

# Business Insurance

Reporting Weekly on Corporate Risk, Employee Benefit and Managed Health Care News / \$4

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## Updates

### United HealthCare's latest deal: \$290 million to buy HealthWise

MINNEAPOLIS—United HealthCare Corp. has acquired HealthWise of America Inc. to expand UHC's operations in the South and also to provide greater access to managed care services to enrollees of UHC's MetraHealth Cos. acquisition.

The stock-for-stock deal is worth \$290 million.

UHC, the nation's third-largest health maintenance organization with more than 3.7 million members nationwide, would gain 154,000 members in the deal. Nashville, Tenn.

See Updates on next page

## Shutdown...what shutdown?

Budget impasse stalled U.S. government but not risk managers

By MARK A. HOFMANN and DEBORAH SHALOWITZ COWANS

WASHINGTON—Though the ongoing budget debate has twice brought the federal bureaucracy to a standstill and leaves the fate of some federal agencies up in the air, most risk managers say their agendas are not affected.

In fact, many risk managers described the shutdowns as a "non-event," even though such agencies as the Environmental Protection Agency, the Equal Employment Opportunity Commission and the Occupational Safety and Health Administration all

essentially closed up shop twice in recent months. Most agencies ground to a halt for a week in mid-November before reopening—only to be shut down for another three weeks when the president and congressional leaders got snagged in another budget impasse.

Although the second shutdown officially ran from Dec. 16 through Jan. 7, a blizzard prevented the government from truly gearing up until Jan. 11, when it remained open for one day. It had to shut down the next day because of another winter weather assault.

But for risk managers, the temporary absence of federal oversight had little impact on their daily operations.

"From our standpoint, it was pretty

much business as usual. I think we viewed it as a non-event," said Lou Drapeau, manager-risk and insurance management for The Budd Co., an auto parts manufacturer in Troy, Mich.

"We've had no disasters here that would cause us to be involved with FEMA or any other agencies. As far as we were concerned, it was very quiet and business as usual, no problems at all," said Frank E. Locke, administrator-risk and insurance for Oklahoma Natural Gas Co. in Tulsa.

Dave Haight, director of risk management for CF Industries Inc. in Long Grove, Ill., said he is "not really aware of any direct impact on us" of the gov-

See Shutdown on page 60

## All that glitters may not be gold

Coverage of reported gold stock pile is questioned by insurers

By DOUGLAS McLEOD

NEW YORK—London market insurers are investigating an apparently bogus insurance certificate purporting to cover \$2.6 billion in gold and platinum ore allegedly stored in a Las Vegas warehouse.

The certificate purportedly insures First Capital Resources Ltd., a firm that has operated through a Dallas post office box and that tried to use the insurance late last year to support a proposed loan deal backed by the ore.

That deal never went through, in part because of questions about the

validity of the coverage. The London insurers supposedly on the risk—which would generate \$78.5 million in premiums—knew nothing about it.

Adams Special Risk Inc., the Carrollton, Texas, insurance agency that supposedly issued the certificate, says it is forged.

Much else about the affair remains a mystery, though, including who produced the certificate, who owns the purported ore stockpile and where it is actually located.

The insurance certificate and an assay report say only that the ore is stored at "Wheatland Warehouse" in Las Vegas, but no address is given and

Wheatland has no phone listing.

Morris Rayblatt, who acted as "attorney-in-fact" for First Capital in Dallas, declined to provide any information about Wheatland or to answer several other questions, including how First Capital obtained the insurance certificate.

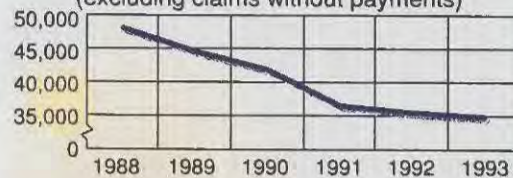
He insisted, however, that the certificate "was not a fraudulent document."

Mr. Rayblatt said he would refer questions to Robert Louder, whom he identified as First Capital's owner. He would not provide Mr. Louder's phone number, though, and Mr. Louder could

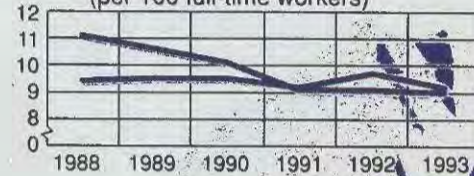
See Gold on page 61

## The Oregon Trail

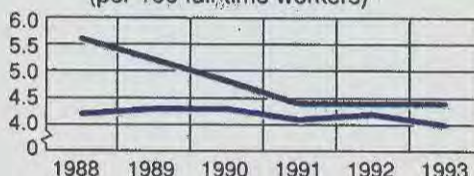
Workers comp indemnity claims fell... (excluding claims without payments)



...as did occupational illnesses/injuries... (per 100 full-time workers)



...and lost workday cases. (per 100 full-time workers)



Source: Worker Compensation Research Institute

GRAPHIC BY KIM ROME

## Oregon blazes trail in workers comp

Effort is bellwether for states

By MEG FLETCHER

Analyzing Oregon's "breakthrough" workers compensation reforms offers some important lessons for other states, a new study says.

"As the first state to make sustained cost reductions in its workers compensation system, Oregon has become a bellwether for states seeking similar results," says the Workers Compensation Research Institute, a non-profit group in Cambridge, Mass.

From an employer's perspective, Oregon's major workers compensation reforms in 1987 and 1990 (BI, May 28, 1990), combined with changes effective in 1992-1993, have produced some "striking" results.

"Workers comp rates are at about half of what they were in 1990," said Dr. Thomas Reardon, who has a general medical practice near Portland and also operates a small plant nursery.

In fact, pure premium from 1991 to 1996 declined a cumulative total of 43.9 percentage points, saving employers millions of dollars. Employers were not the only ones to benefit from the changes, which also increased the value of permanency benefits to the more severely disabled workers.

The 160-page study "offers lessons for other states that look to Oregon as a model for cost containment," said Richard A. Victor, the WCRI's executive director. "It should help ground other states in a more useful reality—and prevent states from enacting pieces of the Oregon reforms with unrealistic expectations."

The study's findings typify the outlook of all interested parties—risk managers, a former insurer, a labor representative and the state's top insurance administrator.

See Oregon on page 63

## Pension plan changes along with workforce

Life insurer is latest big company to adapt to greater mobility of staff

By JERRY GEISEL

ST. LOUIS—Another big company is trying to provide more meaningful benefits to shorter-service employees and mid-career hires by redesigning its pension plan.

On Jan. 1, General American Life Insurance Co. of St. Louis converted its traditional final average pay plan, which has about 3,000 participants and \$115 million in assets, to what it calls a performance pension plan. It, like similar plans that other big companies have set up recently, is designed so that benefit values accrue more evenly.

Under the new plan, credits that are expressed as percentages will be used to calculate pension benefits. Those percentages gradually increase with age from 2% for each year of service under 35 to 8% beginning at age 55. Employees whose final average salary exceeds 60% of the maximum Social Security wage base in the year in which they end employment will receive additional credits.

When employees leave the company or retire, the percentages

See Pension on page 60



Spotlight on Self-Insurance

Page 3

Directory of third-party claims administrators

Page 21

## Updates

### United HealthCare grows again

*Continued from previous page*

Tenn.-based HealthWise owns and operates HMOs in Arkansas, Kentucky, Tennessee and Maryland, where its operations soon will be expanding into Washington. Virginia also recently licensed HealthWise. UHC sees Arkansas and Tennessee as very high growth markets.

HealthWise's operations in the other locations would give UHC immediate access to managed care services for its MetraHealth members, many of which are enrolled in traditional indemnity plans. UHC acquired the joint venture of Metropolitan Life Insurance Co. and Travelers Corp. last year (*BI*, June 26, 1995).

In addition, UHC hopes to quickly expand its Medicare risk program through HealthWise's Maryland program. Less than 2% of the state's 580,000 eligible enrollees are in such plans, according to UHC.

In the pooling-of-interests transaction, which is subject to regulatory and HealthWise shareholder approval, each HealthWise share would be converted into 0.65 of a UHC common share.

### GE Capital backs new insurer

STAMFORD, Conn.—CORE Insurance Holdings Inc., a new underwriter specializing in alternative risk transfer, has been capitalized with about \$40 million primarily from GE Capital Services Inc.

GE Capital, a unit of General Electric Co., has contributed more than 80% of the initial capital through its Employers Reinsurance Corp. and Equity Capital Group units. The rest has come from investment partnerships managed by Conning & Co. and management.

CORE will be parent of CORE Insurance Co. Inc. of Vermont and CORE Reinsurance Ltd. of Hamilton, Bermuda (*BI*, June 19, 1995). Employers Re's Westport Insurance Corp. unit will issue policies for the Bermuda unit.

The CORE units, both broker markets, will write excess insurance and reinsurance for captives, risk retention groups and large self-insurers, focusing on general liability, commercial auto and workers comp.

The coverages are intended to attach directly above clients' retentions, with limits of up to \$10 million for excess insurance and between \$2 million and \$5 million for reinsurance, said Craig N. Johnson, a CORE executive vp and former officer of SCOR U.S.

Most of the initial capital will go into the Vermont company, which CORE plans to have licensed in all 50 states, Mr. Johnson said.

CORE is headed by Daniel G. Marren, chairman and CEO, a former president of Commercial Risk Partners Ltd. and chief financial officer of Centre Reinsurance Holding Ltd. of Hamilton, Bermuda.

### American Re boosts reserves

PRINCETON, N.J.—American Re Corp. is reporting a \$198.5 million net loss for 1995's fourth quarter and a \$87.6 million loss for the year following a \$347.4 million pretax boost to reserves for asbestos, environmental and other latent liabilities.

The reserve increase, which totals \$587 million on a gross basis before reinsurance and retrocessions, relates primarily to incurred-but-not-reported claims in pre-1986 accident years, the company said.

Included also in the \$87.6 million loss for 1995 is \$6.5 million in catastrophe losses attributable to third- and fourth-quarter Caribbean storms.

The loss compares with \$97.6 million in net income for 1994, which included \$43 million in catastrophe losses stemming primarily from the January 1994 Northridge, Calif., earthquake.

Standard & Poor's Corp. affirmed American Re's AA claims paying ability, while A.M. Best Co. affirmed its A-plus rating.

### Sedgwick in Russian venture

LONDON—Sedgwick Aviation Ltd., a unit of Sedgwick Group P.L.C., will help place coverage and provide risk management services for the Russian Space Agency.

Under a three-year agreement, Sedgwick Aviation's London-based space services division will help the 4-year-old space agency tap Western reinsurance and provide consulting services.

Yuri Milov, deputy managing director of the Russian Space Agency, said the agreement will help the agency "access the vast experience of Sedgwick in developing risk management programs—which we see as a necessary prerequisite for us to make further inroads into the international space service market."

Sedgwick estimates that insurance requirements for non-Russian companies operating in Russia could be \$250 million to \$500 million. Russian insurers are often unable to provide adequate capacity and many Russian companies have difficulty getting insurance elsewhere.

—See Updates on page 62

### Errors and omissions

- On page 48 of this issue, the directory listing for Integrated HealthCARE Delivery Services Corp. misstates the area served. It should say: nationwide, excluding Alaska, Hawaii and Maine and pending final approval in other states.

- The Jan. 22 Risk Management Information Resource omitted a guide to the 1986 Liability Risk Retention Act from Risk Retention Reporter. To receive a copy, request item 303 using the coupon in the Jan. 22 issue. If you do not have a copy of that coupon, call Rich Trout at 312-649-5483.

- A Jan. 29 update misstated the details of a new New Jersey premium finance law. The final version of the law permits penalty charges of up to 1.5% of any size delinquent payment, but insurers may assess a minimum delinquency charge of \$25.

# IRS targeting 403(b) plans

## As employers expand savings plans, compliance falters

By JUDY GREENWALD

Tax-exempt organizations that offer 403(b) annuities as part of their retirement savings programs are looking nervously over their shoulders—and with good reason.

Despite the risk of added IRS oversight, a growing number of eligible employers are enhancing their 403(b) plans—also called tax-deferred annuities—to make them more attractive to workers, benefit experts say.

The annuities are the focus of an

ongoing Internal Revenue Service audit program that has led to corrections and sanctions ranging from \$500 to several million dollars for institutions that offer the programs, say IRS officials.

The intense scrutiny follows a long period of the annuities being "pretty much undisturbed," says Bob Architect, quality control officer in the IRS' employee plans division in Washington.

The 403(b) annuities, which can be offered only by tax-exempt institutions like public schools, hos-

pitals, churches and charities, generally operate like 401(k) plans, in which a portion of employee salary is set aside on a tax-deferred basis. The annuity contracts are offered by insurers as well as an increasing number of mutual funds attracted by their healthy profit margins.

No official data is available on the size of the 403(b) market. However, observers estimate funds in the market at \$270 billion to \$300 billion and expect

See 403(b) on page 62

# Court stays out of the fray

## Judge details reasons for rejecting CIGNA hearings

HARRISBURG, Pa.—A Pennsylvania court's written decision on its refusal to step into the CIGNA Corp. reorganization fracas shows it remains open to critics' arguments, though it hints public hearings on the plan were adequate, the critics' attorneys say.

Critics of the plan—several CIGNA policyholders and rival insurers—had asked the Pennsylvania Commonwealth Court to order Insurance Commissioner Linda S. Kaiser to conduct courtroom-type hearings so they could cross-examine CIGNA officials and actuaries who back the plan. The critics hope that would enable them to uncover data on the financial strength of the plan that remain hidden in actuarial reports the Insurance Department and CIGNA refuse to make public.

Ms. Kaiser held three hearings at which witnesses only could

read prepared statements on CIGNA's plan to reorganize into an active company for ongoing business and a separately capitalized runoff company, with no parental guarantee, for environmental and asbestos liabilities.

The critics also asked the court to stay any approval order. President Judge James Gardner Colins ruled against the critics on Jan. 11 (*BI*, Jan. 15) but did not release his written order until Jan. 25.

Noting that no court has interpreted the section of a 1990 Pennsylvania law requiring the insurance commissioner to hold a public hearing on insurer reorganizations, Judge Colins referred to a state supreme court decision that an identically worded provision in the state's health plan act did not require an adversarial hearing.

But, that ruling came in a ratemaking case, so insurers

were able to make rating adjustments later, said attorney Lawrence T. Hoyle Jr. of Hoyle, Morris & Kerr of Philadelphia, who represents several CIGNA policyholders and insurers. "In our situation, there is no later opportunity," he said.

More importantly for the critics, Judge Colins said their right to an adversarial hearing will not be clear until Ms. Kaiser rules on the plan, said Mr. Hoyle and Floyd Abrams of Cahill Gordon & Reindel of New York, who represents American International Group Inc.

They also said the ruling in no way would hamper critics from appealing an approval order on the merits of the plan, rather than the hearing procedure.

A department spokeswoman said the ruling shows the commissioner complied with state public hearing requirements.

—By Dave Lenckus

# Kaiser to contract with hospitals

## California hospital bed glut leads HMO to new approach

By JUDY GREENWALD

OAKLAND, Calif.—For the first time, the nation's largest health maintenance organization will begin forging alliances with local hospitals on its home turf, rather than build new facilities or refurbish those it already owns.

Benefit specialists call the move by Oakland, Calif.-based Kaiser Permanente a reasonable response to the glut of hospital beds in Northern California and say it could reduce pressure on the HMO to raise rates for its 2.4 million members in the region.

Kaiser—which has used the technique elsewhere—initially plans to negotiate with Children's

Hospital and Summit Medical Center in Oakland and Alta Bates Medical Center in Berkeley, said a spokesman.

The HMO noted that several of its facilities will need to be replaced or modernized over the next decade, including its Oakland Medical Center. There are already 5,000 more hospital beds than needed in Northern California, a total that is expected to double by the year 2000.

Kaiser is "looking at how to deal with a very changed hospital environment," said the spokesman, noting that over the last decade, the length of hospital stays has dropped dramatically.

For now, however, the HMO

plans to keep open its option to build a hospital in Emeryville, Calif., pending the outcome of negotiations with the three hospitals.

Elsewhere in the region, Kaiser could decide to continue using its own facilities or have local community hospitals use Kaiser facilities. "We'll look at this based on a range of issues within the given service area," said the spokesman.

He said the decision to forge alliances with the three East Bay hospitals was the culmination of a nine-month assessment. That assessment is in a "much more preliminary state" in the South Bay, which includes San Jose, he said.

See Kaiser on page 62

## Inside

- A bill that would curb health policy exclusions should not be burdened with amendments, this week's editorial says. **PAGE 8**

- Chemical leaks at Hoechst plants in Germany prompt new safety plans. **PAGE 57**

- Insurance will cover only a small part of fire damage to a Venetian opera house. **PAGE 57**

- Blues plans in Illinois and Texas propose a merger, possibly the first of many. **PAGE 60**

## Departments

Advertiser Index.....44

Classifieds.....	58
Comings & Goings: Industry .....	61
Directory of Third-Party Administrators .....	21
Insurance Services Guide .....	59
International .....	57
Letters.....	8
Opinions .....	8
Reader Reply Service .....	44

*Business Insurance* (ISSN 0007-6864) Vol. 30, No. 6, is published weekly by Crain Communications Inc., 740 N. Rush St., Chicago, Ill. 60611-2590. Second-class postage is paid at Chicago and at additional mailing offices. POSTMASTER: Send address changes to *Business Insurance*, Circulation Department, 965 E. Jefferson Ave., Detroit, Mich. 48207. \$4 a copy and \$85 a year in U.S. \$105 in Canada and Mexico (includes GST). All other countries \$205 a year (includes expedited air delivery). Canadian Post International Publications Mail Product (Canadian Distribution) Sales Agreement No. 0293512, GST No. 136760444. Printed in U.S.A. Copyright 1995 by Crain Communications Inc.

# Self-insurance

## Self-insurers resist the lure of falling rates

Most eschewing short-term savings in favor of control of coverage

By RODD ZOLKOS

**C**ompetitive pricing might be prompting some self-insurers to take a look at buying coverage, but most seem content to stick with their existing programs.

In sticking with self-insurance despite attractive prices in some lines, these entities are focusing on their programs' value as part of a long-term coverage strategy and the added control the programs are designed to provide.

Nissan North America Inc. typifies that attitude.

"Change in the insurance market doesn't affect Nissan's decision to self-fund or even self-insure," said Dean A. Reynolds, director of risk management for the Torrance, Calif.-based unit of Nissan Motor Co. Ltd.

"We have a general philosophy and financing arrangement that extends over multiple years rather than looking at the vagaries of the market from time to time," Mr. Reynolds said. "I'm sure there may be other companies which jump in and out of the market on a more volatile basis depending on the affordability, but ours is really a much longer-term approach."

No matter how attractive premiums are, companies that have shifted to self-insurance rarely switch back, said John B. Stites, vp in Warren, N.J.-based Chubb Corp.'s risk management business.

The reason, Mr. Stites suggested, is that self-insurance offers many attractions that can counter any lower cost of buying insurance, such as long-term control over the insurance program and control over the claims process and claims defense.

Bill McBurnie, a vp at Johnson & Higgins in New York, noted that for many corporations the cost of self-insuring vs. insuring is usually only one of many factors in their decision, and "it may not be a factor at all."

"Those entities are driven to self-insuring by a risk management or risk financing philosophy," he said. "Or perhaps because company officials determine the organization has the wherewithal to self-insure and they're reluctant to give up the control that comes with it."

"One of the biggest advantages of self-insurance for many of our clients is the control it gives them," he said, particularly in areas such as claims handling and defense of claims.

Still, with the casualty market so soft, some companies might "buy down" some of their self-insured retentions, said Mr. McBurnie.

Whether there is any movement away from self-insur-  
See Cost on page 6



## Creativity the key to winning share of alternative market

Few insurers offer innovative aid, self-insurers say

By SALLY ROBERTS

**S**urveying the alternative risk financing services market, sophisticated risk managers see plenty of players but few that offer truly innovative, efficient, customized products.

The insurers and reinsurers that will survive in this market, they say, are those that are most efficient and most willing to break free from convention to sit down with them and discuss innovative solutions specific to their needs.

Many have a long way to go.

Insurers and reinsurers "are getting to the point where they recognize there is an interest from risk managers in having different products available," said Richard M. Inserra, assistant treasurer, risk management and insurance at Union Carbide Corp. in Danbury, Conn. "While they are more responsive, I'm not sure they are there yet."

"I'm still looking for more efficiencies, simply in what we do in our insurance and risk management program," he said.

For instance, there is no need to "do the same thing every year," he said, referring to annual policy renewals. "Even if we re-issue a policy every year, why is there a need for a whole new policy? Why not just extend it with an endorsement?"

Union Carbide was one company that participated in the development of a three-year combined property and liability package, underwritten by Swiss Reinsurance Co., with per event limits of \$300 million and a \$600 million aggregate limit (BI, Jan. 8).

Unfortunately, insurers "do a lot of things in the industry by convention. They need to start to rethink things," Mr. Inserra said.

"I have not seen any specific products that have garnered my attention," said Jeffrey W. Pettegrew, vp-risk management and insurance for Western Staff Services in Walnut

See Alternative on next page

## Top 10 claims administrators

	Claims paid for self-insurers (in billions)	Number of self-insured administration clients	Types of claims for self-insurers					1995 gross revenues (in millions) Total / % from claims handling
			Health <sup>1</sup>	Non-health benefits <sup>2</sup>	Workers comp	General liability	All other	
1. First Health Strategies <sup>3</sup>	\$9.60	3,010	96%	3%	1%	0	0	\$475.0/54%
2. CoreSource Inc.	2.35	2,259	70	2	22	3	3	102.0/55
3. Crawford & Co.	2.09	2,130	0	0	57.2	22	20.8	606.0/35.5
4. Harrington Services Corp.	1.98	621	87	10	3	0	0	73.2/82.5
5. ESIS Inc.	1.95	NA	0	0	19.5	41.6	38.9	195.0 <sup>4</sup> /90
6. Gallagher Bassett Services Inc.	1.74	1,919	29	1	44	10	16	137.8/92
7. Acordia Inc.	1.67	NA	89	1	10	0	0	548.0/10
8. Sedgwick James Inc.	1.62	3,985	0	1	94	3	2	70.0 <sup>4</sup> /94
9. GAB Robins North America Inc.	1.50	1,019	0	0	57	21	22	265.0/34
10. The TPA, United HealthCare Administrators Inc. <sup>5</sup>	1.40	631	95	2.5	0	0	2.5	46.0/100

<sup>1</sup> Includes medical, dental, vision and prescription drug plans <sup>2</sup> Includes pensions, flexible compensation, disability and life <sup>3</sup> Acquired EBP Health Plans in 1995 <sup>4</sup> BI estimate <sup>5</sup> Formerly The Travel Plan Administrators Inc. NA=not disclosed  
Source: BI survey

GRAPHIC BY MIKE GARVEY

## Inside this issue:

**NAIC stopper** A proposed model act would set stricter guidelines on stop-loss health insurance ..... **Page 12**

**Legislative watch** Self-insurers are keeping an eye on state and federal legislation that may affect them ..... **Page 17**

**Stop and shop** Stop-loss insurance is becoming more affordable and lower attachment points are available ..... **Page 21**

**Third-party administrators** Three directories list TPAs specializing in benefits, P/C claims and those in both ..... **Page 21**

Spotlight Report Editor:  
Meg Fletcher

# Alternative

Continued from previous page  
Creek, Calif.

One reason, he said, is the lack of direct communication between reinsurers and risk managers. "How can I hear about a product and service if there is no clear understanding of one another?"

"I have had a major concern for some time about the overall responsiveness of the industry," said Scott K. Lange, director of risk management for Microsoft Corp. in Redmond, Wash. Some insurers and reinsurers are trying to be creative. "Collectively, however, the industry has been limited by traditional thinking."

"People are not going to the alternative market because it's efficient; it's not. We've been completely turned off by the absolute lack of customer responsiveness by insurers," Mr. Lange said.

Despite that dissatisfaction, insurers and reinsurers say they are committed to the self-insurance market and to solving self-insurers' problems.

These problems, they say, range from hedging catastrophic risks, perhaps by using capital markets, to reducing the potential earnings volatility associated with increasing retentions, to handling claims administration with reduced staffs.

"We physically meet with 300 to

400 risk managers a year," examine their exposures and analyze different solutions, said Kenneth J. LeStrange, senior vp at American Re-Insurance Co. and president of its alternative risk transfer subsidiary, Am-Re Managers Inc.

"We provide excess insurance and reinsurance programs specifically tailored to a risk manager's exposure and loss experience," he contends.

In addition to finite risk programs, which are "potential solutions for a whole array" of problems, there is quite a bit of interest in the capital markets, Mr. LeStrange said. While use of capital markets is still "an embryonic business solution, it will continue to be a developing trend."

Indeed, insurers and reinsurers say the use of capital markets to hedge catastrophic risks is more talk now than action.

"Customers talk about insurance derivatives, the Chicago Board of Trade and lines of credit as a means to hedge their risks," said John Stites, vp and manager of the risk management group for Chubb Corp. in Warren, N.J. Today, most capital market transactions are designed as reinsurance, not protection for buyers. "That is for the future."

Some insurers and reinsurers say the self-insured market today is setting up forms of finite risk insurance programs.

As companies retain more of their risk, they are exposed to large hits to earnings in the event of a large ca-

tastrophe. Risk managers, especially those concerned about longer-term onerous exposures, are looking at finite risk programs to reduce any earnings volatility and still increase their retentions. These programs, in which anticipated investment income is an acknowledged component of underwriting, allow the impact of losses to be spread over multiple accounting periods.

"Finite risk and other alternative reinsurance schemes are really on the forefront of risk managers' minds," said Mr. Pettegrew of Western Staff Services. "There are lots of interesting methods coming to the plate for risk managers to explore."

CNA Insurance Cos. has structured some complex and some simple financial insurance transactions to smooth out exposures for self-insurers, said E. Randall Clouser, executive vp for the risk management group in Chicago.

"Companies are not afraid to put their own capital on the line to finance their risks," he said. However, they are not comfortable with the earnings volatility associated with large unstructured retentions.

Indeed, risk managers, more than insurance companies, are coming to the realization that there are other financial risks out there than traditional insurance risks," said Andrew Potash, president and chief executive officer of Capital Risk Strategies, a risk management consulting firm in New York.

For example, corporations are facing political risks, commodity risks, currency risks and compliance risks. "If you look at a typical large corporation, different individuals are responsible for managing each of these risks," he said. If losses occur, the company's chief financial officer doesn't care what the risk is, as long as it doesn't exceed the company's appetite for risk in a certain period.

Therefore, self-insurers are asking, "How can we include in our risk management program non-traditional insurance risks that are traditional risks for the company?" No traditional insurance product will let risk managers aggregate their different financial risks and there are "quite a number of risk managers that are thinking about how to help their corporation deal with how to aggregate different financial risks."

Besides offering complex financial tools, insurers and reinsurers are offering more basic services traditional to the self-insurance market, something they say self-insurers are requesting.

As risk management staffs continue to shrink, more companies need to contract out services such as claims administration.

"Most customers we talk to are interested in outsourcing some self administration, especially in the product liability area for the consumer goods industry," Chubb's Mr. Stites said. "Frankly, a lot of customers have evaluated the cost of building it

in-house and compared it to the increasingly competitive third-party administration market, and found it more cost-effective to outsource."

That is why Chubb Corp. formed Chubb Services Corp. in 1992. The unit, which provides unbundled services such as claims administration, loss control services and disaster recovery consulting, "has grown with the self-insurance market," he said.

CNA also is offering unbundled services.

As more risk managers take control over their risk management process, they are having to manage such programs as loss control and claims administration across many states through a multitude of service firms. "That's no small job to have a risk management department dealing with four to five vendors and getting them all in the cylinder to fire at the same time," said Barry Belknap, vp-alternative markets for CNA's risk management group.

CNA is trying to take over those services on a national basis and will integrate the range of services offered by different vendors.

It used to be that if a customer wanted control over its risk management processes, it would get out of an insurance company product and go to a TPA, since insurers tended to be less flexible, Mr. Clouser said.

"Insurers have attempted to aggressively take the market share back and they're succeeding," he said. ■

Integrated Cost-Reduction Services - Utilization Management - Case Management - Medical Review Services - National Provider Networks - Review Services - Bill Review - Peer Review

Independent Medical Exam - Vocational Rehabilitation - Disability Management - Prevention Services - Injury Management Program - Peer-Certification - PPO Program - Intervention Services - Continued Stay Review - Medical Case Management

National Provider Networks - Prevention Services - Injury Management Program - Peer-Certification - PPO Program - Intervention Services - Continued Stay Review - Medical Case Management

...for assuring quality care and controlling the costs of  
Workers' Compensation, Group Health, Disability and Casualty claims.

# GENEX<sup>SM</sup>

## Managed Care Solutions

Corporate Headquarters - Wayne, PA - 610-993-2800



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# Costs

Continued from page 3

ance may depend on exactly which line of coverage is being examined.

On the property front, "There aren't a lot of self-insured programs around and actually property pricing is tightening up, so there are probably more employers who are thinking about trying to self-insure than in the past," said William L. Granahan, manager of the risk management division at Milliman & Robertson Inc. in Wakefield, Mass.

In the general liability area, he doesn't believe most companies see that much of a price incentive to move away from self-insurance.

Workers compensation is one area where there does seem to be some movement away from self-insurance.

Mr. Granahan added, though, that "truthfully, I haven't seen a lot of

people moving out of self-insured groups."

Much of the movement that is occurring seems to be in California, where the workers compensation market has become so competitive that a number of self-insurers have gone back to workers comp insurers, said Mr. McBurnie of J&H.

Many insurers specializing in California workers compensation are finding ways to help customers get back into the system, he said.

Among public sector employers in California, it's mostly school districts and special districts that are moving from self-insuring workers comp, rather than cities and counties, because they have "less exposure to some of the more difficult underwriting areas like police and fire," said Greg Trout, a principal with Advanced Risk Management Techniques Inc., a consulting firm in Sacramento, Calif.

"It's very, very competitive in the workers comp side because of the open competition law that was passed in '93 and went into effect Jan. 1, 1995," Mr. Trout said. "So the private market is very aggressive in writing workers comp and in fact has been very successful in attracting both members of pools and pools to move out of self-insurance. It's just a massive movement right now."

"We don't have a sense of just how significant the movement has been, but we have anecdotal information, we have talked to some clients who have moved their whole portfolio of \$5 million to \$7 million—the whole pool—into insurance," he said.

Many individual pool participants have made the move as well, he said, and with many California pools having July 1 renewal dates, many more public sector employers will probably move away from self-insured workers comp if the market remains

this competitive.

But, the activity in California aside, Mr. Granahan noted that often employers self-insuring workers comp fall into one of two groups, neither of which has much incentive to re-enter the insurance market. Either their program is so well run that they wouldn't gain anything by going to the market or their losses are so high they couldn't get a decent rate anyway.

"I don't see a lot of the successful self-insureds finding that the competitive workers comp market is any better," Mr. Granahan said.

By their very nature, successful self-insured workers comp programs often keep employers from abandoning them in favor of the market, said Richard S. Betterley, president of Betterley Risk Consultants Inc. in Sterling, Mass.

"I haven't seen a lot of insureds going from workers comp self-insur-

ance to insurance, usually because of the long-term nature of comp," Mr. Betterley said. "You put in so much long-term in systems, TPAs, and controls you set up internally."

And even as California public sector pool participants move back to the traditional market for workers comp coverage, they're not doing so at the cost of dismantling their self-insurance operations, Mr. Trout said.

"Most of the pools that we're aware of are still keeping their infrastructure intact. The pool is not dismantling. It's just changing what it's doing," he said.

The pools need to remain active to administer open claims, he said. More often, the pools aren't just providing workers comp but multiple lines of coverage.

In moving workers comp back to traditional coverage, "Most are looking at it as a possible short-term arrangement," Mr. Trout said. "They're just transferring the risk for one year and maybe three at the most and they're not looking at this being a long-term solution. So when the market changes—and most expect the day to come, it's just a question of when—they can move back to self-insurance and won't have to reinvent the whole operation."

Unlike many other experts, Mr. Betterley does believe low rates are attracting some business back to the insurance market.

"It's a continuation of the trend that we've seen for a number of years now. People feel they can buy insurance cheaper than they can project the cost of self-insurance."

Confusing the decision quite often is the tendency by the actuaries for self-insurance programs to err on the side of caution, Mr. Betterley believes. "Actuarial assumptions often are too conservative for self-insurance, making self-insuring look more costly than it really might be," he said.

At the same time, the competitive market is prompting insurers to offer customers more for their premium dollar, Mr. Betterley said, providing further incentive for buying coverage.

"The customers are getting a lot more from the carriers for the same premium," he said. "Oftentimes they'll throw in the information system instead of charging separately for it."

And in a competitive market, insurance companies also seem willing to offer particularly attractive rates to win over self-insured customers, Mr. Betterley said. "The insurance companies seem to give their best prices to customers who are not their customers currently."

Mr. Stites argued strongly that the use of self-insurance continues to grow, despite the softness of the insurance market.

"The trends are undeniable," he said. "The market's been soft for seven years, eight years and progressively softening, yet use of self-insurance and (alternative risk transfer) techniques have continued to increase."

Mr. McBurnie said he sees growing use of techniques to wrap excess coverage around multiple lines of self-insurance, an approach used in the late 1970s and early 1980s before the insurers stopped offering the combined lines products when the market hardened.

By allowing them to cap aggregate retained losses across several lines of self-insurance, the combined line products give self-insureds a way to "take a more holistic approach to managing retentions including an opportunity to cap losses across several lines," Mr. McBurnie said. "From a client's perspective, in many cases a dollar lost on property is no different from a dollar lost in casualty." **BI**

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# Opinions

## Health exclusions bill, as is

IT'S ABOUT TIME that Congress and the president enacted legislation that would curb pre-existing medical condition exclusions—nothing more and nothing less.

There is widespread support for the proposal and it would do much to help the nation's workers and employers.

Most recently, President Clinton endorsed a bipartisan measure—introduced by Sens. Nancy Kassebaum, R-Kan., and Edward Kennedy, D-Mass.—that would restrict the exclusions in health care plans (BI, Jan. 29).

That comes in addition to support from both political parties. Democrats, as we all know, have long pushed for this and other health care reforms. Republicans also warmed to limits on pre-existing exclusions as an alternative to the overreaching reforms advocated by President Clinton.

The Kassebaum-Kennedy bill, S. 1028, which was approved by the Senate Labor and Human Resources Committee last year, would continue to allow group plans to exclude coverage for pre-existing conditions for up to 12 months. However, the 12-month period would be offset by the amount of time a new employee was covered under a previous health plan (BI, Aug. 7, 1995).

Politics aside, the exclusion is becoming an anachronism for many health insurers.

Traditional indemnity plans, one of the last bastions of these exclusions, are declining in popularity, especially among large employers. HMOs, which are gaining ground, typically do not impose such exclusions.

Even some health insurers have come out in favor of limits on pre-existing exclusions. In 1994, during the heated debate over the president's health reform proposal, the Health Insurance Assn. of America advocated a less expansive reform approach that included restrictions on insurers' use of the exclusions, among other things.

Curbing the exclusion is an obvious plus for workers, who would have less restricted access to health care and greater portability of coverage. Less obvious



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may be its positive impact on employers, which would benefit in their efforts to recruit talented workers concerned about gaps in health care coverage.

In fact, our only concern about the proposal is that federal legislators will take this opportunity to saddle the Kassebaum-Kennedy bill with so many unwelcome and unnecessary provisions that it becomes unpassable. Already, business groups are voicing concern that S. 1028 could be amended on the Senate floor to include a host of benefit mandates and anti-managed care provisions. Representatives of such business groups as the National Assn. of Manufacturers, the U.S. Chamber of Commerce and the ERISA Industry Committee, among others, last week sent a joint letter to senators stressing that their support for S.1028 was conditional upon it not changing from its current form.

We hope that Congress passes the bill as is—nothing more and nothing less—and that President Clinton then follows through on his support and signs the bill into law.

## Letters

### Advice from the front on Medicare reform

To the editor: No one has analyzed a key factor behind the high cost of Medicare Part A coverage.

Medicare Part A covers inpatient hospital care, care at skilled nursing facilities, home health services and hospice care.

Part A has a deductible equal to the average cost of one day's stay in a hospital. The beneficiary's coinsurance rate is 0% for the next 59 consecutive days, after which it has a daily charge equal to one-quarter of the deductible for the next 30 days in the hospital.

It has a lifetime reserve of 60 days, with a daily charge to the beneficiary of one-half of the cost of the deductible. In addition, all senior citizens pay the same rate for their coverage.

The government used to pay Medicare claims on a retrospective basis, which meant the hospital sent the bill to the gov-

ernment and it was paid, subject to deductibles and coinsurance. The government switched in 1984 to payment based on diagnosis related groups, which meant hospitals were paid on a prospective basis for different types of treatment.

The idea behind this switch was that efficient hospitals would make money while inefficient ones would change their ways.

However, the government never changed the benefit structure of Medicare Part A.

By contrast, private health insurance coverage is sold to classes of policyholders, who are experience rated, have policies with different deductibles, coinsurance rates, stop-loss attachment points and premium rates varying by risk and geographical location, among various other factors.

The federal government would promote more efficient consumption of medical goods if it charged the senior citizens of the country different rates, offered plans with different deductibles, coinsurance rates and stop-loss attachment points.

For example, the federal government could offer an inpatient hospital plan under Medicare that has a \$1,000 deductible with an 80% coinsurance rate, a stop-loss attachment point of \$20,000 with up to 60 days of inpatient coverage subject to a maximum benefit of \$1 million.

The beneficiary could self-insure the risk of greater medical costs or buy a policy covering that exposure or additional days

in the hospital.

More creativity in the design of the Medicare Part A contract promotes more awareness of the efficiency in which medical services can be delivered. It also makes the hospital think about different ways to deliver goods and services.

The insurance contract should not be dictated from on high by a bureaucrat who is ignorant of the hospital's costs or the beneficiary's financial circumstances and time horizon.

The hospitals themselves could write a primary inpatient coverage contract if the government would let them.

The government could then pay a percentage of the senior citizen's primary hospital insurance premium subject to a dollar limit of, say, \$2,500 per household.

Under this arrangement, Medicare beneficiaries would have an incentive to use the government's money more efficiently. Senior citizens would shop for the insurance contract that best suits their needs, as opposed to what the government thinks they need.

The federal government should talk to the insurance industry before engaging in an activity about which it is totally ignorant.

**Charles R. Courtney**  
Corporate Risk Manager  
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# NAIC facing opposition to stop-loss model law

## Model targets too low attachment points

By MEG FLETCHER

**G**rowing opposition makes it uncertain whether states will adopt a model act that distinguishes legitimate self-insurance programs—which ERISA exempts from state insurance laws—from commercial health insurance, based on the attachment point of a stop-loss policy.

The National Assn. of Insurance Commissioners recommends that states bar low attachment

points—they now range as low as \$500—in policies sold to self-insurers.

Opponents of the law, though, essentially contend that the Employee Retirement Income Security Act denies states the authority to regulate attachment points. They also note the proposed regulations may increase premium taxes on employers and subject many to state health insurance laws.

Regulators contend that insurers offering low attachment points are not providing true risk transfer but are merely circumventing state small group health insurance laws that limit pre-existing condition exclusions and require small group insurers to guarantee renewability and offer modified community rating.

Nearly all states have such laws. And, 21 states already regulate stop-loss insurance in some way, a spokeswoman for the American Legislative Exchange Council in Washington said.

Groups representing stop-loss insurance sellers or service providers oppose the NAIC model. Also, two legislator groups—the council and the National Conference of Insurance Legislators—are considering resolutions opposing the measure.

Several risk managers also say the model act is unnecessary.

State authority to regulate stop-loss attachment points is being tested in various forums, including a federal court in Maryland and a Missouri state appeals court, which is expected to rule on a December trial court decision that invalidated a state regulation similar to the NAIC model.

Also, the Florida Insurance Department is awaiting a hearing officer's decision on the department's refusal to accept a stop-loss policy filing that contained a \$500 attachment point, which violates the state's small-employer health access law.

The NAIC's "Stop Loss Insurance Model Act," which was adopted in September, calls for a minimum \$20,000 attachment point for specific coverage bought by self-insured employers. If the attachment point is lower, the policy is deemed health insurance and subject to state regulations.

The act also requires calculating similar attachment points for aggregate policies for employers with 50 or fewer employees. However, employers with 51 or more covered employees are considered covered by health insurance—and thus not exempted from various state laws by ERISA—if they have an aggregate attachment point lower than 110% of expected claims.

Regulators are not alone in wanting to regulate these stop-loss policies.

"Employers may see this as government intervention on their contracts with insurers, but this model is there to make sure employers don't get sucked into a system that initially offers low-cost coverage and then produces 200% rate increases after an employee's medical condition surfaces," said Tim Snyder, Midwest regional director of state government affairs for Humana Inc. of Louisville, Ky. Humana sells small group policies

See NAIC on page 16



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## NAIC

Continued from page 12  
to companies with between two and 150 employees.

It is unclear which employers would be most affected by any model law.

"Its real impact will be on the small and medium-sized employers," said Chris Petersen, vp-state affairs for the Health Insurance Assn. of America.

"I don't think large employers will be significantly impacted by this," agreed David J. Randall, deputy director of the Ohio Insurance Department, who helped draft the model.

In fact, employers with 51 or more employees can avoid being affected by the model if their specific attachment point is at least \$20,000 and they have an aggregate attachment point of at least 110% of expected claims.

Most commonly, policies attach at "125% of projected annual claims (less claims paid under specific stop-loss, if such coverage is in effect)," says the Self-Insurance Institute of America in Irvine, Calif., which represents third-party administrators as well as health care providers and stop-loss insurers.

However, "any size employer could be impacted," according to SIIA Executive Vp James A. Kinder.

The model law "directly impacts any employer by regulating the employer's options," agreed Jack Doerr, the New York-based group benefits national practice leader for Sedgwick Noble Lowndes, a unit of London-based Sedgwick Group P.L.C.

"The real question is whether ERISA pre-empts the right of a state to regulate stop-loss attachment points for self-funded employee benefit plans," said Edward J. Birrane, an attorney with his own law firm in Baltimore.

The case he filed in May 1995 in U.S. District Court in Baltimore challenging a Maryland regulation "is the first time this issue has ever been squarely placed before the federal judiciary," said Mr. Birrane, who was Maryland's insurance commissioner from 1976 to 1983. A decision is expected in March.

"It's a regulation of the business of insurance, which is within the commissioner's authority," Christine Beusch, an assistant attorney general representing the Maryland Insurance Department, said of the provision.

A Cole County, Mo., circuit court judge decided a similar issue in December, finding that a state regulation that would increase the minimum stop-loss attachment point to \$20,000 from \$7,500 is pre-empted by ERISA.

"By adding stop-loss group health insurance to the definition of group health insurance coverage, the director is illegally usurping authority over stop-loss coverages under the guise of regulating group health insurance," the judge said. The NAIC agreed to help the state appeal that decision.

State insurance regulators "have overstepped their bounds," said Brian Coughlin, president of Associated Industries of Missouri, a manufacturers' organization in Jefferson City, Mo.

Apart from the jurisdictional issues, "restricting employers' access to stop-loss coverage affects their ability to provide quality employee benefit programs," the SIIA's Mr. Kinder said.

A survey of a handful of Risk & Insurance Management Society

Inc. members from both large and small companies found they are "quite happy" with the flexibility the current system offers and wonder why regulators got involved, said Patricia C. Vaughan, RIMS' associate general counsel. Also, RIMS members generally were confident of the solvency of the stop-loss insurers with which they dealt.

The main problem with the NAIC model, which sets at \$20,000 the amount of risk an employer must self-fund to obtain a stop-loss policy, is that it would force many self-insured employers to assume a higher level of risk, which could make a plan financially unstable or discourage employers from offering them at all, said Mr. Kinder.

"It's no coincidence that self-insured employers are exempt from paying state insurance premium taxes and that many of the com-

missicners have been looking for a new source of revenue to subsidize the cost of small group market reforms" he said. "What's really going on here is that the NAIC is trying to pressure self-insured employers to switch to higher-cost commercial insurance to produce a tax windfall."

Regulators deny this.

The model act also may expand the pool of employers subject to state health insurance laws because it defines coverage that does not meet stop-loss minimums as "health insurance."

One advantage of self-funding employee benefits is that employers are exempt from many state laws. Collectively, states require employers with commercially insured plans to provide more than 1,000 benefits. Such requirements may make basic plans so expensive that employers will drop them, op-

ponents of the model law contend.

The SIIA has sought allies from two different groups of legislators, COIL and the ALEC.

Subgroups of each organization have approved resolutions specifically urging legislators not to support the NAIC's use of "arbitrary" limits on stop-loss coverage issued to self-funded plans. Further action is required before final approval is given.

ALEC warns that "impairment of a free-market, voluntary employer-based health benefit system would potentially result in higher benefit plan costs for employers and higher costs and reduced coverage for employees and their families."

COIL says it is concerned that the NAIC standard could have unintended consequences "including decreased access to health care coverage for employees of small

and medium-sized employers and increased self-funding outside the regulatory system."

The NCOIL resolution calls for notifying the various state insurance committees that they must give "extreme scrutiny" to the issue when it is presented in their legislatures and that the committees should hold any debate on the model act.

It also calls for NCOIL to hold a hearing on the model at its spring seminar March 14-17 in Washington and to urge the NAIC to reconsider adoption of the model.

The Health Insurance Assn. of America also plans to oppose state adoption of the NAIC model.

"We'll seek to amend it on a state-by-state basis," primarily to cut in half the basic attachment point to \$10,000 from \$20,000, said Mr. Petersen, HIAA vp-state affairs. ■

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## Self-insurers keeping track of renewed legislative activity

### State and federal legislators poised to act

By MICHAEL BRADFORD

**A**s legislators across the nation and in Washington return to drafting legislation, self-insured employers are keeping a wary eye on proposals that could change the way they finance their risks.

Legislatures in many states are beginning their sessions and, at the federal level, proposals that were stalled or in the planning stage last year are getting new attention.

While self-insurers must focus on several proposals moving through

Congress, many fear the greatest blow could come from state legislation spawned by last year's Supreme Court decision upholding hospital bill surcharges in New York.

The unanimous court ruled in *New York State Conference of Blue Cross & Blue Shield Plans vs. Travelers Insurance Co.* that the surcharge on bills of individuals covered by commercial insurance and health maintenance organizations was not pre-empted by the Employee Retirement Income Security Act (ERISA, May 1, 1995). The surcharge later was extended by an-

other court to cover self-insured plans, and a federal appeals court eventually upheld the charge as it applied to those plans (BI, Aug. 21, 1995).

Employers now fear that states will seize the opportunity to pass laws that will add taxes and surcharges to self-funded benefit plans.

"That's the biggie," said Pamela Scott, a principal with benefit consulting firm Kwasha Lipton L.L.C. in Fort Lee, N.J.

"The question that was left open by the Supreme Court is, how much state regulation of self-insured plans will be permitted?" she said. "No one knows right now. Many states have surcharges on hospital bills modeled closely on the New York case."

Ms. Scott said she suspects states will attempt to enact new fees or taxes on self-insured plans to help fund various state-mandated health

**'Many states have surcharges on hospital bills modeled closely on the New York case,' says Pamela Scott.**

benefits. "I think we may see an increase in legislation to impose those fees and taxes."

Currently, 21 states impose such fees on hospital bills, some of which were put in place after the New York case, said Ms. Scott.

"What we're seeing is states using it as a carte blanche to improve their revenue options," charged Elizabeth Ysla Leight, director of governmental affairs for the Society of Professional Benefit Administrators in Chevy Chase, Md.

If such fees or charges become widespread, employers may have to cut back on their benefit offerings, Ms. Leight said. "I don't think employers are necessarily going to drop their benefit plans, but they will look at the bottom line and may have to streamline."

The effect of the Travelers case is not clear-cut, however, and employers recently got some encouragement when the 2nd U.S. Circuit Court of Appeals in New York ruled in another case that a state law is pre-empted by ERISA. That case involved taxes on revenues received by three medical centers operated by a longshoremen's health care fund (BI, Jan. 22).

The state taxes on the centers are fundamentally different from the hospital surcharges because they deplete the amount of plan assets that were intended to pay for benefits, thereby violating ERISA's pre-emption provisions, the court ruled.

Other minefields for self-insurers exist at the state level, some of which are being laid by the National Assn. of Insurance Commissioners, according to Ms. Leight.

She called the NAIC's model law that clarifies the definition of stop-loss insurance coverage for small self-insured employers "back-door regulation of self-insurance plans. It's an attempt by states to impose requirements on self-funded plans and basically flaunt their power over stop-loss carriers."

The law, which establishes new minimum attachment points for stop-loss coverage, is drawing fire from third-party administrators and consultants concerned that it could have unintended consequences on larger self-insured plans (see story, page 17).

In other state-level matters, self-insurance groups in Alabama are watching an administrative proposal by the state's Department of Industrial Relations.

The proposal includes the extension of a rule that requires groups that self-insure their members' workers compensation exposures to submit to an annual actuarial study. The study is to determine the proper level of reserves the groups must hold and the rates they must charge.

Such rules have gained acceptance throughout the United States and for the most part are unnecessary, said Douglas F. Stevenson, executive director of the Chicago-based National Council of Self-Insurers.

Actuaries are expensive and can only provide what amount to guesses as to where reserve levels should be set, he said. Involving actuaries "just compounds the guesswork," Mr. Stevenson said.

The Alabama proposal also would organize different categories of group self-insurance funds into homogeneous, heterogeneous, governmental and residual funds. "We've always had these different groups but never officially recognized the categories," said Frank Willett, workers compensation chief at the Department of Industrial Relations in Montgomery.

However, complaints from self-insurers regarding regulations on groups writing residual business have caused the department to reconsider its entire proposal, Mr. Willett said. Existing self-insured groups are concerned that those writing residual business are not regulated closely enough.

Mr. Willett said he is puzzled by that concern because he believes those groups are so highly regulated that a failure would be nearly impossible. Still, the department is negotiating with the groups to iron out differences.

"If we can negotiate something in  
*See Laws on page 20*

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# Laws

Continued from page 17

a short period of time, we may be able to salvage this set of rules," he said. "Otherwise, we'll have to start from square one."

Employers that fund some of their risks through risk retention groups worry that a Louisiana law could have a wide-reaching impact on how those groups operate if other states follow with similar legislation.

The Louisiana law—which requires risk retention groups licensed in other states but covering risks in the Pelican State to meet its capital and security requirements—is being challenged by the National Risk Retention Assn. and three risk retention groups (BI, Dec. 18, 1995).

The NRRA fears that if the law is upheld and other states adopt similar laws, it could restrict risk reten-

tion groups' ability to operate nationwide. The Louisiana Department of Insurance has defended its right to regulate any insurance entity operating in the state, noting the cost of a 1991 failure of a risk retention group writing medical malpractice coverage in Louisiana still has not been determined.

The law calls for risk retention groups licensed outside Louisiana to maintain at least \$5 million in capital and surplus, post a \$100,000 bond or cash deposit and pay an annual \$1,000 fee before they can operate in the state.

The NRRA's suit contends Louisiana's requirements are pre-empted by the federal Risk Retention Act, the 1981 law that was broadened in 1986 and allows risk retention groups to operate nationwide with little interference from states.

In 1994, Florida lawmakers won a regulatory battle when the 11th U.S.

Circuit Court of Appeals upheld a law that required taxi companies and other passenger carriers to buy the first \$30,000 of liability insurance from insurers that are members of the state guaranty association (BI, Nov. 7, 1994). Risk retention groups are not allowed to belong to state guaranty funds.

The Florida Legislature is considering a bill that would mandate group health insurance for serious mental illness.

The Florida House version of H.B. 19 was approved, but the legislation was held up by the Senate Banking and Insurance Committee until the Florida Department of Insurance can determine its impact on rates. Estimates of additional cost to employers are \$2.01 per employee per month and higher.

The Georgia Insurance Department has said it may support legislation that would form a guaranty

## The National Risk Retention Assn. fears that a Louisiana law, if upheld, could lead to restrictions on risk retention groups' ability to operate nationwide.

fund for workers comp self-insurers, but no such bill has been drafted.

While some states are taking aim at self-insured employers with new proposals, there also is concern about federal proposals, particularly those dealing with benefit plans.

Ms. Leight of the SPBA pointed to S.B. 1062, legislation sponsored by Sen. James Jeffords, R-Vt.

The bill would broaden the definition of health insurer to include plans like PPOs and HMOs and some believe that could leave all in-

sured and self-insured networks exposed to state benefit mandates, premium taxes and other fees.

Other provisions in the bill would prohibit lifetime benefit caps, require a 90-day notice for termination of a health plan, call for plans to meet non-discrimination requirements, restrict pre-existing condition limits and prohibit lifetime coverage limits.

The bill, introduced last year, hasn't received much attention in 1996, but Ms. Leight said it could re-surface or elements of it could appear in other legislation.

A bill that would ensure employers could continue to form self-insured ERISA plans and remain exempt from state laws like benefit mandates is another measure that has seen little recent movement.

A redrafted version of H.R. 995, sponsored by Rep. Harris Fawell, R-Ill., would allow small employers to form insured and self-insured multiple employer welfare arrangements, thereby offering them the same protections from state regulation that larger employers enjoy.

The bill also would require self-insured plans to maintain unpaid claims reserves in some instances, provide for portability of benefits, limit restrictions on pre-existing conditions and allow creation of medical savings accounts for consumers.

Employers that self-insure their workers comp exposure are hoping for changes in the current version of H.R. 956, tort reform legislation that is under consideration in Congress.

The current version contains a provision that would bar employers from recovering workers comp benefits when a product manufacturer or other third party is found responsible for a worker's injury. This workers comp subrogation lien is collected from recoveries against the third party by the employee, meaning the injured worker is unable to collect twice and the employer is reimbursed for benefit outlays.

Under the Senate version, if a product manufacturer proved that an employer altered, misused or failed to properly train a worker to use the product, the employer would lose subrogation rights to recover workers comp payments.

"If this passes, it will amend all the workers comp laws of each state," said Mr. Stevenson of the NCSI, and will force employers to lose not only their recovery rights but bear the burden of litigation.

"In this day of new plastics, paints, chemicals, coating materials, who knows whether they may be toxic or not?" Mr. Stevenson asked. If the legislation passes, self-insured employers may pay out workers comp benefits when a manufacturer should be held accountable but "with no chance of ever getting back those payments."

Mr. Stevenson said self-insured employers are at a disadvantage in this fight because they are underrepresented in workers comp issues at the federal level. "We've never had a lobbying presence in Washington because there's been no need for one," he noted, since workers comp issues have been considered exclusively under state law.

However, "those concerned with product reform have strong lobbyists in Washington and they are single-issue lobbyists" who won't consider the workers comp effect the bill would have on employers. **BI**

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# Stop-loss rates remain affordable for most firms

By DEBORAH SHALOWITZ COWANS

Although specific stop-loss rates are increasing modestly, aggregate stop-loss rates are stable and attachment points are dropping this year for many companies that self-insure health benefits.

One reason insurers are able to keep offering such low rates is that the ongoing shift toward managed care plans is curbing, sometimes even lowering, their costs.

But several market experts caution that rates could begin turning upward later this year or in 1997.

Rates on specific policies—those triggered when a single claim reaches a threshold chosen by the policyholder—are up 5% on average, said Paul Fallisi, vp of self-funded markets for managing general underwriter Alden Risk Management Services in Miami, a subsidiary of John Alden Life Insurance Co.

Average increases were put at 12% to 13% this year by another expert, Ernest Clevenger, president of American Progressive Benefits Inc., a Brentwood, Tenn.-based managing general underwriter for Connecticut General Life Insurance Co.

The market for aggregate stop-loss coverage—which is triggered when a self-insured employer's total group health claims reach a certain threshold—is much more competitive.

There is a lot of "predatory pricing" in the aggregate stop-loss arena, said Bruce Carlson, assistant vp of underwriting for Allianz Life Insurance Co. of North America in Minneapolis.

In a new market twist, some "carriers are writing coverage with attachment points at what appear to be less than expected claims plus a reasonable corridor," he said.

Aggregate stop-loss rates are not increasing at all this year, Mr. Fallisi said.

Overall, the stop-loss market is "very competitive," said Scott Tay-

lor, vp of SAFECO Life Insurance Co. in Seattle.

"Carriers are lucky if they can hold at current rates" and keep the business, complained Bruce Carlson, assistant vp of underwriting at Allianz Life Insurance Co. of North America in Minneapolis.

If an employer has a good claims history, it probably can find an insurer willing to write stop-loss coverage at its current rate, said Dave Wilson, a managing director with The APEX Management Group Inc. in Princeton, N.J.

One saving grace for stop-loss insurers in this kind of market is the increased reliance by self-insured employers on managed care networks.

Even today's low inflation rates can hit stop-loss insurers hard. Here's how: If an employer with a \$10,000 deductible has a \$12,000 claim one year, its stop-loss insurer would pay \$2,000. But, assuming health care inflation of 8.5%, that same claim a year later would cost

the insurer \$3,020—an increase of more than 50%.

Managed care "sort of negates medical inflation, because (prices) are all contracted," said Mr. Wilson.

And, managed care can even create "reverse leveraging," said Michael McLean, chief executive officer of Medical Risk Managers Inc., a managing general underwriter in South Windsor, Conn.

For example, if an employer that self-funds its fee-for-service medical plan with a \$50,000 deductible is hit with a \$100,000 claim, the stop-loss insurer pays \$50,000. If this same employer moves to a managed care program and negotiates a 10% discount from all providers, however, the \$100,000 claim becomes a \$90,000 claim, reducing the insurer's share by 20%.

But rates may be heading upward later this year or in 1997.

Mr. Clevenger, who also is president of the Self-Insurance Institute of America, predicts significant increases will begin in July as insurers begin to realize underwriting losses from coverage written at low rates in 1994 and the first quarter of 1995.

"In 1995, a number of fairly prominent carriers in stop-loss lost some money," added SAFECO's Mr. Taylor.

Growth in the stop-loss market increasingly is coming from managed care plans.

Among employers with at least 500 employees and that use preferred provider organizations, 63% self-funded the plans and bought stop-loss coverage in 1995, up from 55% in 1994, according to a survey by A. Foster Higgins & Co. Inc. of New York. Another 8% of these companies went without stop-loss coverage, down from 11% in 1994.

Among employers with 500 or more workers that self-fund their indemnity health care plans, 59% bought stop-loss coverage last year, up from 56% the previous year. An additional 11% of large employers last year self-funded indemnity plans but did not buy any stop-loss coverage, compared to 12% the previous year.

More than 80% of the stop-loss coverage Medical Risk Managers writes involves managed care arrangements, Mr. McLean said. **BI**

# TPAs that specialize in employee benefit claims



**ACMG Inc.**  
2570 Technical Drive, Miamisburg, Ohio, 45342; 513-866-6660; fax: 513-866-8083

Revenues	
Total	\$12,084,866
Claims revenue	\$11,480,622
Claims administration	.94%
Claims adjusting	.05%
Claims auditing	.05%
Other services	.5%
Claims business by type	
Flex compensation	.5%
Health insurance	95%
Clients	
Total	100
Association plans	.5
Corporations	.50
Multiemployer plans	.10
MEWAs	.15
Public/government entities	.10
Union-sponsored plans	.10

**Staff**  
Total .....200  
Claims services .....120

**Claims services since: 1984.**  
**Parent:** PFS.  
**Service area:** Nationwide.  
**Charges:** Administration: \$3 to \$5 per employee per month.  
**Branch offices:** Administrative offices in Jacksonville, Fla.; Louisville, Ky.; Columbia, S.C.

**PPO access.**  
**Officers:** Paul McVay, president; Charles Duncan, CFO; Peggy Eads, vp-MIS; Craig Steffen, vp-marketing.

**Administrative Service Consultants**  
3301 E. Royallon Road, Cleveland, Ohio 44147; 216-526-2730; fax: 216-526-1608

Revenues	
Total	\$7,075,324
Claims revenue	\$7,075,324
Claims administration	100%
Claims business by type	
Disability	.3%
Flex compensation	1.7%
Health insurance	95.3%
Employees covered	51,473
Dependents covered	118,388
Claims business by volume	
Administration-claims paid	\$155,491,855
Clients	
Total	234
Corporations	205
Multiemployer plans	.10
MEWAs	.1
Public/government entities	.18
Staff	
Total	96
Claims services	96

**Claims services since: 1975.**  
**Parent:** EBC of Wisconsin Inc.

**Service area:** Nationwide.  
**Charges:** Administration: \$8 to \$10 per employee per month.  
**Branch offices:** Administrative and sales offices in Louisville, Ky.; Findlay, Ohio; Appleton, Wis.  
**PPO access.**  
**Officers:** Steven J. Hopp, vp; Peg Miranda, assistant vp; Cori Guagenti, marketing.  
**Contact:** Steven J. Hopp.

**Allied Administrators**  
777 Davis St., San Francisco, Calif. 94111; 415-986-6270

Revenues	
Total	\$2,500,000
Claims revenue	\$1,000,000
Claims administration	.16%
Claims adjusting	.16%
Claims auditing	.8%
Other services	.60%
Includes:	fully insured claims services, pension
Claims business by type	
Disability	.2%
Flex compensation	.3%
Health insurance	.70%
Other	.25%
Includes:	pension
Claims business by volume	
Administration-claims paid	\$20,000,000
Clients	
Total	52
Corporations	20
Multiemployer plans	30
Public/government entities	.2
Staff	
Total	30

**Claims services since: 1953.**  
**Service area:** Arizona, California, Nevada.  
**Charges:** Administration: monthly flat fee. Adjusting and auditing: per employee per month.  
**Branch offices:** Administrative office in San Diego.  
**PPO access.**  
**Officers:** David S. Walker, president.

**Allied Benefit Systems Inc.**  
222 S. Riverside Plaza, Suite 1500, Chicago, Ill. 60606; 312-906-8080; fax: 312-906-8443

Revenues	
Total	\$4,000,000
Claims revenue	\$3,600,000
Claims administration	.60%
Claims adjusting	.15%
Claims auditing	.15%
Other services	.10%
Claims business by type	
Disability	.2%
Flex compensation	.8%
Health insurance	.90%
Employees covered	35,000
Claims business by volume	
Administration-claims paid	\$100,000,000
Clients	
Total	148
Corporations	126
Public/government entities	15
Union-sponsored plans	.7

**Staff**  
Total .....148  
Claims services .....126

**Staff**  
Total .....65  
Claims services .....57

**Claims services since: 1980.**  
**Service area:** Nationwide.  
**Charges:** Administration: \$5 to \$12 per employee per month. Auditing: per hour.  
**Subsidiaries:** Managed Care Solutions.  
**PPO access.**  
**Officers:** Laurence Wilneff, president; Ben Schenker, executive vp; Mitch Wilneff, senior vp; Rob Valerious, vp.  
**Contact:** Paulette Vission, vp-administration or Rob Valerious.

**American Heritage Life Insurance Co.**  
1776 American Heritage Life Drive, Jacksonville, Fla. 32224; 904-992-1776; fax: 904-992-2658

Revenues	
Total	\$26,117,013
Claims revenue	\$21,332,044
Claims administration	.82%
Claims auditing	.18%
Claims business by type	
Flex compensation	.4%
Health insurance	.96%
Employees covered	75,813
Dependents covered	231,014
Claims business by volume	
Administration-claims paid	\$215,107,030
Clients	
Total	67
Corporations	66
Multiemployer plans	.1
Staff	
Total	153
Claims services	137

**Claims services since: 1957.**  
**Service area:** Nationwide.  
**Charges:** Administration: \$8 to \$14 per employee per month.  
**Branch offices:** Sales offices in Orlando and Tampa, Fla.; Atlanta; Charlotte, N.C.  
**PPO access.**  
**Officers:** James H. Baum, senior vp; K. Pearl Harrison, Robert Young, vps; Sharon A. Nevins, Toni G. Smith, assistant vps.

**American Insurance Administrators**  
3415 S. Sepulveda Blvd., Suite 200, Los Angeles, Calif. 90034; 310-390-7900; fax: 310-398-6105

Revenues	
Total	\$2,500,000
Claims revenue	\$750,000
Claims administration	.25%
Claims adjusting	.4%
Claims auditing	.1%
Other services	.70%
Includes:	fully insured claims services, Section 125 flexible spending plans, county medical plans
Claims business by type	
Flex compensation	.8%
Health insurance	.92%
Employees covered	30,000
Dependents covered	75,000

**Staff**  
Total .....82  
Claims services .....77

**Claims business by volume**  
Administration-claims paid .....\$750,000

**Clients**  
Total .....15  
Corporations .....12  
Public/government entities .....3

**Staff**  
Total .....42  
Claims services .....24

**Claims services since: 1977.**  
**Parent:** Management Applied Programming Inc.  
**Service area:** Nationwide.  
**Charges:** Administration: \$6.50 to \$10 per employee per month.  
**Branch offices:** Administrative offices in Orange, Calif.  
**PPO access.**  
**Officers:** F.N. Dastur, president; Herbert Schaffer, executive vp; P.H. Dalal, CFO; H.P. Dalal, vp; R. Trivedi, B. Rabinowitz, J. Hoskins, assistant vps.

**American Medical & Life Insurance Co.**  
35 Broadway, Hicksville, N.Y. 11731; 516-822-8700; fax: 516-931-1010

Revenues	
Total	\$14,510,000
Claims revenue	\$1,786,000
Claims administration	.13%
Other services	.87%
Claims business by type	
Health insurance	100%
Employees covered	285,000
Dependents covered	703,000
Claims business by volume	
Administration-claims paid	\$33,000,000
Clients	
Total	156
Association plans	.1
Corporations	.5
Multiemployer plans	.136
Public/government entities	.11
Union-sponsored plans	.3
Staff	
Total	82
Claims services	77

**Claims services since: 1964.**  
**Service area:** Delaware, District of Columbia, Florida, Hawaii, Nevada, New York, Texas.  
**Charges:** Administration: percent of claims paid.  
**Subsidiaries:** American Dental Centers.  
**PPO access.**  
**Officers:** Dr. Jules V. Lane, president; Larry Schwartz, executive vp; Norman Beckoff, CFO; Lorraine Classi, vp-operations; Gabe Cillie, actuary.  
**Contact:** Larry Schwartz.

**Assured Benefits Administrators**  
4221 Norfolk, El Paso, Texas 79902; 915-532-2100; fax: 915-532-1772

Revenues	
Total	\$650,000

**Claims revenue**.....\$600,000  
  Claims administration .....80%  
  Claims auditing .....15%  
**Other services** .....5%  
  Includes: PPO administration

**Claims business by type**  
Flex compensation .....1%  
Health insurance .....98%  
  Employees/dependents covered .....9,000  
Workers compensation .....1%

**Claims business by volume**  
Administration-claims paid .....\$6,000,000

**Clients**  
Total .....45  
Corporations .....45

**Staff**  
Total .....16  
Claims services .....14

**Claims services since: 1985.**  
**Parent:** Joseph R. Halow Co. Inc.  
**Service area:** Nationwide.  
**Subsidiaries:** Medical Care Referral Group, Select Care of El Paso.  
**PPO access.**  
**Officers:** Joseph Halow, president; Lorri Halow, executive vp; Eddie Garcia, vp-administration.  
**Contact:** Joseph Halow.



**Benefit Administration Corp.**  
770 E. Shaw Ave., Suite 200, Fresno, Calif. 93710; 209-225-3030; fax: 209-225-6837

Revenues	
Total	\$2,200,000
Claims revenue	\$2,200,000
Claims administration	100%
Claims business by type	
Flex compensation	.5%
Health insurance	.80%
Employees covered	30,000
Dependents covered	62,000
Pensions	.15%
Claims business by volume	
Administration-claims paid	\$53,000,000
Clients	
Total	65
Corporations	37
Multiemployer plans	15
Public/government entities	.13
Staff	
Total	55
Claims services	55

**Claims services since: 1953.**  
**Service area:** Nationwide.  
**Charges:** Administration: \$9.50 to \$14 per employee per month.  
**PPO access.**  
**Officers:** Robert J. Cardinal, president; Mirth M. Lunda, executive vp; Darlene S. Moore, vp-finance; David Morilla, vp-operations; Cathy Rainaldi, vp-administration.  
**Contact:** Carolyn Meseke.

*Continued on next page*

Continued from previous page

**Benefit Administrative Systems Ltd.**

17475 Jovanna Drive, Homewood, Ill. 60430; 708-799-7400; fax: 708-799-7747

Revenues	
Claims revenue	\$6,500,000
Claims administration	70%
Other services	30%

Claims business by type	
Flex compensation	5%
Health insurance	95%
Employees covered	37,000
Dependents covered	99,800

Clients	
Total	175
Association plans	2
Corporations	165
Public/government entities	8

Staff	
Total	45

**Claims services since:** 1983.  
**Service area:** Nationwide.  
**Charges:** Administration: \$6 to \$12 per employee per month.  
**PPO access.**

**Officers:** Michael Elliott, CEO; M.W. Joseph, president; Joseph A. Toscano, vp-operations; Stephen N. Elliott, controller.  
**Contact:** M.W. Joseph.

**Benefit Administrators of America Inc.**

207 Crocker, P.O. Box 9120, Des Moines, Iowa 50306-9120; 515-243-3210; fax: 515-282-0719

Revenues	
Total	\$10,400,000
Claims revenue*	\$10,100,000
Claims administration	96%
Claims adjusting	1%
Other services	3%

Claims business by type	
Disability	1%
Flex compensation	1%
Health insurance	97%
Employees covered	85,200
Dependents covered	205,363
Life	1%

Claims business by volume	
Administration-claims paid	\$200,000,000

Clients	
Total	127
Association plans	3

Corporations	106
MEWAs	2
Public/government entities	15
Union-sponsored plans	1

Staff	
Total	197
Claims services	180

\* Estimate  
**Claims services since:** 1982.  
**Parent:** Health Ventures Inc.  
**Service area:** Nationwide.  
**Branch offices:** Administrative office in Sioux City, Iowa. Sales office in Chippewa Falls, Wis.

**PPO access.**  
**Officers:** Clifford D. Gold, COO.  
**Contact:** Denise McWilliams, 515-246-6297.

**Benefit Plan Administrators**

3107 28th St., Boulder, Colo. 80301; 303-442-1000; fax: 303-442-1505

Revenues	
Total	\$890,000
Claims revenue	\$775,000
Claims administration	80%
Claims adjusting	3%
Claims auditing	4%
Other services	13%
Includes: brokerage commissions, managed care services	

**Claims business by type**

Flex compensation	13%
Health insurance	82%
Employees covered	8,300
Dependents covered	11,400

**Claims business by volume**

Administration-claims paid	\$21,250,000
----------------------------	--------------

Clients	
Total	48
Corporations	42
Public/government entities	6

Staff	
Total	54
Claims services	54

**Claims services since:** 1987.  
**Parent:** Admar Corp.  
**Service area:** California, Colorado, Nebraska, Nevada, Utah.

**Charges:** Administration \$6 to \$5 per employee per month.  
**Branch offices:** Administrative office in Santa Ana, Calif. Sales offices in Santa Ana, Calif.; Boulder, Colo.

**PPO access.**  
**Officers:** Stephen Goodell, president; Edward Toral, CEO; Edward Evans, CFO; Virginia Pascual, chief administrative officer.  
**Contact:** Stephen B. Goodell.

**Benefit Plan Administrators Inc.**

1 Huntington Quadrangle, Suite 4N, Melville, N.Y. 11747; 516-694-4900; fax: 516-694-5657

Revenues	
Total	\$11,500,000
Claims revenue	\$10,000,000
Claims administration	85%
Other services	15%

Claims business by type	
Disability	5%
Flex compensation	5%
Health insurance	90%
Employees covered	65,000
Dependents covered	98,000

Clients	
Total	202
Corporations	132
Public/government entities	43
Union-sponsored plans	27

Staff	
Total	125
Claims services	110

Continued on next page

This directory consists of three sections. Listing for TPAs that specialize in employee benefits begin on page 21, TPAs specializing in property/casualty begin on page 43; TPAs that handle both employee benefits and property/casualty begin on page 52.

*How to use directory*

The annual directory of claims specialists lists companies that generate \$500,000 of their gross revenues from handling claims for self-insured clients.

The directory is published as an editorial service; there is no charge for companies to be included.

Companies are organized into three categories according to type of claims handled. The categories are: employee benefits/group insurance only; property/casualty (including workers comp) only; and both employee benefits/group insurance and property/casualty claims.

Organizations are asked to use the following definitions when reporting information: **claims administration** includes overseeing control of claims files, directing adjusters and paying claims; **adjusting** includes investigating claims and making recommendations to the claims administrator; **claims auditing** includes reviewing the overall integrity of the claims file operation, verifying the accuracy and direction of claims payments and recommending solutions.

Listings begin with the company name, address, phone and fax number. Following is financial/statistical information. This section includes: total 1995 gross revenues along with the actual dollar amount of revenue generated by claims services for self-insured clients in 1995. Next is the percent attributed to claims administration, adjusting and auditing for self-insured clients. The percent of revenue derived from other services is also listed.

Other information in this section includes: **Claims business by type**, a percent breakout of total claims dollars handled by type. If applicable, the number of employees and dependents covered is listed.

**Claims business by volume** lists the dollar amount of claims paid and number of auditing projects conducted in 1995. **Clients** includes the total number of clients in 1995, including the number and type of clients served.

**Staff** data is given in full-time equivalents and contains the number of total employees and employees assigned to self-insured claims services.

The text section of each listing includes the year **claims services began**; **parent** company, if applicable; **service area**; **branch offices**, both administrative and sales; **claims subsidiaries**; **PPO access**, if applicable; **officers**; and a **contact** for readers seeking additional information.

Information reported is based on each company's responses to a BI questionnaire. Although every effort is made to publish complete and accurate listings, BI is unable to verify all information.

# It's Not for



**CommonwealthRisk®**

Continued from previous page

**Claims services since:** 1989.  
**Service area:** Nationwide.  
**Branch offices:** Sales office in Westport, Conn.; Hazlet, N.J.  
**PPO access.**  
**Officers:** Bernard H. Mizel, chairman; Albert E. Isernio, president/CEO; John Addeo, treasurer; Michael Agoglia, executive vp; Susan Nally, vp.  
**Contact:** Michael Agoglia.

**Benefit Systems & Services Inc.**

760 Pasquinelli Drive, Suite 320, Westmont, Ill. 60559-5555; 708-789-2082; fax: 708-789-2093

Revenues	
Total	\$6,695,000
Claims revenue	\$3,750,000
Claims administration	51%
Claims adjusting	4%
Claims auditing	1%
Other services	44%
Includes: benefit administration software licensing, hardware consulting and sales	
Claims business by type	
Disability	2%
Flex compensation	8%

Health insurance	90%
Employees covered	29,500
Dependents covered	32,000
Claims business by volume	
Administration-claims paid	\$85,000,000
Auditing-projects conducted	4
Clients	
Total	75
Corporations	50
Multiemployer plans	1
Public/government entities	24
Staff	
Total	49
Claims services	43

**Claims services since:** 1986.  
**Service area:** Nationwide.  
**Charges:** Administration, adjusting and auditing: capitation.  
**PPO access.**  
**Officers:** David H. Lloyd, president; Carmen J. Morreale, executive vp; Roy Wapienik, vp; Jacqueline D. Wenzel, Pamela A. Pratt, assistant vps.  
**Contact:** David H. Lloyd.

**Blair Mill Administrators Inc.**

720 Blair Mill Road, Horsham, Pa. 19044; 800-984-5933; fax: 215-657-3436

Revenues	
Total	\$7,000,000
Claims revenue	\$6,500,000
Claims administration	90%
Other services	10%
Includes: managed care services, COBRA, Section 125, billing, stop-loss, short-term disability	
Claims business by type	
Health insurance	100%
Employees covered	63,000
Dependents covered	71,000
Claims business by volume	
Administration-claims paid	\$71,000,000
Clients	
Total	90
Corporations	84
Union-sponsored plans	6
Staff	
Total	185
Claims services	185

**Claims services since:** 1988.  
**Service area:** Nationwide.  
**Charges:** Administration: per employee per month.  
**PPO access.**  
**Officers:** George W. Gannon, president/CEO; Charles A. Brower, vp/chief market-

ing officer; George W. Grimes, vp/CFO; Daniel H. Graf, vp-claims/managed care; Leo Watt, vp-information systems.  
**Contact:** Charles Brower, 215-830-2550.

**Brokerage Concepts Inc.**

651 Allendale Road, King of Prussia, Pa. 19406-1553; 610-337-2600; fax: 610-337-9262

Revenues	
Total	\$31,000,000
Claims revenue	\$25,000,000
Claims administration	70%
Claims adjusting	7.5%
Claims auditing	2.5%
Other services	20%
Includes: audit and consulting, life sales	
Claims business by type	
Disability	8%
Flex compensation	4%
Health insurance	88%
Employees covered	92,000
Dependents covered	250,000
Claims business by volume	
Administration-claims paid	\$212,000,000
Clients	
Total	692
Corporations	642

Public/government entities	31
Union-sponsored plans	19
Staff	
Total	224
Claims services	167

**Claims services since:** 1977.  
**Service area:** Nationwide.  
**Branch offices:** Administrative offices in Baltimore. Sales offices in Dover, Del.; Miami; Baltimore; Waltham, Mass.; Red Bank, N.J.; Philadelphia and Pittsburgh; Reston, Va.  
**Subsidiaries:** Atlantic Administrators, Waltham, Mass.; Benefits Concepts Inc., King of Prussia, Pa.; EDSA, Baltimore.  
**PPO access.**  
**Officers:** Arnold M. Katz, president; Michael P. Shine, director-operations; Aaron Singer, director-finance.

**Brokerage Services Inc. (BSI)**

11200 Lomas Blvd. N.E., Albuquerque, N.M. 87112; 505-292-5533; fax: 505-293-7725

Revenues	
Total	\$5,544,192
Claims revenue	\$1,050,398
Claims administration	19%
Other services	81%
Includes: claims and premium administration for fully insured clients, managed care services, Section 125 administration	
Claims business by type	
Disability	1%
Health insurance	99%
Employees covered	7,824
Dependents covered	11,736
Claims business by volume	
Administration-claims paid	\$11,920,225
Clients	
Total	43
Corporations	43
Staff	
Total	99
Claims services	16

**Claims services since:** 1977.  
**Parent:** Group Brokerage Inc.  
**Service area:** Arizona, California, Colorado, Kansas, Missouri, New Mexico, Texas.  
**Charges:** Administration: \$8 to \$12 per employee per month; percent of claims.  
**PPO access.**  
**Officers:** Nancy C. Fisher, president/treasurer; James L. Healy, executive vp/secretary; James O. Fisher, director; Timothy R. Fischer, CFO; Charles B. Jackson, director.  
**Contact:** James L. Healy.



**CENTRA Benefit Services**

1255 W. 15th St., Suite 1000, Plano, Texas 75075; 214-516-2600; fax: 214-516-2640

Revenues	
Total	\$25,500,000
Claims revenue	\$25,500,000
Claims administration	100%
Claims business by type	
Disability	2%
Flex compensation	2%
Health insurance	96%
Employees covered	320,000
Dependents covered	280,000
Claims business by volume	
Administration-claims paid	\$518,000,000

*Continued on next page*

**New criterion for inclusion**

The methodology for this directory of third-party claims administrators differs from previous directories. For the first time, to be listed, *Business Insurance* required companies to report gross revenues from handling claims for self-insured clients in the United States. In addition, a company must have at least \$500,000 in gross revenues from claims handling for self-insured clients. In requiring gross revenues to be reported, *BI* is striving to give readers more complete information on the companies listed. It also provides an alternate basis on which to rank companies in future directories. By setting a threshold for inclusion in the listings, *BI* intends to provide readers with a listing of the companies that have developed a substantial presence in a given marketplace. Although bigger is not necessarily better, exceeding a given threshold of business does suggest experience and the capability to meet readers' needs.

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 Philadelphia, PA (215) 979-3300  
 Orange, CA (714) 978-0577  
 London, England 071-247-1066

**CommonwealthRisk**

An **MRM** Company

*A leader in Alternative Risk Financing*

Continued from previous page

<b>Clients</b>	
Total	21
Corporations	17
Multiemployer plans	1
Public/government entities	3
<b>Staff</b>	
Total	390
Claims services	390
<b>Claims services since: 1970.</b>	
<b>Service area:</b> Nationwide.	
<b>Charges:</b> Administration: per employee per month.	
<b>Branch offices:</b> Administrative and sales offices in Jackson, Miss.; Lynnwood, Wash. Sales office in Minneapolis.	
<b>Officers:</b> Jon K. Lineweaver, CEO; John G. Voltmer, president/COO; Dan Maier, vp-operations; Ralph Gotto, CFO; Gerald Burger, controller.	

**Century Planners Ltd.**

13537 Barrett Parkway Drive, St. Louis, Mo. 63021; 314-822-9992; fax: 314-822-9177

<b>Revenues</b>	
Total	\$2,000,000
Claims revenue	\$1,800,000
Claims administration/adjusting/auditing	90%
Other services	10%
<b>Claims business by type</b>	
Flex compensation	1%
Health insurance	95%
Employees covered	16,000
Dependents covered	30,000
Pensions	1%
Other	3%
<b>Claims business by volume</b>	
Administration-claims paid	\$40,000,000
<b>Clients</b>	
Total	60
Corporations	40
Multiemployer plans	15
Public/government entities	5
<b>Staff</b>	
Total	25
<b>Claims services since: 1980.</b>	
<b>Service area:</b> Midwest.	
<b>Charges:</b> Administration: \$4 to \$12 per employee per month.	
<b>Officers:</b> Ken Thorp, president; Kay Bauer, John Pepin, vps.	
<b>Contact:</b> John Pepin.	

**Chandler & Associates Agency Inc.**

500 Lena Drive, Aurora, Ohio 44202; 216-562-5757; fax: 216-562-5171

<b>Revenues</b>	
Total	\$750,000
Claims revenue	\$750,000
Claims administration	100%
<b>Claims business by type</b>	
Health insurance	100%
Employees covered	15,300
Dependents covered	37,500
<b>Claims business by volume</b>	
Administration-claims paid	\$4,500,000
<b>Clients</b>	
Total	73
Corporations	65
Multiemployer plans	8
<b>Staff</b>	
Total	70
Claims services	15
<b>Claims services since: 1961.</b>	
<b>Parent:</b> The Chandler Group.	
<b>Service area:</b> Nationwide.	
<b>Charges:</b> Administration: \$6 to \$10 per employee per month.	
<b>Branch offices:</b> Sales offices in Louisville, Ky.; Cincinnati and Columbus, Ohio.	
<b>PPO access.</b>	
<b>Officers:</b> Arthur W. Chandler, chairman; Mary Chandler, vp; Keith Kern, secretary/treasurer.	
<b>Contact:</b> James K. Piper, executive vp-marketing.	

**Consolidated Benefit Services Inc.**

20 Perimeter Center E., Atlanta, Ga 30346; 770-379-9500; fax: 770-379-9501

<b>Revenues</b>	
Total	\$5,500,000
Claims revenue	\$4,020,000
Claims administration	73%
Other services	27%
<b>Claims business by type</b>	
Disability	10%
Health insurance	90%
Employees covered	180,000
Dependents covered	450,000
<b>Claims business by volume</b>	
Administration-claims paid	\$118,000,000
<b>Clients</b>	
Total	28
Corporations	18
Multiemployer plans	8
Public/government entities	2
<b>Staff</b>	
Total	100
Claims services	60
<b>Claims services since: 1959.</b>	
<b>Service area:</b> Nationwide.	
<b>Charges:</b> Administration: \$9 to \$20 per employee per month.	
<b>Branch offices:</b> Administrative offices in Birmingham, Ala.	
<b>PPO access.</b>	
<b>Officers:</b> Troy E. Hardin Jr., president/CEO; Judy L. Heilman, executive vp/COO; Charles Hill, vp.	

**Comprehensive Care Services Inc.**

P.O. Box 64668, 1200 Yankee Doodle Road, St. Paul, Minn. 55164-0668; 612-456-5950; fax: 612-683-2159

<b>Revenues</b>	
Total	\$9,900,000
Claims revenue	\$7,480,000
Claims administration	100%
Claims adjusting	15%
Claims auditing	13%
Other services	23%
<b>Claims business by type</b>	
Health insurance	100%
<b>Claims business by volume</b>	
Administration-claims paid	\$217,000,000

<b>Clients</b>	
Total	75
Corporations	65
Multiemployer plans	5
Public/government entities	5
<b>Staff</b>	
Total	136
Claims services	60
<b>Claims services since: 1982.</b>	
<b>Parent:</b> Blue Cross Blue Shield of Minnesota.	
<b>Service area:</b> Minnesota, North Dakota, South Dakota, Wisconsin.	
<b>Charges:</b> Administration: per employee per month. Auditing: per hour; per project.	
<b>Officers:</b> Mike Walsh, president; Darrold Barris, vp-operations.	
<b>Contact:</b> Tony Weber, 612-456-5980.	

Contact: Tamara L. Rodden or John Banks.

**Corporate Diversified Services Inc.**

2120 S. 72nd St., Suite 400, Omaha, Neb. 68124-2398; 402-393-3133; fax: 402-398-3773

<b>Revenues</b>	
Total	\$1,625,085
Claims revenue	\$1,277,000
Claims administration	79%
Other services	21%
Includes: commissions on premiums and vendor fees for managed care services	
<b>Claims business by type</b>	
Flex compensation	17%
Health insurance	83%
Employees covered	13,755
<b>Claims business by volume</b>	
Administration-claims paid	\$35,629,103
<b>Clients</b>	
Total	80
Corporations	73
Public/government entities	7
<b>Staff</b>	
Total	56
Claims services	40
<b>Claims services since: 1983.</b>	
<b>Parent:</b> Blue Cross Blue Shield of Nebraska.	
<b>Service area:</b> Nationwide.	
<b>Charges:</b> Administration: per employee per month.	
<b>PPO access.</b>	
<b>Officers:</b> Richard Guffey, president; Cheri Kowal, executive vp/COO; David Realph, treasurer; Susan Schneiderwind, secretary; Pam Silverman, director-group operations.	
<b>Contact:</b> Cheri Kowal.	

**Corporate Health Administrators Inc.**

980 Jolly Road, Blue Bell, Pa. 19422; 800-437-1330; fax: 215-283-6589

<b>Revenues</b>	
Total	\$24,000,000
Claims revenue	\$19,700,000
Claims administration	82%
Other services	12%
Includes: pre-certification, utilization review, large case management, commissions on stop-loss	
<b>Claims business by type</b>	
Disability	5%
Flex compensation	10%
Health insurance	80%
Employees covered	18,500
Dependents covered	27,000
Life	5%
<b>Claims business by volume</b>	
Administration-claims paid	\$59,000,000

<b>Claims business by type</b>	
Health insurance	100%
Employees covered	116,000
Dependents covered	134,500

<b>Claims business by volume</b>	
Administration-claims paid	\$306,000,000
<b>Clients</b>	
Total	163
Corporations	151
Public/government entities	9
Union-sponsored plans	3
<b>Staff</b>	
Total	300
Claims services	300
<b>Claims services since: 1988.</b>	
<b>Parent:</b> U.S. Healthcare.	
<b>Service area:</b> Nationwide.	
<b>Charges:</b> Administration: \$12 to \$21 per employee per month.	
<b>Branch offices:</b> Administrative offices in Bismarck, N.D.; Pittsburgh. Sales offices in Middletown, Conn.; Atlanta and Macon, Ga.; Linthicum, Md.; Boston; Fairfield, N.J.; Harrisburg and Pittsburgh, Pa.	
<b>PPO access.</b>	
<b>Officers:</b> Michael J. Cardillo, president; David F. Simon, secretary; Thomas A. Masci Jr., treasurer.	
<b>Contact:</b> Mary Claire Bonner, senior vp-marketing.	

**Corporate Systems Administration Inc.**

P.O. Box 4985, 4722 Lake Park Drive, Johnson City, Tenn. 37602-4985; 423-282-3420; fax: 423-282-2999

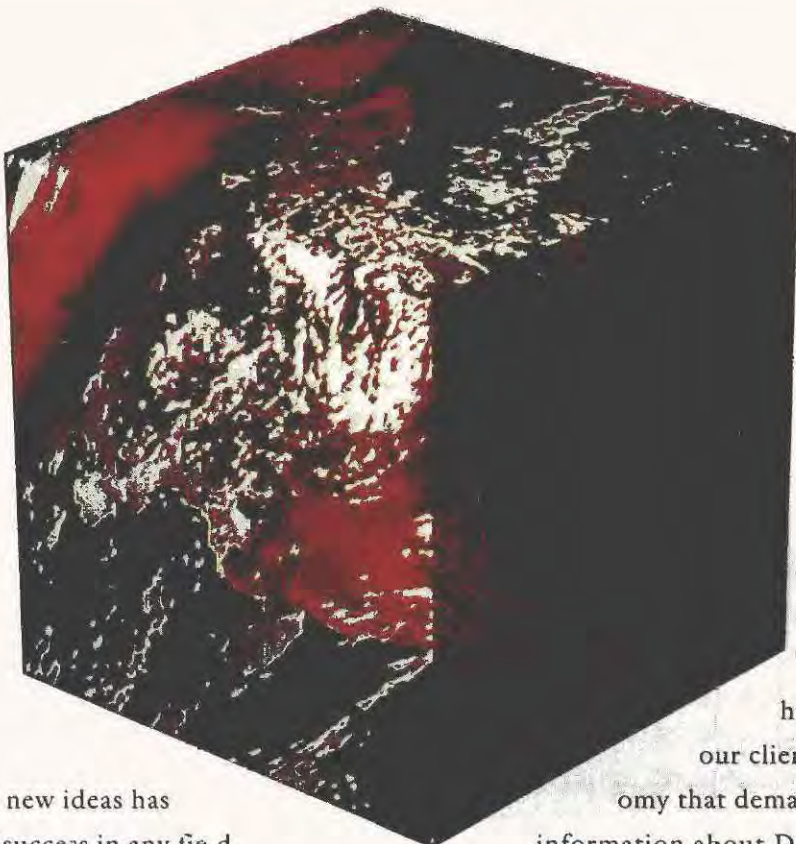
<b>Revenues</b>	
Total	\$5,219,312
Claims revenue	\$2,609,658
Claims administration	50%
Other services	50%
Includes: utilization review, large case management, PPO access, full insured administration, flex and COBRA administration	
<b>Claims business by type</b>	
Disability	5%
Flex compensation	10%
Health insurance	80%
Employees covered	18,500
Dependents covered	27,000
Life	5%
<b>Claims business by volume</b>	
Administration-claims paid	\$59,000,000

Continued on page 26

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UNION**



**\$110,000,000**  
Senior Credit Facility  
for the Acquisition of Viking Insurance  
by  
Guaranty National Corporation  
*The undersigned structured, arranged  
and syndicated this financing.*  
First Union Capital Markets Corp.

**FIRST  
UNION**

**\$100,000,000**  
Senior Revolving Credit Facility  
for General Corporate Purposes,  
Including Commission Financing  
for  
Western National Corporation  
*The undersigned agented, structured  
and arranged this facility.*  
First Union Capital Markets Corp.

**FIRST  
UNION**

**\$600,000,000**  
Senior Secured Credit Facilities  
for the Acquisition of CCP Insurance, Inc.  
and General Corporate Purposes  
by  
Conseco, Inc.  
*The undersigned acted as documentation  
agent for this transaction.*  
First Union Capital Markets Corp.

**FIRST  
UNION**

**\$1,000,000,000**  
Revolving Credit/Term Loan Facility  
to pay loss claims in the event of  
a windstorm  
for  
The Florida Windstorm  
Underwriting Association  
*The undersigned acted as a  
Co-Arranger for this transaction.*  
First Union Capital Markets Corp.

**FIRST  
UNION**

**\$25,000,000**  
Interest Rate Cap  
for  
The Liberty Corporation  
*The undersigned originated and  
structured this transaction.*  
First Union National Bank  
of North Carolina

**FIRST  
UNION**

**\$10,000,000**  
Equity Commitment  
for  
a Life, Accident and Health  
Acquisition Partnership  
by  
Knightsbridge Capital Fund I, L.P.  
*The undersigned participated  
in this transaction.*  
First Union Corporation

**FIRST  
UNION**



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For registration material and membership information call **Judith A. Harrington** at (612) 927-9220 or write us at our administrative headquarters: **4248 Park Glen Rd., Minneapolis, MN 55416. Fax: (612) 929-1318**

**CICA . . . For A Better Industry**

Continued from page 24

<b>Clients</b>	
Total	86
Corporations	65
Public/government entities	21
<b>Staff</b>	
Total	31
Claims services	25
<b>Claims services since: 1980.</b>	
Service area: Southern and eastern states.	
Charges: Administration: \$6 to \$12.50 per employee per month.	
Subsidiaries: Holden & Co., Savannah, Ga.	
PPO access.	
Officers: Thomas H. Repass, president; David H. Grazier, Michael R. Miller, Diana Pearce, vps.	
Contact: Thomas H. Repass.	
<b>Cost Management Technologies Inc.</b>	
5700 Broadmoor, P.O. Box 29122, Shawnee Mission, Kan. 66201-1422; 913-432-5000; fax: 913-432-8003	
<b>Revenues</b>	
Total	\$1,435,798

Claims revenue	\$695,000
Claims administration	48%
Other services	52%
Includes: Section 125 administration	
<b>Claims business by type</b>	
Flex compensation	25%
Health insurance	75%
Employees covered	13,000
Dependents covered	32,500
<b>Claims business by volume</b>	
Administration-claims paid	\$20,363,973
<b>Clients</b>	
Total	17
Corporations	17
<b>Staff</b>	
Total	38
Claims services	10
<b>Claims services since: 1987.</b>	
Service area: Nationwide.	
Charges: Administration: \$4.50 to \$12.98 per employee per month.	
Officers: Patrick Thompson, CEO; John Laird, Paul Struxness, vps.	
Contact: Beth Thompson, director-corporate communications.	



**Delta Dental Plan of California**

100 First St., San Francisco, Calif. 94105; 415-972-8300; fax: 415-972-8466

<b>Revenues</b>	
Total	\$1,900,000,000
Claims revenue	\$44,000,000
Claims administration	2.1%
Claims adjusting	0.1%
Claims auditing	0.1%
Other services	97.7%
Includes: fully insured claims services, underwriting and contracts	
<b>Claims business by type</b>	
Health insurance	100%
Employees covered	930,000
Dependents covered	1,830,000
<b>Claims business by volume</b>	
Administration-claims paid	\$558,000,000
<b>Clients</b>	
Total	472
Corporations	40
Public/government entities	289
Union-sponsored plans	143

<b>Staff</b>	
Total	1,400
Claims services	325
<b>Claims services since: 1955.</b>	
Service area: Nationwide, primarily California.	
Charges: Administration: percent of revenue; per employee per month.	
Branch offices: Administrative offices in Cerritos and Sacramento, Calif. Sales offices in Cerritos, Fresno, Sacramento and San Diego, Calif.	
Subsidiaries: PMI Dental Health Plan, Cerritos, Calif.	
PPO access.	
Officers: William T. Ward, president/CEO; Joseph C. Jaeger, CFO; Jerry R. Holcombe, senior vp-commercial operations; Don B. Conkling, senior vp-marketing; Fred Mylius, senior vp-government programs.	
Contact: Jeff Album, public relations manager, 415-972-8418.	

**Duke Benefit Services Inc.**

2975 Ivy Road, Charlottesville, Va. 22903; 800-952-2263; fax: 804-293-8238

<b>Revenues</b>	
Total	\$6,000,000
Claims revenue	\$5,400,000
Claims administration	88%
Claims auditing	2%
Other services	10%
Includes: fully insured administration, premium collection and remittance, consulting	
<b>Claims business by type</b>	
Disability	2%
Flex compensation	5%
Health insurance	80%
Employees covered	25,000
Dependents covered	40,000
Life	5%
Pensions	5%
Other	3%
<b>Claims business by volume</b>	
Administration-claims paid	\$25,000,000
Auditing-projects conducted	2
<b>Clients</b>	
Total	45
Association plans	3
Corporations	35
Multiemployer plans	2
MEWAs	1
Public/government entities	3
Union-sponsored plans	1
<b>Staff</b>	
Total	41
Claims services	38
<b>Claims services since: 1976.</b>	
Service area: Nationwide.	

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*We have more experience* helping our clients save money at health care facilities than anybody else. We've been at it for 25 years, and *it's our only business.*

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Minories, London EC3N 1DY. Or call 0171-711-0222, FAX 0171-711-0223

Continued from page 26

**Charges:** Administration: \$4 to \$12 per employee per month. Auditing: per project; per hour.

**Branch offices:** Administrative and sales offices in Harrisburg, Monaca and Pittsburgh, Pa.; Richmond, Va.

**PPO access.**

**Officers:** Joe B. Selman, CEO; Henry L. Duke, president; Eleanor J. Selman, CFO  
**Contact:** Joe B. Selman.

**E**

**Employee Benefit Claims of Wisconsin**

9275 N. 49th St., Suite 300;  
Milwaukee, Wis. 53223; 414-365-4625;  
fax: 414-365-4610

**Revenues**

Total	\$12,300,000
Claims revenue	\$10,800,000
Claims administration	80%
Claims adjusting	10%
Other services	10%
Includes: utilization review, COBRA, Section 125	

**Claims business by type**

Flex compensation	5%
Health insurance	95%
Employees covered	100,000
Dependents covered	150,000

**Claims business by volume**

Administration-claims paid	\$200,000,000
----------------------------	---------------

**Clients**

Total	650
Association plans	10
Corporations	600
Public/government entities	20
Union-sponsored plans	20

**Staff**

Total	160
Claims services	160

**Claims services since:** 1977.

**Parent:** Safeco Life Insurance.

**Service area:** Nationwide.

**Charges:** Administration: \$1,000 to \$2,000 per year. Adjusting: \$8 to \$12 per employee per month.

**Branch offices:** Administrative offices in Louisville, Ky.; Cleveland and Findlay, Ohio.

**PPO access.**

**Officers:** Larry Pych, president; John Feith, Steve Hopp, Tim Hussey, vps.

**Employee Benefit**

**Management Corp.**

4780 Rings Road, Dublin, Ohio 43017  
614-766-5800; fax: 614-766-C901

**Revenues**

Total	\$6,267,000
Claims revenue	\$4,194,000
Claims administration	66.8%
Other services	33.2%
Includes: Flex 125 administration, COBRA administration and consulting, fully insured product brokerage, benefit consulting	

**Claims business by type**

Disability	2%
Flex compensation	0.2%
Health insurance	97.8%
Employees covered	40,000
Dependents covered	100,000

**Claims business by volume**

Administration-claims paid	\$174,000,000
----------------------------	---------------

**Clients**

Total	90
Corporations	35
Multiemployer plans	2
MEWAs	3

**Staff**

Total	101
Claims services	101

**Claims services since:** 1979.

**Service area:** Nationwide.

**Charges:** Administration: per employee per month.

**Officers:** Russel Means, chairman; Thomas C. Jack, president/CEC; Bill Weatherholt, David Coleman, Teresa Scott Carano, vps.  
**Contact:** Bill Weatherholt.

**Employee Benefit**

**Management Services Inc.**

P.O. Box 21367, Billings,  
Mont. 59104-1367; 406-245-3575;  
fax: 406-259-7871

**Revenues**

Total	\$3,702,000
Claims revenue	\$3,183,720
Claims administration	70%
Claims adjusting	8%
Claims auditing	8%
Other services	14%
Includes: managed care, wellness	

**Claims business by type**

Disability	2%
Flex compensation	4%
Health insurance	87%
Employees covered	18,147
Dependents covered	27,221
Life	2%
Pensions	2%
Other	3%

**Claims business by volume**

Administration-claims paid	\$43,000,000
----------------------------	--------------

**Clients**

Total	100
Association plans	1
Corporations	45
MEWAs	2
Public/government entities	52

**Staff**

Total	56
Claims services	56

**Claims services since:** 1980.

**Service area:** Nationwide.

**Charges:** Administration: \$5 to \$20 per employee per month.

**Branch offices:** Administrative office in Portland, Ore.

**PPO access.**

**Officers:** Frederick H. Larson, president; Nicki Larson, vp.

**Contact:** F.H. (Rick) Larson.

**Equifax Healthcare**

**Administrative Services\***

5001 Spring Valley Road, Suite 1000E,  
Dallas, Texas 75244; 214-789-6400;  
fax: 214-789-6412

**Revenues**

Total	\$40,000,000
Claims revenue	\$20,000,000
Claims administration	50%
Other services	50%
Includes: analytical and reporting services, utilization/case management, network operations and management, workers comp administration, hospital bill audit, line item analysis	

**Claims business by type**

Flex compensation	1%
Health insurance	95%
Employees covered	350,000
Dependents covered	800,000
Workers compensation	4%

**Claims business by volume**

Administration-claims paid	\$600,000,000
----------------------------	---------------

**Clients**

Total	70
Association plans	1
Corporations	64
Multiemployer plans	2
Public/government entities	3

**Staff**

Total	650
Claims services	320

**Claims services since:** 1984.

**Parent:** Equifax Inc.

**Service area:** Nationwide.

**Charges:** Administration: per employee per month.

**Branch offices:** Administrative offices in Cedar Rapids, Iowa; Duncan, Okla.; Houston and Irving, Texas; Charleston, W.Va. Sales offices in Los Angeles; San Francisco; Maitland and Tampa, Fla.; Atlanta; Chicago; Kansas City, Kan.; Framingham, Mass.; Cincinnati; Philadelphia; Memphis, Tenn.; Dallas, Houston and Richardson, Texas.

**PPO access.**

**Officers:** Charles E. Page, president; Mike Kenney, vp/COO; Tom Dubowski, vp/controller; Nancy Coleman, vp-health care administration; Sinclair Wright, vp-marketing.  
**Contact:** Barbara Mercer, manager-marketing, 800-750-6543 or 214-789-6444.

\* Formerly Health Economics Corp.

**F**

**Fidelity Administrators**

4150 International Plaza, Fort Worth,  
Texas 76109-4899; 800-546-2550;  
fax: 817-496-3041

**Revenues**

Claims revenue*	\$500,000
Claims administration	100%

**Claims business by type**

Flex compensation	5%
Health insurance	95%

**Claims services since:** 1991.

**Parent:** International Benefit Services Corp.

**Service area:** Nationwide.

**Charges:** Administration: \$6 to \$20 per employee per month.

**Branch offices:** Sales office in Chicago.

**Officers:** Jim Gallagher, CEO; Diane Griffin, president; Joseph Santinobeto, CFO; Carol Heikkinen, vp-operations; Kevin Terry, vp-marketing.

**Contact:** Kevin Terry.

\* Estimate.

**First American Administrators**

P.O. Box 8150, Rapid City,  
S.D. 57709; 605-343-2509;  
fax: 605-343-8887

**Revenues**

Total	\$1,600,000
Claims revenue	\$1,600,000
Claims administration	100%

Continued on page 30

**PROPERTY**

"Catastrophic" seems to be the best description of the past several years in the property marketplace. All over the country fires, floods, earthquakes, hurricanes and tornados have struck with a frequency unprecedented in recent memory.

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Jack had no time for candlesticks. Then again who does? He was too busy

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Jack wasn't the only one who was *nimble* and

*quick*. Jack's problems were solved. He could

go back to doing what he did best because **Helmsman** had taken

a great weight off his shoulders. Which Jack really appreciated since

his specialty was leaping over burning wax.



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Continued from page 28

Claims business by type	
Flex compensation	5%
Health insurance	90%
Employees covered	14,000
Dependents covered	22,000
Life	5%

Claims business by volume	
Administration-claims paid	\$38,000,000

Clients	
Total	103
Association plans	3
MEWAs	19
Public/government entities	81

Staff	
Total	28
Claims services	28

**Claims services since:** 1984.  
**Parent:** Dobbs Inc.  
**Service area:** Iowa, Minnesota, Nebraska, North Dakota, South Dakota, Texas, Wyoming.  
**Charges:** Administration: \$6 to \$14 per employee per month.  
**Branch offices:** Sales office in Sioux Falls, S.D.  
**PPO access.**  
**Officers:** Joe Dobbs, president; Richard Wahlstrom, general manager; Cheryl Trulson, controller/treasurer.  
**Contact:** Richard Wahlstrom.

**First Health Strategies Inc.**

6975 Union Park Center, Suite 600, Midvale, Utah 84047; 801-568-5500; fax: 801-568-5652

Revenues	
Total	\$475,000,000
Claims revenue	\$255,000,000
Claims administration	54%
Other services	46%

Includes: utilization management, PPO, stop-loss insurance, group life insurance, program enrollment, contract review, equipment sales

Claims business by type	
Disability	1%
Flex compensation	2%
Health insurance	96%
Employees covered	5,700,000
Dependents covered	6,800,000
Workers compensation	1%

Claims business by volume	
Administration-claims paid	\$9,600,000,000

Clients	
Total	3,010
Association plans	100
Corporations	2,700
Public/government entities	200
Union-sponsored plans	10

Staff	
Total	4,900
Claims services	3,800

**Claims services since:** 1960.  
**Parent:** First Data Corp.  
**Service area:** Nationwide.  
**Branch offices:** Administrative offices in 24 locations nationwide. Sales offices in 33 locations nationwide.  
**PPO access.**  
**Officers:** Terry Nofsinger, president; George Dreisbach, COO; Ray Emmons, CFO; Dave Money, legal counsel.  
**Contact:** David Kreager, senior vp-national accounts.

**Fox-Everett Inc.**

P.O. Box 188, 3780 I-55 N., Suite 200, Jackson, Miss. 39205-0188; 601-981-6000; fax: 601-981-9243

Revenues	
Total	\$2,500,000
Claims revenue	\$1,750,000
Claims administration/adjusting/auditing	70%
Other services	30%

Claims business by type	
Health insurance	100%
Employees covered	18,000
Dependents covered	22,500

Claims business by volume	
Administration-claims paid	\$40,000,000

Clients	
Total	33
Association plans	2
Corporations	26
MEWAs	1
Public/government entities	2
Union-sponsored plans	2

Staff	
Total	65
Claims services	21

**Claims services since:** 1965.  
**Service area:** Alabama, Illinois, Louisiana, Mississippi, Tennessee, Texas.  
**Charges:** Administration: \$6 to \$8 per employee per month.  
**Branch offices:** Sales office in Gulfport, Miss.  
**PPO access.**  
**Officers:** Carl J. Bush, president; C. Larry Vance, John F. Anderson Jr., William H. Mathison, W.E. Kinchen, vps.  
**Contact:** Larry Vance.

**Fringe Benefit Services Inc.**

7000 N. Broadway, Suite 106, P.O. Box 21240, Denver, Colo. 80221; 303-486-4984; fax: 303-429-1359

Revenues	
Total	\$1,500,000
Claims revenue	\$1,350,000
Claims administration	92%
Other services	8%

Claims business by type	
Flex compensation	4%
Health insurance	92%
Employees covered	16,000
Dependents covered	28,000
Pensions	4%

Claims business by volume	
Administration-claims paid	\$30,000,000

Clients	
Total	24
Corporations	4
Multiemployer plans	5
MEWAs	1
Public/government entities	14

Staff	
Total	26
Claims services	21

**Claims services since:** 1972.

**Service area:** Arizona, Colorado, Iowa, Kansas, Nebraska, New Mexico, Wyoming.

**Charges:** Administration: \$7 to \$14 per employee per month.

**Branch offices:** Administrative and sales offices in Phoenix.

**Officers:** Mabel LaChappell, president; Harry Auston, executive vp/treasurer; Mark Griffin, secretary.

**Contact:** Harry Auston.

**Fringe Benefits Management Co.**

1720 S. Gadsden St., Tallahassee, Fla. 32301; 904-425-6200; fax: 904-425-6220

Revenues	
Total	\$11,900,000
Claims revenue	\$870,000
Claims administration	7.3%
Other services	92.7%

Includes: COBRA and retiree administration

Claims business by type	
Disability	36.9%
Flex compensation	10%
Health insurance	28.5%
Employees covered	154,470
Dependents covered	44,612

Life	3.6%
Other services	21%
Includes: long-term care, cancer	

Claims business by volume	
Administration-claims paid	\$6,632,390

Clients	
Total	27
Corporations	4
Multiemployer plans	5
Public/government entities	18

Staff	
Total	165
Claims services	12

**Claims services since:** 1979.  
**Service area:** Nationwide.

**Charges:** Administration: 1% to 11% of premium.

**Branch offices:** Administrative offices in Little Rock, Ark.; Sacramento, Calif.; Baton Rouge and New Orleans, La.; Madison, Wis.

**PPO access.**

**Officers:** Mike Sheridan, president; Lorraine Ritch, executive vp; Agnes McMurry, senior vp-operations; Debra Tougas, senior vp/controller; Lew Leopard, vp-marketing.

**Contact:** Trish Neely, vp-marketing, 904-425-6200, ext. 482.

**GHI (Group Health Inc.)**  
 441 Ninth Ave., New York, N.Y. 10001;  
 212-615-0808; fax: 212-563-8553

Revenues	
Total	\$126,500,000
Claims revenue	\$14,400,000
Claims administration	11.4%
Other services	88.6%

Claims business by type	
Health insurance	100%
Employees covered	523,000
Dependents covered	977,000

Claims business by volume	
Administration-claims paid	\$530,000,000

Clients	
Total	19
Corporations	5
Multiemployer plans	12
Public/government entities	2

Continued on next page

*The Alexis philosophy – No. 6 in a series*



**Introducing:**

Continued from previous page

Staff	
Total	2,000
Claims services	138

**Claims services since:** 1937.  
**Service area:** New York.  
**Charges:** Administration: per employee per month; percent of claim.  
**Branch offices:** Sales offices in Albany, Buffalo, Garden City, Rochester and Syracuse, N.Y.  
**PPO access.**  
**Officers:** Frank J. Branchini, president/CEO; Steven Kessler, senior vp-marketing; Jon Leeke, senior vp-corporate planning; Douglas B. Templeton, senior vp-operations; Martin Adelstein, vp-labor business development.  
**Contact:** Steven Kessler.

**Gardner & White Inc.**

8500 Keystone Crossing, P.O. Box 40948, Indianapolis, Ind. 46240; 317-257-9131; fax: 317-255-7509

Revenues	
Total	\$1,600,000
Claims revenue	\$1,600,000
Claims administration	70%
Claims adjusting	20%
Claims auditing	10%

**Claims business by type**

Health insurance	100%
Employees covered	22,700
Dependents covered	35,000

**Claims business by volume**

Administration-claims paid	\$33,750,000
----------------------------	--------------

**Clients**

Total	75
Corporations	75

**Staff**

Total	44
Claims services	44

**Claims services since:** 1981.  
**Service area:** Nationwide.  
**Charges:** Administration: \$7.50 to \$10 per employee per month.  
**Officers:** Edward Bull, president; Don Bogenrief, vp; Mary Lee Weintraut, controller; Steve Bulloff, secretary.  
**Contact:** Thomas H. McCarthy, vp-self-funding.

Terms and methodology for the directory of claims administrators, adjusters and auditors are explained on page 22.

**Gilbert-Magill Co.**

323 W. 8th St., Suite 800, Kansas City, Mo. 64105; 816-474-3535; fax: 816-842-8795

**Revenues**

Total	\$3,400,000
Claims revenue	\$575,000
Claims administration	17%
Other services	83%

**Claims business by type**

Health insurance	100%
Employees covered	4,150
Dependents covered	4,142

**Claims business by volume**

Administration-claims paid	\$8,572,713
----------------------------	-------------

**Staff**

Total	49
Claims services	8

**Claims services since:** 1984.  
**Service area:** Nationwide.  
**Charges:** Administration: \$11.25 to \$16 per employee per month.  
**PPO access.**  
**Officers:** Edward G. Gilbert, chairman; John W. Bovard, president/CEO; La Doris Y. Langley, senior vp; Joseph J. Piatczyk, Carole Cathey, vps.  
**Contact:** Lori Langley.

**Gilsbar Inc.**

2100 Covington Centre, P.O. Box 998, Covington, La. 70434; 504-898-1550; fax: 504-898-1500

**Revenues**

Total	\$11,000,000
Claims revenue	\$5,600,000
Claims administration	51%
Other services	49%

**Claims business by type**

Disability	1%
Health insurance	89%
Employees covered	33,966
Dependents covered	61,500
Life	10%

**Claims business by volume**

Administration-claims paid	\$75,944,736
----------------------------	--------------

**Clients**

Total	105
Corporations	100
Public/government entities	5

**Staff**

Total	169
Claims services	51

Claims services since: 1959.

Service area: Alabama, Louisiana, Mississippi.

**Charges:** Administration: \$9 to \$15 per employee per month.  
**PPO access.**

**Officers:** Henry J. Miltenberger Jr., president; William Robert Ellis, senior vp; Curt W. Keay, vp/CFO; Joseph A. Luquet Jr., vp; Shelley P. Lampard, vp-operations  
**Contact:** Jane Bucano, 504-898-1588.

**Group Administrators Ltd.**

1880 N. Roselle Road, Schaumburg, Ill. 60195; 708-519-1880; fax: 708-519-1979

**Revenues**

Total	\$3,500,000
Claims revenue	\$2,800,000
Claims administration	80%
Other services	20%
Includes: fully insured claims administration, COBRA and Section 125 administration	

**Claims business by type**

Flex compensation	1%
Health insurance	98%
Employees covered	25,000
Dependents covered	70,000
Other	1%
Includes: COBRA	

**Claims business by volume**

Administration-claims paid	\$68,000,000
----------------------------	--------------

**Clients**

Total	45
Corporations	45

**Staff**

Total	49
Claims services	45

**Claims services since:** 1985.  
**Service area:** Nationwide.  
**Charges:** Administration: \$8.50 to \$15 per employee per month.  
**PPO access.**  
**Officers:** William Webbe, president; David Dorfman, executive officer; Ronald Lawlor, senior vp; Barb Wieda, vp-operations.

**Group Employee Benefits Administrators Inc.**

2646 Highway Ave., Chesterton, Ind. 46304; 219-972-5177; fax: 219-972-5122

**Revenues**

Total	\$640,709
Claims revenue	\$528,261
Claims administration	82%
Other services	18%
Includes: utilization review; PPO; fully insured commissions; flexible spending, Section 125 and COBRA administration	

**Claims business by type**

Disability	0.5%
Flex compensation	0.5%
Health insurance	93%
Employees covered	11,997
Dependents covered	9,279
Life	0.5%
Workers compensation	5.5%

**Claims business by volume**

Administration-claims paid	\$18,535,000
----------------------------	--------------

**Clients**

Total	8
Association plans	3
Corporations	1
Public/government entities	4

**Staff**

Total	10
Claims services	6

**Claims services since:** 1985.  
**Service area:** Nationwide.  
**Charges:** Administration: \$7.50 to \$10.50 per employee per month.  
**PPO access.**  
**Officers:** Jerome Coppage, secretary/treasurer; Terrence O'Brien, CEO.

**Group Resources Inc.**

5161 Brook Hollow Parkway, Suite 200, Norcross, Ga. 30071-3652; 770-242-7776; fax: 770-903-9013

**Revenues**

Total	\$3,395,000
Claims revenue	\$3,225,000
Claims administration	95%
Other services	5%

**Claims business by type**

Disability	1%
Flex compensation	3%
Health insurance	96%
Employees covered	34,600
Dependents covered	77,300

**Claims business by volume**

Administration-claims paid	\$53,125,000
----------------------------	--------------

**Clients**

Total	195
Corporations	184
Public/government entities	11

**Staff**

Total	53
Claims services	35

**Claims services since:** 1981.  
**Service area:** Nationwide.  
**Charges:** Administration: \$5 to \$13.75 per employee per month.

Continued on next page



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Continued from previous page

**Officers:** Thomas S. Byrd, president/CEO; Larry D. Simpson, executive vp; Joe Buchanan, vp-Piedmont Division; Scott Samuels, vp-sales; Kenneth W. Robinson, CFO; W. Andrew Willoughby, director-MIS.

Contact: Scott Samuels.

**Group Services Administrators Inc.**

30 Montgomery St., Jersey City, N.J. 07302; 201-433-7360; fax: 201-434-4244

<b>Revenues</b>	
Total	\$750,000
Claims revenue	\$750,000
Claims administration/adjusting/auditing	100%
Includes: negotiating with health care providers	
<b>Claims business by type</b>	
Health insurance	100%
Employees covered	22,000
Dependents covered	50,000
<b>Claims business by volume</b>	
Administration-claims paid	\$17,500,000
<b>Clients</b>	
Total	17
Association plans	1

Corporations	1
Multiemployer plans	15
<b>Staff</b>	
Total	10
Claims services	10

**Claims services since:** 1955.  
**Service area:** New Jersey, New York.  
**Charges:** Administration and adjusting: per employee per month.

**Officers:** Robert C. Gerald, president; Carmen Contreras, claims manager.



**Harden & Co.**

1800 Sutter St., Suite 400, Concord, Calif. 94524; 510-682-7707; fax: 510-356-2400

<b>Revenues</b>	
Total	\$6,000,000
Claims revenue	\$2,750,000
Claims administration	46%
Other services	54%
Includes: fully insured administration, premium billing, insurance company outsourcing services	
<b>Claims business by type</b>	
Health insurance	100%
Employees covered	22,000
Dependents covered	50,000
<b>Claims business by volume</b>	
Administration-claims paid	\$17,500,000
<b>Clients</b>	
Total	17
Association plans	1

<b>Claims business by type</b>	
Flex compensation	1%
Health insurance	99%
Employees covered	30,000
Dependents covered	75,000
<b>Claims business by volume</b>	
Administration-claims paid	\$53,482,000
<b>Clients</b>	
Total	80
Corporations	60
Public/government entities	20
<b>Staff</b>	
Total	80
Claims services	60

**Claims services since:** 1975.  
**Parent:** Anchor Pacific Underwriters.  
**Service area:** Nationwide.  
**Charges:** Administration: \$9 to \$13 per employee per month.

**Subsidiaries:** Benefit Resources Inc., Scottsdale, Ariz.

**PPO access.**

**Officers:** James Dunathan, CEO; Earl Wiklund, COO; Lynn A. Boyd, executive vp; Ray Petersen, senior vp.

Contact: Lynn A. Boyd.

**Health Care 2000**

1407 York Road, Suite 302, Lutherville, Md. 21093; 410-296-8326; fax: 410-296-8363

<b>Revenues</b>	
Claims revenue	\$1,000,000
Claims administration	85%
Other services	15%
Includes: fully insured administration	
<b>Claims business by type</b>	
Health insurance	100%
Employees covered	25,000
Dependents covered	35,000
<b>Clients</b>	
Total	5
Corporations	5
<b>Staff</b>	
Total	20
Claims services	18

**Claims services since:** 1983.  
**Parent:** Fidelity Health Systems.  
**Service area:** Maryland.  
**PPO access.**

**Officers:** Mitchell Diamond, president; Richard Maffezzoli, medical director; Daniel Koziol, director-utilization review.

Contact: Mitchell Diamond.

**Health Risk**

**Management Inc. (HRM)**

8000 W. 78th St., Minneapolis, Minn. 55439; 612-829-3500; fax: 612-829-3578

<b>Revenues</b>	
Total	\$49,302,000
Claims revenue	\$19,942,000
Claims administration	40.5%
Other services	59.5%
Includes: medical and behavioral care management (UR), large case management, EAP, maternity and disability programs, PPO networks, out-of-network fee negotiation/bill review, medical/surgical and disability guidelines	
<b>Claims business by type</b>	
Disability	0.3%
Flex compensation	2%
Health insurance	97.7%
Employees covered	246,238
Dependents covered	566,347
<b>Claims business by volume</b>	
Administration-claims paid	\$402,114,000
<b>Clients</b>	
Total	65
Association plans	1
Corporations	62
Multiemployer plans	2
<b>Staff</b>	
Total	715
Claims services	209

**Claims services since:** 1965.  
**Service area:** Nationwide.  
**Charges:** Administration: per employee per month.

**Branch offices:** Administrative offices in Kalamazoo, Mich.; Milwaukee. Sales offices in Denver, Danbury, Conn.; Washington, Atlanta; Chicago; Edmonton, Alberta.

**Subsidiaries:** HRM Claim Management Inc., Kalamazoo, Mich.

**PPO access.**

**Officers:** Gary T. McIlroy, CEO; Marlene Travis, president/COO; Thomas P. Clark, senior vp/CFO; A. Charles Bredesen, president-managed care division; Charles Holland, president-HRM Claim Management.

Contact: Rose Mary Glass, 616-382-0300.

**Heller Associates Inc.**

2755 Bristol St., Suite 250, Costa Mesa, Calif. 92626; 714-549-7052; fax: 714-549-4816

<b>Revenues</b>	
Total	\$2,200,000
Claims revenue	\$2,000,000
Claims administration	80%
Claims adjusting	5%
Claims auditing	5%
Other services	10%
Includes: PPO, billing and managed care services	
<b>Claims business by type</b>	
Disability	5%
Flex compensation	10%
Health insurance	85%
Employees covered	30,000
Dependents covered	40,000
<b>Claims business by volume</b>	
Administration-claims paid	\$60,000,000
<b>Staff</b>	
Total	40
<b>Claims services since:</b> 1980. <b>Service area:</b> Nationwide. <b>Charges:</b> Administration: \$8 to \$12 per employee per month. Adjusting and auditing: per employee per month. <b>Branch offices:</b> Administrative offices in Idaho Falls, Idaho; Las Vegas; Chesterland, Ohio. <b>PPO access.</b> <b>Officers:</b> Glen E. Ogden, president. Contact: Glen Ogden, 800-222-2184.	

**Humana/Med-Pay Inc.**

1650 E. Battlefield, Suite 310, Springfield, Mo. 65804; 417-886-6886; fax: 417-886-2276

<b>Revenues</b>	
Total	\$2,927,400
Claims revenue	\$2,278,600
Claims administration	78%
Other services	22%
Includes: consulting/precertification, utilization review, case management, PPO network access	
<b>Claims business by type</b>	
Health insurance	95%
Employees covered	18,251
Dependents covered	22,500
Life	5%
<b>Claims business by volume</b>	
Administration-claims paid	\$40,000,000
<b>Clients</b>	
Total	76
Corporations	74
Public/government entities	2
<b>Staff</b>	
Total	48
Claims services	38

**Claims services since:** 1984.  
**Parent:** Humana Health Systems.  
**Service area:** Arkansas, Missouri.  
**Charges:** Administration: \$4.50 to \$20 per employee per month.

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# Agent/Broker Topics

A monthly editorial section sent exclusively to agents and brokers

## Helping consumers cover difficult paths

*Facing rising competition, producers strive to defend their roles as intermediaries*

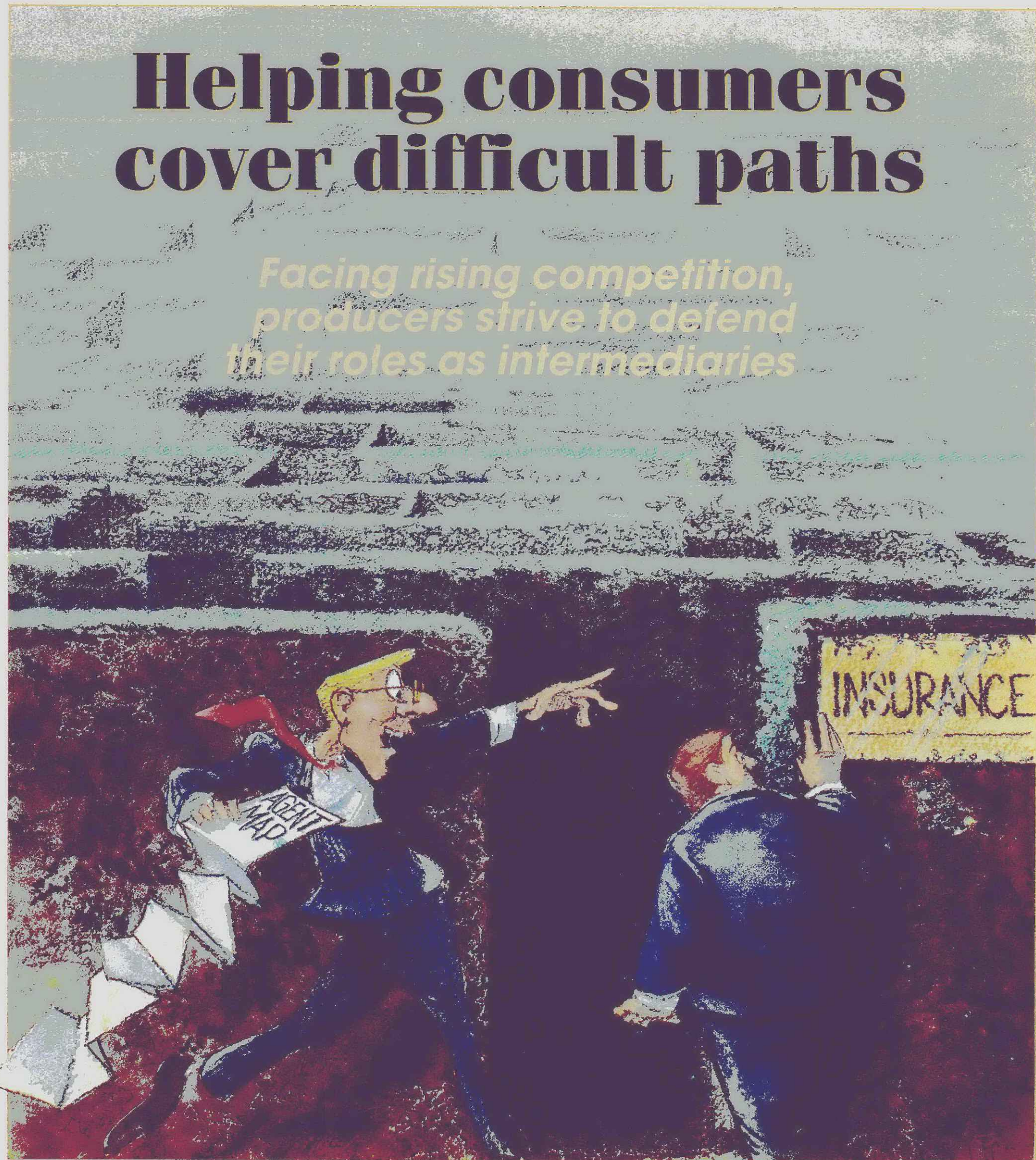


ILLUSTRATION BY ROGER SCHILLERSTROM

# Agents, brokers find that basics aren't enough

Customers now demanding services that go beyond insurance procurement

By MICHAEL BRADFORD

**A**gents and brokers are dealing with smarter, more fickle clients in today's marketplace and they are facing increasing pressure to add real value to their relationships or risk losing them.

The agent or broker that can't do more than just place business

won't last long in today's competitive environment. Direct-writing insurers are gobbling up more and more business and there is the emerging threat from banks that are entering the insurance business.

Agents that place personal lines face the biggest challenges and they have been the hardest hit by the success of direct writers like GEICO Corp., which primarily writes automobile insur-

ance. But those that place commercial lines also are under pressure to hang onto their accounts.

"A real concern is that the small commercial business is going direct," said Coletta Kemper, director of industry affairs at the Council of Insurance Agents & Brokers in Washington. "When it's a package policy, very straightforward, a lot of that is going direct. Companies are marketing that and being fairly

successful at it."

Facing these threats to their livelihood, intermediaries are taking a new look at how they deal with their customers.

"Agents and brokers are making more of an effort to understand their customers and respond to their needs," said Bobby Reagan, president and chief executive officer of Reagan & Associates, an Atlanta-based agency consulting firm.

That's a difference from years past when there was some "ignorance and arrogance" with regard to insurance buyers, he pointed out. Today, agents are in closer contact with clients, "making sure they are scratching where it itches," said Mr. Reagan.

Policyholders have become very sophisticated insurance buyers, he noted. "They are much more knowledgeable about their options and alternatives. As a result, they are a much more selective buyer."

"I agree that the buying habits have changed. The biggest change has been away from purchasing insurance as a commodity," said Don Urbanciz, managing director and chairman of broker Rollins Hudig Hall of Illinois in Chicago.

"We're listening more, trying

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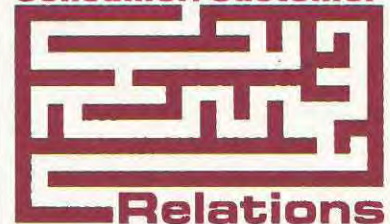
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### Consumer/Customer



to fill the needs of the client rather than create needs," he said. RHH producers won't try to convince buyers that they need more coverage but will work to determine how much is needed, he explained.

"There is a lot more proactive thinking on behalf of successful agents and brokers," said Mr. Urbanciz. The client's needs "don't always revolve around the procurement of insurance products."

Because of economic pressures, insurance buyers are more willing to change brokers if the move will save money, according to Mr. Reagan. "Buyers expect more and they know they can save money if they shop around."

Intermediaries also find their client bases shrinking because of mergers and consolidations of client businesses. "There's a lot of attrition for agents and brokers," Mr. Reagan said.

To form a closer partnership, the commercial lines broker has to "elevate the relationship so that it's not just a commodity-type relationship," he said. Instead, the broker should develop a "consultative-type relationship," becoming not only a source of coverage but a trusted adviser on the entire insurance program, he explained.

Some agents are finding that they can offer services to buyers that insurers no longer want to handle, said the Council's Ms. Kemper. "Some of the companies have been looking at outsourcing" programs like safety and loss control consulting and allowing agents with the expertise to take over those services, she said.

See **Doing more** on page 32D

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## Doing more

Continued from page 32B

"A couple of years ago, you wouldn't have seen companies giving over those programs to agents and brokers," she remarked, but many insurers "want to get back to their core business, which is underwriting."

Mr. Urbanciz of RHH pointed out that brokers in today's market have a much larger responsibility to their clients "Risk management has a much broader context than property/casualty insurance and benefits. It has to do with anything that subjects a company's earnings to spikes. Successful brokers today are getting more attuned to that."

That means the broker must be able to help minimize risk in areas like currency fluctuations and interest-rate swaps. "This is how we see our job: To help protect from violent swings our clients' earnings per share."

Not all brokers can provide the same services, of course. Deciding what they can offer is a first step in developing the client relationship.

The agent or broker has to define just what value-added service he or she is bringing to the account, said Timothy J. Cunningham, senior vp at Hales & Associ-

ates Inc., a Westchester, Ill.-based agency consulting firm. That means reaching an agreement with the customer when the account is written that will spell out exactly what is expected of the producer.

For example, "will it be to review and report on claims runs every quarter, inspect the premises every two months, hold coverage meetings with principals" or perform other services? Mr. Cunningham asked. "It can't be, 'Here's the policy, here's the bill, call me if you need anything.'"

Many of those special services already are provided by large brokers to Fortune 1000 companies, he said, and they are starting to show up in contracts with much smaller businesses.

"The very successful agents and brokers have really defined what is the value that is added," Mr. Cunningham remarked. "And that is difficult to do. The most successful have a real customer-driven focus and good definition of value added. It has to do with the vision and the culture of the firm."

Ms. Kemper said the Council recently met with executives from nine insurance companies to discuss trends that affect relations between insurers, intermediaries and policyholders.

She said the wave of restructur-

ing and consolidation that has swept through the insurance industry has left some agents and brokers out in the cold. "What we are seeing is that companies are dealing with fewer firms and picking them more carefully. They are looking for the best and most productive and profitable firms."

**The very successful agents and brokers have really defined what is the value that is added,' says Timothy J. Cunningham.**

As a result of this streamlining, Ms. Kemper noted, "strategic partnerships" are being formed between insurers, brokers and buyers. "They are bringing in the clients and their customers and developing partnerships that are interdependent."

Last year, a Dallas-based brokerage was formed that consolidates the roles of retailer, wholesaler and reinsurance broker and brings the insurance buyer into contact with the insurer.

Lowndes Lambert of Texas Inc., a subsidiary of London-based Lowndes Lambert Group Holdings P.L.C., creates a triangle of insurance buyer, underwriter and

"facilitator," explained Richard K. Kerr, CEO of the company and its immediate parent, Lowndes Lambert U.S. Holdings Inc. (BI, Jan. 8). The arrangement includes face-to-face meetings with the buyer and underwriter.

Lowndes Lambert U.S. Holdings plans to expand the concept through affiliations and by opening other offices throughout the country.

Ms. Kemper noted that while banks pose a threat to the survival of some agents and brokers, there also may be opportunities to link up with financial institutions as they enter the insurance business.

"Some banks may want to buy a broker and use it as a distribution system," she said. "There may be possibilities of partnering between big banks and brokers and even with some smaller banks and agencies."

In the battle over personal lines business, the direct writers have gained a solid foothold that likely will grow. "Personal lines are disappearing quickly to the direct writers," said Ms. Kemper.

That's to be expected, she added, because the sophisticated service the insurers provide makes it unnecessary for buyers to go through an intermediary.

GEICO has proved that, growing to become the sixth-largest

private passenger auto insurer during its 60 years of direct writing. Practically all of its business comes from callers who have seen the insurer's advertisements or talked to policyholders, explained William Roberts, group vp with GEICO in Chevy Chase, Md.

"We're in a mode where we can give a quote to 90% of the people who call in...24 hours a day, seven days a week," said Mr. Roberts.

The success of GEICO and other direct writers shouldn't come as a surprise, he said. One reason is that consumers have become comfortable with ordering products over the telephone. "Look at the success of (catalog) companies like Land's End and L.L. Bean."

GEICO's operation "is more efficient and we pass the savings on to our customers," said Mr. Roberts.

Despite inroads by direct writers and banks, no one is saying personal lines will disappear forever from agents' books.

"There are still some niches," said Ms. Kemper. "Agents shouldn't give it up."

"We make very good margins on our personal lines accounts," RHH's Mr. Urbanciz said. "Our market is high-value homes, where personal service is more important and it's not entirely price-driven." ■

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# InsWeb brings distribution method from just talk to an online reality

Online site offers information, direct purchasing of some coverage

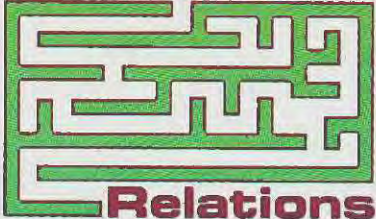
By SALLY ROBERTS

**A**gents and brokers have long heard forecasters describe the Internet as the insurance distribution medium for the 21st century.

That future has arrived in the form of InsWeb, a World Wide Web site that consumers can access to obtain in-depth insurance information and resources to assist them in making informed buying decisions.

Not only can potential buyers obtain a direct line to agents, brokers and insurers via InsWeb, but they also can, in limited ways, obtain quotes and buy insurance policies over the Web site.

## Consumer/Customer



For agents and brokers, InsWeb not only provides the opportunity to obtain up-to-date information about other insurers, products and services, it also provides a centralized marketplace for reaching existing customers, access to an extended client base, the ability to pre-qualify insurance prospects as well as the means to reduce marketing and overhead costs.

"The Internet is not the wave of the future, the future is now," said Alan Smith, executive vp of the Professional Insurance Agents of California and Nevada in Sacramento, Calif.

The state association formed an alliance with InsWeb in January, where nearly 1,000 agency members received their own home page for a free 90-day trial period.

Mr. Smith said so far, 200 agents have attended educational seminars the PIA and InsWeb have sponsored through the month of January to educate members on the Internet and the benefits of an on-line presence through InsWeb.

Not only can members have access to membership registration and access to the PIA's products and services over the Internet, but they also can have instantaneous communication with a variety of insurers and customers, Mr. Smith said.

"It's anybody's guess as to how much business will be conducted (over the Internet) in the short run, but like anything, those

willing to jump into the water will learn to swim quicker," Mr. Smith said.

So far, consumers only can buy personal water craft insurance and auto insurance in the state of Utah via InsWeb, but the site plans to set up other pilot programs in automobile insurance, term life, accidental death and

dismemberment and short-term medical insurance in the near future.

Overall, InsWeb brings the insurance industry closer to consumers, said Gordon Gaddy, director of InsWeb, which was launched by Burlingame, Calif.-based Strategic Concepts Corp. InsWeb provides "a more effi-

cient way to communicate" and a means to enhance relations between insurers, brokers and consumers, he said.

"We've created a direct line between companies and customers where agents are still involved," he said. And while some people are apprehensive about sending information electronically, Mr. Gaddy said InsWeb has spent "lots of money" creating a "very sophisticated" security system.

Since InsWeb went online last October, more than 100,000 people have visited the site, he said.

"On our first day online, we had 40,000 to 50,000 hits," said

Mr. Gaddy, referring to the number of people who visited the site.

When users access InsWeb at <http://www.insweb.com>, they are welcomed to "The Internet Gateway to the Insurance Industry." Here, consumers can click on a variety of listed sites, which range from ones that answer frequently asked insurance questions, to ones that locate an agent or broker by individual city and specific product, or even a page of insurance industry defined terms.

Agents, brokers and consumers can also click on InsWeb's insurance. See **InsWeb** on next page

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## InsWeb

Continued from previous page  
ance company listings and, from that list, another click will access an insurer's individual home page with information about their product offerings.

Currently, 11 insurers have set up home pages as part of InsWeb. They are: CAMICO Mutual Insurance Co., Commercial Life Insurance Co., Coregis Group, Employers First Insurance Co., Great States Insurance Co., Grocers Insurance Group, Kemper Life Insurance Co., Pacific Specialty Insurance Co., NORCAL Mutual Insurance Co., Workmen's Auto Insurance Co., and Westchester Specialty Group.

Western Insurance Information Service, a non-profit corporation that provides property/casualty insurance information, also has a home page located with insurance companies.

While there is currently no agency or broker home page on the Web site, a spokeswoman for InsWeb said many are in the process of being made.

One of those agencies is Sawyer Insurance Brokers, which has sent all of its information to InsWeb and is waiting to see the final project.

InsWeb is a way "for us to economically advertise our products and get our information out to the public quickly and efficiently," said Ken Sawyer, co-owner of the San Diego-based agency.

"The World Wide Web is catching on and if we're there in the beginning stages and can get to a point where we are comfortable with it, we will be able to expand as it does," he said.

Indeed, InsWeb is a central marketplace that millions of consumers with different insurance needs can access, Mr. Gaddy said. In some situations, people will know exactly what they want and be able to access the information right away, whereas other people might know they need insurance but not know exactly what they need.

Thirty minutes on InsWeb "won't solve all their problems, but they can do a lot of things in a short amount of time," he said.

Agents and brokers wanting to set up a home page on InsWeb pay a one-time set-up fee, which varies from \$20 to more than \$350. They also pay anywhere from \$12.45 per month to \$57.45 a month to maintain a home page, depending on the level of customization it entails.

For instance, a basic home page might include an Internet address, geographic location search capabilities and the company's logo. A premiere package on the other hand, might include everything in the basic package plus three-color illustrations, custom graphics and multiple pages of content.

For more information, contact Carolyn Grossman, 415-373-0200; or e-mail her at [cgrossman@insweb.com](mailto:cgrossman@insweb.com). **BI**

## Online bulletin board of commercial risks

### Access to Internet site will be limited to brokers and insurers

By SALLY ROBERTS

Starting in March, a new World Wide Web site will enable agents and brokers to provide policy and risk information to insurers more efficiently while potentially increasing business.

But unlike other insurance-related Web sites, InsureWeb is only for commercial lines bro-

kers and insurers.

Typically, brokers obtain information about a potential commercial risk and send the underwriting information to a number of prospective insurers.

"It occurred to me it would be more efficient to send (the information) to one place," said Jack Scheinuk, founder of InsureWeb and owner of Scheinuk Agency Inc., a commercial lines agency in New Orleans. "A web site is an

ideal mechanism."

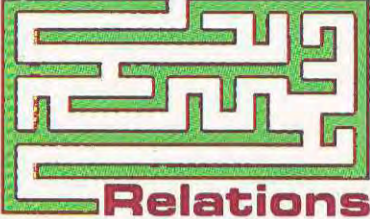
At the InsureWeb site, registered insurers around the globe can choose between the commercial risks that registered agents and brokers have posted by premium range and general classification. Insurers either can send back a quote or an inquiry or a note saying they are not interested to the agent or broker.

"It's going to be a very efficient way to offer business to a

large market," he said.

The factor that will either make or break InsureWeb is security, said Mr. Scheinuk, who

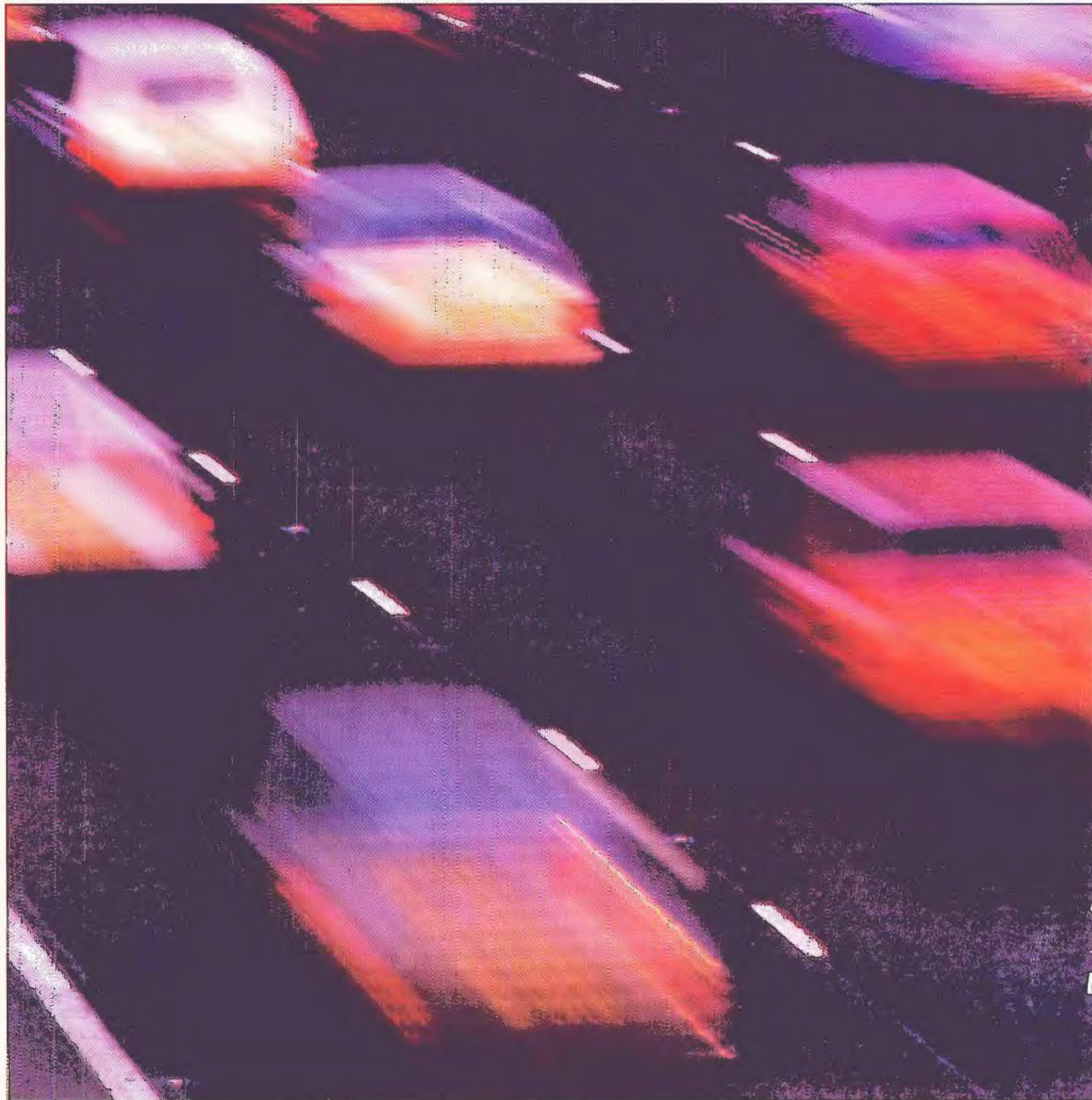
**Consumer/Customer Relations**



added that InsureWeb's "security is solid."

Registered brokers will be un-

*Continued on next page*



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Continued from previous page  
able to see each other's risk offers and will be able to limit their risk offers to one or more insurers, he explained.

Insurers, agents and brokers that are not registered on InsureWeb will be denied access to the system.

Further security comes in the form of SecurID—an electronic card with a six- to eight-digit code that changes every 60 seconds.

To access InsureWeb, insurers must enter the code showing on the card at that time and then enter their personal identification number.

Unlike insurers, agents and brokers have the option either to buy SecurID or to use just an identification number—either selected by them or assigned.

SecurID costs \$75 every three years above annual or monthly registration costs. Insurers pay \$500 per year to become registered InsureWeb members, while agents and brokers pay \$10 per month.

Mr. Scheinuk said insurers pay more because the benefits available and the maintenance costs of InsureWeb are greater for them.

Currently, insurers and agents can access InsureWeb—at

<http://insureweb.com/insureweb/>—and see a working preview of some of the features, Mr. Scheinuk said.

He said the site's graphics are best viewed with a Netscape Web browser.

While no brokers have registered, two insurers, New York-based American International Group Inc. and Philadelphia-based Reliance National Insurance Co., will be on the site when it is up and running, he said.

To obtain further information about InsureWeb, e-mail Mr. Scheinuk at [insureweb@insureweb.com](mailto:insureweb@insureweb.com). **BI**

## Principal service center targets baby boomers

By **RODD ZOLKOS**

**A**s it has in other markets, the baby boom generation is becoming an ever more significant force in the market for insurance products and financial services.

So much so, in fact, that while newspaper accounts document the first of the baby boomers turning

50, some insurers and their agents are seeing the need to develop marketing approaches to relate to this unique generation.

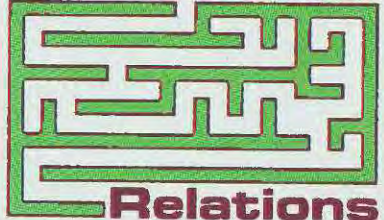
"What we have learned about the aging baby boomers is they want to be involved in the decision-making and they want to be approached on an educational basis," said Pamela Kennedy, second vp of personal markets at The Principal Financial Group in Des Moines, Iowa.

That notion has inspired a new concept aimed at baby boom customers. Principal is trying to meet their needs through a recently opened retail outlet called PrinSource Financial Center in Nashville, Tenn.

Using software developed for the Principal, customers at the PrinSource Financial Center work at terminals called "Gateways," researching various personal finance concerns "without any associate hanging on them," said Jeff Edwards, manager of the PrinSource center. Customers can use it as often as they wish, without any obligation.

"They can sit down and bang out numbers on college funding, retirement planning, do all their fi-

### Consumer/Customer



Relations

ancial planning," he said.

Located in Nashville's Green Hills Mall shopping center, the PrinSource Financial Center also offers customers a library of video and print material they can use to research personal finance issues. And a seminar room in the facility is used to hold sessions on such topics as retirement planning, home buying and wealth accumulation.

The Principal offers a variety of product lines at the center, including life and health insurance, home mortgages, mutual funds, annuities and stocks and bonds. The center also is joining with an outside vendor to provide auto and homeowners insurance.

Open into the evenings and on Saturdays, the PrinSource Financial Center also features a glass-enclosed toy room where kids can play while their parents work on their families' financial needs.

Once those customers are ready to make an actual product decision, they can meet with an agent at the center. But they only schedule a meeting when they're ready, bringing documents printed out from their Gateway research sessions.

The associates working at the PrinSource center are a non-traditional bunch by agency standards.

See **Baby boom** on next page



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Agent/Broker Topics

# Baby boom

*Continued from previous page*

"The people that work in the center are on salary," Mr. Edwards said, and they come from various backgrounds like financial planning and banking but none has been in insurance sales before.

"I'm the only experienced person. I've been in it since 1965," he said. "I bring to the table experience, but my charge is that we grow off our experience and that we do not revert to our traditional ways of delivering the product."

Most of the center's marketing is handled by an outside marketing

firm that sends letters to local residents introducing them to the PrinSource center or inviting them to seminars. There is also some telemarketing done out of Des Moines inviting people to visit the center. It's also advertised in newspapers and on radio.

If Principal's Nashville PrinSource experiment takes off, the company likely will replicate it elsewhere. Meanwhile, other Principal agents around the country currently are using other newly developed programs to try to reach out more effectively to baby boomers.

Dave Seems, general manager of the Rio Grande Agency, the Principal Financial Group's Albuquerque,

N.M., agency, is using a seminar sales approach the company developed called "Dreams and Priorities" and a video the company sponsored called "Middlescence and Beyond" in presentations he makes to local organizations.

"I'm doing a number of these around the community," Mr. Seems said. "Not so much because I'm the expert but because it helps position me and the agency in different markets."

Principal created "Dreams and Priorities" as part of its effort to improve its relations with baby boom customers. Developed in partnership with Age Wave Inc., an Emeryville, Calif.-based consulting firm, the seminar package is designed to introduce customers to the realities of living longer and their financial options.

The two-hour multimedia seminar includes a discussion of how people are aging differently and how baby boomers will enjoy a longer "middle age" than previous

generations and an examination of the financial implications of those differences, focusing on financial protection, accumulation and communications. Principal also teamed with Age Wave to sponsor the 60-minute "Middlescence and Beyond" documentary—to be shown on public television—which also examines issues related to baby boomers' aging.

Mr. Seems used the materials, for example, in a presentation he made Jan. 10 to about 100 local business people gathered for an Albuquerque Chamber of Commerce program called a "Curbstone Conference." The conferences are sponsored by the Albuquerque Chamber and offered to members of the local business community. Noting that most of those attending the meeting were baby boomers, Mr. Seems said the information is valuable to them personally as well as in shaping their thinking on how their own businesses can market to baby boomers.

The agent force of Hartford, Conn.-based Aetna Life Insurance & Annuity Co. is a key component of marketing that company's newly created Aetna Retirement Services division, part of a Aetna initiative undertaken late last year to focus the company's products, marketing and services on Americans' changing retirement needs. The move stemmed from market research that showed fewer Americans plan to retire in a traditional sense and sees the company providing educational software and printed materials that agents can use in working one-on-one with clients.

The company is piloting the new retirement services unit's marketing effort in Tampa, Fla., and Rochester and Syracuse, N.Y.

Focusing marketing efforts on aging baby boomers "is sort of where the industry is heading and hopefully we're a little bit ahead of that," said Drew Lawton, managing director of Aetna Retirement Services in Hartford. EJ

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## Talking about topics Oprah wouldn't touch

By GAVIN SOUTER

Insurance talk radio may not sound much like a show to top the ratings, but Bill Bailey's Sunday call-in show has been so successful he now is working on a television version.

A pilot for a televised edition of "Are You Protected?" already has been taped and Mr. Bailey is seeking sponsors for a regular series.

A TV show on insurance would reach even more people and help get across Mr. Bailey's underlying message to consumers: insurance is there to help people, he said.

"Too often, the insurance industry is on the defensive. If we read

a piece about us where we don't get hammered or beat up, we say, 'Wow, what a great story.' I think we can tell a better story," said Mr. Bailey, who is special counsel



based in Boston for the Insurance Information Institute.

Mr. Bailey, who joined the III in 1986, previously worked for a

computer company and held executive positions in the claims department of Boston-based Commercial Union Insurance Cos. He got involved in broadcasting after joining the III, where one of his duties was to represent the institute on radio talk shows as an insurance expert.

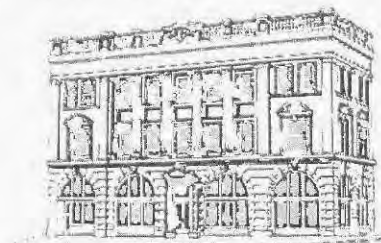
Mr. Bailey said that he believes the insurance industry should use the media to get the message across that it's not such a bad bunch.

For example, the industry can explain how much natural catastrophes have cost property insurers in recent years and why that has necessitated premium in-

*Continued on next page*

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Continued from previous page  
creases, he said.

Consumers "walk away saying, 'Oh, that's the reason why premiums are going up.' They may not be happy about it, but at least they understand," Mr. Bailey said.

Improving insurers' and agents' relations with their customers was one of the reasons Mr. Bailey started his radio show in August 1994.

Mr. Bailey said he got the idea for the show while standing in as a host on a radio program.

In July 1994, he attended a radio talk show hosts' convention in Santa Monica, Calif., and suggested having his own regular show to John Crohan, president of the nationwide Talk America radio network.

"He asked me what the topic would be and I said, 'Insurance,' and his eyes glazed over," Mr. Bailey said.

However, when Mr. Crohan canvassed the other hosts in the room on whether Mr. Bailey could make the rather dry subject interesting to consumers, Mr. Crohan warmed to the idea.

"Two weeks later, I was on the air," Mr. Bailey said.

The show started on six stations and is now aired on 76 AM radio stations in the Talk America network on Sundays between noon and 2 p.m. Eastern Standard Time.

Mr. Bailey broadcasts the show from his home in Boston, where it is beamed to satellites that transmit it to stations across the country.

The format of the show is simple: pick an issue and invite guests who know the subject to come on and take calls.

Previous guests have included: J. Robert Hunter, the consumer advocate and former insurance commissioner for Texas; D. Richard McFerson, president and chief executive officer of Nationwide Mutual Insurance Co. in Columbus, Ohio; Gerry Scannell, the president of the National Safety Council in Itasca, Ill.; and an anonymous AIDS victim who had sold his life insurance policy to a viatical settlement company.

Subject matters also vary widely. Some of the topics that have aired include: silicon breast implants; sexual harassment, the Navy Tailhook scandal and employer liability; the Occupational Safety and Health Administration; AIDS; and violence in the workplace.

Some of the subjects are seasonal. For example, on Super Bowl Sunday, the show talked about the various coverages that the National Football League had to have in place. Over Thanksgiving, the subject was travel insurance.

The most popular subjects are anything to do with personal health, said Mr. Bailey.

"People get a whole new perspective on the role that insurance plays in their lives. They see

how insurance makes things possible," he said.

Listeners call in to the show with questions that range from buying policies to resolving claims, and Mr. Bailey and his guests dispense advice.

The success of the radio show has encouraged Mr. Bailey to seek a way to transfer it to the TV screen.

"I thought if a radio show that talks about insurance can do so well, imagine how much more interesting it would be if you could see some of the players live," he said.

So, last year he produced a one-hour pilot TV show that ex-

amined natural catastrophes.

Guests who have appeared on the show include: Kate Hale, the emergency management director for Dade County, Fla.; J. Wesley Ooms, assistant vp with special responsibility for natural disaster legislation at State Farm Fire &



Mr. Bailey

Casualty Co. in Bloomington, Ill.; and Frank Nutter, president of the Reinsurance Assn. of America in Washington.

"We had a very lively discussion about what the problems were and what solutions there were. Everybody agreed that there has to be something like the Natural Disaster Protection Act to protect the solvency of insurers," Mr. Bailey said.

Through contacts at the Ohio State University radio station, Mr. Bailey was able to pitch the idea to WOSU-TV, a Public Broadcasting System affiliate in Columbus, Ohio, which expressed an interest in airing the show.

But then he ran into the problem of financing the program. The TV show will cost consider-

ably more to produce than the radio show, and financing likely will have to come from the insurance industry, according to Mr. Bailey.

Mr. Bailey plans to continue doing his radio show after the TV show gets going.

"The problem is that these (TV) shows are expensive and when we went to the industry and said that we needed financial support, many companies were worried that they would not reach an audience of any size on PBS," he said.

Also, the companies wanted more recognition other than a  
*See Radio on next page*

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## Agent/Broker Topics

## Radio

Continued from previous page  
simple statement that the program was made with a grant from them, Mr. Bailey said.

Now, Mr. Bailey is exploring how he can get the show on a major network where companies related to the insurance industry can buy advertising time, he said.

"We are planning to get exposure in 30% to 40% of the homes in the country through cable. But we have a job to do to raise the advertising support," Mr. Bailey said.

The show's credibility with consumers could suffer, however, if it is backed by money from insurers, he said.

"But we may have to take that risk and hope people don't think it is just an infomercial," Mr. Bailey said.

Another option might be to produce a less expensive show. Instead of having expensive footage of disasters and other subjects with studio commentators, the show could just be a plain call-in show with some of the commentators communicating by telephone as well, he said.

Whatever the format, the insurance industry should support the show because of its ability to communicate effectively with consumers, Mr. Bailey said. **EI**

## Interest high on banks in insurance case

Agents, brokers hoping for favorable outcome but foresee alternative scenarios

By MARK A. HOFMANN

**W**hile no one can safely predict how the Supreme Court will rule in any given case based solely on the questions asked by justices as the case is argued, agent organizations are already sketching the various impacts that the eventual decision in *Barnett Bank of Marion County N.A. vs. Nelson* will have on their members.

The case, which was argued before the court on Jan. 16, involves the right of a national bank to sell insurance products under federal banking law. A Florida law prohibits its insurance sales by most agencies owned by or affiliated with a national bank.

Barnett Bank of Marion County—an Ocala, Fla.-based national bank subsidiary of Jacksonville, Fla.-based Barnett Banks Inc.—bought an insurance agency and attempted to sell insurance through it, arguing that the National Bank Act of 1916 pre-empted Florida law because it permits insurance sales by banks in towns of fewer than

5,000 people. The 11th U.S. Circuit Court of Appeals disagreed, holding that the McCarran-Ferguson Act was paramount and thus gave the state the right to block insurance sales by the bank.

The dispute is not a new one. Independent agents for decades have steadfastly fought expansion of banks' rights to engage in the business of insurance. And banks have just as steadfastly fought to expand their powers. The *Barnett Bank* case is the current battlefield in that longtime struggle.

Robert Rusbuldt, vp-federal affairs for the Independent Insurance Agents of America in Washington, ticked off a trio of possible outcomes in the case.

"The way I see it, we can have a win, we can have a narrow loss or we can have a cataclysmic loss," he said.

A win would be pretty self-explanatory, he said. State law would be declared pre-eminent, and the

McCarran-Ferguson Act would be left intact, he said.

A narrow loss would mean that national banks in the 20 or so "restrictive" states—which currently do not allow those banks to sell insurance—would be permitted to sell insurance from small towns on a statewide basis. These restrictive states include such populous jurisdictions as Florida and Pennsylvania. Such a narrow ruling would not "get into the question of regulation of insurance," said Mr. Rusbuldt.

What Mr. Rusbuldt termed a "cataclysmic" loss "goes way beyond that, and it goes to the ability of states to enact any kind of law that would restrict banks in the insurance business."

A broad ruling favoring banks would "make the McCarran-Ferguson Act a piece of Swiss cheese," he said. The U.S. Comptroller of the Currency would be pre-eminent on questions of national banks and in-

insurance, predicted Mr. Rusbuldt, adding that such a development could lead to dual state-federal regulation of the business, which in turn would be "devastating for consumers."

Under this dual regulation, all insurance operations conducted by national banks would be regulated in Washington by the comptroller, while stand-alone operations would be regulated by states, he said. Independent agents would have to follow all state regulations, whereas national banks might not.

Meetings between the comptroller of the currency and some insurance regulators regarding an agreement on practices for national bank insurance activities has led to considerable concern among members of the Washington-based Council of Insurance Agents and Brokers. The Council's president—Harry A. Koch Jr., president and chief executive officer of the Harry A. Koch Co. in Omaha, Neb.—sent a letter to the president of the National Assn. of Insurance Commissioners on Jan. 24 spelling out those concerns.

In the letter to NAIC President Brian Atchinson, who is also the insurance commissioner for the state of Maine, Mr. Koch said, "We believe the OCC is discussing these issues with insurance regulators in an attempt to undermine the legislative process."

The letter expressed "distrust" of national bank regulators "based on their long history of neglect for consumer protections associated with bank insurance sales" and said that the office of comptroller "has employed outrageously creative loopholes so that banks can profit from insurance powers."

While praising insurance regulators' intentions in the discussion, the letter expressed the hope that "you and your colleagues aren't manipulated into believing that the comptroller shares your motives."

Joel Wood, the Council's vp-government affairs, predicted that Congress would be inclined to get involved in the matter if the ruling appeared to be too broad for members' liking.

"I think the bankers might want to watch what they ask for because they may not want to get it. It is logical that the more favorable the decision is toward the banks—and I'm not conceding that—makes it all the more likely that Congress would intervene, especially given the strong sentiment in support of state regulation that exists among the rank and file in Congress, particularly on the Republican side," said Mr. Wood.

"If the decision simply strikes the appellate court decision with no guidelines or limitations on the reach of appropriate state regulation of national bank activities, I think that is likely to ignite very strong sentiments on Capitol Hill," he said. **EI**

## Errors &amp; omissions

A story in the Dec. 4, 1995, *Agent/Broker Topics* section incorrectly stated that Risk Management Specialists Ltd., an Islandia, N.Y.-based agency, received corporate approval for a nationwide insurance program for McDonald's restaurant owners through General Accident Insurance.

Jerry Lane, vp/corporate risk manager for Oak Brook, Ill.-based McDonald's Corp., said that McDonald's does not approve or endorse insurance brokers or agents.

However, the fast-food giant does approve insurance companies for specific policy periods. Those insurers are then free to select insurance brokers or agents on their own. General Accident was approved as one of nine insurers for McDonald's restaurant operators for 1995-1996.

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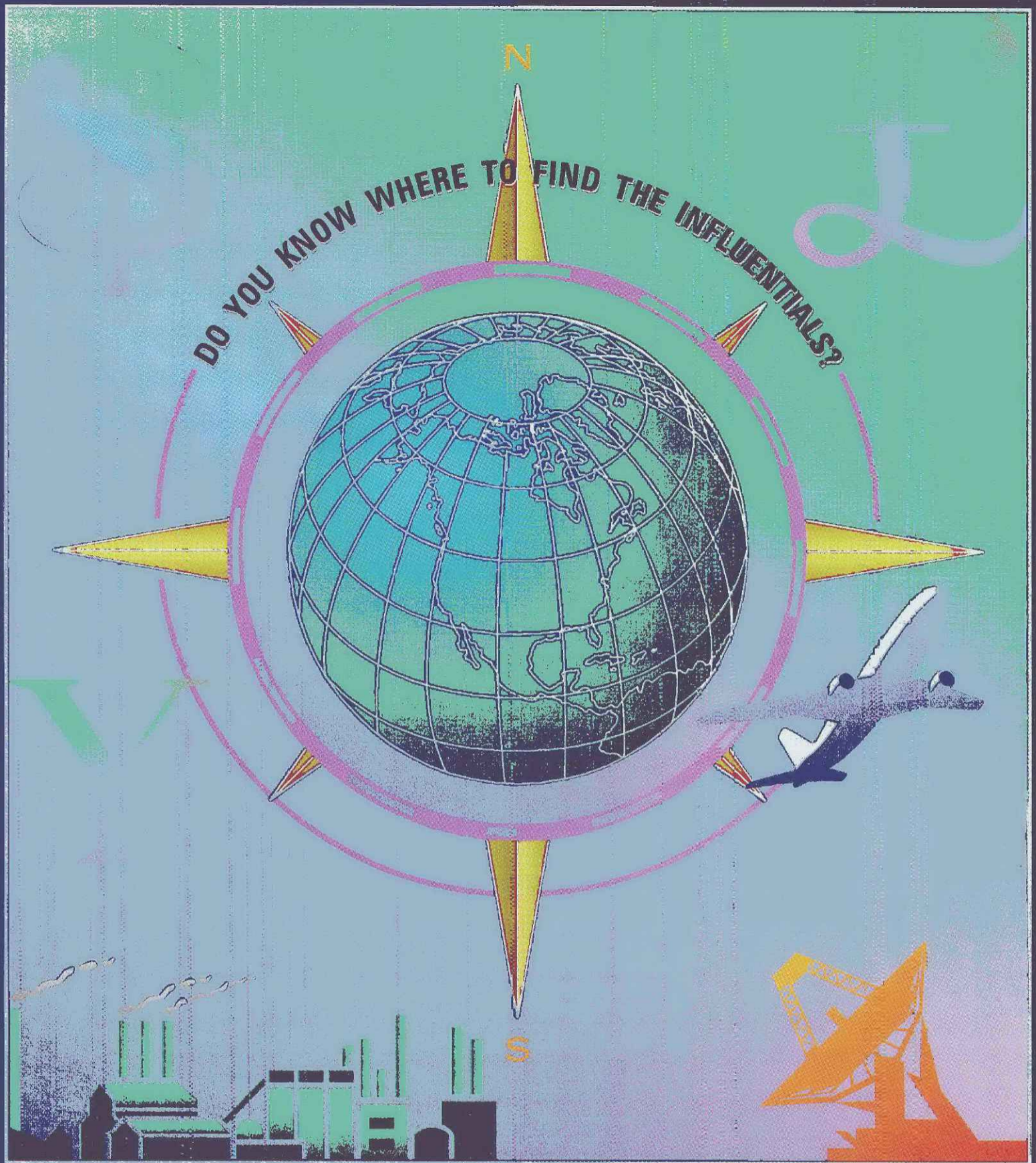


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**Agent/Broker Topics**

# International alliances aid in consistent service

## Alliances next best thing to branch office

By GAVIN SOUTER

In Jack Lockton's ideal world, Lockton Cos. would have a network of Lockton-owned offices around the globe providing clients with the same service they get from the home office of the Kansas City, Mo., insurance broker.

In reality, however, Lockton's chairman and chief executive officer says the closest the broker can come to that is to form alliances with like-minded brokers in Europe and other regions.

"If I had a wish, it would be for offices in 50 countries in the world all called Lockton and all like the Lockton office here in Kansas. I can't do that, but then Marsh & McLennan can't do that, either," he said.

Even large U.S. brokers that have their own offices abroad cannot maintain the same level of control on the foreign units as at home, Mr. Lockton said.

That is one reason medium-size brokerages like Lockton that have alliances with foreign brokers can compete effectively with large brokers for commercial business with interests outside the United States, he said.

In fact, Lockton recently picked up a large contract from a larger rival that has offices worldwide, Mr. Lockton said.

"Their local office just wasn't performing, so we were able to take the business," he said.

To enhance its servicing abilities to U.S. clients with foreign exposures, Lockton forged a reciprocal agreement with FDG S.A. a Luxembourg-based broker network in 1995.

The agreement will increase Lockton's international reach, give Lockton an opportunity to develop more European clients and eventually it may lead to an extended network that will include brokers in Latin America and Southeast Asia, he said.

FDG, founded in mid-1994, comprises the international insurance brokerage interests of: Funk Group GmbH in Hamburg, Germany; Diot S.A. in Paris; and GrECo International A.G. in Vienna, Austria (BI, Aug. 22, 1994).

The network expects to report \$120 million in brokerage and fee income for 1995.

FDG members have 43 offices in 13 European countries, which will provide local insurance and risk management services for Lockton's multinational clients, Mr. Lockton said.

Lockton will offer the same services to the member brokers' clients that have interests in the United States, he said.

Previously, Lockton used Funk in Germany and then a variety of brokers throughout the rest of Europe, Mr. Lockton said.

Lockton is not a full member of the FDG network and the cooperation agreement is non-exclusive. Nevertheless, Lockton may become a full member of the network in the future, Mr. Lockton said.

"I would not be surprised if we become part of the network. But even if we don't, it won't operate any differently," he said.

The U.S. broker does not have any offices in Europe and it will place one administrative employee in the FDG office in Luxembourg. Lockton has about 50 clients that are already being serviced through the network and about 100 clients eventually will have their coverages placed through FDG, he said.

Lockton, which has nine offices in the United States and has annual revenues of \$70 million, expects the agreement will generate about \$1 million in revenues to it and more than \$1 million for FDG, he said.

U.S. clients that need to buy local coverage would first go through Lockton's Kansas headquarters, which would contact the dedicated person in one of the FDG partners' head offices. That person would remain the point of contact and would orchestrate the local offices involved in placing the coverage, he said.

Likewise, FDG clients with U.S. exposures will have their business orchestrated by a designated person at Lockton's headquarters in Kansas City, Mo.

Lockton's clients will be dealing with like-minded brokers in Europe when they place their business through the network, Mr. Lockton said. And they are among the largest independent companies in their three countries, he said.

By increasing its presence in Europe, Lockton hopes to expand its European client base.

The network/cooperation agreement is likely to be extended next year to include brokerages in Latin America and Southeast Asia, Mr. Lockton said.

Although London is not included in the agreement, Lockton and FDG may include London brokers in the future. Meanwhile, Lockton will continue to use its current London market brokers—Minet Group, Lowndes Lambert Group Holdings P.L.C. and JIB Group P.L.C.—to place business there, he said.

"Eventually we may include England, but we'll work on the other areas first."

# Agents discover multiple uses for multimedia

By REGIS COCCIA

Agents and brokers can take advantage of emerging multimedia technology to help customers make sense of insurance, a consultant advises.

Presentations using sight and sound—for example, home pages on the Internet, CD-ROMs and computer graphics—are more effective than brochures using only the printed word, according to David Cox, president and chief executive officer of Houston-based United Media Corp.

A big advantage of multimedia computer technology in the insurance industry is that it lets customers look deeper into the product, he said. "The Internet lets you reach out and grab somebody with your message."

The Internet also can be a highly useful tool for agents and brokers to communicate with both customers and insurers and conduct

market research, Mr. Cox said.

Although multimedia technology can disseminate vast amounts of information and attract customers, it won't replace the role of the agent, he said. "It will not close the sale. It's not going to go out and cold-call for you," Mr. Cox



Mr. Cox

noted. "I would imagine one thing that will never go away is the agent's ability to get and close the deal."

Mr. Cox said he sees three main advantages to using multimedia systems in insurance:

- Elimination of outdated printed material.

One of United Media's insurer clients used to print lots of documents like reports and brochures and had to store them. Revising the information in the documents meant printing a new batch. But,

multimedia changed that. "Instead of warehousing material, (insurers) can update things, even in real time," he explained.

- A competitive edge in dealing with customers.

Agents' and insurers' ability to produce customized reports with the latest information or update Internet sites as needed can provide a competitive advantage by offering a "state-of-the-art way to approach customers," he said.

- Appeal to inventive people.

"If you look across the industry, there's a whole lot of change," Mr. Cox said. Insurers and agencies are looking for ways to improve their businesses, and creative use of technology can assist them in "attracting and retaining forward-thinking people," he said.

Yet another significant advantage for agencies and brokerages is the cost of paper, he said.

As the industry makes use of multimedia, "the trees in this country will be able to sleep better before this is all over."

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46	47	48	49	50	51	52	53	54	55	56	57	58	59	60
61	62	63	64	65	66	67	68	69	70	71	72	73	74	75
76	77	78	79	80	81	82	83	84	85	86	87	88	89	90
91	92	93	94	95	96	97	98	99	100	101	102	103	104	105
106	107	108	109	110	111	112	113	114	115	116	117	118	119	120
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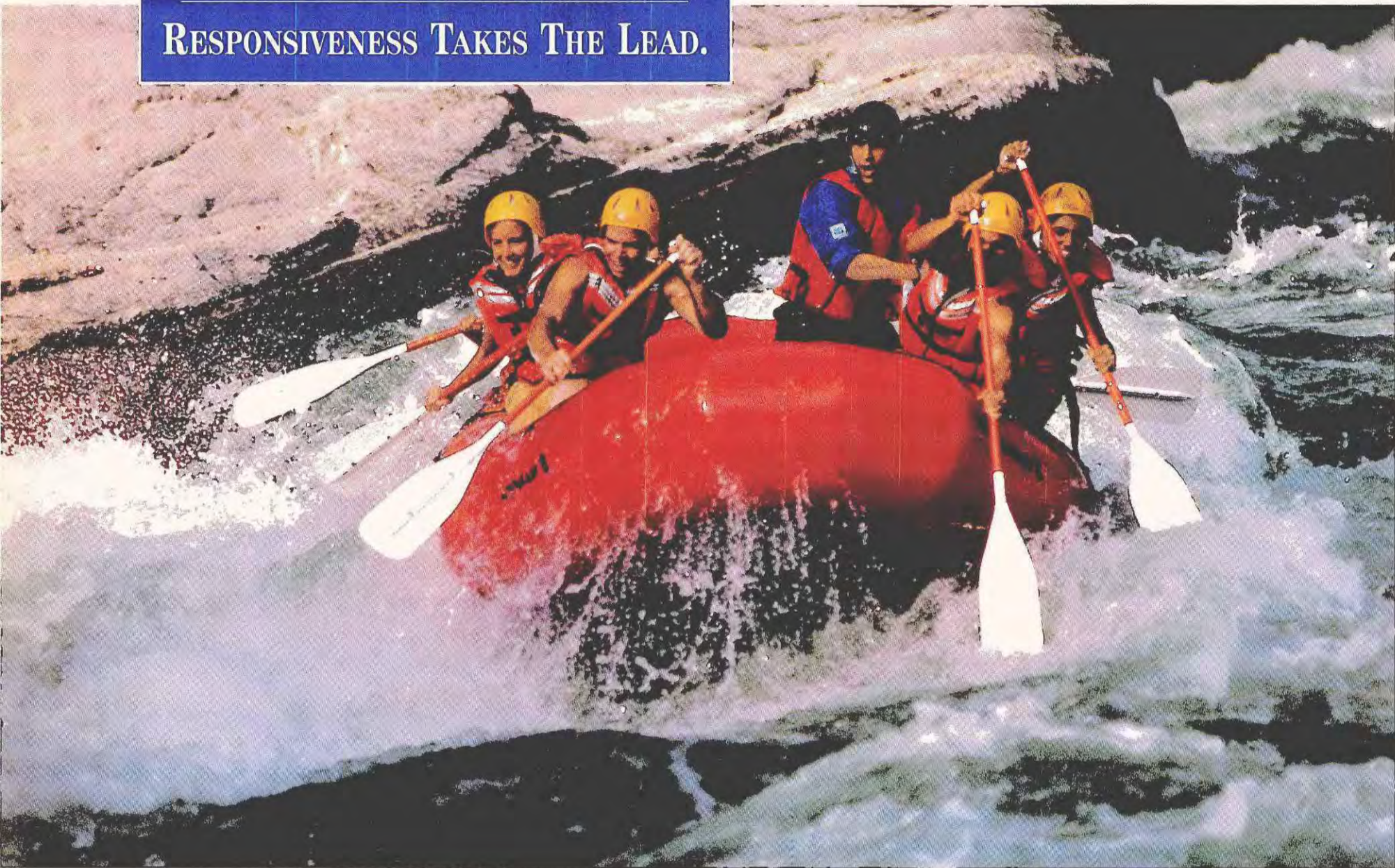
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Continued from page 32

**PPO access.**  
**Officers:** Humana/Med-Pay Inc.: Gordon Kinne, executive director; Paula Gott, director-operations. Humana Health Care Plans: David Jones, CEO; Wayne Smith, president/COO; Larry Cash, senior vp-finance; Karen Coughlin, senior vp-region II; W. Roger Drury, senior vp/CFO.  
**Contact:** Paula Gott.



**INDECS Corp.**

1099 Wall St. W., Lyndhurst, N.J. 07071; 201-460-3200; fax: 201-460-3210

Revenues	
Total	\$2,694,640
Claims revenue	\$2,425,176
Claims administration	90%
Other services	10%
Includes: brokerage, managed care, COBRA and Section 125 administration, short- and long-term disability, consulting services	
Claims business by type	
Disability	2%
Flex compensation	2%
Health insurance	92%
Employees covered	23,300
Dependents covered	41,150
Life	2%
Other	2%
Claims business by volume	
Administration-claims paid	\$69,726,000
Clients	
Total	16
Corporations	11
Multiemployer plans	3
Public/government entities	2
Staff	
Total	51
Claims services	47

**Claims services since:** 1983.  
**Parent:** IC Holdings Inc.  
**Service area:** Mid-Atlantic and New England states.  
**Charges:** Administration: \$0.75 to \$3.75 per employee per month. Adjusting: \$2.50 to \$16 per employee per month.  
**PPO access.**  
**Officers:** Bruce E. Buchanan, president/CEO; Lee H. Cohen, senior vp; Clara Collins, vp.  
**Contact:** Bruce E. Buchanan, 201-460-3250.

**Insurance Claims Auditing & Professional Service Inc.**

P.O. Box 27107, Minneapolis, Minn. 55427-7107; 612-529-8510; fax: 612-529-2026

Revenues	
Total	\$400,000
Claims revenue	\$400,000
Claims auditing	100%
Claims business by type	
Disability	10%
Health insurance	90%
Claims business by volume	
Auditing-projects conducted	36
Clients	
Total	36
Corporations	25
Public/government entities	4
Union-sponsored plans	7
Staff	
Total	6
Claims services	5

**Insurance Design Administrators**

3 Post Road, Oakland, N.J. 07436; 201-337-0555; fax: 201-337-1391

Revenues	
Total	\$8,066,000
Claims revenue	\$8,066,000
Claims administration	100%
Claims business by type	
Disability	2%
Flex compensation	3%
Health insurance	95%
Claims business by volume	
Administration-claims paid	\$160,000,000
Clients	
Total	142
Corporations	60
Multiemployer plans	2
Public/government entities	80
Staff	
Total	77

**Claims services since:** 1979.  
**Service area:** Nationwide.

**Charges:** Administration: \$9 to \$15 per employee per month.  
**Branch offices:** Sales office in Philadelphia.  
**PPO access.**  
**Officers:** Robert Gallo, CEO; Russell P. Minetti, president; Paul Sabina, executive vp; Robert Ventrella, executive vp; Patricia Weber, executive vp-account management.



**Jardine Group Services Corp.**

48 Cornell Road, Latham, N.Y. 12110; 518-782-3175; fax: 518-782-3157

Revenues	
Total*	\$7,000,000
Claims revenue*	\$6,230,000
Claims administration	89%
Other services	11%
Includes: professional review and consulting services on dental claims	
Claims business by type	
Disability	7%
Health insurance	83%
Employees covered	300,000
Dependents covered	750,000
Other	10%
Includes: dental consulting and professional review	
Claims business by volume	
Administration-claims paid	\$81,000,000
Clients	
Total	22
Association plans	3
Corporations	5
Multiemployer plans	13
MEWAs	1
Staff	
Total	250
Claims services	85

**Claims services since:** 1982.  
**Parent:** Jardine Insurance Brokers Inc.  
**Service area:** Nationwide.  
**Charges:** Administration: per employee per month; per claim or contingency claim service fee based upon savings achieved.  
**Branch offices:** Sales offices in Denver, Oak Brook, Ill.; New York.  
**Subsidiaries:** Professional Dental Reviewers Inc.  
**PPO access.**  
**Officers:** W. Michael Carroll, CEO; Gary P. Hickey, Michael Murphy, senior vps/managing directors; Georgiana Carney, senior vp.  
**Contact:** Colleen A. Sherin, assistant vp.  
 \* BI estimate.

**W.J. Jones Administrative Services Inc.**

1979 Marcus Ave., Suite C101, Lake Success, N.Y. 11042; 516-775-5420; fax: 561-775-6854

Revenues	
Total	\$9,000,000
Claims revenue	\$7,000,000
Claims administration	78%
Other services	22%
Includes: PPO management fees, benefit design services	
Claims business by type	
Disability	1%
Flex compensation	4%
Health insurance	95%
Employees covered	85,000
Dependents covered	50,000
Claims business by volume	
Administration-claims paid	\$75,000,000
Clients	
Total	126
Corporations	120
Public/government entities	4
Union-sponsored plans	2
Staff	
Total	120
Claims services	90

**Claims services since:** 1981.  
**Service area:** Nationwide.  
**Charges:** Administration: \$3 to \$15 per employee per month.  
**PPO access.**  
**Officers:** John P. Sherlock, president; Robert F. Sherlock, Kevin J. Sherlock, George F. Bingham, vps.  
**Contact:** Robert F. Sherlock.



**Kepple & Co. Inc.**

209 W. Fifth St., Peoria, Ill. 61605; 309-673-7330; fax: 309-673-7369

Revenues	
Total	\$3,700,000
Claims revenue	\$2,540,000
Claims administration	68%
Other services	32%
Includes: Taft-Hartley administration, utilization review, brokerage commissions and consulting	

Claims business by type	
Disability	1%
Flex compensation	6%
Health insurance	93%
Employees covered	23,500
Claims business by volume	
Administration-claims paid	\$61,600,000
Clients	
Total	69
Corporations	51
Multiemployer plans	2
Public/government entities	12
Union-sponsored plans	4
Staff	
Total	89
Claims services	64

**Claims services since:** 1982.  
**Parent:** Wheeler Peak Capital Corp.  
**Service area:** Nationwide.  
**Charges:** Administration: \$5 to \$12 per employee per month.  
**Officers:** Philip C. Walker II, CEO; James Stevenson, president; Gloria Towles, vp.  
**Contact:** James Stevenson.

**Klais & Co. Inc.**

1867 W. Market St., Akron, Ohio 44313; 216-867-8443

Revenues	
Total	\$6,000,000
Claims revenue	\$5,800,000
Claims administration	97%
Other services	3%
Includes: flexible benefit and pension administration	
Claims business by type	
Flex compensation	2%
Health insurance	97%
Pensions	1%
Claims business by volume	
Administration-claims paid	\$135,000,000
Clients	
Total	145
Corporations	120
Public/government entities	25
Staff	
Total	102
Claims services	97

**Claims services since:** 1980.  
**Service area:** Ohio; Mid-Atlantic, South-east and upper Midwest regions.  
**Charges:** Administration: per employee per month.  
**Branch offices:** Sales office in Atlanta.  
**PPO access.**  
**Officers:** Daniel V. Klais, president; Nancy Archibald, vp.  
**Contact:** Nancy Archibald.



**Long Claim Services Inc.**

4747 Lincoln Mall Drive, Matteson, Ill. 60443; 708-747-4010; fax: 708-747-7269

Revenues	
Total	\$2,000,000
Claims revenue	\$2,000,000
Claims administration	100%
Claims business by type	
Health insurance	100%
Employees covered	17,000
Dependents covered	41,000
Claims business by volume	
Administration-claims paid	\$51,000,000
Clients	
Total	27
Corporations	10
Public/government entities	17
Staff	
Total	16
Claims services	16

**Claims services since:** 1988.  
**Service area:** Illinois.  
**Charges:** Administration: \$6 to \$12 per employee per month.  
**Officers:** Donald Long, president; C.R. Long, treasurer; Marie Furmanski, Annette Stiltz, vps.  
**Contact:** Donald Long.



**Managed Care of America Inc.**

820 Parish St., Pittsburgh, Pa. 15220; 412-922-2803; fax: 412-922-3071

Revenues	
Total	\$23,000,000
Claims revenue	\$7,000,000
Claims administration	25%
Claims auditing	5%
Other services	70%
Includes: PPO, utilization review, benefit consulting, software sales, underwriting, reinsurance	

Claims business by type	
Disability	3%
Flex compensation	6%
Health insurance	85%
Employees covered	70,000
Dependents covered	130,000
Life	6%
Claims business by volume	
Administration-claims paid	\$150,000,000
Clients	
Total	420
Corporations	350
Multiemployer plans	12
Public/government entities	58
Staff	
Total	185
Claims services	105

**Claims services since:** 1977.  
**Service area:** Nationwide.  
**Charges:** Administration: \$11 to \$17 per employee per month.  
**Branch offices:** Administrative offices in Atlanta; Cleveland and Columbus, Ohio; Pittsburgh.  
**PPO access.**  
**Officers:** Paul R. Hughes, president/CEO; Charles E. Davidson, vp/general counsel; Phyllis H. Shehab, secretary/treasurer; Jay Ver Hulst, Dennis Casey, vps.  
**Contact:** Ned Schroeder.

**McDowell Agency Inc.**

P.O. Drawer 3088, Greenville, S.C. 29602; 864-242-6012; fax: 864-233-3604

Revenues	
Total	\$2,200,000
Claims revenue	\$1,200,000
Claims administration	54%
Other services	46%
Includes: fully insured administration, individual insurance	
Claims business by type	
Health insurance	100%
Employees covered	16,000
Dependents covered	10,000
Claims business by volume	
Administration-claims paid	\$28,000,000
Clients	
Total	20
MEWAs	2
Staff	
Total	36
Claims services	9

**Claims services since:** 1977.  
**Service area:** Nationwide.  
**Charges:** Administration: \$3 to \$10 per employee per month.  
**Branch offices:** Sales offices in Charleston and Simpsonville, S.C.  
**Officers:** M. Steve McDowell, president; Kathleen M. McDowell, executive vp; Sidney L. Major Jr., vp/secretary; Joyce Chapman, vp/treasurer.

**Med Tac Corp.**

P.O. Box 9111, Newton, Mass. 02160; 617-244-5333; fax: 617-244-5111

Revenues	
Total	\$6,700,000
Claims revenue	\$6,700,000
Claims administration	100%
Claims business by type	
Disability	4%
Health insurance	76%
Employees covered	15,000
Dependents covered	24,000
Life	20%
Claims business by volume	
Administration-claims paid	\$72,000,000
Clients	
Total	53
Corporations	50
Multiemployer plans	1
Public/government entities	2
Staff	
Total	50
Claims services	50

**Claims services since:** 1969.  
**Service area:** Nationwide.  
**Charges:** Administration: per employee per month.  
**PPO access.**  
**Officers:** Joseph L. Tierney Jr., president; Edward A. O'Brien, vp-claims/MIS; Mary Elizabeth Smith, vp-finance; James Tierney, vp-sales; Marion Tierney, treasurer.  
**Contact:** James Tierney.

**Mountain States Administration**

13901 E. Exposition Ave., Aurora, Colo. 80012; 303-360-9600; fax: 303-360-9100

Revenues	
Total	\$1,800,000
Claims revenue	\$1,800,000
Claims administration	98%
Claims adjusting	2%
Claims business by type	
Disability	4%
Flex compensation	3%

**Claims services since:** 1988.  
**Service area:** Nationwide.  
**Charges:** Administration: \$8 to \$12 per employee per month.  
**Branch offices:** Administrative offices in Peoria, Ariz.; El Cajon, Calif.  
**PPO access.**  
**Officers:** Ralph L. Ball, president; Jason R. Ball, executive vp; Winn D.L. Raleigh, vp-marketing; Terri Petros, vp-claims administration; Lorraine Ball, treasurer  
**Contact:** Winn Raleigh or Jason Ball.

**NCAS**

3702 Pender Drive, Fairfax, Va. 22030; 703-934-6200; fax: 703-934-6279

Revenues	
Total	\$18,700,000
Claims revenue	\$13,700,000
Claims administration	73%
Other services	27%
Claims business by type	
Disability	2%
Flex compensation	8%

Health insurance	
Employees covered	24,000
Dependents covered	55,000
Claims business by volume	
Administration-claims paid	\$60,000,000
Clients	
Total	65
Corporations	40
Public/government entities	25
Staff	
Total	34
Claims services	34

**Claims services since:** 1980.  
**Service area:** Nationwide.  
**Charges:** Administration: \$5 to \$15 per employee per month. Adjusting: \$75 per hour.  
**PPO access.**  
**Contact:** Clarence Gray, president/CEO.

**Mutual Assurance Administrators Inc.**

3015 United Founders Blvd., Oklahoma City, Okla. 73112-4250; 405-848-1975; fax: 405-843-1953

Revenues	
Total	\$2,000,000
Claims revenue	\$2,000,000
Claims administration	100%
Claims business by type	
Disability	1%
Flex compensation	3%
Health insurance	96%
Employees covered	21,000
Dependents covered	57,000
Claims business by volume	
Administration-claims paid	\$36,500,000
Clients	
Total	38
Corporations	34
Public/government entities	4
Staff	
Total	46
Claims services	17

**Claims services since:** 1975.  
**Service area:** Kansas, Oklahoma, Texas.  
**Charges:** Administration: \$8 to \$13.50 per employee per month.  
**PPO access.**  
**Officers:** Richard E. Carlson, CEO; Jacqueline R. Carlson, COO; Todd E. Archer, Terrie Adams-Beck, vps.  
**Contact:** Todd Archer, 405-848-1975 ext 257.

Revenues	
Total	\$1,000,000
Claims revenue	\$900,000
Claims administration	90%
Other services	10%
Claims business by type	
Flex compensation	5%
Health insurance	95%
Employees covered	11,000
Dependents covered	13,000
Claims business by volume	
Administration-claims paid	\$20,000,000
Clients	
Total	31
Association plans	3
Corporations	24
Public/government entities	2
Union-sponsored plans	2
Staff	
Total	19
Claims services	10

**NBA Insurance Administrators**

109 E. Lexington Ave., El Cajon, Calif. 92020; 800-350-9991 or 619-579-9994; fax: 619-447-6234

Revenues	
Total	\$1,000,000
Claims revenue	\$900,000
Claims administration	90%
Other services	10%
Claims business by type	
Flex compensation	5%
Health insurance	95%
Employees covered	11,000
Dependents covered	13,000
Claims business by volume	
Administration-claims paid	\$20,000,000
Clients	
Total	31
Association plans	3
Corporations	24
Public/government entities	2
Union-sponsored plans	2
Staff	
Total	19
Claims services	10

**Parent:** NBA Corp.  
**Service area:** Nationwide.  
**Charges:** Administration: \$8 to \$12 per employee per month.  
**Branch offices:** Administrative offices in Peoria, Ariz.; El Cajon, Calif.  
**PPO access.**  
**Officers:** Ralph L. Ball, president; Jason R. Ball, executive vp; Winn D.L. Raleigh, vp-marketing; Terri Petros, vp-claims administration; Lorraine Ball, treasurer  
**Contact:** Winn Raleigh or Jason Ball.

Revenues	
Total	\$18,700,000
Claims revenue	\$13,700,000
Claims administration	73%
Other services	27%
Claims business by type	
Disability	2%
Flex compensation	8%

**NCAS**

3702 Pender Drive, Fairfax, Va. 22030; 703-934-6200; fax: 703-934-6279

Revenues	
Total	\$18,700,000
Claims revenue	\$13,700,000
Claims administration	73%
Other services	27%
Claims business by type	
Disability	2%
Flex compensation	8%

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**WORLD LEADERS IN INSURANCE AND FINANCIAL SERVICES**

American International Group, Inc., Dept. A, 70 Pine Street, New York, NY 10270.

Continued from page 35

Health insurance.....	90%
Employees covered.....	128,000
Dependents covered.....	142,000
<b>Claims business by volume</b>	
Administration-claims paid.....	\$290,000,000
<b>Clients</b>	
Total.....	556
Association plans.....	5
Corporations.....	540
MEWAs.....	2
Public/government entities.....	8
Union-sponsored plans.....	1
<b>Staff</b>	
Total.....	338
Claims services.....	250
Claims services since: 1983.	
Parent: GHMSI.	
Service area: Nationwide.	
Charges: Administration: \$2.75 to \$16 per employee per month.	
Branch offices: Administrative offices in Portland, Maine; Bloomfield Hills, Mich.; Charlotte, N.C.; Harrisburg, Pa.; Providence, R.I.; Seattle; Wheeling, W.Va.; Cheyenne, Wyo.	
Officers: William G. Hendren, president/CEO; Steven V. Wilson, Karen L. McDonald, vps.	
Contact: William G. Hendren.	

**National Benefit Administrators Inc.**  
5755 Mark Dabling Blvd., Suite 301,  
Colorado Springs, Colo. 80919;  
719-599-7373; fax: 719-592-9205

<b>Revenues</b>	
Total.....	\$1,500,000
Claims revenue.....	\$1,500,000
Claims administration.....	100%
<b>Claims business by type</b>	
Automobile.....	13
Flex compensation.....	5
Health insurance.....	85
Employees covered.....	15,000
Dependents covered.....	40,000
<b>Claims business by volume</b>	
Administration-claims paid.....	\$40,000,000
<b>Clients</b>	
Total.....	66
Association plans.....	1
Corporations.....	60
Public/government entities.....	5
<b>Staff</b>	
Total.....	22
Claims services.....	22
Claims services since: 1985.	

Parent: Acordia of Colorado.  
Service area: Nationwide.  
Charges: Administration: \$7 to \$12 per employee per month.  
Officers: Walter F. Ahern, president; Richard C. Anderson, executive vp; Ryan Hetlich, CFO; Allison K. Johnson, COO.

**National Health Plan**  
7 Penn Plaza, New York, N.Y. 10001;  
212-279-3232; fax: 212-629-0749

<b>Revenues</b>	
Claims revenue.....	\$700,000
Claims administration/adjusting/auditing.....	100%
<b>Claims business by type</b>	
Health insurance.....	100%
<b>Clients</b>	
Total.....	70
<b>Staff</b>	
Total.....	12
Claims services.....	12
Claims services since: 1975.	
Service area: Nationwide.	
Charges: Administration: \$4 to \$7 per employee per month; percent of claims.	
PPO access.	
Officers: Alvin Konigsberg, David Za-	

back.  
Contact: David Zaback.

**New World Claims Services Ltd.**  
2624 N. Fifth St., Box 1030, Niles,  
Mich. 49120; 616-684-6700;  
fax: 616-684-8138

<b>Revenues</b>	
Total.....	\$25,200,000
Claims revenue.....	\$900,000
Claims administration.....	2%
Claims adjusting.....	1%
Claims auditing.....	0.6%
Other services.....	96.4%
<b>Claims business by type</b>	
Disability.....	7%
Flex compensation.....	1%
Health insurance.....	92%
Employees covered.....	6,000
Dependents covered.....	12,000
<b>Claims business by volume</b>	
Administration-claims paid.....	\$18,531,000
<b>Clients</b>	
Corporations.....	123
<b>Staff</b>	
Total.....	13

Claims services.....7  
Claims services since: 1984.  
Service area: Nationwide.  
PPO access.  
Officers: Robert D. Cravens, president; Ruth Halvorson, administration manager; Greg Hegyi, controller; Mike Farnell, claims manager.  
Contact: Robert D. Cravens.

**North American Administrators Inc.**  
40 John Glenn Drive, Amherst,  
N.Y. 14226; 800-828-6922;  
fax: 716-691-4513

<b>Revenues</b>	
Total.....	\$20,000,000
Claims revenue.....	\$16,000,000
Claims administration.....	80%
Other services.....	20%
Includes: utilization review, network access	
<b>Claims business by type</b>	
Disability.....	2%
Health insurance.....	98%
Employees covered.....	130,000
Dependents covered.....	340,000
<b>Claims business by volume</b>	
Administration-claims paid.....	\$367,500,000
<b>Clients</b>	

Total.....	275
Association plans.....	10
Corporations.....	220
Public/government entities.....	40
Union-sponsored plans.....	5

<b>Staff</b>	
Total.....	265
Claims services.....	175

Claims services since: 1983.  
Parent: North American Health Plans.  
Service area: Nationwide.  
Charges: Administration: \$8 to \$12 per employee per month.  
Branch offices: Sales offices in Braintree, Mass.; Vienna, Va.  
PPO access.  
Officers: Ron Zoeller, president; Dave Miller, Charlie Barger, Jay Hunter, senior vps; Dr. Art Orlick, medical director.  
Contact: Jay Hunter.

**North American Benefits Network**  
19800 Detroit Road, Rocky River,  
Ohio 44116; 216-356-8212;  
fax: 216-356-0140

<b>Revenues</b>	
Total.....	\$10,900,000
Claims revenue.....	\$6,500,000
Claims administration/adjusting/auditing.....	60%
Other services.....	40%
Includes: case management, data management for HMO/PPOs, eligibility record keeping, consulting	
<b>Claims business by type</b>	
Disability.....	1%
Flex compensation.....	6%
Health insurance.....	93%
Employees covered.....	291,783
Dependents covered.....	437,675

<b>Claims business by volume</b>	
Administration-claims paid*.....	\$352,373,760
<b>Clients</b>	

Total.....	155
Corporations.....	143
Public/government entities.....	11

<b>Staff</b>	
Total.....	134
Claims services.....	134

Claims services since: 1962.  
Parent: NA Management Corp.  
Service area: Nationwide.  
Charges: Administration: \$6.50 to \$18 per enrollee per month.  
PPO access.  
Officers: Donald T. Baker, president; Mary Morgan, Martha Was, Joe Ceccacci, R. Phillips, vps.  
Contact: Donald T. Baker.  
\* Through 11/30/95.

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**TR Paul Group Services Inc.**  
14 Commerce Road, Newtown,  
Conn. 06470; 203-426-8161;  
fax: 203-270-0927

<b>Revenues</b>	
Total.....	\$2,953,000
Claims revenue.....	\$2,096,000
Claims administration.....	71%
Other services.....	29%
Includes: marketing, consulting	
<b>Claims business by type</b>	
Flex compensation.....	5%
Health insurance.....	95%
Employees covered.....	22,015
Dependents covered.....	55,037

<b>Claims business by volume</b>	
Administration-claims paid.....	\$61,000,000

Continued on page 40



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Continued from page 38

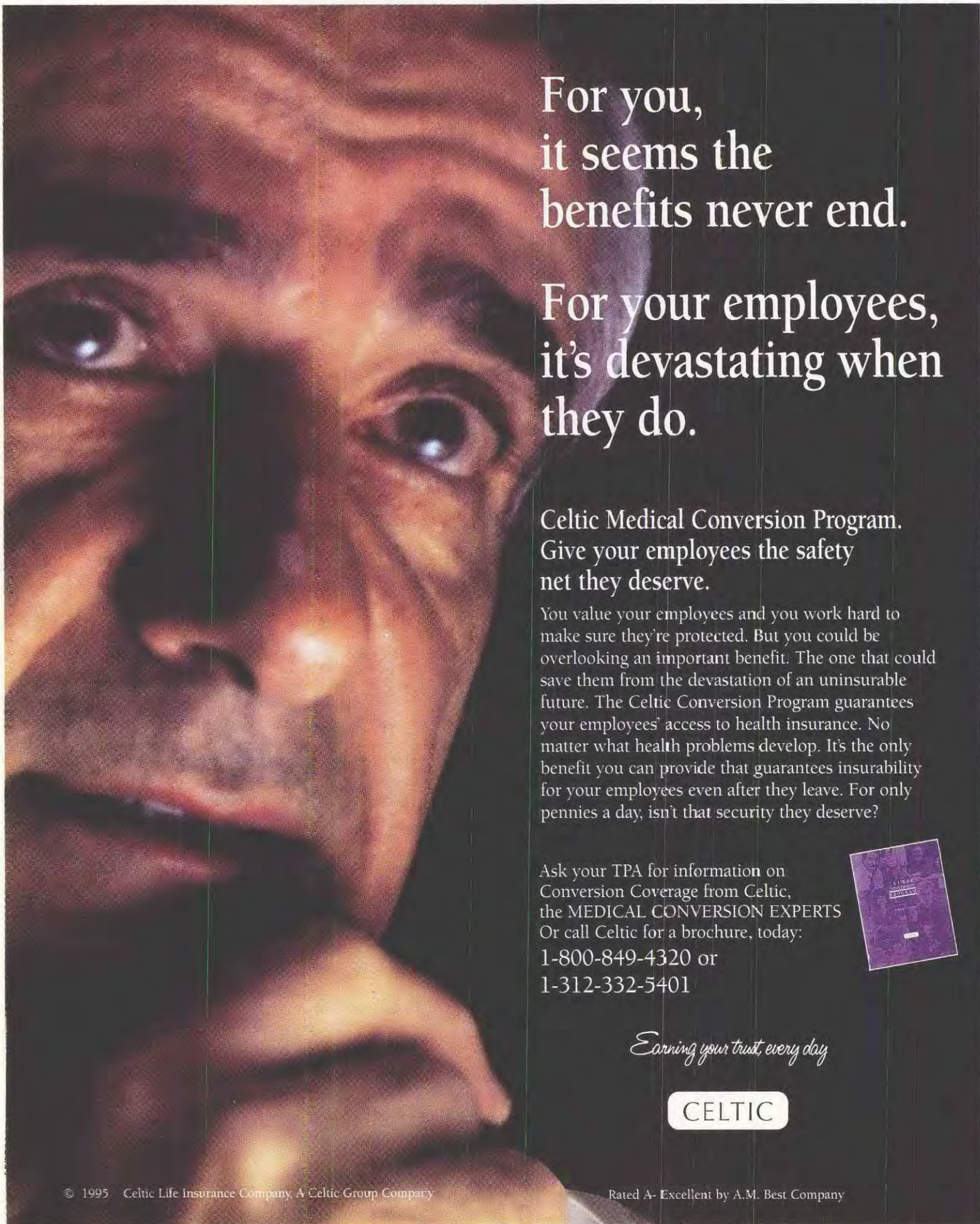
<b>Clients</b>	
Total	89
Corporations	85
Public/government entities	4
<b>Staff</b>	
Total	52
Claims services	27
<b>Claims services since:</b> 1973.	
<b>Parent:</b> TR Paul Inc.	
<b>Service area:</b> Nationwide.	
<b>Charges:</b> Administration: \$2.50 to 9.50 per employee per month.	
<b>PPO access.</b>	
<b>Officers:</b> Mary Ingham, president; George Romer, vp/treasurer; Deborah L. Wilber, secretary.	
<b>Contact:</b> Deborah L. Wilber.	
<b>Plandata Co.</b>	
P.O. Box 719, Union, N.J. 07083;	
908-352-3456; fax: 908-354-0664	
<b>Revenues</b>	
Total	\$1,300,000
Claims revenue	\$1,300,000
Claims administration	100%
<b>Claims business by type</b>	
Flex compensation	5%

Health insurance	95%
Employees covered	12,000
Dependents covered	20,000
<b>Claims business by volume</b>	
Administration-claims paid	\$40,030,000
<b>Clients</b>	
Total	54
Corporations	50
Union-sponsored plans	4
<b>Staff</b>	
Total	24
Claims services	20
<b>Claims services since:</b> 1983.	
<b>Service area:</b> Nationwide.	
<b>Officers:</b> Alan Gitlin, president; Terry Zinno, vp.	
<b>Contact:</b> Alan Gitlin.	
<b>POMCO (Maurice W. Pomfrey &amp; Associates Ltd.)</b>	
2425 James St., Syracuse, N.Y. 13206	
315-432-9171; fax: 315-437-9466	
<b>Revenues</b>	
Claims revenue*	\$9,800,000
Claims administration	85%
Claims adjusting	2%
Claims auditing	5%

Other services	3%
Includes: managed care, cost containment	
<b>Claims business by type</b>	
Disability	3%
Flex compensation	2%
Health insurance	83%
Employees covered	94,160
Dependents covered	116,380
Workers compensation	7%
<b>Claims business by volume</b>	
Administration-claims paid	\$139,750,000
<b>Clients</b>	
Total	73
Association plans	5
Corporations	22
MEWAs	4
Public/government entities	33
Union-sponsored plans	4
<b>Staff</b>	
Total	185
Claims services	185
<b>Claims services since:</b> 1979.	
<b>Service area:</b> Nationwide, excluding Iowa.	
<b>Charges:</b> Administration: fee per enrollee	
<b>Branch offices:</b> Administrative offices in Albany, Elmsford and Watertown, N.Y.	
Sales office in Elmsford, N.Y.	
<b>PPO access.</b>	
<b>Officers:</b> Maurice W. Pomfrey, CEO; Rob-	

ert W. Pomfrey, president; Terrence C. Dowd, vp-finance/administration; G. Lawton Llewellyn, vp-corporate development; George H. Sherman, vp-MIS.	
<b>Contact:</b> Robert W. Pomfrey.	
* BI estimate.	
<b>Professional Benefit Administrators Inc.</b>	
15 Spinning Road, Suite 210, Hinsdale, Ill. 60521; 708-655-3755; fax: 708-887-7001	
<b>Revenues</b>	
Total	\$4,069,307
Claims revenue	\$4,069,307
Claims administration	100%
<b>Claims business by type</b>	
Health insurance	100%
Employees covered	34,166
Dependents covered	76,408
<b>Claims business by volume</b>	
Administration-claims paid	\$91,577,577
<b>Clients</b>	
Total	125
Association plans	2
Corporations	110
Public/government entities	10
Union-sponsored plans	3

<b>Staff</b>	
Total	110
Claims services	110
<b>Claims services since:</b> 1985.	
<b>Service area:</b> Primarily Midwest.	
<b>Charges:</b> Administration: \$8 to \$12 per employee per month.	
<b>PPO access.</b>	
<b>Officers:</b> Ronald Walter, president; David W. Plumb, corporate vp.	
<b>Professional Benefits Services Inc.</b>	
2959 Lucerne S.E., Suite 205, Grand Rapids, Mich. 49546; 616-285-2480 or 800-732-3412; fax: 616-285-9965	
<b>Revenues</b>	
Total	\$656,889
Claims revenue	\$512,537
Claims administration	78%
Other services	22%
Includes: retiree benefit outsourcing	
<b>Claims business by type</b>	
Disability	3%
Flex compensation	9%
Health insurance	86%
Employees covered	6,284
Dependents covered	9,508
Pensions	2%
<b>Claims business by volume</b>	
Administration-claims paid	\$4,725,259
<b>Clients</b>	
Total	21
Corporations	20
Public/government entities	1
<b>Staff</b>	
Total	9
Claims services	9
<b>Claims services since:</b> 1991.	
<b>Service area:</b> Nationwide.	
<b>Charges:</b> Administration: \$7 to \$10 per employee per month.	
<b>PPO access.</b>	
<b>Officers:</b> Bud S. Gottlick, president; Catherine A. Windfield, vp-operations; Barbara Leedy, director-claims.	
<b>Contact:</b> Catherine A. Windfield.	
<b>Professional Claims Management Inc.</b>	
P.O. Box 35276, 4845 Fulton Drive, Canton, Ohio 44735; 216-493-7278; fax: 216-493-5878	
<b>Revenues</b>	
Total	\$3,500,000
Claims revenue	\$3,400,000
Claims administration	97%
Other services	3%
<b>Claims business by type</b>	
Health insurance	100%
Employees covered	18,500
Dependents covered	41,625
<b>Claims business by volume</b>	
Administration-claims paid	\$42,855,456
<b>Clients</b>	
Total	136
Corporations	124
Public/government entities	12
<b>Staff</b>	
Total	55
Claims services	55
<b>Claims services since:</b> 1983.	
<b>Service area:</b> Ohio.	
<b>Charges:</b> Administration and adjusting: \$7 to \$10 per employee per month.	
<b>PPO access.</b>	
<b>Officers:</b> J. David Bratton, president; Robert J. Archibald, executive vp; Michael A. Novelli, senior vp.	
<b>Contact:</b> Jeff Mertic.	



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<b>Revenues</b>	
Total	\$8,100,000
Claims revenue	\$3,180,000
Claims administration	38%
Claims adjusting	2%
Other services	60%
<b>Claims business by type</b>	
Health insurance	100%
Employees covered	40,000
Dependents covered	60,000
<b>Claims business by volume</b>	
Administration-claims paid	\$62,500,000
<b>Clients</b>	
Total	640
Corporations	320
Multiemployer plans	300
Public/government entities	20
<b>Staff</b>	
Total	87
Claims services	65

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Claims services since: 1982.

Service area: Alabama, Florida, Georgia, Louisiana, Mississippi, North Carolina, Ohio, Oklahoma, South Carolina, Tennessee, Texas, Virginia, West Virginia.

Charges: Administration: \$6 to \$12.50 per employee per month.

Branch offices: Administrative offices in Knoxville, Tenn.

Subsidiaries: Southern Employee Benefit Services Inc.

PPO access.

Officers: Timothy R. Barber, president/CEO; Karen M. Barber, vp-marketing; Debbie Pemberton, claims manager; Mark Braverman, controller; Margaret Weingart, executive director-managed care.

Contact: Timothy R. Barber.

S

### Self Insured Benefit Administrators Inc.

18167 U.S. Highway 19 N., Suite 300, Clearwater, Fla. 34624; 813-532-0400; fax: 813-530-0882

#### Revenues

Total	\$1,300,000
Claims revenue	\$1,100,000
Claims administration	85%
Other services	15%
Includes: managed care, repricing, billing	

#### Claims business by type

Disability	2%
Flex compensation	2%
Health insurance	96%
Employees covered	11,000
Dependents covered	20,000

#### Claims business by volume

Administration-claims paid	\$35,000,000
----------------------------	--------------

#### Clients

Total	25
Corporations	23
Union-sponsored plans	2

#### Staff

Total	22
Claims services	22

Claims services since: 1988.

Parent: Jones &amp; Hawkins Insurance.

Service area: Nationwide.

Charges: Administration: \$10 to \$12 per employee per month.

PPO access.

Officers: Terrell Hawkins, president; Michael McClain, senior vp; Charles Honeywell, executive vp; Ronnie Brown, vp; Bonnie Hiller, claims manager.

Contact: Ronnie Brown.

T

### The TPA, United HealthCare Administrators Inc.

1 Tower Square-IMS, Hartford, Conn. 06067; 860-277-1643; fax: 860-954-5479

#### Revenues

Total	\$46,000,000
Claims revenue	\$46,000,000
Claims administration	100%

#### Claims business by type

Disability	5%
Flex compensation	2%
Health insurance	95%
Employees covered	372,093
Dependents covered	427,907
Other	2.5%
Includes: COBRA, medicare supplement	

#### Claims business by volume

Administration-claims paid	\$1,400,000,000
----------------------------	-----------------

#### Clients

Total	631
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#### Staff

Total	556
Claims services	358

Claims services since: 1985.

Parent: United HealthCare Corp.

Service area: Nationwide.

Charges: Administration: per employee per month.

Branch offices: Administrative offices in Phoenix; North Haven, Conn.; Marietta, Ga.; Rockford, Ill.; Minneapolis; Blue Bell, Pa.; Brentwood, Tenn.; Fort Worth, Texas; Seattle. Sales offices in Walnut Creek, Calif.; Englewood, Colo.; Tampa, Fla.; Schaumburg, Ill.; Baltimore; Sandwich, Mass.; Rochester, N.Y.; Charlotte, N.C.; Independence, Ohio.

PPO access.

Officers: Steven Willcox, president; Jeffrey Brower, vp; Maria Beltramello, treasurer; James Michener, secretary; Elaine Bongiovanni, assistant secretary.

Contact: Howard H. Wein.

### Three Rivers Benefit Corp.

518 Eighth St., Suite E, P.O. Box 3440, Sioux City, Iowa 51102; 712-258-1525; fax: 712-255-3521

#### Revenues

Total	\$700,000
Claims revenue	\$650,000
Claims administration	90%
Claims adjusting	2%
Claims auditing	1%
Other services	7%

#### Claims business by type

Disability	1%
Flex compensation	1%
Health insurance	98%
Employees covered	4,000

#### Claims business by volume

Administration-claims paid	\$1,500,000
----------------------------	-------------

#### Clients

Total	49
Corporations	45
Public/government entities	3
Union-sponsored plans	1

#### Staff

Total	12
Claims services	5

Claims services since: 1975.

Service area: Nationwide.

Charges: Administration: \$5 to \$15 per employee per month.

PPO access.

Officers: Peter D. Benson.

Contact: Peter D. Benson.

### Total Plan Administrators Inc.

3 Penn Plaza E., Newark, N.J. 07105-2200; 800-545-9891; fax: 201-466-4715

#### Revenues

Total	\$2,700,000
Claims revenue	\$2,565,000
Claims administration	95%
Other services	5%
Includes: fully insured administration	

#### Claims business by type

Disability	1%
------------	----

Health insurance	99%
Employees covered	32,000
Dependents covered	46,000

#### Claims business by volume

Administration-claims paid	\$49,000,000
----------------------------	--------------

#### Clients

Total	34
Corporations	23
MEWAs	1
Public/government entities	9
Union-sponsored plans	1

#### Staff

Total	29
Claims services	29

Claims services since: 1989.

Parent: Blue Cross &amp; Blue Shield of New Jersey.

Service area: New Jersey, New York, Pennsylvania.

Charges: Administration: \$9 to \$17 per employee per month.

PPO access.

Officers: Robert Marino, vp-corporate/major accounts; William J. Hussey, execu-

tive director; Robert Miller, Yvonne Golden, managers-operations.

Contact: William J. Hussey.

### Trilogy Consulting Group Inc.

2021 Midwest Road, Oak Brook, Ill. 60110; 708-953-6278; fax: 708-836-0290

#### Revenues

Total	\$1,000,000
Claims revenue	\$750,000
Claims adjusting	25%
Claims auditing	50%
Other services	25%

#### Claims business by type

Health insurance	100%
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#### Claims business by volume

Auditing-projects conducted	50
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#### Clients

Total	45
Association plans	2

Continued on next page

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Continued from previous page

Corporations .....	40
Public/government entities .....	3
<b>Staff</b>	
Total .....	3
Claims services .....	3
<b>Claims services since:</b> 1995.	
<b>Service area:</b> Nationwide.	
<b>Charges:</b> Auditing: per hour, per project.	
<b>Officers:</b> Barbara Baldwin, Joan Little, Kathy Martin-Smith.	
<b>Contact:</b> Kathy Martin-Smith.	
<b>Tucker &amp; Clark</b>	
P.O. Box 802516, 14755 Preston Rcad, Suite 525, Dallas, Texas 75380; 214-392-2930; fax: 214-490-6347	
<b>Revenues</b>	
Total .....	\$4,750,000
Claims revenue .....	\$4,750,000
Claims administration .....	100%

<b>Claims business by type</b>	
Health insurance .....	100%
Employees covered .....	21,000
Dependents covered .....	35,000
<b>Claims business by volume</b>	
Administration-claims paid .....	\$60,000,000
<b>Clients</b>	
Total .....	95
Corporations .....	95
<b>Staff</b>	
Total .....	65
Claims services .....	28
<b>Claims services since:</b> 1982.	
<b>Service area:</b> Nationwide.	
<b>Charges:</b> Administration: \$8 to \$14 per employee per month.	
<b>Officers:</b> John Clark, president/CEO; Barbara Clark, vp; Clyde New administrative manager Diare McLeod claims manager; Mike Seibal, chief information officer.	
<b>Contact:</b> John W. Clark.	

**U**

**Underwriters & Administrators Inc.**  
 6345 Flank Drive, Suite 100,  
 Harrisburg, Pa. 17112; 717-652-8040;  
 fax: 717-652-8328

<b>Revenues</b>	
Total .....	\$1,825,976
Claims revenue .....	\$1,486,380
Claims administration .....	60%
Claims adjusting .....	10%
Claims auditing .....	10%
Other services .....	20%
<b>Claims business by type</b>	
Disability .....	5%
Flex compensation .....	6%
Health insurance .....	75%
Employees covered .....	23,030
Dependents covered .....	43,030
Life .....	4%
Pensions .....	10%
<b>Claims business by volume</b>	
Administration-claims paid .....	\$27,123,940
Auditing-projects conducted .....	35
<b>Clients</b>	
Total .....	51
Association plans .....	4
Corporations .....	29
Multiemployer plans .....	6
Public/government entities .....	11
Union-sponsored plans .....	1
<b>Staff</b>	
Total .....	50
Claims services .....	13

**Claims services since:** 1977.  
**Service area:** Nationwide.  
**Charges:** Administration: per employee per month. Auditing: per project.  
**Branch offices:** Administrative and sales office in Philadelphia.  
**PPO access.**  
**Officers:** S.F. Golin, chairman; Greg Golin, president/CEO; James Hoellman, executive vp/controller; Sallianne Fennessy, vp-plan services; Joe Choc, vp-computer services.  
**Contact:** Greg Golin.

**United Medical Resources Inc.**  
 2343 Auburn Ave., Cincinnati,  
 Ohio 45219; 513-651-3737;  
 fax: 513-651-4356

<b>Revenues</b>	
Total .....	\$12,764,850
Claims revenue .....	\$12,764,850
Claims administration .....	100%
<b>Claims business by type</b>	
Disability .....	1%
Flex compensation .....	6%
Health insurance .....	82%
Employees covered .....	225,000
Dependents covered .....	412,000
Other .....	11%
Includes: utilization management	
<b>Claims business by volume</b>	
Administration-claims paid .....	\$184,000,000
<b>Clients</b>	
Total .....	274
Corporations .....	262
Public/government entities .....	12
<b>Staff</b>	
Total .....	210
Claims services .....	145

<b>Claims services since:</b> 1983.	
<b>Service area:</b> Nationwide.	
<b>Charges:</b> Administration: \$7 to \$12 per employee per month.	
<b>Branch offices:</b> Administrative offices in Newport, Ky.; Cincinnati. Sales offices in Cincinnati.	
<b>PPO access.</b>	
<b>Officers:</b> Victoria B. Buyniski, president/CEO; Julie D. Mueller, vp-marketing/corporate secretary.	
<b>Contact:</b> Julie D. Mueller.	

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**So if you want a reinsurance company that strives for excellence in every area, call IOA at 1-800-462-2300.**

**The left side of the brain: It's logical. Analytical. Effective. Ratiocinative. In fact, it's a lot like IOA.**

**Which is fine with us. Because, although we may not be much fun at cocktail parties, these personality traits have turned us into one of the most responsible, stable and secure reinsurance companies around.**

**And it's one of the reasons we're so successful at helping you protect your clients against catastrophic loss. The other reasons? Unsurpassed service, competitive pricing, and quick turnaround.**

**So choose IOA. And if you're still wondering what ratiocinative means, give us a call at 1-800-462-2300.**

**You'll find out soon enough.**

**And the side responsible for creativity, innovation, resourcefulness and vision — which brings us to IOA.**

**The side responsible for those abstract paintings nobody understands.**

**Hey! Right side of the brain here.**

630 W. Germantown Pike, Ste. 200, P.O. Box 975, Plymouth Meeting, PA 19462-C975  
 (610) 940-9000 • Fax (610) 940-9022

**THAT WE HAVE A SPLIT PERSONALITY**

**V**

**VPA Inc., The Integrated Disability Claims Management Co.**  
 23622 Calabasas Road, Second Floor,  
 Calabasas, Calif. 91302-1501;  
 800-473-9761; fax: 818-591-9647

<b>Revenues</b>	
Total .....	\$7,000,000
Claims revenue .....	\$7,000,000
Claims administration .....	98%
Claims auditing .....	2%

<b>Claims business by type</b>	
Disability .....	100%
<b>Claims business by volume</b>	
Administration-claims paid .....	\$99,000,000
Auditing-projects conducted .....	5

<b>Clients</b>	
Total .....	306
Corporations .....	302
Public/government entities .....	4
<b>Staff</b>	
Total .....	100
Claims services .....	100

**Claims services since:** 1979.  
**Service area:** Nationwide.  
**Charges:** Administration: \$100 to \$350 per claim.  
**Subsidiaries:** VPA Client Services, Calabasas, Calif.  
**Officers:** Jack Bredehorn, president; Jeff Bredehorn, vp-MIS; Ron Johnson, vp-national account marketing; Bob Trotta, director-new business development.  
**Contact:** Bob Trotta, 800-473-9761, ext. 3040.

**Z**

**Zenith Administrators Inc.**  
 7645 Metro Blvd., Edina, Minn. 55439;  
 612-835-7035; fax: 612-835-2803

<b>Revenues</b>	
Total .....	\$46,300,000
Claims revenue .....	\$21,300,000
Claims administration .....	42%
Claims adjusting .....	1%
Claims auditing .....	3%
Other services .....	54%
Includes: pension, vacation, PPO	

<b>Claims business by type</b>	
Disability .....	5%
Health insurance .....	90%
Employees covered .....	245,000
Dependents covered .....	645,000
Life .....	5%
<b>Claims business by volume</b>	
Administration-claims paid .....	\$500,000,000
<b>Clients</b>	
Total .....	150
Corporations .....	45
Multiemployer plans .....	96
Public/government entities .....	9
<b>Staff</b>	
Total .....	750
Claims services .....	300
<b>Claims services since:</b> 1967.	
<b>Parent:</b> ULLICO Inc.	
<b>Service area:</b> Nationwide.	
<b>Charges:</b> Administration: \$6 to \$12 per employee per month.	
<b>Branch offices:</b> Administrative offices in 31 locations nationwide.	
<b>PPO access.</b>	
<b>Officers:</b> Robert A. Georgine, James W. Luce, Gary L. Eng, Jerome P. Pollock, Dean E. Kalahar, Joann K. Zurzolo.	
<i>Continued on next page</i>	

**Business Insurance®**

**EVENTS**

**RISK MANAGER OF THE YEAR AND RISK MANAGEMENT HONOR ROLL AWARDS**

These awards recognize individual accomplishments in the field of risk management. For nominating forms and rules, write or call:

**BUSINESS INSURANCE**  
 Editorial Department  
 740 N. Rush Street  
 Chicago, IL 60611-2590  
 phone: 312/649-5319  
 fax: 312/280-3174

**EMPLOYEE BENEFITS COMMUNICATION AWARDS**

The EBC awards honor employers for excellence in communicating benefits programs to their employees. Insurance companies and consulting firms also are recognized for their participation in the preparation of award-winning communication programs. For entry forms and rules, write or call:

**BUSINESS INSURANCE**  
 Communication Services  
 220 E. 42nd Street  
 New York, NY 10017-5806  
 phone: 212/210-0299  
 fax: 212/210-0704

**WORKERS COMPENSATION CONFERENCE**

Presented in conjunction with IBF Conferences, this event addresses the specific concerns of corporate executives managing workers comp programs and rehabilitation services. Sessions cover this rapidly changing environment and creative and innovative strategies to curb costs.

For details on registration or exhibition for any BI conference, write or call:

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**For more information, call one of the numbers listed below:**

**Advertising Information:**  
 212/210-0228

**Subscription Information:**  
 800/678-9595

# TPAs specializing in property/casualty claims



## AIG Claim Services (AIGCS)

70 Pine St., New York, N.Y. 10270;  
212-770-7000

<b>Revenues</b>	
Total	\$241,000,000
Claims revenue	\$35,825,000
Claims administration	14.4%
Claims adjusting	0.2%
Claims auditing	0.3%
Other services	85.1%
<b>Claims business by type</b>	
Automobile	5.4%
General liability	6.2%
Workers compensation	88.4%
<b>Claims business by volume</b>	
Administration-claims paid	\$229,570,000
<b>Clients</b>	
Total	876
Corporations	874
Public/government entities	2
<b>Staff</b>	
Total	2,568

**Claims services since:** 1978.  
**Parent:** American International Group.  
**Service area:** Nationwide.  
**Charges:** Administration and adjusting: per hour; flat rate.  
**Branch offices:** Administrative offices in 27 locations nationwide. Sales offices in Costa Mesa, Los Angeles and San Francisco, Calif.; Atlanta; Chicago; New Orleans; Boston; New York; Cleveland; Portland, Ore.; Philadelphia; Dallas and Houston.  
**PPO access.**  
**Officers:** Stanton Long, president; Tony Galisto, senior vp/COO.  
**Contact:** Ed Aiken, director-marketing service, 212-770-6345.

## ASU Risk Management Services Ltd.

2120 University Park Drive, P.O. Box 77, Okemos, Mich. 48805-0077;  
517-349-6700; fax: 517-349-9063

<b>Revenues</b>	
Total	\$3,500,000
Claims revenue	\$3,000,000
Claims administration	60%
Claims adjusting	20%
Claims auditing	5%
Other services	15%
Includes: policy administration, safety and loss control, excess insurance placement	
<b>Claims business by type</b>	
Automobile	10%
General liability	20%
Workers compensation	65%
Other	5%
Includes: product liability	
<b>Claims business by volume</b>	
Administration-claims paid	\$50,000,000
<b>Clients</b>	
Total	235
Association plans	5
Corporations	200
Public/government entities	30
<b>Staff</b>	
Total	100
Claims services	80

**Claims services since:** 1952.  
**Service area:** Nationwide.  
**Charges:** Administration: percent of premiums. Adjusting: price per case; percent of premiums. Auditing: price per case; per hour.  
**Branch offices:** Administrative offices in Indianapolis; Livonia, Mich.; Edina, Minn.  
**Subsidiaries:** Adjusting Services Unlimited, Recovery Unlimited Inc.  
**PPO access.**  
**Officers:** Larry Musser, president/CEO; April Y. Zelinski, executive vp; Anne Staples, secretary; Robert Showers, treasurer; Mike Wood.

## Alexsis Inc.

17187 N. Laurel Park Drive, Suite 423, Livonia, Mich. 48152; 313-953-4400;  
fax: 313-953-4515

<b>Revenues</b>	
Total	\$111,000,000
Claims revenue	\$99,000,000
Claims administration	89%
Other services	11%
Includes: excess coverage marketing, loss control consulting	
<b>Claims business by type</b>	
Automobile	4%
General liability	12%
Property damage	1%
Workers compensation	83%
<b>Claims business by volume</b>	
Administration-claims paid	\$1,200,000,000

<b>Clients</b>	
Total	1,531
Association plans	23
Corporations	645
Public/government entities	863
<b>Staff</b>	
Total	1,522
Claims services	1,522

**Claims services since:** 1932.  
**Parent:** Continental Casualty Co., a subsidiary of CNA Financial Corp.  
**Service area:** Nationwide.  
**Charges:** Administration and adjusting: per claim; cost plus; percent of premium. Auditing: per hour.  
**Branch offices:** Offices in 57 locations nationwide.  
**Subsidiaries:** Alexis Risk Management Services Inc.  
**PPO access.**  
**Officers:** Kevin J. Smith, CEO; Clyde K. Hensley, president/COO; William C. Wal-

lace, senior vp/CFD; Matthew J. Syrek, senior vp/director-operations; J. Darwin Daniel, senior vp-sales.  
**Contact:** J. Darwin Daniel.

## Applied Risk Management

2101 Webster St., Suite 900, Oakland, Calif. 94612; 510-452-3300;  
fax: 510-452-1479

<b>Revenues</b>	
Total	\$24,000,000
Claims revenue	\$19,200,000
Claims administration	50%
Claims adjusting	20%
Claims auditing	10%
Other services	20%
Includes: management information systems, information resources, medical cost management, ergonomics	
<b>Claims business by type</b>	
General liability	1%
Professional liability	10%
Workers compensation	89%

<b>Claims business by volume</b>	
Administration-claims paid	\$53,000,000
Auditing-projects completed	50
<b>Clients</b>	
Total	33
<b>Staff</b>	
Total	230
Claims services	220

**Claims services since:** 1980.  
**Service area:** Nationwide.  
**Charges:** Administration: cost-based. Adjusting and auditing: \$120 to \$150 per hour.  
**Branch offices:** Administrative offices in Davis, Los Angeles, Oakland, Orange, Rancho Cordova, Sacramento, San Diego, San Francisco and Ventura, Calif. Consulting offices in Oakland and Palm Springs, Calif.; El Paso and Dallas, Texas.  
**PPO access.**  
**Officers:** Irvin D. Nicholas, president/CEO; William Handley, Larry Deary, Jay Ayala, Dan Nicholson, senior vps.  
**Contact:** Peggy Eiler.



## BCIS Services

15301 Ventura Blvd., Suite 340, Sherman Oaks, Calif. 91403;  
818-386-9003; fax: 818-386-0831

<b>Revenues</b>	
Total	\$23,000,000
Claims revenue	\$750,000
Claims administration	3%
Other services	37%
Includes: alternative dispute resolution, program designs	
<b>Claims business by type</b>	
Workers compensation	100%
<b>Clients</b>	
Total	7
Corporations	4

Continued on next page

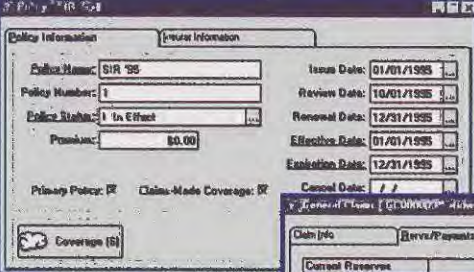
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*PLAY TO WIN*

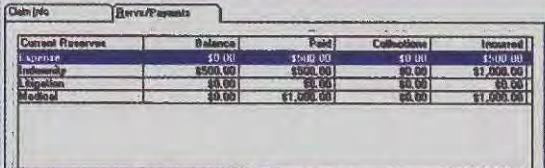
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**The new pricing plans help you save money, letting you buy just the programs you need, when you need them.**

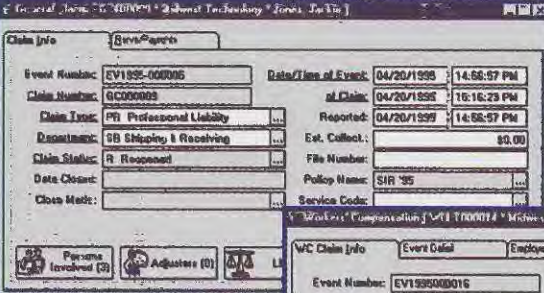
**[ POLICY MANAGEMENT ]**



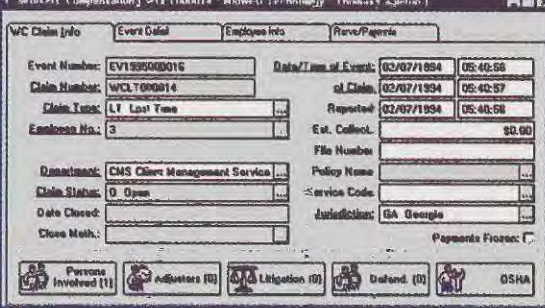
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**[ GENERAL CLAIMS ]**



**[ WORKERS' COMPENSATION ]**



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Continued from previous page

Public/government entities.....	1
Union-sponsored plans.....	2
<b>Staff</b>	
Total.....	16
Claims services.....	9
<b>Claims services since: 1993.</b>	
<b>Parent:</b> BancInsurance Corp.	
<b>Service area:</b> Alaska, California, Ohio.	
<b>Charges:</b> Administration: \$680 to \$1,400 per case; 8% to 12% of premium.	
<b>Branch offices:</b> Administrative and sales offices in Woodland Hills, Calif.; Columbus, Ohio; Seattle.	
<b>Officers:</b> James R. Davis Jr., Katherine Higgins.	

**Berkley Administrators**  
P.O. Box 59143, Minneapolis, Minn. 55459-0143; 612-544-0311; fax: 612-591-7404

<b>Revenues</b>	
Claims revenue.....	\$21,345,000
Claims administration.....	50%
Other services.....	50%
Includes: claims consulting/auditing, TPA for insurance companies, service contractor for state assigned risk pools	
<b>Claims business by type</b>	
Automobile.....	2%
General liability.....	2%
Property damage.....	2%
Workers compensation.....	93%
Other.....	1%
Includes: workers comp style plans for sovereign Indian nations	

<b>Clients</b>	
Total.....	1,434
Association plans.....	116
Corporations.....	51
Public/government entities.....	1,267

<b>Staff</b>	
Total.....	256
Claims services.....	73

**Claims services since: 1979.**  
**Parent:** W.R. Berkley Corp.  
**Service area:** Iowa, Kansas, Minnesota, Oklahoma, South Dakota, Texas, Washington.

**Charges:** Administration: percent of premium or payroll.  
**Branch offices:** Administrative offices in Pierre, S.D.; Seattle.

**Officers:** Stephen Letak, president; Greg Bickle, vp-field operations; Elizabeth Holden-Hill, vp/general counsel; Ronald Johnson, vp-sales/marketing; Greg Murray, vp-client services.  
**Contact:** Ronald Johnson.

**Berkley Risk Services Inc./Allied Adjusters Inc.**  
920 Second Ave. S., Suite 700, Minneapolis, Minn. 55402-4023; 612-376-4200; fax: 612-376-4299

<b>Revenues</b>	
Total.....	\$4,800,000
Claims revenue.....	\$2,600,000
Claims administration.....	8%
Claims adjusting.....	45%
Claims auditing.....	1%
Other services.....	46%
Includes: claims services to insurance companies or insured clients	

<b>Claims business by type</b>	
Automobile.....	25%
Bonds.....	1%
General liability.....	37%
Inland marine.....	5%
Professional liability.....	5%
Property damage.....	15%
Workers compensation.....	12%

<b>Claims business by volume</b>	
Auditing-projects conducted.....	17

<b>Clients</b>	
Total.....	1,180
Association plans.....	5
Corporations.....	20
Multiemployer plans.....	5
Public/government entities.....	1,150

<b>Staff</b>	
Total.....	75
Claims services.....	30

**Claims services since: 1985.**  
**Parent:** W.R. Berkley Corp.  
**Service area:** Nationwide; claims adjusting in Minnesota, North Dakota, South Dakota and Wisconsin.

**Charges:** Administration: flat fee. Adjusting: \$40 to \$75 per hour. Auditing: \$75 to \$115 per hour.

**Branch offices:** Administrative offices in Phoenix; Denver; Atlanta; Albert Lea, Brainerd, Duluth, Fairmont, Faribault, Hutchinson, Mankato, Owatonna, Rochester, Virginia and Willmar, Minn.; Fargo and Grand Forks, N.D.; Sioux Falls, S.D.; Nashville, Tenn. Sales offices in Phoenix; Denver; Atlanta; Nashville, Tenn.

**Subsidiaries:** Arizona All Claims Inc., Phoenix and Tucson, Ariz.; Southwest Risk Services Inc., Phoenix.

**Officers:** Berkley Risk Services Inc.: Lou Golinvaux, chairman; Mark Tansey, president; Leland Johnson, Ken Hopkins, senior vps. Allied Adjusters Inc.: Peter Huber, president; Jeff Wanat, vp.  
**Contact:** Leland P. Johnson.

**Dale L. Bonnett & Associates Inc.**  
650 Poydras St., Suite 2715, New Orleans, La. 70130; 504-525-3862; fax: 504-525-4592

<b>Revenues</b>	
Total.....	\$1,300,000
Claims revenue.....	\$525,000
Claims administration.....	30%
Claims adjusting.....	10%
Other services.....	60%
Includes: fully insured administration and adjusting, loss control services, risk management consulting	

<b>Claims business by type</b>	
General liability.....	65%
Inland marine.....	5%
Ocean marine.....	5%
Property damage.....	5%
Other.....	25%
Includes: aviation hull, liability and spares	

<b>Claims business by volume</b>	
Administration-claims paid.....	\$2,000,000

<b>Clients</b>	
Total.....	90
Corporations.....	20
Public/government entities.....	70

<b>Staff</b>	
Total.....	16
Claims services.....	16

**Claims services since: 1989.**  
**Service area:** Nationwide.  
**Charges:** Administration and adjusting: \$55 to \$75 per hour. Auditing: \$55 per hour.

**Branch offices:** Administrative and sales offices in Tampa, Fla; Chicago.

**Officers:** Dale L. Bonnett, president; Christopher D. Bonnett, executive vp; David A. Bonnett, David E. Gourgues, vps; Suzanne T. Galjour, secretary/treasurer.

**Contact:** Christopher D. Bonnett, 800-628-6038.

**BORDEL Corp.**  
470 W. Main St., Cheshire, Conn. 06410; 203-250-8825; fax: 203-250-8841

<b>Revenues</b>	
Total.....	\$750,000
Claims revenue.....	\$550,000
Claims administration.....	62%
Claims adjusting.....	4%
Claims auditing.....	7%
Other services.....	27%
Includes: fully insured claims services	

<b>Claims business by type</b>	
Automobile.....	45%
General liability.....	20%
Workers compensation.....	35%

<b>Claims business by volume</b>	
Administration-claims paid.....	\$3,500,000
Auditing-projects conducted.....	18

<b>Clients</b>	
Total.....	13
Corporations.....	12
Public/government entities.....	1

<b>Staff</b>	
Total.....	13
Claims services.....	13

**Claims services since: 1991.**  
**Service area:** Nationwide.  
**Charges:** Administration: flat fee; \$50 per hour. Adjusting: flat fee; \$40 per hour. Auditing: flat fee; \$400 per half-day.

**Officers:** Boris Biloskirka, president/owner; Edward Connolly, vp.  
**Contact:** Boris Biloskirka or Henry Packman.

**Gregory B. Bragg & Associates Inc.**  
1 Sierra Gate Plaza, Suite 250, Roseville, Calif. 95628; 916-783-0100; fax: 916-783-0338

<b>Revenues</b>	
Total.....	\$4,300,000
Claims revenue.....	\$3,400,000
Claims administration.....	74%
Claims adjusting.....	4%
Claims auditing.....	1%
Other services.....	21%

<b>Claims business by type</b>	
Automobile.....	10%
General liability.....	30%
Professional liability.....	2%
Property damage.....	3%
Workers compensation.....	55%

<b>Claims business by volume</b>	
Administration-claims paid.....	\$19,531,226

<b>Clients</b>	
Total.....	143
Corporations.....	10
Public/government entities.....	133

<b>Staff</b>	
Total.....	70
Claims services.....	45

**Claims services since: 1986.**  
**Service area:** Western states.  
**Charges:** Administration and adjusting: \$55 to \$65 per hour; flat annual. Auditing: \$90 to \$100 per hour; flat annual.  
**Branch offices:** Administrative offices in

Continued on next page

# READER REPLY SERVICE

## PRODUCTS & SERVICES LISTING

Issue of February 5

Reader Service #	Advertiser	Page #	Reader Service #	Advertiser	Page #
1	Aetna Pharmacy Management	41	—	I. O. A. Re.	42
2	AIG Corporate	36-37	22	Lindsey Morden	32
3	Alexsis Incorporated	30-31	23	Met Disability	34
4	American Re-Insurance Co.	16-17	24	Midwest Employers Casualty	6
5	Bene Com. Associates	59	25	MultiPlan Inc.	26
6	Burnham Systems	59	—	Mutual Fire Marine & Inland Ins.	48
—	Captive Insurance Co. Assoc.	26	26	NAC Reinsurance Corp.	7
40	CareWare Systems Inc.	59	27	National Reinsurance	33
—	Guy Carpenter & Company	13	28	Parts By Weller	59
7	Carvill America, Inc.	51	29	Pyramid Services Inc.	59
8	Celtic Life Insurance	40	—	Qualcare	47
9	Claims Overload Systems	50	—	Quantum International	20
41	Claims Services Resource Group	59	30	Reliance National	64
10	CNA/Disability Management	12	31	Risk & Ins. Mgmt. Society	49
11	Commonwealth Risk Service	22-23	32	SBPA Systems, Inc.	59
12	Dorn Technology Group Inc.	43	33	Scor U.S.	39
13	ECS Underwriting Inc.	27	34	Sedgwick Inc.	38
14	Executive Risk	14-15	—	Self Insured Mgmt. Services	42
15	First Union	25	—	Sterling Administrative Svc.	46
16	Fortis Inc.	10-11	35	Swett & Crawford Group	28
17	GENEX	4	36	Swiss Re America	18-19
18	Helmsman Management Svcs.	29	37	D. W. Van Dyke & Company	24
19	Hertz Claim Management	9	38	Vision Benefits Group, Inc.	59
20	HIAA/Health Ins. Assoc.	53	39	Vista Administrators, Inc.	12
—	HSBC Gibbs	54	—	Wausau Insurance Company	5
21	Int'l Found. of Empl. Benefits	47			



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### Business Insurance

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Card Expiration: APRIL 1, 1996

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  - Ins/Reins Co
  - Consultant
  - Actry/Attorney
  - Adj/Apprs
  - TPA
  - Health care
  - Inst
  - Other \_\_\_\_\_
- Number of employees:
  - 150 or less
  - 1,000 - 4,999
  - 151 - 499
  - 5,000 or more
  - 500 - 999
  - Unknown
- My title is best defined as:
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  - Financial Mgt
  - Risk Mgt
  - Benefits Mgt
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  - Other \_\_\_\_\_
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  - specify
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1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
31	32	33	34	35	36	37	38	39	40	41	42	43	44	45
46	47	48	49	50	51	52	53	54	55	56	57	58	59	60
61	62	63	64	65	66	67	68	69	70	71	72	73	74	75
76	77	78	79	80	81	82	83	84	85	86	87	88	89	90
91	92	93	94	95	96	97	98	99	100	101	102	103	104	105
106	107	108	109	110	111	112	113	114	115	116	117	118	119	120
121	122	123	124	125	126	127	128	129	130	131	132	133	134	135
136	137	138	139	140	141	142	143	144	145	146	147	148	149	150

Please print clearly

Name \_\_\_\_\_  
Title \_\_\_\_\_  
Company \_\_\_\_\_  
Address \_\_\_\_\_  
City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_  
Phone ( ) \_\_\_\_\_

Continued from previous page  
Chico, Fairfield, Redding, Sacramento, Stockton and Walnut Creek, Calif.

**PPO access.**  
**Officers:** Gregory B. Bragg, president; Lee Collins, vp/secretary; Jeff Kimball, vp/CEO. **Contact:** Gregory Bragg or D. Diann Cohen, 916-783-0100 or 800-422-7244.



**The CEI Group Inc.**

P.O. Box 1256, Southampton, Pa. 18966; 215-364-5600; fax: 215-364-4430

Revenues	
Total	\$40,000,000
Claims revenue	\$30,000,000
Claims administration	65%
Claims auditing	10%
Other services	25%
Includes: PPO management, consulting, network administration	
Claims business by type	
Automobile	100%
Claims business by volume	
Administration-claims paid	\$30,000,000
Clients	
Total	155
Corporations	155
Staff	
Total	120
Claims services	65

**Claims services since:** 1983.  
**Service area:** Nationwide.  
**Charges:** Administration, adjusting and auditing: per claim.  
**Branch offices:** Sales office in Santa Ana, Calif.  
**PPO access.**  
**Officers:** Wayne G. Smolda, president/CEO; Martin Wierzbicki, vp; Theresa M. Brigid, secretary; Claudia B. Smolda, treasurer.  
**Contact:** Martin Wierzbicki.

**Campos & Stratis**

310 Cedar Lane, Teaneck, N.J. 07666; 201-692-0300; fax: 201-692-0722

Revenues	
Total	\$23,400,000
Claims revenue	\$4,700,000
Claims auditing	20%
Other services	80%
Claims business by type	
Bonds	10%
Disability	5%
General liability	5%
Inland marine	5%
Ocean marine	5%
Professional liability	10%
Property damage	60%
Claims business by volume	
Auditing-projects conducted	25
Clients	
Corporations	15
Staff	
Total	253

**Claims services since:** 1969.  
**Service area:** Nationwide.  
**Charges:** Auditing: per diem.  
**Branch offices:** 37 sales offices worldwide, including 29 U.S. offices.  
**Officers:** Chris Campos, chairman; Steve Rosenthal, Jeffrey Baliban, co-chairmen; Mark Gallaher, Louis Magnan, partners.

**Caronia Corp.**

3300 PGA Blvd., Suite 700, Palm Beach Gardens, Fla. 33410; 800-227-6642; fax: 407-694-1990

Revenues	
Claims revenue	\$13,000,000
Claims administration	40%
Claims adjusting	30%
Claims auditing	10%
Other services	20%
Includes: certification of reserve adequacy, claim runoffs, litigation management	
Claims business by type	
General liability	10%
Professional liability	65%
Workers compensation	10%
Other	15%
Includes: product liability	
Claims business by volume	
Administration-claims paid	\$60,000,000
Auditing-projects conducted	82
Clients	
Total	259
Association plans	21
Corporations	175
Multiemployer plans	45
Public/government entities	18
Staff	
Total	170
Claims services	122

**Claims services since:** 1969.  
**Service area:** Nationwide.

**Charges:** Administration: \$60 to \$100 per hour; fixed fee. Adjusting: \$60 to \$65 per hour. Auditing: \$75 to \$125 per hour; fixed fee, per file.

**Branch offices:** Administrative offices in Denver; Coral Springs, Fla.; Atlanta; Chicago; Boston; Detroit; Albany, N.Y.; Delaware, Ohio; Greenville, S.C.; Austin and Dallas, Texas. Sales offices in Newport Beach and San Francisco, Calif.; Miami, Sarasota and Tampa, Fla.; Louisville, Ky.; St. Louis; Melville, N.Y.; Houston and San Antonio, Texas; Falls Church, Va.; Seattle.  
**PPO access.**  
**Officers:** Charles A. Caronia, president/CEO; Charles McGill, COO; Ben Thompson, CFO.  
**Contact:** Charles McGill.

**Chubb Services Corp.**

25 Independence Blvd., Warren, N.J. 07059; 800-543-4580; fax: 908-903-7187

Revenues	
Total	\$1,600,000
Claims revenue	\$1,280,000
Claims administration	35%
Claims adjusting	40%
Claims auditing	5%
Other services	20%
Includes: managed care, auditing insured clients	
Claims business by type	
Automobile	2%
Bonds	5%
General liability	46%
Property damage	2%
Workers compensation	45%
Staff	
Total	64
Claims services	38

**Claims services since:** 1991.  
**Parent:** Chubb & Son Inc.  
**Service area:** Nationwide.  
**Branch offices:** Administrative offices in Los Angeles; Tampa, Fla.; Atlanta; Itasca, Ill.; Louisville, Ky.; Westborough, Mass.; Troy, Mich.; Murray Hill, N.J.; Harrisburg, Pa.; Houston. Sales offices in Los Angeles and San Jose, Calif.; Atlanta; Chicago; Murray Hill, N.J.; Houston.  
**Officers:** Robert Felch, president; Patrick Pisano, executive vp-claim management services; Robert Santoro, vp-alternative market services; Sam Lee, vp-risk management services; Jane Moran, vp-human resources.  
**Contact:** Ronni Zimmerman, marketing manager.

**Citizens Management Inc.**

808 Highlander Way, Howell, Mich. 48843; 517-546-2160; fax: 517-548-9246

Revenues	
Total	\$3,600,000
Claims revenue	\$3,600,000
Claims administration	100%
Claims business by type	
Workers compensation	100%
Claims business by volume	
Administration-claims paid	\$17,500,000
Clients	
Total	78
Association plans	8
Corporations	54
Public/government entities	16
Staff	
Total	45
Claims services	45

**Claims services since:** 1985.  
**Parent:** Citizens Insurance Co.  
**Service area:** Illinois, Indiana, Michigan.  
**Charges:** Administration: 1% to 6% of standard premium.  
**Branch offices:** Administrative offices in Chicago; Grand Rapids, Mich. Sales office in Chicago.  
**PPO access.**  
**Officers:** David B. Johnson, general manager; Greg Roth, claim manager; James Gilmore, corporate accounts manager; Scott Gaffner, group accounts manager.  
**Contact:** James Gilmore.

**Claims Management Services Inc.**

P.O. Box 1447, 360 Market Place, Roswell, Ga. 30077-1447; 770-998-7411; fax: 770-594-9752

Revenues	
Total	\$1,400,000
Claims revenue	\$1,000,000
Claims administration	51%
Claims adjusting	10%
Claims auditing	10%
Other services	29%
Includes: interviewing and training of adjusters, setting up claim departments in casualty self-insurers	
Claims business by type	
Automobile	10%
General liability	25%
Professional liability	15%
Workers compensation	50%
Claims business by volume	
Administration-claims paid	\$50,000,000
Auditing-projects conducted	4

**Claims services since:** 1969.

Clients	
Total	103
Association plans	3
Corporations	80
Public/government entities	20

Staff	
Total	21
Claims services	21

**Claims services since:** 1984.  
**Service area:** Nationwide.  
**Charges:** Administration: percent of revenue. Adjusting: percent of revenue; \$60 per hour. Auditing: \$125 per hour.  
**PPO access.**  
**Officers:** Gene L. Jones, president; Neill G. Stevens, vp/secretary/treasurer; Barry Lamanno, assistant vp.  
**Contact:** Pamela Royalty or John Shore, marketing directors.

**ClaimsCo International Inc.**

1272 W. Northwest Highway, Palatine, Ill. 60067; 847-358-8008; fax: 847-358-9987

Revenues	
Total	\$792,728
Claims revenue	\$781,027
Claims administration	54.6%
Claims adjusting	41.8%
Claims auditing	2.1%
Other services	1.5%
Includes: fully insured adjusting	

Claims business by type	
Automobile	20%
General liability	60%
Inland marine	1%
Professional liability	1%
Property damage	9%
Workers compensation	9%

Claims business by volume	
Administration-claims paid	\$5,502,000
Auditing-projects conducted	2

Clients	
Total	14
Association plans	2
Corporations	12

Staff	
Total	10
Claims services	10

**Claims services since:** 1988.  
**Service area:** Nationwide.  
**Charges:** Administration: \$260 to \$300 per claim; \$350 to \$600 per claim (workers comp). Adjusting: \$45 to \$65 per hour. Auditing: \$60 to \$100 per hour.  
**Branch offices:** Administrative and sales offices in Los Angeles.  
**Officers:** Michael F. Harris, president; Wallace Bruneau, vp.  
**Contact:** Michael F. Harris.

**CompLogic Inc.**

50 Holden St., Providence, R.I. 02908; 401-861-1050; fax: 401-861-2225

Revenues	
Total	\$1,000,000
Claims revenue	\$1,000,000
Claims administration	90%
Claims auditing	10%

Claims business by type	
Workers compensation	100%

Claims business by volume	
Administration-claims paid	\$8,000,000
Auditing-projects conducted	2

Clients	
Total	27
Corporations	27

Staff	
Total	11
Claims services	11

**Claims services since:** 1994.  
**Parent:** Aon Corp.  
**Service area:** Connecticut, Massachusetts, Rhode Island.  
**Charges:** Administration: annual fee. Adjusting: \$80 to \$100 per hour. Auditing: per project.  
**Branch offices:** Administrative offices in Hartford, Conn.; Boston.  
**Officers:** Derrick Amato, vp.

**Constitution State Service Co.**

1 Tower Square, Hartford, Conn. 06183; 860-277-8500; fax: 860-277-0142

Revenues	
Total	\$101,000,000
Claims revenue	\$85,850,000
Claims administration	80%
Claims auditing	5%
Other services	15%

Claims business by type	
Automobile	12%
General liability	13%
Workers compensation	75%

Claims business by volume	
Administration-claims paid	\$790,000,000

Clients	
Total	550
Corporations	525
Public/government entities	25

Staff	
Total	4,000

**Claims services since:** 1980.  
**Parent:** Travelers Insurance Co.  
**Service area:** Nationwide.  
**Charges:** Administration: percent of paid or incurred; per claim.  
**Branch offices:** Administrative offices nationwide. Sales office in Fort Lee, N.J.  
**PPO access.**  
**Officers:** Jim Nothem, chairman; Andrew Apicella, president; Douglas Elliott, treasurer.

**Cook & Co., Workers' Compensation Group**

1025 Plain St., P.O. Box 1068, Marshfield, Mass. 02050; 617-837-7300; fax: 617-837-5668

Revenues	
Total	\$868,000
Claims revenue	\$868,000
Claims administration	100%

Claims business by type	
Workers compensation	100%

Clients	
Total	53
Corporations	9
Public/government entities	44

Staff	
Total	12
Claims services	12

**Claims services since:** 1987.  
**Service area:** Massachusetts.  
**Charges:** Administration: \$10,000 to \$120,000 annual flat fee.  
**PPO access.**  
**Officers:** Peter A. Cook, Elizabeth P. Cook.  
**Contact:** Karen M. Shanley.

**Coopers & Lybrand L.L.P.**

1155 Peachtree St., 1100 Campanile, Atlanta, Ga. 30309; 404-870-1382; fax: 404-870-1335

Revenues	
Claims revenue	\$2,700,000
Claims administration	10%
Claims adjusting	25%
Claims auditing	35%
Other services	30%
Includes: claims organizational and operational studies, strategic planning, loss adjusting, cost containment, managed care for workers comp, cost allocation, reserve analysis and valuation	

Claims business by type	
General liability	15%
Professional liability	10%
Property damage	25%
Workers compensation	30%
Other	20%
Includes: environmental	

Staff	
Total	14
Claims services	14

**Claims services since:** 1984.  
**Service area:** Nationwide.  
**Branch offices:** Administrative offices in 100 locations nationwide. Sales offices in Los Angeles; Atlanta; Chicago; Parsippany, N.J.; New York.  
**Officers:** Frederick Kist, managing principal; Michael Flaherty, principal/national director-casualty claims.  
**Contact:** Bonnie Emerson, national director-new business development.

**Crawford & Co.**

5620 Glenridge Drive, Atlanta, Ga. 30342; 404-256-0830; fax: 404-847-4028

Revenues	
Total	\$606,000,000
Claims revenue	\$215,000,000
Claims administration	27.5%
Claims adjusting	8%
Other services	64.5%

Claims business by type	
Automobile	18%
General liability	22%
Property damage	1.4%
Workers compensation	57.2%
Other	1.4%
Includes: bonds, inland marine, ocean marine, professional liability	

Claims business by volume	
Administration-claims paid	\$2,087,627,458

Clients	
Total	2,130
Association plans	51
Corporations	1,897
Public/government entities	182

Staff	
Total	8,223

**Claims services since:** 1941.  
**Service area:** Worldwide.  
**Charges:** Administration and adjusting: per hour; flat rate; cost plus.  
**Branch offices:** Administrative offices in 800 locations worldwide. Sales offices in Los Angeles; San Francisco; Washington; Chicago; New York; Dallas; Toronto; London.  
**Subsidiaries:** Crawford Arnold & Green,

Crawford Brockelhurst, Crawford Brockelhurst Miller, Crawford Graham Miller, Risk Sciences Group.

**PPO access.**  
**Officers:** D.A. Smith, chairman/CEO; J.R. Bryant, president/COO-risk management; A.L. Meyers, president/COO-claims services; R.P. Albright, president/COO-disability management; G.L. Box, president/COO-international operations.  
**Contact:** Doug Metz, vp-performance management.

**Peter J. Crosa & Co.**

4135 La Vista Road, Suite 610, Atlanta, Ga. 30085-5003; 770-938-1099; fax: 770-938-1699

Revenues	
Total	\$750,000
Claims revenue	\$600,000
Claims administration	16%
Claims adjusting	64%
Other services	20%

Claims business by type	
Automobile	80%
General liability	20%

Clients	
Total	4
Corporations	3
Public/government entities	1

Staff	
Total	15
Claims services	12

**Claims services since:** 1987.  
**Service area:** Alabama, Florida, Georgia, Mississippi, North Carolina, South Carolina, Tennessee.  
**Charges:** Administration: \$55 per hour. Adjusting: \$45 per hour.  
**Officers:** Peter J. Crosa.

**Curley Adjustment Bureau Inc.**

306 Walnut St., Philadelphia, Pa. 19106; 800-233-3380; fax: 215-627-4176

Revenues	
Total	\$2,512,000
Claims revenue	\$1,425,000
Claims administration	19%
Claims adjusting	32%
Claims auditing	5%
Other services	44%

Claims business by type	
Automobile	41%
General liability	31%
Property damage	5%
Workers compensation	23%

Claims business by volume	
Administration-claims paid	\$3,952,650
Auditing-projects conducted	5

Clients	
Total	17
Association plans	2
Corporations	11
Public/government entities	4

Staff	
Total	81
Claims services	33

**Claims services since:** 1933.  
**Service area:** Delaware, New Jersey, Pennsylvania.  
**Charges:** Administration: \$45 to \$60 per hour. Adjusting: \$45 per hour. Auditing: \$45 to \$55 per hour.

**Branch offices:** Administrative offices in New Castle and Wilmington, Del.; Camden and Trenton, N.J.; Allentown, Altoona, Erie, Harrisburg, Pittsburgh, Reading, Scranton, State College, Williamsport and York, Pa.  
**Subsidiaries:** C.A.B. Medical Consultants, Philadelphia.  
**Officers:** Joseph N. Panichelli, chairman; Francis J. Marx, president; Gino F. Dattilo, vp; Patricia Preston, secretary; Joan Karpowicz, assistant treasurer.  
**Contact:** Francis J. Marx.



**Employers Risk Services**  
1240 Fair Way St., Bowling Green, Ky. 42102; 502-782-7678 or 800-378-2540; fax: 502-782-7654

Revenues	
Total	\$1,000,000
Claims revenue	\$1,000,000
Claims administration	95%
Claims adjusting	5%

Claims business by type	
Automobile	5%
General liability	5%
Property damage	5%
Workers compensation	85%

Claims business by volume	
Administration	

Continued from previous page

<b>Staff</b>	
Total	15
Claims services	15

**Claims services since:** 1994.  
**Service area:** Kentucky, Tennessee.  
**Charges:** Administration and adjusting: percent of premium.  
**Branch offices:** Administrative office in Nashville, Tenn.  
**Officers:** Larry Schaefer, president; Rick Stasi, operations manager; Don Turner, claims manager.  
**Contact:** Don Turner.

**Environmental Claims Administrators Inc.**

600 Eagleview Blvd., P.O. Box 688, Exton, Pa. 19341-0688; 610-458-7445; fax: 610-458-5743

<b>Revenues</b>	
Total	\$3,495,000
Claims revenue	\$1,030,000
Claims adjusting	20%
Claims auditing	9%
Other services	71%

<b>Claims business by type</b>	
Automobile	20%
Professional liability	20%
Other	60%
Includes: environmental	
<b>Claims business by volume</b>	
Auditing-projects conducted	3
<b>Clients</b>	
Corporations	15
<b>Staff</b>	
Total	28

**Claims services since:** 1990.  
**Parent:** Environmental Compliance Services Inc.  
**Service area:** Nationwide.  
**Charges:** Adjusting and auditing: per hour.  
**Subsidiaries:** Consulting Services Inc., ECS Underwriting Inc., Exton, Pa.; ECS Underwriting JK, London.  
**Officers:** William Kronenberg III, president/CEO; David M. Rosenberg, executive vp; Frank Piliero, CFO; Randall E. Hobbs, vp.  
**Contact:** Randall E. Hobbs.

**Essential Services & Programs Inc.**

159 Great Neck Road, P.O. Box 911, Great Neck, N.Y. 11021; 516-487-0432; fax: 516-487-0498

<b>Revenues</b>	
Total	\$800,000
Claims revenue	\$700,000
Claims administration	67.5%
Claims adjusting	21.5%
Other services	10%
Includes: safety and engineering services	

<b>Claims business by type</b>	
Automobile	10%
General liability	30%
Workers compensation	60%
<b>Clients</b>	
Corporations	29
<b>Staff</b>	
Total	15
Claims services	6

**Claims services since:** 1988.  
**Service area:** Nationwide.  
**Officers:** Gary Ricker, president; Michael Bednar, vp.

**F**

**EC Fackler Inc.**  
 P.O. Box 642810, Chicago, Ill. 60664-2810; 312-629-0888; fax: 312-629-2506

<b>Revenues</b>	
Total	\$4,100,000
Claims revenue	\$4,000,000
Claims administration	81%
Claims adjusting	11%
Claims auditing	6%
Other services	2%

<b>Claims business by type</b>	
Workers compensation	100%
<b>Claims business by volume</b>	
Administration-claims paid	\$5,900,000
<b>Clients</b>	
Total	13
Association plans	9
Corporations	3
Public/government entities	1
<b>Staff</b>	
Total	42

**Claims services since:** 1991.  
**Service area:** Illinois, Michigan, Minnesota, North Carolina, Oregon.  
**Charges:** Administration, adjusting and auditing: annual fee based on service requirement.  
**Branch offices:** Administrative offices in Plymouth, Minn. Sales offices in Southfield, Mich.; Plymouth, Minn.; Raleigh, N.C.; Portland Ore.  
**Officers:** Ernest C. Fackler, president; Carl D. Link, CFO; Torquka R. Johnson, branch manager.  
**Contact:** Michael J. Barrett, sales manager.

**FIRM Solutions Inc.**

390 N. Wiget Lane, Walnut Creek, Calif. 94598; 510-930-9883; fax: 510-930-7268

<b>Revenues</b>	
Total	\$61,000,000
Claims revenue	\$41,000,000
Claims administration	57%
Claims adjusting	2%
Claims auditing	8%
Other	33%

<b>Claims business by type</b>	
General liability	5%
Workers compensation	95%

<b>Claims business by volume</b>	
Administration-claims paid	\$300,000,000
<b>Clients</b>	
Total	150
<b>Staff</b>	
Total	531
Claims services	484

**Claims services since:** 1982.  
**Parent:** Foundation Health Corp.  
**Service area:** Nationwide.  
**Charges:** Administration: flat fee; \$350 to \$875 per claim. Adjusting and auditing: per hour plus expenses.  
**Branch offices:** Administrative offices in Phoenix; Irvine, Oakland, Orange, San Francisco and San Ramon, Calif.; Orlando, Fla.; Basking Ridge, N.J.; Portland, Ore.; Dallas. Sales offices in Orange, Calif.  
**Subsidiaries:** Advanced Loss Services Inc., Claim Technical Services Inc.  
**PPO access.**  
**Officers:** Greg Franceschi, president; Ron Van Buskirk, vp-marketing; Steve Smith vp/CFO; Nancy Sharek, vp-operations; Art Zeiner, vp-business development.  
**Contact:** Ron Van Buskirk, 510-975-4260.

**Frontier Adjusters of America**

45 E. Monterey Way, Phoenix, Ariz. 85012; 800-528-1187; fax: 800-553-4799

<b>Revenues</b>	
Total	\$43,000,000
Claims revenue	\$4,000,000
Claims administration	2%
Claims adjusting	7%
Claims auditing	1%
Other services	90%

<b>Claims business by type</b>	
Automobile	50%
General liability	30%
Property damage	20%
<b>Staff</b>	
Total	30

**Service area:** Nationwide.  
**Charges:** Adjusting: per hour.  
**Branch offices:** Administrative offices in 600 locations nationwide.  
**Officers:** William Rocke, CEO; Jean Ryberg, president; Jim Rocke, secretary/treasurer; Pat Greer, controller; George Hill, legal counsel.

**G**

**GAB Robins North America Inc.**

9 Campus Drive, Parsippany, N.J. 07058; 201-993-3400; fax: 201-993-3321

<b>Revenues</b>	
Total	\$265,000,000
Claims revenue	\$90,000,000
Claims administration	33%
Claims auditing	1%
Other services	66%

<b>Claims business by type</b>	
Automobile	21%
General liability	21%
Workers compensation	57%
Other	1%

<b>Claims business by volume</b>	
Administration-claims paid	\$1,500,000,000
<b>Clients</b>	
Total	1,019
Corporations	1,019
<b>Staff</b>	
Total	2,661

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**STERLING Administrative Services, Inc.**

A Reliance Group Holdings Company  
 4 Penn Center Plaza  
 Philadelphia, Pa. 19103

*In California, Sterling Claims Management Services, Inc.*

Continued from previous page

**Claims services since:** 1885.  
**Parent:** SGS North America Inc.  
**Service area:** Nationwide.  
**Charges:** Administration: per claim; per hour. Adjusting: flat fee; cost plus. Auditing: per hour.  
**Branch offices:** Administrative offices in 500 locations nationwide. Sales offices in Los Angeles; Denver; Maitland, Fla.; Atlanta; Chicago; Minneapolis; Nashville, Tenn.; Dallas.  
**Subsidiaries:** CH&A, Kingwood, Texas; INS Investigations, Kingwood, Texas.  
**PPO access.**  
**Officers:** Antony M. Czura, chairman/CEO; John F. Darden, CFO/executive vp; R. Howard Hopkins, general counsel/executive vp; James A. McGee, COO/executive vp.  
**Contact:** G. Roger Eiler, senior vp-sales/account management.

**Gates McDonald**

3455 Mill Run Drive, Hilliard,  
 Ohio 43026; 614-777-3000

Revenues	
Total	\$48,000,000
Claims revenue	\$25,000,000
Claims administration	50%
Claims auditing	2%
Other services	48%

Claims business by type	
Automobile	6%
General liability	2%
Workers compensation	92%

Claims business by volume	
Administration-claims paid	\$280,000,000
Auditing-projects conducted	2

Clients	
Total	326
Corporations	285
Public/government entities	41

Staff	
Total	768
Claims services	337

**Claims services since:** 1929.  
**Parent:** Nationwide Insurance.  
**Service area:** Nationwide.  
**Charges:** Administration: \$336 to \$1,573 per claim. Auditing: per hour.  
**Branch offices:** Administrative and sales offices in Concord and Los Angeles, Calif.; Tampa, Fla.; Atlanta; Chicago; Baltimore; New York; Philadelphia; Pittsburgh; Dallas; Bellevue, Wash. Additional administrative offices in 23 locations nationwide.  
**PPO access.**  
**Officers:** David Hollingsworth, president; Rich Hoyt, vp-unemployment services; David Brown, vp-business development; Gerry Sheldon, vp-risk management operations; Peter Barr, healthcare management services officer.  
**Contact:** David Brown.

**Gow Management Services Inc.**

344 Delaware Ave., Buffalo,  
 N.Y. 14202-1876; 716-856-6148;  
 fax: 716-856-6179

Revenues	
Total	\$1,050,000
Claims revenue	\$980,000
Claims administration	84%
Claims adjusting	3%
Claims auditing	6%
Other services	7%
Includes: claims prevention through loss control	

Claims business by type	
Disability	10%
Workers compensation	85%
Other	5%
Includes: deductible programs	

Claims business by volume	
Administration-claims paid	\$3,000,000
Auditing-projects conducted	2

Clients	
Total	61
Corporations	14
Public/government entities	47

Staff	
Total	19
Claims services	11

**Claims services since:** 1982.  
**Parent:** S.H. Gow & Co. Inc.  
**Service area:** Nationwide.  
**Charges:** Administration: \$120 to \$200 per claim. Adjusting and auditing: flat contract.  
**Branch offices:** Administrative and sales offices in Rochester and Syracuse, N.Y.  
**Officers:** Stephen H. Gow, chairman; Jeffrey J. Gow, president; Michael S. Gow, executive vp; Richard K. Mason, senior vp.  
**Contact:** Michael H. Ernst, Daniel K. Conley or Richard K. Mason.

**R.L. Gresham & Co. Inc.**

P.O. Box 2065, 1200 S. Fourth St.,  
 Suite O, Las Vegas, Nev. 89125-2065;  
 702-384-9700; fax: 702-382-3029

Revenues	
Total	\$2,800,000
Claims revenue	\$1,400,000
Claims administration	10%
Claims adjusting	40%

Other services .....50%  
 Includes: claims administration and adjusting for insurance companies

Claims business by type	
Automobile	20%
General liability	70%
Property damage	10%

Claims business by volume	
Administration-claims paid	\$1,078,000

Clients	
Total	45
Corporations	30
Public/government entities	15

Staff	
Total	65
Claims services	25

**Claims services since:** 1947.  
**Service area:** Arizona, Nevada.  
**Charges:** Adjusting: \$40 per hour plus expenses.  
**Branch offices:** Administrative offices in Flagstaff, Lake Havasu City, Phoenix, Tucson and Yuma, Ariz.; Laughlin and Reno, Nev.  
**Officers:** Robert L. Gresham Jr., president; Judy L. Gresham, vp; Barbara M. Gresham, secretary/treasurer.  
**Contact:** Robert L. Gresham Jr.  
*Continued on next page*

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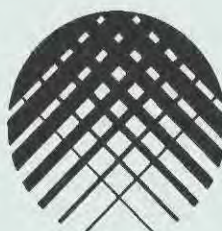
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B/296



# QUALCARE™

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Continued from previous page

**H**

**Hastings-Tapley Services Inc.**  
60 Gore St., P.O. Box 240, Cambridge, Mass. 02141; 800-222-5963; fax: 617-494-1608

Revenues	
Total	\$6,600,000
Claims revenue	\$3,370,000
Claims administration	51%
Other services	49%
Includes: loss control, underwriting, marketing, policy issuance and services	

Claims business by type	
Automobile	17%
General liability	10%
Inland marine	1%
Property damage	8%
Workers compensation	64%

Claims business by volume	
Administration-claims paid	\$19,000,000

Clients	
Total	8
Association plans	1
Corporations	1
Public/government entities	6

Staff	
Total	66
Claims services	42

**Claims services since:** 1987.  
**Parent:** Hastings-Tapley Insurance Agency Inc.  
**Service area:** Connecticut, Massachusetts, New Hampshire, New Jersey, New York, Texas, Vermont, Virginia.  
**Charges:** Administration: per employee per month. Adjusting: per hour.  
**Branch offices:** Administrative and sales offices in Fairfield, Conn.; Albany, N.Y.; Dallas; Glen Allen, Va.  
**Subsidiaries:** Governmental Entities Management Services Inc., Albany, N.Y. and Glen Allen, Va.  
**PPO access.**  
**Officers:** David J. Lane, chairman; E. Donald Lewis, president; Marsha K. Burridge, executive vp; Ralph J. Gemelli, senior vp; David C. Gray, director-operations.  
**Contact:** Ralph J. Gemelli.

**Healthcare Alliance Corp. (HAC)**  
2260 Park Towne Circle, Sacramento, Calif. 95825; 916-971-8200; fax: 916-489-2611

Revenues	
Total	\$1,531,000
Claims revenue	\$1,206,000
Claims administration	79%
Other services	21%

Claims business by type	
Workers compensation	100%

Claims business by volume	
Administration-claims paid	\$15,829,656

Clients	
Total	51
Public/government entities	51

**Staff**  
Total .....25  
Claims services .....15

**Claims services since:** 1991.  
**Parent:** ACHD, Assn. of California Hospital Districts.  
**Service area:** California.  
**Charges:** Adjusting: per file.  
**Branch offices:** Administrative and sales offices in Roseville, Calif.  
**Officers:** Vic Biswell, president/CEO; Jim Giannini, CFO.  
**Contact:** Gene M. Marsh, 800-780-2440 or 916-783-2440.

**Helmsman Management Services Inc.**  
9 Riverside Road, Weston, Mass. 02193; 617-243-7985; fax: 617-736-0256

Revenues	
Total	\$60,000,000
Claims revenue	\$45,000,000
Claims administration	73%
Claims adjusting	1%
Claims auditing	1%
Other services	25%
Includes: loss prevention, managed care, risk information services, actuarial, consulting	

Claims business by type	
Automobile	15%
General liability	10%
Workers compensation	75%

Claims business by volume	
Administration-claims paid	\$250,000,000
Auditing-projects conducted	15

Clients	
Total	427
Association plans	6
Corporations	418
Public/government entities	8

Staff	
Total	650
Claims services	520

**Claims services since:** 1983.  
**Parent:** Liberty Mutual Insurance Group.  
**Service area:** Nationwide.  
**Charges:** Administration and adjusting per claim. Auditing: per hour.  
**Branch offices:** Administrative offices in Glendale, Calif.; Itasca, Ill.; Dover, N.H.; Gahanna, Ohio; Pittsburgh, Pa. Sales offices in 132 locations nationwide.  
**PPO access.**  
**Officers:** Edmund Kelly, president; Stephen Zielinski, COO; Amy Leddy, vp; manager; Daniel Lyons, vp-field operations; Bob Litke, vp.  
**Contact:** Daniel Lyons.

**Heyenrath & Associates**  
1616 W. Dean Ave., Spokane, Wash. 99201-1825; 509-325-9726; fax: 509-325-2431

Revenues	
Claims revenue*	\$500,000
Claims auditing	100%

Claims business by type	
Automobile	15%
General liability	20%
Ocean marine	10%
Professional liability	5%
Property damage	10%
Workers compensation	30%
Other	10%
Includes: expert testimony	

Clients	
Total	65
Association plans	10
Corporations	25
Public/government entities	30

Staff	
Total	8

**Claims services since:** 1980.  
**Service area:** Nationwide.  
**Charges:** Auditing: flat fee; \$125 per hour plus expenses.  
**Branch offices:** Administrative office in Manhattan Beach, Calif.  
**Officers:** Leo Heyenrath, senior partner.  
**\*Estimate.**

**I**

**ITT Specialty Risk Services Inc.**  
55 Farmington Ave., Hartford, Conn. 06105; 860-520-2575; fax: 860-520-2503

Revenues	
Total	\$38,917,000
Claims revenue	\$34,136,200
Claims administration	88%
Other services	12%

Claims business by type	
Automobile	5%
General liability	35%
Workers compensation	80%

Claims business by volume	
Administration-claims paid	\$384,138,087

Clients	
Association plans	1
Corporations	245
Public/government entities	13

Staff	
Total	445
Claims services	445

**Claims services since:** 1980.  
**Parent:** ITT Hartford Group.  
**Service area:** Nationwide.  
**Charges:** Administration: per claim; percent of incurred; percent of paid.  
**Branch offices:** Administrative offices in 80 locations nationwide. Sales offices in Los Angeles; Hartford, Conn.; Atlanta; Chicago; New York; Dallas.  
**PPO access.**  
**Officers:** Dennis Replogle, president; Lonnie Maytubby, Holly Potvin, senior vps; Joanne Larson, Jim Leonard, vps.  
**Contact:** Joanne Larson.

**Inservco Insurance Services Inc.**  
P.O. Box 8898, Camp Hill, Pa. 17001-8898; 800-356-0438; fax: 717-761-6515

Revenues	
Total	\$8,500,000
Claims revenue	\$5,250,000
Claims administration	57%
Claims adjusting	3%
Claims auditing	2%
Other services	38%
Includes: safety management services, managed care programs, vocational rehabilitation, claims management	

Claims business by type	
Automobile	11%
Professional liability	8%
Property damage	5%
Workers compensation	76%

Claims business by volume	
Administration-claims paid	\$11,750,000
Auditing-projects conducted	5

Clients	
Total	229
Association plans	11
Corporations	25
Public/government entities	193

Staff	
Total	138
Claims services	64

**Claims services since:** 1980.  
**Parent:** Penn National Insurance.  
**Service area:** Maryland, New Jersey, North Carolina, Pennsylvania, South Carolina, Tennessee, Virginia.  
**Charges:** Administration: per hour. Adjusting: per hour; per claim. Auditing: per hour; per project.  
**Branch offices:** Administrative offices in Altoona, Camp Hill, Philadelphia and Pittsburgh, Pa.; Trenton, N.J.; Greensboro, N.C.; Nashville, Tenn.; Chesapeake, Va. Sales offices in Camp Hill, Philadelphia and Pittsburgh, Pa.; Trenton, N.J.  
**Officers:** James I. Taylor, president; Robert L. Conrad, executive vp; Barry L. Kline,

treasurer; Kenneth R. Shutts, secretary/general counsel.  
**Contact:** Robert L. Conrad.

**Insurance Consulting Associates Inc.**  
621 A Second St., Petaluma, Calif. 94952; 707-778-1118; fax: 707-778-8213

Revenues	
Total	\$1,200,000
Claims revenue	\$650,000
Claims administration	50%
Claims adjusting	3%
Claims auditing	1%
Other services	46%
Includes: fully insured claims services, claims management, training, consulting, insurance fraud detection and prevention programs	

Claims business by type	
Automobile	29%
Bonds	1%
Disability	1%
General liability	44%
Inland marine	1%
Life	1%
Ocean marine	1%
Professional liability	1%
Property damage	16%
Workers compensation	2%
Other	3%

Claims business by volume	
Administration-claims paid	\$15,000,000
Auditing-projects conducted	10

Clients	
Total	145
Corporations	25
Public/government entities	120

Staff	
Total	21
Claims services	14

**Claims services since:** 1978.  
**Service area:** California, Oregon, Washington.  
**Charges:** Administration and adjusting: \$60 to \$70 per hour. Auditing: \$75 to \$150 per hour.  
**Branch offices:** Administrative and sales offices in Martinez and San Francisco, Calif.; Ontario, Canada.  
**Subsidiaries:** BDR Investigations, Petaluma, Calif.  
**Officers:** Ronald R. Blanquie, president; Daniel A. Blanquie, executive vp.  
**Contact:** Daniel A. Blanquie.

Revenues	
Total	\$2,700,000
Claims revenue	\$2,700,000
Claims administration	100%

Claims business by type	
General liability	10%
Workers compensation	90%

Claims business by volume	
Administration-claims paid	\$20,000,000

Clients	
Total	91
Corporations	12
Public/government entities	79

Staff	
Total	45
Claims services	45

**Claims services since:** 1992.  
**Service area:** California.  
**Charges:** Administration: flat annual; per hour.  
**Branch offices:** Administrative office in Irvine, Calif.  
**PPO access.**  
**Officers:** Jeff Sanford, chairman/CEO; John Casas, president; Tom Blake, COO; T. Fernandez, vp-claims.  
**Contact:** Jeff Sanford.

**Johns Eastern Co. Inc.**  
P.O. Box 4175, Sarasota, Fla. 34230; 941-361-3100; fax: 941-361-3107

Revenues	
Total	\$12,000,000
Claims revenue	\$12,000,000
Claims administration	98%
Claims adjusting	1%
Claims auditing	1%

Claims business by type	
General liability	15%
Workers compensation	85%

Claims business by volume	
Administration-claims paid	\$134,000,000
Auditing-projects conducted	8

Clients	
Total	8
Corporations	7
Public/government entities	1

Staff	
Total	300
Claims services	210

**Claims services since:** 1994.  
**Parent:** CARE Systems Corp.  
**Service area:** Nationwide.  
**Charges:** Administration: per claim. Adjusting and auditing: per project.  
**Branch offices:** Administrative offices in Los Angeles; Tallahassee and Tampa, Fla.; Parsippany, N.J.; Troy, Mich.; Bristol, Tenn.; Houston. Sales offices in Los Angeles; Tampa, Fla.; Parsippany, N.J.; Dallas; Houston.  
**Officers:** Benjamin D. Podpechan, CEO; Steven K. Arnold, president; Frank L. Adams, CFO; Janet Heumann, vp-human resources; Gary Snyder, chief information officer.  
**Contact:** Marketing department.

**J**

**Jl Specialty Services Inc.**  
9420 Research Blvd., Suite 300, Austin, Texas 78759; 512-346-5314; fax: 512-346-9321

Revenues	
Total	\$4,200,000
Claims revenue	\$2,500,000
Claims administration	60%
Other services	40%
Includes: loss control consultation, risk management information systems, underwriting, marketing/customer service for assn. captives	

Claims business by type	
Automobile	10%
General liability	10%
Professional liability	5%
Property damage	5%
Workers compensation	70%

Claims business by volume	
Administration-claims paid	\$10,000,000

Clients	
Total	139
Association plans	8
Corporations	6
Public/government entities	125

Staff	
Total	65
Claims services	38

**Claims services since:** 1988.  
**Parent:** JI Financial Group.  
**Service area:** Texas.  
**Charges:** Administration: \$40 to \$60 per hour. Adjusting: \$250 to \$350 per claim.  
**Branch offices:** Sales office in Austin, Texas.  
**Officers:** Frances J. Fey, president/CEO; William I. Martin Jr., Samuel D. Francis, Don C. Moore, executive vps; Martha King, CFO.  
**Contact:** William I. Martin Jr.

**JT2 Integrated Resources**  
231 Market Place, Suite 381, San Ramon, Calif. 94583; 510-244-0212; fax: 510-244-0220

Revenues	
Total	\$2,700,000
Claims revenue	\$2,700,000
Claims administration	100%

Claims business by type	
General liability	10%
Workers compensation	90%

Claims business by volume	
Administration-claims paid	\$20,000,000

Clients	
Total	92
Corporations	11
Public/government entities	79

Staff	
Total	45
Claims services	45

**Claims services since:** 1992.  
**Service area:** California.  
**Charges:** Administration: flat annual; per hour.  
**Branch offices:** Administrative office in Irvine, Calif.  
**PPO access.**  
**Officers:** Jeff Sanford, chairman/CEO; John Casas, president; Tom Blake, COO; T. Fernandez, vp-claims.  
**Contact:** Jeff Sanford.

**IN THE COMMONWEALTH COURT OF PENNSYLVANIA**

**LINDA S. KAISER, INSURANCE COMMISSIONER OF THE COMMONWEALTH OF PENNSYLVANIA,**

**Plaintiff**

**vs.**

**THE MUTUAL FIRE, MARINE AND INLAND INSURANCE COMPANY,**

**Defendant**

**NO. 3483 C.D. 1986**

**NOTICE TO CEDENTS AND OTHER CREDITORS OF MUTUAL FIRE, MARINE AND INLAND INSURANCE COMPANY (IN REHABILITATION)**

On December 15, 1995, the Commonwealth Court issued an Order setting a bar date of March 31, 1996 and a record date of December 31, 1995 for all Class 1 ad 6 cedent claims. These claims are limited to claims of insurers who ceded business to Mutual Fire, as a reinsurer. The record date of December 31, 1995 limits cedent claims to those actually paid by December 31, 1995.

ANY CEDENT WHO FAILS TO FILE A FULLY COMPLETED PROOF OF CLAIM ON OR BEFORE MARCH 31, 1996 SHALL BE FOREVER BARRED FROM PARTICIPATING IN OR RECEIVING ANY DISTRIBUTION FROM THE ESTATE. Copies of the Proof of Claim are being sent to all eligible cedents and are available upon request. A full description of the rights and obligations of cedents is contained in the Plan of Rehabilitation, which will be provided upon written request. All such requests must include a 9" x 12" self-addressed envelope with \$2.36 postage pre-paid.

Please submit all requests in writing to: P.O. Box 58129, Philadelphia, PA 19102-8129.

Continued from previous page

Other services.....7%
Includes: Washington state fund management services
<b>Claims business by type</b>
Workers compensation.....100%
<b>Claims business by volume</b>
Administration-claims paid.....\$41,000,000
<b>Clients</b>
Total.....179
Association plans.....2
Corporations.....159
Public/government entities.....18

<b>Staff</b>
Total.....100
Claims services.....80
<b>Claims services since: 1973.</b>
<b>Service area:</b> Oregon, Washington.
<b>Charges:</b> Administration: annual fee.
<b>Branch offices:</b> Administrative office in Portland, Ore. Sales office in Spokane, Wash.
<b>Officers:</b> Gerald A. Johnston, president; Fred R. Culbertson, executive vp.
<b>Contact:</b> Fred R. Culbertson.

**K**

**Kemper Risk Management Services Inc.**

1 Kemper Drive, Long Grove, Ill. 60049; 847-320-2400; fax: 847-320-4330

<b>Revenues</b>
Total.....\$146,000,000
Claims revenue.....\$87,000,000
Claims administration.....58%
Claims adjusting.....1%
Claims auditing.....1%
Other services.....40%
Includes: loss control, disability management, cost containment, data system, litigation management, legal bill audit

<b>Claims business by type</b>
Automobile.....15%
General liability.....49%
Workers compensation.....36%

<b>Claims business by volume</b>
Administration-claims paid.....\$450,000,000

<b>Clients</b>
Total.....254
Corporations.....252
Public/government entities.....2

<b>Staff</b>
Total.....3,261

**Claims services since:** 1968.  
**Parent:** Kemper National Insurance Cos.  
**Service area:** Nationwide.  
**Charges:** Administration: per claim.  
**Branch offices:** Administrative offices in 76 locations nationwide. Sales offices in City of Industry, Calif.; Plantation, Fla.; Chicago; Summit, N.J.  
**Subsidiaries:** Kemper National Services, Plantation, Fla.; NATLSO, Long Grove, Ill.  
**PPO access.**  
**Officers:** E.M. Lindner, president/CEO/director; W.L. White, secretary/treasurer/director; C.D. Sullivan, director; M.D. O'Brien, director; D.K. Patterson, R.P. Boyd, officers.  
**Contact:** Joseph N. Zuniga, 847-320-5112.

**Key Risk Management Services Inc.**

P.O. Box 49129, Greensboro, N.C. 27419; 910-668-9050; fax: 910-605-7553

<b>Revenues</b>
Total.....\$14,100,000
Claims revenue.....\$14,000,000
Claims administration.....99.3%
Other services.....0.7%
Includes: loss prevention, education and training, managed care, PPO network, billing

<b>Claims business by type</b>
Workers compensation.....100%

<b>Claims business by volume</b>
Administration-claims paid.....\$41,000,000

<b>Clients</b>
Total.....24
Association plans.....4
Corporations.....17
Public/government entities.....3

<b>Staff</b>
Claims services.....53

**Claims services since:** 1986.  
**Parent:** W.R. Berkley Corp.  
**Service area:** Georgia, North Carolina, South Carolina, Tennessee, Virginia.  
**Charges:** Administration: 8% to 14% of premium. Adjusting: \$400 to \$600 per indemnity claim; \$75 to \$105 per medical claim.  
**Branch offices:** Sales offices in Hickory and Raleigh, N.C.  
**PPO access.**  
**Officers:** Bob Biggerstaff, CEO; Joe Sykes, president; David Delman, CFO; Joseph E.

Hargrove Jr., vp-sales/marketing; Pat Hayden, vp-claims; Roger Pearman, vp-loss control.

**Contact:** Joseph E. Hargrove Jr.

**L**

**Lindsey Morden Claims Management Inc.**

3910 Brookside Drive, Tyler, Texas 75701; 903-561-6700; fax: 903-561-7013

<b>Revenues</b>
Total.....\$150,000,000
Claims revenue.....\$27,000,000
Claims administration.....17%
Claims auditing.....1%
Other services.....82%

<b>Claims business by type</b>
Automobile.....20%
General liability.....30%
Professional liability.....5%
Property damage.....5%
Workers compensation.....40%

<b>Claims business by volume</b>
Administration-claims paid.....\$75,000,000

<b>Clients</b>
Total.....435
Association plans.....75
Corporations.....300
Public/government entities.....60

<b>Staff</b>
Total.....2,000
Claims services.....800

**Claims services since:** 1943.  
**Service area:** Nationwide.  
**Charges:** Administration: \$75 to \$80 per claim.

**Branch offices:** Administrative offices nationwide. Sales offices in Los Angeles; San Francisco; Atlanta; Chicago; Kansas City, Kan.; New York; Cincinnati; Dallas.  
**Officers:** Ken Polley, chairman; Don Smith, president; Ferd Roibas, Don Guin, Paul Maggi, senior vps.  
**Contact:** Paul R. Maggi.

**M**

**Peter J. McBreen & Associates Inc.**

20 N. Wacker Drive, Suite 2520, Chicago, Ill. 60606; 312-332-4307; fax: 312-332-2657

<b>Revenues</b>
Total.....\$2,500,000
Claims revenue.....\$1,650,000
Claims administration.....30%
Claims adjusting.....30%
Claims auditing.....6%
Other services.....34%
Includes: investigations, limited assignments, fully insured claims services, safety engineering, record keeping, loss fund accounting

<b>Claims business by type</b>
General liability.....50%
Property damage.....20%
Other.....30%
Includes: aviation, products, aircraft hull and liability

<b>Claims business by volume</b>
Administration-claims paid.....\$10,000,000
Auditing-projects conducted.....2

<b>Clients</b>
Total.....105
Corporations.....30
Public/government entities.....75

<b>Staff</b>
Total.....41

**Claims services since:** 1958.  
**Service area:** Nationwide.  
**Charges:** Administration, adjusting and auditing: \$60 to \$95 per hour.  
**Branch offices:** Administrative offices in Los Angeles; Fort Lauderdale, Fla.; Kansas City, Kan.; New Orleans; Madison, N.J.  
**Officers:** Geoffrey P. McBreen, executive vp; Brian T. McBreen, vp; Hugh G. McBreen, secretary; Paul J. McBreen, assistant secretary.  
**Contact:** Paul J. McBreen, Chicago, 312-332-4307; Brian McBreen, New Orleans, 504-525-8274; Charles Bowman, New Jersey, 201-377-8834; Jerry Sterling, Los Angeles, 310-410-0933; Joseph Kieszowski, Kansas, 913-681-8730.

**McGee Risk Management Services**

P.O. Box 419013, Kansas City, Mo. 64141-6013; 800-423-9044; fax: 816-472-5018

<b>Revenues</b>
Total.....\$2,500,000
Claims revenue.....\$2,200,000
Claims administration.....92%
Claims adjusting.....2%
Claims auditing.....1%

Other services.....5%
Includes: loss control

<b>Claims business by type</b>
Automobile.....6%
General liability.....20%
Professional liability.....3%
Property damage.....1%
Workers compensation.....70%

<b>Claims business by volume</b>
Administration-claims paid.....\$7,900,000
Auditing-projects conducted.....2

<b>Clients</b>
Total.....375
Association plans.....10
Corporations.....305
Public/government entities.....60

<b>Staff</b>
Total.....88
Claims services.....21

**Claims services since:** 1987.  
**Service area:** Nationwide.  
**Charges:** Administration: flat fee; per project. Adjusting: flat fee; per project. Auditing: per project; per hour.

**PPO access.**  
**Officers:** Larry Kaminsky, Charlie Kaufmann, Gene Klein, Kevin McGreevy, Jerry Reardon.  
**Contact:** Ed Treadwell.

**Meadowbrook Claims Service**

26600 Telegraph Road, Southfield, Mich. 48034-2438; 810-358-1100; fax: 810-358-3251

<b>Revenues</b>
Total.....\$6,100,000
Claims revenue.....\$4,070,000
Claims administration.....67%
Other services.....33%
Includes: safety and loss control services

<b>Claims business by type</b>
Automobile.....2%
Bonds.....2%
General liability.....40%
Inland marine.....2%
Professional liability.....7%
Property damage.....7%
Workers compensation.....40%

<b>Claims business by volume</b>
Administration-claims paid.....\$55,000,000

<b>Clients</b>
Total.....60
Association plans.....36
Corporations.....17

Public/government entities.....7
----------------------------------

<b>Staff</b>
Total.....85
Claims services.....63

**Claims services since:** 1980.  
**Parent:** Meadowbrook Insurance Group.  
**Service area:** Nationwide.  
**Charges:** Administration: percent of premium; per claim.  
**Branch offices:** Administrative and sales offices in San Jose, Calif.; Overland Park, Kan.; Grand Rapids, Mich.; Bloomington, Minn. Sales office in Montgomery, Ala.

**PPO access.**  
**Officers:** Don Fisher, executive vp; Bob Cubbin, senior vp/general counsel; Tom Tucker, senior vp-casualty claims; Melanie Elias, vp-workers comp; Mike Cascone, vp-loss control.  
**Contact:** Don Fisher, 810-358-1100, ext. 271.

**N**

**National Transportation Adjusters Inc.**

5332 S. 138th St., Suite 100, Omaha, Neb. 68137; 402-894-2300; fax: 402-894-2626

<b>Revenues</b>
Total.....\$880,116
Claims revenue.....\$660,087
Claims administration.....75%
Other services.....25%
Includes: fully insured administration

<b>Claims business by type</b>
Automobile.....80%
General liability.....10%
Workers compensation.....10%

<b>Claims business by volume</b>
Administration-claims paid.....\$3,032,351

<b>Clients</b>
Total.....60
Corporations.....60

<b>Staff</b>
Total.....20
Claims services.....15

**Claims services since:** 1993.  
**Service area:** Nationwide.  
**Charges:** Administration: \$297 to \$500 flat rate per claim.

**Branch offices:** Administrative office in Denver.  
**Subsidiaries:** NTA, Omaha, Neb.; NTA of Nebraska Inc., Omaha, Neb.; NTAC Inc., Denver.  
**Officers:** Keith Dunlap, president; Michael Creel, vp; Kevin Burch, treasurer.  
**Contact:** Keith Dunlap.

**P**

**PLCM Group Inc.**

230 W. Monroe St., Chicago, Ill. 60606; 312-456-8621; fax: 312-456-8627

<b>Revenues</b>
Total.....\$4,000,000
Claims revenue.....\$1,500,000
Claims administration.....8%
Claims adjusting.....24%
Claims auditing.....6%
Other services.....62%
Includes: risk management services, fully insured claims services

<b>Claims business by type</b>
General liability.....10%
Professional liability.....90%

<b>Staff</b>
Total.....60

**Claims services since:** 1989.  
**Parent:** Aon Corp.  
**Service area:** Nationwide.  
**Charges:** Administration, adjusting and auditing: annual contract.

**Branch offices:** Administrative offices in Washington; Coral Gables, Fort Lauderdale and Tampa, Fla.; Dallas and Houston. Sales offices in Canoga Park, Calif.; Stamford, Conn.; Atlanta; Louisville, Ky.; Nashville, Tenn.  
**Officers:** Anthony Zumbano, president; Eileen Barrett, Steve Adler, Sandy Baysinger, senior vps; Michael Shook, vp/director-operations.

**PMA Management Corp.**  
 380 Sentry Parkway, Blue Bell, Pa. 19422; 610-397-5442; fax: 610-397-5028

<b>Revenues</b>
Total.....\$7,000,000

Continued on next page

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Continued from previous page

Claims revenue	\$5,000,000
Claims administration	65%
Claims auditing	5%
Other services	30%

Claims business by type	
Automobile	5%
General liability	12%
Property damage	3%
Workers compensation	80%

Claims business by volume	
Administration-claims paid	\$50,000,000
Auditing-projects conducted	15

Clients	
Total	83
Association plans	5
Corporations	65
Multiemployer plans	1
Public/government entities	17

Staff	
Total	93
Claims services	83

**Claims services since:** 1915.  
**Parent:** PMA Group.  
**Service area:** Delaware, Maryland, New Jersey, North Carolina, Pennsylvania, South Carolina, Virginia.  
**Branch offices:** Administrative offices in Wilmington, Del.; Hunt Valley, Md; Mount Laurel, N.J.; Charlotte and Raleigh, N.C.; Allentown, Erie, Harrisburg, Pittsburgh, Valley Forge and Williamsport, Pa.; Richmond and Roanoke, Va. Sales offices in Hunt Valley, Md.; Mount Laurel, N.J.; Charlotte, N.C.; Harrisburg, Pittsburgh and Valley Forge, Pa.; Richmond, Va.

**PPO access.**  
**Officers:** Jim Fleming, senior vp; John Santulli, vp; Connie Phillips-Jones, vp-managed care; Jack Hayes, vp-claims; Mike McMahon, vp-risk control.  
**Contact:** Ken Stanley, vp-sales.

**Pinnacle Risk Management Services**  
 136 E. South Temple, Suite 2350, Salt Lake City, Utah 84111; 801-325-5055; fax: 801-521-5945

Revenues	
Total	\$2,900,000
Claims revenue	\$2,610,000
Claims administration	90%
Other services	10%

Claims business by type	
Automobile	10%
General liability	40%
Workers compensation	50%

Claims business by volume	
Administration-claims paid	\$40,000,000
Auditing-projects conducted	2

Clients	
Total	26
Corporations	18
Public/government entities	8

Staff	
Total	55
Claims services	50

**Claims services since:** 1968.  
**Service area:** Nationwide.  
**Charges:** Administration, adjusting and auditing: \$65 to \$800 per file.  
**Branch offices:** Administrative offices in Phoenix; Irvine, Calif.; Boise, Idaho; Albuquerque, N.M.

The companies listed must generate a minimum of \$500,000 of their gross revenues from handling claims for self-insured clients.

**PPO access.**  
**Officers:** Kenneth F. Palmer, president; Reed Jenkins, senior vp; Timothy Foley, senior vp; Shelley Kaas, vp-marketing.  
**Contact:** Shelley Kaas.

**Professional Claim Management Group Inc.**  
 P.O. Box 1327, Medford, N.J. 08055; 609-953-0442; fax: 609-953-2769

Revenues	
Total	\$1,100,000
Claims revenue	\$850,000
Claims administration	59%
Claims adjusting	18%
Other services	23%

Claims business by type	
Automobile	90%
General liability	10%

Claims business by volume	
Auditing-projects conducted	2

Clients	
Total	1
Public/government entities	1

Staff	
Total	21
Claims services	21

**Claims services since:** 1990.  
**Service area:** Northeast.  
**Charges:** Administration: per file per month. Adjusting: per hour.  
**Officers:** David J. Troy Jr., president.

**Quantum International Group Inc.**  
 1 Hospital Trust Plaza, Suite 1520, Providence, R.I. 02903; 800-486-9606 or 401-421-9606; fax: 401-421-7415

Revenues	
Total	\$20,000,000
Claims revenue	\$10,400,000
Claims administration	39%
Claims adjusting	14%
Claims auditing	9%
Other services	48%

Claims business by type	
General liability	20%
Property damage	20%
Workers compensation	60%

Claims business by volume	
Administration-claims paid	\$50,000,000
Auditing-projects conducted	8

Clients	
Total	49
Association plans	7
Corporations	20
Public/government entities	22

Staff	
Total	200
Claims services	60

**Claims services since:** 1993.  
**Service area:** Nationwide.  
**Charges:** Administration: per claim; \$60 to \$150 per hour. Adjusting: \$60 to \$100 per hour. Auditing: \$75 to \$150 per hour; per project.  
**Branch offices:** Administrative offices in New York; London. Sales offices in Glendale, Calif.; Fort Lauderdale, Fla.; Chicago; Houston; Bogota, Colombia; Genoa, Milan and Rome, Italy; Caracas, Venezuela.

**Officers:** Michael F. Sparfven, president/CEO; Victoria M. Almeida, vp/corporate counsel; Henry A. Silva, vp/controller; Lois J. Massa, vp-business development.  
**Contact:** Lois J. Massa.



**Risk Enterprise Management Ltd. (REM)**  
 59 Maiden Lane, New York, N.Y. 10038; 212-530-6867; fax: 212-530-7044

Revenues	
Total	\$129,000,000
Claims revenue	\$38,700,000
Claims administration	28%
Claims auditing	2%
Other services	70%

Includes: risk management information, special investigations unit (fraud), loss control, actuarial, structured settlements, reinsurance recovery, runoff underwriting services, fully insured administration

Claims business by type	
Automobile	15.7%
Bonds	0.1%
General liability	18%
Inland marine	3.9%
Ocean marine	0.5%
Professional liability	6.6%
Property damage	1.4%
Workers compensation	50.6%
Other	3.2%

Claims business by volume	
Administration-claims paid	\$514,000,000
Auditing-projects conducted	15

Clients	
Total	2,066
Association plans	22
Corporations	344
Public/government entities	1,700

Staff	
Total	1,500
Claims services	710

**Service area:** Nationwide.  
**Charges:** Administration: per claim per month. Auditing: per hour; per project.  
**Branch offices:** Administrative offices in 26 locations nationwide. Sales offices in Brea, Calif.; Atlanta; Chicago; Florham Park, N.J.; Syracuse, N.Y.; Philadelphia; Nashville, Tenn.; Dallas.  
**Officers:** Peter Johnson, CEO; Chuck Callahan, COO; Michael Riney, Jess McCavitt, executive vps; Richard Hershman, executive vp/CEO.  
**Contact:** Matthew T. Craig, vp-business development.

**Risk Management Administrators Inc.**  
 8425 Woodfield Crossing Blvd., Suite 333, Indianapolis, Ind. 46240; 317-469-4440; fax: 317-469-4430

Revenues	
Total	\$1,300,000
Claims revenue	\$500,000
Claims administration	40%
Other services	60%

Claims business by type	
Workers compensation	100%

Claims business by volume	
Administration-claims paid	\$1,640,112

Clients	
Total	5
Association plans	2
Corporations	3

Staff	
Total	15
Claims services	8

**Claims services since:** 1993.  
**Service area:** Illinois, Indiana, Kentucky.  
**Charges:** Administration: 6% to 13% of premium.  
**Branch offices:** Administrative offices in

Champaign and Schaumburg, Ill.  
**PPO access.**  
**Officers:** Stanley W. Murray, president/CEO; Mike Robinson, vp-marketing; Richard Hancock, CFO; Naomi Velick, vp-claims; Kevin Hill, alternative risk unit manager.  
**Contact:** Kevin Hill.



**Scibal Associates Inc.**  
 P.O. Box 500, Somers Point, N.J. 08244; 609-653-8400; fax: 609-926-9270

Revenues	
Total	\$11,000,000
Claims revenue	\$6,000,000
Claims administration	49%
Claims auditing	1%
Other services	50%

Includes: fully insured administration

Claims business by type	
Automobile	5%
General liability	27%
Professional liability	5%
Property damage	3%
Workers compensation	60%

Claims business by volume	
Administration-claims paid	\$80,000,000
Auditing-projects conducted	3

Clients	
Total	270
Association plans	20
Corporations	50
Public/government entities	200

Staff	
Total	200
Claims services	100

**Claims services since:** 1954.  
**Service area:** Nationwide.  
**Charges:** Administration: per policy period. Adjusting and auditing: per claim.  
**Branch offices:** Administrative and sales offices in Jacksonville, Fla.; Livonia, Mich.; Edison, N.J.; Newtown Square, Pa.

**PPO access.**  
**Officers:** David A. Scibal, CEO; D. Mac Sweeney, president; Peter Bogie, vp-workers comp; Don Eodice, vp-liability; T. Martin Foglesong, chief information officer; Samuel Sacco, executive vp.  
**Contact:** David Scibal.

**Self-Insured Management Services**  
 P.O. Box 55129, 25001 The Old Road, Valencia, Calif. 91385; 805-255-5242; fax: 805-255-9768

Revenues	
Claims revenue	\$1,500,000
Claims administration	99%
Claims auditing	1%

Claims business by type	
Automobile	25%
General liability	15%
Workers compensation	60%

Claims business by volume	
Administration-claims paid	\$6,500,000
Auditing-projects conducted	6

Clients	
Total	4
Corporations	3
Public/government entities	1

Staff	
Total	20
Claims services	20

**Claims services since:** 1980.  
**Service area:** Alaska, Arizona, California, Colorado, Hawaii, Idaho, Michigan, Nevada, New Mexico, Oregon, Texas, Utah, Washington, Wyoming.  
**Charges:** Administration and adjusting: per project.  
**Officers:** Bill Maxon, president/CEO; David Guyer, executive vp; Bobbie Fox, vp-claims; Tim Pieters, vp-sales/marketing.  
**Contact:** Tim Pieters.

**Self-Insured Management Services Inc.**  
 P.O. Box 19730-171, Portland, Ore. 97280-0730; 503-245-9756; fax: 503-246-1581

Revenues	
Total	\$3,100,000
Claims revenue	\$2,850,000
Claims administration	88%
Claims adjusting	2%
Claims auditing	2%
Other services	8%

Claims business by type	
Automobile	3%
General liability	70%
Professional liability	12%
Property damage	3%
Workers compensation	12%

Claims business by volume	
Administration-claims paid	\$59,818,854
Auditing-projects conducted	4

Clients	
Total	74
Association plans	6
Corporations	61
Public/government entities	7

Staff	
Total	86
Claims services	86

Claims business by volume	
Administration-claims paid	\$17,561,400

Clients	
Association plans	3
Corporations	46
Public/government entities	20

Staff	
Total	60
Claims services	47

**Claims services since:** 1980.  
**Service area:** Alabama, Arizona, California, Colorado, Hawaii, Idaho, Montana, New Mexico, Oregon, Utah, Washington.  
**Charges:** Administration: \$350 to \$400 per liability claim; \$400 to \$450 per workers comp claim. Adjusting: \$45 to \$60 per hour.  
**Branch offices:** Administrative offices in Los Angeles; Everett and Spokane, Wash.  
**Officers:** James Broyles, president; W.S. Griffels, Joseph E. McLaughlin, vps.  
**Contact:** Joseph E. McLaughlin.

**Shuman Consulting Services L.P.**  
 17225 El Camino Real, Suite 410, Houston, Texas 77058; 713-486-5511; fax: 713-486-5666

Revenues	
Total	\$750,000
Claims revenue	\$600,000
Claims administration	30%
Claims adjusting	30%
Claims auditing	20%
Other services	20%

Claims business by type	
Automobile	5%
General liability	40%
Inland marine	30%
Ocean marine	20%
Workers compensation	5%

Claims business by volume	
Administration-claims paid	\$1,500,000
Auditing-projects conducted	10

Clients	
Total	5
Corporations	5

Staff	
Total	11
Claims services	7

**Claims services since:** 1992.  
**Service area:** Nationwide.  
**Charges:** Administration, adjusting and auditing: \$65 to \$75 per hour.  
**Branch offices:** Administrative office in Lafayette, La. Sales offices in Lafayette, La.; Houston.  
**Officers:** Bruce M. Shuman, president.

**Southern California Risk Management Associates Inc.**  
 250 W. First St., Suite 222, Claremont, Calif. 91711-4740; 909-621-1335; fax: 909-624-3746

Revenues	
Total	\$2,523,000
Claims revenue	\$2,523,000
Claims administration	100%

Claims business by type	
Workers compensation	100%

Clients	
Total	77
Corporations	15
Public/government entities	62

Staff	
Total	34

**Claims services since:** 1988.  
**Service area:** Arizona, California.  
**Charges:** Administration: flat annual fee.  
**PPO access.**  
**Contact:** Dale H. Jones, president.

**Southern Risk Services Inc.**  
 P.O. Box 2408, 2211 Seventh Ave. S., Birmingham, Ala. 35201-2408; 205-252-9870; fax: 205-581-9172

Revenues	
Total	\$6,600,000
Claims revenue	\$6,100,000
Claims administration	85%
Claims auditing	5%
Other services	10%

Claims business by type	
Automobile	5%
General liability	10%
Professional liability	2%
Property damage	3%
Workers compensation	80%

Claims business by volume	
Administration-claims paid	\$59,818,854
Auditing-projects conducted	4

Clients	
Total	74
Association plans	6
Corporations	61
Public/government entities	7

Staff	
Total	86
Claims services	86

Continued on next page

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**Claims services since:** 1965.  
**Parent:** McGriff, Seibels & Williams Inc.

**Service area:** Alabama, Florida, Georgia, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee, Texas.

**Charges:** Administration: percent of premium. Adjusting: per hour (general liability); per claim (workers comp). Auditing: per diem.

**Branch offices:** Administrative offices in Atlanta; Jackson, Miss.; Houston. Sales offices in Orlando and Pensacola, Fla.; Atlanta; Houston.

**PPO access.**  
**Officers:** L.B. Feemster, president; Mike Pritchett, vp-claims; Frank Wear, vp-sales; Howard Haskell, vp-loss control.  
**Contact:** Frank Wear, 205-581-9103.

**Special Claims Services Inc.**

2700 E. Dublin-Granville Road, Suite 470, Columbus, Ohio 43231; 614-794-2200; fax: 614-794-2401

Revenues	
Total	\$600,000
Claims revenue	\$600,000
Claims administration	65%
Claims adjusting	35%
Claims business by type	
General liability	95%
Workers compensation	5%
Claims business by volume	
Administration-claims paid	\$22,000,000
Clients	
Corporations	6
Staff	
Total	9
Claims services	9

**Claims services since:** 1993.  
**Service area:** Nationwide.  
**Charges:** Administration, adjusting and auditing: \$45 to \$100 per hour.  
**Branch offices:** Administrative office in Cleveland.  
**Officers:** Donald E. Ward, president; Verna J. Ward, secretary/treasurer.  
**Contact:** Donald E. Ward.

**Standard Financial General Adjustment Inc.**

12770 Coit Road, Suite 1215, Dallas, Texas 75251; 214-991-8077; fax: 214-991-8498

Revenues	
Total	\$254,000
Claims revenue	\$236,000
Claims administration	83%
Claims adjusting	5%
Claims auditing	5%
Other services	7%
Includes: fully insured adjusting	
Claims business by type	
General liability	15%
Workers compensation	85%
Claims business by volume	
Administration-claims paid	\$2,600,000
Clients	
Total	24
Association plans	2
Corporations	10
Public/government entities	11
Union-sponsored plans	1
Staff	
Total	5
Claims services	4

**Claims services since:** 1987.  
**Service area:** Texas.  
**Charges:** Administration: 6% to 12% of premium. Adjusting: 6% to 12% of incurred. Auditing: \$50 to \$150 per hour.  
**Officers:** Rae Kakacek, president; Connie Holmes, secretary/treasurer.  
**Contact:** Rae Kakacek.

**Sterling Administrative Services Inc.**

4 Penn Center Plaza, Philadelphia, Pa. 19103; 800-357-4909; fax: 215-636-8686

Revenues	
Total	\$1,300,000
Claims revenue	\$585,000
Claims administration	40%
Claims auditing	5%
Other services	55%
Includes: claims administration for insurance carriers, loss control services, special investigation services	
Claims business by type	
Automobile	10%
General liability	10%
Workers compensation	80%
Claims business by volume	
Administration-claims paid	\$3,000,000
Clients	
Total	27
Corporations	27
Claims services since: 1993.	
<b>Parent:</b> Reliance Insurance Co.	
<b>Service area:</b> Nationwide.	
<b>Charges:</b> Administration: per claim. Au-	

ditig: per project.  
**Branch offices:** Administrative offices in 15 locations nationwide.  
**Subsidiaries:** Sterling Claims Management Services (California).  
**PPO access.**  
**Officers:** Dennis Costello, president; Kurt Schuh, Richard Raup, vps; Richard Moyer, treasurer; Paul Spector, secretary.  
**Contact:** Rick Raup, 800-357-4909 or 215-636-8550.

**Sterling Risk Management Services Inc.**

440 Lincoln St., S-447, Worcester, Mass. 01653; 508-855-4553; fax: 508-853-6202

Revenues	
Total	\$4,500,000
Claims revenue	\$2,000,000
Claims administration	44%
Other services	56%
Claims business by type	
Automobile	15%
Workers compensation	85%
Claims business by volume	
Administration-claims paid	\$3,260,000
Clients	
Total	387
Association plans	2
Corporations	385
Staff	
Total	35
Claims services	30

**Claims services since:** 1992.  
**Parent:** First Allmerica Financial Life Insurance Co.  
**Service area:** Connecticut, Louisiana, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, North Carolina, Pennsylvania, Rhode Island, South Carolina, Texas, Vermont, Virginia.  
**Charges:** Administration: \$75 to \$580 per claim.  
**Branch offices:** Administrative offices in New Orleans; Portland, Maine; Worcester, Mass.; Bedford, N.H.; Piscataway, N.J. Sales offices in New Orleans; Portland, Maine; Worcester, Mass.; Parsippany, N.J.  
**PPO access.**  
**Officers:** Philip Soule, president; William Whitehead, Michael Malone, Robert Soby, vps.  
**Contact:** William Whitehead.

**Summit Risk Services**

420 S. York Road, Hatboro, Pa. 19040; 800-851-9403

Revenues	
Total	\$2,000,000
Claims revenue	\$750,000
Claims administration	30%
Claims auditing	5%
Other services	65%
Includes: claims administration for municipalities and other governmental entities	
Claims business by type	
General liability	10%
Professional liability	90%
Claims business by volume	
Administration-claims paid	\$1,000,000
Auditing-projects conducted	6
Clients	
Total	212
Association plans	7
Corporations	3
Public/government entities	200
Union-sponsored plans	2
Staff	
Total	15
Claims services	5

**Parent:** Apex Insurance.  
**Service area:** Nationwide.  
**Charges:** Administration, adjusting and auditing: flat fee; \$50 per hour plus expenses.  
**Branch offices:** Administrative office in Richmond, Va. Sales offices in Atlanta; Chicago; Philadelphia; Richmond, Va.  
**Contact:** John J. Piazza.

**Sutherland Page, a division of IRISC**

9450 W. Bryn Mawr, Rosemont, Ill. 60018; 708-671-9200; fax: 708-671-0067

Revenues	
Total	\$1,800,000
Claims revenue	\$600,000
Claims administration	28%
Claims adjusting	3%
Claims auditing	2%
Other services	67%
Claims business by type	
General liability	100%
Claims business by volume	
Administration-claims paid	\$2,146,345
Auditing-projects conducted	2
Clients	
Total	27
Corporations	27

**Staff**

Total	14
Claims services	5

**Claims services since:** 1985.  
**Parent:** IRISC.  
**Service area:** Nationwide.  
**Charges:** Administration, adjusting and auditing: \$65 to \$150 per hour.  
**Officers:** Kurt Meyer, Sam Terzich, executive vps; Bob Buda, Denise Dupuis, assistant vps; Larry Brady, senior professional.  
**Contact:** Kurt Meyer.

**T**

**Toplis & Harding Inc.**  
233 S. Wacker Drive, Suite 2420, Chicago, Ill. 60606; 312-648-1300; fax: 312-454-1588

Revenues	
Total	\$26,000,000
Claims revenue	\$5,000,000
Claims administration	10%
Claims adjusting	6%
Claims auditing	3%
Other services	81%
Includes: fully insured claims services	
Claims business by type	
Automobile	12%
General liability	50%
Inland marine	5%
Professional liability	10%
Property damage	10%
Workers compensation	5%
Other	8%
Includes: MGA and reinsurance audits	
Claims business by volume	
Administration-claims paid	\$125,000,000
Auditing-projects conducted	65
Clients	
Total	185
Corporations	70
Public/government entities	115
Staff	
Total	350
Claims services	50

**Claims services since:** 1918.  
**Service area:** Nationwide.  
**Charges:** Administration, adjusting and auditing: annual fee; per hour.  
**Branch offices:** Administrative offices in Los Angeles; Atlanta; Toronto. Sales offices in Birmingham, Ala.; Los Angeles, Sacramento and San Francisco, Calif.; Hartford, Conn.; Atlanta; Chicago; Boston; Albuquerque, N.M.; New York and Newburgh, N.Y.; Portland, Ore.; Dallas; Houston.

**Subsidiaries:** Henry Eagleton Marine Claims; McLarens-Toplis Inc.; T&H Canada Inc.; T&H Services.  
**Officers:** Ian Winchester, chairman; James Ebel, president; Joseph Dotoli, COO; John Blow, executive director; Nigel Griffey, CFO.  
**Contact:** Richard Gray, 800-346-7471.

**Transcontinental Technical Services Inc. dba ServCo**

333 S. Wabash, Chicago, Ill. 60685; 800-822-1860; fax: 312-822-7836

Revenues	
Total	\$39,000,000
Claims revenue	\$3,900,000
Claims administration	10%
Other services	90%
Claims business by type	
Automobile	10%
General liability	25%
Workers compensation	65%
Staff	
Total	1,680
Claims services	100

**Claims services since:** 1992.  
**Parent:** Continental Casualty Co.  
**Service area:** Nationwide.  
**Charges:** Administration: flat fee. Adjusting: per claim. Auditing: per hour.  
**Branch offices:** Administrative offices in 31 locations nationwide. Sales offices in San Francisco; Atlanta; Chicago; New York; Dallas.  
**PPO access.**  
**Contact:** Frank C. Soricelli, COO; Kevin E. Battle, senior vp.

**V**

**VIA Claims Services**  
650 Sentry Parkway, Blue Bell, Pa. 19422; 610-825-4900; fax: 610-825-2238

Revenues	
Total	\$4,000,000
Claims revenue	\$4,000,000
Claims administration	15%
Claims adjusting	80%
Claims auditing	3%
Other services	2%
Claims business by type	
Automobile	30%
General liability	40%
Property damage	5%

**Workers compensation**.....25%

**Claims business by volume**

Administration-claims paid	\$8,000,000
Auditing-projects conducted	3

**Clients**

Total	38
-------	----

**Staff**

Total	75
Claims services	60

**Claims services since:** 1967.  
**Service area:** Delaware, Florida, Georgia, Maryland, New Jersey, New York, Pennsylvania, Virginia.  
**Charges:** Administration: percent of program. Adjusting: per claim; per hour. Auditing: per project.  
**Branch offices:** Administrative offices in Orlando, Fort Lauderdale and Tampa, Fla.; Atlanta; Columbia, Md.; Cranford and Marlton, N.J.; Allentown, Blue Bell, Harrisburg and Shenandoah, Pa. Sales offices in Tampa, Fla.; Cranford, N.J.; Blue Bell, Pa.  
**Officers:** Leslie Tolles, president; Steve Kalodner, senior vp; Peter Kulaski, Tony Montori.

**W**

**WRAMSCO**  
1431 Opus Place, Downers Grove, Ill. 60515; 708-960-1020; fax: 708-960-9725

Revenues	
Claims revenue	\$3,800,000
Claims administration	15%
Claims auditing	65%
Other services	20%
Claims business by type	
Automobile	25%
General liability	20%
Workers compensation	55%
Claims business by volume	
Auditing-projects conducted	25
Staff	
Total	15
Claims services	8

**Claims services since:** 1981.  
**Service area:** Nationwide.  
**Branch offices:** Administrative office in Torrance, Calif.  
**Subsidiaries:** WRAMSCO Information Network.  
**Officers:** Thomas Walker, president; Carol Schoolcraft, assistant vp; R. Dean Irwin;

Continued on next page

# Carvill

## Reinsurance Intermediary

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Continued from previous page  
Ray Willis; Dan McKinney.  
Contact: Carol Schoolcraft.

**Ward-THG/Gay & Taylor**

610 W. Ash St., Suite 1500, San Diego, Calif. 92101; 619-557-2777; fax: 619-559-0408

Revenues table with columns for Total, Claims revenue, Claims administration, Claims adjusting, Claims auditing, Other services, Claims business by type, Claims business by volume, Clients.

Claims services since: 1928.  
Service area: Nationwide.  
Charges: Administration: per quarter. Auditing: \$60 to \$75 per hour.  
Branch offices: Administrative offices in Birmingham, Ala.; San Francisco; Miami and Orlando, Fla.; Atlanta; Chicago; St. Louis; New York; Cleveland; Dallas and Houston; Seattle. Sales offices in Orlando, Fla.; Atlanta; New York; Columbus, Ohio; Dallas.

Officers: Jeffrey S. Ward, CEO; Liz Nelson, senior vp.  
Contact: Liz Nelson, 714-544-0980.

**Carl Warren & Co.**

750 The City Drive S., Suite 400, Orange, Calif. 92668; 714-740-7999; fax: 714-740-7992

Revenues table with columns for Total, Claims revenue, Claims administration, Other services, Claims business by type, Clients.

Claims services since: 1944.  
Service area: Nationwide.  
Charges: Administration and adjusting: per hour.  
Branch offices: Administrative offices in Phoenix; Bakersfield, Fresno, Glendale, Long Beach, Sacramento, San Bernardino, San Diego, San Francisco, San Luis Obispo, Santa Barbara and Ventura, Calif.; Honolulu; Albuquerque, N.M.  
Officers: Howard Hitchcock, chairman; Roy George, CEO/president; Michael Dekema, Larry Hunt, executive vps.  
Contact: Michael Dekema, 800-824-1249.

**Scott Wetzel Services Inc.**

101 E. Kennedy Blvd., Suite 2980, Tampa, Fla. 33602; 813-229-7475; fax: 813-229-9922

Revenues table with columns for Total, Claims revenue, Claims administration, Claims adjusting, Claims auditing, Other services, Claims business by type, Claims business by volume, Clients.

Claims services since: 1941.  
Service area: Nationwide.  
Charges: Administration: \$90 to \$120 per medical only claim; \$475 to \$900 per indemnity claim. Auditing and auditing: \$65 to \$125 per hour.  
Branch offices: Administrative and sales offices in 24 locations nationwide. Sales offices in Orange, Calif.; Tampa, Fla.; Atlanta; Chicago; Cranford, N.J.; Houston.  
PPO access.

Officers: John Harrold, president; Terry Neal, executive vp; Peter Greenland, senior vp; Ed Kocott, Kristie Dowdy, vps.  
\* Estimate.

**Willis-Rollinson Inc.**

2777 Stemmons, Suite 1530, Dallas, Texas 75207; 214-688-1992; fax: 214-637-5917

Revenues table with columns for Total, Claims revenue, Claims administration, Other services, Claims business by type, Claims business by volume, Clients.

Claims services since: 1983.  
Service area: Texas.  
Charges: Administration: \$3,500 to \$1.1 million per project annually.  
Branch offices: Administrative and sales offices in Austin, Beaumont, Houston and San Antonio, Texas.  
Officers: Diana Rollinson-Hamilton, president/owner; Robert Reagan, vp/owner.  
Contact: Diana Rollinson-Hamilton, 214-688-1992, ext. 217.



**York Claims Service Inc.**

111 John St., New York, N.Y. 10038; 212-732-0505; fax: 212-732-1789

Revenues table with columns for Total, Claims revenue, Claims administration, Claims auditing, Other services, Claims business by type, Claims business by volume, Clients.

Claims services since: 1962.  
Service area: Nationwide.  
Charges: Administration, adjusting and auditing: per hour.  
Branch offices: Administrative offices in San Juan, Puerto Rico.  
Officers: Stuart Myers, president; Fred Schiller, executive vp; Eileen Rachelson, secretary/treasurer; Sari Miller, CFO; Peter Lind, vp/general counsel.  
Contact: Fred M. Schiller.

**TPAs specializing in both P/C and benefit claims**



**Acordia Inc.**

120 Monument Circle, Indianapolis, Ind. 46204; 317-488-6666; fax: 317-488-6637

Revenues table with columns for Total, Claims revenue, Claims administration, Other services, Claims business by type, Claims business by volume, Staff.

Claims services since: 1989.  
Service area: Nationwide.  
Charges: Administration: per employee per month.  
Branch offices: Administrative offices in 28 locations nationwide.  
PPO access.  
Officers: L. Ben Lytle, chairman; Frank C. Withun, president; Patrick M. Sheridan, CFO; Michael B. Henning, executive vp; Robert S. Schneider, senior vp/controller.  
Contact: Michael B. Henning.

**Administrative Claim Service Inc.**

P.O. Box 1478, 1102 Smith Ave., Thomasville, Ga. 31799; 800-476-9971 or 912-228-7026; fax: 912-228-7464

Revenues table with columns for Total, Claims revenue, Claims administration, Claims business by type, Claims business by volume, Clients, Staff.

Claims services since: 1987.  
Service area: Alabama, Florida, Georgia.  
Charges: Administration: \$4 to \$12 per employee per month.  
PPO access.  
Officers: Darlene K. Taylor, president; Byron Hinson, vp.

**Alicare Inc.**

730 Broadway, New York, N.Y. 10003; 212-539-5000; fax: 212-614-9821

Revenues table with columns for Total, Claims revenue, Claims administration, Other services, Claims business by type, Claims business by volume.

Claims services since: 1943.  
Parent: ALICO Services Corp.  
Service area: Nationwide.  
Charges: Administration: per employee per month.  
Branch offices: Administrative offices in Salem, N.H. Sales offices in New York.  
PPO access.  
Officers: Ronald Minikes, CEO; Richard Koven, senior vp.  
Contact: Deanna Lang, vp.

**American All-Risk Loss Administrators (AARLA)**

180 Howard St., San Francisco, Calif. 94957; 415-356-4052; fax: 415-356-4049

Revenues table with columns for Total, Claims revenue, Claims administration, Claims business by type, Claims business by volume.

Claims services since: 1992.  
Parent: American All Risk Group Inc.  
Service area: Nationwide.  
Branch offices: Administrative offices in San Diego and Santa Ana, Calif. Sales office in Santa Ana, Calif.  
PPO access.  
Officers: Louis Rovens, CEO; Mike Varnum, COO; William Hatfield, Ron Lance, senior vps; Anna Bastides, vp; Kerwin Williams, vp-sales/marketing.  
Contact: Kerwin Williams, vp-sales/marketing, 714-437-4460.

**American Claims Evaluation Inc.**

1 Jericho Plaza, Third Floor, Jericho, N.Y. 11753; 516-938-8000; fax: 516-938-0405

Revenues table with columns for Total, Claims revenue, Claims auditing, Other services, Claims business by type, Claims business by volume, Staff.

Claims services since: 1981.  
Service area: Nationwide.  
Charges: Auditing: per case contingency.  
Branch offices: Administrative office in Dallas. Sales offices in Atlanta; Boston; Dallas.  
Subsidiaries: RPM Rehabilitation & Associates Inc., Moses Lake and Spokane, Wash.  
Officers: Gary Gelman, president/CEO; Gary J. Knauer, CFO/treasurer; Bonnie Jackson, vp-operations; David Ralph, national sales manager.  
Contact: Bonnie Jackson, 800-827-8037.

**Berkley Risk Managers Inc.**

270 Davidson Ave., Somerset, N.J. 08875-6753; 908-302-2400; fax: 908-302-2440

Revenues table with columns for Total, Claims revenue.

Claims administration: 64.4%  
Claims adjusting: 11.9%  
Claims auditing: 4.3%  
Other services: 19.4%  
Includes: loss control and reinsurance services

Claims business by type table with columns for Automobile, Disability, Flex compensation, General liability, Health insurance, Inland marine, Life, Professional liability, Property damage, Workers compensation.

Claims services since: 1975.  
Parent: W.R. Berkley Corp.  
Service area: Delaware, Maryland, New Jersey, New York, Pennsylvania.  
Charges: Administration: \$400 to \$600 per claim. Auditing and auditing: \$50 to \$60 per hour.  
Branch offices: Administrative offices in Wilmington, Del.; Mays Landing, N.J.; Lansdale, Pa. Sales office in Malvern, Pa.  
PPO access.  
Officers: Dan M. Robertson, president; Richard Cusack, vp-sales/marketing; Linda Wagner, vp-group health programs.  
Contact: Richard Cusack.

**CDS of Nevada**

3700 Grand Drive, Suite C, Reno, Nev. 89509; 702-826-8855; fax: 702-826-9224

Revenues table with columns for Total, Claims revenue, Claims administration, Other services, Claims business by type, Claims business by volume, Clients.

Public/government entities: 13%  
Staff: 72%  
Claims services: 70%

Claims services since: 1980.  
Parent: Great States Insurance Co.  
Service area: Colorado, Nevada, New Mexico, Utah.  
Charges: Administration: per employee per month, per claim.  
Branch offices: Administrative offices in Denver; Las Vegas.  
PPO access.  
Officers: L.R. Zimmerman, president; Leslie Bell, Chuck Verre, vps.

**Cannon Cochran-Management Services Inc.**

2 E. Main, Danville, Ill. 61832; 217-446-1089; fax: 217-443-0927

Revenues table with columns for Total, Claims revenue, Claims administration, Other services, Claims business by type, Claims business by volume.

Claims services since: 1978.  
Parent: ESOP Corp.  
Service area: Arkansas, Illinois, Indiana, Iowa, Kansas, Missouri.  
Branch offices: Administrative and sales offices in Little Rock and Springdale, Ark.; Oak Brook, Ill.; Indianapolis; Des Moines, Iowa; Detroit; Kansas City and St. Louis, Mo.  
PPO access.  
Officers: Robert L. Cowgill, president; Sam Cannon, CEO; Gary J. Schürmer, executive vp/treasurer; Jacque Cannon, executive vp/secretary; G. Bryan Thomas, senior vp.  
Contact: Annie Mariage, 800-252-5059, ext. 200.

The directory of TPAs specializing in employee benefit claims begins on page 21; TPAs specializing in property/casualty claims begin on page 43.



Continued on next page

Continued from previous page

**Claims Administrative Services Inc.**

P.O. Box 7500, Tyler, Texas 75711; 903-509-8484; fax: 903-509-1888

Revenues	
Total	\$6,423,003
Claims revenue	\$6,309,003
Claims administration	98.2%
Other services	1.8%

Claims business by type	
Health insurance	27%
Workers compensation	73%

Claims business by volume	
Administration-claims paid	\$13,533,169

Clients	
Total	34
Association plans	32
Corporations	13
Public/government entities	1

Staff	
Total	45
Claims services	15

**Claims services since:** 1990.  
**Service area:** Arkansas, Louisiana, New Mexico, Texas.

**Charges:** Administration: monthly or quarterly.

**Branch offices:** Sales offices in Dallas.

**PPO access.**  
**Officers:** Barry L. Jones, president; Billy E. Hibbs Sr., CEO; Billy E. Hibbs Jr., vp; Mary Smith, secretary/treasurer.  
**Contact:** Barry L. Jones.

**CoreSource Inc.**

630 Dundee Road, Suite 340, Northbrook, Ill. 60062; 847-559-8321; fax: 847-559-8353

Revenues	
Total	\$102,000,000
Claims revenue	\$57,000,000
Claims administration	41%
Claims adjusting	4%
Claims auditing	10%
Other services	45%
Includes: workers compensation, managed care	

Claims business by type	
Automobile	1%
Disability	2%
General liability	3%
Health insurance	70%
Employees covered	1,340,000
Dependents covered	1,876,000
Inland marine	1%
Property damage	1%
Workers compensation	22%

Claims business by volume	
Administration-claims paid	\$2,350,000,000
Auditing-projects conducted	250

Clients	
Total	2,259
Association plans	25
Corporations	1,747
Public/government entities	484
Union-sponsored plans	3

Staff	
Total	1,600
Claims services	1,100

**Claims services since:** 1968.  
**Service area:** Nationwide.

**Charges:** Administration: per employee per month, percent of savings.

**Branch offices:** Administrative offices in Phoenix; Little Rock, Ark.; Clearwater, Fla.; Matteson, Ill.; Anderson, Ind.; Kansas City, Kan.; Baltimore; Detroit and Grand Rapids, Mich.; Las Vegas and Reno, Nev.; Charlotte, N.C.; Westerville, Ohio; Lancaster and Philadelphia, Pa. Sales offices in Atlanta; Bloomington, Ind.; Louisville, Ky.; St. Louis; Raleigh, N.C.; Gahanna, Ohio; Knoxville, Tenn.; Dallas.

**PPO access.**

**Officers:** James Duff, president/CEO; Orlo Dietrich, senior vp/COO; James Long, senior vp/CFO; Laurent Schor, vp-information services; David Potash, senior vp-medical affairs.

**Contact:** Susan Marshall.

**Corporate Plan Management Inc.**

2900 S.W. Wanamaker Drive, Topeka, Kan. 66614-4191; 913-273-8398; fax: 913-273-6850

Revenues	
Total	\$913,480
Claims revenue	\$616,753
Claims administration	67%
Claims auditing	0.5%
Other services	32.5%
Includes: fully insured administration	

Claims business by type	
Flex compensation	2%
Health insurance	88%
Employees covered	3,559
Dependents covered	4,118
Workers compensation	10%

Claims business by volume	
Administration-claims paid	\$4,310,727
Auditing-projects conducted	1

Clients	
Total	38
Corporations	23

Public/government entities	
Staff	15
Total	25
Claims services	10

**Claims services since:** 1990.  
**Service area:** California, Kansas, Nebraska, North Dakota, Ohio, Oklahoma, South Dakota, Texas, Wyoming.

**Charges:** Administration: \$3 to \$15 per employee per month. Auditing: negotiated per project.

**Subsidiaries:** Work Comp Management Specialists.

**PPO access.**  
**Officers:** Michael A. Morris, president; Michael R. Falley, secretary/treasurer.  
**Contact:** Michael Morris.

**Coverage 24 Inc.**

5655 Lindero Canyon Road, Suite 623, Westlake Village, Calif. 91362; 800-242-4177; fax: 818-889-2451

Revenues	
Claims revenue*	\$500,000
Claims administration	80%
Claims auditing	20%

Claims business by type	
Disability	90%
Workers compensation	10%

Claims business by volume	
Auditing-projects conducted	4

Clients	
Total	16
Association plans	2
Corporations	10
Multiemployer plans	1
Public/government entities	3

Staff	
Total	7
Claims services	7

**Claims services since:** 1992.  
**Service area:** Nationwide.

**Charges:** Administration: \$125 to \$500 per file, \$.65 to \$1.75 per employee per month. Auditing: \$75 to \$195 per hour.

**Branch offices:** Administrative office in Chicago. Sales office in San Jose, Calif.  
**Contact:** Ralph D. Hurley, president.  
*\* Estimate.*

**D**

**Diversified Group Administrators Inc.**

311 S. Central Ave., P.O. Box 330, Cannonsburg, Pa. 15317; 412-746-8700; fax: 412-746-8628

Revenues	
Total	\$4,800,000
Claims revenue	\$3,200,000
Claims administration	50%
Claims adjusting	2%
Claims auditing	15%
Other services	33%

Claims business by type	
Flex compensation	10%
Health insurance	85%
Employees covered	27,500
Dependents covered	41,000
Workers compensation	5%

Claims business by volume	
Administration-claims paid	\$62,000,000
Auditing-projects conducted	10

Clients	
Total	169
Corporations	165
Public/government entities	4

Staff	
Total	80
Claims services	55

**Claims services since:** 1982.  
**Parent:** Medical Control Inc.

**Service area:** Nationwide.  
**Charges:** Administration: \$7 to \$15 per employee per month. Adjusting and auditing: \$25 to \$100 per hour.

**Branch offices:** Administrative and sales offices in Knoxville, Tenn.; Dallas. Sales offices in Atlanta; Houston.

**Subsidiaries:** HPI Work Plus, Medical Control Administrators.

**PPO access.**  
**Officers:** J. Ward Hunt, chairman; David C. Bramer, CEO; Daniel Riston, CFO; Michele Peindal, senior vp; Terri Brinkman, vp.

**Contact:** David C. Bramer.

**E**

**Employee Plans Inc.**

3811 Illinois Road, P.O. Box 1705, Fort Wayne, Ind. 46801; 219-436-1616; fax: 219-432-4083

Revenues	
Total	\$15,000,000
Claims revenue	\$2,000,000

Claims administration	13%
Other services	87%
Includes: fully insured administration	

Claims business by type	
Disability	5%
Flex compensation	5%
Health insurance	80%
Employees covered	26,000
Dependents covered	60,000
Workers compensation	10%

Claims business by volume	
Administration-claims paid	\$56,000,000

Clients	
Total	85
Corporations	85

Staff	
Total	185
Claims services	62

**Claims services since:** 1974.  
**Parent:** Insurance & Risk Management.

**Service area:** Nationwide.

**Charges:** Administration: \$6 to \$12 per employee per month.

**Branch offices:** Administrative offices in Fort Wayne and Muncie, Ind. Sales offices in Fort Wayne, Indianapolis, Muncie and Warsaw, Ind; Defiance and Sylvania, Ohio.

**PPO access.**  
**Officers:** John A. Hettwer, David A. Stahl, partners; Rose F. Black, director-marketing.  
**Contact:** Rose F. Black.

**Employers Service Corp.**

P.O. Box 3389, Charleston, W.Va. 25333; 304-556-1160; fax: 304-556-1111

Revenues	
Total	\$8,000,000
Claims revenue	\$4,000,000
Claims administration	50%
Other services	50%
Includes: fully insured administration	

Claims business by type	
Disability	1%
Workers compensation	88%
Other	11%
Includes: federal black lung	

Claims business by volume	
Administration-claims paid	\$129,000,000

Clients	
Total	219
Corporations	216
Public/government entities	3

Staff	
Total	160

**Claims services since:** 1946.  
**Service area:** Nationwide, primarily Kentucky, Pennsylvania, Virginia, West Virginia.

**Branch offices:** Administrative offices in Lexington, Ky.; Washington, Pa.; Abingdon, Va. Sales offices in Washington, Pa.; Richmond, Va.

**PPO access.**

**Officers:** H. Herchel Sims Jr., president; Gary A. Waskey, vp-client relations/marketing; Robert T. Ramsburg, vp-finance; Michael W. Keener, vp-operations; Jean K. Kiser, vp-personnel/administration.

**The Epoch Group L.C.**

6717 Shawnee Mission Parkway, Overland Park, Kan. 66282-2170; 913-362-0040; fax: 913-362-0041

Revenues	
Total	\$22,228,000
Claims revenue	\$19,385,000
Claims administration	87%
Other services	13%
Includes: Group consulting, billing administration, annual reports, reinsurance placement	

Claims business by type	
Disability	1%
Flex compensation	1%
Health insurance	96%
Employees covered	290,000
Dependents covered	435,000
Workers compensation	2%

Claims business by volume	
Administration-claims paid	\$425,000,000

Clients	
Total	275
Association plans	3
Corporations	249
Multiemployer plans	10
Public/government entities	10
Union-sponsored plans	3

Staff	
Total	360
Claims services	310

**Claims services since:** 1974.  
**Parent:** Alliance Blue Cross Blue Shield and Blue Cross Blue Shield Kansas City.

**Service area:** Nationwide.  
**Charges:** Administration: per employee per month.

**Branch offices:** Administrative offices in St. Louis. Sales offices in Waterloo, Iowa; Kansas City and St. Louis, Mo.

**PPO access.**  
**Officers:** John Barton, president; Thomas Sax, executive vp/COO; Eileen Hutchinson, vp-finance.

**Contact:** John Barton.

**F**

**Florida Employers Insurance Service Corp.**

2601 Cattleman Road, Sarasota, Fla. 34232; 941-955-2811; fax: 941-951-3709

Revenues	
Total	\$35,200,000
Claims revenue	\$1,500,000
Claims administration	4%
Other services	96%

Claims business by type	
Health insurance	5%
Workers compensation	95%

Claims business by volume	
Administration-claims paid	\$47,372,862

Clients	
Total	16
Corporations	12
Public/government entities	4

Staff	
Total	550
Claims services	23

**Claims services since:** 1959.  
**Parent:** FCCI Mutual Insurance Co.

**Service area:** Florida.

**Charges:** Administration and adjusting: percent of standard premium.

**Branch offices:** Administrative offices in Fort Lauderdale, Orlando and Tallahassee, Fla.

**Subsidiaries:** Claims Management Systems Inc.

**Officers:** Ray Neff, president; G.W. Jacobs, COO; David Webber, CFO; Bob McManus, Bill Chastain, executive vps.

**G**

**Gallagher Bassett Services Inc.**

The Gallagher Centre, 2 Pierce Place, Itasca, Ill. 60143-3141; 708-773-3800; fax: 708-285-4000

Revenues	
Total	\$137,798,000
Claims revenue	\$126,798,000
Claims administration	92%
Other services	8%
Includes: loss control, information services and appraisal services	

Claims business by type	
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Claims business by volume	
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Clients	
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Staff	
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Staff	
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**Claims services since:** 1962.  
**Parent:** Arthur J. Gallagher & Co.

**Service area:** Nationwide.  
**Charges:** Administration: per claim fee, per employee, per hour, annual fee; Adjusting: per claim fee, per hour; Auditing: flat fee, per hour, project basis.

**Branch offices:** Administrative offices in 99 locations nationwide and 4 international offices. Sales offices in 73 locations nationwide and 7 international offices.

**Subsidiaries:** Gallagher Bassett Benefit Administrators, Gallagher Woodsmall Inc., IMC Insurance Management Co., Pacific Atlantic Administrators.

**PPO access.**  
**Officers:** John G. Campbell, chairman; Peter J. Durkalski, president; Jack Lazzaro, CFO; Richard R. Rothman, Richard

Continued from previous page

Inland marine.....	10%
Workers compensation.....	75%

**Claims business by volume**

Administration-claims paid.....	\$150,000,000
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**Clients**

Total.....	255
Association plans.....	5
Corporations.....	250

**Staff**

Total.....	400
Claims services.....	150

**Claims services since:** 1946.**Service area:** Nationwide.

**Branch offices:** Administrative offices in 23 locations. Sales offices in Phoenix; Los Angeles; Atlanta; Louisville, Ky.; New Orleans; Baltimore; Minneapolis; Las Vegas; New York; Akron and Columbus, Ohio; Pittsburgh; Nashville, Tenn.; Seattle.

**PPO access.**

**Officers:** Niles C. Overly, CEO; J. Robinson McCormick, president; Robinson M. Overly, R. James Kelly, executive vps; Gregory P. Smith, vp-finance/treasurer.

**Contact:** Richard E. Klomparsen.**Genelco Inc.**

1600 S. Brentwood Blvd., St. Louis, Mo. 63144; 314-962-2040; fax: 314-963-8275

**Revenues**

Total.....	\$37,250,000
Claims revenue.....	\$6,800,000
Claims administration.....	20%
Other services.....	80%
Includes: COBRA, Section 125, data management, consultation	

**Claims business by type**

Disability.....	5%
Flex compensation.....	15%
Health insurance.....	70%
Employees covered.....	140,000
Dependents covered.....	350,000
Workers compensation.....	15%

**Claims business by volume**

Administration-claims paid.....	\$180,000,000
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**Clients**

Total.....	54
Association plans.....	2
Corporations.....	45
Public/government entities.....	7

**Staff**

Total.....	450
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Claims services.....100

Claims services since: 1973.

**Parent:** General American Life Insurance Co.**Service area:** Nationwide.

**Charges:** Administration: per employee per month. Auditing and auditing: per project.

**Branch offices:** Administrative offices in Mexico City. Sales offices in Hartford, Conn.; Atlanta; Salisbury, N.C.; Dallas.

**PPO access.**

**Officers:** E. Christopher Simonds Jr., president/COO; Warren Winer, CEO; David K. Garver, executive vp; Mary E. Layton, vp.

**Contact:** Scott S. James.**Harrington Services Corp.**

3401 Loop Road, Columbus, Ohio 43219; 614-470-7000; fax: 614-470-7086

**Revenues**

Total.....	\$73,200,000
Claims revenue.....	\$60,000,000

Claims administration.....82.5%

Other services.....17.5%

Includes: unemployment compensation administration, tax and consulting services

**Claims business by type**

Disability.....	1%
Flex compensation.....	1%
Health insurance.....	37%
Pensions.....	8%
Workers compensation.....	3%

**Claims business by volume**

Administration-claims paid.....	\$1,980,000,000
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**Clients**

Total.....	621
Association plans.....	6
Corporations.....	413
Multiemployer plans.....	136
MEWAs.....	2
Public/government entities.....	62
Union-sponsored plans.....	2

**Staff**

Total.....	1,590
Claims services.....	1,290

Claims services since: 1954.

**Service area:** Nationwide.**Charges:** Administration: per employee

per month; Adjusting: per employee per month.

**Branch offices:** Administrative and sales offices in Phoenix; Los Angeles; San Diego; Denver; Jacksonville, Fla.; Atlanta; Honolulu; Chicago; Shreveport, La.; Minneapolis and St. Paul, Minn.; Joplin and Springfield, Mo.; Las Vegas; Paramus, N.J.; Dayton and Columbus, Ohio; Oklahoma City; Dallas; Houston; Salt Lake City; Milwaukee.

**Subsidiaries:** American Benefit Plan Administrators, El Monte, Calif.; Benefit Management Inc., Joplin, Mo.; BenePlan Strategies, Dayton, Ohio; Employee Benefit Services, Shreveport, La.; ProHealth, Joplin, Mo.; Columbus, Ohio; R.E. Harrington Inc., Columbus, Ohio.

**PPO access.**

**Officers:** Robert Parker, president; Warren Blue, senior vp/general counsel; Robert Covert, CFO/treasurer.

**Contact:** Kenneth L. DiBella.**Hertz Claim****Management Corp.**

225 Brae Blvd., Park Ridge, N.J. 07656; 800-426-7389; fax: 201-307-2709

**Revenues**

Total.....	\$70,000,000
Claims revenue.....	\$42,000,000
Claims administration.....	50%
Claims auditing.....	6%
Other services.....	44%

**Claims business by type**

Automobile.....	36%
General liability.....	10%
Health insurance.....	6%
Workers compensation.....	48%

**Clients**

Total.....	450
Association plans.....	250
Corporations.....	110
Public/government entities.....	90

**Staff**

Total.....	880
Claims services.....	480

Claims services since: 1981.

**Parent:** The Hertz Corp.**Service area:** Nationwide.**Charges:** Administration: monthly fee.

**Branch offices:** Administrative offices in Phoenix; Los Angeles, Salinas, San Francisco and San Diego, Calif.; Washington; Miami; Chicago; Boston; Farmington Hills, Mich.; Cleveland; Pittsburgh; Dallas; Seattle; London; Paris; Frankfurt, Germany; Rome; Madrid, Spain; Zurich, Switzerland. Sales offices in California, Michigan, New York, New Jersey.

**Subsidiaries:** HCM Medical Review; Regain Inc.

**PPO access.**

**Officers:** Howard Rezak, president; Bill Gavin, vp-sales; Richard McEvily, vp/general counsel; John Fahey, vp-liability.

**Contact:** Kenneth J. Fulton, national accounts manager.**Hewitt, Coleman & Associates Inc.**

P.O. Box 3665, Greenville, S.C. 29608; 864-240-5800; fax: 864-232-8824

**Revenues**

Total*.....	\$7,250,000
Claims revenue*.....	\$4,712,500
Claims administration.....	65%
Other services.....	35%
Includes: accounting, data processing, excess placement, loss control, underwriting, managed care, training	

**Claims business by type**

Flex compensation.....	2%
General liability.....	3%
Health insurance.....	20%
Workers compensation.....	75%

**Claims business by volume**

Administration-claims paid.....	\$65,800,000
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**Clients**

Total.....	270
Association plans.....	6
Corporations.....	250
Public/government entities.....	14

**Staff**

Total.....	90
Claims services.....	90

Claims services since: 1923.

**Service area:** Nationwide.

**Charges:** Administration: percent of payroll; fixed fee. Auditing: per hour.

**Branch offices:** Administrative offices in Birmingham, Ala.; Little Rock, Ark.; Orlando, Fla.; Norcross, Ga.; Indianapolis; Jackson, Miss.; St. Louis; Greensboro and Raleigh, N.C.; Nashville, Tenn. Sales offices in Lucerne, Ky.; Baldwin, La.

**PPO access.**

**Officers:** Charles R. Warne, president; David Cantrell, executive vp; Randy Chapman, senior vp-marketing; Ronald Graves, senior vp-loss control; Mitzi Helton, vp-finance.

**Contact:** Charles Warne.

\* Estimate.

Continued on next page

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Continued from previous page

# J

## JRH Risk Services Inc.

3000 Riverchase Galleria, Suite 700,  
Hoover, Ala. 35244; 205-985-4400;  
fax: 205-985-4505

### Revenues

Total	\$1,700,000
Claims revenue	\$1,632,000
Claims administration	48%
Claims adjusting	48%
Other services	4%
Includes: fully insured trust administration	

### Claims business by type

Automobile	8%
Disability	1%
Health insurance	51%
Employees covered	7,500
Dependents covered	17,000
Workers compensation	40%

### Claims business by volume

Administration-claims paid	\$20,000,000
----------------------------	--------------

### Clients

Total	51
Corporations	5C
MEWAs	1

### Staff

Total	34
Claims services	24

### Claims services since: 1976.

**Service area:** Nationwide.  
**Charges:** Administration: \$6 to \$10 per employee per month. Adjusting: 4% to 8% of premium.

**Branch offices:** Administrative and sales offices in Atlanta.

### PPO access.

**Officers:** Larry C. Mathis, president; Venny Cable, vp; Sharon Langer vp-workers comp.

**Contact:** Venny Cable.

# K

## Keenan & Associates

P.O. Box 4328, 2355 Crenshaw Blvd.,  
Suite 200, Torrance, Calif. 90510;  
310-212-3344; fax: 310-328-6793

### Revenues

Total	\$37,378,000
Claims revenue	\$14,699,000
Claims administration	33%
Claims adjusting	6%
Other services	61%
Includes: fully insured unbundled claims and loss prevention services, managed care, legal PPO, claims accounting services	

### Claims business by type

Automobile	2%
General liability	5%
Health insurance	5%
Property damage	2%
Workers compensation	86%

### Claims business by volume

Administration-claims paid	\$135,700,000
----------------------------	---------------

### Clients

Total	912
Corporations	21
Public/government entities	891

### Staff

Total	390
Claims services	185

### Claims services since: 1978.

**Service area:** California.  
**Charges:** Administration: flat rate. Adjusting: per hour.

**Branch offices:** Administrative offices in Chico, Eureka, Fresno, Campbell and Riverside, Calif. Sales offices in Chico, Emeryville, Campbell, Fresno, Riverside, Santa Ana, Sacramento, San Diego and Westlake Village.

**Subsidiaries:** Regency Claims Service, Campbell, Everyville, Fresno and Torrance, Calif.

### PPO access.

**Officers:** John R. Keenan, CEO/president; David J. De Wenter, executive vp/chief administrative officer; Keith R. Pippard, CFO; Sean K. Smith, Richard B. Stewart, executive vps.

**Contact:** David J. De Wenter.

# L

## Lawrence Healthcare Administrative Services Inc.

2716 Albany St., Schenectady,  
N.Y. 12304; 518-370-3828;  
fax: 518-370-3890

### Revenues

Total	\$4,887,000
-------	-------------

Claims revenue	\$3,943,000
Claims administration	78%
Claims adjusting	1%
Claims auditing	2%
Other services	19%
Includes: related insurance commissions	

### Claims business by type

Disability	2%
Flex compensation	3%
Health insurance	77%
Employees covered	84,600
Dependents covered	42,600
Pensions	1%
Workers compensation	17%

### Claims business by volume

Administration-claims paid	\$75,954,960
----------------------------	--------------

### Clients

Total	200
Association plans	3
Corporations	20
Multiemployer plans	2
Public/government entities	175

### Staff

Total	108
Claims services	100

### Claims services since: 1975.

**Parent:** Lawrence Group Inc.  
**Service area:** Nationwide.  
**Charges:** Administration: \$8 to \$13 per employee per month.

**Branch offices:** Administrative offices in Atlanta; Jamestown and Westbury, N.Y. Sales offices in San Diego; West Palm Beach, Fla.; Atlanta; Indianapolis; Albuquerque, N.M.; Jamestown and Westbury, N.Y.; Houston.

### PPO access.

**Officers:** Janet Lawrence, president; Michael Greppo, vp; Albert W. Lawrence, chairman; Barbara Dunbar, treasurer; Wolfgang Riemer, assistant secretary.

**Contact:** Janet Lawrence.

# M

## The Matrix Cos.

P.O. Box 11035, San Jose,  
Calif. 95103; 408-453-7700;  
fax: 408-453-3044

### Revenues

Total	\$8,000,000
Claims revenue	\$7,600,000
Claims administration	95%
Other services	5%
Includes: fully insured administration	

### Claims business by type

Disability	45%
Workers compensation	55%

### Claims business by volume

Administration-claims paid	\$80,000,000
----------------------------	--------------

### Clients

Total	102
Corporations	101
Public/government entities	1

### Staff

Total	98
Claims services	74

### Claims services since: 1985.

**Service area:** Nationwide.  
**Charges:** Administration: percent of covered pay.

**Branch offices:** Administrative offices in Phoenix; Albuquerque, N.M.; Portland, Ore.; Austin, Texas.

**Subsidiaries:** Matrix Consolidated Programs Inc., Matrix Self Insurance Resources Inc., Oliver & Larkin, San Jose, Calif.

**Officers:** John Payne, chairman; David Nolan, president; Martin Grable, Thomas Larkin, Michael Oliver, Thomas Sitter, vps.

**Contact:** Michael Oliver, 408-467-7322.

# N

## NHA Administrators

770 S. Post Oak Lane, Suite 445,  
Houston, Texas 77056; 713-439-0123;  
fax: 713-439-7529

### Revenues

Total	\$812,933
Claims revenue	\$575,772
Claims administration	71%
Other services	29%

### Claims business by type

Health insurance	95%
Employees covered	6,219
Dependents covered	7,463
Workers compensation	5%

### Claims business by volume

Administration-claims paid	\$19,220,000
----------------------------	--------------

### Clients

Total	27
Corporations	9
Public/government entities	18

### Staff

Total	31
Claims services	14

### Claims services since: 1989.

**Parent:** National HealthCare Alliance Inc.  
**Service area:** Nationwide.  
**Charges:** Administration: \$8 per employee per month plus expenses.

**Branch offices:** Administrative offices in Lubbock, Texas.

### PPO access.

**Officers:** Robert Woolfolk, chairman; Melvin Q. Thorne, president; Joan Garofalo, vp; Mary Kontin, director-claims.

**Contact:** Melvin Q. Thorne, 713-888-1902.

## Northshore International Insurance Services Inc.

76 Lafayette St., Salem, Mass. 01970;  
508-745-6655; fax: 508-741-1642

### Revenues

Total	\$4,800,000
Claims revenue	\$1,440,000
Claims auditing	30%
Other services	70%
Includes: review, audit and consultation to insurers, reinsurers and other risk bearing entities	

### Claims business by type

Automobile	10%
General liability	20%
Workers compensation	30%
Other	40%
Includes: excess claims administration of Specific Aggregate and Managed Care coverage	

### Claims business by volume

Auditing-projects conducted	100
-----------------------------	-----

### Clients

Total	166
Association plans	18
Corporations	90
Multiemployer plans	7
MEWAs	5
Public/government entities	46

### Staff

Total	52
-------	----

**Service area:** United States, Canada, Europe, South Africa, South America.

**Charges:** Administration and auditing: \$95 to \$140 per hour.

**Branch offices:** Administrative offices in Indianapolis; Greenville, S.C.; Austin, Texas; London; Johannesburg, South Africa.

**Subsidiaries:** International Managed Care Services Inc., International Subrogation Management Inc., International Tertiary Network, NiiS U.K. Ltd., NiiS South Africa Ltd.

**Officers:** David W. Ives, president; Mark E. Scerra, Joseph J. Yablonski, Norman C. Tardif, vps.

**Contact:** David W. Ives.

# P

## PCA Solutions Inc.

260 Wekiva Springs Road, Longwood,  
Fla. 32779; 800-883-4000;  
fax: 407-788-8648

### Revenues

Total	\$82,000,000
Claims revenue	\$74,000,000
Claims administration	90%
Other services	10%
Includes: workers compensation managed care services, placement of excess insurance and reinsurance, fully insured administration	

### Claims business by type

Automobile	1%
Bonds	1%
General liability	2%
Health insurance	14%
Inland marine	1%
Property damage	1%
Workers compensation	80%

### Claims business by volume

Administration-claims paid	\$337,882,011
----------------------------	---------------

### Clients

Total	83
Association plans	28
Corporations	49
MEWAs	1
Public/government entities	5

### Staff

Total	1,172
-------	-------

### Claims services since: 1985.

**Parent:** Physician Corp. of America.  
**Service area:** Alabama, Arizona, Arkansas, California, Florida, Georgia, Illinois, Iowa, Kansas, Louisiana, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Mexico, North Carolina, North Dakota, Ohio, Oklahoma, Pennsylvania, South Carolina, South Dakota, Tennessee, Texas, Utah, West Virginia.

**Branch offices:** Administrative offices in Montgomery, Ala.; Longwood, Fla.; Tucker, Ga.; Topeka, Kan.; Baton Rouge, La.; Jackson, Miss.; Raleigh, N.C.; Oklahoma City;

Harrisburg, Pa.; Columbia, S.C.; Nashville, Tenn.; Austin, Texas.

### PPO access.

**Officers:** Rodney Spencer, president/CEO; Mary Taylor, executive vp; David L. Willis, vp/treasurer; David J. Jasmund, executive vp/chief marketing officer; David K. Krauser, senior vp.

**Contact:** David J. Jasmund.

## Palmer & Cay/Carswell

P.O. Box 847, 25 Bull St., Savannah,  
Ga. 31402; 912-234-6621;  
fax: 912-234-8523

### Revenues

Total	\$2,200,000
Claims revenue	\$2,200,000
Claims administration	100%

### Claims business by type

Automobile	10%
General liability	10%
Health insurance	5%
Workers compensation	75%

### Claims business by volume

Administration-claims paid	\$20,000,000
----------------------------	--------------

### Clients

Total	36
Association plans	2
Corporations	30
Public/government entities	4

### Staff

Total	38
Claims services	28

**Service area:** Alabama, Arizona, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, Virginia.

**Branch offices:** Administrative offices in Tallahassee, Fla.; Savannah, Ga.; Richmond, Va.

**Officers:** John Cay, Lew Oden, Mike Crowley, Ron Nolting, Darlene Beytagh.

**Contact:** Ron Nolting.

# R

## RMSCO Inc.

731 James St., Syracuse, N.Y. 13203;  
315-474-8200; fax: 315-476-8440

### Revenues

Total	\$8,940,000
Claims revenue	\$7,242,000
Claims administration	80%
Claims auditing	1%
Other services	19%
Includes: audit and monitor insured workers comp, consulting and insurance services	

### Claims business by type

Automobile	1%
Disability	9%
Flex compensation	5%
Health insurance	45%
Employees covered	90,000
Dependents covered	53,000
Workers compensation	40%

### Claims business by volume

Administration-claims paid	\$205,000,000
Auditing-projects conducted	20

### Clients

Total	167
Association plans	2
Corporations	121
Public/government entities	44

### Staff

Total	201
Claims services	137

### Claims services since: 1981.

**Service area:** Nationwide.  
**Charges:** Administration: per claim; per employee per month. Auditing: flat fee.

**Branch offices:** Administrative and sales offices in Boston; Albany and Rochester, N.Y.

### PPO access.

**Officers:** James Heitzhaus, president; Richard Sykes, Michael Hotaling, vps.

**Contact:** Richard Sykes.

## F.A. Richard & Associates Inc.

2360 Fifth Ave., Mandeville, La. 70471;  
504-624-8383; fax: 504-624-8489

### Revenues

Total	\$13,300,000
Claims revenue	\$10,000,000
Claims administration	70%
Claims adjusting	3%
Claims auditing	2%
Other services	25%
Includes: claims investigation and adjustment for insurance companies, managed care, bill review, PPO, utilization review, vocational rehabilitation, medical case management, risk control, special investigations and surveillance	

### Claims business by type

Autom
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Continued from previous page

**Claims services since:** 1971.  
**Parent:** Sedgwick Group P.L.C.  
**Service area:** Nationwide.  
**Branch offices:** Administrative offices in 72 locations nationwide. Sales offices in 70 locations nationwide.  
**PPO access.**  
**Officers:** Robert Young, chairman; David North, president; Susan Steagall, senior vp; Edward Callahan, Glenn Fischer, Robert Wisecarver, vps.  
**Contact:** David A. North.  
 \* *BI estimate.*

**Self Insured Services Co. (SISCO)**  
 P.O. Box 389, Dubuque, Iowa 52004;  
 319-583-7344; fax: 319-583-0439

**Revenues**

Claims revenue	\$6,400,000
Claims administration	100%

**Claims business by type**

Automobile	5%
Disability	1%
Flex compensation	4%
Health insurance	80%
Employees covered	55,650
Dependents covered	145,000
Workers compensation	10%

**Claims business by volume**

Administration-claims paid	\$115,000,000
----------------------------	---------------

**Clients**

Total	287
Corporations	270
Public/government entities	11
Union-sponsored plans	6

**Staff**

Total	97
Claims services	97

**Claims services since:** 1980.  
**Service area:** Nationwide.  
**Charges:** Administration: per employee per month; per claim.  
**Branch offices:** Sales office in Davenport, Iowa.  
**PPO access.**  
**Officers:** John E. Butler, president; Andrew J. Butler, executive vp.  
**Contact:** Andrew J. Butler, 319-583-7344 ext. 229.

**SIEBA Ltd.**  
 3206 Vestal Parkway E., Vestal, N.Y. 13850; 800-252-4624; fax: 607-770-7082

**Revenues**

Total	\$1,700,000
Claims revenue	\$1,522,000
Claims administration	89.5%
Other services	10.5%

**Includes:** defined contribution plan administration, managed care, software development/sales, excess insurance brokerage

**Claims business by type**

Flex compensation	6%
Health insurance	94%
Employees covered	22,500
Dependents covered	24,200

**Claims business by volume**

Administration-claims paid	\$37,000,000
----------------------------	--------------

**Clients**

Total	69
Association plans	1
Corporations	26
Public/government entities	41
Union-sponsored plans	1

**Staff**

Total	32
Claims services	22

**Claims services since:** 1983.  
**Service area:** Connecticut, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Vermont.  
**Charges:** Administration: per employee per month.  
**PPO access.**  
**Officers:** Richard G. DoBell, president; Marc L. Marion, vp; G. Gordon Coughlin Jr., secretary.  
**Contact:** Marc L. Marion.

**Trigon Administrators Inc.**  
 7130 Glen Forest Drive, Suite 102, Richmond, Va. 23226; 804-673-5900; fax: 804-673-5902

**Revenues**

Total	\$19,295,000
Claims revenue	\$19,295,000
Claims administration	100%

**Claims business by type**

Automobile	2.5%
Flex compensation	7.5%
General liability	2.5%
Health insurance	42%
Workers compensation	45%

**Clients**

Total	240
Association plans	11

Corporations	183
Public/government entities	46

**Staff**

Total	187
Claims services	187

**Claims services since:** 1987.  
**Parent:** Trigon Blue Cross Blue Shield.  
**Service area:** District of Columbia, Maryland, North Carolina, Virginia.  
**Charges:** Administration: per employee per month for health; fixed fee for workers comp.  
**Branch offices:** Sales offices in Columbia, Md.; Richmond, Va.  
**PPO access.**  
**Officers:** William D. Monday Jr., president; Thomas D. Englund, executive vp; Jolynne Williamson, vp; Stephen R. Hall, vp-finance.  
**Contact:** Joy Davis, 804-673-5835.

**Underwriters Safety & Claims Inc.**  
 11405 Park Road, Louisville, Ky. 40223; 502-244-1343; fax: 502-244-1411

**Revenues**

Total	\$16,000,000
Claims revenue	\$5,300,000
Claims administration	33%
Other services	67%

**Includes:** case management, full line general agency, managed care

**Claims business by type**

Health insurance	25%
Workers compensation	75%

**Claims business by volume**

Administration-claims paid	\$125,000,000
----------------------------	---------------

**Clients**

Association plans	6
Corporations	108
Public/government entities	2

**Staff**

Total	238
Claims services	119

**Claims services since:** 1941.  
**Service area:** Alabama, Arkansas, Georgia, Illinois, Indiana, Kentucky, Mississippi, Missouri, North Carolina, Pennsylvania, South Carolina, Tennessee, Virginia, Wisconsin.  
**Charges:** Administration: \$55 to \$450 per claim (workers comp); per employee per month (group).  
**Branch offices:** Administrative offices in Chicago; Indianapolis; Pittsburgh; Memphis, Tenn. Sales offices in Savannah, Ga.; Louisville, Ky.; Nashville, Tenn.  
**Subsidiaries:** BRI Case Management Co., Bluegrass Occupational Health Network.  
**PPO access.**  
**Officers:** Bruce W. Ferguson, president; Scott C. Ferguson, Jack D. Stewart, executive vps; Gary Gilmour, senior vp.  
**Contact:** Gary Gilmour.

**Wausau Insurance Cos.**  
 2000 Westwood Drive, Wausau, Wis. 54401; 715-845-5211; fax: 715-847-8977

**Revenues**

Total	\$1,430,000,000
Claims revenue	\$38,500,000
Claims administration	2.7%
Claims adjusting	0.2%
Claims auditing	0.1%
Other services	97%

**Claims business by type**

Automobile	2%
General liability	5%
Health insurance	85%
Employees covered	178,000
Dependents covered	448,000
Professional liability	1%
Workers compensation	7%

**Claims business by volume**

Administration-claims paid	\$475,000,000
Auditing-projects conducted	5

**Clients**

Total	226
Association plans	8
Corporations	197
Multiemployer plans	2
MEWAs	1
Public/government entities	18

**Staff**

Total	5,600
Claims services	175

**Claims services since:** 1971.  
**Service area:** Nationwide.

**Charges:** Administration: percentage of incurred or paid losses per claim, percent of payroll or premium per employee. Adjusting: \$41 to \$100 per hour. Auditing: per hour.

**Branch offices:** Administrative offices in 27 locations nationwide. Sales offices in 150 locations nationwide.  
**Subsidiaries:** Countrywide Services Corp., St. Louis.  
**PPO access.**  
**Officers:** D. Richard McPerson, CEO; Galen Barnes, president/COO; Scott Isaacson, executive vp-risk management/specialty accounts; Richard Waggoner, executive vp-division operations; Dwight Davis, executive vp-customer services; Douglas Robnetette, senior vp-finance/insurance services.  
**Contact:** Ronald Fisher, assistant vp-risk management services, 715-842-6229.

**Willis Corroon Administrative Services Corp.**  
 26 Century Blvd., Nashville, Tenn. 37214; 615-872-4000; fax: 615-872-4333

**Revenues**

Total	\$35,000,000
Claims revenue	\$29,750,000
Claims administration	85%
Other services	15%

**Includes:** managed care

**Claims business by type**

Automobile	12%
General liability	15%
Health insurance	20%
Employees covered	45,000
Dependents covered	101,000
Professional liability	2%
Property damage	1%
Workers compensation	50%

**Clients**

Total	331
Association plans	28
Corporations	200
Public/government entities	103

**Staff**

Total	493
Claims services	394

**Parent:** Willis Corroon P.L.C.  
**Service area:** Nationwide.  
**Charges:** Administration: per employee per month; per claim.  
**Branch offices:** Administrative offices in 35 locations nationwide. Sales offices in Louisville, Ky.; Minneapolis, St. Louis; Philadelphia; Nashville, Tenn.  
**PPO access.**  
**Officers:** Louis E. Midden, CEO-property/casualty division; Brian D. Johnson, chairman; Richard L. Hughes, Fred Massa, chief administrative officers; Richard Q. Ford, CEO-life/health division.  
**Contact:** Fred Massa, 615-872-3158 or Richard L. Hughes, 615-872-4126.

**ESIS Inc.**  
 1601 Chestnut St., Philadelphia, Pa. 19192-2325; 215-761-6779; fax: 215-761-5476

**Revenues**

Total*	\$195,000,000
Claims administration	78%
Claims adjusting	3%
Claims auditing	9%
Other services	10%

**Includes:** fully insured administration and adjusting

**Claims business by type**

Automobile	27.3%
General liability	41.6%
Inland marine	1%
Ocean marine	0.5%
Professional liability	1%
Property damage	1%
Workers compensation	19.5%
Other	8.1%

**Claims business by volume**

Administration-claims paid	\$1,950,000,000
Auditing-projects conducted	35

**Staff**

Total	2,852
Claims services	14

**Claims services since:** 1953.  
**Parent:** INA Financial Services Inc.  
**Service area:** Nationwide.  
**Charges:** Administration: fee per claim; annual fee. Adjusting: fee per claim; Auditing: fee per audit, \$100 per hour.  
**Branch offices:** Administrative offices in Wilmington, Del.; Richmond, Ind.; Columbus, Ohio. Sales offices in Los Angeles; San Francisco; Atlanta; Chicago; Boston; New York; Philadelphia; Dallas; Houston.  
**PPO access.**  
**Membership:** SIIA.  
**Officers:** Raymond E. Hafner, president; Brian P. O'Hara, CFO; Sharon E. Simpson, vp-sales/marketing; Jim Young, vp-claims.  
**Contact:** Sharon E. Simpson.  
 \* *BI estimate.*

# Pooling low level risk

## U.K. municipalities to join new facility

By SARAH GODDARD

U.K. municipal authorities will be able to pool their low level claims through a new facility launched last month by Jardine Municipal Services, a unit of broker JIB Group P.L.C.

The Municipal Authority Protection Program RiskPool is designed to cover liability claims that would normally fall within local authorities' retention levels.

MAPP RiskPool offers between £10 million (\$15.1 million) and £25 million (\$37.8 million) of cover, depending on the category of business,

### London

with no minimum level. The facility works as a self-funding mechanism: an authority makes a contribution to the pool based on the amount it anticipates paying in claims over the year from its own reserves or revenues, plus an excess of loss and stop loss premium to protect the fund and a management fee. The pool arrangement, with the greater investment income that can be generated by the larger funds, should still result in the contribution being lower than the amount the authority would otherwise have to pay, according to Jardine.

Mark Barnes, assistant director at Jardine, stressed that MAPP RiskPool is not intended to compete with U.K. insurers writing liability coverage for municipal authorities. In-

stead, the facility aims to "establish a central contributions fund to meet self-assured claims and to provide a reserve pool." In fact, it complements the traditional insurance routes currently available, he said.

Public liability, professional indemnity and employers' liability are all included in MAPP RiskPool, which also provides excess-of-loss cover.

Additional features of the program include risk management, loss control and claims handling services members.

**New LIRMA officers**

The London Insurance & Reinsurance Market Assn. has appointed two new members of its governing council to fill gaps left by departing members.

Although council members are not usually appointed to two-year terms until annual elections each June, Charles Catt, managing director of NAC Re International, and Stephen Riley, managing director of Swiss Re (U.K.) Ltd., have been drafted to serve out the terms of the departing members. However, they must be formally elected at the next LIRMA general meeting in June.

They replace Ian Dean, who resigned last month as president and chief executive officer of Sphere Drake Holdings Ltd. (*BI*, Jan. 1), and Mike Davies, general manager of British & European Reinsurance Co. Ltd., which has shut down its ILU operations. **BI**

# Marine prices sinking

## Competition may lead to marine trouble

By EDWIN UNSWORTH

LONDON—Underwriters eager for business at almost any cost are causing increased competition in global marine insurance markets, threatening another downturn in the insurance cycle, a leading marine underwriter says.

Len Campbell, retiring chairman of the Institute of London Underwriters, warned that some "irresponsible" underwriters are continuing to show "an unhealthy desire to maintain or increase premium volume regardless of the level of rating."

As a result, there will be "no easy pickings in the next few years" for insurers, Mr. Campbell said at the ILU's annual meeting last week. However, he does not anticipate a return to the situation of five years ago, which was characterized by huge underwriting losses and a contraction in the number of marine insurers.

There was concern that even last year's record low in the number of ships lost might attract more competition to the market. In 1995, the ILU reported the loss of 95 vessels of 500 or more gross tons each, totaling 693,000 gross tons, compared with 1994 losses of 119 vessels totaling 1.42 million gross tons.

Newly elected ILU Chairman Nigel Jenkins said that while underwriters might be tempted to enter the marine market based on such good results, one or two years' figures provide no reliable guide to future loss trends. He also noted that last year's improved loss record included a large proportion newer and therefore more highly valued vessels, making the average value of each vessel lost greater.

Some marine insurers are increasing their account "aggressively," in

an effort to increase their premium volume, Mr. Campbell said. However, he added that a strategy based on achieving market share rather than on sound underwriting principles is "doomed to failure." He warned that marine underwriters "must demonstrate greater tenacity, skill and professionalism and will, and make a better show of convincing those who invest in us that we can put the industry onto a sounder footing."

## There will be 'no easy pickings in the next few years' for insurers, says Len Campbell, retiring chairman of the ILU.

For those underwriters starting the year "apparently content to allow premium reductions" over a large part of their portfolios, Mr. Campbell pointed out the number of "near-misses" in the past two years from which London underwriters had escaped relatively lightly. These include the earthquakes in Kobe, Japan, and Northridge, Calif., and 21 named U.S. windstorms.

"We are not likely to be so lucky for much longer," he said.

Increased competition has already driven marine hull rates down by about 12.5% at last December's renewals, according to Stephen Redmond, chairman of the ILU and Lloyd's of London joint hull committee. Rate decreases on cargo business have been less dramatic, though cargo rates have been hit in the last four or five months by competition from other U.K. and overseas insurers. **BI**

# INTERNATIONAL

## Fire guts opera house

### Insurance to cover fraction of loss to Venice landmark

By EDWIN UNSWORTH

VENICE, Italy—Venice's famed opera house, La Fenice, is expected, like its mythical namesake, the Phoenix, to rise again from the flames that destroyed it last week.

However, the cost of rebuilding, estimated at 300 billion to 500 billion lire (\$189.5 million to \$315.9 million), is likely to be only partially

covered by insurance. Government assistance and an international fund-raising appeal are expected to meet the remaining costs.

organization that runs the opera house, also has a policy through Rome-based insurer Assitalia-Le Assicurazioni d'Italia S.p.A. Details of this policy were not available, though one Italian insurer said it probably covered fixtures and fittings in the building. Both policies are expected to apply to the recent fire loss.

Although the cause of the fire is

under investigation, early indications suggest it was connected with renovation work. The opera house had been closed since August for basic renovations and was scheduled to reopen March 1.

1836 after a fire

Massimo Cacciari, mayor of Venice, has said La Fenice will be rebuilt within two years. While he expressed hopes the opera house will be rebuilt in the same ornate classical style, it was not certain if funds and other interested parties would permit this.

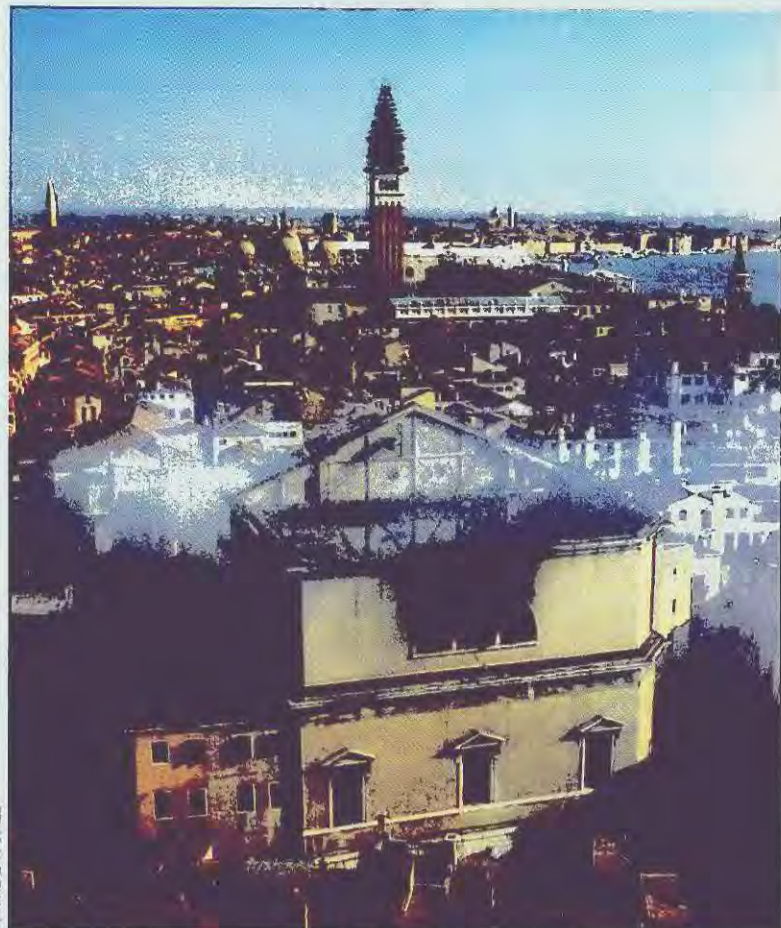
"It's impossible to make a valuation. Such treasures are priceless," Mr. Cacciari said.

However, Venice Fire Chief Alfio Pini estimated rebuilding would cost 300 billion lire.

Giuseppe Cristinelli, a professor of restoration at Venice's Architecture Institute, put the cost at more than 500 billion lire.

While such costs clearly exceed insurance limits on the famed opera house, Venetians expect to be able to make up the difference through international appeals to art and opera aficionados.

The European Commission has already responded with an offer of 100,000 European Currency Units (\$123,400), and Italian Cultural Heritage Minister Antonio Paolucci said the government would help, pledging 20 billion lire (\$12.6 million) for the project.



AP/WIDE WORLD

Smoke wafts over Venice's La Fenice opera house after a fire gutted the historic building. The estimated loss is at least \$189 million.

### Rebuilding costs will exceed insurance limits, but Venetians hope to make up the difference through international appeals to art and opera aficionados.

funded by insurance. Government assistance and an international fund-raising appeal are expected to meet the remaining costs.

The city of Venice, which owns the opera house, has property limits of 25 billion lire (\$15.8 million) from Trieste, Italy-based Assicurazioni Generali S.p.A., Italy's largest insurer. Ente Teatro La Fenice, the or-

under investigation, early indications suggest it was connected with renovation work. The opera house had been closed since August for basic renovations and was scheduled to reopen March 1.

This fire marks the second time La Fenice was destroyed by fire. The opera house—which was first constructed in 1792—was rebuilt in

## Settlement of King's Cross claim sets a new high

By EDWIN UNSWORTH

LONDON—London Transport is insured for its biggest settlement to date from the 1987 King's Cross subway fire, agreeing last week to pay £650,000 (\$978,575) to a musician whose hands were injured in the disaster.

The settlement, reached last week with Ron Lipsius, is almost twice as much as the previous high settlement, which was £375,616 (\$565,489) paid to a ticket collector injured in the subway station fire.

The November 1987 fire at London's busiest station killed 30 people and badly injured more than 50 people. A lengthy inquiry concluded that the fire was probably caused by

a smoker's lit match falling onto "grease and detritus" underneath a wooden escalator. Smoking was later banned on the subway network.

It was the 84th case against LT stemming from the tragedy and brings the total so far paid by the company and its insurers to more than £4 million (\$6.02 million). A total of £16 million (\$24.2 million) has been paid for all claims stemming from the fire, including defense costs and damage to the subway station.

Three injury cases still are pending against the railway company, which expects damages in those cases to total about £500,000 (\$755,000).

For LT, the fire at King's Cross offered many risk management lessons and resulted in a complete overhaul

of its insurance program.

Clive Pracy, LT's head of risk management, said that at the time of the King's Cross fire, LT retained the first £6 million (\$9.1 million) of liability claims from any one incident. Above this, excess coverage was placed in the London insurance market, with Royal Insurance P.L.C. taking the lead. However, Mr. Pracy said the claims aftermath of King's Cross provided "a salutary lesson" in how not to coordinate self-insurance and excess insurers. The main problem was that its excess coverage was structured in what he termed "a very odd horizontal program."

None of the participants in the coverage were obliged to follow the lead insurer, Royal, in settling

claims, as would normally be the case in a traditional excess coverage arrangement. Instead, the insurers formed a committee whose members reviewed all claims before agreeing how or whether they would be paid.

"We ended up doing battle with the market. Collecting the money took an age," Mr. Pracy said.

It also resulted in LT advancing funds after the fire that it believed its insurers should have been paying. Mr. Pracy said this included immediate "hardship" payments made to some of the injured and a sizable payment to the court to cover any damages awarded in anticipated litigation. LT then had to seek repayment from its insurers.

The end result of the experience,

in insurance terms, is that LT revised its self-insurance arrangements and now has a much more traditional excess insurance program with vertical delineation of insurers' involvement, said Mr. Pracy.

Last year, LT became only the second U.K. public sector company to be granted permission to operate a captive insurer. Its captive, London Transport Insurance (Guernsey) Ltd., began underwriting April 1, 1995. At the time, Mr. Pracy, had said the captive should conservatively save the company about £1.7 million (\$2.6 million) a year, or about 25% of its total insurance bill.

The captive is reinsured by Royal and Zurich Municipal, a unit of Zurich Insurance Group.

## Hoechst chemical leaks raise safety concerns

By DON LEWIS KIRK

FRANKFURT, Germany—Three recent chemical leaks at Hoechst A.G., Germany's largest chemical company, may lead to \$3.4 million in insured environmental liability losses.

Investigators have not yet determined what caused the accidents, according to Herbert Schilling, liability insurance director of Gerling Allgemeine Versicherungs A.G., which leads Hoechst's liability, property and business interruption coverage. "But human error certainly plays a role," he added.

On Jan. 27 and Jan. 28, two separate leaks at Hoechst plants in Griesheim and Frankfurt resulted in the emission of noxious substances into the air and water.

Company officials blasted their own safety procedures after delays in reporting the mishaps. Sections of both plants were closed after the incidents.

On Jan. 27, a lid blew off a large vacuum dryer, ripping a hole in the roof of the Griesheim plant. A cloud of white toxic powder that contained cancer-causing substance isoprotruron spread to a nearby community.

Employees waited more than 30 minutes before notifying the company fire department, which then reported the incident to the city. Residents were told to keep children from

playing in the snow and school was canceled on Monday.

On Jan. 28, a spill from a foaming chemical boiled over in a distillation facility in Frankfurt, for three hours. About 1½ tons of four-amino-antipyrin-sulfon acid, a substance used to make a pain reliever, flowed into a company water canal and to some degree into the Main River, which supplies water to several million people. Water treatment plants were able to remain open.

Hoechst admits it does not know just what dangers the product might have. By the middle of last week, Hoechst had conducted a 48 hour test of sulfon acid exposure, which showed no toxic effects to fish and rats. Other tests continue.

An independent Frankfurt-based ecological research institute called Institut fuer Sozialoekologische Forschung said that sulfon acid is dangerous to the environment. It is neither bio-degradable nor can it be filtered by carbon filters at the water treatment facilities.

Hoechst disagreed with the institute's statement but did not elaborate.

rate.

Production workers failed to report that incident for 34 hours, according to a Hoechst



GRAPHIC BY MIKE GARVEY

spokesman.

In a third incident, an employee at the main Frankfurt facility was seriously injured on Jan. 30 when hydrofluoric acid escaped from a unit as it was being cleaned.

The Hesse Environment Ministry, a state government body, ordered sections of both plant to be shut down pending an investigation of the accidents.

Hesse Environment Minister Margarethe Nimsch said facilities at Griesheim would now have priority in a government safety audit of industrial plants, which has been ongoing since 1993. The isoprotruron unit involved in one of the accidents was scheduled for an upcoming audit. She called on Hoechst to come up with a way to prevent accidental chemical emissions in the future.

Sirens installed after a 1993 mishap that created a 3-mile yellow toxic cloud over the community of Schwannheim near Frankfurt (BI, April 5, 1993) were not activated. Instead, Hoechst issued warnings over the radio and by mail. As a result, some people did not get the news and let children play outside.

A Hoechst spokesman blamed the failure to use the sirens on a communication breakdown between the company and the fire department. And, the initial delay in reporting the accident was due partly to a decision to deter-

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<b>Sub-total</b>	<b>30,243</b>
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<b>Sub-total</b>	<b>31,553</b>
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<b>Total Qualified</b>	<b>54,519</b>
Non-qualified	9
Single Copy Sales	0
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\* Source Business/Occupational breakdown of qualified circulation, May 29, 1995 Issue, as submitted to BPA for June 1995 BPA Publisher's Statement

## INTERNATIONAL

# Leaks

Continued from page 57  
mine if contamination had occurred outside the plant.

Officials of the local water and air pollution authority blamed Hoechst for not using a "retaining pond, which could have been used if those responsible had acted properly."

Meanwhile, the Hesse district attorney's office is investigating whether Hoechst violated pollution laws. Penalties could include fines and imprisonment of company officials.

The accidents at Hoechst have rekindled doubts about company work

safety procedures and prompted a risk management shakedown.

Hoping to contain the damage to its image, Hoechst last week enacted a five-point plan, including the installation on Jan. 30 of Joachim Wortmann as plant safety manager in Griesheim. Mr. Wortmann had headed Hoechst's Environment Service Unit, where he monitored air pollution.

In addition, Mr. Wortmann is commissioning an investigation into the accidents by the semi-government engineering control association called the Technische Ueberwachungsverein, or TUEV.

On Jan. 31, Hoechst Chief Executive Jurgen Dormann announced a

150 million DM (101.1 million) program to improve safety technology and invest in monitoring devices and other equipment.

He also said several potentially dangerous facilities would be shut down in the Rhine-Main area. "After these accidents we must ask ourselves if chemical production can be continued in populous area."

The five-point plan also calls for plant processes considered "unusual," which would include the procedures involved in the first two incidents, to have plant manager approval at the beginning of each shift before they are continued.

Hoechst also unveiled an emergency program for facility safety

that it will develop in conjunction with the Hesse government.

The program will classify accidents in four categories and calls for measures like public alarms when certain accidents occur.

Martin Langsch, deputy head of the company's in-house broker, Hoechst Central Service Insurance, said insured losses could total 5 million DM (\$3.4 million).

Losses are currently estimated at 3 million DM (\$2.02 million) in liability losses; less than 1 million DM (\$674,000) in property losses and business interruption losses of less than 1 million DM if the plants are partially closed for less than 2 months.

The property and BI losses are both likely to fall under Hoechst's 1 million DM deductibles. It does not have a liability deductible.

Under new German environmental liability laws, Hoechst is strictly liable for up to 20 million DM (\$13.5 million) per accident for personal and property damage. For the first 20 million DM loss, Gerling has reinsured 75% of its loss with Indurisk Reinsurance A.G., a Luxembourg-based captive owned by Hoechst, Bayer A.G. and BASF A.G.

Insured losses from the February 1993 accident totaled 30 million DM (\$17.3 million), with environmental liability accounting for the largest share. **BI**

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# Pension

Continued from page 1

are added up and multiplied by final average pay. Employees can take the amount as a lump-sum benefit or as an annuity payable immediately. Terminating employees also can elect to delay taking the annuity, in which case the amount on which the annuity is based would increase by 4% annually until it is taken when the employee is 65.

General American, a mutual that is primarily an annuity and individual life company, is the latest of roughly two dozen employers that in the past two years have scrapped traditional "back-loaded" plans in favor of ones that let benefit values accrue more evenly during an employee's time with the company.

That group includes Dow Chemical Co. of Midland, Mich., which also launched its new plan in January (*BI*, Nov. 27, 1995); International Business Machines Corp. of Armonk, N.Y., which launched its plan a year ago; and Ameritech Corp. of Chicago, which did so last July.

Though they use slightly different names—Dow Chemical, for example, calls its program a pension equity plan—these companies have one thing in common: They recognize that a new design is needed to better meet the benefit needs of an increasing mobile and diverse workforce.

"We really wanted to respond to

# How the General American plan works

St. LOUIS—General American Life Insurance Co.'s performance pension plan is based on age-related credits and final average pay.

Employees earn credits, which are known as base credits, expressed as a percentage for each year with the company. The percentages rise with age. Employees under 35 get a 2% credit for each year of service; from 35 to 44, the credit is 4%; from 45 to 54, it's 6%; and beginning at 55 it's 8%. The credits are multiplied by years of service performed in that age bracket.

Here is an example provided by General American:

An employee begins work at the company at age 40 and retires at age 60 with a final average salary of \$20,000.

The employee earned credits totaling 20% for the first five years of work between ages 40 through 44, credits of 60% for the 10 years from 45 through 54 and credits of 40% for the five years from 55 through 59.

The total, 120%, would be multiplied by the final average salary and the result, \$24,000, could

be taken as a lump-sum or as an annuity.

The program also provides additional credits for employees whose final average salary exceeds 60% of the maximum Social Security taxable wage base for the year in which they retire. This number is then rounded to the nearest \$100. In 1996, the Social Security taxable wage base is \$62,700 and 60%—rounded to the nearest \$100—is \$37,600.

Those additional credits are half of the base credits and are added up in the same way. The total additional credits would be multiplied by the amount of an employee's final average salary exceeding the rounded percentage of the Social Security wage base. This amount would be added to the benefit earned through basic credits to produce a total benefit.

For example, an employee who began work at age 40 and retired at age 60 with a final average salary of \$50,000 would have earned a total benefit of \$67,440—\$60,000 from base credits and \$7,440 from additional credits.

—By Jerry Geisel

changing workforce patterns. We wanted to provide more meaningful benefits to employees regardless of when they joined the company," said Gayle Malone, General American's retirement and benefits plan manager.

"This is a plan that is fairer to employees at all stages of their career," added General Executive Vp Warren Winer.

General American, in introducing its new plan to employees, noted that the "world isn't the same as it used to be... just as our

business has changed, so have you, our associates."

Years ago employees often spent entire careers with one company. Today, they are much more likely to work for several. "Some of you join General American later in your career... while others join early and stay for 10 or 15 years and leave before retirement age," General American said.

Those relatively short-service employees and mid-career hires fared poorly under the old plan, in which benefits were backloaded,

favoring employees who spent their careers at General American and retired at age 65.

"There was a lot of appreciation for the old plan from employees who spent 30 years with the company and retired at age 65. The problem is that fewer and fewer employees fit that pattern," said David Slavney, a consultant with William M. Mercer Inc. in St. Louis, which helped design the new plan.

By contrast, the new plan, with its more even accrual of benefits,

# Shutdown

Continued from page 1

environment shutdown. However, Mr. Haight, who is also vp-government affairs for the Risk & Insurance Management Society Inc., noted that the budget impasse has forced things like lobbying activities to "come to a halt."

With the budget battle still on, "everything has gone into abeyance" as far as legislators are concerned, he said.

Cheri Hawkins, assistant treasurer and director of insurance for Weyerhaeuser Corp. in Tacoma, Wash., and chairwoman of the environmental committee of RIMS, said that while the government shutdown "could indeed slow down something that could be accomplished" at Superfund sites, the furlough at the EPA probably was not long enough to significantly affect the whole process.

The EPA itself could not say exactly how many Superfund sites the

shutdown affected. A spokesman said the agency had no hard numbers on the number of sites where pollution cleanup had to be delayed. He said that work did continue at the agency's "priority" Superfund sites, but could not say how many sites fell into that category.

The spokesman added that the continuing budget uncertainty, rather than the temporary shutdown alone, resulted in the EPA issuing fewer new directives and regulations than might otherwise be expected.

Risk managers aren't complaining, though.

"I certainly haven't observed any impact" of the federal furlough, agreed Dick Heydinger, director of risk management services for Hallmark Cards Inc. in Kansas City, Mo.

Mr. Heydinger noted that in most states in which Hallmark operates, EPA and OSHA activities are handled by state agencies. As a result, "we haven't seen any sort of diminishment of services."

Other risk managers agreed.

"OSHA doesn't spend a lot of time in quick-service restaurants," said Chris Mandel, director-risk management of KFC Corp. in Louisville, Ky.

"We really don't see OSHA that often," said Mr. Mandel, who is also chairman of RIMS' Government Affairs Committee.

"The effect that we're feeling is really negligible," said Tom Soles, group director-insurance and safety for the Sheet Metal & Air Conditioning Contractors National Assn. in Chantilly, Va.

Mr. Soles added, however, that the shutdown probably did have a small negative impact.

"I think if anything, it's slowed down the cooperative initiatives" between OSHA and business that have been supported by RIMS and other business-oriented groups, said Mr. Soles, who also is chairman of RIMS' Health and Safety Committee.

OSHA viewed the impact of its temporary closure as being considerably more serious.

"Despite some congressional opinion to the contrary, your absence has definitely been felt," wrote Joseph A. Dear, assistant secretary for occupational safety and health, in a Jan. 11 memo to OSHA employees. "We have been unable to respond to more than 1,300 complaints. Six hundred programmed inspections have been scrapped. Nearly 80 fatalities and more than 60 imminent-danger situations have been reported. Work on health and safety standards has ground to a halt. To put it simply, we have a lot of catching up to do," he wrote.

In a related development, Mr. Dear last week outlined for regional administrators and national office directors the areas on which OSHA will concentrate.

Among the initiatives OSHA will continue to promote, he wrote in a memo, are emphasizing "commonsense" enforcement of OSHA regulations; extending nationally the Maine 200 program, which stresses cooperation between OSHA and employers (*BI*, Oct. 9, 1995); and continuing to work with state workplace safety programs and the popular Voluntary Protection Program with certain employers.

Other initiatives that will continue are cutting more than 1,000 pages from the Code of Federal Regulation; issuing final and proposed standards on a number of exposures; and working with interested parties in producing a proposed standard on confined spaces in construction. Mr. Dear's one-page memo adds that "if resources permit, we should continue to work on our other projects" but does not specify what those projects are.

The AFL-CIO shared—and amplified—Mr. Dear's assessment of the budget shutdown.

"The impact is significant. Not only does it mean that inspections are not being conducted, it also means if workers cannot lodge complaints with their local area OSHA office, if they fear they cannot go to their employer without fear of retribution, that those dangerous conditions may continue to exist," said

is fairer to more employees, added Roger Ingenthron, a Mercer principal in St. Louis.

Another advantage to the new plan is that it is relatively easy for employees to compute their final benefit. They need only add the credits they earn and then multiply the sum of the credits by final average pay.

Cost was not a factor in redesigning the General American plan. The cost of the new plan roughly equals the cost of the old pension plan.

To ease the switch to a new plan, General American will phase it in gradually. Employees whose age and service, as of Jan. 1, totaled at least 65 and who are at age 60 or older, will have their pension benefit calculated under the old formula.

In addition, employees whose age and years of participation in the plan total at least 65 and are less than age 60 will have their benefits calculated under the old plan for service through Dec. 31, 1995. Additional benefits will be calculated under the company's new pension plan for service from Jan. 1, 1996.

However, final average pay will be used as employees' termination date for both calculations.

Employees whose combined age and service are less than 45 will have their entire pension benefit calculated under the new plan. Benefits earned under the old plan will be converted into "credits" and added to credits earned after 1995. **BI**

Keith Mestrich, who is occupational safety and health specialist for the Washington-based labor union federation.

Although he could give no specific example, Mr. Mestrich said that the partial government shutdown could mean that "somebody's probably died who shouldn't have had to die."

He also blasted the budget impasse's impact on OSHA.

"What's happening at the agency is that an extraordinary amount of time is being spent on planning on how to shut down the agency," said Mr. Mestrich. "Because nobody really knows what the funding level of the agency will be for the rest of the year, it's put a damper on any and all activities, not just inspections. That's put a damper on setting standards and developing guidelines and the development of long-term programs that can do one of two things, that can improve the existing safety and health infrastructure or two, that make compliance by employers easier."

For those who depend on government statistics to do business, the government shutdown—while not blamed for any fatalities—proved to be more than a mere nuisance.

"A lot of government statistics have been delayed, in some cases by a couple of months," reported Robert P. Hartwig, senior economist for the National Council on Compensation Insurance in Boca Raton, Fla.

For example, employment and unemployment statistics usually released in January by the Bureau of Labor Statistics instead will be released in March, Mr. Hartwig said. The NCCI depends on this data to analyze business conditions in different states.

The shutdown also stymied the work of the EEOC, which investigates claims of employment discrimination.

Nearly 540 hearings before EEOC administrative judges were postponed and approximately 500 appeals to the commission remained unprocessed during the shutdown, according to the agency. **BI**

# Insurer pollution problem called ongoing

By MARK A. HOFMANN

Dealing with old hazardous waste sites will probably continue to be devil insurers and policyholders for the foreseeable future, says the Insurance Services Office Inc.

A new ISO report notes that from just 1992 to 1994 insurers increased their environmental and asbestos reserves by \$6 billion to \$7 billion, and paid out more than \$6 billion in environmental liabilities. But, the report notes, the ultimate tab remains uncertain.

Reform of Superfund has been one of the key federal legislative issues concerning risk managers and insurers for several years.

Business and other critics call it one of the least effective federal programs in recent memory. They cite its high transaction costs, notably legal bills associated with assigning li-

ability for cleanup among various parties, and the fact that relatively few priority waste sites have actually been cleaned up.

Cleanup cost estimates vary widely, ISO notes. For example, a 1994 study by A.M. Best Co. said the ultimate cost to clean up polluted sites could be anywhere between \$34 billion and \$608 billion. Only a year later, Tillinghast put the range at a sharply lower \$25 billion to \$60 billion.

ISO notes that even estimates for cleaning up only sites on the priorities list differ widely, primarily for four reasons:

- Variation in assumptions related to the number of sites to which will ultimately be given priority.
- Variation in assumptions related to the average site cleanup cost.
- Variation in the scope of the estimates—that is, the specific categories of expense included.

Other risk managers agreed.

• Changes over time in the information available.

Just estimating the number of sites illustrates how inexact the process can be. Recent estimates have ranged from 2,000 to 6,000.

The survey notes that many reform proposals have been put forward, for example, turning a greater authority for cleanup back to the states. But while doing so "might expedite cleanups and eliminate duplication of effort between the states and the federal government," it could also "increase costs for states with environmental laws and regulations."

Single copies of "Superfund and the Insurance Issues Surrounding Abandoned Hazardous Waste Sites" cost \$40 and can be ordered from ISO Customer Service at 800-888-4476.

# Gold

Continued from page 1  
not be reached.

Kroll & Tract, a New York law firm representing the Institute of London Underwriters, is investigating the certificate, as is the Texas Insurance Department. James W. Carbin, a lawyer with Kroll & Tract, declined to comment on the record.

Gold ore stored at Wheatland Warehouse has figured in several unrelated financial deals since at least 1990, including one in which an investor claimed in a civil lawsuit that the gold—used to back a financial guarantee—never really existed, court records and other documents show.

In that convoluted 1991 deal,

ranged insurance coverage for the gold through Adams Special Risk, which placed the business with Lloyd's of London underwriters, court records show.

The movie financing never materialized and the insurance coverage for the gold was canceled in January 1992, after the California investors failed to pay the premiums on time.

The investors later tried unsuccessfully to collect on the Lloyd's coverage, and one of the investors unsuccessfully sued Adams Special Risk.

The investor charged, among other things, that the purported gold ore stored in barrels at Wheatland Warehouse was "worthless or nearly worthless."

In a previous 1990 deal, Adams Special Risk issued an insurance

Mr. Stott acknowledged handling ore assignments on behalf of Mr. Hill, but declined to comment on Catalina Trust.

Meanwhile, Adams Special Risk was also contacted about insurance for another Wheatland gold deal in 1991 by Boyd Ewing, an official of California Pacific Bankers & Insurance Ltd. Mr. Ewing described himself as an "agent" for Wheatland, Adams documents show.

California Pacific, an allegedly bogus financial conglomerate that claimed to be based in the non-existent Dominion of Melchizadek, was barred by California regulators in 1993. California Pacific's chief executive, Jeff H. Reynolds III, was indicted on federal fraud charges last month (see related story).

The First Capital insurance certificate, which appears to be on an Adams Special Risk form, surfaced late last year and purports to provide \$2.6 billion in coverage for "precious metal concentrate and/or ore" stored in barrels at Wheatland Warehouse from Sept. 15, 1995, to Sept. 15, 1996.

First Capital was pursuing a deal in which the gold would be pledged to a "top 25 world bank" as collateral for a line of credit, the proceeds of which would then be used in investment deals, according to Virgil Womack, a Lennox, Ga., investment adviser involved in the plan.

Mr. Womack also said he was told by First Capital's Mr. Rayblatt that the \$78.5 million pre-

mium for the insurance had been paid in full.

Mr. Rayblatt denied this, but declined to comment further on the deal. "The whole thing has been pulled off the market until we can figure out what's going on" with the insurance certificate, he said.

Mr. Adams said he never placed any coverage for First Capital and charges that the certificate is a forgery.

He noted that the certificate is on a form that Adams Special Risk stopped using two years ago and that the list of insurers supposedly on the risk is identical to that previously used for the Koda coverage.

Koda's Mr. Roy said he has no involvement with First Capital but that someone could have used the Koda certificate to produce the First Capital documents.

Mr. Adams—who said he learned about the certificate when he was contacted by an investor doing a due diligence review of First Capital—said he has passed the information along to Texas Insurance Department fraud investigators.

Efforts to identify the owner of First Capital's ore or locate Wheatland Warehouse, meanwhile, proved futile.

Mr. Rayblatt declined to comment on these questions.

Mr. Womack said that he does not know who owns the ore but that he has no doubt that it exists, pointing to assay reports verifying its value.

One of these reports was prepared last May by Lupine Technology of Cedar Hill, Texas, at the request of First Capital, which needed to confirm previous assays "for insurance purposes," a copy of the report shows.

The assay, covering 817 barrels of ore at Wheatland Warehouse, concluded that they contain gold and platinum group metals worth \$2.5 billion and that "using a sampling from each barrel, we can genuinely declare that there is consistency in all the barrels."

In an interview, however, Lex Raynes, Lupine's president, said he never visited Wheatland Warehouse or took samples from the barrels. The assay, he said, was based on a small sample of material he received from a person he would not identify.

Mr. Raynes also said that Wheatland's location is a "big secret"; the assay report does not provide an address.

A Las Vegas street address given for Wheatland Warehouse at the time of the 1991 International E&S deal is that of an industrial park with a number of tenants.

Koda's Mr. Roy said that Mr. Hill and others previously rented space at the location using the name Wheatland, but that they had long since moved.

The Las Vegas address given as the location of Koda's ore is now occupied by a ceramic tile company.

Mr. Hill could not be reached for comment on this story. **EI**

## The California investors arranged insurance coverage for the gold through Adams Special Risk, which placed the business with Lloyd's, court records show.

the owner of the Wheatland gold was identified as Russell Hill, a Las Vegas man who has claimed in a resume to own six million acres of Southern California real estate and mineral leases in six states, five African nations, Mexico and Costa Rica.

Mr. Hill assigned the rights to \$1 billion in gold concentrate to International E&S Carrier Ltd., a St. Kitts, British West Indies, firm operated by Donald E. Littlejohn, a Topeka, Kan., businessman, court records show.

Mr. Littlejohn had earlier been hit with a cease and desist order by the Kansas Insurance Department for illegally soliciting business for two offshore insurers operated by the late con man Alan Teale, Kansas records show.

International E&S then issued a financial guarantee, collateralized by some of the gold, to a pair of California men who planned to use the guarantee to obtain a loan for a movie production, court records show.

The California investors also ar-

certificate to Koda Financial Services Corp. of Las Vegas covering \$60 million in ore stored in drums at a Las Vegas warehouse.

The coverage was written by Lloyd's and London market underwriters led by London & Hull Maritime Insurance Co. Ltd., now AXA Marine & Aviation Insurance (UK) Ltd., documents show.

Merrill Roy, Koda's president, said Koda was assigned an interest in the ore by Catalina Trust, an entity he said was controlled by Mr. Hill, the purported owner of the gold, and Arlo Stott, another Las Vegas businessman. Koda was then going to use the ore as collateral to obtain financing from a South American bank, Mr. Roy said.

However, the Koda insurance coverage was canceled for non-payment of premium, according to Jack Adams, president of Adams Special Risk.

Koda's own corporate charter was revoked last month for failure to make required filings with the state, Nevada records show.

## Texas, Illinois Blues may tie knot

By ROBERT KAZEL

CHICAGO—A proposed merger between Blue Cross & Blue Shield of Illinois and Blue Cross & Blue Shield of Texas will probably be the first of as many as 30 such unions among Blues plans, the president and chief executive of the Illinois plan says.

The planned merger, announced last week, is unusual in that it would unite geographically distant Blues markets within a single corporate entity while still leaving the Illinois and Texas operations basically autonomous in their day-to-day operations, said BC/BS of Illinois President Raymond F. McCaskey.

The main purpose for the merger is to generate large savings in areas such as technology to help the two Blues plans compete against aggressive managed care companies in their respective markets.

A united Blue Cross/Blue Shield organization for Illinois and Texas would yield a plan with 3.8 million subscribers, annual revenues of about \$6 billion and reserves of about \$1.1 billion. It would become the second largest Blues plan in the nation, after

Blue Cross & Blue Shield of Michigan.

Blues plans are expected to consolidate out of necessity in the future, with Mr. McCaskey predicting consolidations among 12 to 30 more plans.

"Because of the tremendous amount of capitalization of the competition, it is going to take larger and better capitalized organizations to be serious contenders," he said.

Plan sponsors are unlikely to see any dramatic changes in Blue Cross/Blue Shield operations or pricing soon after the merger.

The union of the two plans will allow the combined plan to compete for multi-state accounts that can include companies with Texas and Illinois employees.

It also will allow the companies to join forces in developing a \$25 million to \$30 million computer system to track customer accounts, Mr. McCaskey said.

The boards of both companies are expected to vote on the merger in early April. It will then be subject to approvals by regulators in each state.

Each plan is expected to continue to do business under its present name. **EI**

## Texas man charged with insurance fraud

DALLAS—The operator of an allegedly bogus insurance conglomerate based in a non-existent island nation is facing multiple federal fraud charges.

A federal grand jury in Dallas last month indicted Jeff H. Reynolds III on charges that he bilked policyholders using California Pacific Bankers & Insurance Ltd., a company that he said was based in the fictional Dominion of Melchizadek.

California Pacific claimed to have a net worth of more than

\$250 million in a series of fraudulent financial statements, one of which was purportedly audited by an accounting firm that was also located in the Dominion of Melchizadek, prosecutors charge.

California Pacific documents describe Melchizadek as being located either in Antarctica or on Malpelo, a largely uninhabited island off the coast of Colombia that is actually Colombian territory.

Mr. Reynolds used his bogus company to write insurance poli-

cies and surety bonds for a number of policyholders—including Riverside County, Calif.—through agents in Canada, California and New York, the indictment charges.

California insurance regulators barred the company in 1993 (*BI*, March 29, 1993).

If convicted, Mr. Reynolds could face a maximum statutory sentence of five years on each of 20 mail and wire fraud counts.

Mr. Reynolds could not be reached.

—By Douglas McLeod

## M&M vice chairman to retire

### Comings & Goings: Industry

Philip Wroughton, vice chairman of Marsh & McLennan Cos. Inc., plans to retire at the end of June and will not seek re-election as a director of the company.

In addition, New York-based M&M announced last week that Richard Blum, currently chairman and chief executive officer of Guy Carpenter & Co. Inc., M&M's reinsurance brokerage unit, will move to the parent to lead the integration of M&M's insurance and reinsurance brokering, risk management and insurance program management operations. Hady Wakefield will move from president of Guy Carpenter to chairman, and Brandon Sweitzer will become Guy Carpenter's president and CEO.

In other broker changes: Richard K. Kerr named chairman and CEO of Lowndes Lambert U.S. Holdings Inc., the newly formed Dallas-based subsidiary of London-based Lowndes Lambert Group Holdings P.L.C. Previously, he was president of Sedgwick James of Texas.

Phillip N. Norton, former national directors and officers liability practice leader for Watson Wyatt Worldwide in Chicago, has joined Sedgwick James Inc. as managing direc-

tor of Sedgwick's financial risk service resource group—Sedgwick Financial Risk Specialists—in Chicago.

Randy Tchou named senior vp-national practice leader for excess casualty North American operations at Rollins Hudig Hall Co. Inc. in Chicago. Also at RHH, Hope A. Aldrich named executive vp and chief administrative officer at RHH of Massachusetts Inc. in Boston. Ms. Aldrich succeeds Webster B. Brockelman Jr., who retired Feb. 1. Peter Di Rito named vp and account executive for RHH of Rhode Island Inc. in Providence.

Lane B. Sickles named senior vp at Willis Corroon Corp. of Arizona in Phoenix. Previously, he was chairman, president and CEO of Jardine Insurance Brokers Arizona Inc., which was acquired by the unit of Willis Corroon Group P.L.C. last year.

Harold K. Ross named executive vp-premium production at NIA/Kornreich Group of Cos. in New York.

Julie Coulter named vp-music department of the entertainment division of Near North National Group

in Chicago. Ms. Coulter previously was co-owner of entertainment insurance agency Coulter & Sands Inc.

Michael S. Dow named vp-commercial insurance division of Adams & Porter of Southern California, a Costa Mesa-based brokerage subsidiary of Frenkel & Co. of New York.

Gregg E. Bundschuh named a vp in the Johnson & Higgins construction group in Atlanta.

### Insurers

David B. Mathis named president and CEO of Kemper National Insurance Cos. in Long Grove, Ill. Mr. Mathis, previously chairman and CEO of Kemper Corp., which was acquired by Zurich Insurance Co., succeeds Alfred K. Kenyon, who is retiring.

Michael J. Nocera named president and CEO of New York Life Worldwide Holding Inc., the international insurance subsidiary of New York Life Insurance Co. Mr. Nocera succeeds William Yelverton, who resigned to take a position with Prudential Insurance Cos. **EI**

## 403(b)

*Continued from page 2*

that to grow at about a 9% rate over the next five years.

Traditionally, these plans have not featured matching employer contributions and thus, unlike 401(k) plans, generally are not subject to the Employee Retirement Income Security Act.

Employers that do not match contributions also typically do not have fiduciary responsibility for the plans. In fact, in many cases, obtaining employer approval for an insurer to offer its 403(b) products to employees has been a mere technicality (*BI*, Sept. 7, 1992).

But that is now changing. Purely voluntary plans still account for the vast majority of 403(b) plans. But an increasing number of eligible institutions—particularly large, sophisticated tax-exempt organizations—are beginning to offer matching funds, mirroring their 401(k) counterparts in the corporate sector. Matching contributions also puts them squarely under the purview of ERISA and its fiduciary, reporting and disclosure requirements.

However, only a limited number of new plans are being introduced. Therefore, much of the anticipated new growth in this market is expected to come from employers' matching funds, as well as increased participation in existing plans as employees become increasingly aware of their need for retirement savings.

The IRS first discovered that there were problems with 403(b) plan compliance about three years ago, when it conducted comprehensive "coordinated examination program" audits at 37 large universities and hospitals, said Mr. Architect.

At about the same time, some organizations voluntarily approached the IRS for help in administering their 403(b) annuities, he said. The IRS realized that 403(b) plans were an area with "little examination activity" yet "full of problems," which led to the audit program, said Mr. Architect. He added that "several dozen" audits have been completed so far and the IRS is continuing to conduct them.

He noted that because the IRS has focused its audit activity on large, sophisticated plans, most—though not all—of the audited 403(b) programs reviewed have been ERISA plans.

The primary problem the IRS has found with the plans is excess contributions. Proper contributions are determined by a very complex formula, but generally employees are limited to about 20% of their total compensation or \$9,500 per year, whichever is less, said Mr. Architect.

In May, the IRS launched a program called the Tax-Sheltered Annuity Voluntary Correction Program, under which institutions concerned about possible problems in their 403(b) plans can approach the IRS.

While the program has a built-in "sunset" date of Oct. 31, it may be extended. There have been 14 cases of institutions requesting IRS review so far, said Mr. Architect.

The voluntary program "really hasn't caught on yet, because people are very shy about going to the IRS. You really need the advice of a professional to determine whether it is appropriate to take advantage of the program," said Stephen W. Friedmann, vp and senior technical consultant with Sedgwick Noble Lowndes in Melville, N.Y.

"I think you really have to take a careful look at what your situation is" and determine whether or not to go in, said Mr. Friedmann. "If you don't go in and get audited, however, then you're out in the cold and the possibilities of fines are much higher."

This dilemma is called "audit roulette," said Roger Grayson, a managing consultant with A. Foster Higgins & Co. Inc. in Washington,

### Most—though not all—of the audited 403(b) programs reviewed by the IRS have been ERISA plans.

who estimates that fines for the audited institutions to date have averaged \$1 million.

Stanford University is among the organizations that have been audited by the IRS, noted Jim Franklin, associate vp for total compensation at the Palo Alto, Calif., university.

"We have been audited and our plans have been deemed in compliance and I was delighted about that," said Mr. Franklin, who said he had no comment on a report that the university had in fact paid a substantial fine in conjunction with the audit.

Meanwhile, the IRS' interest in this area has led many tax-exempt institutions with 403(b) plans, regardless of whether they are considered ERISA plans, to pay closer attention to their plan design, said Gail Praslick, vp with Metropolitan Life Insurance Co. in New York, which is a major provider of 403(b) annuities.

Before the audits began, institutions felt they could simply offer numerous options to their employees and they were "home free," she said. Now, however, they are paying closer attention to the administration of their programs, including verification of employee salary information, reviewing the options being offered and making sure it all "fits together nicely," she said.

"I think as the audits work their way down to smaller size plans, more and more people will pay attention," said Brian Ternoey, a principal with Foster Higgins in Princeton, N.J.

But, Mr. Ternoey added, many plan sponsors still have relatively little direct involvement with the

annuities. "It's just something they'll offer like a credit union or savings bond deduction, and the participant has to decide and beware of the sales pitches and all that. That's still a pretty common approach or attitude by the plan sponsor."

An increasing number of employers, though, are getting more involved and matching employee contributions, say observers, who cite hospitals in particular.

Hospitals "have to start working harder to compete to get the kind of employee they want, so they have to maybe start offering more lucrative plans," said Kelly Clevenger, a vp with Lincoln National Life Insurance Co. in Fort Wayne, Ind., which also is a large annuity provider.

As hospitals are being pressured to watch expenses, they are cutting back on their defined benefit plans and offering matching 403(b) plans as a supplement, said Michael Footer, a principal with William M. Mercer Inc. in Richmond, Va.

There is also growth potential from greater penetration of the market.

Only about 20% to 40% of eligible participants participate in the 403(b) plans offered by their employers, observers estimate.

Bob Lee, vp for marketing and communications at Prudential Defined Contribution Services, a unit of Newark, N.J.-based Prudential Insurance Co. of America, said that participation is relatively higher among higher-salaried employees than hourly workers.

But participation could climb across the board as awareness of retirement planning needs grows.

"An increased attention to retirement means participants are more conscious about contributing, so in that sense the amount of money going into 403(b) annuities should go up," said Foster Higgins' Mr. Ternoey.

Meanwhile, competition is increasing among companies offering annuity contracts.

The New York-based Teachers Insurance & Annuity Assn. of America-College Retirement Equities Fund, or TIAA-CREF, which has a total of \$158 billion of assets under management, remains the largest annuity provider in the market.

Other major players include Prudential, MetLife, Lincoln National and Houston-based Variable Annuity Life Insurance Co., among others. One major player that soon will be leaving the market is UNUM Corp., which recently signed a definitive agreement to sell its 403(b) business to Lincoln National for about \$70 million.

Also active in the market are mutual fund companies such as Fidelity Investments of Boston.

"I think right now in terms of 403(b), we're seeing some increasing inroads made by the mutual funds market," which to a certain degree is increasing competition, said Larry Mayewski, senior vp-life/health division of A.M. Best Co. in Oldwick, N.J. **BI**

## Kaiser

*Continued from page 2*

Benefit experts praised Kaiser's change in course.

"I think it's a good move," said Tanya Bednarski, adviser-health care plans for Chevron Inc. in San Francisco.

In the early 1990s, she recalled, Kaiser sought increases of close to 20% from Chevron, money the HMO said was needed to build new hospitals. "If that's the kind of impact it'll have on their rates,

I don't think employers will accept it" given the existing capacity in its own backyard, Ms. Bednarski said.

She also noted that Kaiser plans to negotiate with quality hospitals, not second-tier facilities that offer the lowest rates.

"I think it's very responsible of them to, instead of building their own facilities, look for contracting for space at other hospitals," said Jim Franklin, associate vp for total compensation at Stanford University in Palo Alto, Calif. The move should help keep rates

down, he added.

Forming alliances with Bay area hospitals gives Kaiser the flexibility to change with the market.

Kaiser's facilities are not operating at "sufficiently high capacity to be economical, so the unit costs are going up when they should be going down," explained Wanda Jones, president of the San Francisco-based New Century Healthcare Institute and a health care analyst.

The new strategy will "allow Kaiser to keep their premiums low," she said. **BI**

## Updates

### Stable P/C prices projected

NEW YORK—Stock analysts see little change in the property/casualty insurance industry's financial performance this year compared with 1995, according to the annual "groundhog" survey conducted by the Insurance Information Institute.

The analysts who conducted the survey project an industry combined ratio of 106.6% this year, a slight deterioration from the 105.3% combined ratio they projected for 1995. They also project a 3.8% growth rate in net written premiums to \$268.7 billion in 1996 from an estimated \$258.9 billion in 1995. That's a slight increase from 1995's 3.3% growth rate.

"The notion of a generalized increase in prices affecting all lines of insurance is no longer a basic characteristic of this industry," said Sean Mooney, senior vp and economist at the III in New York.

### Faucet makers settle lead suit

SAN FRANCISCO—Four faucet makers agreed last week to reduce the level of lead in faucets they sell in California to comply with state leaching standards, and to pay \$2.7 million in fines and attorneys' fees.

Under settlement terms, Price Pfister Inc.—a unit of Black & Decker Corp.—Kohler Co. and its Sterling Plumbing Group Inc. unit, and Chicago Faucet Co. all agreed to make and by 1999 to market only faucets that leach 0.5 micrograms per day of lead into drinking water. By year-end 1996, 50% of faucets sold in California must meet this standard, which was established in 1986 under Proposition 65 and is one of the strictest standards in the country. Under U.S. Environmental Protection Agency rules, faucets can leach up to 15 micrograms per day.

Pacoima, Calif.-based Price Pfister, the largest faucet manufacturer in California, will pay most of the monetary penalties—\$2.4 million. The company would not comment on if it was insured for the costs.

Kohler and Sterling will not rely on insurance for their share of the settlement. Chicago Faucet could not be reached for comment.

The settlement brings an end to a class-action suit brought against 16 faucet manufacturers by the State of California, the Natural Resources Defense Council and the Environmental Law Foundation. In August, a group of faucet makers including Moen and American Standard agreed to a similar settlement.

### Losses from second storm

RAHWAY, N.J.—The year's second major winter storm caused \$360 million in insured property damage, estimates the Property Claim Services division of the American Insurance Services Group.

PCS expects about 185,000 claims from the storm, which raked a broad area of the United States Jan. 17-20. High winds hit the southwest, heavy snow fell in Minnesota and torrential rain in the northeast, melting snow from the Blizzard of '96 and causing flooding.

Insured losses are estimated at \$585 million (*BI*, Jan. 22).

### Web site for RMIS goes online

ANN ARBOR, Mich.—A new Internet site devoted to risk management information systems is debuting on the World Wide Web.

RMIS-Web, owned and operated by Ann Arbor, Mich.-based Infotech Consulting Inc., features articles on RMIS, columns by industry experts and complete listings from *Business Insurance's* annual directory of RMIS vendors (*BI*, Dec. 4, 1995). The online directory also includes "hyperlinks" to several vendors' own Web pages.

RMIS-Web—at <http://rmisweb.com>—also features a hyperlink to a *Business Insurance* home page with basic information about the magazine, including how to order reprints, back issues and subscriptions.

For more information about the site, contact Mike Turner, president of Infotech, at 313-913-2993 or by e-mail, [miket@rmisweb.com](mailto:miket@rmisweb.com).

### Briefly noted

The Florida Court of Appeals has upheld the certification of a class-action lawsuit against cigarette manufacturers by state citizens and residents who say they have become addicted to nicotine. . . . Stamford, Conn.-based **Chartwell Re Corp.** said it has filed a registration statement with the Securities and Exchange Commission seeking to sell 3.6 million shares, of which 2.5 million are being sold by the reinsurer and 1.1 million by stockholders. Chartwell shares closed Friday at \$22.88. . . . Three **tort-reform initiatives** will appear on the March primary ballot in California. The measures, introduced by a business alliance, would cap lawyer contingency fees, end most auto accident lawsuits and require losers in shareholder class-action lawsuits to pay the winner's legal expenses (*BI*, July 3, 1995). Attorneys have countered with an initiative that would impose stricter sanctions against frivolous lawsuits. Another yet-to-be-certified initiative would let attorneys and clients determine contingency fees. . . . **USLife Corp.** will immediately cease writing traditional indemnity major medical insurance for employers and will offer only managed care in selected markets, the New York-based insurer announced last week. . . . **Group health care plan costs** for employees covered in indemnity plans will rise an average of 4% this year, while HMO premiums should remain flat, according to a survey of 120 large employers by Towers Perrin. Surveyed employers also project that retiree health plan costs will rise an average of 3% in 1996. . . . California's Department of Insurance has formally quashed a proposal to base employer's **workers comp experience modification** solely on claim frequency and not on claim severity (*BI*, Jan. 22). . . . **U.S. members of Lloyd's of London** are suing Citibank in New York, alleging that the bank breached its fiduciary duty by intermingling the members' trust funds, which were established to pay claims. Both the bank and Lloyd's deny any wrongdoing. . . . **Pension Benefit Guaranty Corp.** Executive Director Martin Slate is one of several candidates being considered for the post of solicitor at the U.S. Department of Labor. The PBGC declined to comment.

# Oregon

Continued from page 1

"I think it is a fairly thorough report, though it is more focused on cost issues rather than worker benefits or issues of fairness," said Kerry Barnett, director of the state Department of Consumer and Business Services.

The WCRI says other states could learn six general lessons from Oregon's experience:

- Start with injury prevention.
- "Oregon makes a strong case for the role of injury prevention in reducing system costs," the study found.

The state-run Oregon Occupational Safety and Health Division "has done a great job," said Lisa Trussell, director of risk management for the Salem-based Assn. of Oregon Industries' workers compensation program.

"There was a lot of speculation on employers' part about the wisdom of letting the fox into the hen house, but that has not been a problem. OR-OSHA clearly separates consulting from enforcement," she said.

Injury prevention is "the most important reform," agrees Cameron Williams, risk manager for the city of Gresham, Ore., near Portland.

- Large savings are possible in a system that already has high costs.

"Oregon was undeniably a high-cost state in the mid-1980s," the WCRI said. There was "considerable room for improvement."

For example, employers' pure premium rates for workers comp increased a cumulative total of 52.6 percentage points from 1986 to 1990.

High costs may be "the single most important factor" in spurring change, said David White, state risk manager. "If you don't have high costs—no wolf at the door—... costs don't get the attention of decision makers."

The reforms improved things markedly in the states, he said. State employees, who averaged 4.6 paid indemnity claims per 100 workers, are down to one per 100. And, one mental health unit that had 30 such claims now has only nine.

The reforms also caused a significant drop in employee benefit costs.

"Total paid benefits actually fell after 1988, from almost \$498 million that year to \$458 million in 1993. Adjusted for growth in employment and inflation, total paid benefits fell 7.9% annually on average," the study found. Contributing to this drop were "a sharp reduction in claim volume, the elimination of medical cost

growth as a cost driver, and fewer workers receiving vocational assistance services," the study found.

- Adopt comprehensive reforms.

The WCRI points out that all major aspects of the system were affected by Oregon's initiatives, which included: encouraging return-to-work, restricting the legal definition of compensability, restricting eligibility for vocational assistance, limiting palliative care, limiting the role of the chiropractor as treating physician, permitting managed care, improving administration, as well as reducing the cost and delay associated with litigation.

Tighter compensability rules were important because "prior to 1990, unsupported assertions of pain were enough to support a comp award," said Stanton Long, vp-domestic claims for American International Group Inc. and president of AIG Claims Services Inc. in New York. Objective findings of illness or injury are now required.

In addition, an important change is the use of managed care techniques, such as increasing an employer's authority to choose the treating physician, which is "legitimate" since it is paying for the care, said Mr. Long, who is former president of the State Accident Insurance Fund, an independent public corporation that operates as a competitive state fund in Oregon.

However, labor representatives think the trend toward managed care has gone too far.

An employee now can see a personal doctor with whom he or she has an established relationship, but any referral must be to a managed care organization physician, said Kathleen Morris, secretary-treasurer of the United Food & Commercial Workers Union Local 555. However, employers are continuing to tighten restrictions, she said. Also, employers sometimes force employees to return to work after surgery, even before their doctors release them. "There is blatant disregard for the health of injured workers."

- Cost savings made possible by the reforms permit an increase in some worker benefits.

The study found that permanent partial disability benefits increased particularly for workers with more serious injuries, though all agreed benefits were low initially. However, "most workers' representatives insist that workers have not benefited enough from the cost savings produced by the reforms."

"The majority (of workers) face greater difficulty in filing a claim and seeing it through," agreed the union's Ms. Morris.

- Administering major system reform is not inexpensive.

The cost of administering the workers comp system rose to \$24.7 million in fiscal 1993 from \$16.7 million in fiscal 1988. Administrative costs were \$793 per accepted indemnity claim in 1994, which is "much higher" than in many other states, the study found.

"When you decrease the number of claims, you increase the amount of expense per claim," Mr. Barnett emphasized. A better measure is return on investment, he suggested. Since 1990, "for every \$1 in administration costs on the part of the state, there was an \$81 savings throughout the system," he said.

- Management-labor cooperation can be fragile.

"The 1990 reforms were widely heralded as the product of landmark cooperation between management and labor," the study said. But cooperation among members of the Workers' Compensation Management-Labor Advisory Committee subsequently broke down.

"We couldn't get agreement and after a while, we were not sure anyone wanted to get agreement," ruefully admitted Ms. Trussell, who still co-chairs the dormant committee.

As Mr. Barnett sees it, the WCRI study "understates the impact of basic public policy disagreement between management and labor in analyzing the failure of the management-labor committee in gaining consensus."

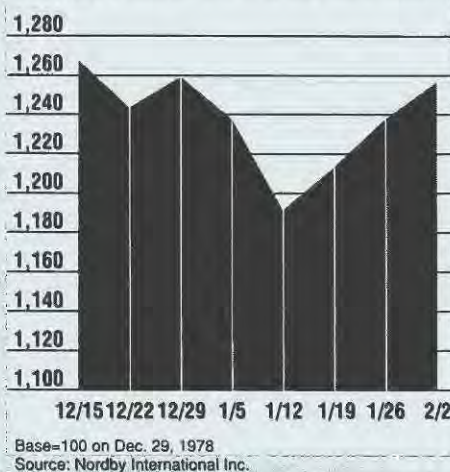
A contributing factor was election of a GOP-dominated House and Senate, which tended to empower the management perspective, though the governor continues to be a Democrat, several sources said.

The study, which was written by WCRI researchers Duncan S. Ballantyne and James F. Dunleavy, did not actually analyze the impact of some 1995 changes in state law. But it did say that the state's medical fee schedule, which allows higher fees than do schedules in almost all other fee-schedule states, could be a source of additional savings.

Dr. Reardon, who also represents the American Medical Assn., warned that if the schedule were reduced to the level of other payers, providers might stop treating injured workers.

A copy of the study, "Workers' Compensation in Oregon—Administrative Inventory" is free for WCRI members, \$29 for non-members. Write the Publications Department at the Workers Compensation Research Institute, 101 Main St., Cambridge, Mass. 02142.

## BI Insurance Index



### PCS catastrophe options

As of Feb. 2		Call spread bid/ask		Price	
Eastern September 1996	40/60	5.4/6	30/50	2.8/4.7	West Annual
	50/70	4/6	40/60	3.5/4.5	
	80/100	2.5/4			
Southwest Sept. 1996	40/60	4/5.5	California Annual	40/60	3.5/4.5
Total volume: 90 Total open interest: 1,560					
For information on PCS cat options, call 312-435-3674. Source: Chicago Board of Trade					

### British Issues

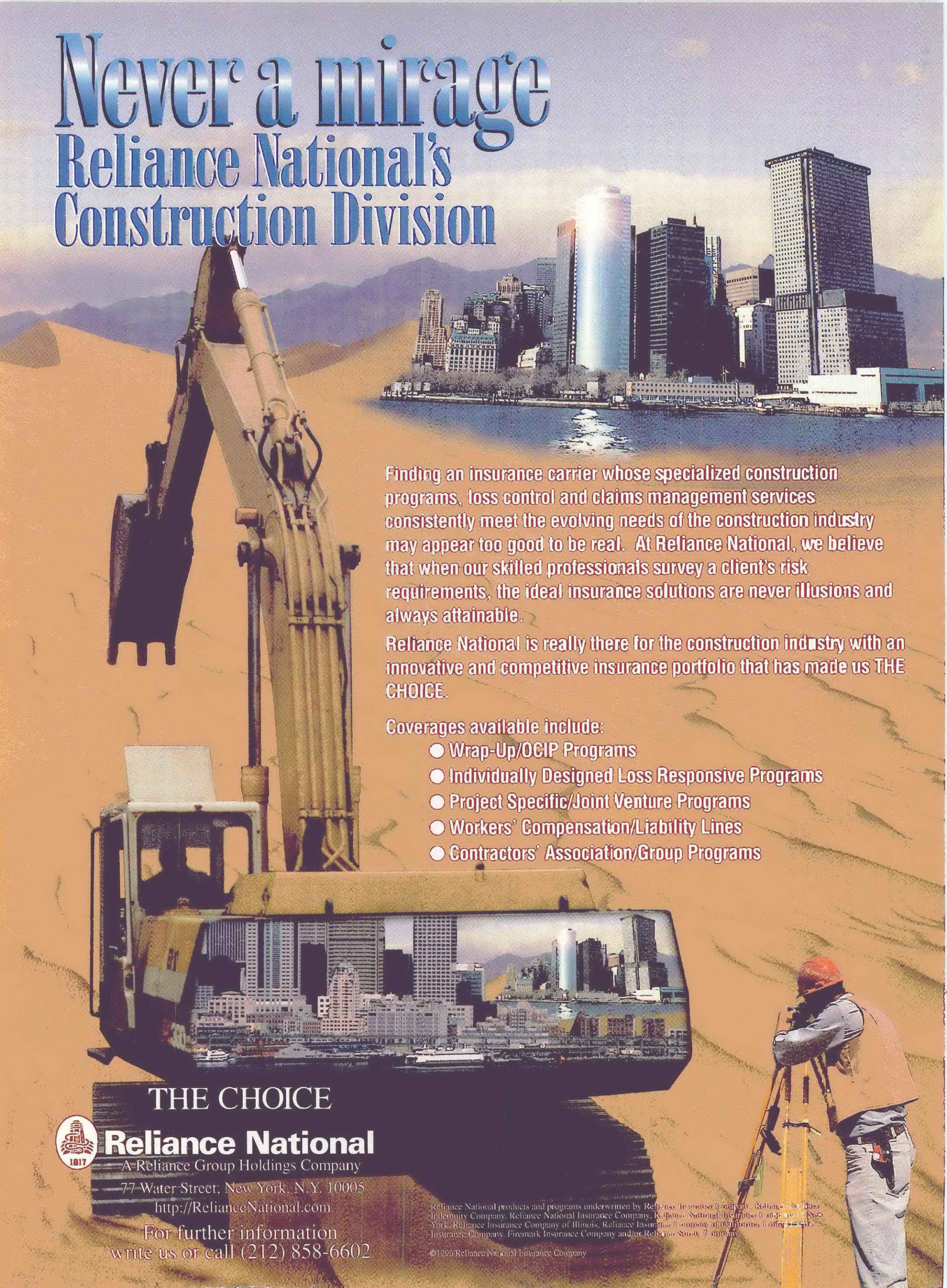
Feb. 1 Companies	Price	P/E	Div. pence	Yield %	1 week high-low
Comm Union	616	12.3	35.0	5.7	626-616
Genl Accident	647	9.2	38.8	6.0	663-647
Gdn Royal Exch	256	8.5	11.3	4.4	265-256
Independent	415	9.2	13.8	3.3	415-415
Royal	380	7.8	18.8	4.9	385-378
Sun Alliance	374	8.1	21.3	5.7	380-370
<b>Brokers</b>					
Bradstock	71	11.8*	7.1*	10.0	71-71
Fenchurch	144	9.7*	10.6*	7.4	144-144
CE Heath	160	10.0	12.5	7.8	164-149
JIB Group	103	10.8	9.4	9.1	104-103
Lloyd Thompson	164	10.1*	11.3*	6.9	164-164
Lowndes Lmbt	152	8.2	11.0	7.2	153-152
Nelson Hurst	167	11.1	9.5	5.7	167-167
Sedgwick Grp	123	10.8	8.1	6.6	127-122
Steel Bri Jones	44	5.5	5.6	12.7	44-44
Willis Corroon	154	14.0	8.3	5.4	154-150
Source: Philip Olsen, London *Actual. Others estimated.					

# BI Industry Stock Report JAN. 29, 1996, THROUGH FEB. 2, 1996

BROKERS	Price	Weekly % change	Year to date % change	Annual			Vol.(000)	\$ Div.	% Yield	P/E	Book value	Mkt./Bk. value	Price	Weekly % change	Year to date % change	Annual			Vol.(000)	\$ Div.	% Yield	P/E	Book value	Mkt./Bk. value	
				High	Low	Vol.(000)										High	Low	Vol.(000)							\$ Div.
Aceordia Inc.	NYS	29	0.00	-2.52	34.50	23.50	57	0.72	2.48	18	14.00	2.07	National Re Corp.	NYS	35.625	-3.06	-6.25	38.13	26.75	179	0.2	0.56	13	17.05	2.09
Alexander & Alexander	NYS	18.75	0.00	-1.32	26.44	18.00	211	0.1	0.53	-15	19.17	0.77	Navigators Group	NDQ	16.5	-6.38	-6.38	19.75	12.75	117	0.00	0.00	16	10.21	1.62
E.W. Blanch Holdings Inc.	NYS	23.5	0.00	0.53	24.50	16.50	236	0.4	1.70	18	4.93	4.98	Nobel Insurance Ltd.	NDQ	12.25	-2.49	7.69	12.75	8.13	72	0.2	1.63	6	6.84	1.79
Gallagher Arthur J. & Co.	NYS	37.625	1.35	1.01	38.25	32.50	153	1.16	3.08	15	6.48	5.81	Ohio Casualty Corp.	NDQ	37.125	4.58	-4.19	39.25	29.00	426	1.52	4.09	13	23.64	1.57
Hibb, Rogal & Hamilton	NYS	13	0.97	-2.80	14.38	10.50	51	0.6	4.62	16	1.21	10.74	Old Republic Int'l	NYS	35.25	3.30	-0.70	35.50	22.88	462	0.52	1.48	10	25.79	1.37
Kaye Group Inc.	NDQ	7.75	0.00	-3.13	10.75	6.75	0	0.1	1.29	8	NA	NA	Orion Capital Corp.	NYS	45.75	4.57	5.48	45.75	34.25	106	0.92	2.01	10	26.00	1.76
Marsh & McLennan	NYS	90.375	-0.41	1.83	91.63	76.13	1015	3.2	3.54	16	19.95	4.53	Partner Re Ltd.	NDQ	27.125	-2.69	-1.36	28.38	19.75	1023	0.00	0.00	0	20.37	1.33
Poe & Brown	NDQ	25	2.56	0.50	25.25	20.50	36	0.48	1.92	15	5.15	4.85	Penn-America Group Inc.	NDQ	12.875	-2.83	-9.65	15.50	6.50	0.1	0.12	0.93	9	6.40	2.01
BROKERS AVERAGE			0.6	-0.7					2.7	13			Philadelphia Cons. Holding	NDQ	20.25	2.53	24.62	21.88	12.00	19	0.24	1.19	17	9.05	2.24
													PXRE Corp.	NDQ	27	0.93	1.89	29.75	21.00	72	0.72	2.67	5	21.27	1.27
													Provident Life	NYS	28.375	0.00	-2.16	29.75	20.50	0	0.72	2.54	13	22.34	1.27
													Prudential Reinsurance	NYS	22	0.57	-5.88	23.50	18.50	1513	0.12	0.55	13	NA	NA
													Reliance Group Holdings	NYS	8.25	-1.49	-4.35	9.25	4.88	703	0.32	3.88	11	3.42	2.41
													Reliastar Financial Corp.	NYS	46.375	5.70	4.51	47.63	31.38	290	1	2.16	11	24.53	1.89
													Renaissance Re Holdings Ltd.	NDQ	29.5	-2.48	-2.88	33.13	20.72	80	0.00	0.00	0	NA	NA
													Risk Capital Holdings	NDQ	20.5	0.61	-12.30	23.38	19.88	67	0.00	0.00	0	NA	NA
													RJI Corp.	NYS	25	-0.99	0.00	25.00	17.00	10	0.52	2.08	25	20.51	1.22
													St. Paul Companies	NYS	56.75	-2.37	2.02	60.00	46.13	2067	1.6	2.82	10	32.46	1.75
													SAFECO Corp.	NDQ	35.125	0.36	1.81	39.25	26.25	2955	1.06	3.02	11	44.95	0.78
													Selbels Bruce Group	NDQ	2.3125	8.82	54.17	2.75	0.44	254	0.44	19.03	-1	0.04	57.81
													Selective Ins. Group	NDQ	38.5	6.21	8.45	38.50	27.00	123	1.12	2.91	11	23.23	1.66
													Sphere Drake Holdings	NYS	11.875	-2.06	-15.18	19.13	11.88	189	0.00	0.00	0	13.86	0.86
													TIG Holdings	NYS	27.125	-0.46	-4.82	29.50	18.88	1314	0.2	0.74	16	16.62	1.63
													Titan Holdings, Inc.	NYS	14	6.67	-2.61	15.75	9.38	59	0.3	2.14	10	9.04	1.55
													Tokio Marine & Fire	NDQ	63.375	1.40	-3.98	69.25	49.88	7	0.4	0.63	22	57.72	1.10
													Torchmark Corp.	NYS	47	1.16	3.87	49.88	36.75	905	1.16	2.47	13	17.37	2.71
													Transatlantic Holdings	NYS	69.5	-0.18	-5.28	75.25	55.00	132	0.48	0.69	13	33.30	2.09
													Transnational Re Corp.	NDQ	24.375	1.04	-0.51	27.25	19.13	49	0.00	0.00	7	18.84	1.29
													Travelers Corp.	NYS	63.625	4.73	1.60	66.00	36.25	4385	0.9	1.41	12	24.77	2.57
													Trenwick Group Inc.	NDQ	54.5	-1.36	-3.11	57.50	41.75	126	1.12	2.06	12	29.23	1.86
													United Fire & Casualty	NDQ	30	2.56	7.14	30.00	17.88	18	0.9	3.00	11	28.96	1.04
													Unitrin	NDQ	50.3125	3.21	4.82	51.75	43.50	280	2.2	4.37	13	37.51	1.34
													UNUM Corp.	NYS	58.375	0.65	6.14	61.50	39.88	960	1.06	1.82	16	26.45	2.21
													US Facilities Corp.	NDQ	19.375	5.44	-9.36	23.38	11.00	401	0.24	1.24	9	14.20	1.36
													USF&G Corp.	NYS	16.25	-0.76	-3.70	19.50	13.38	4510	0.2	1.23	10	10.86	1.50
													USLIFE Corp.	NYS	31.5	-4.18	5.44	33.25	23.50	425	0.93	2.95	11	38.45	0.82
													Washington National	NYS	26.375	-2.31	-4.52	30.50	17.75	114	1.08	4.09	10	25.13	1.05
													Zenith National Ins.	NYS	23.375	1.08	9.36	24.63	19.38	24	1	4.28	31	16.35	1.43
													Zurich Reinsurance Centr.	NYS	30.25	1.26	-0.41	30.88	27.88	91	0.00				

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