. Joseph, Mich.
49085; 616-983-0581

	1977	1976
Premium vol.	\$3,181,428	\$2,611,255
Gross rev.	\$ 493,761	\$ 457,359
Employees	12	10
Commercial bus.	80%	76%

Principal officers: James B. DeVries, president; Betty M. Wisneski, administrative vp; Dennis A. Stowers, Alford H. Mack, David H. Mack, all vps.

Compensation: commissions and fees.

Parent company: AARCO American Agency Inc.

Dixon Insurance Inc.

1304 13th Ave. S., Fargo, N.D.
58102; 701-237-6651

	1977	1976
Premium vol.	\$1,328,444	\$1,312,000
Gross rev.	\$ 193,728	\$ 190,876
Employees	6	5
Commercial bus.	80%	76%

Principal officers: James E. Dixon, CPCU, president; Darrell J. Buethner, vp; Joseph R. Smith, marketing director.

Compensation: commissions.
Branch offices: Bismarck, N.D.
Licensed excess/surplus broker in: North Dakota.

Dohrmann-King Co. Inc.

1045 N. El Dorado St., Stockton, Calif. 95208; 209-944-5540

	1977	1976
Premium vol.	\$2,350,000	\$2,400,000
Gross rev.	\$ 385,000	\$ 308,104
Employees	9	8
Commercial bus.	85%	85%

Principal officers: Harold C. King, president; Lewis D. Skyhawk, Robert E. Lee, both vps; Dorothy H. Thomas, treasurer.
Compensation: commissions.

Walter P. Dolle Inc.

424 Dixie Terminal Building, Cincinnati, Ohio 45202; 513-421-6515

	1977	1976
Premium vol.	\$22,809,000	\$17,130,000
Gross rev.	\$ 2,509,000	\$ 1,976,000
Employees	50	46
Commercial bus.	90%	90%

Principal officers: Jack Trainer, president; H. Russell Reigart, Charles W. Dehne, both vps.

Compensation: commissions and fees.

Licensed excess/surplus broker in: all states.

Dowis Agency Inc.

214 S. Third St., Sterling, Colo. 80751; 303-522-6260

	1977	1976
Premium vol.	\$3,819,254	\$3,188,056
Gross rev.	\$ 667,404	\$ 585,352
Employees	21	20
Commercial bus.	87%	86%

Principal officers: Richard W. Dowis, president; Hiram M. Dickson, vp; Lyle D. Graham, secretary-treasurer; Richard A. Warren, assistant secretary.

Compensation: commissions.
Subsidiaries: Dowis Management Corp.; Dowis Systems Inc.

Robert F. Driver Co. Inc.

400 Cedar St., San Diego, Calif. 92112; 714-238-1828

	1977	1976
Premium vol.	\$15,000,000	\$10,000,000
Gross rev.	\$ 2,258,565	\$ 1,786,769
Employees	74	72
Commercial bus.	80%	80%

Principal officers: Robert F. Driver, president; Richard M. Bowen, senior vp and treasurer; Irwin B. Sklar, senior vp; Robert H. Herring, secretary and comptroller.

Compensation: commissions and fees.

Branch offices: LaJolla, Newport Beach, both in California.

Subsidiaries: Premium Advance Co.

The Ducey Agency Inc.

Route 9-W, Haverstraw, N.Y. 10927

	1977	1976
Premium vol.	\$2,700,000	\$2,450,000
Gross rev.	\$ 375,000	\$ 347,000

	1977	1976
Employees	8	8
Commercial bus.	70%	65%

Principal officers: Thomas W. Torpey, president; Edward C. Smith, vp.

Compensation: commissions.

Dwight-Naylor Insurance Agency

PO Box 666, Burlington, Iowa, 52601; 319-752-4504

	1977	1976
Premium vol.	\$1,232,072	\$922,850
Gross rev.	\$ 281,121	\$189,478
Employees	7	7
Commercial bus.	52%	54%

Principal officers: Jack Naylor, president and treasurer; David

Carlson, secretary.

Compensation: commissions.
Acquisitions: one agency in March 1977.

Branch offices: Burlington, Iowa.

E

Eastman & Co. Insurance Brokers

4444 Riverside Drive, Burbank, Calif. 91505; 213-849-2406

	1977*	1976
Premium vol.	\$1,200,000	\$1,800,000
Gross rev.	\$ 157,842	\$ 188,075
Employees	3	6
Commercial bus.	97%	99%

*Sale of Honolulu office decreased revenue

Principal officers: Robert Eastman, president; Linda Davidson, secretary-treasurer.

Compensation: commissions.

Edwards & Longwello Insurance Brokers

871 Coleman Ave., San Jose, Calif. 95110; 408-288-8000

	1977	1976
Premium vol.	\$6,400,000	\$4,775,000
Gross rev.	\$ 900,000	\$ 633,300
Employees	28	20
Commercial bus.	85%	82%

Principal officers: Robert E. Edwards, chairman; Charles J. Longwello, president; Darrell D.



W. M. LEAN

Prater, executive vp; Doris M. Wayrynen, secretary-treasurer.
Compensation: commissions.

Emery-Richardson Inc.

4390 N. Federal Highway, Fort Lauderdale, Fla. 33308; 305-772-1440

	1977	1976
Premium vol. ...	\$4,300,000	\$3,500,000
Gross rev.	\$ 720,000	\$ 614,000
Employees	32	33
Commercial bus.	67%	65%

Principal officers: J.F. Gassie, president; W.A. McGowan, W.J. Eisenhower, both vps; E.W. Lersch, commercial manager.

Compensation: commissions and fees.

Evans, Conger, Broussard & McCrea

301 City Line Ave., Bala Cynwyd, Pa. 19004; 215-839-4210

	1977	1976
Premium vol. ...	\$13,029,785	\$10,287,154
Gross rev.	\$ 1,410,288	\$ 1,168,498
Employees	35	33
Commercial bus.	99%	99%

Principal officers: Oliver C. Conger Jr., chairman; James J. Broussard, CPCU, president; Thomas F. McCrea, CPCU, executive vp and secretary; Peter C. Arthmire, CPCU, senior vp; Thomas J. Galen, CPCU, vp.

Compensation: commissions and fees.

Branch offices: Ft. Lauderdale.

Subsidiaries: Frank E. Mahoney Associates.

Licensed excess/surplus broker in: Pennsylvania.

Everett & Associates Inc.

9636 NE 2nd Ave., Miami Shores, Fla. 33138; 305-757-5556

	1977	1976
Premium vol. ...	\$ 3,800,000	\$ 3,200,000
Gross rev.	\$ 387,500	\$ 360,000
Employees	10	9
Commercial bus.	85%	90%

Principal officers: Frances B. Everett, president; Henry A. Everett, chairman of the board; William A. Allman, vp.

Compensation: commissions and fees.

Executive Motivation Inc.

#309, One Crossroads, Rolling Meadows, Ill. 60008; 312-398-7500

	1977	1976
Premium vol. ...	\$2,500,000	\$2,400,000
Gross rev.	\$ 210,000	\$ 208,500
Employees	4	4
Commercial bus.	90%	90%

Principal officers: Gary L. Karlin, president; William T. Wallace, vp; Edna S. Nutter, secretary/treasurer.

Compensation: commissions.

F

Fairlane Associates Inc.

15350 Commerce Drive N., Dearborn, Mich. 48120; 313-271-8200

	1977	1976
Premium vol. ...	\$6,321,191	\$4,666,012
Gross rev.	\$ 931,800	\$ 741,827
Employees	28	27
Commercial bus.	63%	58%

Principal officers: Robert G. Maldegen, president and treasurer; Michael J. Maldegen, vp and secretary.

Compensation: commissions and fees.

Acquisitions in the past year: Jamie Johnson Agency, April 1978.

Fanwick & Rubin

170 Hamilton Ave., White Plains, N.Y. 10601; 914-761-5555

	1977	1976*
Premium vol. ...	\$5,725,000	\$5,071,000
Gross rev.	\$ 750,000	\$ 683,000
Employees	7	6
Commercial bus.	95%	95%

*From 1977 BI listing

Principal officer: Aaron Rubin.
Compensation: commissions.

First American Systems Inc.

PO Box 8210, 627 Mt. Rushmore Road, Rapid City, S.D. 57701; 605-343-2489

	1977	1976
Premium vol. ...	\$18,998,000	\$16,759,000
Gross rev.	\$ 3,334,800	\$ 2,696,600
Employees	99	95
Commercial bus.	71%	72.7%

Principal officers: Tom Lane, chairman; Howard Kluthe, vice chairman; Ralph Rosene, president; Greg Cummings, Ron Johnson, senior vps.

Compensation: commissions.

Branch offices: Rapid City, Mitchell, Belle Fourche, Aberdeen, Sturgis, all S.D.; Baker, Billings, Great Falls, all Mont.; Denver, Colo.

Licensed excess/surplus broker in: South Dakota.

First Associated Insurance Agencies Inc.

12465 Burleigh Rd., Brookfield, Wis. 53005; 414-786-2540

	1977	1976
Premium vol. ...	\$5,000,000	\$4,300,000
Gross rev.	\$ 800,000	\$ 685,000
Employees	25	29
Commercial bus.	75%	75%

Principal officers: Howard McKee, chairman; Ted Schmidt, president; Charles Werling, executive vp; Art Lintort, secretary; Robert N. Cayze, vp.

Compensation: commissions.

First Insurance Agency Corp.

371 West First St., Dayton, Ohio 45402; 513-224-0891

Continued on following page

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Commercial Multi-Peril may not eliminate all your ordinary business worries. But now you need not worry about your business being eliminated by the extraordinary.



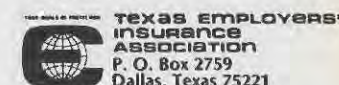
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agent/broker profiles

Continued from preceding page

	1977*	1976*
Premium vol.	\$5,250,000	\$4,500,000
Gross rev.	\$ 900,000	\$ 750,000
Employees	21	21
Commercial bus.	80%	80%

*For fiscal years ending Aug. 31, 1978; Aug. 31, 1977; largest account lost to national broker March 1, 1978

Principal officers: Richard G. Shaman, president; Manny Tabackman, Julius Kottler, both vps; Joseph M. Callahan, CPCU, treasurer; Robert H. Droz, CLU, secretary.

Compensation: commissions.

Subsidiaries: Lange Insurance Agency Inc., Independence National Casualty Agency Inc.

Licensed excess/surplus broker in: Ohio.

Fitzgerald, Clayton, Noyes & Kasten Inc.

757 North Broadway, Milwaukee, Wis. 53202; 414-271-3717

	1977	1976
Premium vol.	\$2,949,812	\$3,400,000
Gross rev.	\$ 602,739	\$ 554,612
Employees	17	17
Commercial bus.	76%	70%

Principal officers: Robert T. Clayton, CPCU, president; William D. Hoppenjan, vp and secretary; Frederick C. Kasten, vp and treasurer.

Compensation: commissions and fees.

Acquisitions in the past year: Harry G. Packee Agency Inc., Milwaukee, 1977.

Licensed excess/surplus broker in: Wisconsin.

Fitzpatrick, Danahy Inc.

Suite 2525, One Marine Midland Center, Buffalo, N.Y. 14203; 716-856-1607

	1977	1976
Premium vol.	\$3,000,000	\$2,800,000
Gross rev.	\$ 400,000	\$ 380,000
Employees	12	13
Commercial bus.	80%	80%

Principal officers: Edward T. Danahy Jr., president; Joseph J. Hartnett, vp; George J. Onions Jr., secretary; E. Timothy Danahy III, treasurer.

Compensation: commissions and fees.

Flenniken Financial Services Inc.

PO Box 468, 515 Market St., Knoxville, Tenn. 37902; 615-524-9811

	1977	1976
Premium vol.	\$6,140,224	\$4,362,000
Gross rev.	\$ 943,258	\$ 728,623
Employees	27	24
Commercial bus.	73%	58%

Principal officers: Robert R. Scott, CPCU, chairman; Jerry D. Clements, CPCU, president and chief executive officer; Raymond L. Oakes, CPCU, executive vp; Joe Ben Turner, senior vp; Jerry S. Pressly, CPCU, treasurer.

Compensation: commissions and fees.

Foa & Son Corp.

One World Trade Center, New York, N.Y. 10048; 212-432-1234

	1977*	1976
Premium vol.	\$8,000,000	\$15,000,000
Gross rev.	\$ 756,400	\$ 800,000
Employees	24	26
Commercial bus.	98%	99%

*Three major producers formed their own corporation in June 1976.

Principal officers: Conrad Foa, president; Dick Impastato, vp; Patricia Shanley, assistant controller; Gerald Lind, Stanley Apicella, assistant vps.

Compensation: commissions and fees.

Frenkel & Co. Inc.

156 William St., New York, N.Y. 10038; 212-267-2200

	1977	1976
Premium vol.	NA	NA
Gross rev.	\$4,400,000	\$3,848,000
Employees	147	137
Commercial bus.	80%	80%

Principal officers: Leo S. Frenkel, chairman; George P. Frenkel, vice chairman and treasurer; Charles W. Pachner, president; James J. Costa, executive vp; Alan Samuels, Robert Shunk, senior vps.

Compensation: commissions and fees.

Branch offices: Los Angeles.

Sidney I. Friedlander Inc.

325 Genesee St., Utica, N.Y. 13501; 315-724-3173

	1977	1976
Premium vol.	\$1,840,000	\$1,727,000
Gross rev.	\$ 288,500	\$ 277,650
Employees	12	12
Commercial bus.	90%	89%



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J.H. BLADES & CO., INC.

SURPLUS LINES

Principal officers: Sidney I. Friedlander, president; Naomi W. Friedlander, vp and secretary; Barbara A. Montero, vp and treasurer.

Compensation: commissions.

Friedman & Friedman Agency Inc.

Box 1368, 125 Willis Ave., Roslyn Heights, N.Y. 11577; 516-484-4100

	1977	1976
Premium vol.	\$6,000,000	\$5,500,000
Gross rev.	\$ 650,000	\$ 570,000
Employees	19	17
Commercial bus.	85%	85%

Principal officers: Maurice Friedman, president; Harry D. Friedman, vp and secretary; Mark Ficelman, treasurer.

Compensation: commissions and fees.

Fritz International Insurance Brokers

350 Sansome St., San Francisco, Calif. 94104; 415-981-3434

	1977	1976
Premium vol.	\$10,000,000	\$9,200,000
Gross rev.	\$ 1,120,000	\$1,030,000
Employees	41	38
Commercial bus.	90%	80%

Principal officers: Robert L. Knox, chairman; Arthur J. Fritz Jr., president; Bruce D. Baker, chief executive officer.

Compensation: commissions.

Acquisitions: Robert L. Knox & Co., Oct. 1976; Pacific Coast Holdings Insurance, Jan. 1978.

Parent company: Fritz Cos. Inc.

Licensed excess/surplus broker in: California.

G

G-A Insurance Agency Inc.

54 Main St., Danbury, Conn. 06810; 203-744-7000

	1977	1976
Premium vol.	\$2,058,000	\$1,675,144
Gross rev.	\$ 335,000	\$ 304,752
Employees	12	10
Commercial bus.	50%	52%

Principal officers: Harry L. Ashmore, president; Robert R. Goodfellow, vp and treasurer; Mary Lambert, secretary.

Compensation: commissions.

Branch offices: New Milford, Conn.

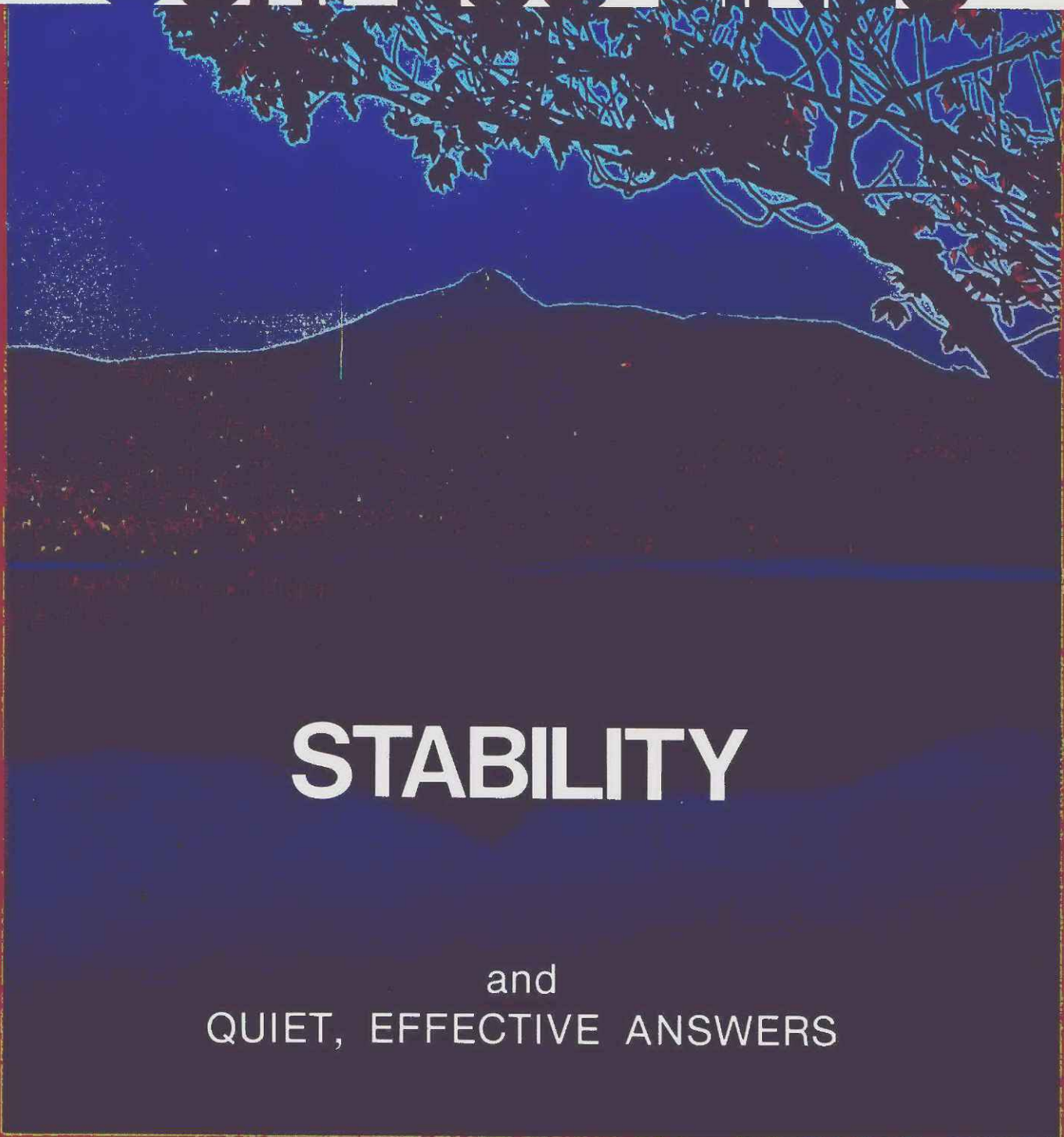
Licensed excess/surplus broker in: Connecticut.

Gallagher-Cole Associates

4700 Biscayne Blvd., Miami, Fla. 33137; 305-576-4100

	1977	1976
Premium vol.	\$2,381,149	\$2,237,000

Continued on following page



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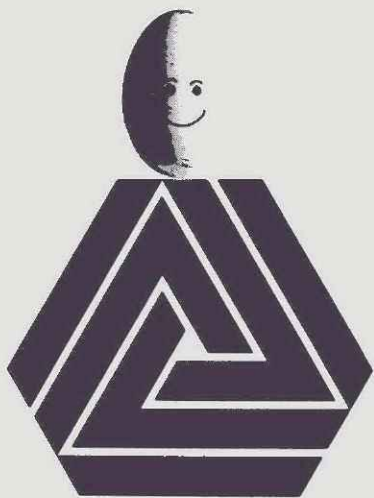
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agent/broker profiles

Continued from preceding page

Gross rev.	\$ 417,532	\$ 313,000
Employees	12	11
Commercial bus.	85%	85%

Principal officers: Phil C. Gallagher, Samuel T. Cole, both partners; Lenore N. Francis, CPCU, Raymond O. Boon, CLU, both associates.

Compensation: commissions and fees.

Licensed excess/surplus broker in: Florida.

Gans & Smith Insurance Agency Inc.

PO Box 2869, 1109 Judson Road, Longview, Tex. 75601; 214-757-4601

	1977	1976
Premium vol.	\$2,100,000	\$1,750,000
Gross rev.	\$ 415,000	\$ 350,000

Employees	16	15
Commercial bus.	60%	45%

Principal officers: Robert Henry Smith, president; Hermes Edward Payne Jr., vp; Lester Newsom Pruett, secretary-treasurer; James Clinton Pruett, asst. secretary-treasurer.

Compensation: commissions.

Andre Gauthier & Associates Inc.

50 Place Cremazie West, Suite 508, Montreal, Quebec H2P 2T2; 514-384-5050

	1977	1976
Premium vol.	\$1,157,223	\$794,854
Gross rev.	\$ 166,329	\$ 15,000
Employees	7	4
Commercial bus.	80%	80%

Principal officers: Andre Gauthier, president; H. Gauthier, vp; Christine Dalbec Gauthier, secretary-treasurer.

Compensation: commissions.

Gernold Agency Inc.

6666 E. Quaker St., Orchard Park, N.Y. 14127; 716-662-6666

	1977	1976
Premium vol.	\$1,562,164	\$1,206,681
Gross rev.	\$ 261,242	\$ 214,461
Employees	8	7
Commercial bus.	55%	45%

Principal officers: Richard L. Gernold, CPCU, president; Peter C. Gernold, vp; Gilbert P. Evans.

Compensation: commissions.

Gersten-Hillman Agency Inc.

Anawana Lake Road, PO Box 209, Monticello, N.Y. 12701; 914-794-5544

	1977	1976
Premium vol.	\$3,000,000	\$2,000,000
Gross rev.	\$ 500,000	\$ 350,000
Employees	20	15
Commercial bus.	65%	65%

Principal officers: Julius Cohen, president; Joyce A. Salimeno, CPCU, secretary-treasurer.

Compensation: commissions.

Acquisitions: Levine & Gilman Inc., Jan. 1978; Morris Rattner, March 1978.

Branch offices: South Fallsburg, Middletown, both New York.

Subsidiaries; C. Fred Ritter Associates Inc.

Gilbert-Magill Co.

Commerce Tower, Box 13265, Kansas City, Mo. 64199; 816-474-3535

	1977	1976
Premium vol.	\$3,353,000	\$2,600,000
Gross rev.	\$ 641,000	\$ 535,000
Employees	22	19
Commercial bus.	74%	71%

Principal officers: Edward G. Gilbert, CPCU, CLU, president; Laurus W. Magill, executive vp; A. Fred Stratemeier, vp and secretary; R. Stephen Myers, vp.

Compensation: commissions and fees.

Licensed excess/surplus broker in: Missouri, Kansas.

The Gleason Agency Inc.

200 Fisher Building, 607 Main St., Johnstown, Pa. 15901; 814-535-1586

	1977	1976
Premium vol.	\$2,095,899	\$1,902,000
Gross rev.	\$ 283,056	\$ 282,000
Employees	9	9
Commercial bus.	90%	90%

Principal officers: Robert A. Gleason Jr., president; Christopher K. Gleason, vp; Carolyn M. Zierer, secretary.

Compensation: commissions and fees.

Richard N. Goldman & Co.

One Maritime Plaza, San Francisco, Calif. 94111; 415-981-1141

	1977	1976
Premium vol.	\$28,000,000	\$27,000,000
Gross rev.	\$ 1,500,000	\$ 1,300,000
Employees	35	35
Commercial bus.	90%	90%

Principal officers: Richard N. Goldman, president and chairman; Stuart W. Seiler, executive vp and treasurer; Helen A. Castro, vp and assistant treasurer; Gerald J. Fitzgerald, vp and secretary; Keith G. Avery, vp.

Compensation: commissions and fees.

Licensed excess/surplus broker in: California.

Yale Goldman Insurance Agency Inc.

1191 Washington St., Newton, Mass. 02165; 617-332-6360

	1977	1976
Premium vol.	\$902,332	\$940,888
Gross rev.	\$186,042	\$152,260
Employees	7	6
Commercial bus.	60%	50%

Principal officers: Yale Goldman, president.

Compensation: commissions and fees.

Subsidiaries: Yale Goldman Investment Co.

Licensed excess/surplus broker in: Massachusetts.

Gollusch, Klotsche & Hiller

912 East Wells St., Milwaukee, Wis. 53202; 414-276-1142

	1977	1976
Premium vol.	\$4,000,000	\$3,500,000
Gross rev.	\$ 490,000	\$ 431,271
Employees	17	17
Commercial bus.	60%	50%

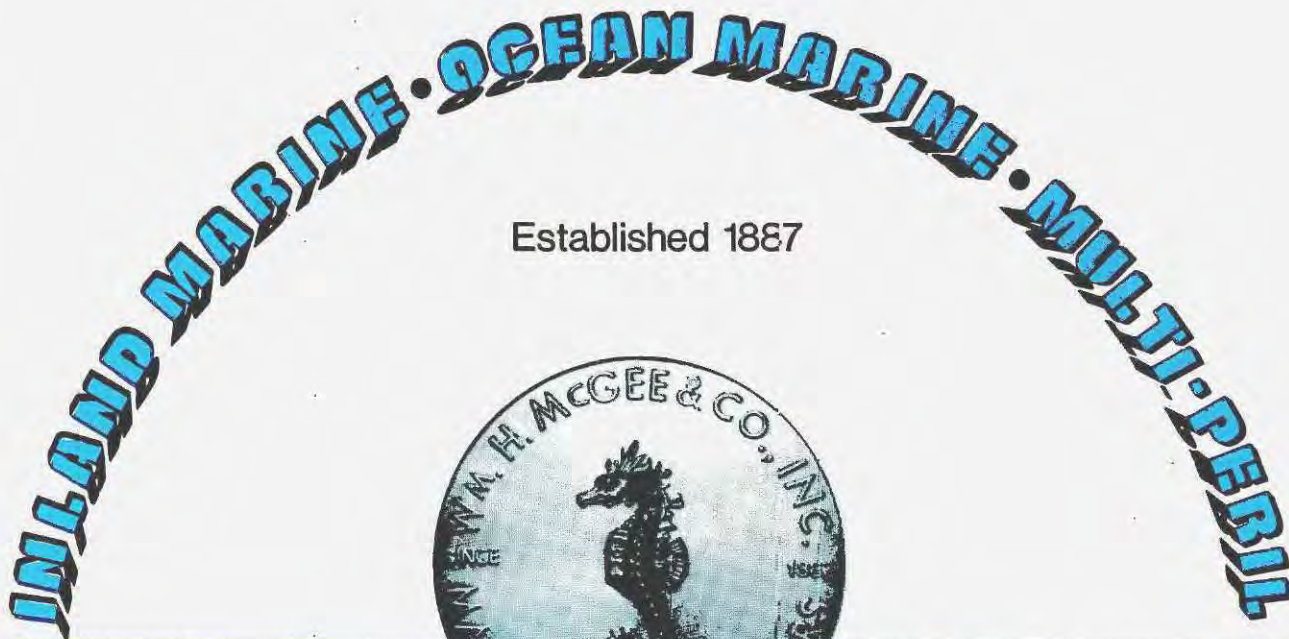
Principal officers: Allan J. Klotsche, president; R. Burt Hiller, chairman; Walter A. Hanson, Thomas Moeller, both vps; John A. Loppnow, treasurer.

Compensation: commissions.

Acquisitions in the past year: Moeller Insurance Agency Inc., April 1978.

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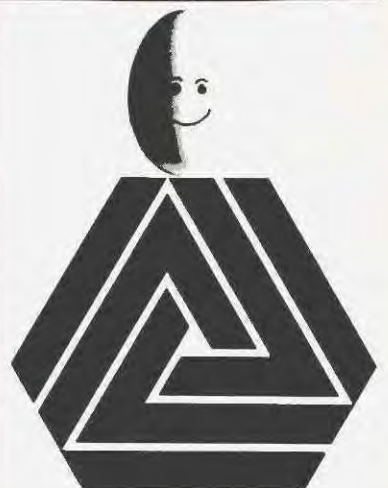


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SEE OUR AD ON PAGE 4

Branch offices: Milwaukee.
Licensed excess/surplus broker
in: Wisconsin.

Gomez & Cia. Inc.

**Condominio Profesional, 6th
Floor, Mendez Vigo 70, West, PO
Box 3450, Mayaguez, Puerto Rico
00708; 809-832-1020**

	1977	1976
Premium vol.	\$16,000,000	\$14,000,000
Gross rev.	\$ 3,000,000	\$ 2,500,000
Employees	220	219
Commercial bus.	80%	83%

Principal officers: Luis A. Gomez, chairman; Luis A. Gomez Jr., president; Enrique Gomez-Monagas, executive vp; Dennis Hanftwurz, executive vp.

Compensation: commissions and fees.

Branch offices: San Juan, Puerto Rico.

Subsidiaries: Aseguradora Patria; Intercontinental Life Insurance Co.

Licensed excess/surplus broker in: Puerto Rico.

Goode & Webster Inc.

**The Marketplace, Cazenovia
Road, Manlius, New York 13104;
315-682-9141**

	1977	1976*
Premium vol.	\$1,935,000	\$2,070,000
Gross rev.	\$ 360,000	\$ 371,000
Employees	15	16
Commercial bus.	37%	40%

*From 1977 BI listing

Principal officers: Robert C. Webster, secretary-treasurer; Donald W. Goode, president; Maxwell L. Griffith III, vp.

Compensation: commissions.
Branch offices: Morrisville, Waterville, both New York.

Joseph G. Gray & Co. Inc.

**111 John St., Room 2705; New
York, N.Y. 10038; 212-349-3280**

	1977	1976
Premium vol.	\$5,000,000	\$3,500,000
Gross rev.	\$ 500,000	\$ 400,000
Employees	12	9
Commercial bus.	90%	80%

Principal officers: Jules I. Epstein, president; Edward T. Kennedy, executive vp; Diane A. Vignola, secretary.

Compensation: commissions and fees.

Licensed excess/surplus broker in: New York.

**Group Services
Administrators Inc.**

**42 Broadway, New York, N.Y.
10004; 212-425-1744**

	1977	1976
Premium vol.	NA	NA
Gross rev.	\$471,385	\$414,097
Employees	18	14
Commercial bus.	100%	100%

Principal officers: Edward F. Comerford, president; Robert C. Gerald, vp.

Compensation: commissions and fees.

Subsidiaries: Comerald Associates Inc., Gerac Brokerage Corp.

Gulf Coast Insurance Agency

**2150 N. 11th St., PO Box 7750,
Beaumont, Tex. 77706; 713-
898-4444**

	1977	1976
Premium vol.	\$2,535,447	\$2,088,790
Gross rev.	\$ 456,680	\$ 367,413
Employees	12	6
Commercial bus.	70%	60%

Principal officers: Robert L. Cain, general manager; W.M. Callaway Jr., Larry W. Smith, both partners; George M. Haynes, sales manager.

Compensation: commissions.

H

Haas & Wilkerson Inc.

3101 Broadway, Kansas City, Mo.

64111; 816-756-1600

	1977	1976
Premium vol.	\$22,000,000	\$17,516,253
Gross rev.	\$ 3,608,018	\$ 2,790,929
Employees	70	66
Commercial bus.	80%	80%

Principal officers: Albert E. Haas, chairman; W. Ralph Wilkerson Jr., president; Neil R. Poupirt, executive vp; C.J. Jordan, vp and treasurer; Howard F. Walter, secretary.

Compensation: commissions and fees.

Branch offices: St. Petersburg, St. Louis, Chicago.

Subsidiaries: Haas-Wilkerson-Wohlberg Inc., Landspeed Insurers Inc., H&W Underwriters Agency Inc., American Services Inc.

Licensed excess/surplus broker in: Missouri, Kansas.

Hackett, Valine & MacDonald Inc.

Continued on following page



Some different approaches to surplus lines.

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ENTERPRISE... 1977 AMERICA'S CUP CONTENDER / PHOTO BY STANLEY ROSENFELD

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agent/broker profiles

Continued from preceding page

198 College St., Burlington, Vt. 05401; 802-658-1100

	1977	1976
Premium vol. ...	\$5,550,981	\$4,150,502
Gross rev.	\$ 799,550	\$ 674,980
Employees	19	18
Commercial bus.	82%	75%

Principal officers: Luther F. Hackett, president; Duane A. Valine, Donald R. MacDonald, both vps.

Compensation: commissions. Subsidiaries: Hackett & Co. Parent Company: HVM Corp. Licensed excess/surplus broker in: Vermont.

J.H. Hale Insurance Agency Inc.**401 Graham, West Memphis, Ark.****72301; 501-732-1060**

	1977	1976
Premium vol. ...	\$1,052,000	\$665,000
Gross rev.	\$ 173,000	\$139,354
Employees	3.5	3
Commercial bus.	75%	70%

Principal officers: Merritt Hale. Compensation: commissions.

Harbord Insurance Ltd.**1220 Broad St., Victoria, B.C. V8W 2A7; 604-388-5533**

	1977	1976
Premium vol. ...	\$6,500,000	\$5,200,000
Gross rev.	\$1,358,948	\$1,091,260
Employees	50	56
Commercial bus.	90%	90%

Principal officers: J.W. Harbord, president; A.K. Tollstam, senior vp; K.W. Kehler, N.R. Pope, both vps.

Compensation: commissions and fees.

Branch offices: Vancouver, Edmonton, Calgary.

Hardin & Wilson Inc.**831 Donaghey Building, Little Rock, Ark. 72201; 501-376-4707**

	1977	1976
Premium vol. ...	\$1,201,897	\$989,785
Gross rev.	\$ 170,669	\$140,549
Employees	7	6
Commercial bus.	70%	67%

Principal officers: Howard E. Hardin, president; Larry L. Wilson, vp.

Compensation: commissions.

Harding-Conley-Drawert-Tinch Insurance Agency Inc.**4606 Centerview, Suite 201, San Antonio, Tex. 78228; 512-732-9601**

	1977	1976
Premium vol. ...	\$1,900,000	\$1,168,261
Gross rev.	\$ 352,000	\$ 222,424
Employees	8	8
Commercial bus.	90%	85%

Principal officers: Homer M. Conley; Thomas A. Drawert, A.C. Tinch Jr.

Compensation: commissions. Acquisitions: San Antonio office of Borden Insurance.

Harris, Hall, Blanton & Dunham**1111 N. Travis St., Sherman, Tex. 75090; 214-893-6363**

	1977	1976
Premium vol. ...	\$1,729,634	\$1,304,514
Gross rev.	\$ 308,609	\$ 225,042
Employees	8	8
Commercial bus.	70%	70%

Principal officers: Frank Harris Jr., CPCU, president; Jack Hall, secretary; Bob Blanton, treasurer; Melvin Dunham, vp.

Compensation: commissions.

Hatch-Leonard Inc.**650 Sibley Tower, Rochester, N.Y. 14604; 716-546-3747**

	1977	1976
Premium vol. ...	\$5,400,000	\$4,900,000
Gross rev.	\$ 900,000	\$ 850,000

	1977	1976
Employees	24	23
Commercial bus.	65%	64%

Principal officers: Lester H. Leonard, CPCU, chairman; R. Bruce Davey, CPCU, president; John A. McAlpin Jr., CPCU, Roger F. Woods, William T. Lilly, all vps.

Compensation: commissions and fees.

Subsidiaries: Monroe Compensation Services Inc.

Jacob Hauck & Son Inc.**141 Buffalo St., Hamburg, N.Y. 14075; 716-649-4174**

	1977	1976
Premium vol. ...	\$6,600,000	\$6,000,000
Gross rev.	\$ 993,682	\$ 981,400
Employees	53	59
Commercial bus.	65%	65%

Principal officers: Richard W. Michaels, president; Paul H. Peterson, secretary.

Compensation: commissions. Branch offices: Orchard Park, N.Y.

Subsidiaries: R.W. Michaels Agency Inc.

Parent company: FOREGUARD Agencies.

Al Hays & Associates**685 Carondelet St., Los Angeles, Calif. 90057; 213-487-1880**

	1977	1976*
Premium vol. ...	\$2,500,000	\$2,500,000
Gross rev.	\$ 300,000	\$ 280,000
Employees	5	4
Commercial bus.	99%	99%

*From 1977 BI listing

Principal officers: Al Hays, president; Pauline Kuwahara, secretary.

Compensation: commissions.

Martin Hayes & Co. Inc.**PO Box 2545, 500 Insurance Exchange Building, Nashville, Tenn. 37219; 615-244-8820**

	1977	1976
Premium vol. ...	\$20,100,000	NA
Gross rev.	\$ 2,400,000	
Employees	40	
Commercial bus.	98%	

Principal officers: Rogers C. Buntin, chairman; Ira J. Heckman, president; Don Williams, Joe White, Craig Smith, all vps.

Compensation: commissions and fees.

Licensed excess/surplus broker in: Tennessee.

Joseph Held Co. Inc.**116 John St., Suite 1600, New York, N.Y. 10038; 212-962-3122**

	1977	1976
Premium vol. ...	\$1,500,000	\$1,250,000
Gross rev.	\$ 200,000	\$ 185,000
Employees	8	8
Commercial bus.	80%	80%

Principal officers: Kenneth S. Held, president; Arnold Held, vp; Lynne Marshall, account executive; Jean Greenwald, office manager; Renee Held, service office manager.

Compensation: commissions and fees.

Branch offices: Long Island.

Heritage Insurance Service Inc.**1400 N. Harbor Blvd., Suite 100, Fullerton, Calif. 92635; 714-879-5760 or 213-694-3736**

	1977	1976
Premium vol. ...	\$5,539,400	\$4,336,600
Gross rev.	\$ 664,728	\$ 659,600
Employees	15	14
Commercial bus.	92%	95%

Principal officers: John D. Cwieka, president; Donald E. Kueny, vp; Margaret M. Gleason, treasurer; Jacqueline Jernigan, secretary.

Compensation: commissions.

Herndon, Iles & Scott Inc.**PO Box 2307, 400 E. Church St., Orlando, Fla. 32802; 305-841-2250**

	1977	1976
Premium vol. ...	\$3,753,125	\$4,235,538

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Mutual
Life Insurance
Company
Boston, Mass.

Gross rev.	\$ 679,063	\$ 751,000
Employees	20	21
Commercial bus.	65%	65%

Principal officers: A.B. Herndon Jr., president and chairman; William A. Iles, senior vp; William Schaffner, executive vp and secretary-treasurer.

Compensation: commissions and fees.

Parent company: Insurance Management Corp.

Licensed excess/surplus broker in: Florida.

Paul Hertel & Co. Inc.

3rd and Chestnut St., Philadelphia, Pa. 19106; 215-925-7656

	1977	1976
Premium vol.	\$8,000,000	\$6,000,000
Gross rev.	\$1,125,000	\$ 700,000
Employees	41	37
Commercial bus.	65%	70%

Principal officers: Paul R. Hertel Jr., president; Robert T. Antosh, executive vp; James McLaughlin, CPCU, Jeremiah A. Caron, CPCU, Robert H. Bradford, all vps.

Compensation: commissions and fees.

Branch offices: Media, Fort Washington, Roxborough, all Pennsylvania.

Subsidiaries: Maus Insurance Agency, J. Howard Brown Inc.

Licensed excess/surplus broker in: Pennsylvania.

Hess Morris Lebonson Inc.

1615 Northern Blvd., Manhasset, N.Y. 11030; 516-627-7330 or 212-631-2112

	1977	1976
Premium vol.	\$3,900,000	\$3,800,000
Gross rev.	\$ 724,000	\$ 744,000
Employees	15	18
Commercial bus.	88%	83%

Principal officers: Jeffrey Hess, president and treasurer; Jay Lebonson, vp and secretary; George Wagner, vp; Leonard Tringel, assistant vp; Harold Singer, comptroller.

Compensation: commissions and fees.

Branch offices: Washington Depot, Conn.

Subsidiaries: Henry A. Sahn Associates, Baum Brokerages Corp., Hess Morris Lebonson of Connecticut Inc.

The Hirshorn Co.

8333 Germantown Ave., Philadelphia, Pa. 19118; 215-CH2-8200

	1977	1976
Premium vol.	\$2,250,000	\$1,500,000
Gross rev.	\$ 380,000	\$ 240,000
Employees	9	9
Commercial bus.	80%	80%

Principal officers: Ralph S. Hirshorn, president; B. Graeme Frazier III, Francis M. Grochowski, both vps.

Compensation: commissions and fees.

Licensed excess/surplus broker in: Pennsylvania.

Holland Insurance Agency Inc.

19 W 8th St., Holland, Mich., 49423; 616-396-4611

	1977	1976
Premium vol.	\$3,957,044	\$3,165,536
Gross rev.	\$ 600,632	\$ 496,166
Employees	15	14
Commercial bus.	70%	67%

Principal officers: Dale E. Van-Lente, CPCU, president; John A. Heyboer, CPCU, vp; Dale R. Vandort, secretary; David L. Lake, treasurer; Robert J. Yonker, assistant vp.

Compensation: commissions.

Homestate Insurance Brokers of Alaska Inc.

610 East 5th Ave., Anchorage, Alaska, 99501; 907-277-7517

	1977	1976
Premium vol.	\$4,502,317	\$3,398,573
Gross rev.	\$ 815,440	\$ 668,267
Employees	17	15
Commercial bus.	62%	51%

Principal officers: James W. Clement, president; Bernard B. Landeis, executive vp; Norman F. Tyler, Richard W. Osgood, both vps.

Compensation: commissions.

Branch offices: Wasilla, Alaska.

Subsidiaries: Premium Services Inc.

Licensed excess/surplus broker in: Alaska.

Horizon Agency Inc.

8401 Wayzata Boulevard, Suite 318, Minneapolis, Minn. 55426; 612-545-2866

	1977	1976
Premium vol.	\$4,559,142	NA
Gross rev.	\$ 804,175	\$471,822
Employees	15	13
Commercial bus.	87%	83%

Principal officers: Paul T. Studebaker, president; James R. Bina, secretary; Lawrence L. Kitts, treasurer; William P. Homeyer, Daniel J. Scattarella, John Howard, Charles Dart, all vps.

Compensation: commissions and fees.

Licensed excess/surplus broker in: Minnesota.

Houston Mutual Agency Inc.

730 N. Post Oak Road, Houston, Tex. 77024; 713-680-1400

	1977	1976
Premium vol.	\$2,050,000	\$1,900,000
Gross rev.	\$ 347,575	\$ 311,463
Employees	12	12
Commercial bus.	60%	60%

Principal officers: Jack J. Thurmon, CPCU, president; Jerry E. Harvey, William H. Brune Jr., both vps.

Compensation: commissions.

Howalt-McDowell Insurance Inc.

630 S. Minnesota Ave., PO Box 986, Sioux Falls, S.D. 57101; 605-339-3874

	1977	1976
Premium vol.	\$3,500,000	\$3,000,000
Gross rev.	\$ 530,000	\$ 450,000
Employees	12	9
Commercial bus.	80%	80%

Principal officers: L.W. Scherschlicht, CPCU, president and treasurer; G.R. Farmer, CPCU, vp; J.E. Jencks, secretary.

Compensation: commissions.

Licensed excess/surplus broker in: South Dakota.

J.L. Hubbard Co.—Decatur

333 East Pershing Road, PO Box 2205, Decatur, Ill. 62526; 217-877-3344

	1977	1976
Premium vol.	\$3,811,640	\$3,424,131
Gross rev.	\$ 526,672	\$ 587,409
Employees	30	21
Commercial bus.	90%	85%

Principal officers: Richard D. Hughes, president; Richard L. Overheul, senior vp; James L. Hubbard, secretary-treasurer.

Compensation: commissions.

Branch offices: St. Louis, Mo.; Denver, Colo.; South Holland, Morton, both Illinois.

Parent company: J.L. Hubbard Co.

Hunter, Rowell & Co. Ltd.

481 University Ave., Toronto, Canada M5G 1X1; 416-597-0008

	1977	1976
Premium vol.	NA	NA
Gross rev.	\$1,000,000	
Employees	25	
Commercial bus.	87%	

Principal officers: B. Prepall Hunter, president Bryce M. Hunter, Eric G. Winn, both vps.

IFM Insurance Inc.

600 Main Building, Tupelo, Miss. 38801; 601-842-1321

	1977	1976
Premium vol.	\$2,900,000	\$2,300,000

Gross rev.	\$ 536,000	\$ 443,000
Employees	17	16
Commercial bus.	67%	68%

Principal officers: James A. High Jr., president; Oneil Tate, vp; David Megginson, secretary-treasurer; Charles Johnston, business manager; Richard Johnson, sales manager.

Compensation: commissions.

Parent company: Insurance & Financial Managers Inc.

Licensed excess/surplus broker in: Mississippi.

Independent Insurance Center Inc.

11800 Sunrise Valley Drive, Suite 811, Reston, Va. 22091; 703-860-8300

	1977	1976*
Premium vol.	\$1,561,100	NA
Gross rev.	\$ 212,985	
Employees	12	
Commercial bus.	43%	

Principal officers: Lawrence N. Grant, CLU, president; Richard F. Downer, secretary-treasurer; Kenneth L. Adams, vp-life sales; Gladys V. Curtis, agency manager.

Compensation: commissions and fees.

Branch offices: Leesburg, Va.

*Agency formed in November 1976.

Independent Insurance Service Corp.

100 Cleve-Tusc Building, Canton, Ohio 44702; 216-453-7721

	1977	1976
Premium vol.	\$7,000,000	\$6,000,000
Gross rev.	\$ 997,000	\$ 908,000
Employees	43	42
Commercial bus.	80%	80%

Principal officers: Thomas A. Schauer, CPCU, CLU, president; John M. Gabl, CPCU, CLU, George B. Crawford, CPCU, CLU, Arthur M. Schneller, CPCU, Donald E. Moore, all vps.

Compensation: commissions and fees.

Branch offices: Akron.

Subsidiaries: Kitzmiller, Tudor & Schauer; Schauer & Reed Agency; Webb-Broda & Co; Foglesong Insurance Agency.

Licensed excess/surplus broker in: Ohio.

Industrial Insurance Agency Inc.

600 Woodfield Drive, Schaumburg, Ill. 60195; 312-884-6100

	1977	1976
Premium vol.	\$5,425,000	\$4,560,000
Gross rev.	\$ 784,000	\$ 712,000
Employees	9	9
Commercial bus.	94%	89%

Principal officers: Melvin E. Rodney Sr., president; Melvin E. Rodney Jr., secretary; Richard A. Rodney, treasurer.

Compensation: commissions and fees.

Branch offices: Milwaukee.

Licensed excess/surplus broker in: Illinois.

Insurance Agents Inc.

360 Midlands Mall, 35 N. Main St., PO Box 958, Council Bluffs, Iowa 51501; 712-325-1010

	1977	1976
Premium vol.	\$8,053,108	\$6,323,455
Gross rev.	\$1,178,242	\$ 922,850
Employees	37	29
Commercial bus.	84%	82%

Principal officers: H.H. Nelson, chairman; John P. Nelson, president; Stephen H. Nelson, secretary; Henry Lane, vp-engineering; Gary Hurley, vp-sales; G.A. Bartel, vp-employee benefits; W.H. Boehner, vp-commercial marketing.

Compensation: commissions.

Branch offices: Sioux City, Iowa; Omaha, Bellevue, both Nebraska.

Licensed excess/surplus broker in: Nebraska and Iowa.

Insurance Benefits Inc.

202 Fashion Lane, Suite 112, Tus-

tin, Calif. 92680; 714-832-7900 or 800-432-7314

	1977	1976
Premium vol.	\$1,048,213	\$320,358
Gross rev.	\$ 178,419	\$ 67,736
Employees	6	3
Commercial bus.	100%	100%

Principal officers: Thomas J. Wilkie, president; Dolores I. Wilkie, secretary.

Compensation: commissions and fees.

Insurance Center of Owensboro Inc.

111 Frederica St., PO Box 660, Owensboro, Ky. 42301; 502-926-1030

	1977	1976*
Premium vol.	\$1,655,000	NA
Gross rev.	\$ 253,000	\$227,046
Employees	9	7
Commercial bus.	70%	75%

*From 1977 BI listing

Principal officers: Sherman A. Wilson, CPCU, president; Robert E. Neely, vp and treasurer; Ora J. Edge, secretary.

Compensation: commissions.

Insurance Center of Southern Connecticut Inc.

2307 Main St., Bridgeport, Conn. 06606; 203-333-6555

	1977	1976
Premium vol.	\$2,775,445	\$1,676,444
Gross rev.	\$ 479,733	\$ 288,828
Employees	15	9
Commercial bus.	58%	50%

Principal officers: Arnold Kaplan, CLU, CPCU, president; James D'Agostino, Burton Bauchner, both vps.

Compensation: commissions.

Acquisitions: Singer Nabel Agency, Feb. 1977; Ellis Edwards & Greene, May 1977.

The Insurance House of Baton Rouge Inc.

1171 North Donmoor, Baton Rouge, La. 70806; 504-926-4701

	1977	1976
Premium vol.	\$1,029,365	\$827,361
Gross rev.	\$ 197,852	\$159,737
Employees	6	5
Commercial bus.	70%	70%

Principal officers: J. Pat Smith, CPCU, CLU.

Compensation: commissions.

Licensed excess/surplus broker in: Louisiana.

Insurance Management Associates Inc.

714 Union Center, Wichita, Kan. 67202; 316-267-9221

	1977	1976
Premium vol.	\$16,970,000	\$11,200,000
Gross rev.	\$ 1,890,000	\$ 1,450,000
Employees	48	41
Commercial bus.	90%	90%

Principal officers: Paul C. Yankey Jr., chairman; William C. Cohen Jr., president; Joe E. Moddrell Jr., executive vp; R.B. Matasarin, senior vp; W.C. Cohen Sr., Joseph C. Lukens II, Daniel E. Nyberg, all vps; Paul G. Starr, secretary-treasurer.

Compensation: commissions and fees.

Licensed excess/surplus broker in: Kansas.

Insurance Management Services Inc.

1510 Euclid Ave., Cleveland, Ohio, 44115; 216-241-4344

	1977	1976*
Premium vol.	\$11,700,000	NA
Gross rev.	\$ 1,800,000	
Employees	45	
Commercial bus.	80%	

Principal officers: W.D. Gorton, CPCU, chairman; E.J. Sealy, CPCU, president and chief executive officer; E.D. Yost, CPCU, vp-client services; W.J. Schlanderer, CPCU, vp-operations; W.R. Gorton, CPCU, vp-finance.

Compensation: commissions and fees.

*Firm began business Jan. 1,

1977.

Insurance Marketing Agencies Inc.

1200 Mechanics Bank Tower, Worcester, Mass. 01608; 617-753-7233

	1977	1976
Premium vol.	\$6,250,000	\$4,500,000
Gross rev.	\$ 925,000	\$ 675,000
Employees	26	22
Commercial bus.	80%	80%

Principal officers: Sumner W. Herman, president; Arnold J. Horowitz, vp and clerk; Stanley M. Friedman, treasurer; John J. Kelly, vp.

Compensation: commissions and fees.

Subsidiaries: Harold Fielding Insurance Agency; Harry Corbin Insurance Agency; C. Nelson Mintz; Louis G. Payne; Chase-Worcester Insurance Agency.

Licensed excess/surplus broker in: Massachusetts.

Insurance Planning Consultants Inc.

3301 Douglas Ave., PO Box 1768, Racine, Wis. 53401; 414-639-5400

	1977	1976
Premium vol.	\$6,007,860	\$5,771,612
Gross rev.	\$1,240,051	\$1,213,595
Employees	36	35
Commercial bus.	98%	98%

Principal officers: L.A. Groulik, president; F.W. Reich, R.E. Schwartz, both senior vps; R.A. Sindorf, secretary; G.D. Simanek, treasurer.

Compensation: commissions.

Branch offices: Detroit, Indianapolis, Des Moines, Milwaukee, Springfield, Chicago.

Company specializes exclusively in long-term health care profession.

Insurance Professionals Inc.

PO Box 292, 93 N. Fairview Ave., Paramus, N.J. 07652; 201-265-7110

	1977	1976
Premium vol.	\$3,480,000	\$3,200,000
Gross rev.	\$ 487,000	\$ 486,400
Employees	10	9.5
Commercial bus.	76%	76%

Principal officers: James L. Irwin, president; John A. Jones, vp.

agent/broker profiles

Continued from preceding page
Commercial bus. 70% 70%

Principal officers: Robert C. Kinney, president; Edward C. "Ned" Pike, executive vp; Warren Eastwick, vp; Robert K. Coyle, assistant vp; Roger M. Pike, treasurer.

Compensation: commissions.
Branch offices: Brattleboro, Hartford, both in Vermont.
Subsidiaries: Kinney, Pike, Bell & Conner of Brattleboro; KPB&C Life Corp.; Kinney-Pike of White River Junction.
Licensed excess/surplus broker in: Vermont.

Klindt Agency

PO Box 337, Los Gatos, Calif. 95030; 408-354-6111

	1977	1976
Premium vol.	\$2,515,000	\$2,100,000
Gross rev.	\$ 441,200	\$ 375,000
Employees	16	15
Commercial bus.	61%	58%

Principal officers: Ralph Klindt, president; Ken Steffen, vp; Richard Winegar, treasurer; Marilyn Hylander, Robert Barnes secretary.

Compensation: commissions.
Licensed excess/surplus broker in: California.

H.C. Knight & Co.

320 Walnut St., Philadelphia, Pa. 19106; 215-923-5440

	1977	1976
Premium vol.	\$10,786,922	\$7,895,742
Gross rev.	\$ 835,017	\$ 684,327
Employees	28	27
Commercial bus.	80%	80%

Principal officers: Richard N. Knight Jr., John A. Philbrick III, Charles B. Achuff.

Compensation: commissions and fees.
Licensed excess/surplus broker

in: Pennsylvania.

LFC Insurance

8701 Wilshire Blvd. Beverly Hills, Calif. 90211; 213-655-6363

	1977	1976
Premium vol.	\$6,500,000	NA
Gross rev.	\$1,000,000	NA
Employees	14	NA
Commercial bus.	90%	NA

Principal officers: Donald B. Chalker, Roger Weiss Fox, Mary Anne Chalker, Ray Prince.

Compensation: commissions and fees.
Subsidiaries: LFC Financial Services.

Licensed excess/surplus broker in: California.

Lachance, Bertrand, Benoit & Lavigne Ltd.

7000 Park Ave., Montreal, Quebec, Canada X3N1X3; 514-279-7281

	1977-	1976
Premium vol.	\$4,800,000	\$4,100,000
Gross rev.	\$ 940,000	\$ 850,000
Employees	28	29
Commercial bus.	52%	50%

Principal officers: Robert Lachance, president; Andre Bertrand, C. Lavigne, both vps; J.L. Benoit, secretary; M.R. Lachance, treasurer.

Compensation: commissions and fees.

W.C. Ladd & Sons Inc.

PO Box 509, 14 School St., Rockland, Maine 04841; 207-594-2111

	1977	1976
Premium vol.	\$4,131,875	\$4,760,382
Gross rev.	\$ 790,344	\$ 907,940
Employees	31	31
Commercial bus.	50%	55%

Principal officers: Frank E. Mace, president; David E. Cole Jr., treasurer; Richard H. Lovejoy, secretary; Austin S. Childs Jr., Robert E. Jordan, both vps.

Compensation: commissions.

Branch offices: Waldoboro, Vin-alhaven, New Harbor, Belfast, all Maine.

Parent company: Rockland. Licensed excess/surplus broker in: Maine.

Lamb, Little & Co.

20 North Wacker Drive, Chicago, Ill. 60606; 312-332-5541

	1977	1976
Premium vol.	\$12,000,000	\$8,000,000
Gross rev.	\$ 1,800,000	\$1,500,000
Employees	31	29
Commercial bus.	91%	85%

Principal officers: Raymond J. Clancy, president; David B. Peck, senior vp; Frank L. Hoffeller, executive vp-treasurer; Dale Somers, vp-secretary; Roy Holle, vp.

Compensation: commissions and fees.

John G. Lambros Co. Inc.

455 Central Park Ave., Scarsdale, N.Y. 10583; 914-723-0088

	1977	1976
Premium vol.	\$1,300,456	\$1,183,500
Gross rev.	\$ 188,246	\$ 161,469
Employees	6	6
Commercial bus.	80%	79%

Principal officers: John G. Lambros, president.

Compensation: commissions and fees.

Lamse Agency Inc.

176 Walnut Ave., Holland, Mich. 49423; 616-392-6946

	1977	1976
Premium vol.	\$1,500,000	\$1,500,000
Gross rev.	\$ 260,000	\$ 225,000
Employees	9	7
Commercial bus.	65%	70%

Principal officers: Edward G. Lamse, president and general manager; Noel Bisel, CPCU, vp and commercial lines manager; David Mulken, treasurer; Richard Eming, assistant vp and commercial accounts representative.

Compensation: commissions and fees.

M.E. "Micky" Lane Inc.

6750 France Ave. S., Edina, Minn. 55435; 612-920-8850

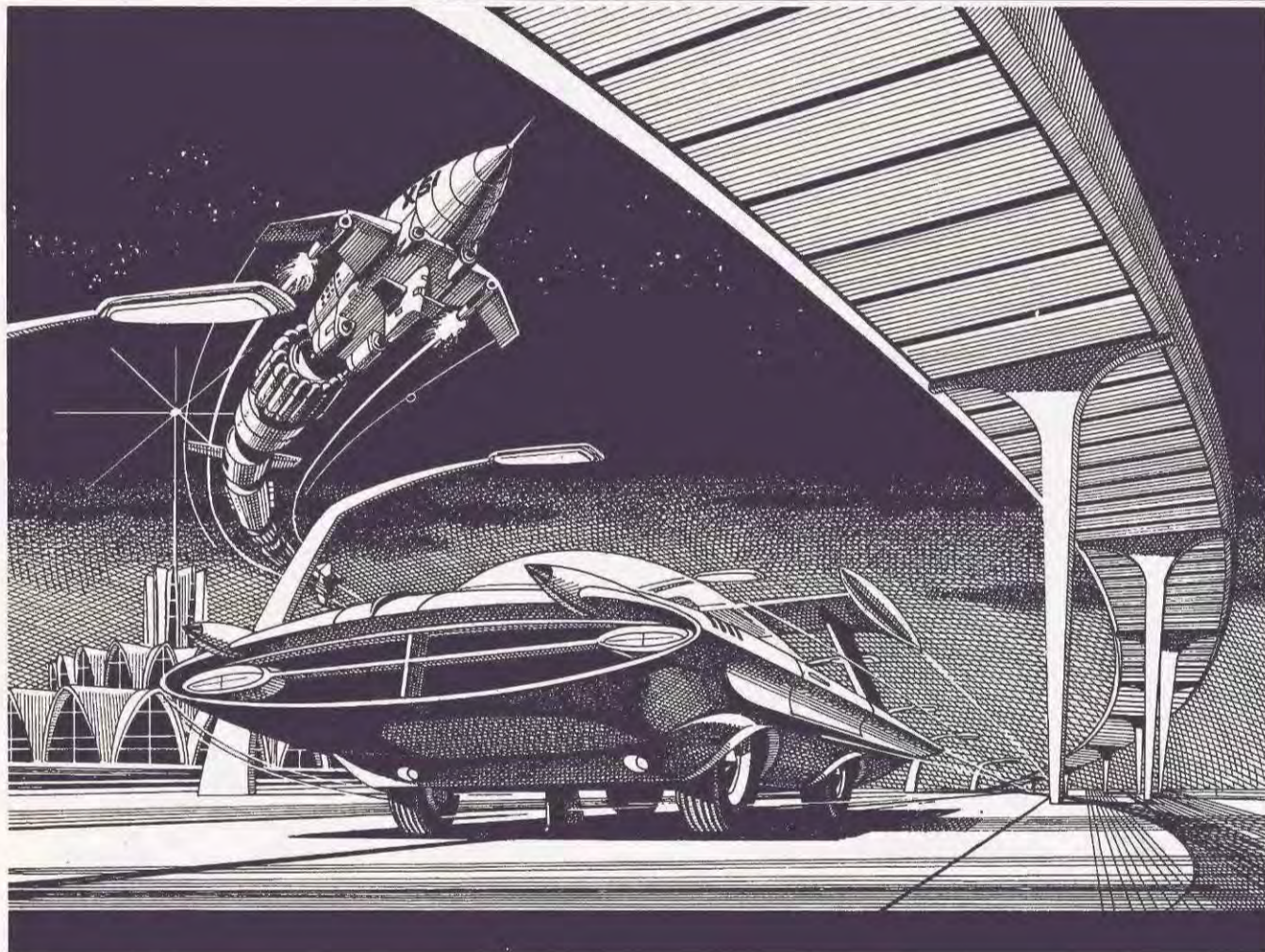
	1977	1976
Premium vol.	\$2,197,553	\$1,522,743
Gross rev.	\$ 286,464	\$ 198,806
Employees	7	7
Commercial bus.	70%	70%

Principal officers: M.E. "Micky" Lane, chairman; M.E. "Skip" Lane, president.

Compensation: commissions.

Langan, Haeger, Vincent & Born Inc.

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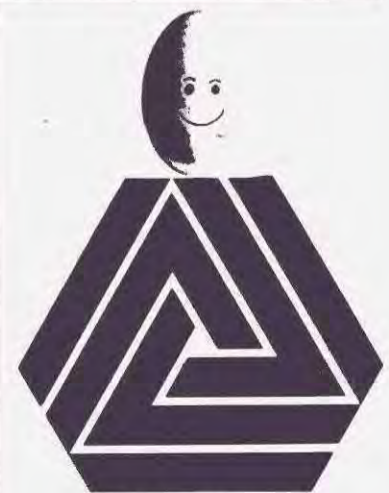
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	1977	1976
Premium vol.	\$4,950,000	\$3,800,000
Gross rev.	\$ 873,678	\$ 597,660
Employees	17	15
Commercial bus.	68%	66%

Principal officers: Robert E. Anderson, president and treasurer; James R. Gates, vp and secretary. Compensation: commissions.

Lasher-Cowie Agency Inc.

1807 N. Central Ave., Phoenix, Ariz. 85004; 602-258-3421

	1977	1976
Premium vol.	\$7,500,000	\$4,900,000
Gross rev.	\$1,215,000	\$ 865,000
Employees	43	33
Commercial bus.	78%	75%

Principal officers: Robert P. Cowie, president; Donald F. Lasher, secretary-treasurer; George E. Reed, Richard J. Seminoff, Kenneth D. Whitley, all vps.

Compensation: commissions and fees.

Acquisitions: Insurance Concepts, Jan. 1977; Metzger Agency, Dec. 1977; Robert Mueller, May 1978; Bestrate Agency, May 1978.

Branch offices: Tucson, Flagstaff, both Arizona.

Subsidiaries: Auto Insurance Mart.

Licensed excess/surplus broker in: Arizona.

Henry A. Latimer & Son

6400 Goldsboro Road, Bethesda, Md. 20034; 301-229-1500

	1977	1976
Premium vol.	\$1,070,000	\$1,300,000
Gross rev.	\$ 187,000	\$ 217,062
Employees	4	6
Commercial bus.	35%	40%

Principal officers: Richard L. Latimer, owner.

Compensation: commissions.

Laub Group Inc.

324 E. Wisconsin Ave., Milwaukee, Wis. 53202; 414-271-4292

	1977	1976
Premium vol.	NA	NA
Gross rev.	\$1,425,000	\$1,425,000
Employees	52	52
Commercial bus.	85%	85%

Principal officers: Ray Laub, president; George Stevoff, executive vp; Robert Stewart, executive vp-risk management.

Compensation: commissions and fees.

Branch offices: Racine, Janesville, Madison, Wausau, Appleton, all Wisconsin.

Subsidiaries: T/N & Associates Inc.

Licensed excess/surplus broker in: Wisconsin.

Lawrence & Van Voast Inc.

108 Union St., Schenectady, N.Y. 12305; 518-370-1720

	1977	1976
Premium vol.	\$18,500,000	\$12,150,000
Gross rev.	\$ 1,373,275	\$ 1,208,665
Employees	57	51
Commercial bus.	60%	60%

Principal officers: Albert W. Lawrence, president; Harry Bickford, vp and treasurer; William Davenport, Warren Evans, Gary Keehfus, William Mather, Horace S. Van Voast III, all vps; Barbara C. Lawrence, secretary.

Compensation: commissions and fees.

Branch offices: Albany, Buffalo, Forest Hills, Syracuse, Troy, Waterford, all in New York; Louisville, Ky.; Connersville, Ind.; Warren, Ohio.

Subsidiaries: Fitts-Lawrence Inc.; Lawrence Management Inc.

Licensed excess/surplus broker in: New York.

Lawton-Byrne-Bruner Insurance Agency Co.

10 Broadway, St. Louis, Mo. 63102; 314-621-5540

	1977	1976
Premium vol.	\$82,698,000	\$74,105,000
Gross rev.	\$ 8,548,700	\$ 7,443,000
Employees	207	209
Commercial bus.	94.8%	92.4%

Principal officers: W.W. Fetner, chairman; H.R. Larkin, president; C.P. Skwiot, executive vp; M.J. Todorovich, senior vp and secretary; J.O. Felker, senior vp and treasurer.

Compensation: commissions and fees.

Subsidiaries: Parcel Insurance Plan Inc.; John O. Felker, Administrators.

Thomas E. Leeds Co. Inc.

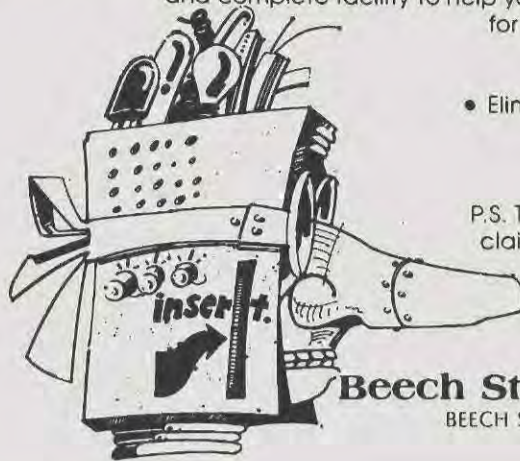
680 Fifth Ave., New York, N.Y. 11545; 212-975-1960

	1977	1976
Premium vol.	NA	NA
Gross rev.	\$1,050,000	\$950,000
Employees	18	18
Commercial bus.	95%	95%

Principal officers: Thomas E. *Continued on page 87*

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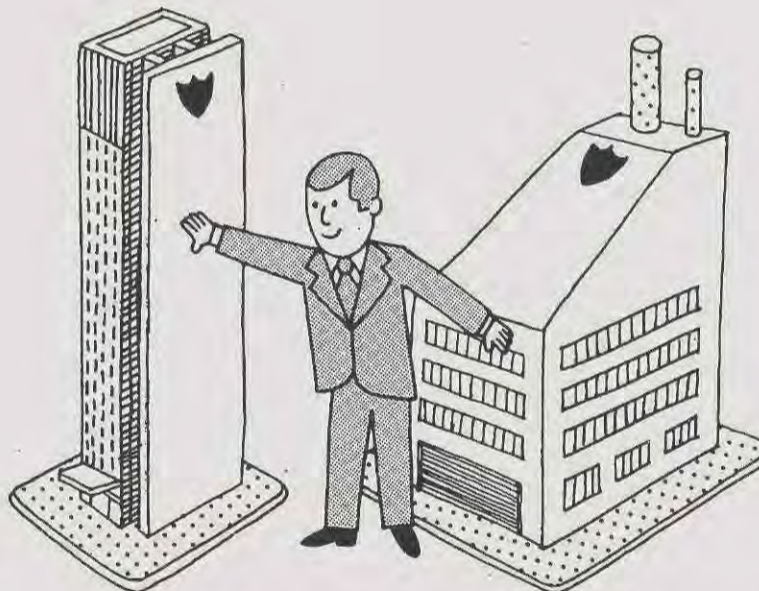
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Albert G. Degé
Corporate Insurance Manager
Ryder System, Inc.

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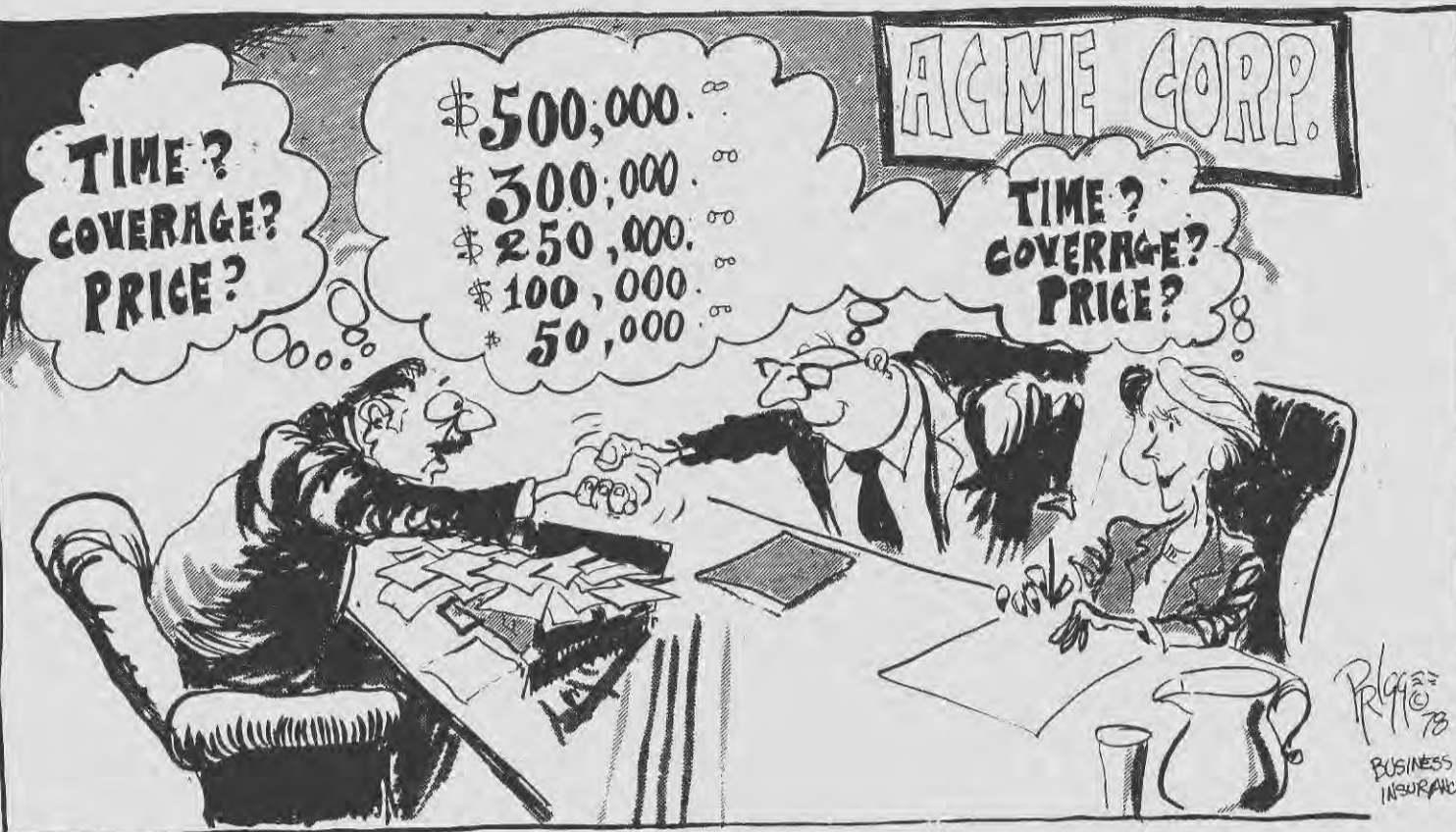
claims handling service.

"Self insurance imposes its own kind of positive discipline on a corporation. For Ryder System, the results have been well worth the effort."

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Risk managers and brokers face a difficult assignment in creating the type of relationship both need to be effective. As part of the annual Agent/Broker Profiles issue Esmark's Gary Bausom and SGL's Barbara Fischer explain what risk managers can do to create better working links with their brokers. And our Editorial Advisory Panel and a survey of other risk managers tackles the question: "How much should you tell your broker?" on the next page.

Risk manager should cover these steps to insure loss-free broker relationship

By Gary J. Bausom
 Director of risk management
 Esmark Inc.
 Chicago

FROM A RISK MANAGER'S VIEWPOINT, brokers' actions and roles can be very controversial, therefore emotional. The risk manager must function in an objective manner. From the broker's viewpoint, this article may provide some insight to some of the concerns and desires of the risk manager.

Risk managers' attitudes towards brokers vary from "using brokers like they use poison" to "sleeping in the same bed with them." However extreme these viewpoints, hopefully most broker-risk manager relationships are somewhere between these extremes.

The first step in examining the relationship between a broker and its client's risk manager should include a review of the client's goals. Even though a broker and the

risk manager have been through this step on numerous occasions, they may not have a common understanding of these goals. If the organizational goals are not understood, it will be even more difficult to arrive at a game plan or strategy for the risk management program.

After a common understanding of the organization's goals is achieved, the next step is to go through a similar process in obtaining an understanding of the goals of the risk management function. What does the risk manager want to accomplish? It is important to relate these goals to a time frame. Can or should these goals be accomplished in one year or are the objectives the type which require two, three, or more years?

In order to accurately establish time frames, it is necessary to review the attitudes of management to determine if they are prepared to move now or if they need more time. It is also important to review the

climate of the insurance and reinsurance markets. Are the markets interested in accepting additional business, or has the capacity been used up or temporarily restricted?

Once the goals of the organization and the risk management function are understood, it is necessary to review the alternatives available in order to determine the best method to achieve them.

To help assure an understanding of the risk management goals, it is always a good idea to establish them in writing. After they have been clearly defined in writing, they should be shared with the management of the risk manager's organization for concurrence and support. When this has been accomplished, the risk manager is ready to go to work. This is the point where a risk manager has to decide if the broker has the proper people to get the job done.

Not only is it necessary in today's environment for risk managers to "get their acts together," but brokers must also do some

careful planning. In some cases, clients have been asking brokers to expand their responsibilities far beyond marketing an insurance contract. As a result, some of the progressive brokers have undertaken a careful introspective review of their talents and capabilities.

Brokers today are being asked to provide services which are independent from insurance contracts. These include: fire protection, safety and loss-control programs, claims functions, data processing and statistical information, etc. The independent services are being requested, because some risk managers have determined that the quality offered by the insurance industry is not acceptable to achieve desired results. Therefore, brokers and others who are capable of providing quality services have a real opportunity to satisfy an existing need. However, the management of a brokerage house has a tough job of critically reviewing

Continued on page 55

How to find a broker and what to expect

By Barbara J. Fisher
 Corporate insurance administrator
 SGL Industries Inc.
 Haddonfield, N.J.

BECAUSE YOU ARE THE BROKER'S BRIDGE to the bulk of its income from the insurance companies, its services and expertise are available to you (mostly) at no dollar cost. For starters anyway, the price is right! The adage "you get what you pay for" definitely does not apply to the broker-client relationship as it does to the consultant client relationships. The broker can ease the busy executive's burden of providing the protection needed at a reasonable cost.

It used to be that insurance protection was a mere overhead item. Now it is a significant expense that demands skillful management. You need a thorough understanding of past exposures, present risks, and at least a realization of future hazards if you are to avoid the terrible consequences of ignorance. Insurance can't possibly protect your company from an unaffordable loss if you

haven't analyzed your company's risk parameters. Your precision in choosing an insurance broker is a quantum leap toward a comprehensive, cost-effective asset protection program.

How do you find the right broker for you? Just like other companies, brokers vary in size from the one-man efforts to the huge alphabet houses. Unfortunately, there is an equal variance in their overall performance and I cannot stress enough the importance of initial scrutiny of:

- Financial stability.
- Client service goals.
- Methodologies.
- Geographical compatibility.
- Commitment of continued stewardship.

The first step a broker takes with a new client is to help the client choose an account representative who will service the client company's account. Make sure you and your account representative communicate easily and have compatible general philosophies. You need communication and combined confidence to make your company attractive in the marketplace.

Now that your broker is on board, you can

and have every right to expect:

- An attitude of commitment, responsiveness, enthusiasm and professionalism.
- Quotes from insurance carriers who are in excellent financial condition and employ the highest technological standards in loss prevention engineering backed by ongoing research and testing.
- A program offering expert counsel, innovative products and flexible services tailored to your company's needs.
- Credibility.
- Genuineness.

To achieve the maximum value from your broker relationship, however, you must be willing to:

- Commit the time necessary to furnish information, discuss problem areas and maintain the risk management standards established through your team efforts.
- Furnish past company history and future planning (especially in the areas of new products and possible acquisitions).
- Allow an open line of communication so that the broker always knows what you expect and when you expect it.
- Establish your own credibility.

- Be genuine.

The broker's first task is to analyze all exposures to insurable loss, review the adequacy of the client's present insurance coverage, determine the competitiveness of its premium cost and the effectiveness of its overall loss prevention, control and assumption. The result of this initial effort will be the discerning of current needs and rough future considerations. The broker's overall concern will be property and people conservation with maximum opportunity for uninterrupted production and profitability when the inevitable loss does occur.

You, however, are the key determinant in making your broker's contribution a meaningful and valuable one. Interact with your broker, provide parameters, share your concerns and join forces with your account representative during insurance company negotiations. Also, keep yourself informed about the insurance industry enough to be knowledgeable about new dimensions.

In summary, let an insurance broker join with you and the insurance company to form a "protection partnership" which vicariously guards your company's assets. ■

PERSPECTIVE

Advisory panel, risk managers tackle how much you should tell your broker

Many agree with Greene

NO ONE WOULD ARGUE with the precept that honesty is the best policy and that the best relationship between an insurance broker and client is based on mutual trust and respect. Those are ideals to which nearly everyone would subscribe.

Few would argue, either, with the necessity of telling your broker all material information about a risk, volunteering data without putting the broker in the position of forcing out the facts, so that he or she can go knowledgeably into the insurance marketplace. The last person to argue with this would be Al Greene of Warren, McVeigh & Griffin (see comments in box), whose recent comments before a San Francisco meeting of RIMS have caused what can fairly be called a furor over whether to tell your broker absolutely everything, including the price you're willing to pay for coverage.

Business Insurance asked members of its Editorial Advisory Panel for their reactions, drawing 46 responses.

Of the 46 responses, 18 agreed with Mr. Greene's comments and advice, 18 disagreed, six were neither positive nor negative but commented on other parts of the story on Mr. Greene's remarks and another four risk managers said they couldn't generalize because the broker-client relationship is "a very personal business."

But, as Peter Law of U.S. Industries pointed out, Mr. Greene's comments really had more to do with negotiating strategy than trust for a broker. "Frequently a negotiator will give in too soon if he knows he has (achieved) an acceptable deal," he said, referring to the lack of incentive for a broker to look further or negotiate harder if he knows he's already obtained a price and/or coverage that's in the ballpark.

Another risk manager noted a company's risk aversion levels calculated carefully for internal purposes needn't be shared with a broker. "I don't consider it necessary for a broker to know what I will take before he goes to the marketplace to find out what he can get," added this manager.

Perspectives

Emmet F. Monaghan of Kaiser Aluminum & Chemical emphasized the difference in perspectives of the broker and the client, "particularly if the broker is working on a commission basis." This point was brought up a number of times in discussions of whether brokers will sincerely seek the best price deal for clients if they are told beforehand the most the clients are willing to pay.

"Pricing decisions are best left to the two parties of the contract—the insurer and the insured," added Mr. Monaghan.

Barbara J. Fisher of SGL Industries expects SGL's broker "to do his absolute best" when he goes out to obtain insurance. Maximum acceptable premium, she argues, should be left unsaid, "otherwise, anything he elicits under my 'maximum' he'll consider acceptable." But she disagrees that minimum acceptable coverage shouldn't be revealed to the broker. "The broker needs all the specs to deal in the marketplace."

Bob Bieber with Westchester County, N.J., doesn't tell his broker the top price he'll pay so that the broker will feel the need to develop "unique and comprehensive forms of coverage." As another risk manager added, "I believe the uncertainty spurs him to greater efforts on my behalf," and therefore the "price I will pay . . . is between me, my conscience and my boss."

If you tell your brokers the maximum price and the minimum coverage you'll accept, "the reply is always that they secured



Consultant Greene expands comments on info for brokers

Allon Greene provides further comments on his views on the broker-risk manager relationship.

Since publication I have received a number of responses regarding the content of the speech. Obviously it would be impossible to publish the speech in its entirety, but some individuals misinterpreted the content from certain statements quoted in the article.

The key points which were made in the speech were:

1. Ultimate responsibility for the risk management function rests with the risk manager.
2. Risk managers must communicate openly on their program in all areas except (a) maximum price they are willing to pay and (b) minimum coverage they are willing to accept.
3. Risk managers must allow the broker to control meetings with underwriters.
4. Risk managers should disclose all material risks to underwriters even if not asked about them. However, they should reach agreement with the broker about the extent or depth to which exposures need to be discussed so as not to raise needless concerns on the part of the underwriter.

I have long been a proponent of complete disclosure of risks to underwriters and abhor the philosophy held in some quarters that you only give the underwriter information specifically requested.

Risk managers should deal with the underwriter in the same manner that they wish to be dealt with and that requires integrity and disclosure of pertinent items.

what you asked for, clearly demonstrating they did not press the underwriter for additional consideration," says one member.

And Bob Spencer of Fuqua Industries expects his broker to be a confidant in so many ways that minimum coverage/maximum premium may not even be important. The partnership of broker and client involves sharing everything about the risk, the exposure, the company. "It is a day-to-day partnership, too, not just prior to renewal," he says. "A good broker is a super sounding board for far-out innovations. I demand that he use me for a sounding board, also—and level with me. I also demand to be involved with the underwriter at marketing time though I will assume a low profile if he can convince me it is the thing to do."

Moreover, adds Mr. Spencer, "I think you will find that if the partnership is what it should be, the broker knows the risk manager's mind well enough to realize where those limits (minimum coverage/maximum premium) are."

British analogy

Peter Downes of American Trading & Production Corp. offers this reaction: "The British are brought up on the doctrine of *uberima fides*—utmost good faith. Insurance contracts are based on this, meaning

that all material information concerning a risk must be discussed without waiting to be asked. Other information need not be disclosed.

"In a competitive situation," continues Mr. Downes "I do not disclose my thoughts on price. In a single market situation such as Lloyd's, the best results are obtained by making an offer. As always, circumstances make cases."

The direct option

Douglas L. Craven of Wometco Enterprises Inc., like Mr. Greene himself, has been both a buyer and a seller of insurance during his working life and believes strongly in complete disclosure of risk and market-related information but not the acceptable premium, "as this could lead to possible further problems."

There's one risk manager who doesn't think insurance brokers are worth their salt at all, because it costs 5% to 15% less to go direct, as this manager does on nearly all of his coverage. In his view, a broker "is fine for a small company whose insurance expense will not justify a risk manager position." But, this manager adds, "I never reveal actual premium to prospective insurers nor do I tell them a range that would be acceptable.

Continued on page 86

Tell everything, but final price

By Margaret LeRoux

TELL YOUR BROKER EVERYTHING there is to know about the risk except how much you're willing to pay for the insurance coverage, is the consensus of risk managers recently surveyed by *Business Insurance*.

Asked their reaction to consultant Allon Greene's advice to keep price out of discussions with brokers before they approach the market (*BI*, June 12), a random sampling of risk managers throughout the U.S. agreed with Mr. Greene.

"Full disclosure, everything on the table," said Arch T. Sparrowe, assistant treasurer and insurance manager for DiGiorgio Corp. in San Francisco, "except for the maximum limits on a premium—that's when the fight starts."

"We have our ideas on price, the broker has his and the market has its own ideas," said the manager of insurance for a West Coast-based petroleum company. "We don't tell a broker what the expiring price is if he hasn't worked on the account before."

"If I were to set a price, what would I need a broker for?" said Dave Miller, risk manager for Harrah's in Reno.

"My style is to price it myself and I've got a reputation for being cheap," quipped William Cain, risk manager for the Dayton Hudson Corp. in Minneapolis.

Alan Pearce, assistant treasurer and director of risk and insurance management at Foremost McKesson in San Francisco, who got his training from Al Greene, echoed the consultant's opinion. "I give the broker a target," Mr. Pearce said, "but I don't let him know my parameters."

Market constraints

For some risk managers, the ability to self-insure gives them the strength to keep price out of discussions with their broker.

Robert Bowman, risk manager for the East Bay Municipal Utilities District in Oakland, said, "For us, if the price the market is quoting is too high, then we'll self-insure."

"A substantial deductible" affects discussions between brokers and American Building Maintenance Corp. "We'll discuss any proposals they have and tell the brokers why we like them or dislike them," said William B. Petree, risk manager. "We're trying to build long lasting relationships," he added, "so we divulge everything."

Sometimes the type of risk being marketed automatically cancels out arguments over price. "When I go to the market, it's a matter of what's there, not how much does it cost," a risk manager for a San Francisco Bay Area consumer products company said.

"There's very little we can hide," observed Lorraine Bryant, manager of insurance for Hughes Air Corp. "So much of the information on our risks is available—air route, hull values—the brokers know the exposures and they can estimate as well as anyone."

If you're looking at the excess market, there's all the more reason to keep price out of the conversations, several risk managers commented.

"There are times when we have both a broker and a direct writer looking at a risk," said W. B. Anderson, corporate risk manager at Fibreboard Corp. in San Francisco. "The broker has to have an incentive to deliver a price he feels is competitive."

"An underwriter in the excess market should not have to have a price in order to rate a risk," Charles Revie, director of risk management for Bucyrus Erie in Milwaukee, said. "Just because the underlying

Continued on page 86

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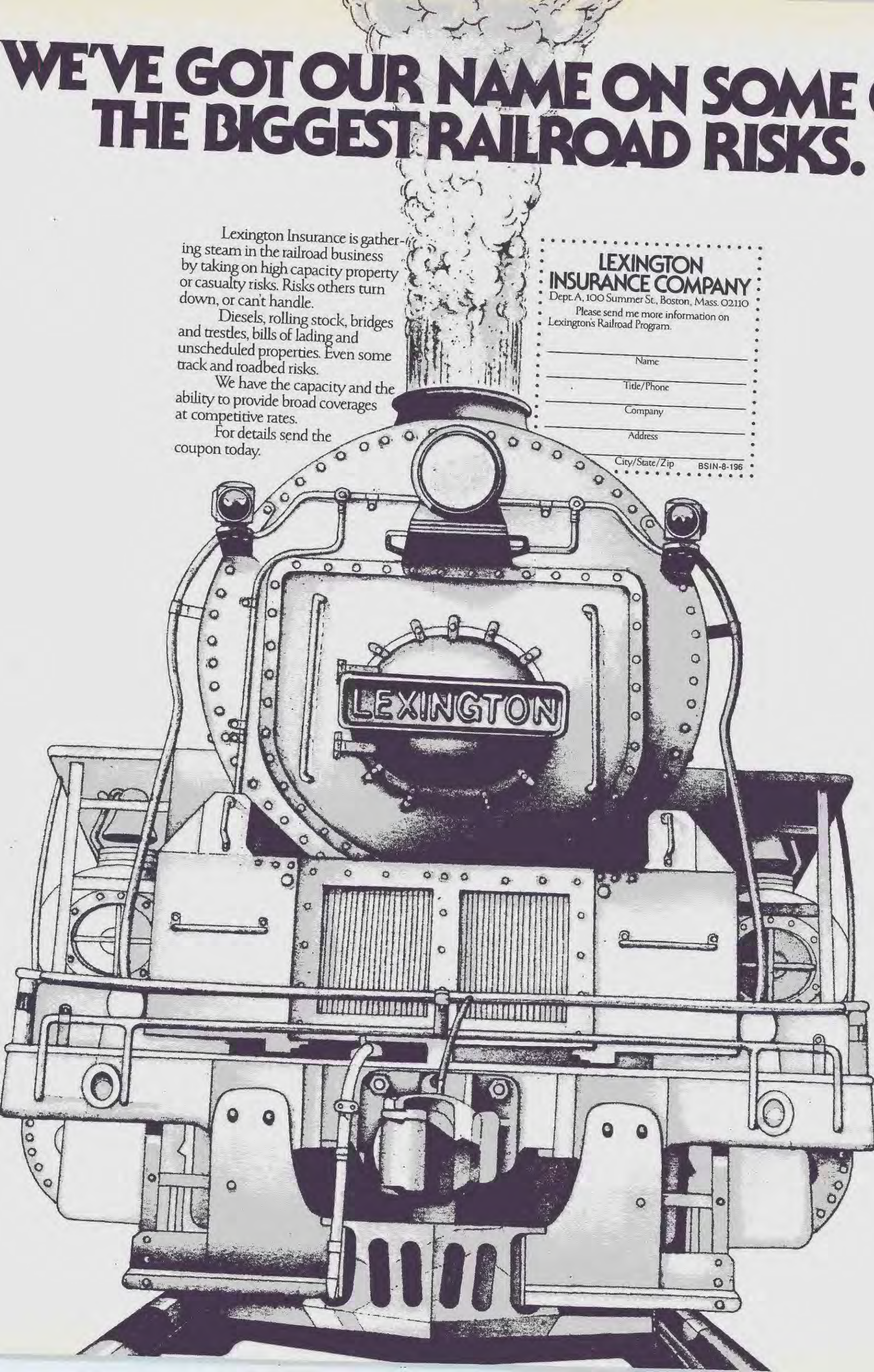
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PERSPECTIVE

Bausom . . .

Continued from page 83

its people to decide who can help provide quality services.

Brokers go through the same planning process as any other business to determine their place in the market, the level of business they hope to achieve and an analysis of what is required to get the job done. Currently, because of the shifting of responsibilities from a combined service-insurance package provided by insurance companies to an "unbundled" insurance contract with independent services, a broker should pay more attention to these new opportunities.

In the future, brokers who have not already done so will be forced to ask themselves such questions as: What types of services are we best qualified to provide? Should our resources be directed at obtaining new business, or should more resources be directed to providing quality service for existing business? Do we have adequate cost-accounting systems to determine equitable pricing of quality services to make a profit? Of all the needed services, which ones can we provide the best talent relative to our competition? Do we have people to get the job done? If not, how do we obtain the right people?

The senior executives of a brokerage firm may not have a "handle" on their company's capabilities to accurately determine the answers to these and other questions. To assure the continued success of their firms, perhaps they should select a few people internally, or externally, to assist them.

Setting the stage

In most cases, a risk manager sets the stage or defines the type of broker relationship desired. Sometimes this is done overtly and other times this is done inadvertently, merely through the risk manager's action. In any event, if the risk manager does not like the current working relationship, it must be redefined. Changing an existing relationship is much more difficult than properly establishing a new one at the beginning. In order to change a relationship, a risk manager must not only clarify a different set of rules in writing, but must support it by actions and future dealings with the broker.

The scales of sound and professional conduct by both parties should be kept in balance. The risk manager should not be placed in a position of always owing the broker a favor, a lunch, etc. Risk managers should always remember that most brokers are sales-oriented and they are going to try to please their clients. Shock your brokers! Buy their lunch to either thank them for a job well done or to discuss some matters which need to be modified.

In the final analysis, the actual working relationship has to be determined by the risk manager. There should be an environment which will produce results for the client relative to the established goals. The most important element is honesty—"being up front" on the part of the risk manager and the broker. If this does not exist, then inevitably, the result will be trouble for all.

A client is in the business of making a product or providing services either for a profit or for the benefit of society. A broker is in the business of providing a service for a profit. The process of identifying the client's goals, the levels of services desired and the timing of such goals should be well established. Given this situation, the broker's responsibilities are to provide a proposal or a written statement specifying its capabilities of assisting the client in accomplishing these goals. The risk manager may want the broker to assist in marketing an insurance contract and/or providing or helping identify suppliers of particular services which are needed.

A risk manager should remember that a broker is in the business of making a profit and is entitled to it. It does not matter whether a broker's compensation is a fee or a commission. What does matter is that the client is entitled to an accounting of the services provided and the costs incurred to provide the required services, including a reasonable profit. When looking for quality services and people, the last item a risk manager should be tight with is the

broker's profit. If you want highly motivated brokers sensitive to your needs, make sure they are being fairly compensated.

To determine a fair level of compensation, risk managers can review the financial statements of the publicly held brokerage firms to determine their rates of return before taxes. After a representative sample of these brokerage houses has been reviewed, one benchmark can be established for brokerage houses, including the ones that do not make financial data available.

Annual reports

Risk managers should request and obtain written individualized annual reports from their brokers, as well as from other firms which provide services. These annual reports should restate the client's goals established for the particular year in question. The previously agreed roles of the servicing organization should be restated. The broker or service company should include the tasks or roles performed for the client, as well as the costs of providing the services.

In addition to the statement of the past year's activities, the risk manager should insist upon some prioritized recommendations or a statement of future direction for the upcoming year. The future direction will take some time and thought on the broker's part in order to make a meaningful contribution. The risk manager is paying for the judgment and experience of the broker and should make sure it is obtained.

Annual reports can be very helpful to both the broker and the risk manager as a planning tool for the coming year. It will aid all concerned in discerning where more effort is needed to accomplish the goals.

Perhaps one of the most sobering viewpoints which can be taken of professionalism is to look at one's own personal career. Subtract your current age from the age of 65 or 70—that is what remains! Don't worry about answering to anyone else but yourself such questions as: What have I accomplished, right or wrong, in my career? And, more importantly, how do I want to conduct myself in the remaining time?

In a professional sense, a difficult thing for any broker to do is to determine the goals of a client and evaluate the brokerage firm's own capabilities of filling that need. It is even more difficult to recommend that their firm is not the best qualified (if it is not the best qualified) to provide the specific service requested by the client. In the long run, being objective from the client's point of view will produce more business. Brokers looking to the future will probably be emphasizing quality services, because it costs them less to provide quality services to their existing clients than continually finding new ones.

Broker of record

Another factor which relates to professionalism is the different ways in which a broker-of-record letter is interpreted. A healthy attitude is that this letter is a revocable privilege and it does not carry with it title of ownership. This is not a matter of concern to either party unless an adequate job is not being done. If a broker cannot "make it happen" on a particular account, perhaps a very thorough internal review of their people and activities is needed. If a proper job was done, but not adequately communicated, that still results in failure which could signal larger problems.

Brokers can be either friend or foe depending on how the risk manager defines the brokerage relationship. It is also important to constantly assess the quality of services being provided by the broker relative to the stated goals. If things are not going according to the plan, make sure that you—the risk manager—communicate this to the senior management of the brokerage house. Discuss the annual reports prepared for you by the brokers. In short, communicate with them and "tell it like it is."

Most importantly, always remember it is people within a brokerage house that make things happen. If you are fortunate to have an accounts person who is doing a good job, make sure that the broker's top management is aware of it. This will provide the individual in the brokerage firm support and a positive motivation from the risk manager, which is all part of obtaining the expected results. ■

Tell all but . . .

Continued from page 84

underwriter's rate is too high or too low is no reason the others should be tied to it."

"The whole practice of marketing by price is anachronistic," believes Gordon Hanau of Consolidated Natural Gas Corp. in Pittsburgh. "We don't buy anything that way. If we need the coverage, we'll buy it; price is not a factor."

Because it's not a factor, Mr. Hanau continued, "I want everything on the table beforehand. I want all the problems that may exist solved before a loss or claim occurs."

John Murphy, risk manager, Avis Corp., agreed. "I don't play games with brokers. That's the only way to survive."

Besides price, risk managers mentioned a few other things brokers don't have to know about the risks they are marketing for a client.

"It's most important that a broker understand his client's business, but there's no need for him to know the long range plans," contends Al Friday at Colonial Stores in Atlanta.

What to withhold

Foremost McKesson's Mr. Pearce noted that he "won't divulge the nicks in the program that no one but myself would know about. I don't talk about the negative aspects of the program unless it's something the underwriter should know about."

For others, it's more a matter of accentuating the positive than deemphasizing the negative.

"We recognize the need to tell our story to underwriters on important risks," Consolidated Natural Gas Corp.'s Mr. Hanau said. "There are too many significant details that could be lost in the translation."

"I use brokers as tools," Avis's Mr. Murphy said. "I don't let them speak for me. I make sure my message gets through to the underwriters."

editorial advisory panel

Continued from page 84

To do so almost guarantees that your quote will be in the upper limit of that range. The underwriter, not the broker, is the key to the best pricing. Underwriters are—contrary to popular belief—human. They expect brokers to paint rosy pictures and then discount their comments to some extent. My advice to any large insured is to deal direct and get to know your underwriter. Gain his confidence and you'll have a properly priced account."

Of the 18 risk managers who wrote to *Business Insurance* disagreeing with Mr. Greene's comments, some apparently misread his remarks or misinterpreted their meaning, ending up with the idea that Mr. Greene was advising risk managers to withhold material information from a broker about a risk, which was far from the case.

But other risk managers interpreted his remarks correctly, and still strongly disagreed with his position. "There are no secrets in business," states one risk manager emphatically. "Discretions yes," he concedes, but no secrets.

"Would withhold NOTHING from broker," says another, "but emphasize expectations from services."

Robert Marginot, who's insurance manager for the state of Maryland, believes keeping secrets from the broker could be "a very perilous course of action."

Doctor analogy

Several risk managers likened the broker-client relationship to the relationship a person would have with a family doctor, attorney or accountant. W. E. Stratton of McKenzie Tank Lines thinks that a broker "may feel inhibited in his performance on your behalf" if he finds you haven't been "completely frank."

A half-dozen risk managers preferred comment on other sections of Al Greene's remarks than the don't-tell-what-you're-willing-to-pay portion. Barbara Fisher of SGL Industries declared "a loud NO to Mr. Greene's statement that a risk

Brokers have their secrets too, some risk managers say, citing this rationale to justify withholding price and other information.

"I can't believe there is not a certain amount of give and take in a broker's book of business," Fibreboard's Mr. Anderson said. "If he knows client X will pay so much and client Y will pay so much, it works more to your advantage if he doesn't know how much you'll pay."

Whether or not they tell brokers everything, most of the risk managers surveyed said they trust their brokers.

"If you don't trust your broker enough to tell him everything he needs to know about your risk, you should get rid of him," EBMUD's Mr. Bowman said.

Firing brokers

"I've had brokers I had no confidence in—and I've gotten new brokers," said Emily M. Schmitz, corporate risk manager for Koracorp Industries Inc. of San Francisco.

Besides trust, there are a number of other ways risk managers evaluate performance of brokers. Knowledge of markets and technical expertise were chief among the criteria they use.

"A good price is worthless if there's something in the coverage that doesn't work," Dayton's Mr. Cain said. "The broker should know all the little details like extension of coverage at no extra cost."

"Brokers should be honest, forthright and realistic in knowing they are in competition to keep your business," Colonial Stores's Mr. Friday said. "There's no reason a broker should be sitting on your lap as a member of your department. He should remember he's an outsider, a service hired by the risk manager."

Perhaps the ultimate criterion is the checkbook, however.

"Because we pay on a fee basis, not on commission," said Dick Porrett, risk manager for the Great Atlantic & Pacific Tea Co. (A&P), "we trust that the broker is doing a good job—if not, he doesn't get paid." ■

manager should be an 'observer' in the marketing area. "He forgets that if the broker(s) comes up dry, the risk manager's company is not covered. The risk manager has a duty to his company (especially on complicated risks) to approach the direct writers with his company. This way, the risk manager is not competing with his broker, he is joining the effort."

About five risk managers agreed strongly that brokers should provide annual reports of services supplied, detailed marketing strategy for the year, and other information. But, as Joe Gullo of Richardson-Merrell Inc., asked, "Do you know any that do it voluntarily?"

A low profile

R. B. Burns of the ONB Corp. in Spokane heartily disagrees that the risk manager should keep a "low profile" while staying involved in the risk-marketing process. "Any broker who believes I've delegated my responsibility and am just an observer in the marketing process will soon be replaced by one who sees the client as an active participant. I resent being viewed as just a premium-paying, claim-filing client too ignorant to really understand insurance."

There were a few risk managers who disagreed with Mr. Greene's basic premise that parameters for minimum/adequate coverage and optimum/acceptable price should be established at all. Joe Gullo at Richardson-Merrell stressed that it is the "wrong thinking" to put "so much stress on establishing price. The price, no matter what it is, should be viewed as a standard by which you make your risk management decisions. If it's low, you insure—too high, you self-assume a greater portion. So why establish parameters beforehand?"

"Gamesmanship will be the death of us yet," declares another risk manager, asking "how could a risk manager expect a broker to do an adequate job on his company's behalf if the broker were not privy to the best information the risk manager could give him?" ■

agent/broker profiles

Continued from page 81

Leeds Jr., president; Walter Schimenty, executive vp; Thomas V. Leeds, senior vp.

Compensation: commissions and fees.

Levinson Brothers

235 Montgomery St., San Francisco, Calif. 94104; 415-434-3200

	1977	1976
Premium vol.	\$11,785,218	\$10,042,752
Gross rev.	\$ 1,247,311	\$ 1,094,726
Employees	26	37
Commercial bus.	93%	91%

Principal officers: Fred Levinson, president; Morton I. Levinson, Bernard S. Greendorfer, both vps; David J. Levinson, vp and secretary.

Compensation: commissions. Licensed excess/surplus broker in: California.

Don Liebert Inc.

172 S. Middletown Road, Nanuet, N.Y. 10954; 914-623-3434

	1977	1976
Premium vol.	\$5,099,167	\$4,200,000
Gross rev.	\$ 765,115	\$ 693,532
Employees	20	20
Commercial bus.	60%	57%

Principal officers: Donald F. Liebert, president; Richard Hiller, vp.

Compensation: commissions.

Ligon, Gump & Ligon Inc.

4230 L.B.J. Suite 508, Dallas, Tex. 75234; 214-661-5050

	1977	1976
Premium vol.	\$4,400,000	\$3,500,000
Gross rev.	\$ 725,000	\$ 625,000
Employees	17	15
Commercial bus.	70%	70%

Principal officers: Max D. Ligon, president; Harry A. Gump, CPCU, vp and secretary; Fred F. Ligon, CPCU, vp and treasurer; Richard T. Gump, vp.

Compensation: commissions.

Limric Brothers Insurance Agency Inc.

869 Worcester Road, Route 9, Wellesley, Mass. 02181; 617-237-6000

	1977	1976
Premium vol.	\$1,600,000	\$1,500,000
Gross rev.	\$ 308,000	\$ 289,000
Employees	12	12
Commercial bus.	60%	60%

Principal officers: David Limric, CPCU, president; Paul G. McDonald, treasurer.

Compensation: commissions. Branch offices: Foxboro, Mass.

Litchfield County Agency Inc.

175 Prospect St., Torrington, Conn. 06790; 203-482-6566

	1977	1976
Premium vol.	\$3,250,000	\$2,849,000
Gross rev.	\$ 597,000	\$ 520,000
Employees	20	21
Commercial bus.	42%	36%

Principal officers: Robert Venn Carr Jr., president and treasurer; Daniel H. Kraut, vp; John L. Donovan, secretary.

Compensation: commissions. Acquisitions: Paul Richmond Agency, 1976.

Branch offices: Litchfield, New Milford, Thomaston, West Haven, Winsted, all in Connecticut.

Subsidiaries: Travel House, Agents Budget Co.

Clarence Lofberg Inc.

363 Cedar Lane, Teaneck, N.J. 07666; 201-836-2100

	1977	1976
Premium vol.	\$4,066,650	\$3,300,000
Gross rev.	\$ 805,000	\$ 654,012
Employees	25	24
Commercial bus.	60%	60%

Principal officers: Richard C. Lofberg, CPCU, chairman and

chief executive officer; Paul W. Lofberg, CPCU, president; Franklin D. Lutz, executive vp; John H. Letz, senior vp; F.X. McGrath, CPCU, Ronald Snider, both vps.

Compensation: commissions and fees.

Subsidiaries: VIP Agency Inc., Letz-Lofberg Associates, Van Houten-Lofberg Agency.

L.G. Loomis & Co. Inc.

1 Tobey Village Office Park, Pittsford, N.Y. 14534; 716-385-2900

	1977	1976
Premium vol.	\$5,500,000	\$4,766,210
Gross rev.	\$ 940,818	\$ 837,493
Employees	32	36
Commercial bus.	75%	85%

Principal officers: Leslie G. Loomis III, president and treasurer; Barbara B. Walker, secretary; Edward Vander Horst, Paul M. Starr, both vps.

Compensation: commissions and fees.

Continued on following page

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Minneapolis 612/831-0465
New Orleans 504/586-1744
New York 212/227-1366

Philadelphia 215/629-0490
San Francisco 415/391-0242

agent/broker profiles

Continued from preceding page
Subsidiaries: E.C. Cooper Inc., Watkins Glen, N.Y.

Ludwig, Nussbaum & Associates Inc.

100 Merrick Road, Rockville Centre, N.Y. 11570; 516-766-6611 or 212-895-6800

	1977	1976
Premium vol.	\$1,450,000	\$1,200,000
Gross rev.	\$ 203,000	\$ 155,000
Employees	7	7
Commercial bus.	65%	55%

Principal officers: Alfred Nussbaum, president.
Compensation: commissions.

Mack & Parker Inc.

209 S. LaSalle St., Chicago, Ill. 60614; 312-346-1221

	1977	1976
Premium vol.	NA	NA
Gross rev.	\$1,699,388	\$1,469,486
Employees	53	41
Commercial bus.	93%	93%

Principal officers: Edward E. Mack Jr., CLU, CPCU, chairman and president; Edward E. Mack III, executive vp; Charles S. Mack, CLU, CPCU, vp and secretary; John P. Mack, CLU, CPCU, vp and treasurer; William J. O'Keefe, Lance R. Sanberg, Kenneth T. Krispin, all vps; C. Jean Underhill, assistant secretary.

Compensation: commissions and fees.
Acquisitions: Sanders Inc., Jan. 1978.
Subsidiaries: MICA Inc.
Licensed excess/surplus broker in: Illinois.

MacIntyre, Fay & Thayer Insurance Agency Inc.

One Wells Ave., Newton, Mass. 02159; 617-332-5100

	1977	1976
Premium vol.	\$11,800,000	\$12,993,000
Gross rev.	\$ 2,100,000	\$ 1,812,000
Employees	58	58
Commercial bus.	65%	79%

Principal officers: Joseph J. Fay, chairman; Richard E. Eagan, president.

Compensation: commissions and fees.
Acquisitions: W. R. Neelon Agency, 1977.
Subsidiaries: Surplus Services Insurance Agency Inc.

Guy A. Main & Co.

2041 Rosecrans Ave., El Segundo, Calif. 90245; 213-640-2121

	1977	1976
Premium vol.	\$3,224,970	\$3,030,000
Gross rev.	\$ 425,005	\$ 304,000
Employees	7	7
Commercial bus.	99%	99%

Principal officers: Guy A. Main,

president; Les H. Amoy, senior vp; Mel D. Vinyard, vp; Jane Tippin, treasurer.

Compensation: commissions and fees.
Branch offices: Marrero, La.
Licensed excess/surplus broker in: California.

Phillip Margolis & Co.

26311 Woodward, Huntington Woods, Mich. 48070; 313-398-1700

	1977	1976
Premium vol.	\$2,100,000	\$1,700,000
Gross rev.	\$ 290,777	\$ 203,718
Employees	10	10
Commercial bus.	88%	86%

Principal officers: Phillip Margolis, CPCU, president; Jill A. Margolis, vp; Catherine Koday, treasurer; Estelle B. Smith, secretary.

Compensation: commissions.
Subsidiaries: North Central Underwriters.
Parent company: Central Agency Corp.

Licensed excess/surplus broker in: Michigan.

Marketing Management Inc.

2052 Oak Mountain Drive, Pelham, Ala. 35124; 205-663-4000

	1977	1976
Premium vol.	\$21,000,000	\$18,100,000
Gross rev.	\$ 1,200,000	\$ 950,000
Employees	31	34
Commercial bus.	95%	96%

Principal officers: Ken L. Williams, president; Joe Gosa, senior vp; Robert Cleveland, vp; Lomax Johnson, secretary; Steve Williams, resident vp.

Compensation: commissions and fees.
Branch offices: San Mateo, Calif.; Toronto, Canada.

Subsidiaries: M. M. Administrators Inc.; Management Safety Inc.; The MMI Agency Inc.
Licensed excess/surplus broker in: Alabama.

Marshall Paris Insurance Inc.

18041 Bothell Way NE, Bothell, Wash. 98011; 206-486-1227

	1977	1976
Premium vol.	\$1,800,000	\$1,904,046
Gross rev.	\$ 392,000	\$ 317,341
Employees	13	18
Commercial bus.	56%	55%

Principal officers: George Marshall Paris Sr., CPCU, CLU, president; Gary Galeotti, Mary C. Stanley-Paris, Ray Westfall, CLU, all vps.

Compensation: commissions.
Licensed excess/surplus broker in: Washington state.

Maury, Donnelly & Parr Inc.

Commerce & Waters Sts., Baltimore, Md. 21202; 301-685-4625

	1977	1976
Premium vol.	NA	NA
Gross rev.	\$690,000	\$572,000
Employees	32	25
Commercial bus.	82%	83%

Principal officers: Thomas D. R. Parr, CPCU, president; David W. B. Willse, Henry A. Parr IV, both senior vps; Ros H. Crosier Jr., vp.

Compensation: commissions and fees.
Licensed excess/surplus broker in: Maryland.

May-Davis Inc.

PO Box 11558, Suite 202, E. 5111 Trent, Spokane, Wash. 99211; 509-535-8783

	1977	1976*
Premium vol.	\$2,100,000	\$1,400,000
Gross rev.	\$ 410,000	\$ 200,000
Employees	5	5
Commercial bus.	98%	99%

*From 1977 BI listing

Principal officers: Laurel E. May, president; William H. Davis, executive vp; Patrick J. Lynch, vp;

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William W. Holdren, Exec VP

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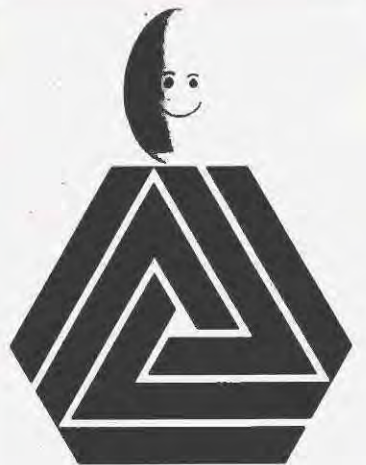
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Lorraine M. May, secretary-treasurer.

Mayerstein-Burnell Co. Inc.
2150 Market Square, Lafayette, Ind. 47902; 317-447-0566

	1977	1976
Premium vol.	\$5,098,000	\$4,031,000
Gross rev.	\$ 646,000	\$ 527,000
Employees	17	17
Commercial bus.	87%	85%

Principal officers: G. W. Burnell, president; R. R. "Buffy" Mayerstein, secretary.

Compensation: commissions.
Licensed excess/surplus broker in: Indiana.

Raymond G. McCarthy & Co. Inc.

502 Bloomfield Ave., Verona, N.J. 07044; 201-239-9404

	1977	1976
Premium vol.	\$1,800,000	\$1,670,000
Gross rev.	\$ 294,000	\$ 290,000
Employees	9	9
Commercial bus.	67%	65%

Principal officers: Raymond G. McCarthy, president; John E. Popowich, CPCU, Thomas J. Stokes, both vps; C. A. Grohe, secretary-treasurer.

Compensation: commissions and fees.

McDowell Insurance Inc.

338 Lincoln Way East, Chambersburg, Pa. 17201; 717-263-8401

	1977	1976
Premium vol.	\$3,311,432	\$2,536,094
Gross rev.	\$ 702,306	\$ 559,449
Employees	23	21
Commercial bus.	71%	68%

Principal officers: Edward C. Zimmerman, president; Karl A. Shreiner, CPCU, executive vp; C. Daniel Baughman, senior vp; Robert C. Reymier Jr., vp; Josef F. Kliment, assistant vp.

Compensation: commissions.
Branch offices: Greencastle, Waynesboro, Mercersburg, all Pennsylvania.

The McElroy-Minister Co.

141 East Town St., Columbus, Ohio 43215; 614-228-5565

	1977*	1976
Premium vol.	\$18,400,000	\$17,400,000
Gross rev.	\$ 2,602,454	\$ 2,239,442
Employees	72	67
Commercial bus.	68%	68%

Principal officers: H. Thorp Minister Jr., chairman; John C. Glandon, president; Richard P. Banks, Hugh M. Hadley, Hall B. Liles Jr., all vps.

Compensation: commissions and fees.

*\$4 million in premium lost due to departure of a principal.

James F. McGovern Inc.

1291 5th Ave., Belmont, Calif. 94002; 415-593-8216

	1977	1976
Premium vol.	\$3,500,000	\$3,000,000
Gross rev.	\$ 503,000	\$ 421,000
Employees	7	6
Commercial bus.	95%	95%

Principal officers: James E. McGovern, president; Alfred J. Dunne, vp.

Compensation: commissions.
Firm specializes in contractors bonds and insurance.

McGriff & Seibels Inc.

2217 7th Avenue S., PO Box 10265, Birmingham, Ala. 35202; 205-252-9871

	1977	1976
Premium vol.	\$17,274,836	\$12,579,729
Gross rev.	\$ 2,178,100	\$ 1,637,648
Employees	75	72
Commercial bus.	90%	80%

Principal officers: Lee McGriff, chairman and chief executive officer; H. G. Seibels Jr., vice chairman and secretary; R. M. Womack, president; C. O. Holladay, vp-sales; C. E. Wanninger, vp-finance.

Compensation: commissions and fees.

Branch offices: Florence, Fairhope, both Alabama.

Subsidiaries: Insurers Services Inc., Associated Insurance Brokers Inc., General Aviation Underwriters Inc.

Licensed excess/surplus broker in: Alabama.

McManus & Pellouchoud Inc.

141 W. Jackson Blvd., Chicago, Ill. 60067; 312-427-1961

	1977	1976
Premium vol.	\$25,000,000	\$20,000,000
Gross rev.	\$ 2,450,000	\$ 1,900,000
Employees	33	30
Commercial bus.	90%	90%

Principal officers: R. B. McManus Sr., president; V. J. Pellouchoud, vp and secretary.

Compensation: commissions.

Meadowbrook Inc.

24370 Northwestern Highway, Southfield, Mich. 48037; 313-358-

Continued on following page

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agent/broker profiles

Continued from preceding page 1100

	1977	1976
Premium vol.	\$16,300,000	\$20,000,000
Gross rev.	\$ 2,800,000	\$ 2,800,000
Employees	74	95
Commercial bus.	83%	92%

Principal officers: Merton J. Segal, president; Lee F. Kelly, vp and treasurer; Joy A. Maurer, vp-internal operations; Robert A. Engle, Richard Sauer, both vps.

Compensation: commissions and fees.

Branch offices: Livonia, Mich. Subsidiaries: Nolta-Quai-Sauer Associates Inc., Birmingham, Mich.; Meadowbrook Insurance Agency, Dedham, Mass.; Meadowbrook Insurance Agency, Arlington Heights, Ill.

Licensed excess/surplus broker in: Michigan.

Meeker-Magner Co.

222 South Prospect Ave., Park Ridge, Ill. 60068

	1977	1976
Premium vol.	NA	NA
Gross rev.	\$2,334,149	\$2,116,282
Employees	58	54
Commercial bus.	78%	73%

Principal officers: T. Gerald Magner, chairman; T. Gerald Magner Jr., president; V. J. Bondi, executive vp; A. G. Perkins, treasurer; S. DeSerto, vp.

Compensation: commissions and fees.

Acquisitions: Cosmopolitan Realty Co.; American Security Insurance Agency; DeSerto Insurance Agency.

Licensed excess/surplus broker in: Illinois.

Merriam, Ellis & Benton

1300 N. 78th St., Kansas City, Kansas 66112; 913-334-2100

	1977	1976
Premium vol.	\$1,112,000	\$ 850,000
Gross rev.	\$ 244,350	\$ 188,400
Employees	11	11

Commercial bus. 65% 60%

Principal officers: Don A. Ellis, CPCU, owner-manager; John C. Gann, life department manager; Frank W. Simonich, commercial lines.

Compensation: commissions.

Merritt & McKenzie Insurance Agency

1128 Life of Georgia Tower, Atlanta, Ga. 30308; 404-881-0538

	1977	1976
Premium vol.	\$3,900,000	\$3,200,000
Gross rev.	\$ 700,000	\$ 594,067
Employees	16	17
Commercial bus.	66%	75%

Principal officers: James W. McKenzie, Edward F. Merritt Jr., Ralph A. McKnight, Harold R. Turner, CPCU, all partners; James P. Warren Jr., life department.

Compensation: commissions.

Metz, Lecy, Barnes & Thias Insurance Agency Inc.

6035 Executive Drive, Lansing, Mich. 48910; 517-394-3880

	1977	1976
Premium vol.	\$1,778,613	\$1,248,878
Gross rev.	\$ 246,891	\$ 157,398
Employees	6	5
Commercial bus.	70%	61%

Principal officers: Clayton J. Metz, president; Cloyd W. Barnes, vp; Robert C. Lecy, treasurer; George A. Thias, secretary.

Compensation: commissions.

Charles E. Mills Co.

PO Box 949, 5480 Katella Ave., Suite 201, Los Alamitos, Calif. 90720; 213-775-8521 or 714-893-0586

	1977	1976
Premium vol.	\$1,940,000	\$1,500,000
Gross rev.	\$ 291,000	\$ 230,000
Employees	9	8
Commercial bus.	68%	55%

Principal officers: Charles E. Mills, president; Charles W. Mills, CLU, Thomas N. Braly, both vps.

Compensation: commissions. Acquisitions: William Hankins Insurance, March 1977.

Molton, Allen & Williams Inc.

2008 Third Ave. N., Birmingham, Ala. 35203; 205-251-6000

	1977	1976
Premium vol.	\$22,700,000	\$17,200,000
Gross rev.	\$ 2,474,000	\$ 2,077,000
Employees	49	41
Commercial bus.	95%	95%

Principal officers: Thomas C. Ritter, president; H. Lee Ohlman, executive vp; Donald E. Ludlow, senior vp.

Compensation: commissions and fees.

Branch offices: Mobile, Hamilton, both Alabama.

Subsidiaries: M.A.W. Commercial & Marine Underwriters; M.A.W. Insurance Center.

Licensed excess/surplus broker in: Alabama.

Montana International Insurance Inc.

1200 North Montana Ave., PO Box 1164, Helena, Mont. 59601; 406-442-5360

	1977	1976
Premium vol.	\$2,800,000	\$2,100,000
Gross rev.	\$ 513,000	\$ 368,000
Employees	13	11
Commercial bus.	70%	70%

Principal officers: David R. Bruck, president; Patrick S. McCutcheon, executive vp; Thomas J. Downey, Donald R. Ferron, both vps; Audrey L. Fiske, secretary-treasurer.

Compensation: commissions.

Branch offices: Bozeman, Mont. Licensed excess/surplus broker in: Montana.

Montgomery & Montgomery Inc.

111 Fulton St., New York, N.Y. 10038; 212-285-0600

	1977	1976
Premium vol.	NA	NA
Gross rev.	\$1,207,744	\$1,199,599
Employees	28	26
Commercial bus.	80%	80%

Principal officers: David B. Montgomery, president; Lawrence E. Brown, Robert A. Nolan, Howard E. Smith, all vps and directors; Ruthwin Samuels Jr., Luis C. Valdes, both assistant vps.

Compensation: commissions and fees.

Branch offices: Los Angeles. Licensed excess/surplus broker in: New York.

James R. Moore Insurance Agency Inc.

PO Box 168, 103 W. Third St., Caruthersville, Mo. 63830; 314-333-4555

	1977	1976
Premium vol.	\$1,887,964	\$1,595,700
Gross rev.	\$ 285,719	\$ 241,038
Employees	9	8
Commercial bus.	70%	65%

Principal officers: Charles B. Southern Jr., president; Frank T. Stegbauer, vp; Linda Storey, marine manager; Morris Williams, commercial manager; Jack Thornhill, marine safety engineer.

Compensation: commissions and fees.

Morency & Associates Inc.

Two Salt Creek Lane, PO Box 160, Hinsdale, Ill. 60521; 312-887-0910

	1977	1976
Premium vol.	\$3,686,000	\$2,800,000
Gross rev.	\$ 610,000	\$ 450,000
Employees	6	4
Commercial bus.	98%	98%

Principal officers: G. A. Morency Jr., president; Glenn P. Sapa, CPCU, executive vp; Richard T. Morency, vp.

Compensation: commissions and fees.

Licensed excess/surplus broker in: Illinois.

Fred A. Moreton & Co.

645 East South Temple, Salt Lake City, Utah 84102; 801-531-1234

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	1977	1976
Premium vol.	\$9,500,000	\$8,000,000
Gross rev.	\$1,474,000	\$1,326,000
Employees	27	25
Commercial bus.	95%	94%

Principal officers: Edward B. Moreton, president; Edward F. Folland, Roland D. Cornell, both vps; L. Kent Bills, assistant vp.

Compensation: commissions and fees.

Subsidiaries: Moreton General Agency; Moreton Insurance Credit Plan.

Licensed excess/surplus broker in: Utah.

The Morris Agency Inc.

177 Valley St., South Orange, N.J. 07050; 201-763-5200

	1977	1976
Premium vol.	\$1,470,000	\$1,263,000
Gross rev.	\$ 158,128	\$ 138,286
Employees	12	11
Commercial bus.	81%	76%

Principal officers: Eugene I. Morris, president; Jocelyn N. Morris, secretary-treasurer.

Compensation: commissions and fees.

Subsidiaries: Survey & Analysis Corp.

Morris & MacKenzie Ltd.

Suite 400, 4141 Sherbrooke St. W., Montreal, Quebec H3Z 1C1; 514-937-5755

	1977	1976
Premium vol.	\$27,000,000	\$25,000,000
Gross rev.	\$ 4,909,323	\$ 4,553,000
Employees	169	165
Commercial bus.	80%	81%

Principal officers: Albert W. Robinson, chairman; Alistair L. Gordon, president; Frank Dougan, executive vp and general manager; Alan L. Drumm, William M. Malcolm; James R. Paterson, all vps.

Compensation: commissions and fees.

Branch offices: Toronto, Ont.; Vancouver, B. C.; Calgary, Alberta.

Subsidiaries: O. LeBlanc & Fils Ltd.

Parent company: Mackmor, Ltd.

Mossler Insurance Agency Inc.

1815 No. Meridian St., Indianapolis, Ind. 46202; 317-924-4881

	1977	1976
Premium vol.	\$3,835,000	\$2,710,000
Gross rev.	\$ 505,800	\$ 397,400
Employees	10.6	9.8
Commercial bus.	90%	89%

Principal officers: James J. Mossler, CPCU, president; L. I. "Bud" Mossler, chairman.

Compensation: commissions and fees.

Licensed excess/surplus broker in: Indiana.

Kenneth Murchison Co.

200 Exchange Park, PO Box 45567, Dallas, Tex. 75245; 214-350-8771

	1977	1976
Premium vol.	\$16,181,924	\$15,134,917
Gross rev.	\$ 2,350,765	\$ 1,359,081
Employees	45	42
Commercial bus.	95%	95%

Principal officers: Kenneth J. Tapley, president; Paul S. Albright, executive vp; F. Lamar Sauls Jr., Don Winn, both vps.

Compensation: commissions.

Branch offices: Covina, Calif.; Seattle.

Subsidiaries: Kenneth Murchison Insurance Services (California); Kenneth Murchison Insurance Services (Washington).

Parent company: Km General Agency Inc.

Licensed excess/surplus broker in: Texas.

The Mutual Insurance Agency Inc.

5010 Wisconsin Ave. NW, Washington, D.C. 20016; 202-362-9840

	1977	1976
Premium vol.	\$6,250,000	\$4,600,000
Gross rev.	\$ 941,000	\$ 738,000
Employees	29	27
Rev./employees	70%	70%
Offices		

Principal officers: Henry A. Kroll, president; Morris W. Wells, executive vp; W.G. McHenry, John A. Effer, both vps; Harry D. Fegley.

Compensation: commissions and fees.

N

Nahm, Turner, Vaughan & Landrum Inc.

29th Floor, First National Tower, Louisville, Ky. 40202; 502-589-6070

	1977*	1976
Premium vol.	\$28,000,000	\$21,000,000
Gross rev.	\$ 3,600,000	\$ 2,800,000
Employees	90	82
Commercial bus.	90%	88%

*Fiscal year ending Feb. 28, 1978

Principal officers: Charles S. Nahm, chairman executive com-

mittee; George L. Turner, chairman of the board; Baylor Landrum Jr., president and treasurer; Clyde K. Hensley, vp and secretary.

Compensation: commissions and fees.

Subsidiaries: Benefit Actuaries & Consultants Inc.; Excess and Surplus Insurance Lines Inc., Self-Insurance Service Co. Inc.

Licensed excess/surplus broker in: Kentucky.

National Coverage Corp.

333 North Broadway, Jericho, N.Y. 11753; 516-822-4500

	1977	1976
Premium vol.	\$5,766,896	\$5,019,077
Gross rev.	\$ 860,874	\$ 707,110
Employees	23	22
Commercial bus.	92%	90%

Principal officers: Francis C. Metzner Jr., chairman; William A. Kulesh, president; Douglas A. Ripley, vp.

Compensation: commissions and fees.

Subsidiaries: National Coverage Capital Service Corp.

National Insurance Associates

66 Route 17, Paramus, N.J. 07652; 201-845-6600

	1977	1976
Premium vol.	\$12,000,000	\$7,400,000
Gross rev.	\$ 1,800,000	\$ 960,000
Employees	65	51
Commercial bus.	78%	77%

Principal officers: Paul L. Gross, president; William F. Meade, Jerry G. Katzman, CLU, both vps.

Compensation: commissions and fees.

Acquisitions: Robert Spencer & Associates, Jan. 1977; Red Bank Agency, March 1977; Fred D. Spreen Inc., Feb. 1977; Richard B. Marshall Inc., Oct. 1977.

Branch offices: Long Valley, Red Bank, both New Jersey; Pearl River, N.Y.

Subsidiaries: NIA Inc., North-american Investment Advisors.

Parent company: NIA Ltd. T/A National Insurance Associates.

Licensed excess/surplus broker in: New Jersey.

National Preferred Risks Inc.

45 North Station Plaza, Great Neck, N.Y. 11022; 516-482-6215

	1977	1976
Premium vol.	\$12,650,000	\$10,891,465
Gross rev.	\$ 1,702,000	\$ 1,499,000
Employees	38	38
Commercial bus.	96%	95%

Principal officers: Arnold M. Cohn, president; Ronald E. Friedenthal, executive vp; William Spaar Jr., senior vp; Leonard R. Cohn, vp.

Compensation: commissions. Branch offices: New York City, New Rochelle, N.Y.; Lincoln Park, N.J.; Boca Raton, Fla.

Subsidiaries: International Risk Managers Ltd.; Newtown Programming Corp.; Raymond Schlessel Associates Inc.

Continued on following page

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agent/broker profiles

Continued from preceding page
Parent company: Cohn Enterprises Inc.
Licensed excess/surplus broker in: New York.

Near North Insurance Agency Inc.

150 East Huron St., Room 900, Chicago, Ill. 60611; 312-943-2500

	1977	1976
Premium vol. ...	\$16,213,000	\$11,500,000
Gross rev.	\$ 2,431,000	\$ 1,725,000
Employees	50	41
Commercial bus.	95%	95%

Principal officers: George W. Dunne; Michael Segal; David Green; John Kustak; Claude LoPiccolo.

Compensation: commissions.
Licensed excess/surplus broker in: Illinois and New York.

New England Security Insurance Agency Inc.

PO Box 260, 100 North Main St., Mansfield, Mass. 02048; 617-339-8991

	1977	1976
Premium vol. ...	\$2,100,000	\$1,837,250
Gross rev.	\$ 368,000	\$ 333,028
Employees	14	14
Commercial bus.	60%	60%

Principal officers: Ralph H. Seifert, president; James A. Wills, vp and treasurer; Kevin J. Murphy, vp-clerk.

Compensation: commissions.
Branch offices: Hyannis, Mass.
Parent company: Financial Security Corp.

North American Insurance Agency Inc.

2000 Classen, Oklahoma City, Okla. 73125; 405-523-2100

	1977	1976
Premium vol. ...	\$14,000,000	\$10,800,000

Gross rev.	\$ 1,896,000	\$ 1,725,000
Employees	63	63
Commercial bus.	81%	80%

Principal officers: Gene McCrory, president; Don Glaspey, senior vp; J. Barry, R. Gale, J. Mackey, all vps.

Compensation: commissions and fees.

Branch offices: Tulsa, Denver, New Orleans, Dallas, Wichita, Edmond.

Subsidiaries: North American Insurance Agency of Tulsa, North American Insurance Agency of Texas, North American Insurance Agency of Louisiana.

Licensed excess/surplus broker in: Oklahoma, Kansas, Louisiana.

Northridge Insurance Agency Inc.

8521 Reseda Blvd., Northridge, Calif. 91324; 213-349-5200

	1977	1976
Premium vol. ...	\$1,575,010	\$1,225,000
Gross rev.	\$ 237,266	\$ 196,523

Employees	9	9
Commercial bus.	52%	56%

Principal officers: Jack W. John Sr., president; Jack H. Curtis, vp; Patricia D. Cosentino, secretary; Stanley E. Bryant Jr., treasurer.

Compensation: commissions.

Oberdorfer Insurance Associates Inc.

4370 Georgetown Square, Suite 903, Dunwoody, Ga. 30338; 404-455-1511

	1977	1976
Premium vol. ...	\$6,500,000	\$5,400,000
Gross rev.	\$1,100,000	\$ 800,000
Employees	27	25
Commercial bus.	85%	83%

Principal officers: Donald Oberdorfer, chairman, Eugene Oberdorfer II, CPCU, president; Edward L. Webster Jr., CPCU, senior vp; Merton C. DeMerchant, CPCU, senior vp; Kenneth L. Moutz, vp.

Compensation: commissions and fees.

Licensed excess/surplus broker in: Georgia.

O'Connor-McLaughlin Co.

683 W. Market, Lima, Ohio 45802; 419-227-3421

	1977	1976
Premium vol. ...	\$1,250,000	\$1,350,000
Gross rev.	\$ 224,000	\$ 235,000
Employees	8	8
Commercial bus.	60%	60%

Principal officers: W.R. Shanahan, president; J.J. Hagood, vp and secretary.

Compensation: commissions.

Olliver/Pilcher & Associates

6150 N. 16th St., Phoenix, Ariz. 85016; 602-277-5703

	1977	1976
Premium vol. ...	\$19,878,600	\$15,868,400
Gross rev.	\$ 2,485,000	\$ 1,993,903
Employees	105	101
Commercial bus.	68%	66%

Principal officers: W.W. Pilcher, CPCU, chairman; Donald L. Risk, CPCU, president; F. Rockne Arnett, secretary and senior vp; Dick L. Jones, CPCU, senior vp.

Compensation: commissions and fees.

Branch offices: Cottonwood, Glendale, Globe, Prescott, Scottsdale and Show Low, all Arizona; Aspen, Colo.

Licensed excess/surplus broker in: Alaska, Arkansas, California, Florida, Georgia, Hawaii, Idaho, Illinois, Michigan, Mississippi, Missouri, Nebraska, Nevada, New Mexico, North Carolina, North Dakota, Oregon, South Dakota, Texas, Utah, Wisconsin.

Ordway Saunders Co.

PO Box 1149, Amarillo, Tex. 79118; 806-376-4761

	1977	1976*
Premium vol. ...	\$10,085,707	\$ 6,950,228
Gross rev.	\$ 1,323,085	\$ 1,102,000
Employees	46	30
Commercial bus.	89%	83%

*From 1977 BI listing

Principal officers: Guyon H. Saunders, Ed A. Fancher, Dan B. Flemming, S.L. Napier Jr., William L. Hamilton Jr.

Compensation: commissions.

Osborn & Lange Ltd.

759 Victoria Square, Montreal, Quebec, P.Q. H2Y 2K5; 514-849-4161

	1977	1976
Premium vol. ...	\$15,000,000	\$14,000,000
Gross rev.	\$ 1,400,000	\$ 1,300,000
Employees	46	41
Commercial bus.	90%	90%

*From 1977 BI listing

Principal officers: A.N. Francis, chairman; H. Bennett, president and chief executive officer; J.A. Cantello, H.R. Churchill, both vps; T.G. Cleary, secretary-treasurer.

Compensation: commissions and fees.

Acquisitions in the past year: Vleck, Webber & Whyte Insurance Ltd., Jan. 1978.

Branch offices: Toronto, Winnipeg, Edmonton, Vancouver, Chicago, New York.

Subsidiaries: Osborn & Lange (Western) Ltd.; Osborn & Lange Inc.

Osterloh & Durham Insurance Brokers of North America Inc.

6930 N. Valjean Ave., Van Nuys, Calif. 91409; 213-988-6520

	1977	1976*
Premium vol. ...	\$2,477,000	\$3,500,000
Gross rev.	\$ 340,513	\$ 528,577
Employees	8	9
Commercial bus.	98%	99%

*From 1977 BI listing

Principal officers: A.F. Osterloh III, president; T.W. Mitchell, vp.

Compensation: commissions and fees.

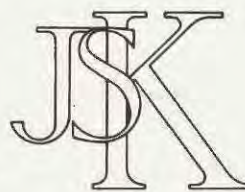
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17418 S. Studebaker Road, Cerritos, Calif. 90701; 213-924-8353

	1977	1976*
Premium vol.	\$4,447,000	\$4,000,000
Gross rev.	\$ 533,233	\$ 500,000
Employees	13	15
Commercial bus.	98%	95%

*From 1977 BI listing

Principal officers: Donald L. Jenkins, president; Henry H. Escalante, vp; Pat W. Mazzitta, secretary-treasurer.

Compensation: commissions.
Acquisitions: Gateway Insurance Services, Nov. 1977.
Branch offices: Oakland, Calif.
Parent company: Overland Financial Services Inc.
Licensed excess/surplus broker in: California.

Arthur L. Owen Co. Inc.

1712 Mercantile Commerce Building, Dallas, Tex. 75201; 214-741-5921

	1977	1976
Premium vol.	\$12,000,000	\$8,000,000
Gross rev.	\$1,568,000	\$1,190,000
Employees	31	30
Commercial bus.	95%	95%

Principal officers: Arthur L. Owen, president; Henry Bell, Bruce Mackey, Mike Cook, all vps; Don Murray, assistant secretary.
Compensation: commissions and fees.
Licensed excess/surplus broker in: Texas.

P

Palley Simon Associates

Suite 319, Noble Plaza, Jenkintown, Pa. 19046; 215-884-2100

	1977	1976
Premium vol.	\$2,500,000	\$1,800,000
Gross rev.	\$ 400,000	\$ 320,000
Employees	9	8
Commercial bus.	80%	70%

Principal officers: Mahlon B. Simon Jr., president; Samuel M. Palley, vp.
Compensation: commissions and fees.
Licensed excess/surplus broker in: Pennsylvania.

Paris-O'Day & Reed Inc.

1040 Lake St., Oak Park, Ill. 60301; 312-379-7676

	1977	1976*
Premium vol.	\$17,000,000	\$12,000,000
Gross rev.	\$ 1,319,229	\$ 978,000
Employees	21	21
Commercial bus.	95%	98%

*From 1977 BI listing.

Principal officers: Fredrick L. Reed, president; Frank M. Paris, secretary-treasurer.
Compensation: commissions and fees.
Subsidiaries: H. Dalmir & Co.

Licensed excess/surplus broker in: Illinois and other states.

Payan-Stitt Corp.

12222 S. Harlem Ave., Palos Heights, Ill. 60463; 312-448-5900

	1977	1976
Premium vol.	\$2,500,000	\$2,000,000
Gross rev.	\$ 450,000	\$ 360,000
Employees	12	11
Commercial bus.	70%	65%

Principal officers: Jack Payan, CPCU, president; Malcolm Stitt, CLU, vp and secretary-treasurer.
Compensation: commissions and fees.

Frank Perfetti Inc.

1544 Union St., Schenectady, N.Y. 12309; 518-393-2124

	1977	1976
Premium vol.	\$1,450,000	\$875,000
Gross rev.	\$ 253,000	\$180,000
Employees	7	4
Commercial bus.	100%	NA

Principal officers: Frank Perfetti, president.

Compensation: commissions.
Branch offices: Troy, Syracuse, both New York.
Licensed excess/surplus broker in: New York.

Jim Perkins & Associates

2901 Georgia, P.O. Box 9336, Amarillo, Tex. 79105; 806-353-2108

	1977	1976
Premium vol.	\$1,100,000	\$1,036,002
Gross rev.	\$ 172,000	\$ 172,000
Employees	6	5
Commercial bus.	85%	85%

Principal officer: Jim H. Perkins, owner.
Compensation: commissions.

Perry & Swartwood Inc.

350 W. Church St., P.O. Box 345, Elmira, N.Y. 14902; 607-734-4291

	1977	1976
Premium vol.	\$3,389,897	\$2,800,000

Continued on following page

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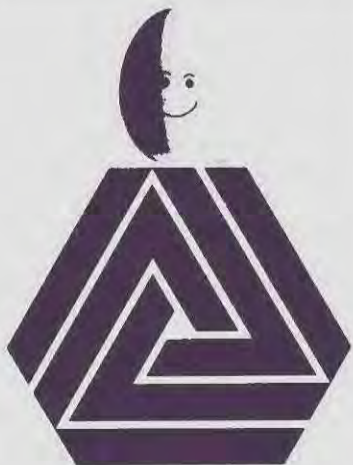
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agent/broker profiles

Continued from preceding page

Gross rev.	\$ 740,044	\$ 620,791
Employees	16	15
Commercial bus.	72%	71%

Principal officers: George F. Murphy, president; Harry J. Buehler, William A. Tryon, J. Peter Fennell, all vps; Matthew C. Perry, secretary-treasurer.
Compensation: commissions.

The Pettiner Agency Inc.

Camden State Bank Building, Camden, Ind. 46917; 219-686-2613

	1977	1976
Premium vol.	\$1,730,888	\$1,661,421
Gross rev.	\$ 349,896	\$ 344,069
Employees	14	12
Commercial bus.	65%	57%

Principal officers: Robert L. Pettiner, president; D. Dale Pettiner, treasurer and president of Pettiner Life Corp.; George F. Melton, president of The Melton Agency Inc.
Compensation: commissions.
Branch offices: Delphi, Ind.
Subsidiaries: The Melton Agency Inc., Salem, Ind.; The Pettiner Life Corp., Camden, Ind.
Licensed excess/surplus broker

in: Indiana

Pickett & Adams Insurance Inc.

2655-A Old Shell Road, P.O. Box 6375, Mobile, Ala. 36606; 205-471-5487

	1977	1976
Premium vol.	\$1,455,641	\$1,024,841
Gross rev.	\$ 239,789	\$ 187,443
Employees	8	6
Commercial bus.	60%	NA

Principal officers: C. King Pickett, president; Spencer M. Adams III, vp and secretary-treasurer; Jerry P. Edwards, vp.
Compensation: commissions.
Licensed excess/surplus broker in: Alabama.

Pinson-Calhoun

520 Spring St., Shreveport, La. 71101; 318-221-7881

	1977	1976*
Premium vol.	\$1,678,485	\$1,641,932
Gross rev.	\$ 248,431	\$ 250,712
Employees	10	10
Commercial bus.	70%	77%

Principal officers: F. H. Pinson, president; Fielder Calhoun, vp.
Compensation: commissions.
Licensed excess/surplus broker in: Louisiana.

Plan Services *

3709 Jetton Ave., Tampa, Fla. 33609; 813-253-2761

	1977	1976
Premium vol.	\$20,000,000	\$18,200,000
Gross rev.	\$ 5,530,241	\$ 4,185,785
Employees	88	114
Commercial bus.	98%	100%

Principal officers: C.H. Guy Jr., chairman; J.K. Murray Jr., president; T.G. Smith, executive vp; T.G. Stephens, senior vp-marketing; F.M. Taylor Jr., treasurer.
Compensation: commissions and fees.
Branch offices: Miami, Ft. Lauderdale.
*Formerly Guy, Murray & Smith; renamed Plan Services when acquired on April 4, 1978 by Dun & Bradstreet.

Poe & Associates Inc.

102 W. Whiting St., Suite 600, Tampa, Fla. 33601; 813-228-7361

	1977	1976
Premium vol.	\$75,000,000	\$50,000,000
Gross rev.	\$ 8,873,000	\$ 6,033,000
Employees	285	210
Commercial bus.	95%	95%

Principal officers: J. E. Brown, president; C.W. Poe, vp; L.R. Willette, secretary; Bruce G. Geer, treasurer.
Compensation: commissions and fees.
Acquisitions in the past year: Howden Reinsurance Co. of New York, April 1977; Associated Agents of Winter Haven, Fla., Sept. 1977.

Branch offices: Ft. Lauderdale, Jacksonville, Lakeland, Miami, Orlando, Northport, Venice, Winter Haven.

Subsidiaries: W.F. Poe & Associates, Premium Budget Co., Whiting National Insurance Co., Whiting National Management, Whiting National Services.

Parent company: Poe & Associates Inc.
Licensed excess/surplus broker in: Florida.

Polar International Brokerage Corp.

200 E. 42nd St., New York, N.Y. 10017; 212-867-7575

	1977	1976
Premium vol.	\$3,500,000	\$2,750,000
Gross rev.	\$ 500,000	\$ 400,000
Employees	11	9
Commercial bus.	60%	55%

Principal officers: Stanley Kleckner, president; Lee Gertner, senior vp; Matthew Taubin, executive administrator.
Compensation: commissions and fees.

Acquisitions in the past year: Leonard Goldstein, April 1, 1977; Philip Amin Associates Inc., April 1, 1978.
Parent company: PIB Corp.

Popkin Lebson Bergstein Inc.

155 N. Dean St., Englewood, N.J. 07631; 201-569-8090 or 212-928-2473

	1977	1976
Premium vol.	\$3,500,000	\$3,000,000
Gross rev.	\$ 645,000	\$ 557,000
Employees	20	20
Commercial bus.	65%	65%

Principal officers: Leo J. Popkin, president; Michael Bergstein, CLU, vp; Martin A. Lebson, vp and treasurer; Bruce A. Bergstein, vp and secretary; Ted Kadison, vp of P.L.B. Life Agency
Compensation: commissions and fees.
Subsidiaries: P.L.B. Life Agency Inc.

The Porter-Allen Co.

513 Southard St., Key West, Fla. 33040; 305-294-2542

	1977	1976
Premium vol.	\$3,000,000	\$2,200,000
Gross rev.	\$ 405,000	\$ 350,000
Employees	17	17
Commercial bus.	65%	40%

Principal officers: William A. Freeman Jr., president; William A. Freeman III, vp; David W. Freeman, CPCU, general manager and secretary-treasurer.
Compensation: commissions.
Branch offices: Marathon, Fla.

Porter-Spaulding Inc.

1831 Tongass Ave., Ketchikan, Alaska 99901; 907-225-3164

	1977	1976
Premium vol.	\$2,197,000	\$1,900,000
Gross rev.	\$ 341,664	\$ 300,000
Employees	7	7
Commercial bus.	50%	50%

Principal officers: Carl H. Porter, president; Dale Simpson, secretary; Arne Iversen, treasurer.
Compensation: commissions.
Acquisitions in the past year: Taylor Insurance, Petersburg, Alaska, Jan. 1, 1978.

Branch offices: Petersburg, Alaska.

Cecil W. Powell & Co.

P.O. Box 41490, Jacksonville, Fla. 32203; 904-353-3181

	1977	1976
Premium vol.	\$4,500,000	\$4,000,000
Gross rev.	\$ 750,000	\$ 690,000
Employees	18	18
Commercial bus.	90%	90%

Principal officers: Fitzhugh K. Powell, president; John A. Middleton, Lon Bryan, Frizhugh Powell Jr., all vps; James Rhodes, vp-surety.
Compensation: commissions.
Licensed excess/surplus broker in: Florida.

Poyle Associates Inc.

21700 Northwestern Highway, Suite 800, Southfield, Mich. 48075; 313-559-9150

	1977	1976
Premium vol.	\$3,000,000	\$2,999,980
Gross rev.	\$ 540,000	\$ 539,980
Employees	16	14
Commercial bus.	95%	95%

Principal officers: Philip Poyle, chairman; Richard Poyle, president; Robert A. Correa, vp; Judith Burch, assistant vp.
Compensation: commissions and fees.

Licensed excess/surplus broker in: Michigan.

Producer's Exchange Inc.

1310 Texas American Bank Building, Dallas, Tex. 75235; 214-357-6504

	1977	1976
Premium vol.	\$6,700,000	\$4,200,000
Gross rev.	\$ 845,000	\$ 845,000
Employees	25	20
Commercial bus.	99%	96%

Principal officers: Max McCrary Jr., president; Bill M. Morrison, executive vp; T. Dale Roberts and Ernie A. Tucker, both vps.
Compensation: commissions and fees.

Branch offices: Houston and Lubbock, Tex.
Parent company: PEMCO.
Licensed excess/surplus broker in: Texas.

Pro-Tec Management Corp.

101-06 Queens Blvd., Forest Hills, N.Y. 11375; 212-897-5983

	1977	1976
Premium vol.	\$4,000,000	\$3,250,000
Gross rev.	\$ 300,000	\$ 245,000
Employees	4	4
Commercial bus.	90%	90%

Principal officers: Marc S. Sabshon, president; Cynthia H. Reiss, vp.
Compensation: commissions and fees.

R

Raleigh, Mann & Powell, Schwarz, Shera & Associates Inc.

Puget Sound Bank Building, 1119 Pacific Ave., Tacoma, Wash. 98402; 206-572-6010

	1977	1976
Premium vol.	\$32,000,000	\$25,185,678
Gross rev.	\$ 2,880,899	\$ 2,450,038
Employees	65	64
Commercial bus.	94%	93%

Principal officers: J.D. Powell, chairman; V.A. Schwarz, CLU, president; R.S. DeVine, E.C. Shera, CLU, R.A. DeLorenzo, all vps.
Compensation: commissions and fees.
Branch offices: Seattle, Wash.; St. Paul, Minn.
Subsidiaries: Trusteed Plans Service Corp.; Schwarz, Strommen & Associates Inc.
Licensed excess/surplus broker in: Washington.

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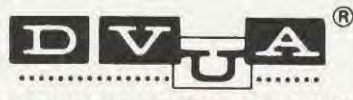
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470 Center City Tower, 650 Smithfield Road (412) 281-3920
Haddonfield, New Jersey Office:
89 Haddon Ave., Haddonfield (215) 572-3800

Agency Inc.

129 Dodge St., Beverly, Mass.
01915; 617-927-2600

	1977	1976
Premium vol.	\$1,500,000	\$1,250,000
Gross rev.	\$ 240,000	\$ 200,000
Employees	8	7
Commercial bus.	50%	45%

Principal officers: Leslie S. Ray, president and treasurer.
Compensation: commissions.

RBS Insurance

P.O. Box 280, 1510 W. Second St., Roswell, N.M. 88201; 505-623-1510

	1977	1976
Premium vol.	\$1,654,000	\$1,327,000
Gross rev.	\$ 232,188	\$ 227,458
Employees	8	8
Commercial bus.	71%	66%

Principal officers: Brad Pretti, president; King Redd, vp; Alan Berryman, CPCU, CLU, secretary-treasurer.

Compensation: commissions.
Branch offices: Dexter, N.M.
Licensed excess/surplus broker in: New Mexico.

Allen M. Reager Co.

310 W. Liberty, Louisville, Ky.
40202; 502-584-4241

	1977	1976
Premium vol.	\$4,800,000	\$4,200,000
Gross rev.	\$ 688,000	\$ 600,000
Employees	18	17
Commercial bus.	70%	70%

Principal officers: John L. Shea, CPCU, president; Richard L. Martin, executive vp and treasurer; Allan P. Ware, CLU, vp; Mary V. Troutman, secretary.

Compensation: commissions.

Reiss-Pleasant Insurance Agency Inc.

2425 Norfolk, Houston, Tex. 77098;
713-526-1723

	1977	1976
Premium vol.	\$2,400,000	\$2,500,000
Gross rev.	\$ 356,000	\$ 385,948
Employees	11	11
Commercial bus.	60%	65%

Principal officers: Neal E. Pleasant, CLU, president; Joe J. Reiss, Elaine A. Kelly, CPCU, both vps.
Compensation: commissions.

Republic Insurance Brokers Inc.

1971 E. 4th St., Santa Ana, Calif.
92705; 714-558-1821

	1977	1976
Premium vol.	\$14,883,600	\$12,500,000
Gross rev.	\$ 2,207,800	\$ 1,711,800
Employees	50	45
Commercial bus.	93%	93%

Principal officers: Al L. Leatherby, chairman and president; Robert A. Rieden, executive vp; Kent R. Briggs, senior vp; Edward J. Kenz, vp.

Compensation: commissions and fees.
Branch offices: San Diego.

Rhodes-Gallagher-Schock Inc.

One South Hancock, Madison, Wis. 53703; 608-257-0636

	1977	1976
Premium vol.	\$2,569,790	\$2,000,000
Gross rev.	\$ 385,468	\$ 298,683
Employees	12	12
Commercial bus.	84%	70%

Principal officers: Floyd E. Schock, president; J.W.S. Gallagher, vp.
Compensation: commissions.

Rhulen Agency Inc.

217 Broadway, Monticello, N.Y.
12701; 914-794-8000

	1977	1976
Premium vol.	\$24,000,000	\$19,000,000
Gross rev.	\$ 4,861,954	\$ 3,477,204
Employees	95	95
Commercial bus.	NA	NA

Principal officers: Max H. Rhulen, chairman; Walter A. Rhulen, president; Meyer M. Duchin, senior vp and treasurer; Jesse M. Farrow, executive vp; Peter L.

Rhulen, vp and secretary; Kenneth H. Garn, Richard P. Van Etten, both vps.

Compensation: commissions and fees.

Branch offices: Portland, Ore.; Phoenix, Ariz.; Dallas, Tex.; Greer, S.C.

Subsidiaries: Rhulen Life & Pensions Inc.; Rhulen Agency (West) Inc.

Licensed excess/surplus broker in: New York and Arizona.

Richardson Corp.— Insurance Division

P.O. Box W-1, 201 N. Elm St., Greensboro, N.C. 27402; 919-275-0911

	1977	1976
Premium vol.	\$3,050,000	\$2,850,000
Gross rev.	\$ 571,000	\$ 492,000
Employees	23	22
Commercial bus.	70%	70%

Principal officers: Charles W. Cheek, president; Stephen P. Darnell, vp insurance division; George

Feild Jr., manager (Greensboro); Carter S. Haas, manager (Wilmington).

Compensation: commissions and fees.

Branch offices: Wilmington, N.C.

Parent company: Richardson Corp. of Greensboro.

Licensed excess/surplus broker in: North Carolina.

Richardson, Hagerman Agency Inc.

22 E. Main St., Clifton Springs, N.Y. 14432; 315-462-7474

	1977	1976
Premium vol.	\$2,250,000	\$1,850,000
Gross rev.	\$ 249,000	\$ 204,000
Employees	14	13
Commercial bus.	35%	30%

Principal officers: John S. Richardson, president; Alan L. Hagerman, CPCU, vp; Robert Branch, CPCU, vp of Branch.
Continued on following page



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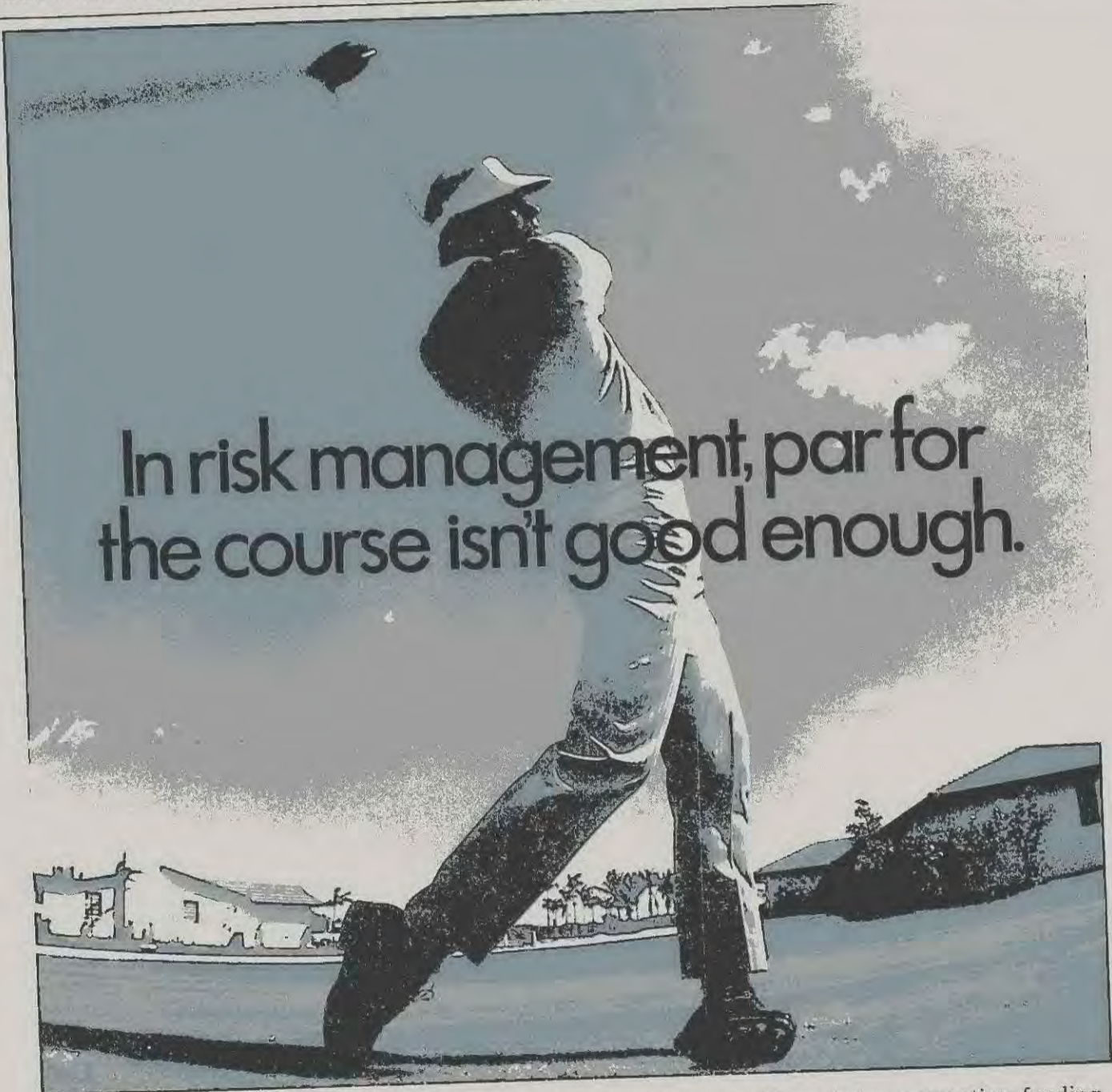
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agent/broker profiles

Continued from preceding page
Thompson Agency Inc.; Jerry Thompson, president of Branch-Thompson Agency Inc.; Richard Van Horne, manager.

Compensation: commissions and fees.

Branch offices: Phelps, Manchester, East Rochester, all New York.

Richard-Thomas Agency

1 Linden Place, Great Neck, N.Y.

11021; 516-487-6584

	1977	1976
Premium vol.	\$3,000,000	\$3,500,000
Gross rev.	\$ 270,000	\$ 275,000
Employees	4	4
Commercial bus.	90%	90%

Principal officers: Richard T. Sklover, president.

Compensation: commissions and fees.

Branch offices: New York City. Subsidiaries: Maramax Agency.

John M. Riehle & Co. Inc.

757 Third Ave., New York, N.Y. 10017; 212-888-4400

	1977	1976
Premium vol.	\$29,000,000	\$20,000,000
Gross rev.	\$ 3,500,000	\$ 2,400,000
Employees	98	74
Commercial bus.	90%	90%

Principal officers: Joseph D. Tooker Jr., president; Edgar Braun, Peter Emmons, both vps; Salvo Basirico, treasurer.

Compensation: commissions and fees.

Branch offices: Bedford, White Plains, Westbury, all New York; New Canaan, Conn., Wayne, N.J.

Parent company: Harcourt Brace Jovanovich Inc.

Licensed excess/surplus broker in: New York.

RL&G Agency Inc.

88 Palmer St., Norwich, Conn. 06360; 203-889-2686

	1977	1976*
Premium vol.	\$1,900,000	\$1,700,000
Gross rev.	\$ 228,000	\$ 180,000
Employees	8	9
Commercial bus.	53%	48%

*From 1977 BI listing

Principal officers: Leslie H. Young, president; Ernest E. Poore, vp; R. Gary Young, secretary-treasurer.

Compensation: commissions and fees.

Subsidiaries: Forest Products Agency Co. Inc.

Licensed excess/surplus broker in: Connecticut.

Robertson Commercial Agency

7709 Quarterfield Road, Glen Burnie, Md. 21061; 301-761-4646

	1977	1976
Premium vol.	\$3,000,000	\$2,225,000
Gross rev.	\$ 250,000	\$ 200,000
Employees	3	2
Commercial bus.	80%	75%

Principal officers: John C. Robertson.

Compensation: commissions.

Robertson Ryan & Associates

660 E. Mason St., Milwaukee, Wis. 53202; 414-271-3575

	1977	1976
Premium vol.	\$7,821,000	\$7,000,000
Gross rev.	\$1,087,000	\$ 890,000
Employees	38	33
Commercial bus.	80%	75%

Principal officers: J.T. Ryan,

chairman; A.D. Robertson, president; E.E. Juckem, executive vp; J.R. Kuhnmuensch, vp; Allan Robertson, secretary.

Compensation: commissions.

Branch offices: Port Washington and Sheboygan, both Wisconsin.

Licensed excess/surplus broker in: Wisconsin.

Robson, Cavnagac & Fletcher

110 W. "A" St., San Diego, Calif. 92101; 714-235-6301

	1977	1976
Premium vol.	\$7,000,000	\$5,000,000
Gross rev.	\$ 900,000	\$ 750,000
Employees	19	18
Commercial bus.	93%	92%

Principal officers: Jon R. Robson, president; Frank G. Cavnagac, Kenneth Bohlander, both vps; James O. Reynolds, president of RCS Life Agency Corp.

Compensation: commissions and fees.

Subsidiaries: RCS Life Agency Corp.

Wellington F. Roemer Insurance Inc.

1450 Secor Road, Toledo, Ohio 43607; 419-531-4661

	1977	1976
Premium vol.	\$14,513,496	\$11,600,000
Gross rev.	\$ 1,524,974	\$ 1,300,000
Employees	52	51
Commercial bus.	90%	90%

Principal officers: W.F. Roemer II, president; R.L. Weaver, vp transportation; D.N. Millar, vp commercial lines; T.L. Halm, vp administration; G.D. Mortemore, vp Ft. Lauderdale.

Compensation: commissions and fees.

Branch offices: Ft. Lauderdale, Fla.; Nashville, Tenn.

Licensed excess/surplus broker in: Ohio

Root & Boyd Inc.

101 S. Main St., Waterbury, Conn. 06702; 203-756-7251

	1977	1976
Premium vol.	\$10,200,000	\$7,200,000
Gross rev.	\$ 1,703,000	\$1,100,000
Employees	66	64
Commercial bus.	71%	59%

Principal officers: William R. Moody, president; Robert D. Summit, secretary-treasurer; Roger K. Tillson, executive vp; Dominic J. Minicucci, senior vp; Peter C. Moody, vp.

Compensation: commissions and fees.

Branch offices: Waterbury, Naugatuck, Watertown, Woodbury, Southbury, Bethlehem, Cheshire, Wallingford.

Rust Insurance Agency Inc.

P.O. Box 1678, 405 S. 7th St. Fargo, N.D. 58102; 701-293-9540

	1977	1976
Premium vol.	\$1,200,000	\$1,200,000
Gross rev.	\$ 210,000	\$ 189,000
Employees	5	7
Commercial bus.	70%	70%

Principal officers: Robert C. Rust, president; Chris Lander, agent; Betty R. Rust, vp.

Compensation: commissions.

Subsidiaries: Rust Real Estate Inc.

Licensed excess/surplus broker in: North Dakota.



Sacramento Valley Insurance

1520 River Park Drive, Sacramento, Calif. 95815; 916-920-3400

	1977	1976
Premium vol.	\$6,000,000	\$4,750,000
Gross rev.	\$ 930,000	\$ 820,000
Employees	26	24
Commercial bus.	80%	80%

Principal officers: James C. Chenu, president; Thomas D. Hobday, executive vp; Thomas W. Hobday, senior vp; John A. Kemmler, Charles J. Sigereth, both vps.

Compensation: commissions and fees.

The Sadler Insurance Agency Inc.

24 Railroad Square, Nashua, N.H. 03060; 603-883-0511

	1977	1976
Premium vol.	\$3,400,000	\$2,900,000
Gross rev.	\$ 568,000	\$ 485,000
Employees	23	22
Commercial bus.	75%	70%

Principal officers: George J.T. Sadler, president; Bertrand R. Lanciault, John F. Dudziak, John M. Caldwell, all vps; Robert K. Lamb, branch manager.

Compensation: commissions and fees.

Branch offices: Bedford, Hancock, N.H.

Licensed excess/surplus broker in: New Hampshire.

R.J. Saex Insurance Agency Inc.

474 Appleton St., Holyoke, Mass. 01040; 413-538-8261

	1977	1976
Premium vol.	\$18,500,000	NA
Gross rev.	\$ 2,100,000	NA
Employees	55	NA
Commercial bus.	100%	NA

Principal officers: Robert J. Saex, president; Maurice B. Weisman, treasurer; Herbert Siegel, Robert Gilbert, Irving Hirshfield, all vps.

Compensation: commissions and fees.

Branch offices: Hartford, Conn.; Providence, R.I.

Subsidiaries: Cowles & Connell Inc.; Special Risk Covers of R.I. Inc.

Licensed excess/surplus broker in: all Northeastern states.


Saginaw Underwriters Inc.

PO Box 1928, Saginaw, Mich. 48605; 517-752-8600

	1977	1976
Premium vol.	\$5,300,000	\$4,348,000
Gross rev.	\$ 895,000	\$ 814,000
Employees	16	14
Commercial bus.	82%	82%

Principal officers: A.J. Marxhausen, chairman; F.M. Johnson, president and treasurer; L.E. Hanisko, vp and secretary; K.

Continued on page 98



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agent/broker profiles

Continued from page 96

Ewend, J. McLennan, both vps.
 Compensation: commissions and fees.
 Licensed excess/surplus broker in: Michigan.

Sanders & Sullivan Insurance Brokers

1530 The Alameda, Suite 100, PO Box 797, San Jose, Calif.; 95106; 408-286-5151

	1977	1976
Premium vol.	\$10,000,000	\$ 6,200,000
Gross rev.	\$ 1,350,000	\$ 1,025,000
Employees	31	27
Commercial bus.	85%	82%

Principal officers: James C. Sanders, president; Louis B. Sullivan, secretary-treasurer; Joel R. Justin, executive vp; Jan Passmore, Steven P. Shirley, both vps.
 Compensation: commissions and fees.

Branch offices: Salinas, Calif.

Schneider-Fleming Insurance Inc.

PO Box 9267, 576 Azalea Road, Mobile, Ala. 36609; 205-666-5472

	1977	1976
Premium vol.	\$842,000	NA
Gross rev.	\$188,766	NA
Employees	5	NA
Commercial bus.	60%	NA

Principal officers: Robert T. Schneider, president; John L. Fleming, vp; Cleo Y. Gaines, secretary-treasurer.
 Compensation: commissions.
 Subsidiaries: Corporate Benefits Inc.
 Licensed excess/surplus broker in: Alabama.

C.A. Schutze Agency

PO Box 3547, Austin, Tex. 78764; 512-447-5507

	1977	1976*
Premium vol.	\$1,750,000	\$1,500,000
Gross rev.	\$ 150,000	\$ 270,000
Employees	7	6
Commercial bus.	85%	85%

*From 1977 BI listing
 Principal officers: C.A. Schutze Jr., CLU; Sam Lucchese, Steve Schutze.
 Compensation: commissions.

Schwartz, Hirtenstein & Co. Inc.

310 Madison Ave., New York, N.Y. 10017; 212-697-2615

	1977	1976
Premium vol.	\$2,500,000	\$2,000,000
Gross rev.	\$ 380,000	\$ 335,000
Employees	10	9
Commercial bus.	80%	80%

Principal officers: Daniel Hirtenstein, president; Arthur A. Schwartz, CPCU, secretary-treasurer.
 Compensation: commissions.

Securance Services Inc.

120 W. Stevenson, Gibsonburg,

Ohio 43431; 419-637-2196

	1977	1976*
Premium vol.	\$1,710,000	\$1,300,000
Gross rev.	\$ 265,300	\$ 205,000
Employees	11	15
Commercial bus.	61%	55%

*From 1977 BI listing
 Principal officers: Jonathon S. Younker, CLU, president.
 Compensation: commissions.
 Branch offices: Oak Harbor, Woodville, both in Ohio.

Hollis D. Segur Inc.

PO Box 631, Waterbury, Conn. 06720; 203-756-7933

	1977	1976
Premium vol.	\$3,330,000	\$2,700,000
Gross rev.	\$ 560,000	\$ 465,000
Employees	16	15
Commercial bus.	80%	78%

Principal officers: John F. Burbank, president; James B. Mullen Jr., Joseph H. Cunningham, both vps.
 Compensation: commissions.
 Licensed excess/surplus broker in: Connecticut.

Seitlin & Co.

990 S.W. 1st St., Miami, Fla. 33130; 305-545-8311

	1977	1976
Premium vol.	\$12,092,000	\$8,580,000
Gross rev.	\$ 1,800,000	\$1,300,000
Employees	63	41
Commercial bus.	85%	85%

Principal officers: Sam Seitlin, president; M. Stephen Jackman, executive vp; R. Louis Seitlin, secretary-treasurer.
 Compensation: commissions.
 Acquisitions: Ackerman Insurance Agency, Nov. 1977.

Seymour Insurance Agency Inc.

1609 Stubbs Ave., Monroe, La. 71201; 318-388-2400

	1977	1976
Premium vol.	\$3,734,788	\$3,099,280
Gross rev.	\$ 549,755	\$ 462,067
Employees	16	14
Commercial bus.	80%	20%

Principal officers: Edward J. Seymour, chairman; Edward J. Seymour Jr., president.
 Compensation: commissions.
 Branch offices: Shreveport, La.
 Licensed excess/surplus broker in: Louisiana.

A.J. Sfingi & Associates Inc.

82-451 Highway III, Indio, Calif. 92201; 714-347-0737 or 346-1169

	1977	1976
Premium vol.	\$4,600,000	\$3,800,000
Gross rev.	\$ 612,960	\$ 488,000
Employees	15	13
Commercial bus.	88%	89%

Principal officers: Andrew J. Sfingi, president; Medley L. Jean-sonne, Charles I. Crouch, both vps.
 Compensation: commissions and fees.
 Branch offices: Los Angeles, Palm Desert, both Calif.

Shelton-National Insurance Agency

PO Box 6750, 1227 Third Ave., Corpus Christi, Tex. 78404; 512-884-3901

	1977	1976
Premium vol.	\$3,448,888	\$2,757,250
Gross rev.	\$ 624,918	\$ 470,855
Employees	13	11
Commercial bus.	75%	75%

Principal officers: W. J. Shelton, Robert E. Harris, Dick Mlinar, Louis E. Wells, partners.
 Compensation: commissions.
 Licensed excess/surplus broker in: Texas.

J.H. Silversmith Inc.

831 14th St., Suite 200, Denver, Colo. 80202

	1977	1976
Premium vol.	\$5,700,000	\$4,100,000
Gross rev.	\$ 840,000	\$ 710,000
Employees	36	30
Commercial bus.	83%	81%

Principal officers: J.H. Silver-

smith Jr., president; John K. Munn, J. Darrell White, both vps; Irene G. Falbo, secretary; Joyce L. Goodfellow, treasurer.

Compensation: commissions and fees.
 Subsidiaries: Aviation Insurance Management Co.; Professional Insurance Management Co.
 Licensed excess/surplus broker in: Colorado.

The Simkiss Cos.

76 Rittenhouse Place, Ardmore, Pa. 19003; 215-649-6610

	1977	1976
Premium vol.	\$4,000,000	\$3,100,000
Gross rev.	\$ 700,000	\$ 570,000
Employees	15	13
Commercial bus.	88%	85%

Principal officers: John A. Simkiss, president; William F. O'Brien, vp; Richard J. Decker, secretary; William F. Simkiss, treasurer; Arlene Ostroff, assistant secretary.
 Compensation: commissions and fees.
 Subsidiaries: Frankenfield & Co.

Sindell & O'Keefe Inc.

66 Court St., Brooklyn, N.Y. 11201; 212-237-0960

	1977	1976
Premium vol.	\$1,250,000	\$1,400,000
Gross rev.	\$ 175,000	\$ 288,286
Employees	6	8
Commercial bus.	50%	65%

Principal officers: Myron Sindell, president; Harold M. O'Keefe, secretary-treasurer.
 Compensation: commissions.

Skipper Insurance Agencies

PO Box 606, 111 College Ave., Jackson, Ala. 36545; 205-246-2487

	1977	1976
Premium vol.	\$1,850,000	\$1,409,527
Gross rev.	\$ 350,000	\$ 268,182
Employees	12	11
Commercial bus.	65%	65%

Principal officers: George W. Skipper, president; George W. Skipper III, vp; Elizabeth C. Skipper, secretary; Joe C. Skipper, Judy Skipper Slayton, both directors.
 Compensation: commissions.

Slawsby Insurance

80 Main St., PO Box 487, Nashua, N.H. 03061; 603-883-1776

	1977	1976
Premium vol.	\$7,155,900	\$6,803,000
Gross rev.	\$1,166,415	\$1,113,733
Employees	48	41
Commercial bus.	63%	65%

Principal officers: Archie M. Slawsby, chairman; Walter C. Cogswell, CPCU, president; Francis J. O'Gara, executive vp.
 Compensation: commissions and fees.
 Subsidiaries: Surplus Line Managers Inc., E-Z Budget Plan Inc.
 Parent company: Archie Slawsby Agency Inc.
 Licensed excess/surplus broker in: New Hampshire.

J.D. Smith & Associates

211 N. Wisconsin, PO Box 586, Hobart, Ind. 46342; 219-942-1334

	1977	1976
Premium vol.	\$2,400,000	\$1,795,000
Gross rev.	\$ 181,000	\$ 151,000
Employees	6	6
Commercial bus.	96%	96%

Principal officers: M. Behnke, president; J. Smith, vp.
 Compensation: commissions.
 Branch offices: Fort Wayne, Indianapolis, both Indiana.

Robert L. Smith & Associates Inc.

1776 Independence Court, Birmingham, Ala. 35216; 205-879-2400

	1977	1976
Premium vol.	\$1,275,000	\$1,012,000
Gross rev.	\$ 217,000	\$ 172,000
Employees	8	8
Commercial bus.	80%	80%

Principal officers: Robert L.

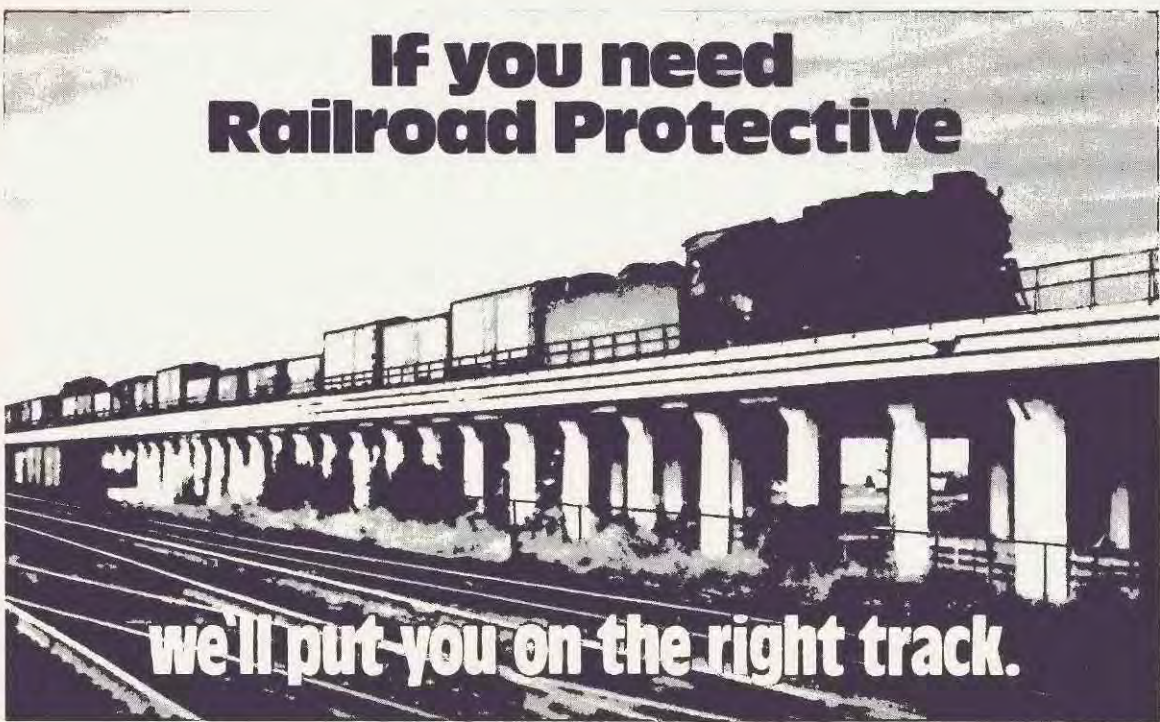


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Smith, chairman; Frank F. Potter, president; Chalmers H. Moore, vp; Terry Weber, treasurer; Wanda A. Smith, secretary.

Compensation: commissions and fees.

Branch offices: Anniston, Huntsville, both Alabama.

Licensed excess/surplus broker in: Alabama.

Smith Bell & Thompson Inc.

102 S. Winooski Ave., Burlington Vt. 05401; 802-658-4600

	1977	1976
Premium vol.	\$4,100,000	\$3,500,000
Gross rev.	\$ 782,000	653,000
Employees	26	26
Commercial bus.	70%	65%

Principal officers: Warren L. Thompson, president; W. Ray Cooper, vp and general manager; K. Grabowski, treasurer.

Compensation: commissions and fees.

Branch offices: Rutland, Vt. Licensed excess/surplus broker in: Vermont.

Lee Smith & Co. Inc.

1840 E. 17th St., Santa Ana, Calif. 92702; 714-558-0101

	1977	1976
Premium vol.	\$8,406,489	\$6,952,136
Gross rev.	\$1,356,373	\$1,199,277
Employees	34	34
Commercial bus.	85%	88%

Principal officers: James Gilmore, chairman; Lee Smith, president; Charles Terry, executive vp; Ralph Wackerbarth, vp; John Tweedie, chief financial officer.

Compensation: commissions. Licensed excess/surplus broker in: California

Smith Watson Parker Insurance

3500 Hollywood Blvd., Hollywood, Fla. 33021; 305-962-2990

	1977	1976
Premium vol.	\$5,165,850	\$3,833,130
Gross rev.	\$ 698,400	\$ 560,267
Employees	19	16
Commercial bus.	65%	50%

Principal officers: Charles W. Watson, president; B.W. Parker, vp-secretary; F.M. Smith, Larry Vaught, Thomas Cotter, all vps. Compensation: commissions.

South Continental Insurance Agency Inc.

252 Tetuan St., PO Box 2992, Old San Juan, Puerto Rico 00903; 809-723-1279

	1977	1976
Premium vol.	\$14,834,970	\$12,000,000
Gross rev.	\$ 1,500,000	\$ 1,250,000
Employees	63	57
Commercial bus.	85%	85%



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SEE OUR AD ON PAGE 4

Principal officers: Virgilio Fournier, chairman; Walter Fournier, assistant of the chairman; Frank Fournier, president; Charles C. Carr, vp.

Compensation: commissions. Group members: Corporacion Insular De Seguros; Market Adjustment Co., Financiadora Primas Inc.

Parent company: Empresas Fournier.

Licensed excess/surplus broker in: Puerto Rico.

Southwest Insurance Assn. of Austin Inc.

Timberline Office Park, Suite 101, 2525 Wallingwood Drive, Austin, Tex. 78746; 512-327-3400

	1977	1976
Premium vol.	\$1,500,000	\$1,400,000
Gross rev.	\$ 225,000	\$ 200,000
Employees	9	8
Commercial bus.	70%	70%

Principal officers: Jack W.

Hoffman, president; Ross Blumentritt, CPCU, CLU, executive vp; J. David Bell, vp; Evelyn Stiles, treasurer; Merel Smith, secretary.

Compensation: commissions. Subsidiaries: County Government Insurance Consultants.

Carl S. Stecker & Associates Inc.

855 Avenue of the Americas, New York, N.Y. 10001; 212-736-5650

	1977	1976
Premium vol.	\$3,500,000	\$3,000,000
Gross rev.	\$ 500,000	\$ 450,000
Employees	10	10
Commercial bus.	65%	60%

Principal officers: Carl S. Stecker, president; Howard Mandresh, vp-treasurer; Allan Stecker, vp-secretary.

Compensation: commissions. Acquisitions in the past year: Sidney Klausner, Jan. 1, 1977.

St. Joseph Valley Bank

Insurance Division & SJV Insurance Inc.

2nd at Franklin Streets, PO Box 1686, Elkhart, Ind. 46515; 219-293-4565

	1977	1976
Premium vol.	\$14,500,925	\$10,311,000
Gross rev.	\$ 1,969,628	\$ 1,412,000
Employees	29	29
Commercial bus.	90%	85%

Principal officers: Ward J. Merchant, president; William J. Milner, executive vp; Farrel J. Zehr, underwriting manager; Gaylord L. Russell, administrative officer.

Compensation: commissions and fees.

Branch offices: Goshen, Ind. Parent company: SJV Corp. Licensed excess/surplus broker

Continued on following page

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agent/broker profiles

Continued from preceding page

Stephens Ryder Wenger

211 W. Third, Grand Island, Neb. 68801; 308-382-2330

	1977	1976*
Premium vol.	\$3,100,000	\$2,100,000
Gross rev.	\$ 519,000	\$ 367,500
Employees	11	10
Commercial bus.	71%	68%

*From BI 1977 listing.

Principal officers: Del W. Ryder, president; James E. Wenger, vp; R.E. Stephens, secretary-treasurer. Compensation: commissions. Licensed excess/surplus broker in: Nebraska.

Edmund D. Stevens Inc.

1503 Genesee Building, Buffalo, N.Y. 14202; 716-856-3387

	1977	1976
Premium vol.	\$1,500,000	\$1,750,000
Gross rev.	\$ 265,000	\$ 232,000
Employees	9	10
Commercial bus.	65%	60%

Principal officers: Edmund D. Stevens, chairman; Edmund D. Stevens Jr., president-treasurer.

Peter V.R. Lapey, vp; Thomas C. Luescher, secretary. Compensation: commissions and fees.

Stolly Insurance Inc.

973 W. North St., PO Box 1666, Lima, Ohio 45807; 419-227-2570

	1977	1976
Premium vol.	\$1,450,000	\$1,150,000
Gross rev.	\$ 275,000	\$ 225,000
Employees	10	10
Commercial bus.	50%	50%

Principal officers: Richard J. Stolly, CPCU, president; Thomas A. Stolly, vp. Compensation: commissions.

Stone & Michaud Inc.

44 Bridge St., Manchester, N.H. 03105; 603-668-5500

	1977	1976
Premium vol.	\$3,100,000	\$2,106,728
Gross rev.	\$ 460,000	\$ 405,000
Employees	15	13
Commercial bus.	78%	75%

Principal officers: William P. Stone, CPCU, president; David M. Stone, Paul L. Michaud, CPCU, both vps.

Compensation: commissions and fees.

Acquisitions in the past year: S.J. Nicholson Agency, May 1, 1977; Lachance Insurance, Oct. 1, 1977; Freneau Agency, Jan. 1, 1978.

Branch offices: Raymond, N.H. Subsidiaries: Stone & Landregan Inc.

Licensed excess/surplus broker in: New Hampshire.

Stouffer-Herzog-Otto Insurance Agency Inc.

PO Box 400, 4230 Lake Ave., Ash-tabula, Ohio 44004; 216-998-4444

	1977	1976
Premium vol.	\$1,733,745	\$1,674,293
Gross rev.	\$ 309,593	\$ 284,933
Employees	8	8
Commercial bus.	52%	51%

Principal officers: Francis A. Herzog, president; George E. Stouffer Jr., vp; Jay A. Otto, secretary-treasurer; William R. Herzog, assistant vp.

Compensation: commissions. Licensed excess/surplus broker in: Ohio.

Strasco Insurance Agency Inc.

527 St. Paul St., Baltimore, Md. 21202; 301-539-2020

	1977	1976
Premium vol.	\$1,328,610	\$1,151,676
Gross rev.	\$ 217,522	\$ 188,978
Employees	6	6
Commercial bus.	67%	65%

Principal officers: Jerome B. Rosenberg, president; Leonard H. Rosenberg, senior vp; Stephen F. Rosenberg, CLU, CPCU, vp; Esther N. Rosenberg, secretary-treasurer.

Compensation: commissions.

Stratton & Stebbins Inc.

503 Michigan National Tower, Lansing, Mich. 48901; 517-485-7286

	1977	1976
Premium vol.	\$1,011,752	\$947,822
Gross rev.	\$ 151,432	\$132,000
Employees	3	3
Commercial bus.	70%	72%

Principal officers: S.J. Stebbins, president-treasurer; Carol Mc-Glaughlin, vp; Phillis Montgomery, secretary.

Compensation: commissions.

T

Taylor/Cohen/Rudolph & Giaconia Co. Inc.

791 Passaic Ave., Clifton, N.J. 07012; 201-471-4400

	1977	1976
Premium vol.	\$5,762,014	\$4,660,085
Gross rev.	\$ 581,881*	\$ 504,428*
Employees	17	15
Commercial bus.	70%	68%

*Does not include life subsidiary.

Principal officers: Sidney Rudolph, CPCU, president; Shelby Cohen, vp; Ronald Giaconia, secretary-treasurer.

Compensation: commissions. Subsidiaries: Giaconia Life Associates.

Ter Bush & Powell Inc.

148 Clinton St., Schenectady, N.Y. 12301; 518-370-8600

	1977	1976
Premium vol.	\$67,000,000	\$61,000,000
Gross rev.	\$ 7,600,000	\$ 6,800,000
Employees	193	187
Commercial bus.	80%	75%

Principal officers: J.W. Campo, chairman; R.J. O'Rourke, president; W.P. Conboy, executive vp; T.E. Devine, executive vp-treasurer; J.F. McGrane, senior vp.

Compensation: commissions and fees. Branch offices: New York, Syracuse, Hoosick Falls, Forest Hills, all New York; Boston.

Subsidiaries: Campo & Roberts-Ter Bush & Powell Inc.; Ter Bush & Putnam Inc.

Licensed excess/surplus broker in: New York.

Titan Agencies Inc.

E. 81 State Highway 4, Paramus, N.J. 07652; 201-843-0040

	1977	1976
Premium vol.	NA	NA
Gross rev.	\$1,000,000	\$1,000,000
Employees	39	37
Commercial bus.	85%	86%

Principal officers: Suzanne W. Alexander, vp; Earl B. Gross, divisional president.

Compensation: commissions and fees.

Branch offices: Los Angeles. Parent company: Titan Group Inc.

Thoits Insurance Service Inc.

140 University Ave., Palo Alto, Calif. 94302; 415-324-0606

	1977	1976
Premium vol.	NA	NA
Gross rev.	\$300,000	\$225,000
Employees	8	9
Commercial bus.	50%	45%

Principal officers: Donald A. Way, CPCU, president; Robert A. Manger, vp; Linda J. Stewart, sec-

retary. Compensation: commissions.

Trans World Insurance Brokers

130 El Camino Drive, Beverly Hills, Calif. 90212; 213-878-1100

	1977	1976
Premium vol.	\$5,200,000	\$4,600,000
Gross rev.	\$ 500,000	\$ 400,000
Employees	19	16
Commercial bus.	99%	99%

Principal officers: Fred C. Wilson, president; Ronald B. Merz, executive vp; Gould Morrison; David Bartlett, Harry Wasson, all vps.

Compensation: commissions and fees.

Branch offices: Newport Beach, Calif.

Subsidiaries: Trans Union Insurance Brokers, Newport Beach.

Alvin S. Trenk Associates

26 Columbia Turnpike, Florham Park, N.J. 07932; 201-377-4600

	1977	1976
Premium vol.	\$5,000,000	\$2,200,000
Gross rev.	\$ 550,000	\$ 250,000
Employees	14	12
Commercial bus.	80%	80%

Principal officers: Alvin S. Trek, president; Jeffrey M. Trenk.

Compensation: commissions and fees.

Acquisitions in the past year: Frank H. Taylor, May 1978.

Triangle Insurance Inc.

14011 Ventura Blvd., Sherman Oaks, Calif. 91413; 213-872-2400

	1977	1976
Premium vol.	\$5,400,000	\$4,100,000
Gross rev.	\$ 745,000	\$ 639,000
Employees	19	19
Commercial bus.	78%	75%

Principal officers: Sy Maxwell, president; Maurice Jones, secretary-treasurer.

Compensation: commissions.

Trimble-Batjer-Cobb Insurance

PO Box 248, 519 W. Beauregard Ave., San Angelo, Tex. 76902; 915-655-5651

	1977	1976
Premium vol.	\$2,615,000	\$2,421,893
Gross rev.	\$ 442,000	\$ 322,868
Employees	13	12
Commercial bus.	55%	60%

Principal officers: Henry H. Batjer Jr., R. Bernard Trimble, James H. Cobb, Randall Saverance, William B. Thomas.

Compensation: commissions. Licensed excess/surplus broker in: Texas.

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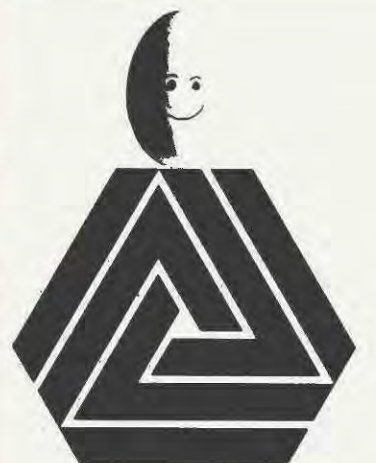
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SEE OUR AD ON PAGE 4

6290 Sunset Boulevard, Suite 1800, Hollywood, Calif. 90028; 213-466-8351

	1977	1976
Premium vol.	\$2,500,000	\$1,300,000
Gross rev.	\$ 350,000	\$ 185,000
Employees	12	8
Commercial bus.	87%*	75%*

*All but 10% of commercial business is entertainment risk insurance.
Principal officers: Truman Van Dyke Jr., president; Rose Van Dyke, secretary-treasurer.
Compensation: commissions.

U

Ulrich, Voorhees, Warner Associates

255 Old New Brunswick Road, PO Box 999, Piscataway, N.J. 08854; 201-752-1000

	1977*	1976
Premium vol.	\$6,200,000	\$4,800,000
Gross rev.	\$1,072,000	\$ 810,000
Employees	19	18
Commercial bus.	81%	78%

Principal officers: John N. Voorhees III, CPCU, president; Stephen A. Warner, executive vp; Elliott Rothman, vp.
Compensation: commissions and fees.
Branch offices: Washington, D.C.
Licensed excess/surplus broker in: New Jersey.

*Figures do not include Washington, D.C. office with a premium volume of \$3.2 million and gross revenues of \$528,000.

Underwood Insurance Agency Inc.

900 Haddon Ave., Collingswood, N.J. 08108; 609-854-2600 or 609-428-4175

	1977	1976
Premium vol.	\$870,000	\$900,000
Gross rev.	\$152,257	\$158,694
Employees	5	5
Commercial bus.	80%	80%

Principal officers: William J. Underwood Jr., president; Nancy M. Underwood, secretary.
Compensation: commissions.

Underwriters Corp. of Ann Arbor

5305 Plymouth Road, Ann Arbor, Mich. 48105; 313-761-4616

	1977	1976
Premium vol.	\$1,400,000	\$1,480,000
Gross rev.	\$ 272,440	\$ 251,800
Employees	5	6
Commercial bus.	84%	83%

Principal officers: Andre A. Barroso, president; Elaine R. Barroso, treasurer; Carolyn Nyrrkanen, vp.
Compensation: commissions.
Licensed excess/surplus broker in: Michigan.

United Coverage Consultants Inc.

124 E. 39th St., New York, N.Y. 10016; 212-725-0505

	1977	1976
Premium vol.	\$5,500,000	\$3,500,000
Gross rev.	\$ 700,000	\$ 450,000
Employees	15	14
Commercial bus.	85%	78%

Principal officers: Philip M. Schlusel, CLU, president-chairman; Alan M. Mack, executive vp.
Compensation: commissions and fees.

Branch offices: Los Angeles, San Francisco.
Subsidiaries: Robert Mack United Inc., Physicians Insurance Agency, N & T Rosenthal Co.
Parent company: United Coverage Group.

Licensed excess/surplus broker in: New York.

W

Waber-Odell Co.

300 E. Lancaster Ave., Wynne-

wood, Pa. 19096; 215-878-9610

	1977	1976
Premium vol.	\$5,000,000	\$4,100,000
Gross rev.	\$ 775,000	\$ 680,000
Employees	25	22
Commercial bus.	90%	88%

Principal officers: Jerry A. Odell, president; Leon Kattelman, senior vp; Michael Studner, Louis A. Brooks, both vps.

Compensation: commissions.
Subsidiaries: Personal Insurance Services Inc.

Parent company: Trio Management Inc.

Wagner Taylor Co.

Ludlow St. at Copley Road, Upper Darby, Pa. 19082; 215-528-5360 or 352-4300

	1977	1976
Premium vol.	\$2,350,000	\$2,287,000
Gross rev.	\$ 365,489	\$ 343,051
Employees	15	15
Commercial bus.	60%	60%

Principal officers: Eugene L. Fidell, president; Harvey K. Partridge Jr., James J. McAleer, both

vps; Helen Di Julio, secretary.
Compensation: commissions.

Walke-Parks Insurance Corp.

241 W. York St., Norfolk, Va. 23510; 804-622-4361

	1977	1976
Premium vol.	\$1,552,000	\$1,362,000
Gross rev.	\$ 266,000	\$ 227,000
Employees	12	12
Commercial bus.	62%	59%

Principal officers: Littleton W. Parks, president; Peter R. I. Pine, R.E.B. Stewart III, both vps; Jacquelyn B. Dennis, secretary.

Compensation: commissions and fees.

Licensed excess/surplus broker in: Virginia.

Francis M. Walley Insurance Agency Inc.

475 High St., Dedham, Mass. 02026; 617-326-8383

	1977	1976
Premium vol.	\$1,291,310	\$1,189,325
Gross rev.	\$ 226,836	\$ 237,812
Employees	8	10
Commercial bus.	50%	50%

Principal officers: Francis M. Walley Jr., president; Roberta L. Zdankowski, Harold L. Baker Jr., both vps.

Compensation: commissions.
Branch offices: Falmouth, Mass.

Walsh, Gray, Moore & Albert Inc.

410 Guaranty Bank Building, Denver, Colo. 80202; 303-623-7245

	1977	1976*
Premium vol.	\$5,600,000	\$5,100,000
Gross rev.	\$ 825,000	\$ 732,125
Employees	24	22
Commercial bus.	80%	80%

*From 1976 BI listing

Principal officers: Peter J. Walsh, president; Peter T. Gray, vp-secretary; Donald P. Moore, vp-treasurer.

Compensation: commissions

and fees.
Licensed excess/surplus broker in: Colorado.

Warren-Hoffman & Associates Inc.

401 Buffalo Ave., Niagara Falls, N.Y. 14174; 716-284-9983 or 716-773-1202

	1977	1976
Premium vol.	\$2,750,000	\$2,300,000
Gross rev.	\$ 430,000	\$ 392,000
Employees	10	12
Commercial bus.	79%	84%

Principal officers: John D. Hoffman, president; Leonard R. Cancillo, William E. Warren, George McGrath, all vps.

Compensation: commissions and fees.

Warren & Welsh Co.

Irwin Building, King of Prussia, Pa. 19406; 215-337-0330

	1977	1976
Premium vol.	\$19,000,000	\$16,250,000
Gross rev.	\$ 1,900,000	\$ 1,600,000

Continued on following page

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agent/broker profiles

Continued from preceding page

Employees	39	41
Commercial bus.	95%	95%

Principal officers: Stanley A. Welsh Jr., James F. Warren Jr., Peter J. Piacentino, Montgomery Harris, John G. Daniel, John J. Joyce.

Compensation: commissions and fees.

Branch offices: Independence, Mo.; Atlanta, Ga., both Rental Industry Services.

Subsidiaries: Rental Industry Services (RISE).
Licensed excess/surplus broker in: Pennsylvania.

Watlington & Cooper Inc.

3734 Germantown Ave., Philadelphia, Pa. 19140; 215-223-2201

	1977	1976
Premium vol.	\$1,084,975	\$ 854,549
Gross rev.	\$ 183,150	\$ 154,000
Employees	9	9
Commercial bus.	60%	60%

Principal officers: Frederick D. Cooper, Joseph Watlington Jr.
Compensation: commissions.

Wayland Hancock Insurance Agency

1925 Lexington, Houston, Tex. 77098; 713-528-5383

	1977	1976
Premium vol.	\$3,400,000	\$2,800,000
Gross rev.	\$ 557,000	\$ 472,000
Employees	20	18
Commercial bus.	57%	56%

Principal officers: Wayland "Buddy" Hancock, R. J. "Hollis" Waldt, partners.

Compensation: commissions.
Acquisitions in the past year: Wilbur D. Scott, new partner, May 1978.

Subsidiaries: Wayland Hancock Co., Realtors.

Licensed excess/surplus broker in: Texas.

Irving Weber Associates Inc.

373 Park Ave. S., New York, N.Y. 10016; 212-689-9780

	1977	1976
Premium vol.	\$7,100,000	\$6,300,000
Gross rev.	\$ 960,000	\$ 820,000
Employees	23	20
Commercial bus.	80%	80%

Principal officers: Irving Weber, president; Martin P. Carter, treasurer; Dennis M. Weber, Shaby Shemtob, both vps; Philip Barth, secretary.

Compensation: commissions and fees.

Subsidiaries: Webcar Agency Inc.

I.R. Weinraub & Co. Inc.

10 Fairview Ave., Westwood, N.J. 07675; 201-666-4900 or 212-564-3070

	1977	1976
Premium vol.	\$4,100,000	\$2,800,000
Gross rev.	\$ 420,000	\$ 300,000
Employees	13	9
Commercial bus.	90%	90%

Principal officers: Irving R. Weinraub, president; Mark B. Weinraub, executive vp; Larry E. May, vp; Norman Feld, assistant vp.

Compensation: commissions and fees.

Subsidiaries: Weinraub & May.
Licensed excess/surplus broker in: New Jersey.

Weissman & Weissman Inc.

55 John St., New York, N.Y. 10038; 212-233-7600

	1977	1976
Premium vol.	\$4,100,000	\$3,600,000
Gross rev.	\$ 730,000	\$ 627,000
Employees	11	11

Commercial bus. 80% 80%

Principal officers: Milton L. Weissman, president; Daniel D. Haber, executive vp; Stephen B. Weissman, William Bell, both vps.

Compensation: commissions and fees.

Wellington Agencies Inc.

3460 Wilshire Blvd, Suite 401, Los Angeles, Calif. 90010; 213-380-3050

	1977	1976
Premium vol.	\$6,720,000	\$5,300,000
Gross rev.	\$1,100,000	\$ 900,000
Employees	31	31
Commercial bus.	79%	80%

Principal officers: Wilbert W. Stein, president; John N. Antignas, vp-secretary; Gerald Richbook, vp-treasurer.

Compensation: commissions and fees.

Welsh-Ross-McClenathen Insurance Services

13400 Riverside Drive, Sherman Oaks, Calif. 91423; 213-872-1201

	1977	1976
Premium vol.	\$4,200,000	\$3,100,000
Gross rev.	\$ 620,000	\$ 430,000
Employees	16	13
Commercial bus.	75%	70%

Principal officers: Richard E. Welsh Jr., president; Robert G. Chisolm, vp-treasurer; Elizabeth A. Welsh, secretary; Patrick C. Ross, sales manager; Hugh L. Ross, senior account advisor.

Compensation: commissions.

Wharton/Lyon & Lyon

101 S. Livingston Ave., Livingston, N.J. 07039; 201-992-5775

	1977	1976
Premium vol.	\$8,139,000	\$7,000,000
Gross rev.	\$1,234,000	\$1,050,000
Employees	40	38
Commercial bus.	75%	75%

Principal officers: Albert L. Klein, CLU, president, chief executive officer; Thomas Rowe, senior vp, chief operating officer.

Compensation: commissions and fees.

Branch offices: Newark, N.J.

C.D. Whitney Agency Inc.

112 Elm St., Millbury, Mass 01527; 617-865-4433

	1977	1976
Premium vol.	\$2,006,400	\$1,577,000
Gross rev.	\$ 289,500	\$ 241,090
Employees	11	9
Commercial bus.	56%	56%

Principal officers: Karl L. Briel, president; Stephen V. Walinsky Jr., executive vp; Richard W. Taft, vp-sales; Paul M. Metzger, vp.

Compensation: commissions and fees.

Whitsitt Ralston & Stiff Agency Inc.

801 N. Main, PO Box 1028, McAllen, Tex. 78501; 512-682-2841

	1977	1976
Premium vol.	\$2,554,000	\$2,300,000
Gross rev.	\$ 387,000	\$ 391,000
Employees	17	18
Commercial bus.	68%	68%

Principal officers: W. E. Whitsitt, president; Robert E. Stiff, vp; Neal King, secretary-treasurer.

Compensation: commissions.

Williams Insurance Agency Inc.

116 E. Third St., Crowley, La. 70526; 318-783-6346

	1977	1976
Premium vol.	\$1,670,000	\$1,355,000
Gross rev.	\$ 235,000	\$ 203,000
Employees	8	7
Commercial bus.	65%	70%

Principal officers: Sims C. Williams, president; Donnaud B. Williams, secretary-treasurer; Sims C. Williams Jr., assistant secretary-treasurer.

Compensation: commissions and fees.

John J. Williams Insurance Agency Inc.

141 Milk St., Boston, Mass. 02109; 617-426-4087

	1977	1976
Premium vol.	\$1,600,000	\$1,200,000
Gross rev.	\$ 241,000	\$ 175,000
Employees	7	5
Commercial bus.	85%	83%

Principal officers: John J. Williams, president-treasurer.

Compensation: commissions and fees.

Branch offices: Hyannis, Mass.

Licensed excess/surplus broker in: Massachusetts.

Mark V. Williamson Co. Inc.

255 Pulaski Center, 5800 "R" St., PO Box 7463, Little Rock, Ark. 72217; 501-664-7728

	1977	1976
Premium vol.	\$1,135,800	\$950,000
Gross rev.	\$ 200,000	\$183,000
Employees	4	4
Commercial bus.	80%	75%

Principal officers: Mark V. Williamson, president.

Compensation: commissions.

W.K.P. Wilson & Son Inc.

51 St. Joseph St., PO Box 2407, Mobile, Ala. 36601; 205-433-0441

	1977	1976
Premium vol.	\$17,000,000	\$15,000,000
Gross rev.	\$ 2,150,000	\$ 1,850,000
Employees	62	61
Commercial bus.	90%	90%

Principal officers: B.R. Wilson Jr., chairman of the board; Clifton C. Inge, president; Walter E. Roney Jr., J. Schley Rutherford, both vps.

Compensation: commissions and fees.

Licensed excess/surplus broker in: Alabama.

Winchester Insurance Agency Inc.

PO Box 6471, San Jose, Calif. 95150; 408-247-8336

	1977	1976
Premium vol.	\$2,550,000	\$2,100,000
Gross rev.	\$ 425,000	\$ 300,000
Employees	11	11
Commercial bus.	65%	60%

Principal officers: Terrance Espeland, Daniel McDonald, Michael Mitchell (Fremont), Daniel Olmstead (Sacramento).

Compensation: commissions.

Acquisitions in the past year: Lewis-Lewis Agency, Fremont.

Branch offices: Fremont, Sacramento, both California.

Winn Insurance

321 5th St., Hollister, Calif. 95023, 408-637-9241

	1977	1976
Premium vol.	\$10,250,000	\$7,660,000
Gross rev.	\$ 1,498,000	\$ 920,000
Employees	45	38
Commercial bus.	85%	80%

Principal officers: John R. Winn, president; Ronald G. Pray, executive vp; Sandra L. Rose, secretary-treasurer.

Compensation: commissions.

Branch offices: Gilroy, Calif.

Sol L. Wisenberg Insurance

Suite 100 East, 4801 Woodway, Houston, Tex. 77056; 713-622-5200

	1977	1976
Premium vol.	\$10,132,073	\$7,794,641
Gross rev.	\$ 1,501,261	\$1,138,372
Employees	42	34
Commercial bus.	87%	84%

Principal officers: Avrohm Wisenberg, chairman; Irving Pozmantier, president; Joe Williams, CPCU, vp.

Compensation: commissions.

Wolbrink Agency Inc.

86 W. 8th St., Holland, Mich. 49423; 616-396-5207

	1977	1976
Premium vol.	\$5,526,189	\$4,399,850
Gross rev.	\$ 806,716	\$ 688,749
Employees	22	21
Commercial bus.	45%	NA

Principal officers: Robert Wolbrink, president; John A. Marble, treasurer; Drew Miles, secretary.

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Compensation: commissions and fees.

Acquisitions: Den Herder Agency Inc., Feb. 1978.

Branch offices: Grand Rapids, East Lansing, Flint.

Wolff-Zackin & Associates Inc.

PO Box 2220, Vernon, Conn. 06066; 203-875-2591

	1977	1976
Premium vol.	NA	NA
Gross rev.	\$762,000	\$668,000
Employees	23	22
Commercial bus.	72%	68%

Principal officers: Thomas J. Wolff, CLU, chairman; Arnold S. Zackin, CPCU, president; Ronald R. Hrubala, executive vp; John J. Smith Jr., vp; Kenneth Rabinowitz, assistant vp.

Compensation: commissions. Licensed excess/surplus broker in: Connecticut.

Woodruff-Robinson Co.

PO Box 7608, Columbus, Ga. 31908; 404-324-6671

	1977	1976
Premium vol.	\$7,700,000	\$6,000,000
Gross rev.	\$1,184,000	\$ 900,000
Employees	56	53
Commercial bus.	80%	80%

Principal officers: George C. Woodruff Jr., chairman; Charles E. Isom Jr., president; C.J. Dykes III, executive vp and agency manager in Columbus; Troy F. Woodall, executive vp and agency manager in Albany; Gordy Roy, executive vp and agency manager in Atlanta.

Compensation: commissions. Branch offices: Columbus, Albany, Atlanta, all in Georgia.

Woodsmall, Frick & Innis Inc.

2480 Pershing Road, Kansas City, Mo. 64108; 816-421-7788

	1977	1976
Premium vol.	\$5,448,356	\$3,671,854
Gross rev.	\$ 752,682	\$ 522,199
Employees	31	23
Commercial bus.	83%	78%

Principal officers: Warren O. Woodsmall, chairman; Peter L. Woodsmall, president and treasurer; William L. Frick, vp; Thomas E. Klug, secretary and vp; Ralph B. Innis Jr., vice chairman.

Compensation: commissions and fees. Acquisitions: Group Plans Agency, Jan. 1978.

Subsidiaries: Crown Services Inc., Kansas City, Mo.

Licensed excess/surplus broker in: Kansas and Missouri.

Worgess Agency Inc.

55 N. McCamly, Battle Creek, Mich. 49014; 616-965-3221

	1977	1976
Premium vol.	\$3,300,000	\$2,600,000
Gross rev.	\$ 598,172	\$ 504,580
Employees	20	19
Commercial bus.	65%	53%

Principal officers: Russell Worgess, president; Donald Worgess, vp; Douglas Worgess, assistant vp; Robert Worgess, treasurer.

Compensation: commissions. Branch offices: Marshall, Mich.

John L. Wortham & Son

2727 Allen Parkway, Houston, Tex. 77019; 713-526-3366

	1977	1976
Premium vol.	\$76,521,000	\$75,819,000
Gross rev.	\$ 9,106,000	\$ 9,050,361
Employees	221	164
Commercial bus.	91%	NA

Principal officers: Allen H. Caruth, managing partner.

Compensation: commissions and fees.

Branch offices: Dallas.

Subsidiaries: John L. Wortham & Son Inc.; John L. Wortham & Son Investments Inc.; Services for Risk Handling Inc.; John L. Wortham & Son Bermuda Ltd.

Wright & Co.

1001 Connecticut Ave., NW,

Washington, D.C. 20036; 202-331-1550

	1977	1976
Premium vol.	NA	NA
Gross rev.	\$950,000	\$800,000
Employees	19	16
Commercial bus.	98%	98%

Principal officers: Frank L. Wright, president; Betty R. Wright, vp and treasurer; Michael R. Ward, vp; Peter F. Love, vp-property/casualty; Robert M. Beckman, secretary.

Compensation: commissions and fees.

Branch offices: London, England.

Licensed excess/surplus broker in: District of Columbia, Virginia.

Zillgitt & Wright Insurance Agents and Brokers

330 Washington St., Marina Del Rey, Calif. 90291; 213-822-1221

	1977	1976
Premium vol.	\$6,780,000	\$4,245,000
Gross rev.	\$ 941,000	\$ 594,000

Geographic listing of the brokers in this directory begins on page 104.

	29	25
Employees		
Commercial bus.	64%	64%

Principal officers: Preston B. Zillgitt, chairman; Charles M. Wright, president; Kenneth D. Smith, Robert Gerughty, both vps.

Compensation: commissions. Branch offices: Newport Beach, Calif.

Zimmerman Insurance Associates Inc.

820 N. Parton St., Santa Ana, Calif. 92701; 714-973-1333

	1977*	1976
Premium vol.	\$2,100,000	\$4,000,000

	\$ 315,000	\$ 600,000
Gross rev.		
Employees	5	10
Commercial bus.	80%	75%

Principal officers: D. C. Zimmerman Jr., chairman; Jerome J. Sweeney, president.

Compensation: commissions. Branch offices: Los Angeles

*Decrease of gross revenues due to closing of foreign offices.

Licensed excess/surplus broker in: California.

The Zinman Group

309 York Road, Jenkintown, Pa. 19046; 215-224-7500

	1977	1976
Premium vol.	\$19,000,000	\$15,000,000
Gross rev.	\$ 2,200,000	\$ 1,700,000
Employees	65	57
Commercial bus.	90%	80%

Principal officers: Morrie H. Zinman; Jacques S. Zinman, CPCU.

Compensation: commissions and fees.

Licensed excess/surplus broker in: Pennsylvania.

Our sources

The information contained in the agent/broker profiles published in this special report was supplied by the brokers themselves. Although the information is accurate to our knowledge, *Business Insurance* cannot guarantee the accuracy of the information.

Special care has been taken with the figures and names contained in the profiles, but errors can happen. We'd like to know about any important errors so that we may correct mistakes. If something went wrong, just drop a note to Greg David, 740 N. Rush St., Chicago, Ill. 60611 and we'll publish corrected figures.

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McGriff & Siebels Inc.
Molton, Allen & Williams Inc.
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Jackson

Skipper Insurance Agencies

Mobile

Pickert & Adams Insurance Inc.
Schneider-Fleming Insurance Inc.
W.K.P. Wilson & Son

Pelham

Marketing Management Inc.

Troy

Cox & Associates Inc.

ALASKA

Anchorage

Homestate Insurance Brokers of
Alaska Inc.

Ketchikan

Porter-Spaulding Inc.

ARIZONA

Phoenix

Beal & Associates Insurance
Counselors Inc.
Charles & Laubach Inc.
Lasher-Cowie Agency Inc.
Olliver/Pilcher & Associates

ARKANSAS

Harrison

John Campbell Insurance Agency
Inc.

Little Rock

Atkins Insurance Corp.
Hardin & Wilson
Mark V. Williams Co. Inc.

West Memphis

J.H. Hale Insurance Agency Inc.

CALIFORNIA

Belmont

James E. McGovern Inc.

Beverly Hills

LFC Insurance
Trans World Insurance Brokers

Burbank

Eastman & Co.

Cerritos

Overland III Insurance Services

Encino

Max Behm & Associates

El Segundo

Guy A. Main & Co.

Fullerton

Heritage Insurance Service Inc.

Hollister

Winn Insurance

Hollywood

Truman Van Dyke Co.

Indio

A. J. Sfingi & Associates Inc.

Lafayette

Bone, Robertson & McBride Inc.

Los Alamitos

Charles E. Mills Co.

Los Angeles

Bayly, Martin & Fay Inc.
Emmett & Chandler Inc.
Al Hays & Associates
Kindler & Laucci
Wellington Agencies Inc.

Los Gatos

Klindt Agency

Marina del Rey

Zillgitt & Wright Insurance
Agents & Brokers

Newport Beach

Anderson & Anderson Inc.
Jay & Renfro

Northridge

Northridge Insurance Agency Inc.

Oakland

Bottari, Holland & Sweetman

Palo Alto

Thoits Insurance Service Inc.

Pasadena

The Corinth Co.

Riverside

Bailey H. Patterson Inc.

Sacramento

Sacramento Valley Insurance

San Diego

Robert F. Driver Co. Inc.
Robson, Cavnac & Fletcher

San Francisco

Albert M. Bender Co. Inc.
Fritz International Insurance
Brokers
Richard N. Goldman & Co.
Levinson Bros. Inc.

San Maeto

Calco Insurance Brokers & Agents

San Jose

Edwards & Longwello Insurance
Brokers
Sanders & Sullivan Insurance
Brokerage
Winchester Insurance Agency Inc.

Santa Ana

Republic Insurance Brokers Inc.
Lee Smith & Co. Inc.
Zimmerman Insurance Associates
Inc.

Santa Fe Springs

Dain Insurance Agency

Santa Monica

Penn General Agencies Inc.

Sherman Oaks

Triangle Insurance Inc.
Welsh-Ross-McClenathen Insur-
ance Services

Stockton

Dohrmann-King Co. Inc.

Sunnyvale

Alpha I Insurance Brokers Inc.

Torrance

Cal-Surance Associates
Keenan & Associates

Tustin

Insurance Benefits Inc.

Van Nuys

Osterloh & Durham Insurance

Whittier

Davidson, Pierson & Roth

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Byerly & Co. Inc.
Day, Webb & Taylor Inc.
J.H. Silversmith Inc.
Walsh, Gray, Moore & Albert Inc.

Sterling

Dowis Agency Inc.

CONNECTICUT

Bridgeport

Insurance Center of Southern
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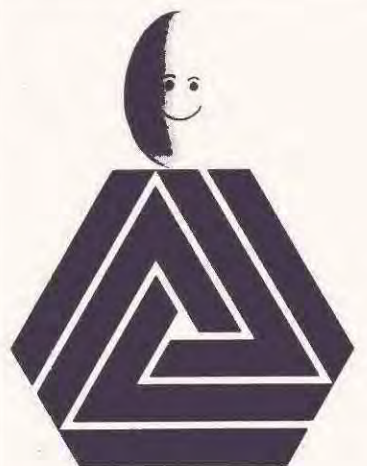
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In Wichita, sons thrive in changing marketplace

By KATHRYN J. McINTYRE

WICHITA—Executives at Insurance Management Associates Inc. here claim the performance of their 52-person agency proves you don't have to represent a multi-million account to an agency or be the client of a national broker to get sophisticated risk management services and insurance marketing.

With the spotlight invariably focused on the largest U.S. brokers, the work of a well staffed, aggressive, independent, regional broker is easily overlooked, except by national houses scouring for acquisitions.

IMA insists it does a better job for its 2,000 clients on its Kansas turf than the national brokers will or even could through their facilities in the area. It prides itself on the computer and safety engineering services it delivers not just to its largest clients, but also to its bread-and-butter accounts in the \$25,000 to \$75,000 premium volume range.

"We're the poor man's risk manager," chairman Paul C. Yankey Jr., 59, likes to say. His assistant, Sandy Broadstreet, explained, "We work with one-man shops, risk managers and controllers and entire insurance departments. We take our professional services—in-house engineering and computer services—to the local area and also give them to small insureds on a no fee basis." Executive vp Joe E. Moddrell Jr., 50, said, "On claims and safety services, we're stronger staffed for our volume than anyone I've looked at."

If proof can be found in growth figures that reflect client confidence, then IMA has the evidence to support its claims of superiority. Its 1977 premium volume of \$16 million was more than four times the combined premium volume of the three agencies that merged in 1973 to form Insurance Management Associates the next year. Gross revenues have increased steadily and are on target to more than double in 1978 the \$1 million earned in 1974. IMA's client roster, which includes such notables as MBPXL Corp. and The Coleman Co. Inc. won from larger brokers, further supports its claims.

But IMA didn't just fall into dominating the Kansas market. Three second-generation insurance agents—Mr. Yankey, Mr. Moddrell and William C. Cohen Jr.—merged their fathers' companies with the clear intention of improving their service capabilities in the fast changing commercial insurance marketplace.

"We were all commercial agents with similar sized accounts, the largest around \$150,000 to \$200,000 in premiums," recalled Mr. Cohen, 41, IMA's president. "Separately, we knew we couldn't do it," Mr. Moddrell continued, "so we agreed to invest in the future together."

Their pooled resources were funneled into developing computer programs for reporting losses to clients, programs based on a claims and loss recording system developed 20 years ago by Mr. Cohen after he graduated from the Wharton School. They hired a safety engineer who now directs a four-man department. And they hired young, excited, talented people and paid them well, a fact the staff will attest to without their bosses around.

It's worked to set IMA apart from other brokers in the area, the executives maintain. "We developed the systems," Mr. Cohen said, "and we all knew people so we got in the doors. Then we started to secure the business." Now their largest account tops \$5 million a year in premiums.

Mr. Cohen sold MBPXL Corp. on

his agency in 1974, for example, with a 41-page report on insurance versus non-insurance and by convincing the corporation his agency could service a self-insured account. Mr. Cohen had been the agent for Kansas Beef Industries Inc., which merged with Missouri Beef Packers Inc. to form MBPXL. Ordway-Saunders Co. was MBP's broker. Today, IMA administers a trust fund for MBPXL to pay medical-only workers compensation claims and IMA engineers developed safety programs which have cut the company's workers compensation modifier nearly in half.

IMA won the Coleman account in January, competing with Marsh & McLennan, Johnson & Higgins, and R.B. Jones. Coleman risk/insurance manager Thelma

McCreery said, "IMA came up with the innovative plan for our product liability," replacing a retro plan with substantial self-assumption of risk. Now IMA has the Coleman casualty account.

"We're not just insurance agents selling policies. We're risk managers," Mr. Cohen asserts, explaining why his agency was able to land the MBPXL and Coleman accounts when he sees comparable business in other areas is going to the national brokers.

Detailed computer printed loss reports combined with the expertise of insurance company trained safety engineers produce an effective loss control effort for clients, the agency says. Mr. Yankey observed, "Insurance companies give you losses in dollars. Period. Hopefully it's your customer's and the right year. But we need reports to

give to management."

IMA loss reports detail workers compensation losses, for example, by plant, department, shift, cost, type of accident and even the employee's length of employment. IMA has found it's the five and six-year employe who is most accident prone. While the new or old employe is more careful out of inexperience or experience, Mr. Yankey suggests the five and six-year employe is afflicted with a case of "familiarity breeds contempt."

For top management, losses are detailed by plant, department shift, frequency per man hour and cost per man hour. The latter is especially effective, Mr. Yankey observed, "because when work comp costs exceed profit of a department, something happens real

quick."

Safety service manager Francis L. Ludvick agreed, noting that losses are keyed to the production or profit standards of an individual company. Losses reported to an oil drilling company, for example, are keyed to the number of holes drilled. "The concept of safety has to be on a dollar basis. You can't argue humanitarian reasons."

Detailed loss reports may convince management that safety procedures must be adopted, but then a program has to be available. A testimony to the quality of work IMA engineers do are repeated requests from insurance companies for permission to implement for their clients the program Mr. Ludvick had developed for meat processing plants.

Still, losses occur and they are

Continued on following page



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Wichita broker . . .

Continued from preceding page
keeping claims manager Kay Barrett and her eight-person department buzzing. The first and for a time the only claims representative IMA had, Ms. Barrett concedes her department may now appear over-staffed compared with other agencies processing, for example, 967 new claims in May. "But we do it differently here," she explains. When a loss is reported, the claims representative for the account verifies the coverage, types a complete loss report for the insurance company and a loss report for the agency's records for computer entry. Then the insurer is pressured to close the claim.

The agency's in-house records, in addition to providing the statistics for loss control, keep tabs on the insurers, keep the broker abreast of any developing problem

accounts and provide quickly loss reports needed for renewal negotiations, Ms. Barrett detailed.

While the Wichita broker is proud of the advanced technology it employs, it also holds on to a bit of past underwriting practice that has generally been discarded by others. "On property underwriting, we still draw fire maps" Mr. Yankey gloats. "I feel good when I have the map and it's better for my client."

Mr. Yankey also proudly notes the firm employs a fire protection engineer who is HPR qualified and an appraisal engineer, along with two casualty engineers. Mr. Moddrell observes, "A property underwriter can in a moment underwrite a risk with our reports."

Maintaining IMA has the edge on other brokers in Kansas with the

services it offers, the IMA executives also refuse to concede that national brokers may have an insurance marketing edge. "We find more often that carriers are more willing to work with us than the nationals," Mr. Cohen quipped.

Mr. Cohen does confess "we haven't found the key to working properly with Lloyd's. We're getting better results with the domestic carriers."

Though technically insurance agents are prohibited in Kansas from charging fees rather than commissions, Mr. Cohen counters, "I'm selling a service. So we determine the fee we want and adjust the commission." Generally the charge is based on expenses with a 15% profit margin.

IMA has basically defined its turf as Kansas, "though if we felt we could handle an account that is elsewhere, we would entertain it," Mr. Cohen said. The agency is now looking for more producers and to embark on a more aggressive prospecting program. Unable to follow-up on all the referred business, IMA became somewhat complacent about hustling new accounts, Mr. Moddrell confessed. The agency also wants to beef up its employee benefits business which now accounts for 7% of revenues.

Asked if there's a limit to how large the principals want IMA to grow, Mr. Moddrell laughed, "Yes. It was about two years ago." More seriously, Mr. Cohen added, "That's pretty accurate. But really, it's what we can service." That's constrained right now, he continued, by the limited office space



Photo: Kathryn J. McIntyre

Wichita IMA executives, left to right, senior vp Richard Matassarini, executive vp Joe Moddrell and president William Cohen.

for new staff. Though the firm has leased more space in its current location, everyone is anxiously watching the lot across the street from the present quarters for signs of the new building that IMA is erecting there.

Though the commercial insurance buyer may only notice an agency's employee morale as it's reflected by the personality of the account executive or claims representative, IMA executives credit their agency's success to the vitality, enthusiasm and professionalism of their young staff—the average age is 33. But as with IMA's development, the esprit de corps didn't appear by chance. It's fostered by management through such gestures as popping a bottle

of champagne at 11 a.m. to celebrate the birth of a son to an agency employe to conducting CPCU classes for interested employes.

National brokers have approached Insurance Management Associates about merger possibilities, but so far the overtures have fallen on deaf ears. "We like our autonomy," Mr. Cohen says, and the prospect of spreading ownership of the firm among employes. There are 10 voting stockholders now with more to come.

"We're so competitive," Mr. Moddrell observed, "why join them when you can fight them?" And, he might have added, "so successfully," since the agency has never lost an account to a national house but has already taken away a half dozen.

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In N.Y., 3 partners parlay marine experience

By ELLIS SIMON

NEW YORK—Conventional wisdom says one does not start an insurance brokerage business when the markets are tight. Yet, Richard Nausch, Matthew Hogan and William Murray did just that in 1976 and apparently have succeeded despite the odds.

In less than two years their firm, Nausch, Hogan & Murray, has grown from a staff of four to 15 and currently places approximately \$10 million in premium.

The three partners went out on their own after their previous employer, Underwriters Service Inc., was acquired by Reed Shaw Stenhouse Inc. With 50 years combined experience, said executive vp Matthew Hogan, "there were many people willing to support us who liked the idea of somebody starting something new."

The property and casualty companies were coming off the greatest underwriting losses in their history when the firm began operations in August 1976, recalled president Richard Nausch. Not only were companies reluctant to accept many types of risks, but they were unwilling to deal with new brokers, he explained.

In New York, the insurance companies were able to reach their allotted capacities quickly just by accepting business from brokers and agents with whom they had long-standing relationships, he added.

However, it was not necessary to have accounts with every property/casualty company, Mr. Nausch said. When Nausch, Hogan & Murray began operations, it was admitted at about six or eight "top name markets" he said. That number has since risen to about a dozen.

With the property/casualty markets as restrictive as they were, the three principals chose to develop their company by going where they had experience and the markets were somewhat softer.

As a result, almost two-thirds of the firm's volume is in marine lines. Both Mr. Hogan and Mr. Murray had considerable marine expertise before starting the firm and marine markets were more accessible than the property/casualty insurers. "In marine we had no less than 20 to 25 markets available to us," said executive vp Matthew Hogan.

Another significant part of the overall business is placing satellite coverage. Mr. Nausch gained expertise in this field 12 years ago when as a broker in Washington he placed coverage on the early Comsat satellites. Other than Marsh & McLennan, Nausch, Hogan & Murray is believed to be the only American brokerage firm actively involved in placing such risks.

This business should expand significantly once the Space Shuttle begins regular operations, added Mr. Nausch.

Cargo insurance accounts for the largest part—about three-fourths—of the firm's marine book, according to Mr. Hogan. It is an attractive business in that cash comes in right away, unlike property coverage that may have annual premiums, he added.

Cargo rejection insurance, a specialty of the firm, accounts for 10% of the overall volume, according to Mr. Nausch. The coverage, purchased mostly for perishables, protects importers against losses incurred when their goods are not permitted to enter the United States, explained senior vp William Murray.

For the most part, Nausch, Hogan & Murray services medium size accounts that average about \$250,000 in annual premium. "We

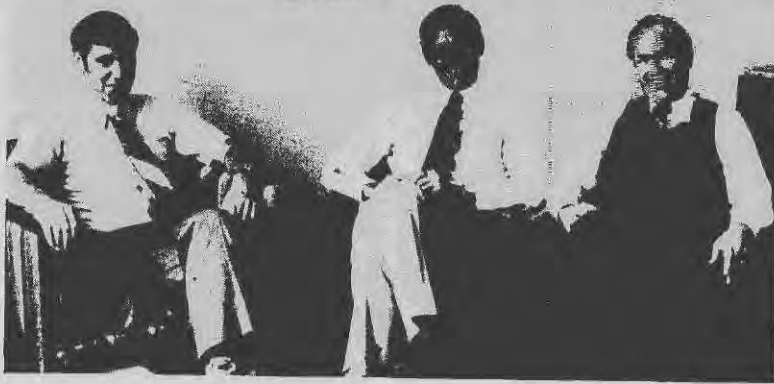


Photo: Ellis Simon

Nausch, Hogan & Murray partners began operation in August 1976. They are (from left) William Murray, Richard Nausch, Matthew Hogan.

don't go after Fortune 500 accounts," said Mr. Hogan.

In addition many of the firm's

placements are for large premium coverages, meaning less paperwork is involved compared with

similar-volume firms and that means fewer people required to process that paperwork, he said.

With accounts of that size often "we service them as their insurance department," said Mr. Murray. Trading companies don't normally have risk managers and they don't have big concentrations of values and employees, added Mr. Nausch.

While marine insurance accounted for the lion's share of the business during its first two years, "we don't know what the next two years will be like," said Mr. Hogan. He added, however, that the firm writes all lines and hopes to expand greatly in the casualty area as those markets loosen up.

Mr. Nausch looks for continuous growth of the firm both through internal growth and a possible ac-

quisition. An acquisition would provide the firm with geographic spread, new people and greater market identity, he explained.

That would be particularly helpful as the firm tries to expand into a full service property/casualty brokerage organization as well as a marine operation. "Another company would add access to the (property/casualty) markets," said Mr. Nausch. He added that the firm is currently looking at several prospective partners of equal or smaller size.

But, rather than try to anticipate what the firm will be like in the future, "I like to think of what we don't want to become," said Mr. Nausch.

"I wouldn't want to be in a position where people could capitalize on our deficiencies in service and responsiveness."



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Failure to communicate bugs brokers the most . . .

By RICHARD MARINI

NEW YORK—"I get bugged when clients fail to notify me about new developments and acquisitions concerning their compa-

nies," says Phil C. Gallagher, a partner of Gallagher-Cole Associates.

The client Mr. Gallagher mentioned had decided to build a new paper products distribution plant and to purchase his builder's risk insurance from the contractor's broker instead of Gallagher-Cole, his usual broker.

"Unfortunately for the client, a routine inspection after the building was completed discovered that the installed sprinkler system didn't meet the requirements for coverage under the already existing policy held by Gallagher-Cole. So until the system was upgraded, the client didn't receive credit for the sprinkler on his policy and his insurance costs were greater.

"If only the client had let us know what he was doing from the beginning, this all could have been avoided," Mr. Gallagher added.

As almost every broker questioned in a *Business Insurance* survey was able to cite similar types of examples, it became clear that communication, or rather the lack of communication, is the major deterrent to a productive broker-client relationship.

"As a broker, I know that I can't manage the risks of loss if I don't know what those risks are," contended Herman Kuhlmann. Mr. Kuhlmann, a partner with John L. Wortham & Sons of Houston,

agent/broker profiles

claimed that establishing—and keeping—open lines of communication with a client is one of a broker's most important jobs.

Seth Faison, vp of Johnson & Higgins, used the marriage analogy to aptly describe the need for good broker-client communications.

"Marriage problems start with a breakdown in communications," he said. "As time goes by, and if the situation isn't remedied, these problems can only multiply and pile up, leading, if they get bad enough, to a divorce. Or, as in the case of insurance, to the client simply taking his business elsewhere. Like that of the husband and wife, the broker-client relationship must be one based on trust."

Mr. Gallagher echoed that sentiment: "There has to be a feeling of mutual respect between the broker and his client. Without that trust, the relationship won't be profitable for either."

Clients that don't give their brokers sufficient time to market a piece of coverage aren't very popular either. Robert Hiatt, marketing manager of Pritchard & Jerden Inc. in Atlanta, tells of a client who called to tell him that he had just

Fourteen Sure-Fire Ways To Tick Off Your Insurance Broker

in order of popularity

1. Make communication between yourself and your broker as difficult as possible.
2. Let it be known to your broker that you lack confidence in him.
3. Fail to insure yourself or your business properly.
4. Have a weak knowledge of your company, its operations, insurance or all of the above.
5. Pay your bills late.
6. Lose or delay information vital to your broker in settling a claim.
7. Decide to handle your own insurance and then complain when things go wrong.
8. Fail to take advice and then argue when it is given.
9. Don't tell your broker of new developments or acquisitions made by your company.
10. Fail to respond to reasonable engineering recommendations made by your broker or company engineer.
11. Avoid company engineers like the plague and if one should show up, treat him with the utmost disrespect.
12. Expect miracles from your broker and complain loudly when they are not forthcoming.
13. Allow no more than two business days for your broker to market a new piece of insurance coverage.
14. Be disloyal to your broker and his company.



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purchased a new plant and needed a certificate of coverage for the closing which was at 3 p.m. that very same afternoon.

"So obviously we had to drop everything we were doing, cancel all plans for the day and really hustle to get that certificate to the client in time," said Mr. Hiatt. "It was a major inconvenience."

"Then," said Jerry Richbook, vp at Wellington Agencies Inc. in Los Angeles, "there're clients who don't get back to me when there's some vital information I need. This is especially true right before renewal time when we'll need projections and figures in a hurry. Prudent response time is a courtesy that is expected of a broker and it should likewise be expected of a client."

Still another big headache suffered by many of the brokers comes from trying to convince a client of the need to adequately insure himself and his business. Linda Bruns, an underwriter with Day, Webb and Taylor in Denver, said, "Clients don't understand that inflation has increased the cost of their liabilities. They only look at the premium amount on the policy and don't realize that they won't be fully reimbursed for the replacement cost should a claim arise."

Clients with a weak knowledge

of insurance are also a source of trouble for many brokers. Aaron Rubin of Fanwick & Rubin in New York has had clients who, after deciding to handle their insurance needs themselves, cannot understand what went wrong when problems arise. "And then they get mad when the broker they call in to fix the mess has difficulty setting things straight," he says.

Joseph Hartnett, executive vp with Fitzpatrick, Danahy Inc. in Buffalo, N.Y., cannot understand why a client will treat a visiting company engineer poorly.

"They act as if the engineer is an outsider," Mr. Hartnett explains, "or as if he's from the government. But he's there to help the client. The engineer is very likely to have direct contact with the underwriter and if the client is uncooperative, you can be sure the underwriter will find out. And this, in turn, may hurt the client."

Mr. Rubin of Fanwick & Rubin offered this advice: "Most broker-client problems could be easily avoided, or at least diminished, if the client would just be willing to ask. If there's a question, he should come to me, his broker, rather than go out and make an unadvised decision. After all, he'd call his attorney if he had a legal problem, so why isn't he just as ready to call his broker?"

dates for buyers

SEPT. 18-21. **Fundamentals of Reinsurance** seminar to be held at the University of Dallas. From the ceding company side, guidelines will be offered to benefit insurance company managements on the processing, decision-making and reasoning approach. Pointers on captive companies and specialty insurers will be specified. The reinsurer's side will be illustrated by investigating behind-the-scenes activities of second-risk assumers. Portions of the seminar will be concerned with legal aspects and reinsurance pools. Cost: \$375 includes luncheons. Contact Professor Bruce Evans, Risk Management Institute, University of Dallas, Irving Tex. 75061; phone 214-438-1123, ext. 330 or 360.

SEPT. 18-21: **The American Society for Industrial Security** will hold its annual seminar and exhibits at the Bonaventure Hotel in Los Angeles. Registration fee is \$125

for ASIS members, \$160 for non-members and \$60 for guests. Contact ASIS Education and Seminar Programs, 2000 K St. NW, Washington, D.C. 20006; 202-331-7887.

SEPT. 21-22. **Self-insurance and Risk Management Services** is a seminar to be presented by Practical Risk Management in Philadelphia. Emphasis will be placed on the practicalities of implementing, controlling and monitoring an effective property, liability and workers compensation self-insurance program. Moderators and panel members will be drawn from the professional staff of Warren, McVeigh & Griffin, risk management consultants. The seminar will be repeated in the following cities: San Francisco, Oct. 9-10; Dallas, Oct. 26-27 and Los Angeles, Nov. 9-10. Contact Practical Risk Management, Suite 205, 1700 Montgomery St., San Francisco, Calif. 94111; phone Susie, 415-433-6979.

... While last minute quotes annoy clients most

By JOANNE GAMLIN

LOS ANGELES—How many times has a broker arrived out of breath at a risk manager's office, grasping a renewal policy only hours before the former policy is to expire?

Ralph Gentry, insurance manager for the Times-Mirror Co. in Los Angeles, summed up the response for more than one-third of the 30 risk managers asked what annoys them most about brokers when he said, "The most annoying thing a broker can do is deliver premium quotes at the 11th hour. And the worst thing about late quotes is that they make the risk manager look very bad in the eyes of his superiors."

A West Coast aerospace industry risk manager, who like more than half of the risk managers contacted asked not to be identified, said the main hazard of a last minute policy delivery is that the risk manager is often presented with only two premium quotes and no real choice.

"The two figures are often close together and one of them is often from the former underwriter," he explained. To have any real options the corporate insurance head needs to receive the new quotes 30 days before expiration of the old policy.

Just the agonizing process of waiting and waiting for a quote can be maddening, said The Riley Co.'s director of risk management, Lorne W. Miller.

"Who wants to wait?" added the Park Ridge, Ill., executive.

Similarly, William B. White III, insurance/claims manager for British Steel Corp. Inc. of Houston, emphasized that the last minute crisis in the rebinding process is his number one gripe concerning brokers. The situation makes a captive out of the risk manager, asserted Mr. White, because it is always too late to make any alterations in the renewal policy.

Ronald F. Muno, assistant insurance manager for the \$629 million Outboard Marine Corp. in Waukegan, Ill., said that cliffhanger situations appear to be occurring more frequently now than they did in the past. Noting that he relies on brokers for a number of services, particularly fire prevention, Mr. Muno indicated that brokers could handle the renewal process more competently.

Jack Delaney, head of the corporate insurance department for the Olin Corp. in Stamford, Conn., said brokers could virtually abolish cliffhanger situations if they would plan more intelligently. Agreeing that the casualty insurance business has become very tight in the last two years, Mr. Delaney said that brokers "will have to work harder."

However, Alan Pearce, risk manager for Foremost-McKesson Inc. in San Francisco, said the responsibility for controlling these crises belongs to the risk manager and not to the broker.

The second most irritating thing about brokers might be summed up as 'sloppy work.' While he rates his experiences with brokers as pretty good, Philip H. Babcock, manager of risk and insurance for the Smithsonian Institution in Washington, D.C., did fault brokers for at times doing a less than adequate job of researching the market. Ryder Truck Lines' director of insurance, Harold L. Flax, said that what annoys him most about brokers is what they fail to do.

"Before they make an initial presentation, brokers should arm themselves with detailed information about a company they want to sign up as a client," said the Jacksonville, Fla., executive.

Brokers would make a better impression if they would school themselves in the language spoken by a particular industry, he said. "For example, when I ask a prospective broker about who will handle the filings (with the Interstate Commerce Commission), the reply is often 'what is a filing?'" he illustrated.

The fact that new policies must be examined microscopically for errors is the most irritating aspect of dealing with brokerage houses, according to H. Joseph Plack, assistant vp for administrative affairs for The Art Institute of Chicago. Pointing out that the museum has to have coverage for assault/battery liability because museum guards must be able to fend off vandals, Mr. Plack said that such liability is usually excluded in gen-

agent/broker profiles

eral liability policies.

"Therefore, we must ask the broker to obtain a deleting endorsement, giving us coverage for assault/battery," said Mr. Plack. Then if that endorsement is accidentally omitted, the insured must write a letter documenting the needed coverage and rush that to the broker before the effective date of the new policy, he said.

Errors and omissions in new policies occur with relative frequency, he added, noting that brokers have a tendency to agree to make policy alterations without checking out with the underwriters whether such changes are possible.

A San Francisco area risk man-

ager said that broker failure to see that correct information is in a new policy sometimes borders on gross negligence.

Two other risk managers complained that brokers often fail to follow through on projects and have to be continually prodded by corporate insurance staff members. A risk manager must be constantly on the telephone, demanding to know the status of certain projects, said a West Coast risk manager.

"You are always asking, 'what happened?' and 'what are you doing on that project?'" he elaborated.

Chuck Lorenz, corporate risk manager for Talley Industries in Phoenix, said that it is essential that a broker keep a risk manager advised of every development that

could adversely impact the latter's superiors.

"It is our job to prevent our management from being surprised," he pointed out.

Leonard Friedman, risk manager for six companies in New York city, named as the most annoying characteristic of a broker the "substantial" gap between what is promised and what is delivered.

Another complaint revolved around the pretensions of superiority by the broker and his courting of the risk manager's bosses. At least two risk managers said it is extremely upsetting to have a broker establish his prime relationship with the risk manager's superiors. When this occurs, they said, the risk manager is in danger of being reduced to an insurance clerk.

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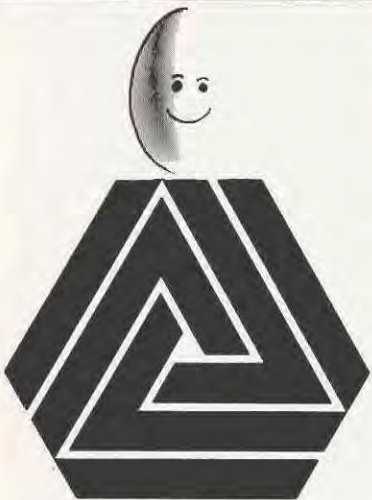
Why do brokers get fired? Like marriage, it's not one mistake, but many oversights

By REBECCA A. FANNIN

NEW YORK—Ask risk management consultants to describe the ways brokers lose corporate accounts and listen to the groans and sighs that follow.

Consultants agonize about the task because they have seen brokers lose business in such a wide variety of circumstances that it is difficult to recite them in less than a half hour.

But, in general brokers lose accounts in much the same way as a partner in a marriage falls out of favor with his or her mate. It's often



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not one mistake that sparks discontent but a series of oversights which, left to ferment, lead to divorce between the two partners.

"The only reason risk managers change brokers is because they've become disenchanted. It might be because of several minor things," said David Langner, president of Crain, Langner & Co. in suburban Cleveland.

But the motivation to switch brokers can be difficult to muster up.

"Buyers of insurance torment about changing their broker because it's very hard to cut off professional services," said George Betterley, president of his Boston-based Consulting Group. "That's why it's often not one thing but a combination of reasons that a broker loses an account."

While Warren Brockmeier of Chicago-based Wyatt Co. said accounts are changing hands more frequently than in the past, he added that "the great mass of buyers don't make a change unless there's an abrupt cost increase or a startling lack of service."

Clients fall out of love with their producers for any number of reasons, some of which are clearly the broker's fault and others that are beyond their control, such as mergers, acquisitions, nepotism or other corporate political reasons.

From a tally of reasons cited by consultants, separation results most commonly from poor servicing. Comparative higher cost for coverage was listed as the second strongest motivator for changing brokers. Also listed as sore points were dishonesty and conflicts of interest. Consultants said such conflicts result from a broker's dual function of service and sales that can lead some brokers to be-

agent/broker profiles

come prejudiced against captive insurance companies or self-insurance programs.

A wide variety of complaints about brokers fall within the broad service category. But as in any relationship, what irks clients most are the more personal aspects of service rather than the purely functional.

Frequently, the delicate threads of the broker-client relationship begin to unwind because the broker starts to take the account for granted, believing that the account will never leave his firm.

Mr. Betterley said this complacency brings about the split most often.

"The brokers too often rest on their laurels and don't keep pace with new needs or new faces at the client company. One day the client wakes up and makes a switch," Mr. Betterley said, stressing that it is important for the broker to know the "buyer's business, own people and philosophy."

Special attention to the account is crucial, said Warren Brockmeier of Wyatt Co., but "it is too often only the client who squeaks the wheel that gets the attention."

Larry W. Buck of his Houston-based firm, rated this lack of personal responsiveness to the client as the most common method of losing an account.

When complacency sets in, it can trigger a chain reaction of careless mistakes, perhaps most dramatically a decline in communications between the broker and client, according to consultants.

"One of our biggest bones of contention are brokers who fail to communicate because they think the client's not smart enough or cares enough to be able to make a better decision with more facts," said William S. McIntyre, president of RIMCO in Dallas.

"The broker should always act as a support person, giving the pros and cons so that the buyer can make better decisions," Mr. McIntyre added.

Risk management consultants strongly scolded brokers for failing to communicate openly with the client when policies are up for renewal.

"If there is going to be an increase in cost, then the client should have reasonable advance warning of the increase," Mr. Betterley said. "But some wait until the 11th hour. You don't stand a good chance of staying on an account that way."

Wyatt's Mr. Brockmeier complained that brokers have the "tendency to keep things undercover because they don't want clients to go out and shop around instead of taking what's offered at the last minute.

"But it's important to keep the client abreast of what's happening so there's no adverse reaction later on," Mr. Brockmeier said.

Complacency and poor servicing can manifest themselves in careless mistakes that upset the insurance buyer. Consultants blame brokers for errors ranging from overcharges to including policy

Reinsurance offices

G.L. Hodson & Son Inc., the reinsurance brokerage subsidiary of Corroon & Black, has opened West Coast offices in Los Angeles and San Francisco.

exclusions without telling the buyer.

One Florida municipality was left with no coverage for negligence when the broker did not read the policy after it was renewed, related James Marshall Jr., a vp with Siver & Associates in St. Petersburg, Fla.

In a similar case, Bernard A. Salwen, principal of S. B. Ackerman Associates in New York, told of a broker who told his client that he was covered for a loss but after reading the policy found out the client wasn't covered because of an exclusion.

Just as failure to keep up with the insured's needs can create discontent, servicing an account too aggressively can result in slipshod work.

Brokers who give clients quotations without lining up the underwriters beforehand is one such example. "It's a dangerous way to live but all the big brokers do it. They get burned this way," said Dave Warren, president of Warren, McVeigh & Griffin in San Francisco.

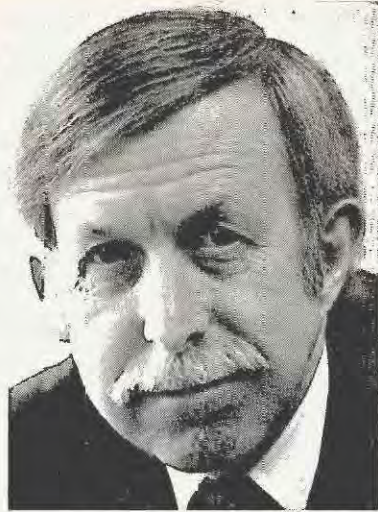
Mr. Warren also noted that the over-aggressive broker can breed trouble by telling a buyer that he will obtain coverage at a certain cost. If this cost cannot be met, then an exposure is often left uncovered and the client finds out about it after he suffers a loss.

Such mistakes are often the result of a broker becoming too sales-oriented and less service-minded. At their worst, commission-conscious brokers can advise their clients poorly.

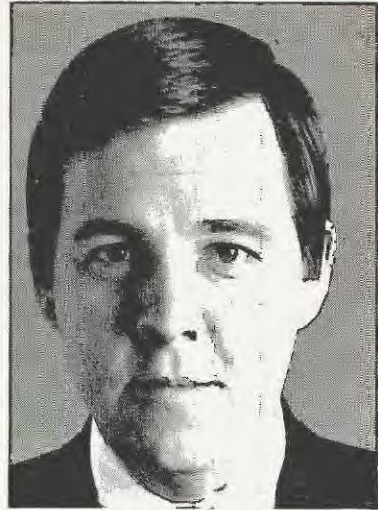
Mr. Warren said one large broker selfishly recommended that the client use the broker's captive insurance company. Later, the client found out that he could have saved more money without using the captive. The buyer consequently found another broker.

"Brokers are often prejudiced toward certain insurance markets and certain kinds of solutions," Mr. Betterley said. "For instance, they're often not geared toward self-insurance."

Another offshoot of the too sales-oriented producer is failure to maintain technical expertise and failure to keep up with the new trends through continuing education courses, noted RIMCO's Mr. McIntyre.



George Betterley says brokers are often prejudiced toward certain markets.



William McIntyre says some brokers don't think their clients are very smart.



Warren Brockmeier says some brokers have a tendency to keep things undercover.

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Claims would soar if workers knew system: Experts

CHICAGO—Workers will increasingly tap the workers compensation system claiming they suffer industry induced illnesses, but probably not to the extent they could if they better understood the hazards in their workplaces.

That's the opinion of three experts in occupational disease who addressed the *Business Insurance National Conference on Workers Compensation*. Representing the fields of medicine, economics and labor, the experts took employers to task for failing to control toxic substances in the workplace and then refusing to compensate the affected workers.

In the most stinging attack, labor leader Anthony Mazzocchi charged, "Corporations let people know as little as possible" about their workplace hazards because it "would affect profits." The only time the Oil, Chemicals & Atomic Workers International Union has discovered a hazardous condition has been when "either someone stole a document or a manager told a tale out of school," the union vp said.

Even when workers discover they are afflicted with occupational diseases, "rarely do you see a person compensated," Mr. Mazzocchi continued, "because it is very difficult to prove the cause and effect relationship."

The workers compensation insurance system "won't let the claims in," he argued. "The system serves to obfuscate and the few number of claims is proof that the system works."

The labor leader called for reform of the system, including that as a condition of insurance, "employees be told everything about their working environment." Insurers, he said, should release the information they have on morbidity patterns and should alter their claim forms to better identify the cause of illnesses. "We could revolutionize the system if the claim form asked for a worker's occupation," he said, charging it's intentional that the question isn't asked now.

In addition, Mr. Mazzocchi demanded the termination of corporate medicine "because corporate medicine is for the health of the corporation rather than for employees."

Research professor Dr. Thomas F. Mancuso of the University of Pittsburgh laid the occupational disease problem and its solution on the corporation's doorstep. He too charged that industry doesn't inform its workers, or their physicians, about toxic substances in the work place, therefore hampering diagnoses.

"No one really knows the carcinogenic potential of the complex occupational environment in the United States," Dr. Mancuso warned. "Only now are we beginning to uncover some occupational cancer problems which have existed but were not recognized. The most recent observations with asbestos, vinyl chloride and arsenic are only a few illustrations."

These illness-causing agents are adrift in the work place not only because testing of chemicals before their introduction has been inadequate to determine their effect in the myriad settings in which they are used, he said, but also because there has been a "lack of environmental monitoring."

"Industrial managers and executives have not been prepared concerning occupational health hazards," he continued, "and therefore are without proper background to understand fully the magnitude of what is required of industry in the evaluation and control of work hazards."

It is industry, he said, "that must

control the hazards in the work place and it is industry that must develop the resources to carry out their own responsibilities." To do so, he recommended that industry operate "an adequate industrial medical program with proper staff and consultants" of physicians, nurses, toxicologists, and industrial hygienists.

In the meantime, Dr. Mancuso predicted there will be "a tremendous increase in occupational disease claims, but whether they will be properly adjudicated remains to be seen."

Economist Peter S. Barth of the University of Connecticut accused industry of "immorally fighting occupational disease claims." Conceding there is no good estimate of the occupational disease problem, Mr. Barth maintained

business insurance NATIONAL CONFERENCE ON WORKERS COMPENSATION

there is "an extraordinary problem in the U.S."

The former executive director of the National Commission on State Workmen's Compensation Laws attacked the compensation system for inadequately providing for occupational disease claims. He especially criticized "time limits on claims, exposure rules that may have no relation to the reality of disease and the special treatment of occupational disease claims."

Mr. Barth said that in an industry

where one expects to find 1,000 cases of cancer and instead finds 1,200, "hopefully all 1,200 will be compensated." He argued that since there is no way to decide which 200 should be compensated, "there is no alternative" to compensating them all.

Still, he maintained that occupational disease "needn't swamp the system," citing other countries such as Germany and Denmark where "they have managed." Mr. Barth predicted that in the U.S. the number of claims will grow, "but not explode. Hopefully workers will be compensated and the system will work."

But Mr. Mazzocchi suggested that while the workers compensation system in this country "will maintain, we may need to find a new system to deal with occupational disease."



Photo: Kathryn J. McIntyre

Dr. Thomas Mancuso: "No one really knows the carcinogenic potential of the complex occupational environment in the U.S."

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Want to avoid unjustified claims? Document your employes' health

CHICAGO—If the workers compensation system must absorb the cost of all illness, as it appears it will, then it must operate in an adversary setting where the percentage of a disease that can be attributed to the work setting can be determined, says Dr. Joseph LaDou.

The only way an employer can protect himself in such a setting is to have documented an employe's health when hired with a "pre-placement" physical examination. The amount of illness that will be detected by such an exam is "startling," the director of the Peninsula Medical Clinic in San Francisco suggests.

The degree of hearing impairment in young adults is especially surprising, adds Dr. David M. Lipscomb of the University of Tennessee. Hearing loss is one of the leading injuries cited in claims for workers compensation, though not the most costly, Dr. Lipscomb noted.

The two specialists advised attendees of the *Business Insurance National Conference on Workers Compensation* on the extent of ill health workers bring to their jobs and how employers can avoid being saddled with the cost of it in their workers compensation programs.

Dr. LaDou observed that with California's recognition of the theory of cumulative injury on the job there "essentially is no disease in California that isn't compensable under workers compensation." But studies have shown that a workforce is afflicted with enough pre-existing or non-work related illness for 2% of the cases to qualify for workers compensation benefits under the theory of cumulative injury, he charged.

To contain this liability, Dr. LaDou recommends a program that includes pre-placement ex-



aminations and health hazard appraisals and counseling.

It's important that industry label examinations "pre-placement" rather than "pre-employment" so that it is not charged with discriminatory hiring practices, he advised. By defining an exam as pre-placement, the company is merely determining the best job for an employe based on his health, not whether to hire him. If, however, there is no opening in a suitable job, the employer is justified in not hiring the applicant, Dr. LaDou explained.

A more extensive examination than has generally been conducted will uncover more health problems, Dr. LaDou observed. In one group studied, the standard physical examination identified 77.5% of the group as employable, 20% employable with some medical attention such as glasses, hearing protection or medication for blood pressure and 2% employable with some restriction.

However, adding more tests to the exam changed the percentages substantially. Only 49% of the group was identified as employable with the number employable but needing medical attention jumping to 48% from 20% under the standard examination. The percent of the group that could be employed with restrictions on their activity increased to 2.5% from 2% while the percent unemployable was the same under both types of examinations at 0.5%.

The cost of the two types of

exams is about \$20 for the standard exam and \$50 for the more extensive one, Dr. LaDou said.

In addition to the physical pre-placement exam, Dr. LaDou advocates health hazard appraisal and counseling. Health hazard appraisal includes a series of questions that when answered by the applicant can be analyzed to determine the leading causes of death for the particular applicant and his death risk age. The health hazard counseling entails communicating these risks and outlining what changes in life style will lower the risks.

"Most will lose weight, some will quit smoking but no one will quit drinking," Dr. LaDou observed.

Hearing loss, as other medical problems, isn't just the result of work place conditions, noted Dr. Lipscomb. Based on tests he has conducted, Dr. Lipscomb said two out of three incoming college freshmen have a hearing impairment. Of those with hearing impairments, 14% had the hearing of a 65-year-old.

"That behooves you not to assume that young, virile men have good ears or they'll collect later." The awards, Dr. Lipscomb said, range from nothing in one state to \$10,000 in another for the same condition. While he suggested employers "won't go broke" paying hearing loss awards, he warned that awards for damage to hearing cells, which is irreversible damage, "have not crested."

In addition to determining the level of noise in the work place and lowering it where ever possible, Dr. Lipscomb recommended that employers maintain a hearing conservation program that can reduce costs to the point it pays for itself. The program should include hearing testing, the use of protective devices and education of the worker so that he will protect his hearing at home as well as at work.

Dr. Lipscomb implored employers not to wait for the Occupational Safety & Health Administration guidelines on noise exposure. "They're four years late now. Waiting for them won't keep people from losing their hearing and suing you."

Dr. LaDou counseled employers that the workers compensation system of the future will be "100% adversary and your only friend will be your medical records."

California expert urges benefits for actual loss

CHICAGO—A workers compensation system should "provide benefits for the actual disruption of an injured worker's life rather than remuneration based on an arbitrary assumption of what the disruption might be," suggests Joseph E. Markey, legislative advocate for the California Self-Insurers Assn.

He presented his association's proposal for reform of the California workers compensation system while discussing the wage-loss concept at the *Business Insurance National Conference on Workers Compensation*.

The proposal was outlined for the California legislature in January 1977 but no one rushed to sponsor the legislation, Mr. Markey lamented. He is more optimistic now about reform of California's workers compensation system since the tax-limiting "Proposition 13" was passed by the state's voters. "Proposition 13 has raised awareness of workers compensation costs in California," Mr. Markey observed.

The California Self-Insurers Assn. proposes that an employe who suffers a compensable injury receive as a benefit two-thirds of actual earnings, up to the statutory maximum. He would receive this benefit during the period of total disability, for life if necessary.

But as soon as possible, the employer would return the worker to

his previous job or one within his capability. If that is not possible, the employer would provide retraining for the employe and would assist in placing him in a new job.

If the employe were forced to accept a lower paying job as a result of his work incurred disability, the system provides that he be paid two-thirds of his lost earnings, subject to the statutory maximum, during the period of lower earnings.

In the case of amputation or total loss of a body part, impairment benefits of two-thirds of actual earnings would be paid for an amount of time as specified in a schedule of impairments. This benefit would be paid in addition to wages but in lieu of wage-replacement benefits.

To avoid benefits from piling up to the point the employe lacks any incentive to return to work, the proposal calls for the employer to receive credits against the workers compensation liability for income received by the employe from wage continuation plans, Social Security disability benefits or other disability retirement plans.

The advantages of this system, Mr. Markey suggested, are that it is simple, it provides benefits without litigation, it relates to the needs of injured worker and it motivates employes to return to work or accept vocational rehabilitation.

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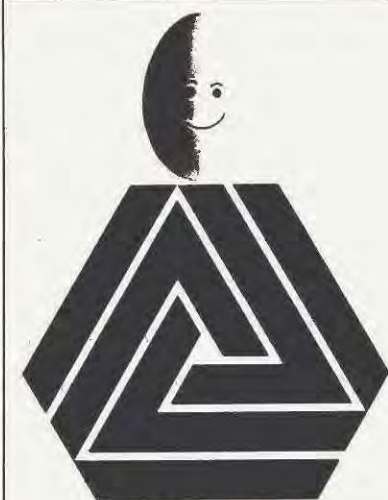
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Longshoreman's act: Model system or a disaster?

CHICAGO—The Longshoremen's and Harbor Workers' Compensation Act mandates a set of uninsurable benefits, argue attorneys who represent employers challenging claims brought under the act.

But, the federal law is considered by some to be a model piece of legislation since it substantially meets the recommendations of the National Commission on State Workmen's Compensation Laws, counters Ralph M. Hartman of the U.S. Department of Labor.

The opposing viewpoints clashed during an analysis of the act's mandates at the first annual Business Insurance National Conference on Workers Compensation.

Citing compensation cost increases for employers of 10 to 16 times since liberalizing amendments to the act were passed in 1972, attorney John J. Runzer concluded in a tone of understatement that the act "has gone as far as it can go."

But Mr. Hartman, a 34-year veteran of Bethlehem Steel Corp., defended benefits provided under the act by challenging employers not under the law to justify the low benefits they pay to injured workers under some state laws.

"How can you, in good conscience, pay workers compensation benefits with an annual rate that is less than the poverty level?" demanded Mr. Hartman. "It is morally wrong."

"If industry is going to pay the wages it pays today," the former claims manager continued, "it can't in good conscience drop an employe down to 20% or 30% of his earnings when injured." The longshoremen's act provides an injured worker with two-thirds of his average weekly wage to a maximum of 200% of the national average weekly wage. That puts the maximum weekly benefit now at \$367, which everyone agreed is not being paid to anyone.

Rather than conceding the benefits are costing too much, Mr. Hartman suggested that "insurance rates have grown disproportionately to the liability incurred." He granted that the 1972 amendments, which changed benefits significantly, "were and continue to be of concern and are clearly controversial."

The attorneys especially criticized the broadening of benefits that included adding an escalation feature, deleting the limit on benefits, moving the act's jurisdiction shoreward and allowing almost free choice of physician by the claimant. "With the high benefits and no maximums, the act is just too expensive," complained Dennis J. Lindsay. That the age of workers in the maritime industry is increasing is compounding the cost problem, he added.

But the lawyers specifically zeroed in on interpretations of the law that they have encountered in their experience and consider inequitable.

"The act is unfair to employers. It minimizes their ability to defend claims," protested Mr. Runzer. It too easily sweeps employes under its purview, the chance of winning a claim under the statute of limitations is small and even if an employer finally wins against a claim he doesn't recover the money he was forced to pay in benefits during the appeal, complained Mr. Runzer. It also takes too long to settle a disputed claim, the attorney said.

That a permanently partially disabled worker can receive benefits for life—even when in jail, on strike or when he is earning the same amount of money as when he

was injured—was also criticized by Mr. Runzer.

He defended the insurance industry, which is turning its back on longshoremen's risks, sympathizing with the problem of handling a risk that has escalated in cost by an average of 6.8% a year since the early 1960s. "If you miscalculate by 1% or 1.5% over the life of an award paid for 20 to 60 years, you could be off by as much as \$2 million. So you can see the difficulty there is in setting reserves," Mr. Runzer explained.

Washed by these problems, employers are "screaming their bloody heads off," reported Mr. Lindsay. "They want the act amended."

Though he considers the chance of benefits being reduced small, Mr. Lindsay expressed hope for the development of federal

business insurance NATIONAL CONFERENCE ON WORKERS COMPENSATION

minimum standards for workers compensation that are less liberal than the longshoremen's act. Employers subject to the longshoremen's act then "may go after coming under the federal minimum standards act," he said.

They will have good arguments for such a change, he suggested, including that no one should be treated differently under workers compensation laws and that the federal government should be freed of the administrative burden

of the longshoremen's act.

Principally, he noted, employers suffering an insurance crunch under the longshoremen's act will be able to plead for access to the insurance market since if everyone is in the same boat everyone should be able to get insurance.

Those under the longshoremen's act aren't suffering insurance problems because their industry is producing more accidents either, Mr. Runzer maintained. He suggested, though, that in addition to the cost of providing the liberal benefits, "I think some of it (increased costs) is more litigation."

While Mr. Runzer left employers with the advice, "Stay out of the jurisdiction of the longshoremen's act," Mr. Hartman asked them, in their consideration of all workers compensation issues, "to prayerfully consider what is right." ■



Photo: Kathryn J. McIntyre
Ralph Hartman, director of federal workers compensation programs, says employers should "do what is right" for injured workers.



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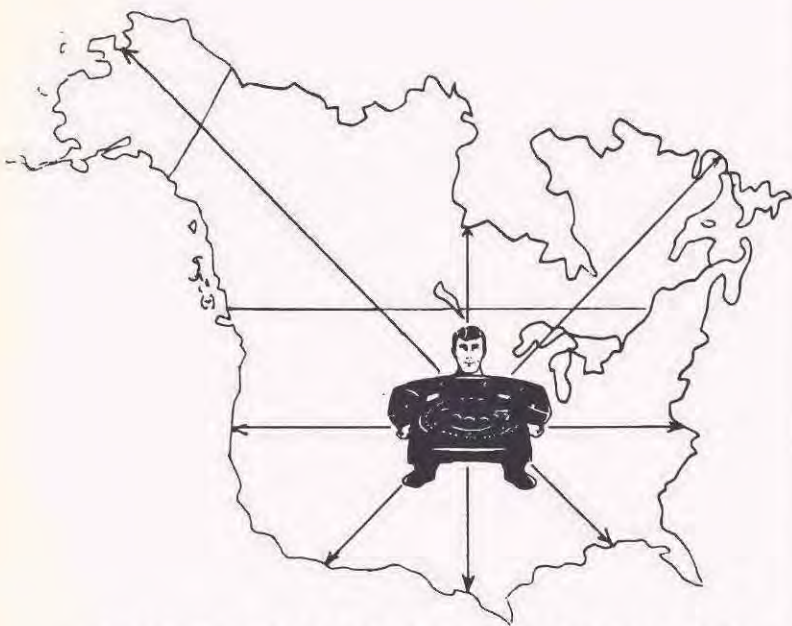
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riskWatch

By ELLIS SIMON

AIG detects a new environment, finds innovative way to exploit it

About 1,000 brokers and agents from as far away as Vancouver converged on New York recently for two day-long producers' conferences held by American International Group. For the most part, they left dazzled.

In any other industry, such a national sales meeting would rate little attention, except as an indicator of the state of the industry and the outlook for a particular firm's business. But in the insurance industry, sales meetings of this sort are unheard-of.

Moreover, AIG is known for its trend-setting management methods. It is indicative of Hank Greenberg's quality of management and close attention to practices in other sectors that he would be so ingenious as to adopt a practice that's almost an institution in the consumer goods industries, for example, for the insurance distribution system. Considering that it hadn't been done before, AIG clearly hoped to make a big splash.



Ellis Simon

And make a splash, it did.

Brokers who attended described the presentations in superlatives usually reserved for hit movies and plays. Many reported they were particularly impressed with the audio-visual and production work that went into the conference.

As senior AIG executives spoke on their respective specialties, slides flashed on three screens behind them in the main ballroom of the New York Hilton. Professional announcers introduced AIG personnel as they were called upon to make their presentations.

Specially produced films explained the company's history and featured some of its newer subsidiaries. At one session, a troupe of actors performed a skit illustrating hijack insurance, a new product being developed by AIG.

The Creative Establishment Inc., a Chicago-based audio-visual consultant, produced the program, although AIG executives developed their own presentations, according to AIG senior vp Michael Morrison. The firm has done similar work for Marsh & McLennan in the past, though not as part of a national sales meeting nor on this grand a scale.

Although the brokers and agents paid for their travel to New York and lodging, they were wined and dined in style by AIG. Based on New York Hilton banquet department prices, the tab for three meals, two cocktail parties and two coffee breaks for over a thousand people probably ran close to \$100,000.

Mr. Morrison said he did not know what the total cost of the program was, but said he would not be surprised if it exceeded \$200,000, excluding the time of 22 senior executives and their staffs.

The idea for the conferences germinated with AIG president Mr. Greenberg's feeling that with the insurance market going through changes, AIG should establish stronger ties with its producers.

Brokers and independent agents are AIG's lifeblood. With the exception of its New Hampshire Insurance Co. subsidiary, all of its premium is derived from these producers, said Mr. Morrison, claiming "we're the United States's number one 'brokerage' company."

Yet, the company is "continually surprised at how little brokers know about the breadth of what we do," Mr. Morrison continued. The conferences were an opportunity for AIG to "display our wares." While the company is basically known for writing exotic risks, it wants to broaden its book of regular business as well.

"We know darn well that the good, \$200,000-premium risks go to the independent agent's normal company, but we hope to get it from the brokers," Mr. Morrison said. During the tough years, many agency companies allocated their surplus to their agency force and limited their brokerage operations, forcing brokers to come to companies like AIG, he added.

"Now that things are loosening, we ask them (brokers) to remember that we were with them in the tough times," Mr. Morrison said. It is a concept that his boss, Mr. Greenberg, refers to as the proverbial "two-way street."

While AIG recognizes that underwriting cycles will continue to revolve around supply and demand, the cycles could be less severe if insureds would remain with their present carriers, Mr. Morrison added. "Loyalty to the carrier is what we're trying to develop."

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Carter aide . . .

Continued from page 1
 tion statutes to the recommendation that if minimum standards aren't viable the system should be federalized to insure equitable benefits for all workers.

Those supporting federal action, either through minimum federal standards or federal take over of the system, cited the conclusion of the National Commission on State Workmen's Compensation Laws in 1972 that unless the states adopted its 19 essential recommendations the federal government should issue minimum standards. The states have not all adopted the entire list of recommended changes, but no bill mandating minimum standards has made it past the subcommittee level of either house of Congress.

Those opposing federal action, such as former Iowa industrial commissioner Harry W. Dahl, argued that the state systems have a better track record than the federal government's own efforts at administering workers compensation programs.

Mr. Dahl recommended that Congress abolish the Longshoremen's and Harbor Workers' Act, the Federal Employes Compensation Act and the Black Lung Act, giving states jurisdiction over all job injuries.

The federal acts are redundant to the state systems, he reasoned. "The waste, fraud and high costs of the federal systems are unnecessary and unfair to the taxpayers," he argued, while the system itself is "unfair to employees."

The attorney, now in private practice and handling compensation claims for federal workers, charged that the federal programs are so poorly administered that an inordinate number of fraudulent claims are paid at the same time that valid claims go unpaid.

States praised

State operations, conversely, "provide local responsibility, sufficient staff for claims handling and adjudication, competent staff, speed up claims handling and would make available to federal employes the sophistication of state court and commission decisions which have clarified the law."

Robert Collyer, executive assistant of UBA Inc., agreed the state-by-state system is "darn good and we ought to keep it." The Washington lobbyist representing business challenged any more federal action on workers compensation by list-

ing known abuses in the federal systems. For instance, 82% of the retired policemen in Washington, D.C., are receiving total disability payments as are 83% of the firemen, giving them a much higher tax free income than they would receive if they weren't on disability.

The business community's advocate particularly rejected any tax incentive for state compliance with federal minimum standards. He said a Labor Department proposal is reportedly circulating in the executive branch that lays out five categories for state compliance with a number of standards in each category. The plan, he has heard, is to tax employers 1% of payroll for each category of standards that a state does not fulfill.

Assuming that each state in the country failed to meet just one

standard in one category and that the national payroll is \$800 billion, the tax penalty would be \$8 billion, Mr. Collyer estimated.

Mr. Elisburg admitted the department is considering a tax incentive in a workers compensation bill similar to the one that induces states to meet unemployment benefit standards. That kind of program, Mr. Collyer suggested, "would cause states to say, 'Forget it. Federalize the system.' They might just repeal their work comp laws."

States criticized

Mr. Elisburg, who is responsible for the administration of workers compensation benefit programs for federal workers, longshoremen and harbor workers and coal miners, countered arguments against minimum federal workers compensation standards without really advocating adoption of the standards.

The assistant secretary of labor for employment standards admitted that current federal programs have been fraught with problems. But true to the stance of newly appointed administrator, Mr. Elisburg claimed to be attacking the problems handed down to him. "Our programs are back on the right track, on their way to becoming the model work comp programs they should be."

Countering suggestions that states should be allowed to work at their own pace toward reform without a shove from the federal government, Mr. Elisburg complained that states have slowed miserably in such efforts during the last couple of years. On the average, states were in compliance with 7.2 of the 19 essential recommendations of the national commission when they were released in 1972. By 1976 that average had surged to 11.3, but in 1978 it had crawled up to only 11.8.

Continued on following page



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Donald Elisburg: "Substantial benefit improvements could be afforded if we would cut administrative and litigation costs."

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Carter aide . . .

Continued from preceding page

Waiting for states to enact reform is at the expense of the injured worker, he charged, who in eight states still receives less than \$100 a week when totally disabled.

Mr. Elisburg flatly denied that the introduction of federal minimum standards would pave the way for total federalization of the system. He did concede, however, that "comprehensive benefits, adequate coverage, full rights to rehabilitation and full coverage for occupational disease will be costly."

But he suggested, "the longer we wait, the more costly it will become and the longer employers will wait to clean up the workplace." He maintained that "substantial benefit improvements could be afforded if we would cut administrative and litigation costs."

Not to turn everyone off, Mr. Elisburg stressed that the Department of Labor is not interested solely in pushing federal minimum standards but is also providing technical assistance to states now trying to reform their laws.

Former chief counsel and associate executive director of the national commission John H. Lewis advocated the adoption of federal minimum standards, but only in such areas as "we all agree we need." He sees agreement on coverage for farm workers, removing all numerical exemptions, setting maximums for benefits that relate to the state's average weekly wage, indexing benefits for the permanently and totally disabled and elimination of waivers.

Federal overkill

Still, the proponent of federal standards admitted "federal legislation suffers from overkill." He complained that "recent proposals include other standards I don't think are universally accepted or understood," including coverage for domestic workers, free choice by workers of physicians, escalation of death benefits for the life of the survivor and removing all restrictions on benefits for occupational diseases. The last requirement, he cautioned, could have national and international economic consequences.

These issues have to be resolved, Mr. Lewis continued, because the constant controversy over them is diverting attention from other crucial areas, such as "systems that are flabby, inefficient and unsound." The attorney, who continues to contribute his thoughts on workers compensation issues in Florida, warned, "We can't graft these bigger and better benefits on a worn out system. We have to develop better ways of delivering benefits to the people who need them and keeping them away from those who don't."

Economist Norman A. Weintraub of the International Brotherhood of Teamsters and also an advocate of federal minimum standards, noted that doubts are developing that an "effective, constitutional, efficient and fair method of enforcing federal minimum standards" can be developed. Barring that, he suggested, there are only two alterna-

tives: working exclusively within each state to reform each state's law, or federalization—a complete takeover of the workers compensation system.

More concerns

"The outlook for state action, at this time, isn't good," he said. "Some states have retrogressed and some states have a completely

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inadequate workers compensation law." While admitting "more federal government regulation and bureaucracy is certainly not a fashionable or popular recommendation in this day and age," he

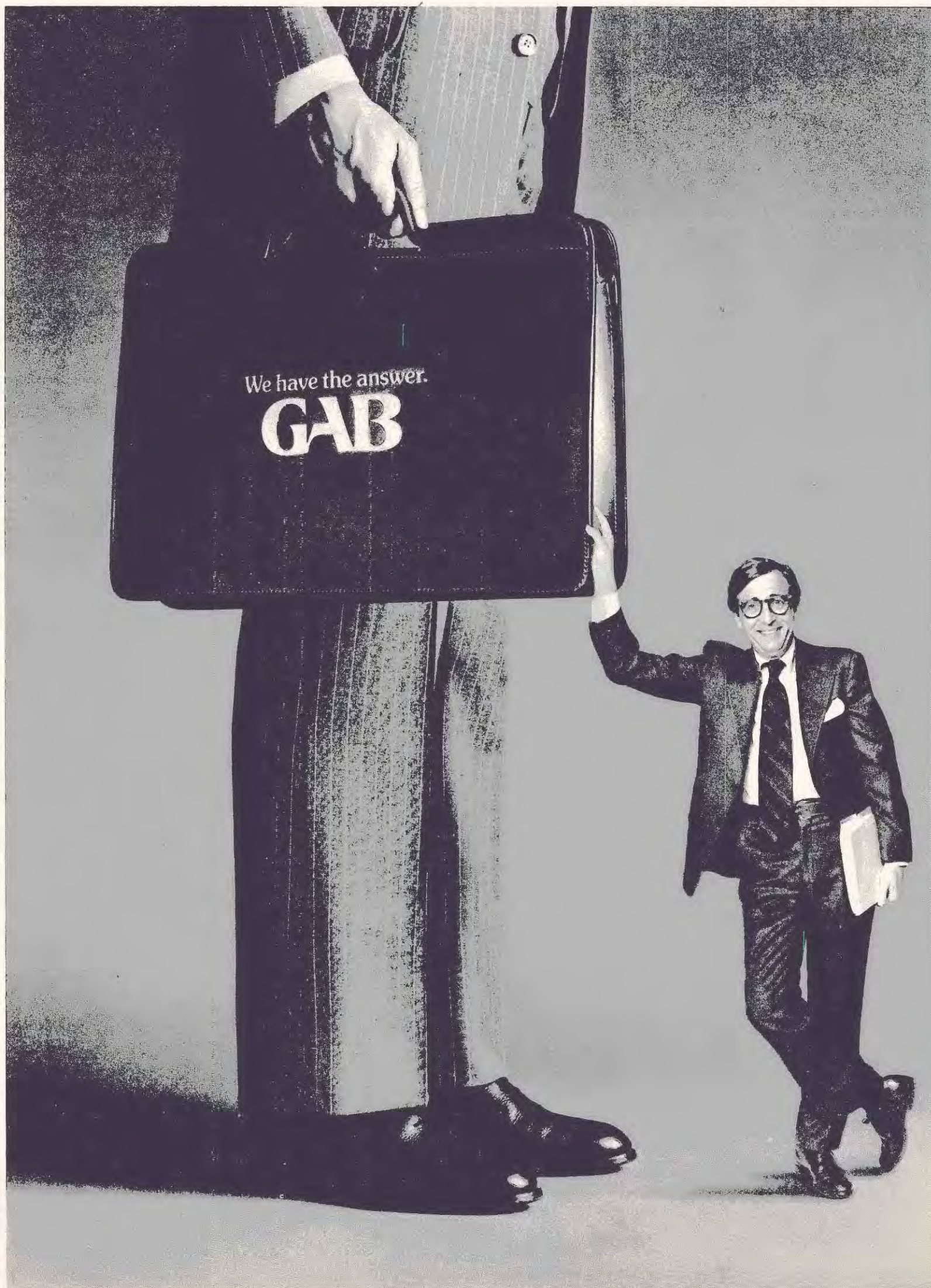
warned, "fashions and opinions do change."

J. Howard Bunn Jr., former director of the Interdepartmental Workers Compensation Task Force that succeeded the national commission, noted that the national commission did not foresee how improved benefits would attract claimants "and the legal profession."

Mr. Bunn suggested there are serious issues to be further considered, such as how to strike a balance between a concern for a reasonable benefit level and the

concern for maintaining an incentive for a worker to return to work, how to compensate a worker partially though permanently disabled, how to improve program administration and how to compensate for occupational disease.

Mr. Bunn predicted there wouldn't be federal minimum standards adopted for at least a couple of years. But Mr. Collyer of the UBA later warned that unless the business community stays informed and raises its voice, it's possible anything can get through Congress.



Home establishes new risk unit

NEW YORK—The Home Insurance Co. has established a new profit center, Home Insurance Risk Management Inc., to provide services and reinsurance for large commercial accounts.

The new unit will be headed by Ian R. Heap, senior vp, Scott Wetzel Services, another Home unit.

people

continued from page 122
human resources director.

John W. (Bill) Schweitzer, 41, is the new risk and property manager for H.E. Butt Grocery Co. in Corpus Christi, Tex., reporting to secretary Wesley Nelson. His new position was open for more than a year following the move of **Tom R. Ainsworth**, 39, to director of risk

management at Service Merchandise Co. in Nashville, Tenn. Mr. Schweitzer previously was an insurance manager at Top Value Enterprises in Dayton, Ohio, where they have no plans to fill the position.

Ray Niemans, 42, has been named manager of employee benefits for the Donaldson Co. of

Minneapolis. Previously, Mr. Niemans logged 16 years as manager of human resources with Minnesota Mutual Life Insurance Co. of St. Paul. Mr. Niemans replaced Fred Moen, who left Donaldson to go into private consulting. He reports to Vern Gunderson, vp of personnel. Taking over Mr. Niemans' duties with employee benefits at Minnesota Mutual is **Gary Porter**, 23, who has been methods analyst with the company for two years. Mr. Porter reports to Cindy Gilpin, who has taken the title of manager of

human resources.

Patrick Cahill, 33, has been promoted to assistant director of risk management at American Standard Inc. in New York. He gained additional duties for international insurance with the promotion. Mr. Cahill, who has been with the company since 1975, reports to Norman B. Chanzis, director of risk management.

In a newly created risk management position, **William H. Fischer**, 30, has been hired as the director of

patient care at the University of Cincinnati's Medical Center. Mr. Fischer is developing a risk management program for the hospital. In addition, he is responsible for a \$10 million self-insurance fund as well as design and review of professional and general liability, property, casualty, and analysis of patient care liability information. Mr. Fischer holds a law degree and previously worked at Union Hospital in Lynn, Mass. There, as director of patient services, he was an in-house attorney, risk manager and administrative division director. Union Hospital hasn't filled his position.

Sun Electric Corp. in Crystal Lake, Ill., has hired its first full-time risk manager to place new emphasis on self-insurance and safety programs. **Peter A. Steinbach**, 41, joined the company as risk and insurance manager. He reports to director of financial services Byron N. Cohen, who previously handled insurance on a part-time basis. Mr. Steinbach's new position follows 13 years as supervisor of property and safety at Chemetron Corp. in Chicago. Chemetron recently sold out to Allegheny Ludlum Steel in Pittsburgh and risk management duties were absorbed by employees of the steel company.

The employee benefits department of Warner-Lambert Co. in Morris Plains, N.J., has been expanded following the retirement of **Joseph Kochunas** as employee benefits administrator. **J. Pat Gibson** has joined the staff as manager of benefit development and control. He previously worked for Becker Co., an employee benefits consulting firm in East Orange, N.J. Also added in the department was **Robert Buchman** as administrator of benefit communication and compliance. He moved from Wallace Murray Corp. in New York where he was assistant manager of benefits. Succeeding Mr. Buchman is **Joanne M. Wolff**, 28, as administrator of pension services. Ms. Wolff previously was a actuarial assistant for George B. Buck Consulting in New York.

In another change at Warner-Lambert, **Edward McKenna** has been promoted to manager of benefit administration, in charge of retirement, savings and long-term disability.

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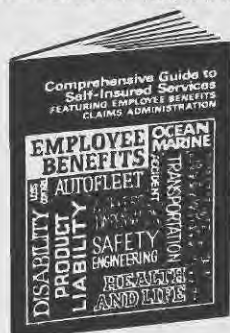
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people

Chemical firm names Scott risk manager

William M. Scott, 43, has joined Terra Chemicals International Inc. in Sioux City, Iowa, as risk manager. He is responsible for the company's property and casualty insurance program and reports to treasurer James H. Anderl. Before joining Terra, Mr. Scott served as a consultant with Corporate Policyholders Counsel Inc. in Chicago, responsible for risk management of client companies. He has also worked as a senior risk analyst with Abbott Laboratories and as insurance manager with Universal Products Co. At Terra, Mr. Scott replaces **R. K. Dreher**, who was a financial administrator.

At Ingersoll-Rand Co. in Woodcliff Lake, N. J., **Andrea M. Schmidt**, 26, has been promoted to insurance administrator from administrative assistant. She reports to Jack W. Lyon, director of risk management.

With the corporate move of Great Western United Corp. from Denver to Dallas, the company has lost two employees in the risk management department. **Raymond W. Stephens II**, 41, formerly Great Western's risk manager, has joined Dillingham Corp. in Walnut Creek, Calif., as risk manager, reporting to vp of finance Gregg Robertson. At Dillingham, he replaces **James B. Runyan**, who joined Fireman's Fund Insurance Co. in San Francisco to create a risk management department.

Dale Gray, who was assistant risk manager for Great Western, joined Timpco Inc. in Denver in a newly created position as risk manager. Great Western, which has changed its name to Hunt International Resources Corp., plans to handle risk management functions through its Denver broker, Warren & Sommer.

Spencer J. Traver, 49, has been promoted to assistant treasurer to become one of 28 officers at B.F. Goodrich in Akron. He retains his former duties as director of risk management. Mr. Traver, who reports to the treasurer of the company, plans to hire four additional risk management employees by the end of the year.

In a newly created insurance position at Emhart Corp. in Farmington, Conn., **Robert G. Moody**, 29, has been hired as insurance assistant with property and casualty insurance duties. The position was created, according to Paul C. Black, manager of property and casualty insurance, because the firm recently merged with U.S.M. Corp. in Boston, creating a need for an expanded insurance staff. Mr. Moody was previously an account executive for Corporate Systems Corp. in Amarillo, Tex.

Effective Aug. 14, **Robert J. Bessell**, 34, will become the new employee relations administrator at Wisconsin Power & Light Co. in Madison, Wis. Reporting to James W. Bintl, compensation and benefits supervisor, he handles communication of benefits, development of long-range benefit plans, pre-retirement counseling, health prevention, ERISA reporting and general administration of benefits. Mr. Bessell moves from St. Elizabeth Community Health in Lincoln, Neb., where he was

Continued on page 121

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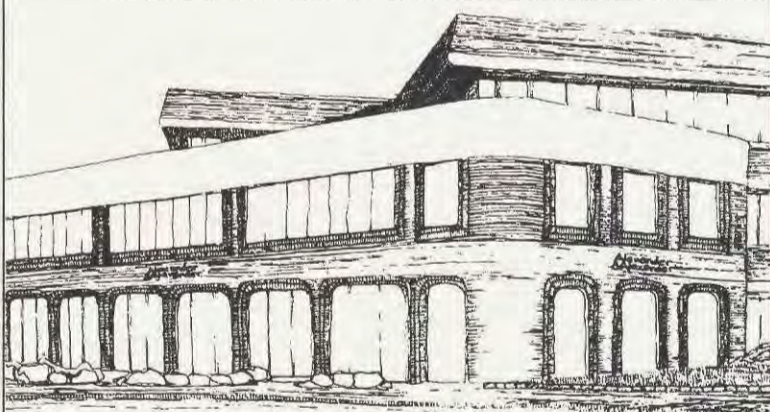
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Lloyd's probe . . .

Continued from page 1
insurance subsidiary, the Folwell Organization.

Lloyd's wants to explore the situation to discover if there are any matters that ought to have been brought to light before the litigation began this year.

It will have the right to look more closely into the activities of brokers Brentnall Beard, a \$5 million public company, in case there has been any conflict with the strict principles which Lloyd's establishes for both broking and underwriting operations in the U.K. market.

The inquiry comes on the heels of announcements that U.S. broking firms cannot normally hold more than 20% interest in Lloyd's brokers because this would jeopardize the effective working of its self-regulatory powers on which Lloyd's takes such a firm stand.

It is the second time this year that Lloyd's has been publicly forced to hold an internal inquiry into a broker's activities, as it is still reviewing a broker's quarrel over \$1 million in Fiat auto claims which were suspected to be fraudulent.

A Lloyd's spokesman told *Business Insurance* in connection with the Brentnall Beard move: "Whenever there is a problem at Lloyd's, the committee has a duty to investigate it, not only with regard to the past, but with a view to the future, to see whether any loopholes need to be closed."

Broker unruffled

But he refused to elaborate on the grounds for the inquiry until they are communicated to Brentnall Beard, or to say why it had been found necessary at this stage of the affair to look into the conduct of transactions which might have taken place as long ago as 1976-77 on U.S. insurance coverage.

Brentnall Beard says it welcomes the inquiry. Derek Gravestock, one of its directors, told *Business Insurance*: "We have no idea why it is necessary to have an inquiry, but we will be happy to place all the facts before (the committee). We have kept the committee of Lloyd's fully informed of matters concerning Sasse and I.R.B. since late 1976. Everything we know has been passed on to Lloyd's already."

Sources in London believe the inquiry has been prompted by new revelations about the placing of New York fire risks that were brought to Sasse by Den-Har Underwriters and were later rein-

sured with I.R.B. (Instituto de Reaseguros do Brazil) through Intra Global Reinsurance Facilities of Houston, Texas.

Recently, sworn testimony was delivered by I.R.B. to the British High Court in which it was alleged that Lloyd's U.S. attorneys became worried in May 1976 about this type of business. There were fears that some of it was being produced by a U.S. operator named John Goepfert, who ran Resources Facilities in New Jersey at that time. Later the operation was moved to Florida.

Goepfert probed

Mr. Goepfert, Resources Facilities Inc. of New Jersey and RF Agency Inc., a New York subsidiary of Resources, are under investigation by the New Jersey and New York insurance departments in connection with the Den-Har affair and other matters. However, department officials were unwilling to reveal further details.

Mr. Goepfert has filed third-party suit against officials of both departments as part of a response to a suit filed in February 1976 against Mr. Goepfert by Argonaut Insurance Co. That suit charges Mr. Goepfert with diverting \$7 million in premiums due Argonaut. Mr. Goepfert and Resources Facilities were defendants in earlier suits brought by North American Co. for Property and Casualty Insurance (NACPAC) and All-Star Insurance Corp.

Brentnall Beard has done business with Den-Har for some substantial period of time and say they "had no qualms about taking business from him," so later gave him a binder authority on their behalf to accept business.

But, according to the affidavit, Den-Har had not received full approval under Lloyd's tribunal procedures to take such business. Later Intra Global, run by Edward T. (Ted) Smith, another former U.K. insurance man, came on the scene for the purpose of reinsuring the U.S. property risks involved.

Fears were later voiced that many of the policy certificates were being issued from Mr. Goepfert's offices and the quality of the business became the subject of concern.

But Stanley Elsbury, chairman of Brentnall Beard, which has been a public group with Canadian insurance interests since 1969, stressed at its recent annual corporate meeting in London: "We do not believe the Sasse problems will have any serious effect on our group."

Lloyd's to insure NBC for '80 Olympics

NEW YORK—The political overtones of holding the 1980 Olympics in Moscow might have influenced National Broadcasting Co.'s decision to purchase insurance against cancellation of the games from Lloyd's of London.

NBC, which paid the Soviet government \$85 million for exclusive rights to coverage of the event, reportedly took out a \$40 million policy from Lloyd's with a premium estimated to be \$2 million.

The coverage insures NBC against cancellation of the 1980 Olympics due to political disagreements among participating nations or against United States withdrawal from the games. At the time of gaining rights to the games, NBC said it would get a refund from the Soviets in the event of cancellation.

However, an NBC spokesman noted "there are endless 'what ifs'" in an event with as many political overtones. Networks typically are indemnified by program packagers or suppliers, "but since this is on a much larger scale . . . we're taking prudent financial steps against the remote possibility that the event might be cancelled," the spokesman said.

NBC insurance department officials declined further comment and the spokesman did not know which Lloyd's syndicate was lead underwriter.

An official of the American Broadcasting Co. insurance department said he did not believe that company took out a cancellation policy when it covered both summer and winter Olympic events in previous years.

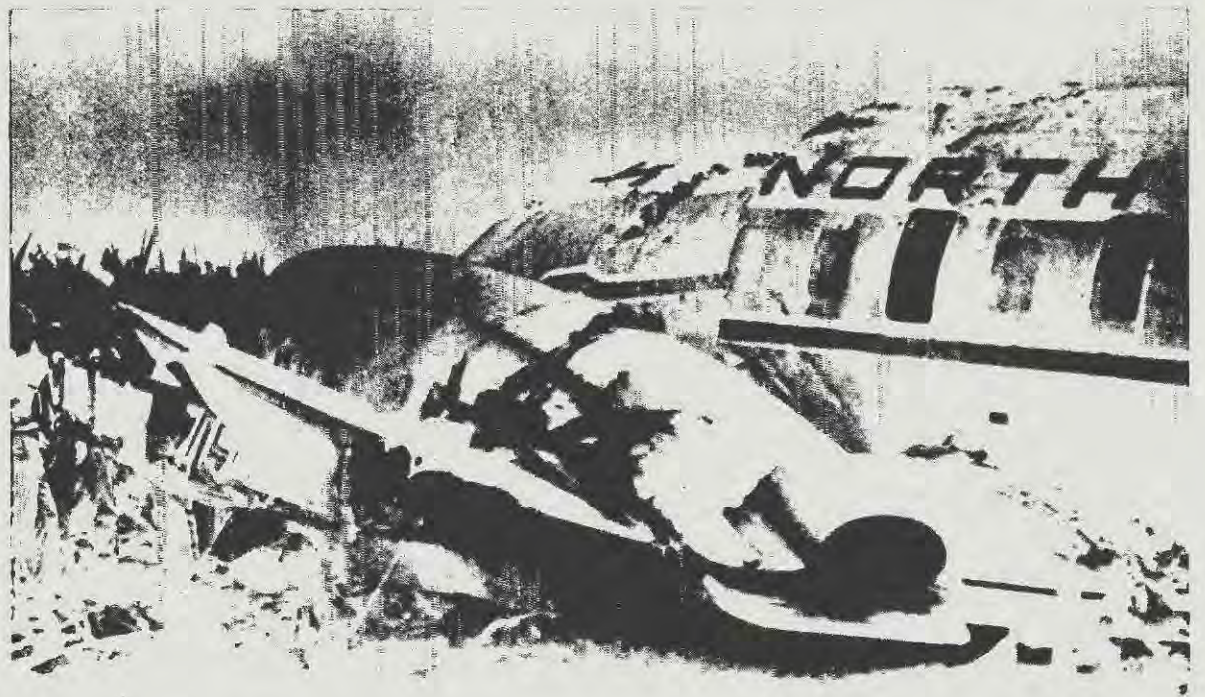


Photo: Wide World

43 escape death

No one was killed in this crash landing of a propeller-driven North Central Airlines plane in a cornfield shortly after takeoff from Kalamazoo, Mich., on July 25. Only two of the 43 passengers and crewmen had to be hospitalized from injuries suffered in the mishap which ap-

parently was caused by a loss of power to one of the plane's engines. The pilot was able to set down and slice to a stop in the cornfield. Marsh & McLennan's Minneapolis office brokers the airline's insurance, reportedly primarily to Lloyd's.

National health . . .

Continued from page 1.

- Will be financed by the government, employers and employees, though it isn't clear what percentage of cost each group would be expected to pay

- Will include a significant role for the private insurance industry, "with appropriate government regulation."

The next stage in the Administration's timetable for national health insurance is a detailed tentative plan which will be released by the end of the year, Health Education and Welfare secretary Joseph Califano said. The final proposal would be submitted to Congress in 1979, Mr. Califano added.

The principles released last month generally closely resemble what Administration officials had previously said would be the elements of a national health insurance plan.

However, for the first time, the Administration firmly committed itself to a complex phase-in approach to national health insurance.

Phased approach

As Mr. Califano described it, the plan would move gradually from one phase to the next. However, if economic problems such as high inflation cropped up, the plan would not move to the next phase until the current problems were solved.

Similarly, if administrative snafus arose or if huge cost overruns resulted the plan could be put in a temporary holding pattern. "The experience of other government programs in which expenditures far exceeded initial projections, must not be repeated," the Administration explained.

"The phase-in period is exceptional," said William Hopewell Risk & Insurance Management Society vp for government and industry relations. "It is the first time I ever have seen Washington trying to phase in something rather than trying to figure out what to do with a program (such as Medicaid and Medicare) after it is too late."

But Sen. Kennedy charged that the phase-in approach could allow health insurance opponents to sabotage the plan. He also was opposed to an automatic trigger, such as high inflation, that could "actu-



HEW secretary Joseph Califano says problems such as high inflation could delay the Carter national health insurance program.

trarily kill the program."

Mr. Califano did not give any estimates as to what a national health insurance plan would cost. He said much of the expected cost of the plan would be absorbed by "aggressive" health care cost controls, but he did not describe how such controls would work.

Some health experts questioned President Carter's commitment to national health insurance despite the introduction of the principles. "The Administration really doesn't have any enthusiasm for national health insurance," said an attorney for an insurance trade group. "Jimmy Carter released the principles to try to satisfy Sen. Kennedy and Doug Fraser (of the UAW), not because he's committed to a plan."

Pragmatic Carter

But a government affairs director for a major supplier of group medical and health insurance said President Carter has proven to be very pragmatic on the issue of national health insurance. "He's for it, but he realizes the bottom line is whether the economy can handle such a program. That's why he's taking a go-slow approach."

The Administration could lose support of business and insurance

groups as it becomes more specific in its proposals. "The principles can be interpreted in various ways and we hope the Administration is interpreting the principles the same way we are," said Paul Hawkins, vp and Washington counsel for the Health Insurance Assn. "But if the Administration puts a different interpretation on them, then we'll have to wait and see."

"We may have a problem with how these principles are interpreted," said Mr. Ozga of the Chamber of Commerce. The Chamber as well as Blue Cross/Blue Shield already are concerned about what the Administration means by "appropriate government regulation" for private insurers participating in the plan.

Little reaction

The release of the principles triggered little reaction on Capitol Hill with the exception of Sen. Kennedy, who may introduce his own national health insurance bill.

"National health insurance is not the priority issue it once was," said Willis Goldbeck, director of the Washington Business Group on Health.

Secretary Califano said the Administration would like to have national health insurance legislation passed in 1980, but Mr. Goldbeck and other health care observers believe that goal is not realistic.

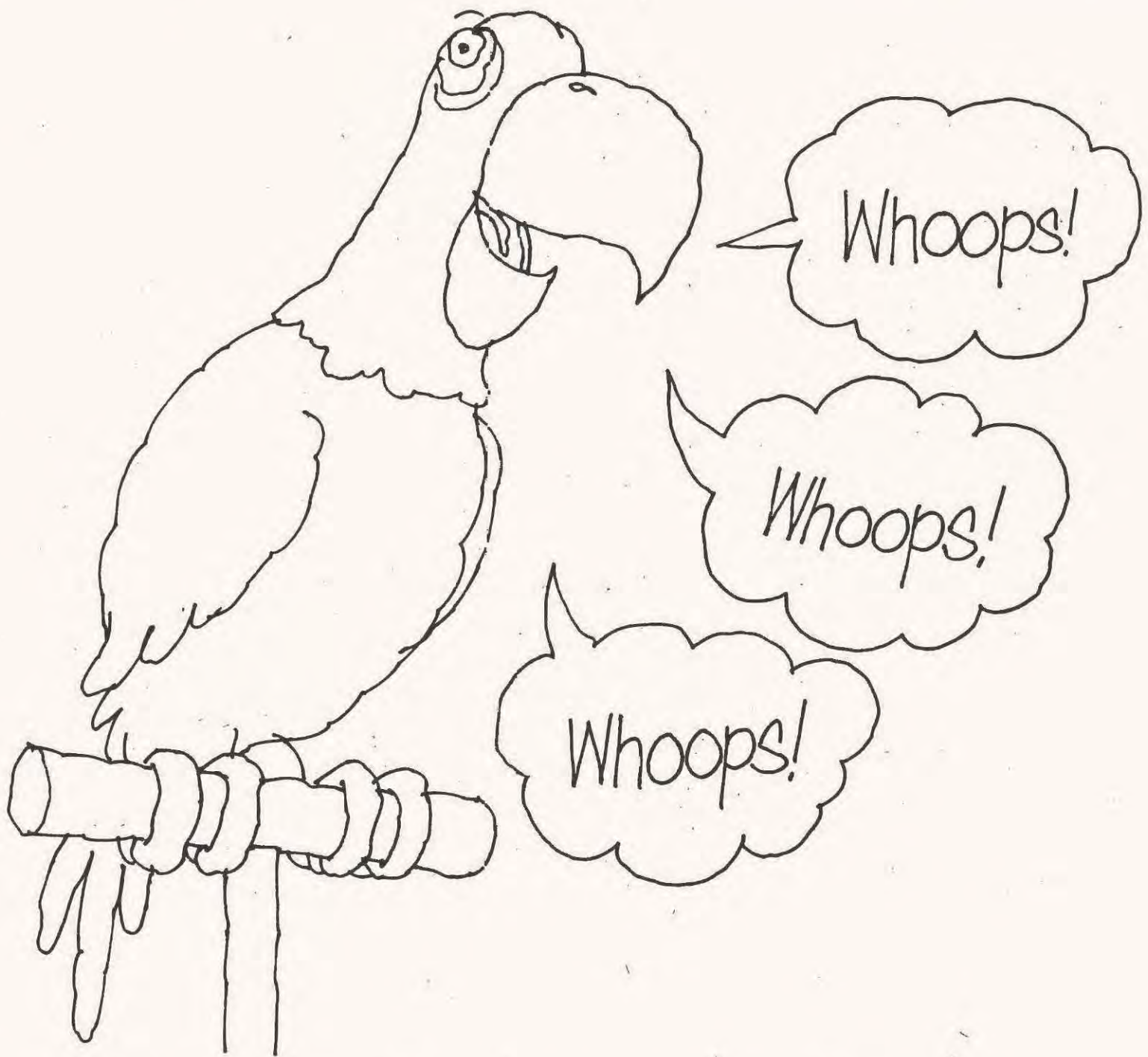
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