

JANUARY 25, 1993

Business Insurance

Reporting weekly for corporate risk, employee benefit and financial executives / \$2.50 a copy; \$80 a year

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UNFINISHED BUSINESS

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Stop Loss

TPAs

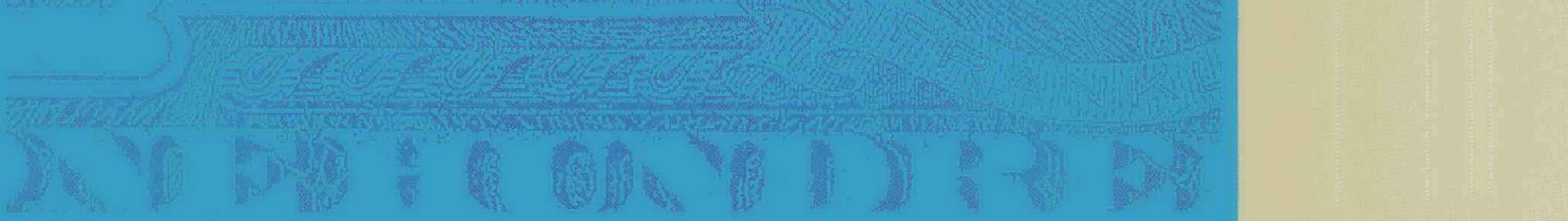
Self-funding

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Business Insurance

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Appellate court orders retrial in Shell pollution coverage suit

SAN FRANCISCO—Shell Oil Co. won a partial victory last week when a state appellate court ordered a retrial on whether Shell can tap hundreds of millions of dollars worth of general liability insurance to cover part of the cost to clean up a Colorado waste site.

A three-judge panel for the 1st District of the California Court of Appeals ruled on Thursday that a jury's 1988 decision to deny Shell coverage from hundreds of insurers was prejudiced (*BI*, Dec. 26, 1988).

Continued on next page

Employers slam rules on pension withholding

By JERRY GEISEL

WASHINGTON—Employers are lobbying both the Internal Revenue Service and Congress for relief from a law and accompanying regulations that impose a 20% withholding tax on lump-sum and many other types of pension distributions.

Enacted by Congress last summer to accelerate the collection of taxes, the law—which went into effect Jan. 1—imposes a 20% withholding tax on a broad range of distributions from pension plans, like lump-sum payments from defined contribution plans employees receive when they terminate employment.

Congress did give employees two ways to avoid the 20% withholding tax: They can ask their employers either to transfer the distribution directly to an individual retirement account or to a defined contribution plan sponsored by the worker's new employer, as long as the new plan will accept the distribution.

Employers are required to notify employees of the distribution options and the tax consequences no less than 30 days and no more than 90 days before the distribution.

While the law has been in effect less than a month, employers have been overwhelmed by calls from confused workers.

For example, after Eastman Kodak Co. sent notice of the new law late last year to 8,800 plan participants who expect distributions in January and February.

Continued on page 66

Teale arrested by feds

Exec, wife accused of stealing millions via network of firms

By DOUGLAS McLEOD

ATLANTA—Insurance entrepreneur Alan Teale is being held without bail after his arrest on federal charges of operating a vast insurance scam that allegedly bilked thousands of policyholders out of millions of dollars.

Mr. Teale and his wife, Charlotte C. Rentz, were indicted by a federal grand jury in Mobile, Ala., earlier this month on multiple fraud, conspiracy and money laundering charges stemming from their alleged operation of an international network of more than 20 insurance, reinsurance and management companies.

Federal agents arrested Mr. Teale Jan. 15 at his home in an Atlanta suburb. FBI agents also arrested Ms. Rentz and searched the couple's home and offices.

At a hearing last Tuesday, U.S. Magistrate John E. Dougherty granted prosecutors' request to hold Mr. Teale without bail as a risk to the community and a risk to flee. Ms. Rentz was released on \$75,000 bond secured by her

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Charlotte Rentz, the wife of Alan Teale, hid her face from photographers after her release on bond last week. However, attorney Robert Fierer, below, was unsuccessful in securing Mr. Teale's release.



Photos by Joe Stewardson



Xerox puts C&F on the block

By JUDY GREENWALD

BASKING RIDGE, N.J.—Constitution Reinsurance Corp. and Viking Insurance Co. of Wisconsin are likely to be the first units of Crum & Forster Inc. to be sold as parent Xerox Corp. withdraws from the financial services business.

The two companies already are stand-alone operations, while other Crum & Forster units are in the midst of a restructuring and their immediate sale "would be a lot more problematic," said a company spokeswoman.

Xerox last week announced plans to shed its remaining financial services businesses, including insurance, to focus on its core document-processing businesses.

The move is a good one, said

Joanne Morrissey, a principal with Firemark Consultants Inc. in Morristown, N.J. Xerox will be better off without Crum & Forster, while the insurance group will be "better off with the Xerox yoke off their back," she said.

The withdrawal is likely to be costly, however.

A \$778 million fourth-quarter aftertax charge will include a \$288 million charge related to reserve strengthening at Crum & Forster, and another \$400 million for a partial writedown of the insurer's goodwill, which is its estimated value above its book value.

Xerox also said it will provide support to Crum & Forster in the form of up to \$300 million in notes and more than \$470 million in aggregate excess-of-loss

reinsurance protection.

These expenses are all in addition to \$444 million in realized capital gains that was allocated for restructuring in the third

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Spotlight on
Self-Insurance
Page 3

Directory of
Third-Party Administrators
Page 23

Asbestos pact in doubt

Settlement offer may not entice many claimants

By MICHAEL SCHACHNER

PHILADELPHIA—Many asbestos victims may not share the enthusiasm of a group of former asbestos producers for a proposed class-action settlement of future claims.

Asbestos litigation experts expect that the proposal—which

could provide \$1 billion for victims over the next 10 years—will be approved this fall. But they question whether victims will even register for the voluntary program.

Lawyers for victims complain that proposed payments are too low. Although the settlement would guarantee payment within six months of filing a claim, lawyers say they will continue to pursue most of their cases against these asbestos producers in court, where awards generally exceed the proposed payments.

"This plan is a disaster," said Thomas Henderson of Henderson & Goldberg in Pittsburgh, who handles about 5,000 asbestos personal injury cases. "It eliminates joint and several liability, which in the case of a bankruptcy is important, and they're looking to settle claims that are favorable to the plaintiff from a damage standpoint for much less than they would go for in court. That's why they like it so much and why I won't use it."

Earlier this month, 20 former

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AP/Wide World Photo

Mideast tension lifts war rates

Air strikes on Iraq, like one that damaged Baghdad's al-Rashid Hotel, have led to higher war risk rates. See story, page 63.

Update

Shell pollution coverage appeal

Continued from previous page

The appellate court said the jury had been improperly instructed to determine whether Shell knew or should have known that it was contaminating a federally owned site outside Denver. Instead, the court ruled, jurors should have been asked to determine only whether Shell was actually aware pollution was occurring.

In a 104-page opinion by Judge Ming Chin, the court threw out the jury's ruling as it applies to policies written from 1952 to 1969. The court ordered a retrial on whether hundreds of Shell's CGL insurers over the 18-year period should indemnify the oil giant for a portion of the \$1.8 billion cost of cleaning up the 27-square-mile Rocky Mountain Arsenal site, where Shell used to make pesticides.

The appeals court, however, agreed with the trial court that pollution exclusions in post-1969 policies barred coverage for all damage that was not sudden.

"The judges agreed that sudden meant abrupt, and they determined that this damage in Colorado occurred gradually," said Shell attorney William Trautman of Brobeck, Phleger & Harrison in San Francisco. "We haven't decided whether to appeal this further. With coverage from the other policies, Shell would have enough to cover its liabilities for the cleanup."

The insurers plan to seek a rehearing or to appeal, lawyers say.

More Lloyd's losses predicted

LONDON—Lloyd's of London in June will report a 1990 loss of more than 1.6 billion pounds (\$3.09 billion at applicable exchange rates), predicts syndicate analyst Chatset Ltd.

Lloyd's loss for 1991—which won't be reported until next year under the market's three-year accounting system—also is likely to top 1 billion pounds (\$1.87 billion), Chatset says.

And, in light of Hurricane Andrew, another loss could be reported for 1992, the analyst warns.

"We will have to wait for 1993 to possibly make a profit and 1996 to once again receive a check from Lloyd's, for those who can still afford to underwrite by then," Chatset says.

Lloyd's audited syndicate results already show that 1990 losses will be at least 1 billion pounds (\$1.93 billion) and 1991 losses will be at least 500 million pounds (\$935 million) (BI, Nov. 23, 1992).

Tankers in collision insured

LONDON—Insured hull and cargo losses from last week's collision of two tankers in the Strait of Malacca near Malaysia could cost as much as \$150 million.

Insured losses for cleanup costs are not yet known.

The 3-year old Maersk Navigator, carrying 78.1 million gallons of light crude, collided Thursday with the empty tanker Sanko Honour. The two tankers then caught fire and the Maersk was leaking oil.

The hull of the Maersk, owned by A.P. Moller (Singapore) Ltd., is insured for \$85 million to \$100 million if it is a total loss. The coverage is placed with markets worldwide, including with Moller's Bermuda captive, Corvetine Insurance Co. Ltd.

Moller was unavailable for comment late last week.

Reports suggest that the Maersk's cargo was insured for more than \$30 million. London underwriters believe the coverage is placed in the Japanese market. Japanese oil company Idemitsu Kosan Co. reportedly chartered the tanker and had leased cargo space to General Sekiyu Co., an affiliate of Exxon Corp.

The 16-year-old Sanko Honour, owned by Sanko Steamship of Tokyo, is believed to be insured for about \$10 million in Japan.

Cleanup and other liabilities will be covered by protection and indemnity clubs, which typically provide \$500 million of coverage for oil pollution and another \$200 million of excess pollution coverage.

The Maersk Navigator's P&I coverage is placed with the Assuranceforeningen Skuld. The Sanko Honour is insured by the United Kingdom Mutual Steam Ship Assurance Assn. (Bermuda) Ltd.

International liability limits for oil pollution may apply to the spill.

Super Bowl coverage in place

PASADENA, Calif.—The National Football League has at least \$65 million of liability insurance to cover Super Bowl XXVII and related activities—including a "dangerous" halftime show at the Rose Bowl.

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Errors & omissions

• A photograph on page 29 of the Jan. 18 issue accompanying an article with remarks by N. David Thompson, chairman and chief executive officer of North American Reinsurance Corp., was that of David N. Thompson, former chairman and chief executive officer of Crum & Forster Managers Group. David N. Thompson is now president of his own consulting firm in Chicago, Specialty Programs Ltd. The photo on the right is of N. David Thompson.



• An article in the Jan. 18 issue stated that A.M. Best Co. and the Insurance Information Institute estimate Hurricane Andrew losses of \$3 billion and \$2 billion, respectively. Those estimates are for fourth-quarter losses only.

• The organization offering item 1622 in the Jan. 11 Employee Benefit Information Resources issue was incorrectly identified. The health care cost control video is available from the National Assn. of Employee Benefit Administrators.

More gains predicted for insurance stocks

By JUDY GREENWALD

While many analysts agree insurance industry stocks are likely to outperform the overall stock market this year, they disagree about the stocks in which people should invest.

An informal survey of 10 insurance analysts' favorite picks reveals 20 different insurance stocks. Only five of these—American International Group Inc., Chubb Corp., General Re Corp., SAFECO Corp. and medical malpractice insurer Mutual Assurance Inc.—were mentioned



by two or more analysts.

Other favored stocks include some big name companies, like Marsh & McLennan Cos. Inc., Alexander & Alexander Services Inc. and NAC Re Corp.

But the list also includes less well-known companies, like In-

tercago Corp., which specializes in customs bond insurance; aviation insurer Avemco Corp.; RLI Corp., which underwrites specialty insurance programs including contact lens coverage; and Markel Corp., a diversified specialty insurance organization.

Reinsurance stocks, including General Re, NAC Re, SCOR U.S. Corp. and Phoenix Re Corp., were cited by some analysts as having particularly good potential in the current insurance market, because of tightening capacity in the property reinsur-

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Railway covered for crash

But Indiana law may limit railroad's liability to \$5 million

By DAVE LENCKUS

GARY, Ind.—The railroad that owns the two commuter trains involved in a fatal collision in Gary, Ind., last week has at least \$23 million of liability insurance, but a state statute could limit the railroad's liability to \$5 million.

Seven passengers were killed and scores were injured Jan. 18 when two trains owned and operated by the Northern Indiana Commuter Transportation District sideswiped.

Deadline nears for directory of risk consultants

Business Insurance will publish its annual directory of risk management consultants in the March 8 issue, which also will contain a Spotlight Report on trends in risk management consulting.

The directory is published as an editorial service; there is no charge for companies to be included. However, consultants must fill out and return a questionnaire provided by BI.

If your company generates at least 50%, or \$500,000, of its gross revenues from risk management consulting and you have not yet received a questionnaire, please request one by calling Cindy Bloom at 312-280-3195.

The extended deadline for returning completed questionnaires to *Business Insurance* is Feb. 8.

The collision occurred where two sets of NICTD tracks overlap. The tracks overlap—but do not merge into a single track—so they can cross a narrow bridge. After the bridge, the tracks separate again.

There is no switch that controls train traffic on the so-called gantlet track configuration, so train operators must rely on signals.

The National Transportation Safety Board did not find any mechanical problems with the track or signals. It also said that in a reenactment of the accident, test trains stopped before the collision point when operated at posted speeds.

The NTSB said toxicology tests show the trains' crews were not

under the influence of drugs or alcohol at the time of the crash.

The NICTD has a self-insured retention of \$2 million, said David Reddick, chief deputy commissioner for the Indiana Insurance Department.

Above the retention, a catastrophe insurance fund for Indiana public entities provides \$3 million of coverage to the NICTD. Defense costs are included within limits.

The fund, operated by the Insurance Department and financed by 24 fund members, is adequately financed to cover its obligation to the NICTD, the department says.

The railroad also has \$20 million to \$25 million of coverage

Continued on page 70

Fund drive continues at College of Insurance

By DOUGLAS McLEOD

NEW YORK—The College of Insurance is kicking off the second phase of a \$35 million fundraising drive after passing the halfway point toward its goal.

A key group of insurers and brokers has so far contributed \$20 million to pay off mortgages on the college's 10-story lower Manhattan headquarters, build annual support and strengthen the institution's endowment.

Debt service on the building—completed in 1984 and refinanced in 1987—has hindered expansion of faculty and student programs, officials and trustees say.

"The college has been struggling financially for 10 years,

ever since it made the commitment... to build a free-standing facility," observed Robert V. Hatcher Jr., retired chairman of Johnson & Higgins and chairman of the board of trustees.

The college set a fund-raising goal of \$35 million, composed of:

- \$11 million to retire the primary mortgage on the headquarters.

- \$10.5 million to retire a second "shared appreciation mortgage." Several brokers and insurers underwrote the second mortgage as part of the 1987 refinancing. The college is asking these companies to forgive their loans.

- \$7.5 million over five years for annual operating expenses.

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Inside

✓ Proposed IRS regulations will exacerbate employers' problems in complying with a 20% withholding tax on pension distributions, this week's editorial says. **PAGE 8**

✓ The first Chinese-owned insurer in the United States in at least 40 years plans to write commercial property/casualty coverage. **PAGE 63**

✓ Hull and cargo war risk rates increased after the air strikes on Iraq. **PAGE 63**

✓ The European Community is still hammering out directives for the single insurance market. **PAGE 63**

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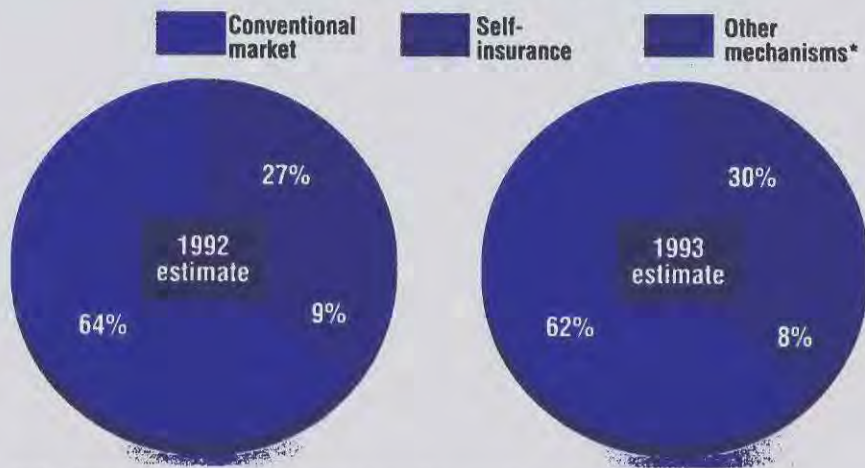
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Cover by Kimberly Mart

Self-Insurance

How companies fund property/casualty risks



*Other mechanisms include captives, risk retention groups and large capacity policyholder-owned insurers
Source: Conning & Co.

GRAPHIC BY CHRIS ROY

Alternative risk financing continues to gain strength

Larger employers explore options in many lines

By SARA MARLEY

Self-insurance is no longer typecast as an alternative to hard casualty insurance markets or workers compensation woes. Instead, self-funded plans are playing an expanding role on the risk management stage.

Risk managers who already have self-insurance arrangements in place are expanding and fine-tuning them. And smaller companies are assuming more of their risk.

Self-insurance, captives, risk retention groups and large-capacity policyholder-owned facilities grew 13% in 1992 to \$60.5 billion in written premiums equivalents, ac-

ording to industry analyst Conning & Co. Self-insurance accounted for \$46 billion of that amount, a 15% increase over 1991. Captives, risk retention groups and large-capacity facilities—like policyholder-formed ACE Ltd. and X.L. Insurance Co. Ltd.—grew 7.4% to \$14.5 billion, Conning projects.

Self-insurance accounted for 27% of the \$167.4 billion commercial risk financing market in 1992, a gain of two percentage points, said Conning Senior Vp Bob Brian in Hartford, Conn. Other alternatives rose by one point to 9% of the total market.

Meanwhile, the conventional market slipped in both market share and premiums written in 1992. Premiums were down 3% to \$106.9 billion from \$109.8 in 1991, and market share dropped three percentage points to 64%.

While the traditional market is expected to increase its total premiums written in 1993 due to hardening property rates, it will continue to lose market share to self-insurance, Mr. Brian predicted.

"If these trends and the soft market continue, the traditional market share in 1993 could drop to 62%," he said. Premiums written are expected to rise 3% to \$110.1 billion. Self-insurance is expected to account for 30% of the market in 1993, while other risk-financing mechanisms will account for approximately 8%, Mr. Brian said.

Sedgwick James Inc. projects that the traditional insurance market will account for just 56.7% of a \$232.1 billion market in 1993. Qualified self-insurance is expected to account for 17.2%, or \$40 billion. Private retentions for non-government mandated coverages will comprise 10.8%, or \$25.1 billion.

Sedgwick James estimates captives will comprise 8%, or \$18.5 billion, of the market, pools and trusts will make up 5.6%, or \$13 billion, and risk retention groups will comprise 1.7%, or \$4 billion.

While workers comp continues to fuel much of the growth in self-insurance, there's action in other liability areas.

Continued on next page

Growth in health care self-funding slows

Few additional employers likely to self-insure

By MICHAEL SCHACHNER

The number of employers that self-insure their health care programs may have reached the saturation point.

Only a slight increase in the percentage of employers that self-insure health care benefits was reported in 1992, suggesting the majority of employers capable of successfully self-insuring are already doing so, health care consultants agree.

And the self-insurance growth registered last year may reflect only smaller companies entering the field for the first time, according to a soon-to-be-released survey.

Sixty-seven percent of 2,448 U.S. employers that responded to the survey by A. Foster Higgins & Co. Inc. said they self-insured their group medical plans in 1992, up from 65% in 1991.

But while the overall percentage of employers that self-insure is up, the rate of growth is off from 1991, when it rose by six percentage points to 65% from 59%, the survey shows.

The reasons for the slowed growth are threefold, according to benefit consultants and third-party administrators:

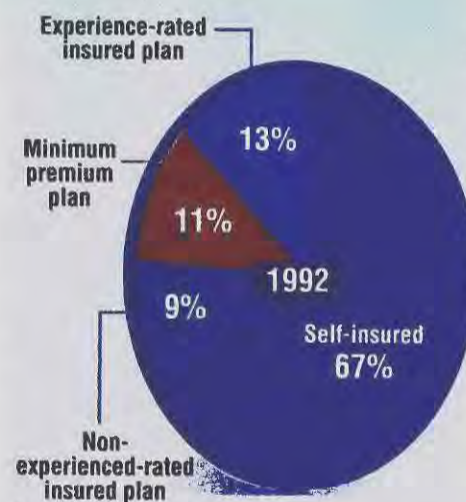
- The same incentives to self-insure have existed for many years, while no new incentives have emerged. Thus, while about two-thirds of employers are already self-insuring, the companies that have held out have no new reasons to switch how they fund their health care benefits.

- Insured managed care programs, especially health maintenance organizations, are now equaling or surpassing many self-insured plans in their ability to control health care costs. Therefore, if reducing health care costs is an employer's primary reason for self-insuring, it now has an alternative.

- In light of a couple of prominent 1992 court decisions, some of the advantages afforded to self-insured programs under the Employee Retirement Income Security Act of 1974 could be scaled back if Congress amends ERISA.

In one headline-grabbing case, the em-
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How employers fund health plans



Source: A. Foster Higgins & Co. Inc. GRAPHIC BY CHRIS ROY

Self-insurers seek TPAs' aid to control costs

Looking to clamp down on expenses in a weak economy, many self-insured employers are turning to third-party administrators for help.

With unrelenting increases in workers compensation and health care costs, employers in 1992 demanded more efficient claims administration and greater emphasis on cost containment services, TPA executives say.

Several TPAs specializing in property/casualty claims responded with increased investment in automation, while many TPAs specializing in benefit claims enhanced their managed care capabilities.

A report on the nation's largest property/casualty TPAs begins on page 16. And a report on the largest benefits TPAs starts on page 20.

A directory of 182 TPAs specializing in benefit claims begins on page 23, while listings of 75 TPAs specializing in property/casualty claims start on page 50, and listings of 44 firms handling both types of claims start on page 56.

12 largest claims administrators by claims paid

Company (Ownership)	Claims paid for self-insurers (in millions of dollars)	Number of self-insured administration clients	Type of claims for self-insurers					Staff serving self-insurers	1992 gross revenues (in millions of dollars)	
			Health ¹	Non-health benefits ²	Workers comp	General liability	All other		Total	From claims administration
First Health³ (First Financial Management Corp.)	\$3,050.0	1,022	96.0%	4.0%	0.0	0.0	0.0	N/A	\$250.0	\$130.0
Crawford & Co. (Publicly held)	2,067.4	1,508	0.0	0.0	57.0%	23.0%	20.0%	N/A	578.8	228.7
Employee Benefit Plans Inc. (Publicly held)	1,965.0	2,795	97.0	3.0	0.0	0.0	0.0	1,530	238.0 ⁴	83.3 ⁴
The Travelers Plan Administrators Inc. (Travelers Corp.)	1,504.0	632	85.0	15.0	0.0	0.0	0.0	633	60.0	58.8
CoreSource Inc. (Privately held)	1,400.0	2,014	85.0	4.0	8.0	2.0	1.0	1,340	N/A	N/A
Alexsis Inc. (Alexander & Alexander Services Inc.)	1,200.0	927	0.0	0.0	70.0	20.0	10.0	1,493	79.0	71.1
Adjustco Inc. (Preferred Health Care Ltd.)	1,186.9	1,406	10.0	6.0	53.0	0.0	31.0	N/A	117.0	65.9 ⁵
GAB Business Services Inc. (SGS North America Inc.)	1,100.0	708	0.0	0.0	65.0	20.0	15.0	N/A	235.0	82.3 ⁵
Gallagher Bassett Services Inc. (Arthur J. Gallagher & Co.)	1,085.0	1,331	18.0	0.0	45.0	19.0	18.0	N/A	87.0	77.0
Harrington Services Corp. (Privately held)	1,085.0	319	82.0	15.0	3.0	0.0	0.0	1,050	52.0	42.5
ESIS Inc. (CIGNA Corp.)	930.0	N/A	0.0	0.0	32.2	28.0	39.8	N/A	N/A	N/A
Hertz Claim Management Corp. (The Hertz Corp.)	926.0	350	25.0	0.0	25.0	5.0	45.0	893	N/A	N/A

¹Includes medical, dental, vision and prescription drug plans ²Includes pensions, flexible compensation, disability and life ³Formerly ALTA Health Strategies Inc. ⁴Figures from fiscal year 1992 which ended Nov. 30 ⁵BI estimate N/A= not available
Source: BI survey

GRAPHIC BY JOHN J. BOHORQUEZ

P/C self-insurance

Continued from previous page

"Virtually all adverse casualty lines are growing," including general, product and auto liability, errors and omissions, directors and officers, medical malpractice and professional liability, said Michael Murphy, principal consultant of RiskCap in Denver.

"What risk managers have been learning in workers comp is spreading to other casualty areas," agreed Stephan L. Christiansen, senior vp of Conning & Co.

"Once they get comfortable with (self-insurance) and get it under better management, they start looking at other lines of coverage," said Donald J. Krutek, senior vp of Johnson & Higgins in Chicago.

"In self-insuring workers comp, they have seen enough premium savings to self-insure general liabil-

ity, auto liability and professional liability," said Keith Kakacek, president of Self-Insurance Resource Inc., a consulting firm in Dallas.

The increasing trend of smaller employers to self-insure also has its roots in workers comp.

"In the last year, companies formerly considered too small by regulators to become qualified self-insurers are moving toward self-insurance," said Richard Duvall, president of financial and actuarial consulting at Sedgwick James in Nashville, Tenn.

Many of the companies have \$200,000 to \$300,000 in workers comp premium, he said.

Small businesses like florists, nursing homes and fast-food franchises have formed workers comp self-insurance groups, said Jane Rastallis, senior consultant with Betterley Risk Consultants in Worcester, Mass.

"They are totally frustrated with the traditional marketplace," she said. "They are taking it into their own hands, and they are doing a better job."

She estimates there are 250 workers comp SIGs nationwide.

Once a refuge from a hard market, self-insurance is thriving in the current soft market.

"The 1985-1986 crisis market was so traumatic it indelibly changed the landscape," Mr. Murphy said.

When captives and risk retention groups first started, many companies dropped in and out depending on prices in the marketplace, he continued.

"The more sophisticated (self-insurance groups) have restructured their design so they don't allow instant entrance and exit," Mr. Murphy said. "They need stability. They don't want to lose half of their members in a soft market."

While many risk managers are still enjoying soft casualty renewals, they are preparing to assume more risk if necessary, consultants say.

Risk managers "are building contingency plans, but they are not rushing out to increase retentions because they believe the market may turn," said Harry Shuford, global director of Anistics, a New York-based consulting unit of Alexander & Alexander Services Inc.

"We know the marketplace is changing," said Robert Ozment, director of corporate and employee insurance for Ford Motor Co. in Dearborn, Mich. "You have to pay the price or self-insure a higher amount."

Ford assumes large property and casualty retentions. It also purchases excess liability insurance from ACE and X.L., he said.

"Our retentions have changed to coincide with market conditions,"

said Tony Rodolakis, vp-risk management and insurance at Holiday Inn Worldwide in Atlanta.

Over the course of the soft market, Holiday Inn's general liability retention has dropped to \$500,000 per occurrence from \$4 million, Mr. Rodolakis said.

Now, the hotel chain is prepared to raise retentions again if rates rise.

"We are willing to do it if market conditions change," Mr. Rodolakis said.

Holiday Inn also has taken steps to become a qualified workers comp self-insurer in as many states as possible and to bring more claims administration in-house.

Currently the hotel chain is a qualified self-insurer in 10 of the 35 states in which it operates. In 1992, Holiday Inn was certified in Georgia and Tennessee and plans to pursue the newly sanctioned arrangement in Texas. "We are looking for opportunities to move from fronting arrangements to qualified self-insurance," Mr. Rodolakis said.

"We have enough volume that it makes sense to be qualified self-insurers," he said. "It is more cost-effective. There are no fronting fees."

"Over three or four years we have gradually evolved toward total self-administration," Mr. Rodolakis said. "It's our philosophy to be as self-sufficient as possible. We can (administer) more cost-effectively than buying it from the outside. It's more customized. We know our business."

Businesses that have switched to self-insurance are not looking back at the conventional market, consultant Duane Allen said.

"Once into a (self-insured) program, there is very little attraction to go back and replace it with a 'normal' insurance program," said Mr. Allen, who is president of Applied Risk Insurance Services Inc. in Rancho Santa Margarita, Calif.

Risk managers "are working on more communication and handling of the administration of their program," he said. "They are fine-tuning. No one in the industry is anxious to bid to get them to go back to a traditional insurance program."

As a result, companies are becoming more sophisticated in their self-financing, experts agreed.

"In the broadest sense, (companies) have been self-insuring by going bare," Anistics' Mr. Shuford said. "Now they are introducing more formal risk management, buying excess (insurance) and starting to fund in captives."

"A lot of the large self-funded plans and self-insured retention plans will evolve into more sophisticated forms of alternative risk financing, including captives, RiskCap's Mr. Murphy said. "The simpler forms (of self-insurance) are closer to their saturation point than captives and pools," he said.

Currently there are 78 risk retention groups, up from 72 in 1992, said Karen Cutts, managing editor of The Risk Retention Reporter. However, those groups are expected to generate \$479.3 million in annual premiums in 1993, down 2.9% from \$493.6 million in 1992.

"It's a result of the soft market and the recession," Ms. Cutts said. "We did find the number of insureds projected to increase in 1993. There will be more members of each risk retention group, but rates and premium will be about the same."

Like Holiday Inn, many companies are also changing the way their programs are administered.

"Companies are looking for a better mousetrap. They are investigating if there is a better way" to administer their claims, said Robert L. Barrese, senior vp of Helmsman Management Services Inc., a claims administration unit of Liberty Mutual Insurance Group in Boston. **[B]**

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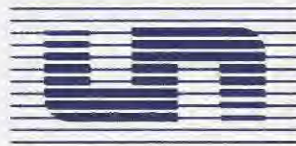
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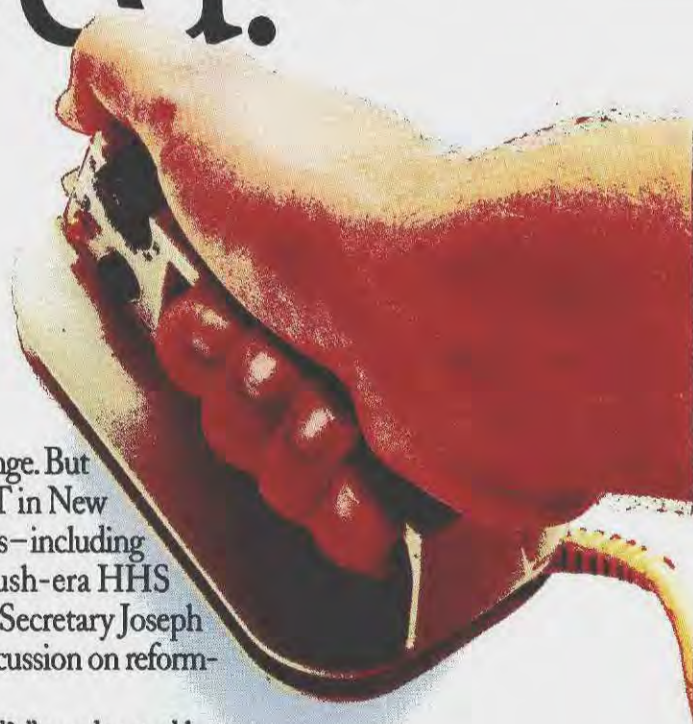
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Self-insurance

Continued from page 3

ployer of a man with AIDS replaced an insured health care plan with a self-insured plan without prior notice and ther. reduced lifetime benefits for AIDS-related care to \$5,000 from \$1 million (BI, Nov. 16, 1992). A pair of federal courts permitted the move by H&H Music Co. of Houston, and the Supreme Court declined to rule whether the move violated ERISA.

In another case, a federal court judge struck down New Jersey's system of hospital reimbursement because it forced self-insurers to pay for the care of people other than plan beneficiaries, which violates ERISA. That decision threw the entire state's health care system into chaos and caused a complete overhaul of the hospital reimbursement system (BI, June 1, 1992).

Both of these cases awakened several members of Congress to the possibility that ERISA pre-emption and protection of self-insured plans have gone beyond their intended scope. Reps. William Hughes, D-N.J., and Sherwood Boehlert, R-N.Y., last year introduced a bill that would amend ERISA to prohibit retroactive reductions of benefits, as was the case with H&H Music. H.R. 6147 died last year, but a spokesman for Rep. Hughes said the bill will be reintroduced by the end of the month.

Despite the reasons for slower growth, the Foster Higgins survey shows that self-insurance remains the tool of choice for employers seeking to control rising health care costs and avoid risk charges and premium taxes associated with commercial insurance.

In addition, because self-insured plans are governed by ERISA, self-

insured employers are exempt from state benefit mandates and thus are free to construct uniform benefit plans in multiple states.

It's these advantages that have prompted approximately two of every three companies in the United States to self-insure their health care benefits, benefits experts say.

Smaller employers last year continued a trend of becoming self-insured for the first time, the Foster Higgins study shows.

Approximately 43% of small employers—those with fewer than 500 employees—self-insured their health care programs last year, up from 41% in 1991. Many of these first-time self-insurers employed fewer than 100 workers.

But the number of midsize and large employers that are self-insuring their medical plans appears to have reached its peak. The survey found that 74% of firms with 1,000

to 2,499 workers self-insured in 1992, the same percentage as the previous year.

And, among larger companies—those with more than 5,000 employees—83% self-insured their health care plans, up only marginally from 82% in 1991.

"Contrary to previous years, data shows that the self-insurance market is rapidly becoming saturated," said Rick Hansen, senior vp-national sales in Salt Lake City with third-party administrator First Health, a division of Atlanta-based First Financial Management Corp. "Most astute employers have already ventured into the field. The mass majority of our new business is not new self-insurers but companies switching TPAs."

"While there is a larger number of smaller companies self-insuring now than ever before, at the same time some companies are walking away

from self-insurance to get fully insured, community-rated managed care plans," said David Wilson, a principal with Foster Higgins in Princeton, N.J.

Meanwhile, the survey reports that the number of employers involved in minimum premium programs, which combine elements of both self-insurance and conventional coverage, dipped to 11% last year from 14% in 1991.

While experts say self-insurance continues to afford employers an opportunity to reduce costs by exerting greater control over benefits decisions, exemptions from state benefit mandates that apply to insured plans are also important.

"Mandated benefits are perceived as a real nuisance by most employers," said Steven Putterman, a consultant in the New York office of William M. Mercer Inc. "Although there may not be an exact point where mandates are so burdensome that they would force a change (to self-insurance), they're never particularly attractive."

Not having to respond to state benefit mandates is one of the biggest advantages of being self-insured, said Jean Evans, director of employee benefits with Educational Testing Services of Princeton, N.J.

"When we first went self-insured in 1985 and interest rates were 15%, we could make money by holding our reserves and not paying premiums to an insurer. But now with interest rates much lower, not being subject to mandates is the greatest advantage," she said.

ETS employs 3,000 people in seven states, the District of Columbia and Puerto Rico. "We want to provide the same health benefits in all our states and not have to deal with nine different sets of regulations and mandates," Ms. Evans said.

But simply avoiding benefit mandates should not be the sole reason to self-insure, said James Kinder, executive vp with the Self-Insurance Institute of America in Santa Ana, Calif.

"Avoiding mandates and premium taxes is great, but they're way down the ladder of reasons why one self-insures," he said. "The biggest advantage of self-insurance is getting employers, employees and service contractors working together to manage their own dollars."

Self-insurance also improves a company's cash flow, pointed out Foster Higgins' Mr. Wilson.

Another trend the Foster Higgins survey detected is a slight resurgence in the use of stop-loss insurance. After 71% of respondents reported purchasing aggregate or specific stop-loss coverage in 1991, the percentage increased to 73% last year, the same level as in 1990.

Of those firms with stop-loss coverage, 66% purchased aggregate coverage, while 88% bought some level of specific stop-loss insurance. Those percentages were 65% and 85%, respectively, a year earlier.

"We're very happy to see a rise in the use of stop-loss insurance," said Mr. Kinder of SIIA. "It's always smart to only fund the level of risk you can budget for and then transfer the unknown to a third party."

ETS, carries specific stop-loss coverage that reimburses the company for claims exceeding \$75,000 and aggregate coverage "that we'll never reach," Ms. Evans said.

Unlimited liability is one reason smaller employers have not rushed to embrace self-insurance, said Joseph Martingale, a consultant for Towers Perrin in New York. "Small companies may be able to protect themselves better and get some managed care by simply purchasing a community-rated HMO plan." **BI**

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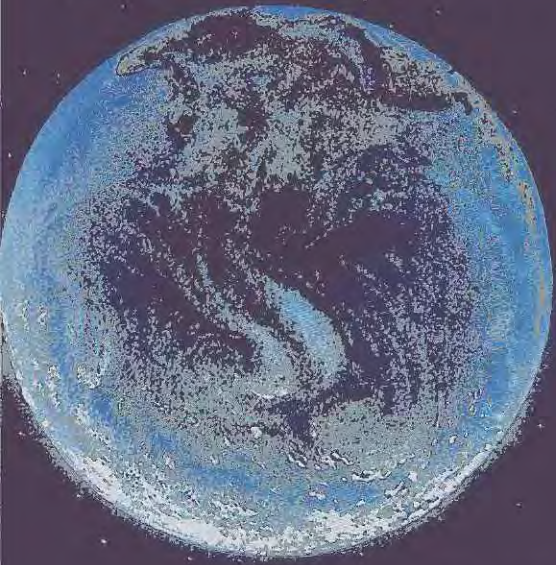
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Opinions

A triple whammy

IT WAS BAD ENOUGH that Congress last year hurriedly passed sloppily drafted legislation that imposes a 20% withholding tax on many types of pension distributions.

Then, instead of passing a simple, free-standing bill that would have made some badly needed and non-controversial repairs to the law, legislators included these changes within a massive tax bill that President Bush later vetoed.

Now, to add insult to injury, the Internal Revenue Service has proposed regulations that will exacerbate, not ease, employers' problems in complying with the law.

No doubt the biggest problem in the regulations is an IRS requirement that employers notify employees of the 20% withholding tax no less than 30 days before a pension distribution is made. Employers at the same time must explain the options that employees have to avoid the 20% tax, such as having the employer transfer the funds to an individual retirement account.

Certainly, employees need an explanation of the new law and the distribution options they have. This is especially important for employees leaving a company after many years of service who have a big account balance in their company's savings plan.

But consider employees who need to make a hardship withdrawal from their company's 401(k) plan to meet an urgent financial need, like funeral expenses.

How are employees helped by a 30-day waiting period? They need the funds now. If an employer has the administrative capability to provide fast access, why should a government agency interfere and prevent employees from receiving urgently needed funds from their plan balances?

A bigger issue—but one that only Congress, not the IRS, can resolve—is whether a 20% withholding tax should be imposed on hardship withdrawals at all. That requirement will force some employees to withdraw more funds—in order to cover the 20% tax—than they really need. That, in turn, means employees will have less money available for retirement.

Finally, Congress should raise the minimum amount of distributions that is subject to the withholding tax and the distribution rules. The IRS earlier exempted distributions of less than \$200 for the new withholding requirements. A floor of about \$3,500 strikes us as more reasonable.

Congress should remember that the administrative expense to process a \$500 distribution is about the same as a \$50,000 distribution.

Instead of employers spending a small fortune on all the paperwork associated with administering the 20% withholding tax on nickel-and-dime distributions, we think it makes a lot more sense for companies to use the dollars—now chewed up by administrative expenses—to improve pension benefits.

Letters

TWA pact may spell financial peril for PBGC

To the editor: The benefits public needs to be aware of and concerned about the Dec. 6 "agreement in principle" between Trans World Airlines and the Pension Benefit Guaranty Corp., since it may result in a sizeable and inappropriate use of PBGC assets (*BI*, Dec. 14, 1992).

The agreement appears to fall considerably short of the goal set by the PBGC's executive director, James Lockhart, who said he would hold Carl Icahn responsible for payment of the more than \$1 billion in unfunded liabilities in TWA's two pension plans. Based on the PBGC's announcement of the agreement, however, the combined payments by Icahn and TWA may not exceed a present value of about \$400 million and could even fall well below this amount.

The PBGC's liability in the event the plans are terminated may prove to be substantially higher than previously estimated. And, if future PBGC settlements are structured the way the TWA-PBGC pact appears to be, it will not take long for the PBGC's assets to become exhausted. If that happens, the defined benefit plan sponsors who sustain the PBGC may find their premiums raised more than they would like, and the current high rate of termination of defined benefit plans could continue.

It would be ironic, indeed, if Mr. Lockhart, who has issued dire warnings that the PBGC faces an S&L-type debacle, were to be responsible for the impairment of the PBGC's solvency.

A thorough evaluation of the TWA-PBGC pact is important to enable the public to assess its fairness from the point

of view of the PBGC, which is mandated to protect the pension interests of all defined benefit plan participants and the employers that pay premiums.

My office estimates that the increase in the PBGC's unfunded liability due to the settlement, if the plans were to terminate, could be between \$500 million and \$1.2 billion. This represents about 15% of the PBGC's assets. The question arises whether Mr. Lockhart and the PBGC's board of directors exceeded their authority under ERISA by entering into an unnecessarily costly agreement, perhaps placing PBGC in financial jeopardy. If that is the case, then the pact should obviously be revoked.

Mr. Lockhart should make available to the public the details of the provisions of PBGC's agreement with TWA and also the details of the actuarial estimates he relied on of the cost of the agreement and the rationale for its acceptance by him and the PBGC's board.

A key factor that may increase TWA

pension liabilities and diminish the assets available to pay guaranteed benefits is a TWA early retirement program, approved by the PBGC, that allows eligible employees to retire early with subsidized pension benefits, which they apparently may take as a lump sum distribution. The early retirement program could thus increase the PBGC's benefit liabilities while permitting plan assets to be siphoned off to pay non-PBGC-guaranteed benefits.

There are other cost factors worthy of note, including the recent change to a freeze rather than termination of the plans; the defined benefit increase negotiated in January 1992 and the addition at that time of a defined contribution plan, which may divert contributions; and the value of the collateral underlying future contributions to be made by TWA and Icahn-owned firms.

David Langer
David Langer Co. Inc.
New York

Everyone loses in IIAA/PIA spat

To the editor: It saddens me to read of the merger difficulties between the Independent Insurance Agents of America and the National Assn. of Professional Insurance Agents. Being a member of neither and having been a participant from both the direct writer and local agent side of our business, I offer some food for thought.

When I started in this business 44 years ago, there was as much heat generated between the stock and mutual insurance companies. The stocks believed they were the good guys and the mutuals were cast as the bad guys. In fact, they were both good guys as time has proved.

In my opinion, such is the case with the IIAA and PIA. I have seen both of these organizations up close in at least three different states and can find only good things to say about their efforts and purposes.

It seems a shame that insurance agents

throughout America will lack the ability to have one voice through consolidation because of the focus on "independent" vs. "direct." There are many fine professional agents I know today who are in the direct writer or exclusive agency system. They are no less an "independent" local insurance agent than anyone else. Independence and professionalism are not mutually exclusive terms. Direct or exclusive vs. non-direct or so-called independent simply refer to a method of product distribution.

Hopefully, before the end of this century, we will stop throwing stones at each other because of different distribution systems. Speaking with one voice to the betterment of all "agents" is a laudable goal.

James S. Burkart
Senior Vp
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Medical stop-loss insurance market eases

Lower rate hikes result of competition, managed care

By LOUISE KERTESZ

Employers that self fund their health care plans are being hit with rate increases on specific stop-loss coverage of 25% to 30% this year, a softer blow than the 30% to 50% hikes prevalent in 1992.

The main reason for the smaller rate hikes is the proliferation of new players in the market trying to buy market share, consultants and insurers say. About 200 insurers now offer stop-loss coverage, up from about 110 last year.

A drop in large-claim costs is another reason that rate increases are less steep. Large-claim costs are decreasing as complex medical

procedures are becoming more common and, therefore, less expensive.

In addition, managed care is being applied in large cases. For example, bone marrow transplants that cost \$225,000 three years ago now cost between \$150,000 and \$175,000, points out George Morrison, a consultant with Hewitt Associates in Lincolnshire, Ill. "There are more of them, but the cost has come down."

Third-party administrators "as a whole have become fairly sophisticated in managed care and claims cost control initiatives. Though the incidence of large losses is increasing, our ability to detect them early

and to manage them effectively has improved dramatically," said Stephen Rasnick, president of Travelers Plan Administrators Inc., a Travelers Corp. unit in Hartford, Conn.

Annual increases in aggregate stop-loss rates closely track medical trend lines, which range from 10% to "the low 20s," depending on an employer's use of managed care, said Mr. Morrison.

Managed care will become even more important to the stop-loss market, say third party administrators, consultants and insurers. Besides cutting medical costs, "the intensity of managed care that an employer chooses to apply will im-

pact their (specific stop-loss) attachment point and their rates," said Mr. Rasnick (see story, page 12).

"Another part of downward pressure (on rates) is that AIDS claims don't cost as much as they used to. There are a lot more of them, but the cost is not as huge as it used to be," thanks to case management and alternative care methods, said Joyce Wans, vp at Duncanson & Holt Group in Seattle.

While rate increases have slowed somewhat, the recession has fueled growth in the stop-loss market. Cost-conscious employers in greater numbers have turned to self-funding to avoid premium taxes and state mandates which

are "becoming pretty onerous in some states," said John Erb, a principal with A. Foster Higgins & Co. Inc. in New York.

And more employers that self fund are purchasing stop-loss coverage. According to Foster Higgins' annual Health Care Benefits survey, among those that self-fund, the number of employers purchasing stop-loss coverage rose to 73% in 1992 from 71% in 1991.

With increased availability, more smaller employers—the heaviest users of stop-loss—are purchasing stop-loss insurance than ever before. According to the Foster Higgins survey, 96% of self-funded employers with fewer than 1,000 employees purchased some form of stop-loss insurance in 1992, up from 90% in 1991.

And the small-group market of between 25 and 250 employees is "really expanding," Travelers' Mr. Rasnick said. Travelers, which has offered stop-loss coverage to larger employers for eight years, last June announced an alliance with managing underwriter Vasa Brougher Inc., a subsidiary of the North American arm of Sweden's WASA Insurance Group, to market stop-loss to the small-group market.

The brisk demand has encouraged an influx of newer players into the stop-loss market. But though employers have a plethora of markets to choose from, they may not always be buying wisely, sources warn.

"I think employers get poor advice," says Duncanson & Holt's Ms. "It's not malicious, but I think sometimes the broker or the TPA doesn't know what constitutes good value in stop-loss. With 200 carriers vying for their attention, each with their own twist" in coverage terms, an adviser has a difficult time keeping current, she said.

Another problem is that often "the adviser interprets his fiduciary responsibility to the plan as spending the least amount of money as opposed to getting good value—so (the adviser) may spend little money and get less," she said.

Shopping for a lower quote for stop-loss coverage is not difficult these days. To increase their book of business, newer players are engaging in "predatory pricing," says Robert Olsen, managing director of Pacific Risk Management Services in Fountain Valley, Calif., a unit of PM Group Life Insurance Co.

"The competition is irrational. It's worse than last year and there's more of it. There's a more intense focus on price this year," he said.

The danger is that at renewal time, when an insurer realizes it has underpriced the coverage, an employer may be hit with a tremendous rate increase, some suggested.

"The market is woefully underpriced right now," agreed Scott Taylor, vp at SAFECO Life Insurance Co. in Seattle. "There are more new players all the time." If premiums prove inadequate for the risks those insurers underwrite, "there will be a backlash, and premiums will go up."

Or, some insurers may leave employers high and dry. "What many employers fail to recognize is that the stop-loss contract is only for a one-year period. It is not like a fully insured medical contract that keeps going on and on—with some changes, of course—but doesn't come to a screeching halt somewhere, as stop-loss coverage does at the end of a year. And the carrier is within his rights to make changes or to just walk away," Ms. Wans said.

Employers with good loss experience are in a better position with

Continued on page 12

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Stop-loss rates

Continued from page 10

respect to the stop-loss market. "Good accounts... will be charged appropriate premiums that will be competitive," said David Wilson, a principal at Foster Higgins in Princeton, N.J.

Those with poor experience "are going to find there are more markets to look at for their coverage, but not without risk to them" because of the various restrictions insurers are placing on contracts, he warned.

In attempts to hold the lid on premium costs, employers that are not fully informed may purchase a stop-loss contract that will leave them seriously unprotected, consultants and insurers say.

Employers should keep the following points in mind when deciding which stop-loss contract to

purchase, they say:

- **Stability.** "The No. 1 thing the employer needs to look for is a stable carrier, one... that's going to be around next year," said Hewitt's Mr. Morrison.

- **Contract details.** Employers should also ask whether the stop-loss contract "covers the same things as the plan document. The stop-loss contract shouldn't be more restrictive, although the employer might be willing to take that risk for a lower premium," Duncanson & Holt's Ms. Wans said.

- **Contract details.** Employers should also ask whether the stop-loss contract "covers the same things as the plan document. The stop-loss contract shouldn't be more restrictive, although the employer might be willing to take that risk for a lower premium," Duncanson & Holt's Ms. Wans said.

"The whole thing is informed

consent: Does the employer know what he is agreeing to?" she added.

The employer should compare details of the stop-loss contract and the plan document including: the lifetime maximum benefit; the definition of providers and facilities; the definitions of experimental and investigational procedures—"a big issue right now"; the list of exclusions and limitations; and "internal limits on things such as organ transplants," Ms. Wans said.

But make sure the plan document is finalized before making this comparison. "Far too often the plan document is treated as an afterthought and is written sometimes years after the plan is in effect," she observed.

- **Claims attitude.** "Once the words are in tune, look at the claims attitude," which the employer and the stop-loss insurer should share, Ms. Wans continued.

If the employer's goal is "to pay the most benefits he can within the wording of the plan," the stop-loss insurer's attitude should not be "to pay as few claims as possible," she said.

- **Renewal philosophy.** The stop-loss insurer's renewal philosophy should also be examined—before buying the policy rather than at first renewal. Employers should ask whether the insurer has a reputation for offering fair renewals to all employers. "These days, almost everyone offers a renewal, but it could be at a 500% rate increase," Ms. Wans noted.

"Some carriers, in order to support their outrageous pricing, will refuse to renew (employers with) killer claims" or will renew only at huge increases. "The worst case I've seen is a 300-life employer getting a 300% increase in rates and an increase in the deductible for

specific coverage" after filing a series of large claims, said Pacific Risk Management Services' Mr. Olsen.

- **Lasering.** The employer should also consider whether "lasering"—placing higher thresholds on individuals likely to need certain types of expensive care, like organ transplants—is an acceptable way to keep premiums down.

"Most of the reputable carriers won't do (lasering) unless actually requested by the client to keep their rates down," said Foster Higgins' Mr. Wilson.

"That often becomes a problem" for traditional stop-loss insurers if a new player that doesn't know the account takes a shot "at some of this business, carving out some of the potential liability" through lasering, he continued.

"It puts the incumbent in kind
Continued on page 16

Stop-loss insurance explained

Stop-loss insurance coverage comes in two types: specific and aggregate.

Employers that buy stop-loss coverage to cap their exposure under self-insured medical plans typically obtain specific coverage, though some may also buy aggregate coverage. Only the very largest self-insured employers typically purchase no stop-loss coverage at all.

- **Specific stop-loss.**

Specific stop-loss coverage is triggered when an individual's claim reaches a threshold chosen by the employer. Once that threshold is reached, the policy generally would pay claims up to the medical plan's lifetime limit per employee.

Minimum thresholds vary by insurer and can be relatively low.

For example, Travelers Corp. last June extended stop-loss coverage to employers with 25 or fewer employees, at a minimum threshold of \$7,500. By comparison, the minimum threshold at Pacific Mutual Life Insurance Co. is \$10,000.

But employers increasingly are opting for much higher thresholds. A. Foster Higgins & Co. Inc. found in a 1992 survey that 56% of respondents chose thresholds of \$100,000 or more, up from 54% in 1991. Employers generally raise their thresholds yearly in order to keep the cost of coverage affordable, according to consultants.

The cost of specific stop-loss coverage is approximately \$25 per month per employee for an employer with a \$100,000 threshold.

- **Aggregate stop-loss.**

Aggregate stop-loss coverage is triggered when a self-insurer's total group health claims reach a certain threshold, typically 125% of its annual estimated group health claims costs.

The typical aggregate stop-loss threshold remained steady in 1992, Foster Higgins found. In 1992, 66% of respondents had thresholds of 125% or more, up from 65% in 1991.

For an employer with several thousand employees, the cost of aggregate coverage is minimal, at a few cents per employee per month.

—By Louise Kertes

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P/C TPAs

Continued from page 16

"No one wants the new guy" to work on their account, he commented. To minimize that response, the Chicago-based TPA tries to hire experienced personnel and offer continuing education programs for its employees.

Another tough issue to tackle for some TPAs is financial strength. Executives agree that larger TPAs are better equipped to make the technological investments needed to compete, while smaller companies often cannot afford the new technology.

"The strong will survive, the weak will fall off," said Edward P. Holleran, president of ESIS Inc., the nation's sixth-largest property/casualty TPA and 11th-largest overall.

"Big companies are fairly strong," while smaller ones are looking to be acquired, observed Thomas J. Santorelli, president of Hertz Claim Management Corp., the seventh-largest property/casualty TPA and 12th-largest overall.

But while smaller TPAs may not stack up financially with the larger TPAs, they do hold a niche of their own, said Kemper's Mr. Clutter.

A small self-insured company with only one location doesn't need a large, nationwide TPA to administer its claims, he noted.

Also, large TPAs are not as flexible as smaller ones, he added. Smaller TPAs can send a staff member to a client's location to pay claims, he said. For larger TPAs, such an accommodation would be "out of the mainstream."

Nevertheless, larger TPAs are tailoring their services to large corporations with multiple locations and numerous employees.

The biggest advancements came in computer technology for workers comp claims, as many TPAs enhanced their on-line claims administration capabilities, giving risk managers more access to this information at a quicker pace.

TPAs are also attempting to apply cost-containment techniques to other property/casualty-related costs, like litigation expenses.

Following are profiles of the seven largest TPAs that concentrate on property/casualty claims:

Crawford & Co.

Although the pace of business growth slowed in 1992, Crawford & Co. surpassed the \$2 billion mark in claims paid for self-insurers in 1992, making it once again the nation's largest property/casualty TPA.

The volume of self-insured claims paid increased 7.7% to \$2.07 billion in 1992 from \$1.92 billion a year earlier. That growth rate is only about one-third of the 22.3% jump in self-insured claims posted in 1991 (*BI*, Jan. 27, 1992).

Revenues from self-insured claim services rose 14.7% to \$228.7 million last year from \$199.4 million in 1991, about half its 1991 growth rate. Crawford administered claims for 1,508 self-insurers in 1992, a 7.8% increase from 1,399 in 1991, but also about half of the 1991 increase.

Although growth in 1992 was slower than a year earlier, Atlanta-based Crawford actively introduced new services.

Mr. LaFleur cites the TPA's Early Accident Reporting Systems/Early Medical Management Intervention system—known as EARS/EMMI—which integrates an information system with health care management. While EARS was available prior to 1992, improvements made last year allow risk managers to electronically file a workers comp form with state agencies, he said.

EMMI is a new customer service

center staffed by registered nurses who review and manage all workers comp claims, Mr. LaFleur said.

Crawford also enhanced its computer claims systems.

The TPA's on-line claims filing system was upgraded in 1992 to allow adjusters to type in notes about a claim in the electronic file that a risk manager can access from his or her own computer.

And electronic mail was introduced to the system so that adjusters and risk managers can further communicate with each other about a claim over the computer, Mr. LaFleur said.

Crawford also introduced a fraud prevention program in 1992. Crawford adjusters are now trained to apply certain criteria when analyzing workers comp claims. If "red flags" are raised, the claim is investigated, he said. The fraud program is "very active in California and is in

training mode across the country."

Workers compensation comprises 57% of Crawford's claims administration business, 23% comes from general liability, 15% from auto and the rest from other areas.

Crawford introduced a general liability litigation management program in 1990 which became "formalized" last year, said Mr. LaFleur.

Alexsis Inc.

Alexsis Inc. moved up one notch in 1992 to become the second-largest property/casualty TPA.

Northville, Mich.-based Alexsis, a unit of Alexander & Alexander Services Inc., paid \$1.2 billion in claims on behalf of self-insurers in 1992, up 28.2% from \$936 million a year earlier.

While the volume of self-insured claims paid increased, the number of self-insured clients fell dramati-

cally to 927 from 3,500 in 1991. In addition, revenues from claims services for self-insurers declined 34.8% to \$71.1 million last year, from \$109 million in 1991.

Mr. Hensley said these decreases were caused by the sale last January of Summitt Consulting Inc., a Florida subsidiary that specialized in workers comp claims services for self-insured associations. Summitt had an estimated \$28 million in annual revenues and a "significant number of clients," he said.

The volume of claims Alexsis paid on behalf of self-insurers did not decline because the claims Summitt paid were not included in Alexsis' 1991 totals, Mr. Hensley explained.

Summitt "did not fit with the long-term strategies for Alexsis. They are too much a specialty company," said Mr. Hensley, noting that Alexsis has four offices in Florida that handle association business.

Alexsis derived 70% of its 1992 claims administration revenues from workers comp, 20% from general liability and 10% from other areas.

On a restated basis, revenues from claims services for self-insurers last year "are essentially flat compared to 1991," he said.

For 1993, Mr. Hensley "conservatively" predicts a 10% to 15% gain in revenues from self-insurance claims services. Although the TPA did not offer any new services in 1992, it is always "making investments...to better do our business," Mr. Hensley contends.

Adjustco Inc.

Adjustco Inc. returns to *BI*'s TPA ranking as the third-largest property/casualty TPA, paying \$1.19 billion in claims for self-insurers.

The restated \$1.19 billion is 63.9% more than the \$724 million in claims
Continued on next page

The Changes Are Just Beginning, Will

To us, this business is more than statistics, rates and calculations. It's a pledge to people with genuine concerns about their well-being and future. It's why we're going to focus our energies on making productive long-term relationships with TPAs who seek quality, cost-effective products and services.

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work in partnership to resolve these issues in a sensible, workable and proactive way.

Information, managed care integration and financial security will form the foundation of the future. Our own financial strength and stability, as well as that of our carriers, reinsurers and HMO clients has positioned us for a strategic approach to risk management. From this position we have the opportunity to add data management facilities and other services. By turning data into useful information, we'll be able to custom design the most complete and cost-effective stop-loss program for your clients.

Down the road, we also see the potential to deliver products that will fully integrate TPA services and managed care functions. By promoting wellness, preventive care and large claim management, employers and their employees can become smarter,

healthier and more responsible health care consumers.

There is a brilliant future for those who understand the challenges and are willing to make the future better. We want to build relationships with TPAs who are also forward thinking, who are ready to say, "Business as usual is not good enough." We need TPAs who are ready to join with us to take up the challenges and move forward into that future.

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Continued from previous page paid in 1991, and is the largest increase among the seven largest property/casualty TPAs.

In addition, Adjustco's total gross revenues jumped 252.4% to a restated \$117 million in 1992, from \$33.2 million a year earlier. BI estimates Adjustco's gross revenues from self-insured claims services to be \$87.5 million.

"1992 was our most successful year," said Senior Vp Bill Hogan.

Much of the White Plains, N.Y.-based TPA's success can be attributed to Preferred Health Care Ltd., which officially acquired Adjustco on Dec. 31, 1992, said Arthur M. Yoss, president and chief operating officer of the TPA. Adjustco's 1992 results reflect PHC's claims volume.

Adjustco previously was owned by broker Frank B. Hall & Co. Inc.

PHC is a managed care- and information systems-oriented com-

pany, Mr. Yoss said. Adjustco is now "positioned to develop a whole line of innovative managed care workers comp products," he said.

Adjustco currently is in the process of creating a "fully integrated managed care and claim administration product for workers comp," Mr. Hogan said.

A key feature of this product is putting managed care and claims information all on the same data base, he explained.

Adjustco in 1992 used the data base to check for any "double dipping," he said. By midyear, Adjustco hopes to enhance the data base to include a claims paying capability for both workers comp and health claims, Mr. Yoss said. And by the end of the year, Adjustco hopes to have a "truly seamless 24-hour claims management system," he said.

Fifty-three percent of Adjustco's

claims administration business comes from workers comp. Nearly 25% comes from health insurance and other business including disability. The remainder comes from various other areas.

Adjustco also administers personal injury claims on behalf of the Manville Personal Injury Trust.

GAB Business Services Inc.

GAB Business Services Inc. jumped one spot in 1992 to become the nation's fourth-largest property/casualty TPA.

Claims paid on behalf of self-insured clients rose 29.4% to \$1.1 billion last year from \$850 million in 1991.

GAB's self-insured clients increased to 708 last year, up 9.8% from 645 in 1991.

BI estimates that revenues from claims services for self-insurers

were an \$82.3 million in 1992, about even with 1991 estimates. Total gross revenues also remained flat at \$235 million last year.

A key reason for the flat revenue growth is that insurance companies are handling more of their claims administration in-house, Mr. Kardos explained. Claims services for insurers and other services generate 65% of GAB's gross revenues.

Of the remainder, which that comes from services for self-insured clients, 65% is from workers compensation business, 20% from general liability and the rest is from auto and various other areas.

Parsippany, N.J.-based GAB also reduced its staff by 500 people in 1992 to 3,000 employees. "This was a function of GAB fine-tuning staff services," Mr. Kardos said.

Despite recessionary pressures to trim expenses, GAB introduced several new services in 1992, including

an early medical management service. Through the service, medical professionals examine workers comp claims as they are reported and immediately establish a treatment plan, Mr. Kardos said. In addition to starting "cost containment early in the cycle," this service can also identify fraudulent claims, he said.

GAB also introduced a toll-free telephone claims reporting line for clients, Mr. Kardos said. The GAB operator takes claims information over the phone and then fills out a first report of injury and files it with the state.

GAB also introduced a fully integrated worldwide claims management program, GAB ROBBINS, in 1992. The goal is to "provide a consistent claims handling philosophy" throughout GAB's offices worldwide, he said.

GAB is a unit of SGS North America Inc., whose ultimate parent is Swiss claims administrator Societe Generale de Surveillance.

Gallagher Bassett Services Inc.

Despite a 12.8% increase in claims paid on behalf of self-insured clients last year, Gallagher Bassett Services Inc.'s growth was not enough to retain its No. 2 ranking among property/casualty TPAs from a year ago.

Gallagher Bassett, the fifth-largest property/casualty TPA, paid \$1.09 billion in self-insured claims last year, up from \$961.8 million in 1991.

The subsidiary of broker Arthur J. Gallagher & Co. also experienced increases in: new clients, up 24.6% to 1,331 from 1,068 in 1991; staff, up 12% to 1,115 from 995 in 1991; and revenues from claim services for self-insurers, up 17.7% to \$77 million from \$65.4 million in 1991.

Itasca, Ill.-based Gallagher Bassett launched several new services and announced one acquisition in 1992.

New services include a workers comp claims hot line. Clients can call a toll-free number immediately after an incident occurs and an operator will talk the caller through the claim filing process and then issue the first report to the state, said President Peter J. Durkalski.

Also in 1992, Gallagher Bassett introduced an electronic interface with its preferred providers, he said. This allows the TPA, hospitals, workers comp clinics, doctors and other managed care vendors to keep in direct contact via computer.

In its "Claim Notebook" system, Gallagher Bassett enhanced its capabilities to allow adjusters' notes to be input in a narrative format. This allows clients to review the adjuster's comments on a personal computer, Mr. Rothman explained.

Forty-five percent of the firm's claims administration business is workers comp, 19% is general liability, 18% is health insurance and the remainder is from other areas.

To help expand its risk management consulting services, Gallagher Bassett last year acquired AMSEC Loss Control Services, a specialized loss control consulting firm in Middleburg, Va.

ESIS Inc.

ESIS Inc. dropped two places in the rankings to become the sixth-largest property/casualty TPA, with \$930 million in claims paid on behalf of self-insured clients, up 3.3% from \$900 million in 1991.

The CIGNA Corp. subsidiary does not report number of clients and revenues from claims administration, but the company is "doing extremely well," Mr. Holleran said.

Workers comp has grown to nearly one-third—32.2%—of the

Continued on next page

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P/C TPAs

Continued from previous page
company's business for self-insured clients, compared with 25% a year earlier, Mr. Holleran said. Other sources of 1992 business were: automobile, 35.7%; general liability, 28%. Various other areas accounted for the remainder.

The increase in workers comp business encouraged ESIS to introduce OMNI, an on-line claims management system, to complement CRIS, its risk management information system product.

With CRIS—CIGNA Risk Information System—risk managers can access detailed aggregate data on claim filings within specific geographical regions. OMNI, which was in use for workers comp claims in 1992, gives risk managers access to the latest data available for individual claims. This spring, OMNI will

be expanded to handle other types of claims.

Hertz Claim Management Corp.

Hertz Claim Management Corp., which debuted at No. 6 in the *BI* ranking of the largest property/casualty TPAs in 1991, slipped to the No. 7 spot in 1992.

The Park Ridge, N.J.-based unit of The Hertz Corp. paid \$926 million in claims on behalf of self-insured clients in 1992, up 17.2% from \$790 million in 1991.

And while it did not disclose revenues, Mr. Santorelli said the TPA experienced 52% growth in total 1992 revenues.

Mr. Santorelli noted that the company is now looking to buy operations that could expand its geographic reach.

Thirty percent of Hertz' claims administration business on behalf

of self-insurers comes from auto claims, 25% from workers comp, 25% from health insurance and the rest from other areas.

Hertz in 1992 introduced a claims management system that can handle both health and workers comp claims. With the new system, risk managers have access to information on both types of claims, said Peter Hamann, director of national sales. In addition to on-line access to claims data, the system can check that "double-dipping" does not occur.

And while the system does not provide a "true" 24-hour claims management system, "there is a good strong potential in the future" that one person could administer both workers comp and health claims with such a data base, Mr. Santorelli said. For right now though, "the systems talk to each other," Mr. Hamann said. **BI**

TPAs for health plans must prove their worth to self-insured firms

By DAVE LENCKUS

Third-party administrators of group health care plans have to strut some new stuff—or risk being told to take a walk.

Faced with unrelenting health care cost inflation and benefits staffs pinched in corporate downsizings, employers that self-fund their health care plans no longer want their TPAs to be just claims handlers.

Instead, self-funded employers are demanding that TPAs do

more to help them contain health care costs and ease their administrative burdens. These employers particularly want one-stop TPAs to offer:

- Managed care services.
- Analytical reports on the quality of care their employees and dependents receive.
- Rankings of their plans' most effective and ineffective providers.

TPAs that cannot deliver should not expect to be in business much longer, TPA executives and benefit consultants agree.

Not many self-insurers are changing administrators now as TPAs try to meet clients' demands, consultants say. Because of the cost of such a move, many employers are giving TPAs an opportunity to meet their demands and win two- or three-year contracts.

But, self-insurers' patience and allegiance to TPAs will be limited, consultants say.

"Nobody has an allegiance to a vendor that's so strong that they'll settle for less," said Rosemary Gourdy, a principal with William M. Mercer Inc. in Stamford, Conn.

To that end, many TPAs in 1992 established, acquired or contracted with preferred provider networks, utilization review firms and smaller TPAs to beef up their national managed care and traditional claims administration services. And many plan to this year.

"We saw some movement in this direction in '92, and we expect to see much more of it in '93," said Linda Anderson, a consultant with Hewitt Associates of Lincolnshire, Ill.

"Clients are focusing on single-point accountability with a managing partner they can look to to get everything done," said Orlo Dietrich, executive vp with CoreSource Inc., the fourth-largest benefits TPA.

CoreSource, formerly Administrators Network Inc., is one of two large benefits TPAs that have restructured to place greater emphasis on managed care services. ALTA Health Strategies Inc. also is completing restructuring and has changed its name to First Health Strategies Inc.

An increasing number of self-insurers are demanding that TPAs agree to more stringent performance guarantees, consultants say.

"We don't ever go into a relationship with a vendor without performance guarantees," said Susan Johnson, practice leader for national claims administration at Towers Perrin in Chicago.

Besides the traditional claims payment accuracy and turnaround time standards, self-insurers are seeking customer service guarantees, Hewitt's Ms. Anderson said.

But, guarantees for quick and accurate claims payment should be "a given," said Stephen F. Rasnick, president of The Travelers Plan Administrators Inc. He said the "more informed" self-insurers are instead more concerned about obtaining addi-

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tional information from TPAs "to help them control their claims costs."

Indeed, TPAs are upgrading their technology to provide employers with more health care utilization and provider practice reports as well as to reduce human claim processing to increase speed and accuracy.

"Data is playing a bigger role in planning for employers," said Jim Curtin, managing consultant for A. Foster Higgins & Co. Inc. in New York.

More self-insurers also will be asking TPAs in 1993 to coordinate their health benefits and workers compensation claims handling, TPA executives and consultants say.

TPAs cannot avoid this new benefits world order by cultivating the business of large employers that have not self-funded their health plans before. Because not many of those firms exist, TPAs increasingly will be competing for each others' accounts and those of insurers providing administrative services only.

And, the growing number of smaller employers that are beginning to self-fund their health care plans (see story, page 3) will likely follow the lead set by larger self-funded companies in demanding a one-stop shop.

Self-insurers apparently like what they see so far from benefits TPAs.

The TPAs continue to eat away at the claims administration market lead held by insurers that offer ASO contracts. Benefits TPAs' market share grew to 34% last year from 31% in 1991 and 29% in 1990, while ASO insurers' lead edged down to 45% from 46% a year ago and 48% in 1990, a Foster Higgins survey shows.

Following are profiles of the five largest TPAs specializing in employee benefits claims:

First Health Strategies Inc.

The nation's largest TPA, formerly ALTA Health Strategies Inc., took two major steps last year toward its goal of massive expansion within the next five years.

Most significantly, ALTA shareholders on March 31 approved the sale of the firm to Atlanta-based information services firm First Financial Management Corp. in a transaction valued at \$115 million—\$60 million in cash and the remainder in FFM common stock.

The new umbrella company, which is still awaiting final approval of its name change in a few states, is First Health Strategies Inc.

And on June 16, the Salt Lake City-based TPA signed a marketing agreement with HealthCare Compare Corp. that gives the TPA a nationwide PPO network to offer clients: HealthCare's AFFORDABLE Medical Networks.

The TPA paid \$3.05 billion in claims on behalf of self-insured clients in 1992, up 15.5% from \$2.64 billion in 1991.

FFMC's acquisition of ALTA gave the TPA the resources it needs to improve its services and quadruple its 1992 gross revenues of \$250 million in three to five years, said Senior Vp Richard N. Hansen.

Among the services First Health will be beefing up is its electronic technology. The TPA has committed \$40 million to a new computer system to improve

its claims handling and reporting capabilities.

Clients will be able to tie into the system through a modem or direct online access and use color graphics to manipulate their own data from First Health's central data base to perform extensive data analyses, Mr. Hansen said. These ad hoc reports will be in addition to standard reports the TPA already provides.

The system, currently being tested, will be phased in beginning next year. Full implementation is expected by year-end 1995.

Mr. Hansen noted that about 3% of the claims First Health processes are electronically filed. He estimated that figure could grow to 50% as the electronic claims filing infrastructure is installed at hospitals and physicians' offices over the next several years.

The resources of the new company will allow the TPA to more readily develop other services, like a prescription drug and a psychiatric management program.

First Health's alliance with the AFFORDABLE network will mean significant savings for its clients and will simplify their plan administration, Mr. Hansen said. AFFORDABLE contracts with more than 1,200 hospitals and 85,000 physicians. "We now truly have a nationwide network" to offer clients, he said.

He noted that AFFORDABLE is seeking multiyear provider contracts that contain fixed rate or cost escalation limits. Hospitals are being asked to limit cost increases to 4% to 6% annually, he said.

First Health's clients' size ranges from 200 to 150,000 employees; the average account size is 1,000 employees.

Mr. Hansen expects that the TPA will see the greatest growth in corporate clients with plans covering 2,000 or more employees and dependents as those firms realize they "need to manage their health costs like any other asset."

He also expects business from public entities to increase.

Employee Benefit Plans Inc.

EBP expanded its PPO offerings by contracting with a nationwide provider network and acquired three TPAs in 1992 as the company pursued its growth strategy.

EBP again ranks second among benefits TPAs and third among all TPAs based on more than \$1.96 billion of claims paid on behalf of self-insurers in 1992, a 42% increase from \$1.38 billion in 1991.

Senior Executive Vp Robert Brook said a significant move for the TPA last year was contracting with HealthCare Compare's AFFORDABLE provider network. The relationship will help clients manage their health care costs better, he said.

In addition, EBP acquired Medical Card Systems of Miami.

But EBP expects to reduce the number of relationships it has with smaller PPOs. "To manage all 55 PPO relationships has a tremendous cost to it," Mr. Brook explained. "We want a single, primary relationship."

EBP also acquired three TPAs:

- A&H Administrators of Milwaukee.
- Employee Benefit Administrators of Grand Rapids, Mich.
- Managed Care Administrators of San Diego.

Among the new products EBP introduced last year is its PRIMEXtra prescription drug card program. Before processing a claim and allowing one of 25,000 network pharmacies to dispense a prescription, the system checks member enrollment status, the eligibility of medication and provider status.

EBP also had legal and regulatory problems to deal with last year.

In December, it agreed to pay \$4.2 million in cash and issue \$6.5 million in debentures to settle class-action shareholder litigation that followed a plunge in the firm's stock price last year to \$30 from \$64 a share on a report of flat quarterly earnings. Some \$3 million of the settlement was covered by liability insurers. The settlement will result in a net after-tax charge of \$2.2 million to \$2.7 million, most of which will be taken in the second fiscal quarter ending Nov. 30 (BI, Jan. 4; April 13, 1992).

But, stock analyst Piper Jaffray Inc. of Minneapolis has not changed its "accumulate" position on the firm's stock, which closed at \$12.50 per share on Jan. 15, said Bernie McDonagh, managing director. He expects EBP to earn 25 cents to 30 cents per share on \$275 million in revenues in calendar 1993, EBP's new fiscal year.

Separately, California still has not issued an amended license to Sooner Life Insurance Co., which

EBP acquired from USLIFE Corp. in 1991. The amended license is necessary so EBP can merge Sooner with another subsidiary to create EBPLife Insurance Co., a stop-loss insurer. The state says it is still investigating EBP (BI, April 20, 1992).

EBPLife is licensed to write stop-loss coverage in 35 states.

The Travelers Plan Administrators Inc.

Travelers Plan believes it has now positioned itself as a managed care TPA following the acquisition of Primerica Corp.'s national preferred provider organization.

Hartford, Conn.-based Travelers Plan moved up one rung among all TPAs and benefits TPAs to fourth place and third place, respectively, on the strength of a 21% increase in claims paid on behalf of self-insurers in 1992 to \$1.5 billion. The TPA had fallen a couple of notches in the rankings last year despite a 32.4% increase in claims paid.

Mr. Rasnick points to two developments that he says leave the TPA in good shape to handle self-insurers' mounting demands.

New York-based Primerica last September agreed to invest \$722.5 million in the TPA's parent company, Travelers Corp. In exchange, the insurer received, among other things, the TPA business conducted by Prim-

erica's Transport Life Insurance Co. of Fort Worth, Texas, and the unit's ProAmerica Managed Care Inc. PPO (BI, Sept. 28, 1992).

Clients—which have 700 employees on average, but have as few as 25 to as many as 20,000—now have access to either Travelers' provider network or ProAmerica. The two networks can be integrated. The Travelers' network contracts with 650 hospitals nationwide, while ProAmerica contracts with 1,500 hospitals in 40 states.

The expanded network offerings as well as the Transport Life TPA business will strengthen Travelers Plan's services partic-

Continued on next page

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Spotlight report

Benefit TPAs

Continued from previous page
 ularly in the Southwest, Mr. Rasnick said. Besides Florida and Illinois, the ProAmerica network is most highly developed in California, Colorado and Texas.

And, in a move that would boost ProAmerica's clout with providers, Travelers Plan will make the ProAmerica network available to other independent TPAs to help them "meet their needs for a national managed care network," Mr. Rasnick said.

The TPA has no firm plans for more acquisitions this year, though it did not have any such plans before the Primerica deal, he said.

The TPA upgraded its claims processing system by adding the next generation of medical logic software, Mr. Rasnick said.

"We now look at each claim against 3 million rules to evaluate the quality and appropriateness of care," he said.

The software allows the TPA to compare individual physicians' treatment patterns with the norms in that specialty.

The upgrade also will further reduce processing errors by increasing electronic payment of claims, he said. "By the end of '93, 35% of claims won't be touched by human hands," he said.

CoreSource Inc.

CoreSource, formerly Administrators Network Inc., will be taking a different approach to health plan administration this year following the TPA's just-completed merger with health care cost management consultant Burgett & Dietrich of Little Rock, Ark.

There are two key elements to the concept, which Burgett developed: CoreSource establishes a primary care network consisting of physicians who agree to economic risks and incentives based on their ability to manage total costs. Employees and dependents of self-insurers choose a network provider as their primary care physicians for all non-emergency medical services.

In addition, for each client in each community it operates, the TPA establishes a plan board composed of that client's representatives and providers to study and react to health care utilization and provider practices.

CoreSource dropped one notch in the TPA rankings to fourth among benefits TPAs and fifth among all TPAs based on \$1.4 billion of claims paid on behalf of self-insurers, a 9.4% increase from nearly \$1.28 billion in 1991.

The TPA's new approach is based on its belief that a medical cost containment plan has to be based on local factors, like provider practice patterns and utilization, explained Chairman and Chief Executive Officer Bruce Miller. "If you don't manage care at that personal level, you aren't managing care."

CoreSource owns PPO networks that cover 204 cities, and it contracts with 51 other networks. "We manage the relationship so they can practice good medicine," Mr. Miller said. "We ask them to work with us."

At the same time, the plan boards give each of the TPA's self-insured clients and their providers the opportunity to study CoreSource-generated data on provider practice patterns and employee and dependent utilization. The goal is to have self-insurers and providers

work together to modify utilization and practice patterns so the employer can stay within a health care financial plan the TPA has developed for it.

The ultimate goal is establishing non-adversarial relationships between providers and employers, Mr. Miller explained.

"What we've been doing for the past several years is building a managed care market driven by employers," said Mr. Dietrich, who founded Burgett. The idea is to get away from focusing on discounted health care through HMOs and PPOs "and instead put employers and providers together."

Claims administration supports the total cost-containment program, which also includes utilization management and case management, as well as workers compensation claims administra-

tion and occupational health management, Mr. Miller said.

The TPA administers claims for some operations of 35 to 40 Fortune 500 companies. Some of those operations have as many as 25,000 employees, but its core business is employers with 100 to 10,000 employees.

Harrington Services Corp.

Harrington expanded the utilization review subsidiary it formed in 1991, as well as upgraded its claims processing and reporting capability as its core business continues to shift to corporations and away from multiemployer Taft-Hartley plans.

The TPA paid more than \$1.08 billion in claims on behalf of self-insurers in 1992. The 18.5% increase from \$915 million in 1991 allowed the Columbus,

Ohio-based firm to maintain its position as the nation's eighth-largest TPA and fifth-largest benefits TPA.

Harrington's core business is now decidedly corporations with 400 to 2,000 employees and dependents. The TPA reported 164 corporate clients for 1992, a 23.3% increase from 133 a year earlier and a more than a three-fold increase from 50 in 1990. Its multiemployer plan business remained stable at 116 plans.

Harrington's ProHealth Inc. UR unit was expanded to cover 70% to 80% of the TPA's clients last year, according to Harrington President Robert Parker.

The UR unit's case managers coordinate plans by consulting with physicians and patients "rather than just approving care for X days," Mr. Parker said.

Harrington in July also qua-

druped its computer capacity to accommodate clients' demands for more detailed reports and to support expanded electronic claims filing.

The upgrade will allow the TPA to generate better patient profiles and information about individual providers' treatment outcomes.

Harrington also began subscribing to an electronic claims filing network in mid-1992 and is talking with three other networks about subscribing. About 3% of claims were filed and processed electronically in 1992, and 6% to 9% of claims should be handled electronically in 1993. And, as more clearinghouses begin offering this service to providers, Harrington expects as much as 40% of the claims it handles will be filed electronically, Mr. Parker said. **B1**

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Claims services since: 1987.
Business: 99% claims administration; 1% other services, including Section 125 administration.

Region served: Indiana, Kentucky, Missouri, New York, North Carolina, Ohio, South Carolina.

Specialties: 1% flex compensation, 99% health.

Health plans: 70,898 employees, 42,462 dependents covered.

Self-insured clients: 21 administration clients, including 18 corporations,

three public/government entities.

Self-insured claims: \$15.6 million paid for administration clients. Inpatient/outpatient hospital stays and physician claims adjusted.

Staff: 120 total; 58 serving self-insurers only.

Branch offices: Administrative and sales offices in Lexington, Ky.; Spartanburg, S.C. Additional administrative office in Frankfort, Ky.

1992 gross revenues: \$760,890; \$748,153 from claims services.

PPOs available: Employers Health Plan, Center Care.

Membership: IFEFP, SIIA, SPBA.

Officers: Paul W. McVay, president/CEO; Charles P. Duncan, executive vp/CFO; Lance D. Marshall, vp-client relations; Peggy A. Eads, vp-MIS; W. Thomas Maynard, vp-risk management.

Contact: Lance D. Marshall.

A.S.O. Health Plans Inc.

P.O. Box 96, Minoa, N.Y. 13116; 315-433-1504; fax: 315-463-7147

Claims services since: 1980.

Business: 100% claims administration.

Region served: Nationwide.

Specialties: 10% disability, 5% flex compensation, 85% health.

Health plans: 12,000 employees, 22,000 dependents covered.

Self-insured clients: 62 administration and adjusting clients, all corporations.

Staff: 12 total; 11 serving self-insurers only.

Branch offices: Administrative and sales office in Sarasota, Fla.

Membership: SPBA.

Contact: Shirley Evans, vp-administration.

Acordia Benefits of Florida Inc.

6440 Southpoint Parkway, Jacksonville, Fla. 32216; 904-279-0200; fax: 904-279-2099

Claims services since: 1991.

Parent: Acordia Inc.

Business: 20% claims administration; 3% adjusting; 2% auditing; 75% other services, including claims administration, adjusting and auditing for insured clients.

Region served: Florida.

Specialties: 100% health.

Health plans: 43,000 employees, 47,000 dependents covered.

Self-insured clients: 15 administration clients, including four corporations, 11 public/government entities.

Self-insured claims: \$95 million paid for administration clients.

Staff: 202 total; 50 serving self-insurers only.

Branch offices: Administrative and sales offices in Tampa, Fla. Additional sales office in Pensacola, Fla.

1992 gross revenues: \$13.5 million; \$3 million from claims services.

PPOs available: Anthem Health Systems/Florida Health Network.

Membership: SIIA.

Officers: John J. Emerson, president/

CEO; William E. Hotchkiss IV, vp/CFO; Eileen Goldman, vp-operations; Patricia Hickox, vp-underwriting.

Contact: William E. Hotchkiss IV.

Admar Corp.

1551 N. Tustin Ave., Suite 300, Santa Ana, Calif. 92630; 714-953-9600; fax: 714-953-9060

Claims services since: 1973.

Business: 21.5% claims administration; 78.5% other services, including Med Network PPO, Healthwatch utilization management and other managed care services.

Region served: Nationwide.

Specialties: 100% health.

Health plans: 23,800 employees, 31,500 dependents covered.

Self-insured clients: 56 administration clients, including 53 corporations, three public/government entities.

Self-insured claims: \$61 million paid for administration clients.

Staff: 52 total, all serving self-insurers.

Branch offices: Administrative office in Boulder, Colo. Sales offices in Bloomfield Hills, Mich.; Boulder, Colo.; Houston; St. Louis; San Bruno, Calif.; Scottsdale, Ariz.

Subsidiaries: Benefit Plan Administrators.

1992 gross revenues: \$14.4 million; \$3.1 million from claims services.

PPOs available: In 33 states.

Membership: SIIA, SPBA.

Officers: Richard Toral, president/CEO; Virginia Pascual, executive vp; Steve Goodell, president-managed benefits; Ron Hansen, vp-sales/managed benefits; Mark Hofgard, president-Benefit Plan Administrators.

Contact: Ron Hansen, 714-953-9600 ext. 288.

Figures include Benefit Plan Administrators subsidiary.

Administrative Management Group Inc.

3800 N. Wilke Road, Suite 250, Arlington Heights, Ill. 60004; 708-577-6000; fax: 708-577-6038

Claims services since: 1989.

Business: 15% claims administration, 85% other services.

Region served: Nationwide.

Specialties: 100% health.

Health plans: 7,500 employees, 18,000 dependents covered.

Self-insured clients: 12 administration clients, all corporations.

Self-insured claims: \$33 million paid for administration clients.

Staff: 80 total; 12 serving self-insurers only.

Membership: SIIA.

Officers: John Salajka, Dave Goldenberg, Greg Amick, James E. Adams, Salvatore Rizzo.

Contact: Mark Tucker.

Adminitron Inc.

4535 Harding Road, Suite 201, Nashville, Tenn. 37205; 615-298-4815

Claims services since: 1987.

Business: 98% claims administration; 2% other services including administration of 401(k) and COBRA plans.

Region served: Nationwide.

Specialties: 2% flex compensation, 90% health, 8% life.

Health plans: 13,000 employees covered.

Self-insured clients: 59 administration clients, all corporations.

Self-insured claims: \$27 million paid for administration clients.

Staff: 21 total; 20 serving self-insurers only.

1992 gross revenues: \$1.46 million, all from claims services.

PPOs available: Health Net.

Membership: SPBA.

Officers: L.R. Fredericksen, president; P.A. Fredericksen, corporate secretary.

Contact: L.R. Fredericksen.

Alden Associates Inc.

1525 Hamilton Ave., Waterbury, Conn. 06706; 203-754-3333; fax: 203-597-1272

Claims services since: 1991.

Business: 100% claims administration.

Region served: Nationwide services for clients based in Northeastern U.S.

Specialties: 8% disability, 8% flex compensation, 84% health.

Health plans: 4,000 employees, 7,000 dependents covered.

Self-insured clients: 56 administration clients, including one association, 50 corporations, five union-sponsored plans.

Continued on next page



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Continued from previous page
Self-insured claims: \$6.3 million paid for administration clients.

Staff: 12 total; eight serving self-insurers only.

1992 gross revenues: \$500,000.

Membership: SIIA, SPBA.

Officers: Harold A. Meyer Jr., president; Christopher W. Smith, treasurer; Denise Welby, vp-administration; Margaret Welby, vp-service; James Carrah, vp-sales.

Allied Administrators

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

Claims services since: 1953.

Business: 40% claims administration, 60% other services.

Region served: Arizona, California, Nevada.

Specialties: 3% disability, 7% flex compensation, 90% health.

Health plans: 20,000 employees, 30,000 dependents covered.

Self-insured clients: 35 administration clients, including 15 corporations, 20 multiemployer plans.

Continued on page 26

Guide to using directories of administrators

The annual directory of claims specialists lists companies that generate at least 50% or \$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 by the type of claim 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.

Listings begin with the company name, address, year claims services began and parent company (if any).

Following is the percent of 1992 gross revenues generated by:

- Claims administration, which includes overseeing control of claims files, directing adjusters and paying claims.

- Claims adjusting, which includes investigating claims and making recommendations to the claims administrator but does not include paying claims.

- Claims auditing, which includes reviewing the overall integrity of the claims file operation, verifying the accuracy and direction of claims payments and recommending solutions to claims administration problems.

- Other services, not related to claims services for self-insured clients.

The region served is next, followed by the types of claims the company services, given as a percent of gross revenues derived from handling claims for self-insured clients. The "health" heading encompasses medical, dental, vision and prescription drug claims.

If health plan administration is a large percent of the business, the number of employees and dependents covered is listed.

The number of self-insured claims administration clients, adjusting clients and auditing projects and the amount of claims paid in 1992 also are included.

The next information is total staff and the number assigned to business from self-insured clients only. Locations of administrative and sales offices are followed by the names of subsidiaries. Subsidiaries listed may perform activities other than claims.

When released by the company, total 1992 gross revenues are included. Some revenues may be estimates, as information was due before year-end 1992.

PPOs the company contracts with to service their clients' employees are listed, followed by memberships in claims organizations. Names and titles of principal officers and a contact complete the listings.

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.

The full names of professional organizations abbreviated in the listings are: IFEBP, International Foundation of Employee Benefit Plans; NAEBA, National Assn. of Employee Benefit Administrators; SIIA, Self-Insurance Institute of America; SPBA, Society of Professional Benefit Administrators.

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America's Dental Plan Specialist

Continued from page 24

Staff: 35 total.
Branch offices: Administrative offices in San Diego.
PPOs available: American Health Network, Community Care Network and others.
Membership: IFEBP, SPBA.
Officers: David Walker, president.

Allied Benefit Systems Inc.

222 S. Riverside Plaza, Suite 1500, Chicago, Ill. 60606; 312-906-8080; fax: 312-906-8443

Claims services since: 1980.
Business: 15% claims administration, 85% adjusting.
Region served: Nationwide.
Specialties: 2% flex compensation, 98% health.
Health plans: 27,000 employees, 51,500 dependents covered.
Self-insured clients: 139 administration clients, including 125 corporations, 13 public/government entities, one union-sponsored plan.
Self-insured claims: \$50 million paid for administration clients.
Staff: 48 total; 40 serving self-insurers

only.
1992 gross revenues: \$2.3 million; \$2 million from claims services.
PPOs available: Admar, HealthNetwork, Healthstar, PATH, Rush, U.S. Healthnet.
Membership: NAEBA, SPBA.
Officers: Laurence Wilneff, president; Ben D. Schenker, executive vp; Mitchell Wilneff, general counsel; Paulette Vision, vp-operations; Rob Valerious, assistant vp.
Contact: Ben D. Schenker.

Amalgamated Life Insurance Co./Alicare

770 Broadway, New York, N.Y. 10003; 212-473-5700

Claims services since: 1987.
Parent: Amalgamated Services Corp.
Business: 75% claims administration, 25% other services.
Region served: Nationwide.
Specialties: 1% disability, 54% health, 1% life, 44% pensions.
Health plans: 130,000 employees, 260,000 dependents covered.
Self-insured clients: 67 administration clients, including two associations,

12 corporations, 50 multiemployer plans, three union-sponsored plans.
Self-insured claims: \$300 million paid for administration clients.
Staff: 452 total, all serving self-insurers.
Branch offices: Administrative offices in Salem, N.H.
1992 gross revenues: \$35 million; \$26 million from claims services.
PPOs available: Amalgamated Life's Health Care Network.
Membership: IFEBP.
Officers: Harvey Sigelbaum, president; Ronald Minikes and Richard Burkner, executive vps; Ira Schwartz, Arthur Kurek and Rick Koven, senior vps.
Contact: Sandra M. Reisman, sales executive.

American Administrative Group Inc.

1721 Moonlake Blvd., Suite 310, Hoffman Estates, Ill. 60194; 708-843-8040; fax: 708-843-8521

Claims services since: 1985.
Business: 20% claims administration; 80% other services including claims administration for fully insured individual

and small group health plans.
Region served: Nationwide.
Specialties: 10% disability, 90% health.
Self-insured clients: 715 administration clients, including 128 associations, 576 corporations, 10 multiemployer plans, one union-sponsored plan.
Self-insured claims: \$25 million paid for administration clients.
Staff: 42 total; 12 serving self-insurers only.
Branch offices: Sales offices in Chicago.
PPOs available: Capp Care, Preferred Plan.
Membership: SIAA.
Officers: Michael P. Bryan, president; T. Lance Murdock, vp/secretary.
Contact: Michael P. Bryan.

American Health Alternatives Inc.

925 Baltimore Pike, Concordville, Pa. 19331; 215-358-5711; fax: 215-358-5238

Claims services since: 1984.
Parent: Independence Blue Cross.
Business: 97% claims administration;

3% other services, including COBRA and flexible benefits administration.
Region served: Delaware, Maryland, New Jersey, Pennsylvania.
Specialties: 2% flex compensation, 97% health, 1% COBRA administration.
Health plans: 20,477 employees, 44,320 dependents covered.
Self-insured clients: 22 administration clients, including 19 corporations, two public/government entities, one union-sponsored plan.
Self-insured claims: \$8.1 million paid for administration clients.
Staff: 25 total.
Subsidiaries: Delaware Valley HMO, Delaware, N.J.
1992 gross revenues: \$1.1 million; \$969,726 from claims services.
PPOs available: American Health Preferred.
Membership: SIAA.
Officers: G. Fred DiBona Jr., chairman; Alfred E. Meyer, president; Charles D. Clausen and Alan F. Wise, vps; John G. Poos, treasurer; Patricia R. Hatler, secretary.

American Insurance Administrators

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

Claims services since: 1977.
Parent: Management Applied Programming Inc.
Business: 60% claims administration; 2% adjusting; 2% auditing; 36% other services, including Section 125 flexible spending plans and county medical plans.
Region served: Nationwide.
Specialties: 8% flex compensation, 92% health.
Health plans: 30,000 employees, 75,000 dependents covered.
Self-insured clients: 15 administration clients, including 12 corporations, three public/government entities.
Self-insured claims: \$750,000 paid for administration clients.
Staff: 42 total; 26 serving self-insurers only.
Branch offices: Administrative and sales offices in Orange, Calif.
1992 gross revenues: \$2.5 million
PPOs available: Capp CARE, CIGNA, Community Care Network, Cost Care, PHN, PPO Alliance.
Membership: IFEBP, SPBA.
Officers: F.N. Dastur, president; Herbert Schaffer, executive vp; P.H. Dalal, CFO; H.P. Dalal, vp; R. Trivedi, B. Rabinowitz and J. Hoskins, assistant vps.

American Medical & Life Insurance Co.

35 Broadway, Hicksville, N.Y. 11801; 516-822-8700; fax: 516-931-1010

Claims services since: 1964.
Business: 20% claims administration; 80% other services, including insurance.
Region served: Nationwide.
Specialties: 100% health.
Health plans: 70,000 employees, 160,000 dependents covered.
Self-insured clients: 84 administration clients, including eight associations, 17 corporations, 42 multiemployer plans, 17 public/government entities.
Staff: 110 total; 23 serving self-insurers only.
Branch offices: Administrative offices in Honolulu. Sales offices in Deerfield Beach, Fla.
Subsidiaries: American Dental Centers.
1992 gross revenues: \$25 million; \$2.5 million from claims services.
PPOs available: Multiple PPOs including American Dental Centers.
Officers: Dr. Jules V. Lane, president; Lee Jarmolowsky, executive vp; Peter Norton, senior vp; Larry Schwartz, vp-sales.

American SelfCare Corp. Inc.

233 12th St., Columbus, Ga. 31901-2446; 706-324-1170; fax: 706-323-8174

Claims services since: 1957.
Parent: American National Service Inc.
Business: 97% claims administration, 3% other services.
Region served: Midwest and South-east U.S.
Specialties: 100% health.
Health plans: 58,000 employees, 180,000 dependents covered.
Self-insured clients: 67 administration clients, including 52 corporations, one MEWA, 14 public/government entities.
Self-insured claims: \$140 million paid for administration clients.
Staff: 120 total; 92 serving self-insurers only.

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FOLKSAMERICA NATIONAL RE IS CONSOLIDATED INTO FOLKSAMERICA RE

Through a transfer and assumption agreement effective December 31, 1992, all of Folksamerica National's reinsurance business, related assets and liabilities were transferred into Folksamerica Re. From now on, all new business and renewals will be written under the name of Folksamerica Re, which will also honor outstanding authorizations of Folksamerica National.

Formally joining the resources of the two reinsurance units will greatly enhance the capabilities of the Folksamerica Group.

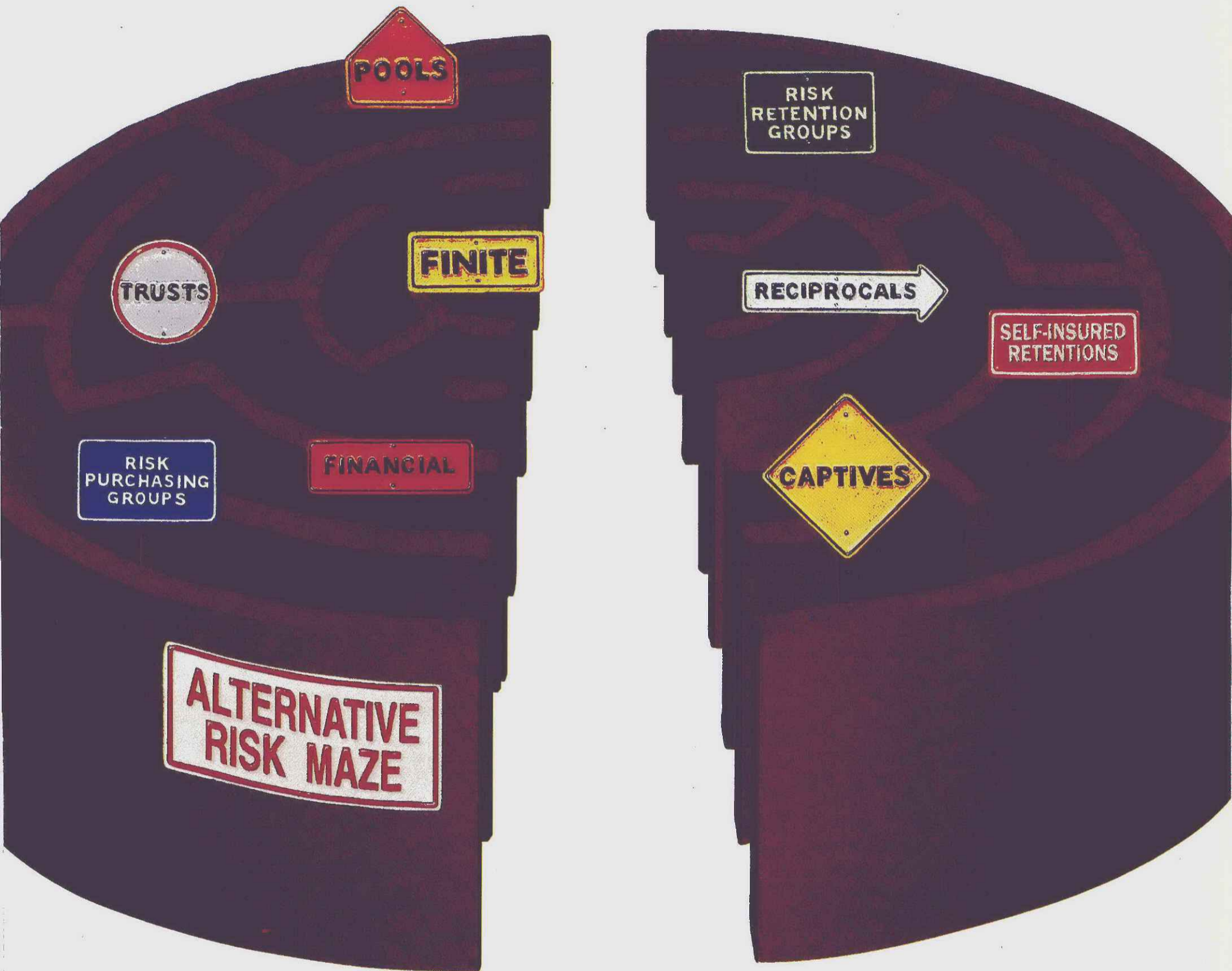
Folksamerica Re has \$120 million in statutory policyholder's surplus and is rated "A" (Excellent) by A.M. Best Co. It is licensed in 49 states, the District of Columbia, Puerto Rico, and by the U.S. Treasury.

Folksamerica Re underwrites treaty reinsurance at its New York corporate headquarters and facultative reinsurance at regional offices in New York, Chicago and Los Angeles.

FOLKSAMERICA GROUP

FOLKSAMERICA REINSURANCE COMPANY
One Liberty Plaza, New York, NY 10006
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NORTH AMERICAN



A TRADITION OF
EXCELLENCE

Continued from page 26

Branch offices: Administrative offices in Glen Ellyn, Ill. Sales offices in Atlanta. **1992 gross revenues:** \$3.9 million. **Membership:** SIA, SPBA. **Officers:** Leonard Jagoda, president/CEO; Allen Holladay, vp/COO; Ann Saford, vp; Howard Huneke, sales; Cathy Warner, controller. **Contact:** Howard Huneke, 800 Roosevelt Road, Building E, Suite 200, Glen Ellyn, Ill. 60137; 708-469-6466.

Arizona Preferred Provider

6464 E. Grant Road, Tucson, Ariz. 85715; 602-298-5297; fax: 602-296-7948

Claims services since: 1980. **Business:** 100% claims administration. **Region served:** Nationwide. **Specialties:** 10% flex compensation, 80% health, 10% life. **Health plans:** 12,000 employees, 8,000 dependents covered.

Self-insured clients: 16 administration clients, all corporations. **Self-insured claims:** \$4 million paid for administration clients. **Staff:** Eight total. **1992 gross revenues:** \$600,000. **PPOs available:** Arizona Preferred Provider.

Membership: SIA, SPBA. **Officers:** Dwight Babcock, president; Cindy Stewart. **Contact:** Dwight Babcock.

Associated Health

Plans Inc. of Louisiana

P.O. Box 8570, 3616 S. I-10 Service Road, Metairie, La. 70011-8570; 504-840-9916; fax: 504-840-9924

Claims services since: 1978. **Business:** 100% claims administration. **Region served:** Nationwide. **Specialties:** 100% health. **Self-insured clients:** 230 administration clients, including 218 corporations, 12 public/government entities.

Self-insured claims: \$100 million paid for administration clients. **Staff:** 130 total, all serving self-insurers.

1992 gross revenues: \$5 million. **PPOs available:** American LifeCare, Southeastern Medical Alliance, Health-care Advantage.

Membership: NAEBA, SIA, SPBA. **Officers:** Art Blanchat, CEO; Vincent Varisco, president; Pam Chauff, senior vp. **Contact:** Art Blanchat.

Associated Plan

Administrators Inc.

4133 Whitney Ave., Hamden, Conn. 06518; 203-287-1271; fax: 203-288-9428

Claims services since: 1982. **Business:** 100% claims administration. **Region served:** Nationwide. **Specialties:** 100% health.

Self-insured clients: 86 administration and adjusting clients, including 83 corporations, three union-sponsored plans.

Self-insured claims: \$8 million paid for administration clients. **Staff:** 28 total; 25 serving self-insurers only.

1992 gross revenues: \$3.8 million. **Membership:** NAEBA, SIA, SPBA. **Officers:** Fred R. Brown, president; John Cuzzo and Mike Zipp, vps.

Beckwith-Hightower & Renberg Insurance Services Inc.

1617 St. Marks Plaza, Suite C, Stockton, Calif. 95207; 209-478-6540; fax: 209-478-3430

Claims services since: 1971. **Business:** 100% claims administration. **Region served:** Nationwide. **Specialties:** 2% flex compensation, 98% health.

Self-insured clients: 128 administration clients, including 120 corporations, eight public/government entities.

Self-insured claims: \$27 million paid for administration clients. **Staff:** 25 total.

Branch offices: Sales offices in Fresno, Calif.

PPOs available: American Health Network, Foundations for Medical Care, Interplan, Preferred Health Alliance, Preferred Health Network. **Membership:** SIA.

Officers: Jonathan S. Renberg, president/CEO. **Contact:** Elaine Smith.

Benefit Administration Corp.

P.O. Box 9800, Fresno, Calif. 93794; 209-225-3030; fax: 209-225-6837

Claims services since: 1953. **Business:** 98% claims administration; 2% other services, including consulting.

Region served: California. **Specialties:** 5% flex compensation, 95% health.

Health plans: 25,000 employees, 55,000 dependents covered.

Self-insured clients: 41 administration clients, including 20 corporations, 12 multiemployer plans, nine public/government entities.

Self-insured claims: \$25 million paid for administration clients. **Staff:** 52 total, all serving self-insurers.

1992 gross revenues: \$1.9 million, all from claims services. **PPOs available:** American Health

Network, Community Health Plan, Interplan. **Membership:** IFEBP, SIA, SPBA.

Officers: Robert J. Cardinal, president; Mirth Lundal, executive vp; Regina Alexander, claims manager; Darlene Moore, controller; Cathy Rainaldi, Taft-Hartley manager.

Benefit Administrative Systems Ltd.

43 Orland Square Drive, Suite 303, Orland Park, Ill. 60462; 708-460-2100; fax: 708-460-0110

Claims services since: 1983. **Business:** 60% claims administration, 40% other services.

Region served: Nationwide. **Specialties:** 100% health.

Health plans: 39,650 employees, 97,935 dependents covered.

Self-insured clients: 156 administration clients, including two associations, 150 corporations, four public/government

entities. **Staff:** 45 total.

PPOs available: Beech Street of California, Health Direct, Health Network, Healthstar, Preferred Plans, ProAmerica.

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

Benefit Administrators of America Inc.

207 Crocker, Suite 300, P.O. Box 9120, Des Moines, Iowa 50309-9120; 515-243-3210; fax: 515-282-0719

Claims services since: 1982. **Parent:** Health Ventures Inc.

Business: 96% claims administration, 1% adjusting, 3% other services. **Region served:** Nationwide.

Specialties: 1% flex compensation, 99% health.

Continued on next page

WORKERS' COMPENSATION

FINALLY, A CASE FOR MAN

SOME WORKING SOLUTIONS FROM CONSERVCO.
 Paging through this magazine, you'll see dozens of advertisements rattling off the same dismal statistics on rising medical costs. Many projecting the horrors yet to come. Still others pointing the finger at you for not waking up to the problem earlier.

At Conservco, we'd rather talk about solutions. And we found the best way to come up with them is to look at both sides of the issue. Workers' Compensation and Employee Benefits.

WORKING TOGETHER, EVERYONE BENEFITS.
 Since 1981, Conservco has been a leader in both medical and disability cost management for both Employee Benefits and Workers' Compensation. And what we see are two groups whose needs and goals are moving closer and closer together. Both are struggling to control costs. Both want high quality care. Both are seeing the benefits of early intervention and bringing the employee back to work as quickly as possible.

What all this means to you, at long last, is an opportunity to look

B

Bankers Risk Management Services Inc.

1000 112th Circle N., St. Petersburg, Fla. 33716; 813-576-8780

Claims services since: 1985. **Parent:** Bankers Insurance Group. **Business:** 90% claims administration; 10% other services, including claims administration for insured clients.

Region served: Florida. **Specialties:** 100% health. **Health plans:** 10,000 employees covered.

Self-insured clients: 50 administration clients, all corporations. **Self-insured claims:** \$10.2 million paid for administration clients.

Staff: 23 total. **1992 gross revenues:** \$1 million. **PPOs available:** Health Advantage, Florida Health Network, Health Choice.

Membership: SPBA. **Officers:** Robert F. McBurney, president.

Continued from previous page

Health plans: 80,000 employees, 216,000 dependents covered**Self-insured clients:** 110 administration clients, including three associations, two MEWAs, 13 public/government entities, one union-sponsored plan.**Self-insured claims:** \$260 million paid for administration clients.**Staff:** 160 total; 157 for self-insured claims only.**Branch offices:** Administrative offices in Davenport and Sioux City, Iowa. Sales offices in Chippewa Falls, Wis.**1992 gross revenues:** \$8 million.**PPOs available:** CAPP Care, Health Network and Midwest Business Medical Assn., Chicago; BAA Select and Health-care Preferred, Des Moines, Iowa; Preference Health Plan, Davenport, Iowa; Comp Med, Oklahoma City; Sloans Lake, Denver; Health Link, St. Louis; Select Care, Bloomington, Minn.**Membership:** SIA.**Officers:** Clifford D. Golz, COO.**Contact:** Diane Neff, marketing manager.**Benefit Administrators of New England Inc.**

200 Ledgewood Place, Rockland, Mass. 02370; 617-982-1881

Claims services since: 1938.**Business:** 100% claims administration.**Region served:** Nationwide.**Specialties:** 10% disability, 10% flex compensation, 80% health.**Health plans:** 18,500 employees, 42,500 dependents covered.**Self-insured clients:** 105 administration clients, including 95 corporations, 5 public/government entities, 5 union-sponsored plans.**Self-insured claims:** \$46.3 million paid for administration clients.**Staff:** 60 total; 15 serving self-insurers only.**PPOs available:** Cost Care.**Membership:** SPBA.**Officers:** Jack Keith, chief administrative officer; Neil Guerin, CEO.**Contact:** Neil Guerin.**Benefit Consultant Services**

3120 Princeton Pike, Lawrenceville, N.J. 08648; 609-895-1616; fax: 609-895-1511

Claims services since: 1961.**Parent:** Donald F. Smith & Associates.**Business:** 68% claims administration, 32% other services.**Region served:** Nationwide.**Specialties:** 5% disability, 95% health.**Health plans:** 3,720 employees, 1,495 dependents covered.**Self-insured clients:** 27 administration clients, including one association, 25 corporations, one public/government entity.**Self-insured claims:** \$17.7 million paid for administration clients.**Staff:** 12 total, all serving self-insurers.**Branch offices:** Administrative offices in Norfolk, Va. Sales offices in Norfolk

and Richmond, Va.; Wallingford, Conn.

Subsidiaries: Smith Insurance Services.**Membership:** SPBA.**Officers:** Donald F. Smith, chairman; William B. Stephenson, president; Robert M. Neumann, senior vp; Ronald G. Keefe, vp; F. John Herrmann, assistant vp.**Contact:** Robert M. Neumann.**Benefit Consultants Inc.**

14500 S. Outer Forty Road, Suite 502, Chesterfield, Mo. 63017; 314-434-4620

Claims services since: 1982.**Business:** 31% claims administration; 7% adjusting; 16% auditing; 46% other services, including consulting.**Region served:** Midwest.**Specialties:** 100% health.**Health plans:** 14,000 employees, 28,000 dependents covered.**Self-insured clients:** Three administration clients, including two corporations, one multiemployer plan.

Eight adjusting clients, including one corporation, seven multiemployer plans.

Seven auditing clients, including one corporation, six multiemployer plans.

Self-insured claims: \$7 million paid for administration clients. Health claims adjusted. 11 claims-auditing projects conducted.**Staff:** Nine total; five serving self-insurers only.**PPOs available:** Healthlink.**Membership:** IFEBP.**Officers:** Alan N. Lemley, president.**Benefit Plan Administrators Inc.**

1871 Folsom, Boulder, Colo. 80302; 303-442-1000; fax: 303-442-1505

Claims services since: 1986.**Parent:** Admar Corp.**Business:** 100% claims administration.**Region served:** Nationwide.**Specialties:** 5% flex compensation, 95% health.**Health plans:** 15,000 employees, 30,000 dependents covered.**Self-insured clients:** 50 administration clients, including 42 corporations, eight public/government entities.**Self-insured claims:** \$30 million paid for administration clients.**Staff:** 34 total; 28 serving self-insurers only.**1992 gross revenues:** \$1.8 million; \$1.5 million from claims services.**PPOs available:** Admar Corp.**Membership:** SPBA.**Officers:** Mark Hofgard, president; Edward Evans, treasurer; Virginia Pascual, secretary.**Contact:** Paulette Porter, vp-marketing and sales.**Benefit Plan Services Inc.**

P.O. Box 2793, High Point, N.C. 27261; 919-889-2003; fax: 919-841-2556

Claims services since: 1977.**Business:** 100% claims administration.**Region served:** North Carolina.**Specialties:** 100% health.**Health plans:** 6,262 employees, 6,122 dependents covered.**Self-insured clients:** 13 administration clients, 10 corporations, three public/government entities.**Self-insured claims:** \$4.6 million paid for administration clients.**Staff:** Four total, all serving self-insurers.**1992 gross revenues:** \$240,000, all from claims services.**Membership:** SPBA.**Officers:** J. Larry Peters, president; Alan O. Peters, vp.**Contact:** J. Larry Peters.**Benefit Planners Inc.**

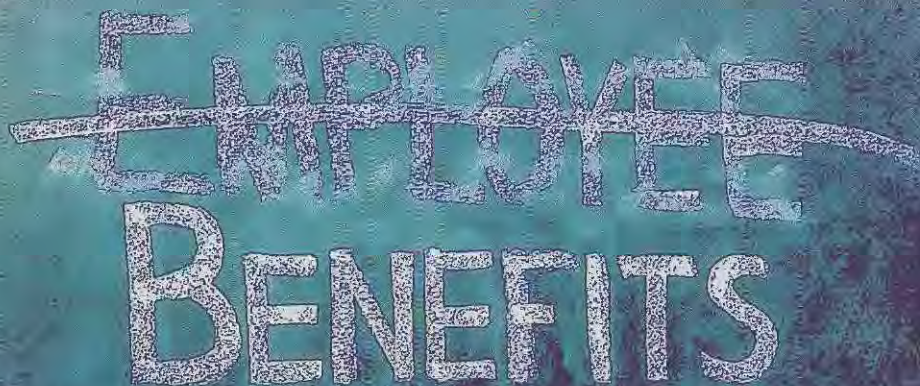
10940 Laureate Drive, Suite 8000, San Antonio, Texas 78249; 210-699-1872; fax: 210-697-3039

Claims services since: 1982.**Business:** 100% claims administration.**Region served:** Nationwide.**Specialties:** 2% disability, 8% flex compensation, 90% health.**Health plans:** 28,750 employees, 51,500 dependents covered.**Self-insured clients:** 48 administration clients, including 47 corporations, one public/government entity.**Self-insured claims:** \$63.5 million paid for administration clients.**Staff:** 76 total; 58 serving self-insurers only.**Branch offices:** Sales offices in Tulsa, Okla.**Subsidiaries:** Preferred Health Arrangement Inc.**1992 gross revenues:** \$3.4 million; \$2.3 million from claims services.**PPOs available:** Preferred Health Arrangement Inc., PRO NET.**Membership:** SIA, SPBA.**Officers:** Tom P. Cusick Jr., president/CEO; Brian Mattson, executive vp; Jeff Burdick, executive vp-sales; George Ziembra, vp-claims; Rhonda Morrow, vp-administration.**Contact:** Tom P. Cusick Jr.**Benefit Systems & Services Inc.**

760 Pasquelli Drive, Suite 320, Westmont, Ill. 60559; 800-423-1841 or 800-367-7062 in Illinois; fax: 708-789-2093

Claims services since: 1986.**Business:** 86% claims administration; 8% auditing; 6% other services, including fully-insured association plans.**Region served:** Nationwide.**Specialties:** 1% disability, 2% flex compensation, 97% health.**Health plans:** 24,000 employees,

Continued on next page



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WORKING TOGETHER, EVERYONE BENEFITS
Integrated Medical/Disability Management

Continued from previous page
37,000 dependents covered.

Self-insured clients: 52 administration clients, including 29 corporations, one multiemployer plan, 22 public/government entities.

One auditing client.
Self-insured claims: \$72 million paid for administration clients. Seven claims-auditing projects conducted.

Staff: 42 total; 32 serving self-insurers only.

1992 gross revenues: \$3.3 million; \$1.8 million from claims services.

PPOs available: CCN, Health Network, Healthstar, Preferred Plan, RUSH Contract Care, USA Healthnet, WPPN.

Membership: SIA, SPBA.

Officers: David H. Lloyd, president; Carmen J. Morreale, executive vp; Roy Wapiennik, vp; Pamela A. Pratt, Jacqueline D. Wenzel, assistant vps.

Contact: David H. Lloyd.

BenePlan Strategies Inc.

333 W. First St., 7th Floor, P.O. Box 1391, Dayton, Ohio 45402;
513-226-8610; fax: 513-226-8640

Claims services since: 1983.

Parent: M.A. Hanna Co.

Business: 89% claims administration; 11% other services, including shopping for stop loss coverage, UR programs, life insurance coverage and additional lines commissions.

Region served: Nationwide.

Specialties: 2% disability, 5% flex compensation, 93% health.

Health plans: 48,501 employees, 126,103 dependents covered.

Self-insured clients: 79 administration clients, including 62 corporations, 17 public/government entities.

Self-insured claims: \$128.5 million paid for administration clients.

Staff: 105 total, all serving self-insurers.

1992 gross revenues: \$5.5 million; \$4.6 million from claims services.

PPOs available: Health Service Preferred PPO Network, Crawford Care Alliance, PPO of Michigan, Health Network Inc.

Membership: SPBA.

Officers: Ralph Zimmerman, president; William C. Bligh, senior vp; Leila Peffy, vp-health administration; Rosalie Gehrich, finance director; Lillian Rudolph, MIS director.

Contact: William C. Bligh, 513-226-8643.

Berkely Association Services

120 Mineola Blvd., Mineola, N.Y. 11501; 516-294-0220

Claims services since: 1988.

Business: 50% claims administration, 10% adjusting, 40% other services.

Region served: Nationwide.

Specialties: 5% disability, 95% health.

Health plans: 23,000 employees, 17,000 dependents covered.

Self-insured clients: 15 administration clients, including six associations, three corporations, two multiemployer plans, one MEWA, three union-sponsored plans.

Staff: 25 total; eight serving self-insurers only.

Subsidiaries: Berkely ARM, Berkely Care.

1992 gross revenues: \$400,000; \$250,000 from claims services.

PPOs available: Magna Care.

Membership: SPBA.

Officers: Timothy Crowley, Kevin Byrne, William Kavan, Mark Kottler, Ann Marie D'Alessandro.

Contact: Timothy T. Crowley.

Berwanger Overmyer Associates Employee Benefits

P.O. Box 20945, 2245 Northbank Drive, Columbus, Ohio 43220;
614-457-7000; fax: 614-457-1507

Claims services since: 1989.

Business: 100% claims administration.

Region served: Midwest.

Specialties: 100% health.

Health plans: 20,000 employees, 15,000 dependents covered.

Self-insured clients: 14 administration clients, all corporations.

Self-insured claims: \$12 million paid for administration clients.

Staff: 21 total; 18 serving self-insurers only.

PPOs available: U.S. Health Plan.

Membership: SPBA.

Officers: Edwin L. Overmyer, president; Joseph M. Berwanger, Richard H. Moore, executive vps; Jerry L. Esselstein, COO; Charlie R. Deese, vp.

Contact: Sharlie R. Deese.

Booke & Co.

P.O. Box 66, Winston-Salem, N.C. 27102; 919-748-1120;
fax: 919-725-1132

Claims services since: 1973.

Business: 7% claims administration, 93% other services, including compensation and employee benefit consulting and administration.

Region served: Southeast, Midwest and Mid-Atlantic.

Specialties: 6% disability, 24% flex compensation, 70% health.

Health plans: 27,000 employees, 16,000 dependents covered.

Self-insured clients: 37 administration clients, including 35 corporations, two public/government entities.

Three adjusting clients, all corporations.

Two auditing clients, both corporations.

Self-insured claims: \$40 million paid for administration clients. Disability claims adjusted.

Staff: 350 total; 36 serving self-insurers only.

Branch offices: Sales offices in Birmingham, Ala.; Chicago; Columbus, Ohio.

Membership: SPBA.

Officers: Sam Booke Jr., chairman; Henry M. Booke, vice chairman; Donald C. Ingram, president; Roger L. Vaughn, executive vp; Joseph L. Lineberry Jr., senior vp.

Contact: Joseph L. Lineberry Jr.

Boon-Chapman Benefit Administrators Inc.

P.O. Box 9201, Austin, Texas 78766;
512-454-2681; fax: 512-459-1552

Claims services since: 1961.

Business: 90% claims administration;

10% other services, including fully insured supplemental health insurance coverages underwritten by large insurance companies.

Region served: Nationwide.

Specialties: 2% flex compensation, 98% health.

Health plans: 22,000 employees, 13,200 dependents covered.

Self-insured clients: 66 administration clients, including two associations, six public/government entities, 58 union-sponsored plans.

Self-insured claims: \$50 million paid for administration clients.

Staff: 82 total; 56 serving self-insurers only.

Branch offices: Sales offices in Dallas and Houston, Texas.

Affiliates: MedCorp Southwest Inc., Capitol HealthCare Review Inc.

PPOs available: MedCorp Southwest Inc., CAPP Care, Gulf Health Network.

Membership: NAEBA, SPBA.

Officers: T.J. Chapman, president;

Betty S. Chapman, treasurer; Robert J. Calvisi, senior vp-sales; Marlene Y. Sharp, Craig S. Olson, senior vps; Kevin S. Chapman, vp.

Contact: Robert J. Calvisi.

Brookfield Inc.

5440 N. Cumberland, Chicago, Ill. 60656; 312-714-8750;
fax: 312-714-8734

Claims services since: 1980.

Parent: Aon Corp.

Business: 100% claims administration.

Region served: Nationwide.

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THE HOM



OLD PROSON

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Specialties: 5% flex compensation, 90% health insurance, 5% COBRA administration.

Self-insured clients: 80 administration clients, all corporations.

Self-insured claims: \$175 million paid for administration clients.

Staff: 110 total, all serving self-insurers.

PPOs available: Preferred Health Network, HealthStar, Affordable, PRO America, Health Finest Network, Sunderbruch, R Care, RUSH Contract Care.

Membership: NAEBA, SIA, SPBA.

Officers: James C. Boon II., president/CFO; Olga Titos, vp-claims administration; Jon Helwig, vp-information systems.

Contact: James C. Boon II.

Brookfield West

2650 E Bayshore Road, Palo Alto, Calif. 94303; 415-496-7474; fax: 415-424-9857

Claims services since: 1957.

Parent: AON Corp.

Business: 25% claims administration; 75% other services, including flex, premium, COBRA and medical support administration.

Region served: Nationwide.

Specialties: 20% flex compensation, 80% health.

Health plans: 15,000 employees, 25,000 dependents covered.

Self-insured clients: 215 administration clients, including 15 corporations, 200 MEWAs.

Self-insured claims: \$15 million paid for administration clients. Medical, den-

tal, pharmaceutical, vision and life claims adjusted.

Staff: 30 total; 12 serving self-insurers only.

PPOs available: PHN, Prudent Buyer, Take Care.

Membership: SIA.

Officers: Jerry Kleinborg, Mark Barauk.

Brown & Brown Inc.

220 S. Ridgewood Ave., Daytona Beach, Fla. 32114; 904-239-5710; fax: 904-239-5729

Claims services since: 1972.

Business: 85% claims administration, 15% other services, including claims administration for fully-insured clients.

Region served: Nationwide.

Specialties: 4% disability, 2% flex

compensation, 94% health.

Health plans: 26,000 employees, 61,000 dependents covered.

Self-insured clients: 37 administration clients, including 29 corporations, seven public/government entities, one union-sponsored plan.

Self-insured claims: \$120.9 million paid for administration clients.

Staff: 56 total; 42 serving self-insurers only.

Branch offices: Sales offices in Boynton Beach, Brooksville, Delray Beach, Ft. Myers, Hollywood, Jacksonville, Kissimmee, Leesburg, Maitland, Melbourne, Orlando, Sanibel and Sarasota, Fla.; Thomasville, Ga.

Subsidiaries: MacDuff Underwriters, Bridges & Bridges Inc., Coastal Plains Insurance, Osceola Insurance Agency, Halcyon Underwriters, United Self Insured

Services, Broad Street Property.

1992 gross revenues: \$3.8 million; \$2.9 million from claims services.

PPOs available: Florida Health Network, American Health Network, Florida Health Choice, Health Advantage, Memorial Health Network.

Membership: NAEBA, SIA.

Officers: J. Hyatt Brown, president/CEO; Kenneth E. Hill, executive vp; Robert Thomas III, E.G. Brewer, Jim Henderson, senior vps.

Contact: Debra L. Reddick, assistant vp.



CC Systems

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

Claims services since: 1982.

Parent: BCBS of Minnesota.

Business: 100% claims administration.

Region served: Nationwide.

Specialties: 100% health.

Health plans: 55,000 employees, 85,000 dependents covered.

Self-insured clients: 75 administration clients, including 60 corporations, five multiemployer plans, 10 public/government entities.

Membership: SPBA.

Officers: Grayce Peters, president; Norm Storbakker, chairman; Robert Milis, secretary; Barbara Gruner, vp-external operations.

CCI Administrators Inc.

2751 Tuller Parkway Drive, Dublin, Ohio 43017; 614-764-7600; fax: 614-764-7629

Claims services since: 1981.

Business: 100% claims administration.

Region served: Midwest.

Specialties: 100% health.

Health plans: 9,800 employees, 25,200 dependents covered.

Self-insured clients: 51 administration clients, including 49 corporations, two public/government entities.

Self-insured claims: \$23 million paid for administration clients.

Staff: 16 total, all serving self-insurers.

Branch offices: Sales offices in Cincinnati and Cleveland, Ohio.

PPOs available: Health Service Preferred, ProAmerica.

Membership: SPBA.

Officers: R. Ted Miller, president; R. T. Alkire, vp; T. O'Reilly, secretary/treasurer; Michael Winters, director-operations.

CENTRA Benefit Services Inc.

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

Claims services since: 1980.

Parent: NJK Holdings Corp.

Business: 100% claims administration.

Region served: Nationwide.

Specialties: 100% health.

Health plans: 351,464 employees, 390,655 dependents covered.

Self-insured clients: 26 administration clients, including 23 corporations, one multiemployer plan, one MEWA, one public/government entity.

Self-insured claims: \$425.3 million paid for administration clients.

Staff: 333 total, all serving self-insurers.

Branch offices: Administrative offices in Lynnwood, Wash. Sales offices in Bloomington, Minn.

PPOs available: CAPP CARE, Sound Health, USA Healthnet.

Membership: IFEBP, NAEBA, SIA.

Officers: Jon K. Lineweaver, president; Dan Erickson, treasurer; Nasser Kazeminy, secretary.

Contact: Diane M. Rodgers, director-marketing services.

Chandler & Associates

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

Claims services since: 1961.

Business: 100% claims administration.

Region served: Nationwide.

Specialties: 100% health.

Health plans: 7,000 employees, 19,600 dependents covered.

Self-insured clients: 15 administration clients, including 13 corporations, two MEWAs.

Self-insured claims: Over \$7.5 million paid for administration clients.

Staff: 19 total.

PPOs available: Primary Health Services Inc.

Continued on next page

E T O D A Y



"HOW ARE WE DOING?" CUSTOMER SURVEY

Please rate The Home on how your claim was handled:

Promptly	<input checked="" type="checkbox"/> Excellent	<input type="checkbox"/> Good	<input type="checkbox"/> Poor
Courteously	<input checked="" type="checkbox"/> Excellent	<input type="checkbox"/> Good	<input type="checkbox"/> Poor
Fairly	<input checked="" type="checkbox"/> Excellent	<input type="checkbox"/> Good	<input type="checkbox"/> Poor
Overall Satisfaction	<input checked="" type="checkbox"/> Excellent	<input type="checkbox"/> Good	<input type="checkbox"/> Poor

EAGLE AWARD OF EXCELLENCE



One of our claims to fame.

When Teri Gass decided to take her bachelor's degree in Psychology, it didn't surprise anybody.

She'd always had a good feel for people.

Well today, Teri is a Quality Service Manager for The Home, responsible for how claims are handled in the 15 offices of our Eastern Region. And she hasn't lost her feel for people.

"My job is to train our staff to really care about service," she explains. "I want customers to know we're on *their* side."

Teri's not alone, either. At The Home, we're all working to provide the best claims service in the industry.

You see, we're concentrating on business and specialty accounts these days. And on larger, more complex risks.

And for customers like these, Teri will tell you, service isn't an option — it's a given.

Home Insurance

A NEW TEAM

Continued from previous page

Membership: SIIA, SPBA.
Officers: Arthur W. Chandler, president; Mary C. Chandler, vp; Keith W. Kern, secretary/treasurer.

Claim Management Services Inc.

P.O. Box 10888, Green Bay, Wis. 54307-0888; 414-497-1589; fax: 414-497-9423

Claims services since: 1978.
Parent: West Bend Mutual Insurance Co.

Business: 80% claims administration; 20% other services, including consulting, health care coalitions formation.

Region served: Nationwide.
Specialties: 8% flex compensation, 90% health, 2% COBRA.

Health plans: 31,000 employees, 32,000 dependents covered.

Self-insured clients: 189 administration clients, including two associations, 185 corporations, two union-sponsored plans.

Self-insured claims: \$105 million paid for administration clients.
Staff: 120 total; 110 serving self-insurers only.

Branch offices: Administrative and sales office in West Bend, Wis.
PPOs available: WPPN, HCN.

Membership: SIIA, SPBA.
Officers: John Dedrick, chairman; Thomas Casper, president; Thomas Murphy, vp; Marilyn Bortel, secretary/treasurer; Joan Rousseau, vp-operations.

Comprehensive Benefit Administrators Inc.

12515 N. Kendall Drive, Suite 220 Miami, Fla. 33186; 305-596-9050; fax: 305-271-4463

Claims services since: 1983.
Parent: Ramsay HMO Inc.

Business: 60% claims administration, 40% other services.

Region served: Nationwide.
Specialties: 5% disability, 90% health, 5% life.

Health plans: 12,000 employees, 8,000 dependents covered.
Self-insured clients: 74 administra-

tion clients, including 70 corporations, one MEWA, three public/government entities.

Self-insured claims: \$20 million paid for administration clients.

Staff: 40 total; 32 serving self-insurers only.
Branch offices: Sales office in Coral Gables, Fla.

Subsidiaries: CAC/Ramsay HMO.
1992 gross revenues: \$5.5 million; \$2.9 million from claims services.

PPOs available: CAC/Ramsay.
Membership: SIIA, SPBA.

Officers: Luis E. Lamela, president/CEO; Remberto Cibran, secretary; Raymond E. Noonan, treasurer; Richard P. Shea, executive vp.

Contact: Alberto F. Arca.

Confed Admin Services Inc.

P.O. Box 105103, Atlanta, Ga. 30348-5103; 800-368-1010; fax: 404-953-3472

Claims services since: 1987.
Parent: Confederation Financial Holdings Inc.

Business: 100% claims administration.
Region served: Nationwide.

Specialties: 0.8% disability, 1.5% flex compensation, 97.7% health.

Health plans: 198,965 employees, 372,961 dependents covered.

Self-insured clients: 122 administration clients, including 115 corporations, seven public/government entities.

Self-insured claims: \$208.2 million paid for administration clients.
Staff: 238 total, all serving self-insurers.

Branch offices: Administrative offices in Charleston, S.C.; Tucson, Ariz.; Puerto Rico. Sales offices in Boston; Chicago; Columbus, Ohio; Glendale, Irvine and San Francisco, Calif.; Houston; Mt. Laurel, N.J.; Sarasota, Fla.; Hato Rey, Puerto Rico.

1992 gross revenues: \$15.3 million; \$13.5 million from claims services.

PPOs available: Private Health Care Systems.
Membership: SPBA.

Officers: William Allison, president; Kenneth Jacobsen, executive vp; Jene J. Bird, assistant vp-marketing; John MacDonald, vp-claims; Frank DiPaolo, treasurer.

Contact: Kathy Withycombe.

Consolidated Benefits Inc.

P.O. Box 23686, Columbia, S.C. 29224; 803-736-5088; fax: 803-736-5078

Claims services since: 1988.
Business: 100% claims administration.

Region served: Georgia, North Carolina, Pennsylvania, South Carolina.

Specialties: 5% disability, 10% flex compensation, 75% health, 10% life.

Health plans: 4,000 employees, 7,500 dependents covered.

Self-insured clients: 36 administration clients, including 35 corporations, one union-sponsored plan.

Self-insured claims: \$10.8 million paid for administration clients.
Staff: 11 total, all serving self-insurers.

Branch offices: Sales offices in Lake Wylie, S.C.
1992 gross revenues: \$500,000, all from claims services.

PPOs available: Health Care Savings, Carolina Preferred Care, Ethix Southeast.

Membership: SPBA.
Officers: Jeffrey C. Miller, CEO; Phil Collier, president; Fred Navarra, treasurer.

Contact: Phil Collier or Jeffrey Miller.

Thomas P. Corcoran, Consultant-Administrator

2354 Stanwell Drive, Concord, Calif. 95420; 510-798-2558; fax: 510-685-1556

Claims services since: 1963.
Business: 50% claims administration; 50% other services, including claims administration for insured clients.

Region served: Western states.
Specialties: 1% disability, 49% health, 50% pensions.

Self-insured clients: Two administration clients, including one association, one multiemployer plan.

Self-insured claims: \$6.2 million paid for administration clients.
Staff: 18 total; five serving self-insurers only.

Subsidiaries: Teamsters Local 70 Customer Service Office-Oakland, Calif.; Teamsters Local 85 Claims Office-San Francisco, Calif.

1992 gross revenues: \$1.5 million;

\$450,000 from claims services.
PPOs available: Interplan, Affordable Health Care.

Membership: SPBA.
Officers: Thomas P. Corcoran, president; Lynn Monday, office manager; Gino Roth, claims manager.

Corporate Benefit Services of America

10159 Wayzata Blvd.; Minnetonka, Minn. 55305-1503; 612-546-0062

Claims services since: 1975.
Business: 100% claims administration.

Region served: Midwest, South, Southeast, Southwest.

Specialties: 4% disability, 5% flex compensation, 86% health, 5% life.

Health plans: 31,270 employees, 14,100 dependents covered.

Self-insured clients: 310 administration clients, including 300 corporations, 10 public/government entities.

Self-insured claims: \$48 million paid for administration clients.
Staff: 82 total; 61 serving self-insurers only.

Branch offices: Administrative offices in Denver; Minneapolis; Tampa, Fla. Sales offices in Clifton, N.J.; Denver; Minneapolis; Salt Lake City; Tampa, Fla.

1992 gross revenues: \$3.5 million, all from claims services.
PPOs available: Preferred One, Select Care, CAPP Care.

Membership: SPBA.
Officers: Clifford M. Koltes, president/CEO; James V. McMahill, executive vp/chief managing officer; Donald A. Waletko, vp/CFO; Thomas W. Kellin, D. Joy Kellin, directors.

Corporate Claims Services Inc.

141 E. Town St.; Columbus, Ohio 43215; 614-228-5565; fax: 614-228-6985

Claims services since: 1875.
Parent: The McElroy-Minister Co.

Business: 80% claims administration, 20% other services.

Region served: Nationwide.
Specialties: 5% disability, 2% flex compensation, 93% health.

Health plans: 25,000 employees covered.

Self-insured clients: 68 administration clients, all corporations.

Self-insured claims: \$65 million paid for administration clients.

Staff: 57 total; 50 serving self-insurers only.

Branch offices: Sales offices in Dayton, Ohio.

PPO available: Numerous PPOs available.
Membership: SIIA, SPBA.

Officers: Thomas E. Moore, vp/secretary.

Corporate Diversified Services Inc.

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

Claims services since: 1983.
Parent: Nebraska Blue Cross/Blue Shield.

Business: 90% claims administration; 10% other services, including commissions on life, disability and stop loss premiums.

Region served: Nationwide except for Texas.

Specialties: 1% disability, 11% flex compensation, 88% health.

Health plans: 14,716 employees.
Self-insured clients: 108 administration clients, including 100 corporations, eight public/government entities.

Self-insured claims: \$21.8 million paid for administration clients.
Staff: 65 total; 35 serving self-insurers only.

1992 gross revenues: \$976,071; \$949,121 from claims services.

PPOs available: Preferred Plan of Nebraska/Iowa, Option One.
Membership: IFEBP, SIIA.

Officers: Richard Guffey, president; Cheri Kowal, executive vp/COO; David Realph, treasurer; Susan Schneiderwind, corporate secretary; Vicki Welch, vp-group operations.

Contact: Cheri Kowal.

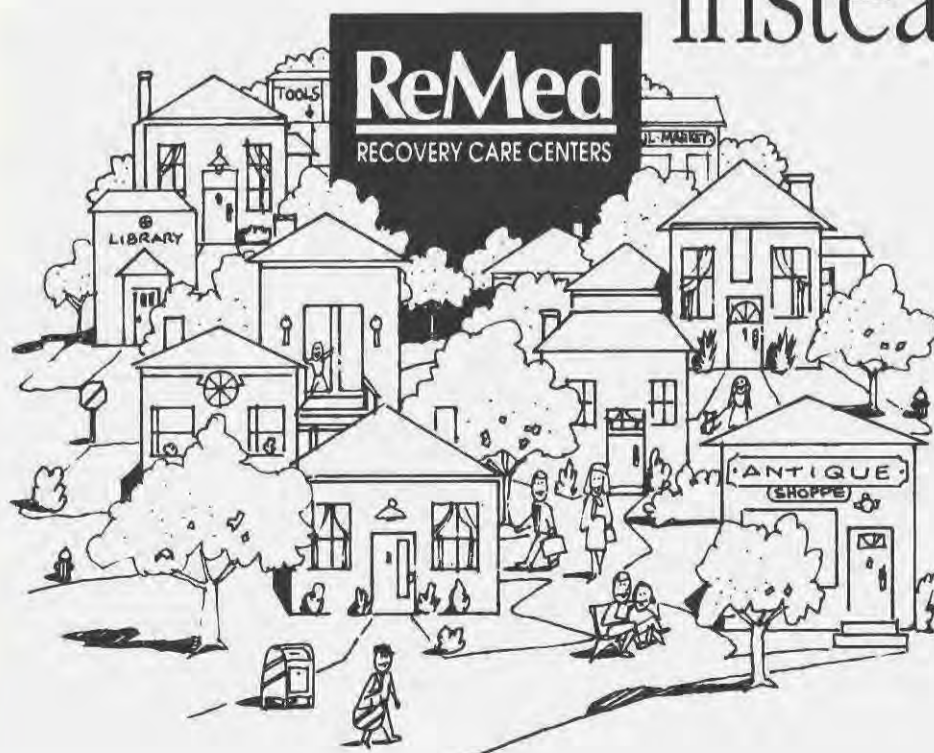
Corporate Group Systems Inc.

32290 W. Five Mile Road, Livonia, Mich. 48154; 313-525-3600; fax: 313-425-1819

Claims services since: 1938.

Continued on page 34

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Agoura Hills • Vern Gossen 805/497-4561
HELLER ASSOCIATES
Costa Mesa • Frank Heller 714/549-7052

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Continued from page 32

Parent: Alexander & Alexander Inc.
Business: 95% claims administration, 3% adjusting, 2% auditing.
Region served: Nationwide.
Specialties: 5% disability, 5% flex compensation, 88% health, 2% life.
Health plans: 33,000 employees, 39,000 dependents covered.
Self-insured clients: 93 administration clients, including 75 corporations, three MEWAs, 15 public/government entities.
 Two adjusting clients, both corporations.
Self-insured claims: \$52 million paid for administration clients.
Staff: 50 total, all serving self-insurers.
Branch offices: Sales office in Grand Rapids, Mich.
1992 gross revenues: \$2.5 million, all from claims services.
PPOs available: Capp Care, Healthcare Exchange, OHCP, PPOM, Preferred Choices, Selectcare.
Membership: SIA.
Officers: Don Fisher, COO; Chris Crowley, general manager; Janice Carroll, marketing/sales manager; Terry Madonna, operations manager.

Corporate Health Administrators

980 Jolly Road, P.O. Box 730, Blue Bell, Pa. 19422; 800-437-1630; fax: 215-283-6589
Claims services since: 1988.
Parent: U.S. Healthcare.
Business: 89% claims administration, 11% adjusting.
Region served: Nationwide.
Specialties: 100% health.
Health plans: 51,800 employees, 67,400 dependents covered.
Self-insured clients: 71 administration clients, including 64 corporations, seven public/government entities.
 Seven adjusting clients, all corporations.
Self-insured claims: \$70.7 million paid for administration clients.
Staff: 140 total, all serving self-insurers.
Branch offices: Administrative offices in Bismarck, N.D.; Pittsburgh. Sales offices in Boston; East Rutherford, N.J.; Long Island, N.Y.
1992 gross revenues: \$5.5 million; \$4.6 million from claims services.
PPOs available: Numerous nationwide.

Membership: SIA, SPBA.
Officers: Keith M. Kerman, president; Marshall Rozzi, vp; David F. Simon, secretary/director; Thomas A. Masci Jr., treasurer; Michael J. Cardillo, director.
Contact: Daniel J. Nolan.

Corporate Systems Administration Inc.

P.O. Box 4895, 4722 Lake Park Drive, Johnson City, Tenn. 37602-4985; 615-282-3420; fax: 615-292-2999
Claims services since: 1980.
Business: 80% claims administration; 20% other services, including processing of claims for fully insured clients.
Region served: South and Eastern U.S.
Specialties: 5% disability, 10% flex compensation, 80% health, 5% life.
Health plans: 22,000 employees, 25,000 dependents covered.
Self-insured clients: 47 administration clients, including 31 corporations, 16 public/government entities.
Self-insured claims: \$34.2 million paid for administration clients.
Staff: 23 total; 16 serving self-insurers only.

PPOs available: State of Franklin Independent Physicians' Assn.
Membership: NAEBA, SIA, SPBA.
Officers: Thomas H. Repass, president; David H. Grazier, vp-administration; Michael R. Miller, vp-marketing; Douglas M. Sizemore, secretary/treasurer.
Contact: Thomas H. Repass.

Cost Management Technologies Inc.

4435 Main St., Suite 810, Kansas City, Mo. 64111; 816-531-6300; fax: 816-531-3699
Claims services since: 1985.
Business: 90% claims administration; 10% other services, including fully insured administration services for HMOs, flex compensation administration, utilization review services.
Region served: Nationwide.
Specialties: 5% disability, 15% flex compensation, 80% health.
Health plans: 8,500 employees, 12,750 dependents covered.
Self-insured clients: 14 administration clients, including one association, 12 corporations, one MEWA.

Self-insured claims: \$18 million paid for administration clients.
Staff: 26 total; 23 serving self-insurers only.
1992 gross revenues: \$1.3 million.
PPOs available: Anthem/American Health Network, BC/BS Preferred Care, Healthnet, Preferred Health Professionals, ProAmerica, Southeast Medical Alliance, USA Healthnet, WPPA.
Officers: Patrick A. Thompson, president; John Laird, vp-information systems.
Contact: Wendy Peck.

Cox-Green Associates Inc.

1 Cherry Hill, Suite 909, Cherry Hill, N.J. 08002; 609-667-5500; fax: 609-667-5515
Claims services since: 1980.
Business: 80% claims administration; 20% other services, including risk management, Section 125 and COBRA administration.
Region served: Nationwide.
Specialties: 2% disability, 13% flex compensation, 85% health.
Health plans: 12,000 employees, 16,500 dependents covered.
Self-insured clients: 72 administration clients, including two associations, 30 corporations, 40 public/government entities.
Self-insured claims: \$20 million paid for administration clients. Medical, pharmaceutical, dental, vision and short-term disability claims adjusted.
Staff: 31 total; 22 serving self-insurers only.
Subsidiaries: Insurance Advisory Service.
1992 gross revenues: \$1.6 million; \$1.4 million from claims services.
PPOs available: Consumer Health Network, Cost Care PPN, Dimension, Florida Health Choice, Healthstar, Inter-Group PPO.
Officers: Dennis E. Cox, chairman; Clelland N. Green II, president; Stephen H. Duncan, program manager; Vincent J. Forchetti, claims manager; G. Phillip Lindsey, director-marketing.
Contact: G. Phillip Lindsey.



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ARMS

ALDEN RISK MANAGEMENT SERVICES, INC.

D

Dental Benefits Management Inc.

620 Chestnut St., Suite 472, Philadelphia, Pa. 19106; 800-445-6665; fax: 215-440-1021

Claims services since: 1979.
Business: 50% claims administration, 50% other services.
Region served: Connecticut, Massachusetts, New Jersey, Pennsylvania, Rhode Island.
Specialties: 100% dental.
Self-insured clients: 37 administration clients, including 15 corporations, eight multiemployer plans, three MEWAs, five public/government entities, six union-sponsored plans.
Self-insured claims: More than \$6 million paid for administration clients.
Staff: 25 total.
1992 gross revenues: \$1.5 million; \$750,000 from claims services.
Officers: Dr. B.H. Serota, president; Phyllis Serota, treasurer.
Contact: Phyllis Serota.

Disability Claim Services Inc.

Mail Station R-26, Hartford, Conn. 06152; 203-726-7041; fax: 203-243-5615

Claims services since: 1986.
Parent: CIGNA Re Corp.
Business: 10% claims administration, 90% other services.
Region served: Nationwide.
Specialties: 100% disability.
Self-insured clients: One administration client, a corporation.
Self-insured claims: \$1 million paid for administration clients.
Staff: Three total.
1992 gross revenues: \$20,000.
Membership: SIA.
Officers: Francine M. Newman, president; Gary M. Wolters, vp; William Silvanic, vp/CFO.
Contact: Ken Lucas, director, 203-726-1525.

Diversified Group Administrators Inc.

P.O. Box 330, 311 S. Central Ave., Canonsburg, Pa. 15317; 412-746-8700; fax: 412-746-8628

Claims services since: 1982.
Business: 95% claims administration,
 Continued on next page

Continued from previous page
5% other services.

Region served: Nationwide.
Specialties: 5% flex compensation, 95% health.
Health plans: 24,600 employees, 37,300 dependents covered.
Self-insured clients: 203 administration clients, including 197 corporations, six public/government entities.
Self-insured claims: \$47.7 million paid for administration clients.
Staff: 76 total; 60 serving self-insurers only.

Branch offices: Sales offices in Charleston, W.Va.; Knoxville, Tenn.; Waynesburg, Pa.

Subsidiaries: Diversified Group Insurance Agency of Pennsylvania Inc.

PPOs available: Alpha, Horizon, Inter Group, Multi Plan, Net One, North Texas, PHCP, Sanus, Signature.

Membership: SIA, SPBA.
Officers: David C. Bramer, CEO; Daniel Riston, CFO; Michele Peindl, senior vp; Sharon Lavery, Teresa Brinkman, assistant vps.

Contact: David Bramer.

Diversified Group Brokerage Corp.

369 N. Main St., P.O. Box 180, Marlborough, Conn. 06447; 203-295-9583; fax: 203-295-8835

Claims services since: 1967.
Business: 35% claims administration, 65% other services.

Region served: Nationwide.
Specialties: 1% disability, 4% flex compensation, 92% health, 2% pensions, 1% workers comp.

Health plans: 150,000 employees, 190,000 dependents covered.

Self-insured clients: 680 administration clients, including 648 corporations, 22 public/government entities, 10 union-sponsored plans.

Self-insured claims: \$115 million paid for administration clients.

Staff: 195 total; 175 serving self-insurers only.

Branch offices: Sales offices in Danbury, Conn.; Hampton and Stratham, N.H.; Knoxville, Tenn.; Norwell and Springfield, Mass.; Pittsburgh and Waynesburg, Pa.

Subsidiaries: Diversified Group Administrators.

1992 gross revenues: \$14.5 million; \$8.7 million from claims services.

PPOs available: Alpha, Capp Care, Cost Care, Florida Health Choice, HMA, Medical Diagnostic Management, Multi-Plan, Pioneer, Pennsylvania Health Choice, Preferred Care.

Membership: NAEBA, SPBA.
Officers: Robert H. Soleau, president; Dean Briskey, secretary/treasurer; Edward J. O'Brien, executive vp-operations; Mary Armstrong, vp-claims/administration; Kathy Shea, vp-underwriting.

Contact: Robert Soleau.

E

EBS/Atlanta

P.O. Box 53055, Atlanta, Ga. 30355; 800-647-3709; fax: 404-231-5646

Claims services since: 1988.
Parent: First Benecorp (USA) Inc.
Business: 100% claims administration.
Region served: Nationwide.
Specialties: 50% flex compensation, 50% health.

Staff: 14 total; six serving self-insurers only.

Membership: SIA.
Officers: B. Richard Cooper, president/CEO; Wayne C. Wong, executive vp/CFO.

Contact: B. Richard Cooper.

Eagles' Administrators Ltd.

3191 Nicholasville Road, Lexington, Ky. 40503; 606-272-7600; fax: 606-271-2047

Claims services since: 1972.
Parent: Professional Administrators Ltd., Whitehall Insurance Group.
Business: 90% claims administration; 10% other services, including insurance administration and consulting.

Region served: Nationwide.
Specialties: 5% disability, 95% health.
Health plans: 18,000 employees, 48,600 dependents covered.

Self-insured clients: 94 administration clients, including 93 corporations, one MEWA.

Self-insured claims: \$45 million paid for administration clients.

Staff: 41 total; 39 serving self-insurers only.

1992 gross revenues: \$1.6 million; \$1.5 million from claims services.

PPOs available: Capp Care, Center Care, Health Service Preferred.

Membership: NAEBA, SIA, SPBA.
Officers: Garry R. Ramsey, president; Richard Stump, treasurer; David Gubay, secretary; Jean George, assistant vp.
Contact: Jean George.

Employee Benefit Claims of Wisconsin

5235 N. Ironwood Road, Milwaukee, Wis. 53217; 414-962-7771; fax: 414-962-2975

Claims services since: 1977.
Parent: SAFECO Corp.
Business: 80% claims administration; 20% other services, including managed care.

Region served: Nationwide.
Specialties: 100% health.

Health plans: 40,000 employees, 80,000 dependents covered.

Self-insured clients: 400 administration clients, all corporations.

Self-insured claims: \$120 million paid for administration clients.

Staff: 200, all serving self-insurers.

Branch offices: Administrative and sales offices in Cleveland and Findlay, Ohio; Louisville, Ky.; Meridian, Miss.

PPOs available: EBC PPO, WPPN, Associates for Health Care Inc.

Membership: SIA.
Officers: Lawrence Pych, president; John A. Feith, Steve Hopp, Horace Garfield and Pat Finnegan, vps.

Employee Benefit Management Corp.

4789 Rings Road, Dublin, Ohio 43017; 614-766-5800; fax: 614-766-0901

Claims services since: 1979.
Business: 63.9% claims administration; 36.1% other services, including flex 125, COBRA and insured products.

Region served: Nationwide.

Specialties: 2% disability, 0.3% flex compensation, 97.7% health.

Health plans: 38,000 employees, 76,000 dependents covered.

Self-insured clients: 78 administration clients, including three associations, 72 corporations, three multiemployer plans.

Self-insured claims: \$107.5 million paid for administration clients.

Staff: 110 total, all serving self-insurers.

1992 gross revenues: \$5.7 million; \$3.6 million from claims services.

PPOs available: Healthstar Network.

Membership: NAEBA, SIA, SPBA.

Officers: Russel G. Means, chairman; Tom Jack, president; Molly White, vp-claim services; Bill Weatherholt, vp-client development; David Coleman, vp-benefit management.

Contact: Bill Weatherholt.

Employee Benefit Management Services

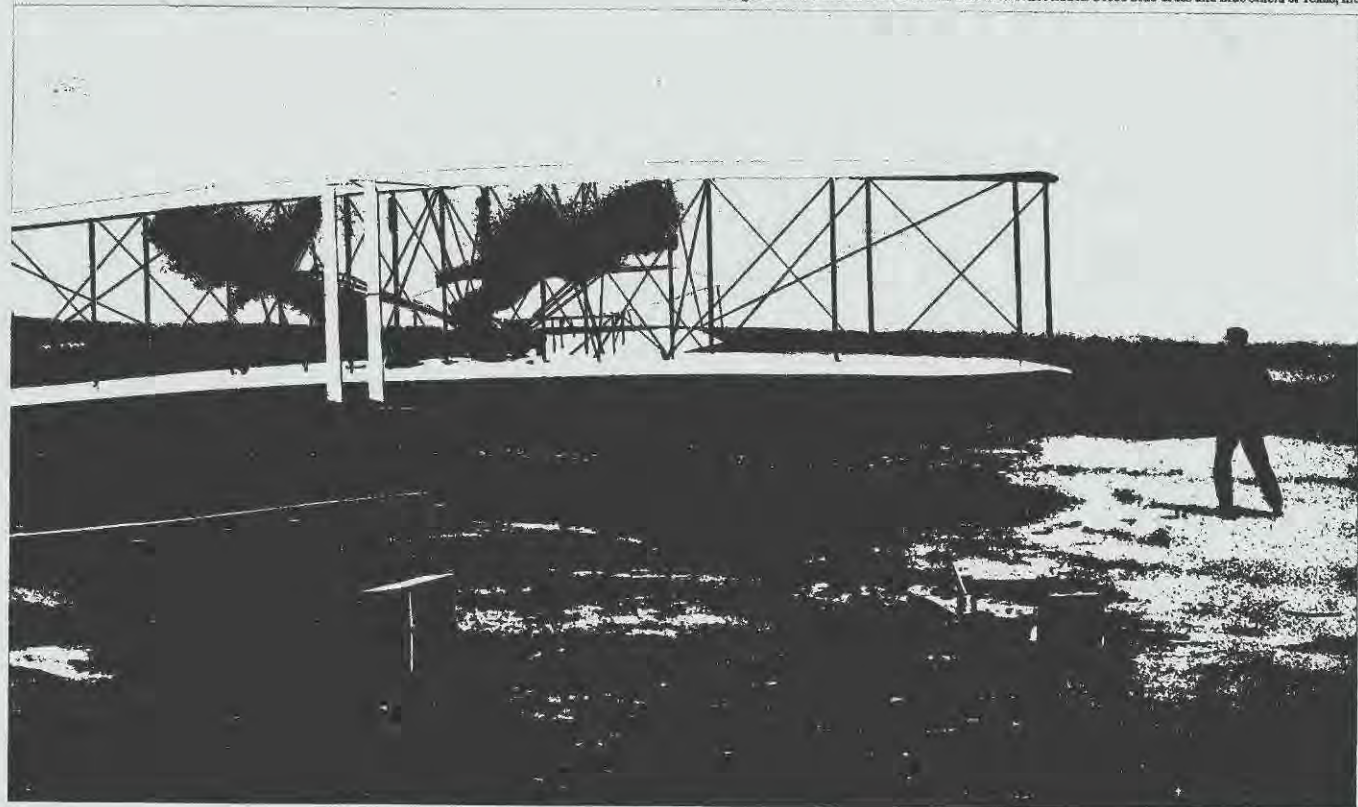
P.O. Box 21367, Billings, Mont. 59104; 406-245-3575; fax: 406-259-7871

Claims services since: 1980.
Business: 90% claims administration; 10% other services, including utilization review and consulting.

Region served: Nationwide.
Specialties: 5% flex compensation, 90% health, 5% pensions.

Contact: Bill Weatherholt.

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CAN GET YOU THROUGH EVEN THE MOST
UNSTABLE TIMES.**

that we'll be taking care of them for a long time.

To maintain our position of strength, we

invest premium reserves in conservative, highly

liquid funds that provide sound returns. Steering

clear of risky, less reliable ventures such as

speculative real estate and

junk bonds. So if you're look-

ing to land a reliable health

benefits program for your company, talk with

your insurance agent or call us. And find out

what it's like to work with a partner who con-

tinues to soar above the rest.

KEEPING TEXANS IN A HEALTHY STATE.



BlueCross BlueShield of Texas

While many health insurers are experiencing

some unpleasant ups and downs, there's one that

you can still count on for its strength and depend-

ability. One that's more than just an insurer, we're

your partner. Blue Cross and Blue Shield of Texas.

In 1992 alone, we paid out more than one

billion dollars in claims on behalf of our subscrib-

ers. And we kept over one million Texans from

feeling like their health coverage was, well, up in

the air. We also have more than \$240 million in

contingency reserves, so people can feel certain

THE WRIGHT BROTHERS PROVED THEIR STRENGTH AS PARTNERS WHEN THEY FLEW THE FIRST SUCCESSFUL AIRPLANE 120 FEET AT KITTYPHAWK.

Continued from previous page

Health plans: 15,500 employees, 28,000 dependents covered.

Self-insured clients: 94 administration clients, including 39 corporations, four MEWAs, 51 public/government entities.

Self-insured claims: \$28 million paid for administration clients.

Staff: 47 total; 44 serving self-insurers only.

Branch offices: Administrative offices in Missoula, Mont.; Salt Lake City. Sales offices in Portland, Ore.; Salt Lake City.

Membership: IFEBP, NAEBA, SIA, SPBA.

Officers: Frederick H. Larson, president; Nicki Larson, secretary/treasurer.

Contact: Frederick H. Larson.

Employee Benefit Plan Administration Inc.

263 Drakeside Road, Hampton, N.H.
03842-1807; 603-926-4566;
fax: 603-926-3825

Claims services since: 1963.

Parent: Healthsource Inc.
Business: 89% claims administration, 11% other services to self-insurers.

Region served: New England states.
Specialties: 100% health.

Health plans: 127,000 employees, 318,000 dependents covered.

Self-insured clients: 125 administration clients, including 124 corporations, one multiemployer plan.

Self-insured claims: \$200 million paid for administration clients.

Staff: 189 total; 107 serving self-insurers only.

1992 gross revenues: \$9 million; \$8 million from claims services.

PPOs available: Capp Care, HealthChoice, Pioneer Management Systems, Provident.

Membership: IFEBP, SIA, SPBA.

Officers: Sally W. Crawford, CEO/secretary; W. Patrick Hughes, president; John P. Dunleavy, treasurer.

Contact: W. Patrick Hughes.

Employee Benefit Plans Inc.

435 Ford Road, Suite 500,
Minneapolis, Minn. 55426;
612-546-4353; fax: 612-525-4455

Claims services since: 1974.

Business: 33% claims administration; 2% adjusting; 65% other services, including stop-loss insurance.

Region served: Nationwide.
Specialties: 1% disability, 1% flex compensation, 97% health, 1% life.

Health plans: 870,500 employees, 1,479,850 dependents covered.

Self-insured clients: 2,795 administration clients, including 2,604 corporations, 186 public/government entities, five union-sponsored plans.

14 adjusting clients, including 11 corporations, two public/government entities, one union sponsored plan.

Self-insured claims: \$1.97 billion paid for administration clients. Medical, dental, vision, weekly income, prescriptions and flexible compensation claims adjusted.

Staff: 1,530 total, all serving self-insurers.

Branch offices: Administrative and sales offices in Annapolis, Md.; Atlanta; Avon, Conn.; Buffalo and Carl Place, New York, N.Y.; Carmel, Ind.; Charlotte, N.C.; Cincinnati, Columbus, Dayton and Independence, Ohio; Dallas; Des Plaines, Ill.; Englewood, Colo.; Exton and Pittsburgh, Pa.; Folsom, Fresno, Pasadena, San Diego, San Francisco and Walnut Creek, Calif.; Fort Lauderdale, Miami, Maitland and Tampa, Fla.; Grand Rapids and Troy, Mich.; Houston; Kansas City, Mo.; Memphis, Tenn.; Minneapolis; Metairie, La.; Oklahoma City, Okla.; Portland, Ore.; Seattle; Waukesha and West Allis, Wis.

Subsidiaries: August Healthcare Services Inc., Comprehensive Benefits Service Co., EBPLife Insurance Co., EBPre Ltd., Employee Benefit Administrators Inc., Managed Care Administrators, Risk Management Resources.

1992 gross revenues: \$238 million*; \$83.3 million from claims services.

PPOs available: 50 regional PPO plans in 32 states.

Membership: IFEBP, SIA, SPBA.

Officers: William E. Sagan, chairman/president/CEO; Richard J. Braun, COO/director; Robert P. Brook, director/senior executive vp-sales/marketing; Timothy W. Kuck, general counsel/secretary; Earlon L. Milbrath, CFO/vp.

Contact: Rick Newell, director-corporate communications.

* Revenues are from fiscal year ending 11/30/92.

Employee Benefit Specialists Inc.

701 Devonshire Drive, Suite 209,
Champaign, Ill. 61820; 217-355-1530;
fax: 217-355-2610

Claims services since: 1990.

Business: 90% claims administration; 10% other services, including consulting to TPAs, HMOs and self-administrators.

Region served: Nationwide.

Specialties: 100% health.

Health plans: 4,500 employees, 12,350 dependents covered.

Self-insured clients: Six administration clients, including one association, five corporations.

Self-insured claims: \$6 million paid for administration clients.

Staff: Two total.

Membership: NAEBA.

Officers: Richard Wickert, president; Barbara Wickert, COO.

Contact: Richard Wickert.

Employee Benefit Systems Inc.

223 Fairway Drive, P.O. Box 53941,
Fayetteville, N.C. 28305;
919-323-0290; fax: 919-323-9466

Claims services since: 1986.

Business: 70% claims administration; 30% other services, including Section 125-cafeteria plan administration, payroll deduction insurance products to employees.

Region served: North Carolina, Pennsylvania, Tennessee.

Specialties: 5% disability, 15% flex compensation, 80% health.

Health plans: 1,800 employees, 630 dependents covered.

Self-insured clients: 33 administration clients, including 30 corporations, three public/government entities.

Self-insured claims: \$2.2 million paid for administration clients.

Staff: 10 total; five serving self-insurers only.

1992 gross revenues: \$680,000; \$460,000 from claims services.

PPOs available: Carolina Preferred Care.

Membership: SPBA.

Officers: Marshall H. Waren, president; Sandee Waren, secretary/treasurer; Chris Harrison, vp.

Employee Benefits America

17360 Brookhurst St., Fountain Valley,
Calif. 92708; 714-760-4302;
fax: 714-721-5336

Claims services since: 1988.

Parent: PM Group Life Insurance Co.
Business: 30% claims administration, 70% other services.

Region served: Nationwide.

Specialties: 2% disability, 1% flex compensation, 97% health.

Health plans: 86,042 employees, 193,595 dependents covered.

Self-insured clients: 300 administration clients, including five associations, 270 corporations, 25 multiemployer plans.

Self-insured claims: \$120 million paid for administration clients.

Staff: 350 total; 105 serving self-insurers only.

Branch offices: Administrative and sales offices in Cincinnati, Phoenix and Seattle.

PPOs available: Capp Care, Private Healthcare Systems Inc.

Membership: SIA.

Officers: William L. Ferris, president/CEO; Michael E. Berumen, senior vp-marketing and sales; Gerry Griswold, senior vp-actuarial and financial control; Jim Whittier, executive vp; Roger Beck, senior vp-operations.

Contact: Roger Beck.

Entrust

P.O. Box 42043, Houston, Texas
77242-2043; 713-954-7440;
fax: 713-954-7438

Business: 90% claims administration; 10% other services, including consulting.

Region served: Texas.

Specialties: 10% flex compensation, 90% health.

Health plans: 8,500 employees, 3,400 dependents covered.

Self-insured clients: 100 administration clients, including 95 corporations, five public/government entities.

Self-insured claims: \$15 million paid for administration clients.

Staff: 35 total; 27 serving self-insurers only.

1992 gross revenues: \$2 million; \$923,706 from claims services.

PPOs available: ProAmerica, Net-One, Access One.

Membership: SIA, SPBA.

Officers: Edward A. Jacobson, president; Keith D. Crane, vp-marketing; William A. O'Keefe, vp-operations.

Contact: Keith D. Crane.

F

Financial Insurance

Agency Inc.

400 E. Diehl Road, Naperville, Ill.
60563-1358; 800-437-1568;
fax: 708-505-8055

Claims services since: 1991.

Business: 100% claims administration.
Region served: Nationwide.

Specialties: 5% flex compensation, 95% health.

Health plans: 7,000 employees, 7,500 dependents covered.

Self-insured clients: 10 administration clients, including one association, eight corporations, one MEWA.

Self-insured claims: \$20 million paid for administration clients.

Staff: 18 total; seven serving self-insurers only.

Branch offices: Sales offices in West Frankfort, Ill.

1992 gross revenues: \$1 million; \$900,000 from claims services.

PPOs available: Health Link, Health Network.

Membership: SIA, SPBA.

Officers: Robert J. Peele, chairman; Michael E. LeVault, president/CEO; Ronald O. Anfenson, executive vp.

Contact: Michael E. LeVault.

First American Administrators

529 Kansas City St., Suite 200, P.O.
Box 8150, Rapid City, S.D.
57709-8150; 605-343-2509;
fax: 605-343-8887

Claims services since: 1983.

Business: 75% claims administration; 25% other services, including Section 125 claims administration and insurance sales.

Region served: Nationwide.

Specialties: 5% flex compensation, 95% health.

Health plans: 9,000 employees, 11,000 dependents covered.

Self-insured clients: 26 administration clients, including one association, 10 corporations, 15 public/government entities.

Self-insured claims: \$23 million paid for administration clients.

Staff: 16 total, all serving self-insurers.

1992 gross revenues: \$720,000; \$705,000 from claims services.

Membership: SPBA.

Officers: Joe Dobbs, president/owner; Cheryl Trulson, administrative manager; Nancy Crist, claims manager.

Contact: Joe Dobbs.

First Benefit Corp.

P.O. Box 550, Anderson, Ind. 46015;
317-642-1199; fax: 317-644-5782

Claims services since: 1985.

Business: 90% claims administration; 10% other services, including managed care.

Region served: Nationwide.

Specialties: 5% disability, 5% flex compensation, 90% health.

Self-insured clients: 100 administration clients, including 73 corporations, 13 public/government entities, 14 union-sponsored plans.

Self-insured claims: \$150 million paid for administration clients.

Staff: 110 total; 90 serving self-insurers only.

Branch offices: Sales offices in Chicago, Indianapolis and St. Louis.

1992 gross revenues: \$5.7 million; \$5.4 million from claims services.

PPOs available: Nationwide.

Membership: NAEBA, SPBA.

Officers: Greg Bell, CEO; Frank Pianki, Helmut Braun, Steve Losler and Rick Cameron, vps.

Contact: Helmut Braun, 800-331-1199 ext. 440.

First Health

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

Claims services since: 1960.

Parent: First Financial Management Corp.

Business: 52% claims administration; 48% other services, including health benefits management services to federal/state government entities, consulting.

Region served: Nationwide.

Specialties: 4% flex compensation, 96% health.

Health plans: 2,893,000 employees, 4,565,000 dependents covered.

Self-insured clients: 1,022 administration clients, including 905 corporations, 112 public/government entities, five

union-sponsored plans.

Self-insured claims: \$3.05 billion paid for administration clients.

Staff: 4,000 total.

Branch offices: Administrative offices in Anchorage, Alaska; Baltimore; Baton Rouge, La.; Boise, Idaho; Boston, Springfield and Wooster, Mass.; Burbank and Los Angeles, Calif.; Chapel Hill, N.C.; Charleston, W.Va.; Chicago; Coraopolis, Harrisburg, Huntington and Philadelphia, Pa.; District of Columbia; Houston; Jackson, Miss.; Lexington and Louisville, Ky.; Milwaukee; Minneapolis; Nashville, Tenn.; Santa Fe, N.M.; Southfield, Mich.; Tempe, Ariz.; Tucker, Ga.

Sales offices in Atlanta; Baltimore; Boise, Idaho; Cincinnati; Conshohocken, Pa.; Denver; El Segundo, San Francisco and Santa Ana, Calif.; Framingham, Mass.; Grand Rapids, Southfield, Mich.; Houston and Irving, Texas; Maitland, Fla.; Portland, Ore.; St. Louis; Tempe, Ariz.; Waukesha, Wis.

1992 gross revenues: \$250 million; \$130 million from claims services.

PPOs available: Affordable Preferred Provider Network.

Membership: SIA, SPBA.

Officers: W. Terry Nofsinger, chairman/CEO; Harlan F. Seymour, president/COO; George Dreisbach and Sidney C. Paulson, executive vps; Dennis G. Bayes, senior vp/CFO.

Contact: Richard N. Hansen, senior vp-national accounts.

Flexcorp

5700 Northwest Central Drive,
Houston, Texas 77092; 713-460-4850;
fax: 713-460-0361

Claims services since: 1986.

Parent: Hand Group.
Business: 100% claims administration.

Region served: Nationwide.

Specialties: 60% flex compensation, 40% health.

Self-insured clients: 38 administration clients, all corporations.

Self-insured claims: \$4.1 million paid for administration clients.

Staff: 21 total; seven serving self-insurers only.

1992 gross revenues: \$1.6 million.

PPOs available: Alliance Health Providers, MHI, Affiliated.

Membership: SIA.

Officers: David Hand, Steve Mueller, Maureen Douglas, Ellen Hickman, Mary Mickalsky.

Contact: Maureen Douglas.

Florida 1st Service Administrators Inc.

1201 First St. S., Suite A, Winter
Haven, Fla. 33880; 813-293-0785;
fax: 813-297-9095

Claims services since: 1987.

Parent: Mid-Florida Medical Services Inc.

Business: 95% claims administration, 5% other services, including HMO services.

Region served: Alabama, Florida, Georgia, Mississippi, Texas.

Specialties: 3% flex compensation, 80% health, 17% utilization management.

Health plans: 54,338 employees, 99,288 dependents covered.

Self-insured clients: 18 administration clients, including 13 corporations, one MEWA, four public/government entities.

Self-insured claims: \$72 million paid for administration clients.

Staff: 83 total.

Branch offices: Administrative offices in Clearwater and Orlando, Fla.

1992 gross revenues: \$3 million; \$2.4 million from claims services.

PPOs available: Florida 1st Preferred, Healthchoice, Healthcare Preferred, Sun Health Care Plans of Florida, Sun Health Care Plans of Gulf Coast.

Membership: SIA.

Officers: R.D. O'Connor, president; Mike Renk, vp-operations/claims; Carrie Hill, vp-marketing; Patricia Vickers, vp-finance; Donald Shearer, vp-MIS; Dr. James D. Morgan, vp-medical services.

Contact: David K. Garver.

Foundation Health Preferred Administrators

P.O. Box 10009, Palo Alto, Calif.
94303-0901; 415-856-1520

Claims services since: 1986.

Parent: Foundation Health Corp.
Business: 50% claims administration; 50% other services.

Region served: Western United States.

Specialties: 0.25% flex compensation, 99.75% health.

Health plans: 20,000 employees, 50,000 dependents covered.

Self-insured clients: 24 administration clients, including 18 corporations, six public/government entities.

Self-insured claims: \$81.8 million paid for administration clients.

Staff: 170 total.

Branch offices: Sales offices in Baton Rouge, Houma and Ruston, Louisiana.

Membership: SPBA.

Officers: Henry J. Miltenberger, president; W. Robert Ellis, senior vp; Fritz B. Ziegler, vp/legal counsel; Joseph Luquet, vp-self-funded plans; Curt W. Keay, vp-operations.

Continued from previous page

Group Benefit Administrators Inc.

1001 Franklin Ave., Suite 219,
Garden City, N.Y. 11530;
516-739-1060; fax: 516-739-1066

Claims services since: 1972.

Business: 50% claims administration; 50% other services, including medical claims payments for insurance companies.

Region served: Nationwide.

Specialties: 100% health.

Health plans: 30,000 employees, 20,000 dependents covered.

Self-insured clients: 550 administration clients, all corporations.

Staff: 40 total, all serving self-insurers.

Branch offices: Administrative offices in River Edge, N.J.

1992 gross revenues: \$2.1 million; \$1.3 million from claims services.

PPOs available: Preferred Choice Management Systems.

Membership: SPBA.

Officers: William White, chairman; Sam Trapani, president; Gary Greis, Kathleen Harrington, vps.

Contact: Sam Trapani.

Group Claims Administrators Inc.

1030 15th St. N.W., Suite 200,
Washington, D.C. 20005;
202-896-0944; fax: 202-842-2044

Claims services since: 1977.

Business: 52% claims administration, 5% auditing, 43% other services.

Region served: Nationwide.

Specialties: 100% health.

Health plans: 26,200 employees, 12,900 dependents covered.

Self-insured clients: 25 administration clients, including three associations, 18 corporations, four public/government entities.

Self-insured claims: \$14 million paid for administration clients.

Staff: 17 total; eight serving self-insurers only.

1992 gross revenues: \$550,000 from claims services.

PPOs available: MDIPA.

Membership: SIA, SPBA.

Officers: Lee E. Fitzgerald, president; P. Broone, vp; M. Hall, claims manager; T. Davis, computer manager; J. Stitche, account manager.

Group Services & Administration Inc.

3113 Classen, Oklahoma City, Okla.
73118; 405-528-4400;
fax: 405-528-5558

Claims services since: 1980.

Business: 95% claims administration, 5% other services.

Region served: Nationwide.

Specialties: 5% disability, 95% health.

Health plans: 7,830 employees, 17,200 dependents covered.

Self-insured clients: 41 administration clients, including 36 corporations, five public/government entities.

Self-insured claims: \$9.1 million paid for administration clients.

Staff: 12 total, all serving self-insurers.

PPOs available: Sooner Health Plan, Compmed.

Officers: Ronald R. Stephenson, president; Gary Stephenson, vp; R. Denning Crowe, secretary/treasurer.

Group Services Administrators Inc.

30 Montgomery St., Jersey City, N.J.
07302; 201-433-7360 or
212-349-2699; fax: 201-434-4244

Claims services since: 1966.

Business: 100% claims administration.

Region served: New Jersey, New York.

Specialties: 100% health.

Health plans: 22,000 employees, 65,000 dependents covered.

Self-insured clients: 21 administration clients, including one association, 20 multiemployer plans.

Self-insured claims: \$18.8 million paid for administration clients. Hospital, medical, major medical, dental, prescriptions and weekly disability income claims adjusted. 1,200 claims-auditing projects conducted.

Staff: 12 total, all serving self-insurers.

Subsidiaries: Comerald Associates Inc.

1992 gross revenues: \$850,000, all from claims services.

Membership: IFEBP, SPBA.

Officers: Robert C. Gerald, president.

Gulf South Health Plans Inc.

5615 Corporate Blvd., Suite 4, Baton Rouge, La. 70808; 504-927-7212; fax: 504-922-9241

Claims services since: 1987.

Parent: General Health Inc.

Business: 100% claims administration.

Region served: Alabama, Arkansas, Georgia, Louisiana, Mississippi, Tennessee.

Specialties: 100% health.

Health plans: 10,054 employees, 13,071 dependents covered.

Self-insured clients: 20 administration clients, all corporations.

Self-insured claims: \$7.6 million paid for administration clients.

Staff: 95 total; 38 serving self-insurers only.

1992 gross revenues: \$1.4 million.

PPOs available: Gulf South PPO, CAPP CARE.

Membership: IFEBP, NAEBA, SIA, SPBA.

Officers: Patrick C. Powers, CEO; Charles D. Calvi Jr., senior vp-marketing; Jack W. Walker, senior vp-operations; Adam Short, vp-finance; Dr. R. Dwight Brower, vp-medical affairs; Lisa Beavers, vp-claims.

Contact: Charles D. Calvi Jr., 504-927-7212 ext. 200.

H**HSSI-TPA**

20140 Greenfield Road, Detroit, Mich.
48235; 313-867-2525

Claims services since: 1990.

Business: 80% auditing, 20% other services.

Region served: Georgia, Michigan.

Specialties: 100% health.

Self-insured clients: 10,000 adjusting clients, all corporations.

20,000 auditing clients, all corporations.

Self-insured claims: Health claims adjusted. 150 claims-auditing projects conducted.

Staff: Five total.

Branch offices: Administrative offices in Atlanta.

1992 gross revenues: \$2.9 million; \$290,000 from claims services.

PPOs available: HSSI-PPO of Atlanta.

Officers: Vernon Webb, chairman, William G. Anderson, president; Felton Jones, vp-development; John Cooper, CFO; Toni Rogers, secretary.

Harden & Co. Insurance Services Inc.

1800 Sutter St., Suite 400, Concord,
Calif. 94520; 800-877-7707;
fax: 510-676-9317

Claims services since: 1974.

Parent: Anchor Pacific Underwriters Inc.

Business: 100% claims administration.

Region served: Nationwide.

Specialties: 1% flex compensation, 99% health.

Health plans: 17,000 employees, 40,000 dependents covered.

Self-insured clients: 42 administration clients, including 35 corporations, seven public/government entities.

Self-insured claims: \$16.5 million paid for administration clients.

Staff: 52 total; 24 serving self-insurers only.

Branch offices: Sales offices in Eugene, Ore.

Subsidiaries: C.A. Administrators; Anchor Pacific Premium Finance Co.; EXPO/PA Insurance Brokers; Bowers Insurance Agency; Distefano Insurance Services; Benefit Development & Marketing Inc.

1992 gross revenues: \$50 million; \$1.9 million from claims services.

PPOs available: American Health Network, Preferred Health Network, Beech Street, California Foundation for Medical Care, Crawford Care Alliance, CCN.

Membership: SPBA.

Officers: James R. Dunathan, president/CEO; Earl Wiklund, senior vp/CFO; Raymond Petersen, vp-small group products; Lynn Boyd, vp-large group products.

Contact: Lynn A. Boyd.

Health Benefits Administrators Inc.

109 E. Jarrettsville Road, Suite 101,
P.O. Box 179, Forest Hill, Md.
21050-0179; 410-893-1400 or
800-545-3206; fax: 410-638-2440

Claims services since: 1988.

Business: 91% claims administration; 9% other services, including benefits consulting, insurance brokerage services.

Region served: Nationwide.

Specialties: 10% flex compensation,

90% health.

Health plans: 7,300 employees, 11,000 dependents covered.

Self-insured clients: 14 administration clients, including 11 corporations, one public/government entity, two union-sponsored plans.

Staff: 11 total; six serving self-insurers only.

Branch offices: Sales office in Goldsboro, N.C.

Officers: Thomas Jesse Buhite Sr., president/CEO; Janet Fields, vp/secretary/treasurer; A.W. Carroll, vp; Thomas Burke, vp-southeast region.

Health Care 2000 Inc.

660 Kenilworth Drive, Towson, Md.
21204; 410-296-8326;
fax: 410-296-8363

Claims services since: 1984.

Parent: Fidelity Health Systems.

Business: 80% claims administration; 20% other services, including utilization review services.

Region served: Maryland.

Specialties: 100% health.

Health plans: 30,000 employees, 30,000 dependents covered.

Staff: 26 total; 11 serving self-insurers only.

PPOs available: Health Care 2000 Inc.

Officers: Mitchell Diamond, president; Lisa Johnson, regional manager; Danielle Koziol, director-UR services; Richard Maffezzoli, medical director.

Contact: Mitchell Diamond.

Health Care Administrators Inc.

8500 Keystone at the Crossing, Suite
450, Indianapolis, Ind. 46240;
317-254-0327; fax: 317-254-0173

Claims services since: 1985.

Parent: Lafayette Life Insurance Co.

Business: 100% claims administration.

Region served: Nationwide.

Specialties: 1% disability, 4% flex compensation, 95% health.

Health plans: 8,860 employees, 10,337 dependents covered.

Self-insured clients: 27 administration clients, including 26 corporations, one union-sponsored plan.

Self-insured claims: \$13.1 million paid for administration clients.

Staff: 13 total, all serving self-insurers.

Branch offices: Administrative offices in Lafayette, Ind.

1992 gross revenues: \$650,000, all from claims services.

Membership: NAEBA, SIA, SPBA.

Officers: Robert Whitsel, president; Donald Edwards, treasurer; Owen Luecke, secretary; Tommy Anderson, executive vp; Edmund W. Finley Jr., vp.

Contact: Edmund W. Finley Jr.

Health Care Pharmacy Providers Inc.

1220 Senlac Drive, Carrollton, Texas
75006; 214-446-4937;
fax: 214-446-4899

Claims services since: 1986.

Parent: FoxMeyer Drug Co.

Business: 90% claims administration; 10% other services, including capitated clients.

Region served: Nationwide.

Specialties: 100% pharmaceutical benefits management.

Health plans: 300,000 employees, 700,000 dependents covered.

Self-insured clients: Administration clients include 50% corporations, 50% multiemployer plans.

Staff: 45 total.

Branch offices: Administrative offices in Dallas. Sales offices in Chicago; Dallas; Denver; Jacksonville, Fla.; Phoenix, Ariz.

Membership: SIA, SPBA.

Officers: Robert Davis, John H. Sattler, Gary Frost.

Contact: John H. Sattler.

Health Economics Corp.

1300 Mockingbird Lane, Dallas, Texas
75247; 214-905-4444;
fax: 214-905-4412

Claims services since: 1984.

Parent: Equifax Inc.

Business: 70% claims administration; 30% other services, including analytical services, utilization management, managed care plans, major case management.

Region served: Nationwide.

Specialties: 95% health, 5% workers comp.

Health plans: 270,000 employees, 425,000 dependents covered.

Self-insured clients: 38 administra-

tion clients, including two associations, 31 corporations, two multiemployer plans, three public/government entities.

Self-insured claims: \$500 million paid for administration clients.

Staff: 450 total; 325 serving self-insurers only.

Branch offices: Administrative offices in Charleston, W.Va.; Duncan, Okla.; Houston. Sales offices in Atlanta; Chicago; Connecticut; Houston; New York.

1992 gross revenues: \$26 million; \$18 million from claims services.

PPOs available: In Dallas; Houston; and Melbourne, Fla.

Membership: NAEBA.

Officers: Dick Herrmann, president/CEO; Parks Houser, senior vp/COO; Nancy Coleman, senior vp-claims administration; James R. McPhail, vp-managed care; Tom Dubowski, vp/controller.

Contact: Christine Platt.

Health Risk Management Inc.

8000 W. 78th St., Minneapolis, Minn.
55439; 800-824-3882 or
612-829-3500; fax: 612-829-3578

Claims services since: 1965.

Business: 100% claims administration.

Region served: Nationwide.

Specialties: 0.5% disability, 9% flex compensation, 90.5% health.

Health plans: 60,150 employees, 78,200 dependents covered.

Self-insured clients: 73 administration clients, including 69 corporations, one public/government entity, three union-sponsored plans.

Self-insured claims: \$188.6 million paid for administration clients.

Staff: 700 total; 185 serving self-insurers only.

Branch offices: Administrative offices in Kalamazoo, Mich. Sales offices in Atlanta; Chicago; Kalamazoo, Mich.; Shrewsbury, N.J.

Subsidiaries: Institute for Healthcare Quality, Health Resources Management Ltd., Canada.

1992 gross revenues: \$27.8 million; \$6.5 million from claims services.

PPOs available: CarePASS.

Membership: SIA, SPBA.

Officers: Gary McIlroy, CEO; Marlene Travis, president/chief administrative officer; Dr. John Blank, COO; Tom Clark, vp-finance; Bret Connors, president-claim administration management operations.

Contact: Jolene Olson, marketing specialist.

*Fiscal year ending 6/30/92

HealthCare Administrators Inc.

2401 Chandler Road, Muskogee, Okla.
74403; 918-687-1261;
fax: 918-682-7984

Claims services since: 1978.

Business: 100% claims administration.

Region served: Nationwide.

Specialties: 85% health, 15% workers comp.

Health plans: 15,000 employees, 47,000 dependents covered.

Self-insured clients: 78 administration clients, including 75 corporations, three public/government entities.

Self-insured claims: \$21.5 million paid for administration clients.

Staff: 32 total, all serving self-insurers.

Branch offices: Administrative and sales offices in Chickasha (administration only), Oklahoma City and Tulsa, Okla.; Rogers, Arkansas.

Subsidiaries: Benefit Consultants & Associates, Human Resource Management Group.

1992 gross revenues: \$1.8 million; \$740,000 from claims services.

PPOs available: Comp Med, Sooner Health Plan.

Membership: SIA, SPBA.

Officers: Ron Woods, CEO; Gary Baker, president.

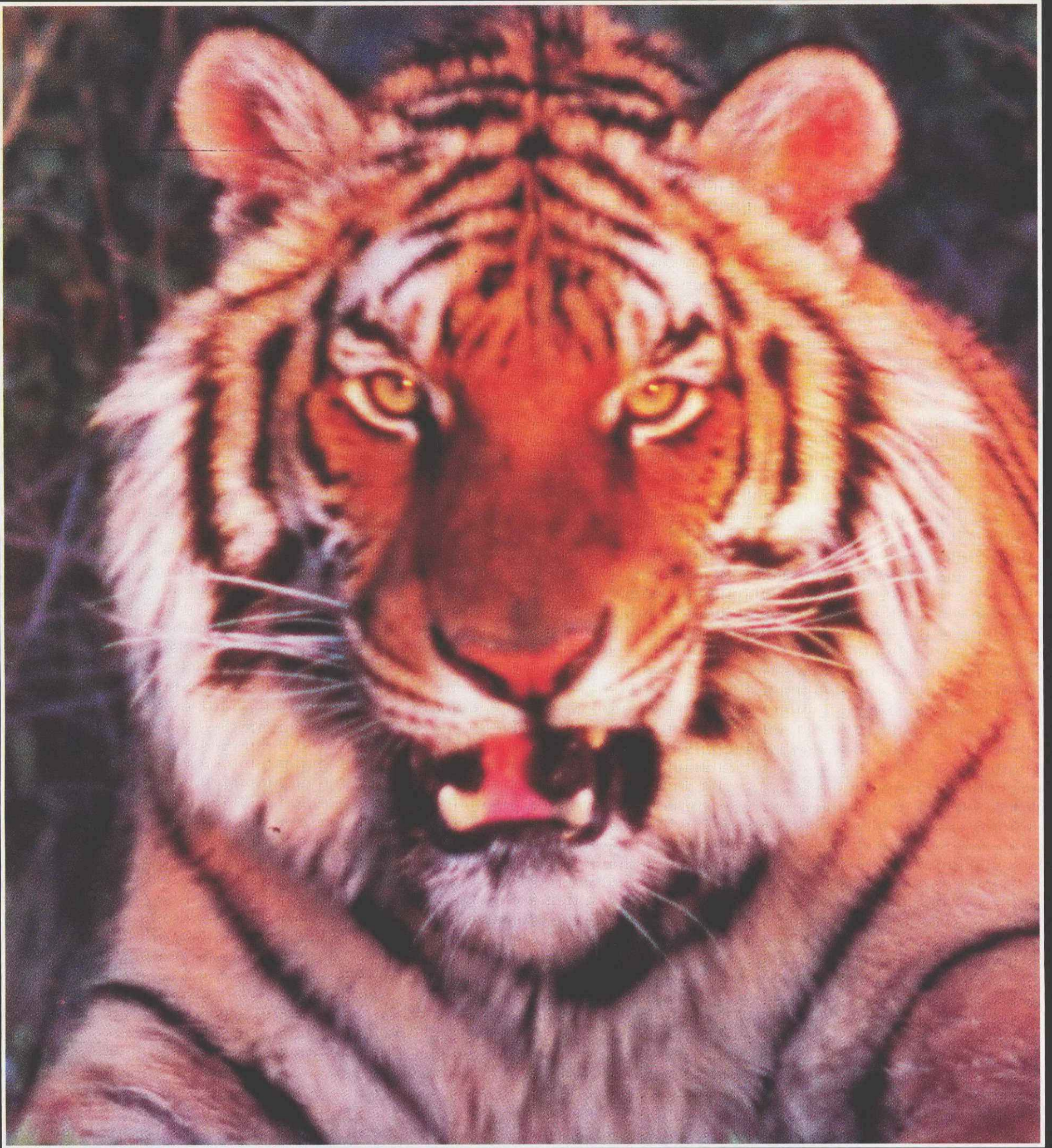
Contact: Gary Baker, 114 S. First, Rogers, Ark. 72756; 501-621-8800.

Healthsource Preferred Inc.

54 Regional Drive, P.O. Box 2041,
Concord, N.H. 03302-2041;
603-225-5077; fax: 603-225-2610

Claims services since: 1990.

Parent: Healthsource Inc.



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SRRF MANAGEMENT INCORPORATED
MEDICAL REINSURANCE UNDERWRITERS INCORPORATED**

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Roswell, Ga. (404) 640-1539 • Philadelphia, Pa. (215) 563-2365

Employee-directed plans

By Judy Markland

DIVERSIFICATION IS PROVING to be a puzzling subject for plan sponsors under the new Section 404(c) regulation of the Employee Retirement Income Security Act of 1974. The regulation exempts employee-directed savings plans that offer diversified investment options from fiduciary responsibility for participant investment decisions (*BI*, Oct. 12, 1992).

The regulation establishes three totally different diversification criteria that together create a meaningful approach for a plan structure that optimizes participants' interests: internal diversification for each investment option; risk and return diversification across investment options; and portfolio diversification to reduce risk when investment options are combined.

But choosing the 404(c) core options may prove difficult for some plan sponsors, who may be unclear about 404(c)'s diversification requirements, or what constitutes a diversified plan or a diversified option. Following are some guidelines that may be useful for plan sponsors working to comply with the regulation.

Each of the three "core" investment options required for strict 404(c) compliance must be a well-diversified investment in its own right.

The Department of Labor created a new concept called "look-through investments" to help describe this type of diversification. Under 404(c), an investment option must consist of either a diversified portfolio, or own an asset that "looks through" to an underlying diversified asset base.

The regulation specifically states that mutual fund shares, bank certificates of deposit and guaranteed contracts from insurance companies qualify as diversified "look-through" assets. Employer stock fails to qualify and may not be a core 404(c) fund because the investment risk

Diversification rules for investments present challenges

depends on only one firm.

Regulation 404(c) gives plan sponsors the latitude to decide whether a guaranteed investment contract fund or bank investment contract fund invested with a single issuer is the most prudent choice for their plans. Because of the look-through concept, a GIC fund with a single insurer provides sufficient internal diversification and qualifies as a core option.

In choosing a GIC or BIC issuer, plan sponsors should exercise the same care used when picking a fund manager because under 404(c), the plan retains fiduciary responsibility for the investment manager selected.

As many plan sponsors realize, GIC issuer diversification can have major costs for participants. For small plans, diversified placements may mean a reduction in the guaranteed rate that far outweighs the default risk of the issuer. GIC pools overcome this scale problem and offer diversification to small plans—but at the cost of increased management fees and possible exposure to anti-selection risk from other plans.

A second requirement is that the three core investment options be diversified from each other on a risk and return basis—that is, each should provide different risk and return characteristics. A corollary requirement is that, when combined, the funds should constitute a range of options normally appropriate for plan participants.

Risk in the 404(c) context is mainly defined as

volatility or variability of return. Options with low expected risk tend to be fixed-income funds, which generally have lower expected returns, on average, than equity and other options.

As the risk level increases, the expected return grows as well (an inducement investors need to assume the greater risk). A well-structured set of core options should have investment vehicles that are spread out along this risk-and-return spectrum.

A fund with good principal stability and predictable returns and one with a strong chance of equity appreciation creates a risk-and-return range generally considered wide enough for most participant needs. A very young or high-income participant group may want an even more aggressive option, as well.

In selecting the 404(c) options, a plan sponsor should note that the GIC or stable-value fund outperforms other typical fixed-income options: GICs offer the same low risk level as a money market fund with much higher return—that of a medium-term bond fund. And they offer the same return as a bond fund with substantially less principal risk.

To satisfy the corollary requirement, the options offered also should make sense for the plan participants, whose needs vary with an individual's investment horizon. This is a function of both the length of time until retirement and the intended use of the assets prior to retirement for contingencies, education or home purchase.

Participants' family income levels also affect investment horizons, as high-income employees generally worry less about financial emergencies and thus may have more risk tolerance than participants at lower income levels.

The third criterion is portfolio diversification.

For many years, defined benefit plan managers have combined investment options with low

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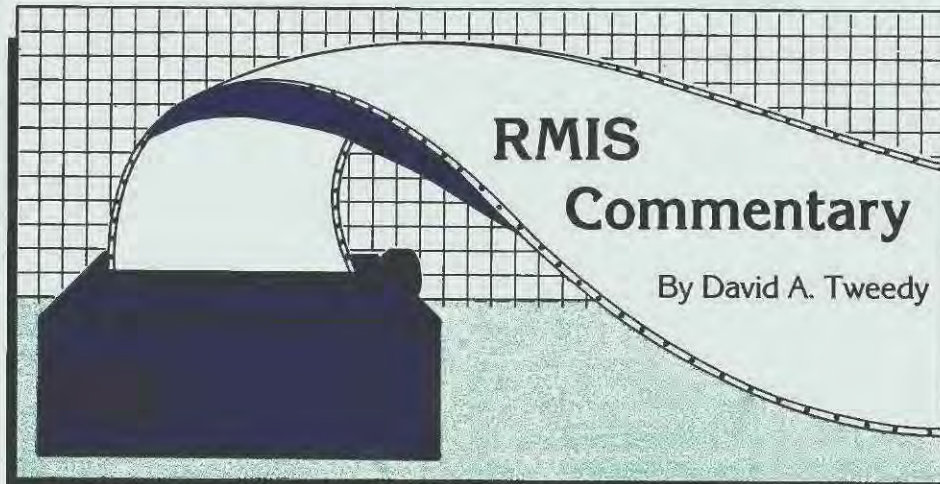
Ensuring data integrity

Risk managers must be involved in the conversion process

DATA INTEGRITY IS A problem that plagues everyone involved with a risk management information system. It is dangerously naive to assume that system-generated data is accurate, regardless of its speed of generation or visual appeal.

The risk management professional—and the RMIS vendor—should take measured steps to ensure data integrity. The first step, as I described in my last column (*BI*, Nov. 23, 1992), lies completely in the hands of the claim originator. All too often, late, incomplete or totally inaccurate claims reports are made from remote client locations to a central reporting center (usually the corporate risk management or insurance department) and then sent to the claims organization. Many times that means taking initially sparse information that needs to be refined again and again by the claims organization until the final picture is clear.

Ensuring quick and accurate transmission of data is a separate issue unto itself, but there are viable and cost-efficient ways of accomplishing this difficult but essential task. For



example, line supervisors can be educated about data transmission, and can be given financial incentives for data accuracy. In addition, companies can install a comprehensive claim reporting system or electronic data interchange. These are among the best methods to improve data accuracy on the front end.

But what about the next level? How do risk managers confirm that data they receive from third-party administrators, insurers or internal self-administered claim departments

are accurate? What steps do the service vendors take to ensure data accuracy?

To illustrate, I'll describe how a RMIS vendor typically goes through the process of absorbing data from other sources and converts it to the vendor's data format.

It is an important step to evaluate because, after all, the risk manager is depending on the RMIS vendor to "scrub" the old data and ensure the accuracy of the new data generated while the RMIS vendor is in place.

• File format.

Typically, most data conversion or mapping routines start with the basic file format. Most insurers and third-party administrators' systems capture data in five general categories: general claims information (date of loss, location, description of loss); claimant information (date of birth, Social Security number, etc.); reserve numbers and changes; checklists; and vendors. The categories are usually tied by claimant number but they may also be tied together by other common elements, such as Social Security number. Sometimes they are not linked, and that makes the process extremely difficult when converting to the more advanced data base format that most of the RMIS vendors have today. If the client and client providers cannot suitably break down their historical data in the file format stage, they must go to the next phase.

• Extensive data review.

Essentially, every claim record must be checked for consistency. Duplicate claim numbers (some with no information) are sorted out. Claim

Continued on next page

Employee-directed plans

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correlations in their rates of return to optimize the risk and return profile of the total package of investments. The theory is that, if investment cycles are independent and occur apart, the total volatility of the portfolio will be dampened for any expected level of return. Many baskets reduce the probability of massive egg breakage at any point in time.

404(c) adopts this portfolio diversification requirement for its three core funds. The core investment options selected must, when combined, reduce risk for any expected return.

To accomplish this, a portfolio manager would choose options with return rates with low correlations—options that are unlikely to peak and

trough at the same time, for example. Options whose investment performance is driven by different factors typically have return rates with low correlations: equity versus fixed income, domestic vs. international, single industry versus entire economy.

Many plans historically have combined an indexed or low-risk equity fund and an aggressive equity fund. If the aggressive equity is a high-beta stock fund—one that should earn a return higher than the market as a whole, but with performance cycles that amplify the same peaks and troughs of the market—it does not provide good portfolio diversification even though 404(c)'s other two diversification criteria are satisfied.

Also, a money market fund in combination with a GIC fund offers no real portfolio diversification; having the money market fund simply dilutes the

expected return at the same risk level.

Taken together, 404(c)'s three investment diversification criteria provide an excellent road map for choosing core investment options for plan participants. It's worth some time for plan sponsors to understand them, whether or not they intend to comply strictly with the regulation. **BI**



Judy Markland is vp-group pension guaranteed products at John Hancock Financial Services in Boston.

Data integrity

Continued from previous page

numbers with no dates, or other obvious problems, are recognized and separated from the data base.

A rule of thumb applies here: "Garbage either settles to the top or the bottom." This "rule" means that mistakes usually come at the beginning or end of the data run when the files are downloaded to a text file on a spreadsheet or text editor.

Most RMIS vendors find that insurers generate the most problems because they have not historically given much information. Many times, the years of skimpy collected data cannot be converted to the new RMIS vendor system because of the expense and the lack of adequate information. The risk manager usually settles for the aggregate claim counts and total incurred dollars, rather than the desired transactional breakdown needed to do solid loss development or forecasting reports based on historical data.

• Trial input.

This stage is where the "rubber meets the road" for the RMIS vendor. After the data has been scrubbed, the

vendor will run through it in an accounting sense to see whether or not the reserves and payments agree. Adjusting transactions are usually performed with a given descriptor attached to the particular claim in question so that the user can research and analyze the accuracy of that particular claim.

Unfortunately, many RMIS vendors find that reserve changes resulting in payment alterations are not picked up by the accounting system, leaving variances between the claim system and the accounting system that must be explained. It is crucial that the vendor point out these inconsistencies to the client to avoid a lot of embarrassment.

• Client analysis.

After the first three steps are performed, the RMIS vendor brings the data to the client for sign off. This is entirely proper and I recommend that clients be actively involved in all phases, if possible. The client should become very familiar with this process and should be able to explain some of the data inconsistencies that may have occurred prior to the RMIS vendor coming on board. In effect, the RMIS

vendor is sort of a "data auditor," which can be a very valuable tool in correcting past mistakes. The risk manager may be able to go back to the former data provider for correction.

• Ongoing conversion.

Obviously, once the RMIS vendor has developed a routine for conversion (most RMIS vendors have conversion routines for nearly all data sources, like insurers or third-party claims administrators), the ongoing process is not a problem. The RMIS vendor must still diligently look for the same types of mistakes. The risk manager should oversee this process as well.

Following are some recommendations for evaluating a system:

✓ Ask questions. Never assume that data is accurate.

✓ Get involved in the data-conversion process. Do not simply delegate this responsibility to the RMIS vendor and forget about it. Ask for copies of the data-mapping process or be present when some of the analysis takes place. Some RMIS vendors do not have claim professionals on board to determine whether the data makes sense or not.

✓ Consider a data audit. I believe this can be as important as a claim audit, because most vendors in the RMIS industry do not have people with actual claims experience involved at the conversion level, or at least overseeing the conversion process.

Mistakes, innocent or otherwise, can be made. Periodically evaluating the quality of the data is essential to the risk manager, who makes judgments based on the quality of that data.

✓ Have the vendor sign off on the accuracy. Most RMIS vendors will have you sign off on the conversion process, so it is a fair request to have them sign off as well. This sign off can be an especially useful point in a request for proposal when you are bidding for RMIS services or switching TPAs or insurers. **BI**



David A. Tweedy is a senior manager at Deloitte & Touche in Hartford, Conn. Mr. Tweedy's column on risk management information systems appears quarterly.

Insurer not held to fiduciary duties: Court

Legal Briefs

The mere payment of claims is insufficient to give an insurer discretionary control over the management of retirement plan assets or the administration of the plan so as to invoke applicability of the Employee Retirement Security Act of 1974, according to the 6th U.S. Circuit Court of Appeals.

Joseph Flacche took early retirement from employment effective June 1, 1986. He began receiving pension benefits sent by Irving Trust, which distributed the funds at the direction of his former employer. His monthly benefits were \$3,959.

In May 1986, the employer purchased a single-premium group annuity contract from Sun Life Assurance Co. of Canada to pay the pension plan benefits due its former employees. Sun Life issued a "summary of benefits certificate" to Mr. Flacche that reflected a monthly pension of \$4,846, which included a monthly bonus of \$887. The bonus was reduced to \$470.94 one month later to reflect his early retirement. Thereafter, Sun Life, while reconciling all of the 3,000 former employees, discovered that Mr. Flacche's base benefit was incorrect. Sun Life contacted the former employer's successor and was directed to reduce Mr. Flacche's future benefits to \$3,312.74 per month for base and bonus benefits. Mr. Flacche sued claiming a breach of fiduciary duty under ERISA. The trial court ruled against him.

The appellate court concluded that all of Sun Life's functions were ministerial: Sun Life sent the summary of benefits certificate based exclusively on information provided by Irving Trust and approved by the employer's retirement plan committee; it reduced Mr. Flacche's

benefit payments to conform to the plan's formula only after the employer directed it to do so; and it established the claim amounts with reference to the formulas contained in the plan. Therefore, the court said that Sun Life was not a fiduciary subject to ERISA as it lacked discretionary authority or control in respect of managing the plan. The trial court decision was affirmed.

Flacche vs. Sun Life Assurance Co. of Canada, 6th U.S. Circuit Court of Appeals, March 11, 1992 (BI/04/F.-\$10).

Health plan co-fiduciary's duties

A fiduciary must always be prepared to reassume delegated fiduciary duty when it becomes apparent that the party responsible for performing the duty has breached that obligation, according to the 11th U.S. Circuit Court of Appeals.

The case involved several consolidated lawsuits brought by former employees of Mays Enterprises Inc., seeking damages from Blue Cross & Blue Shield of Alabama for breach of the fiduciary duty to inform them that Mays had not paid the group health premiums.

Court papers indicated that Mays failed to remit the November 1987 premium to Blue Cross. After negotiations, Mays in February 1988 paid Blue Cross only half the amount in arrears. In March 1988, Mays laid off its entire work force. Thereafter, Blue Cross returned Mays' check and informed Mays that it was canceling the policy retroactively to Nov. 1, 1987. The

master contract between Mays and Blue Cross required Mays to provide all notices to employees. Mays failed to notify the employees in a timely fashion that their coverage was suspended and that their coverage was subject to cancellation because of the unpaid premium.

The former employees were not informed that they did not have health insurance coverage as of Nov. 1, 1987, until Mays notified them by a letter dated March 28, 1988. All of the employees suing here had incurred medical expenses in the period between Nov. 1, 1987, and March 28, 1988, that would have been covered under the canceled plan. The trial court entered a summary decision in favor of the employees.

The appellate court reversed the decision, even though it said Blue Cross could be liable for the beneficiaries' medical costs under the plan. The court concluded that the trial court had failed to spell out its findings to support its decision. It added that ERISA clearly provides that the delegation of a fiduciary duty does not end forever the delegating fiduciary's responsibility for ensuring that the duty is discharged. The case was returned to the trial court.

Willett vs. Blue Cross & Blue Shield of Alabama, 11th U.S. Circuit Court of Appeals, Feb. 19, 1992 (BI/01/J.-\$10).

These abstracts were prepared by Mayo H. Stiegler. Copies of these decisions are available by sending a \$10 check payable to Mayo H. Stiegler to Business Insurance, 740 N. Rush St., Chicago, Ill. 60611-2590. List the number for each opinion.

Continued from page 37
sponsored plans.

Staff: Seven total; six serving self-insurers only.
1992 gross revenues: \$215,000; \$195,000 from claims services.
Membership: IFEBP, SIAA.
Officers: B. Clark, president; B. Balinger, vp; H. Fears, secretary/treasurer.
Contact: B. Clark.

Insurance & Risk Management/Employee Plans Inc.

3811 Illinois Road, P.O. Box 1705, Fort Wayne, Ind. 46801; 219-436-1616; fax: 219-432-4083

Claims services since: 1974.
Parent: Insurance & Risk Management.

Business: 100% claims administration.
Region served: Nationwide.
Specialties: 5% disability, 10% flex compensation, 85% health.

Health plans: 24,000 employees, 60,000 dependents covered.
Self-insured clients: 70 administration clients, all corporations.

Self-insured claims: \$38 million paid for administration clients.

Staff: 180 total; 25 serving self-insurers only.

Branch offices: Sales offices in Indianapolis, Muncie and Warsaw, Ind.; Defiance and Toledo, Ohio.

1992 gross revenues: \$12 million; \$1.8 million from claims services.

PPOs available: Sagamore Health Network, Preferred Plan of Indiana, Signature Care.

Membership: SIAA.
Officers: John A. Hettwer, president; David A. Stahl, vp; Rose F. Black, director-marketing.

Contact: Rose F. Black.

Insurdata/Insurnational

5215 N. O'Connor Blvd., 800 Central Tower, Irving, Texas, 75039; 214-869-2553

Claims services since: 1964.
Business: 50% claims administration; 50% other services, including facilities and nationwide network management, health claims system development and integration.

Region served: Nationwide.
Specialties: 1% flex compensation, 99% health.

Health plans: 235,000 employees, 260,000 dependents covered.

Self-insured claims: \$525 million paid for administration clients.

Staff: 400 total, all serving self-insurers.

Subsidiaries: Insurnational Inc. of Arkansas, US Information Systems Inc.

Membership: SIAA.
Officers: Raymond C. Morrison Jr., president; Doug Freeman, vp-data processing; Jim Taylor, vp-finance/administration.

Insurers Administrative Corp.

10210 N. 25th Ave., Suite 300, Phoenix, Ariz. 85021; 602-870-1400; fax: 602-395-0496

Claims services since: 1978.
Business: 16% claims administration; 1% adjusting; 3% auditing; 80% other services, including utilization review, PPO management, fully insured claims services.

Region served: Nationwide.
Specialties: 2% disability, 10% flex compensation, 88% health.

Health plans: 14,000 employees, 29,000 dependents covered.

Self-insured clients: 40 administration, adjusting and auditing clients, including one association, 34 corporations, one MEWA, four public/government entities.

Self-insured claims: \$36.4 million paid for administration clients. Hospital and physician claims adjusted. 40 claims-auditing projects conducted.

Staff: 120 total; 28 serving self-insurers only.

1992 gross revenues: \$7 million; \$1.4 million from claims services.

PPOs available: 21 PPOs nationwide.

Membership: SIAA.
Officers: Stephen A. Wood, president, Scott M. Wood, executive vp, Joseph Ciarametaro, CFO; Bruce Robbins, Mike Goe, vps.

Contact: Stephen A. Wood.

Insurex Benefits Administrators Inc.

P.O. Box 41779, 2158 Union Ave., Memphis, Tenn. 38174-1779; 901-725-6435; fax: 901-725-6437

Claims services since: 1989.
Parent: TPI Restaurants Inc.
Business: 99% claims administration;

1% other services, including administration of claims for The Hartford Life Insurance Co. and insured clients.

Region served: Nationwide.
Specialties: 100% health.

Health plans: 12,674 employees, 11,427 dependents covered.

Self-insured clients: 29 administration clients, including one association, 28 corporations.

Self-insured claims: \$17 million paid for administration clients.

Staff: 20 total.
PPOs available: Baptist Health Services Group, Health Net, Health Care Compare, Healthchoice.

Membership: SPBA.
Officers: Bruce R. Osborne, president; Sharon A. Lewis, director.

Integrated Benefit Services Inc.

1630 S. Sixth St., Springfield, Ill. 62703; 217-522-3736

Claims services since: 1989.
Parent: Casper, Bartholf & Associates; VHA Great Rivers Hospital Assn.

Business: 100% claims administration.
Region served: Illinois, Iowa, Missouri.

Specialties: 2% flex compensation, 98% health.

Health plans: 11,501 employees, 18,250 dependents covered.

Self-insured clients: 23 administration clients, all corporations.

Self-insured claims: \$32.5 million paid for administration clients.

Staff: 18 total, all serving self-insurers.

1992 gross revenues: \$1.1 million, all from claims services.

Membership: NAEBA, SPBA.
Officers: Peter Casper, president; Steve Bartholf, secretary/treasurer.

Contact: Kathy J. Lewis.

Iowa Benefits Inc.

1611 S. High Ave., Ames, Iowa 50010; 800-262-3875; fax: 515-232-9147

Claims services since: 1980.
Business: 100% claims administration.
Region served: Nationwide.

Specialties: 20% flex compensation, 80% health.

Health plans: 19,000 employees, 26,000 dependents covered.

Self-insured clients: 140 administration clients, including 100 corporations, 40 public/government entities.

Self-insured claims: \$40 million paid for administration clients.

Staff: 45 total.

1992 gross revenues: \$2.5 million.

Membership: SIAA, SPBA.
Officers: Dick Clem, president; Darsi Christian, vp-marketing; Kim Supercynski, vp-finance; Sandy Schevermann, vp-claims administration; Susan Pierce, vp-data processing; Patt Nervig, vp/executive secretary.

JAS Inc.

4885 S. 900 E., Suite 202, Salt Lake City, Utah 84117; 801-266-3271; fax: 801-266-4383

Claims services since: 1986.
Business: 100% claims administration.
Region served: Nationwide.

Specialties: 5% disability, 5% flex compensation, 90% health.

Health plans: 15,000 employees, 30,000 dependents covered.

Self-insured clients: 12 administration clients, including two corporations, 10 multiemployer plans.

Self-insured claims: \$50 million paid for administration clients.

Staff: 30 total; 20 serving self-insurers only.

PPOs available: Premier Medical Network.

Membership: NAEBA, SIAA.
Officers: Scott N. Sheffield, executive vp.

JJJ Group Inc.

2600 Eagan Woods Drive, Eagan, Minn. 55121; 612-454-1226; fax: 612-454-2702

Claims services since: 1990.
Business: 100% claims administration.
Region served: Iowa, Minnesota, North Dakota, South Dakota, Wisconsin.

Specialties: 4% flex compensation, 96% health.

Health plans: 3,400 employees, 8,500 dependents covered.

Self-insured clients: 35 administration clients, all corporations.

Self-insured claims: \$3 million paid for administration clients.

Staff: 12 total, all serving self-insurers.
1992 gross revenues: \$720,000, all from claims services.

PPOs available: PreferredOne, Select Care, ETHIX.

Membership: SPBA.

Officers: Jack Jurewicz, president; Tom Walsh, CFO; Mary Pat Renaud, sales manager.

Contact: Mary Pat Renaud.

Thomas L. Jacobs & Associates

230 W. Monroe St., Chicago, Ill. 60606; 312-853-4252; fax: 312-346-1171

Claims services since: 1989.
Parent: UNUM Life Insurance Co.

Business: 90% claims administration; 5% auditing; 5% other services, including disability plans operational reviews, marketing duration control guidelines.

Region served: Nationwide.
Specialties: 100% disability.

Health plans: 1 million employees.

Self-insured clients: 103 administration clients, including 98 corporations, two public/government entities, three union-sponsored plans.

Three auditing clients, all corporations.

Self-insured claims: \$75 million paid for administration clients. Three claims-auditing projects conducted.

Staff: 105 total; 82 serving self-insurers only.

Branch offices: Administrative offices in Philadelphia. Sales offices in 30 U.S. cities.

1992 gross revenues: \$7 million from claims services.

Officers: Mark Battista, president/CEO; Wes Wolfertz, vp/CFO; Jeanne Sheridan, vp-operations; Waldo Hayes, vp-products/pricing.

Contact: J. Philip Bruen, national sales director.

Jardine Group Services Corp.

433 State St., Schenectady, N.Y. 12305; 518-381-5380; fax: 518-381-5354

Claims services since: 1982.
Business: 31% claims administration, 69% other services.

Region served: Nationwide.

Specialties: 10% disability, 90% health.

Health plans: 325,000 employees, 8,500 dependents covered.

Self-insured clients: 17 administration clients, including three associations, three corporations, 11 multiemployer plans.

Self-insured claims: \$70 million paid for administration clients.

Staff: 182 total; 67 serving self-insurers only.

Branch offices: Sales offices in Albany and New York, N.Y.; Denver; District of Columbia; Oakbrook, Ill.

Subsidiaries: Professional Dental Reviewers Inc.

PPOs available: Jardine's preferred provider panel.

Membership: SIAA.

Officers: W. Michael Carroll, CEO; Thomas P. McDonough, COO; Gary P. Hickey, Michael Murphy, Thomas Arney, senior vps.

William N. Jenkins & Associates Inc.

1299 Battle Creek Road, Suite 200, P.O. Box 607, Jonesboro, Ga. 30237; 404-477-1888 or 800-852-0049; fax: 404-477-5558

Claims services since: 1984.
Business: 100% claims administration.
Region served: Alabama, Georgia, South Carolina, Tennessee.

Specialties: 100% health.

Health plans: 2,000 employees, 5,000 dependents covered.

Self-insured clients: Five administration clients, including one public/government entity, four union-sponsored plans.

Self-insured claims: \$4.7 million paid for administration clients.

Staff: Four total, all serving self-insurers.

Branch offices: Administrative and sales offices in Atlanta.

1992 gross revenues: \$250,000, all from claims services.

PPOs available: South Care.

Membership: IFEBP, SPBA.
Officers: Larry Jenkins, president/treasurer; Sheila J. Lister, vp/secretary.

Klais & Co. Inc.

1867 W. Market St., Akron, Ohio 44313; 216-867-8443; fax: 216-867-0827

Claims services since: 1980.
Business: 90% claims administration, 10% other services.

Region served: Nationwide.

Specialties: 5% disability, 10% flex compensation, 85% health.

Health plans: 39,000 employees, 86,000 dependents covered.

Self-insured clients: 200 administration clients, including 150 corporations, 50 public/government entities.

Self-insured claims: \$140 million paid for administration clients.

Staff: 120 total

Branch offices: Administrative offices in Dayton, Ohio; Norcross, Ga.; Reston, Va.

1992 gross revenues: \$6.5 million.

PPOs available: Emerald Health, Southcare, Alliance, Ohio Health Choice Plan, Health Service Preferred, Virginia Health Network, Parkside, Health Design Plus, Ethix, National Capital Health Advantage.

Membership: SIAA, SPBA.

Officers: Daniel V. Klais, president; Nancy Hinebaugh, vp.

Lawrence Healthcare Admin Services

2716 Albany St., Schenectady, N.Y. 12304; 518-370-3828; fax: 518-370-3890

Claims services since: 1979.
Parent: Lawrence Agency Corp.

Business: 100% claims administration.

Region served: Nationwide.

Specialties: 5% disability, 10% flex compensation, 75% health, 10% workers comp.

Health plans: 55,000 employees, 90,000 dependents covered.

Self-insured clients: 250 administration clients, including 10 associations, 90 corporations, 150 public/government entities.

Self-insured claims: \$54.2 million paid for administration clients.

Staff: 100 total; 75 serving self-insurers only.

Branch offices: Administrative offices in Atlanta; Fresno, Calif.; Jamestown and Westbury, N.Y.; Waltham, Mass.

Subsidiaries: A.W. Lawrence & Co., Lawrence United Corp., Lawrence Education & Government Corp.

1992 gross revenues: \$5.5 million.

PPOs available: In California, Florida and New York.

Membership: SIAA.

Officers: Albert W. Lawrence, chairman; Gerald A. Pedinotti, president; Barbara Lawrence, secretary; Gary Keefhus, treasurer; Gayle Churchill, vp-operations; Michael Greppo, vp-MIS.

Contact: Gerald Pedinotti.

Lipman Insurance Administrators Inc.

39420 Liberty St., Suite 265, Fremont, Calif. 94538; 510-795-0103; fax: 510-795-0858

Claims services since: 1976.
Business: 80% claims administration; 20% other services, including employee benefit consulting.

Region served: Arizona, California, Nevada, Oregon, Washington.

Specialties: 10% disability, 20% flex compensation, 60% health, 10% life.

Health plans: 20,000 employees, 10,000 dependents covered.

Self-insured clients: 16 administration clients, including two corporations, 10 multiemployer plans, four public/government entities.

Self-insured claims: \$72 million paid for administration clients.

Staff: 120 total; 100 serving self-insurers only.

Branch offices: Administrative offices in Las Vegas, Nev.; Los Angeles, San Diego and Santa Maria, Calif. Sales office in Las Vegas, Nev.

1992 gross revenues: \$5 million.

PPOs available: California Foundation, Admar, Affordable Healthcare.

Membership: IFEBP, SIAA, SPBA.

Officers: Fred Lipman, president.

Contact: Larry Lipman, executive vp.

MS Administrative Services Inc.

5440 Franklin Road, Suite 205, Boise, Idaho 83705; 208-343-2964; fax: 208-387-0151

Claims services since: 1983.

Business: 98% claims administration, 2% other services.

Region served: Nationwide.

Specialties: 2% flex compensation, 98% health.

Health plans: 4,500 employees, 7,750 dependents covered.

Self-insured clients: 11 administration clients, all corporations.

Self-insured claims: \$7 million paid for administration clients.

Staff: 10 total, all serving self-insurers.

1992 gross revenues: \$480,000; \$465,000 from claims services.

PPOs available: USA Healthnet Inc., Health Care Compare.

Membership: SPBA.
Officers: Marvin Montoya, president; Wayne G. Schiess, secretary/treasurer.

Contact: Marvin Montoya.

The MacKinnon Co. Inc.

23 Kulick Road, Fairfield, N.J. 07004; 201-808-9090; fax: 201-808-9507

Claims services since: 1972.
Parent: Delta Dental Plan of New Jersey.

Business: 80% claims administration; 20% other services, including claims administration for fully insured accounts.

Region served: Nationwide.

Specialties: 100% health.

Health plans: 25,000 employees covered.

Self-insured clients: 53 administration clients, including three associations, 35 corporations, four public/government entities, 11 union-sponsored plans.

Self-insured claims: \$50 million paid for administration clients.

Staff: 40 total; 16 serving self-insurers only.

Continued from previous page
Self-insured claims: \$15 million paid for administration clients.
Staff: 10 total; five serving self-insurers only.
1992 gross revenues: \$750,000, all from claims services.
Officers: Ron Ross, president; G. Lee Barnett, vp.
Contact: Ron Ross.

McConachie Financial Services Inc.
 1480 Renaissance Drive, Park Ridge, Ill. 60068; 708-297-3640; fax: 708-297-5674

Claims services since: 1982.
Business: 70% claims administration; 30% other services, including claims administration for insured clients.
Region served: Nationwide.
Specialties: 100% health.
Health plans: 3,500 employees covered.
Self-insured clients: 13 administration clients, all corporations.
Self-insured claims: \$9 million paid for administration clients.
Staff: Nine total; seven serving self-insurers only.

1992 gross revenues: \$350,000; \$300,000 from claims services.
Membership: SIIA, SPBA.
Officers: Scot McConachie, president.

McDonough Caperton Insurance Group
 P.O. Box 1551, Charleston, W.Va. 25326-1551; 304-340-0253; fax: 304-347-1506

Claims services since: 1976.
Business: 95% claims administration, 1% adjusting, 1% auditing, 3% other services.
Region served: Nationwide.
Specialties: 0.5% disability, 2% flex compensation, 91% health, 0.5% pensions, 1% professional liability, 5% workers comp.
Self-insured clients: 453 administration clients, including 20 associations, 397 corporations, five multiemployer plans, five MEWAs, 24 public/government entities, two union-sponsored plans.
Self-insured claims: \$474.5 million paid for administration clients.
Staff: 630 total; 325 serving self-insurers only.

Branch offices: Administrative offices in Big Stone Gap, Va.; Lexington, Ky.; Miami. Sales offices in Atlanta; Beckley, Huntington, Morgantown, Parkersburg and Wheeling, W.Va.; Cincinnati and Cleveland, Ohio; Lexington, Ky.; Pittsburgh; Roanoke, Va.

1992 gross revenues: \$42.5 million; \$14.7 million from claims services.
PPOs available: Med Select-W.Va., Dimension Health System, Virginia Health Network, Cost Control Network (CCN), American Healthcare Systems, Sun Health System, Beech Street, CAPP CARE, Carolina Preferred Care, Commonwealth Systems.
Membership: IFEBP, SIIA, SPBA.
Officers: James M. Pennington, president; McDonough Caperton Benefit Services.

McDowell Agency Inc.
 P.O. Drawer 3088, 105 N. Spring St., Greenville, S.C. 29602; 800-476-1555; fax: 803-233-3604

Claims services since: 1977.
Business: 50% claims administration, 50% other services.

Region served: Nationwide.
Specialties: 100% health.
Health plans: 12,307 employees, 13,845 dependents covered.
Self-insured clients: 525 administration clients, including 25 corporations, 500 multiemployer plans.
Self-insured claims: \$21 million paid for administration clients.
Staff: 31 total; 12 serving self-insurers only.

1992 gross revenues: \$1.9 million; \$500,000 from claims services.
PPOs available: Carolina Preferred Care.

Membership: SPBA.
Officers: M. Steve McDowell, president; Kathleen McDowell, executive vp; Sidney Major, secretary; Joyce Chapman, treasurer; Richard Kreiner, vp-sales/marketing.
Contact: Sidney Major.

Med Benefit Systems
 227 S. Main St., South Bend, Ind. 46601; 219-237-0560; fax: 219-233-1522

Claims services since: 1984.
Parent: Memorial Health System.
Business: 100% claims administration.

Region served: Indiana, Michigan.
Specialties: 3% disability, 10% flex compensation, 87% health.
Health plans: 12,500 employees covered.
Self-insured clients: 95 administration clients, including 90 corporations, five public/government entities.
Self-insured claims: \$12 million paid for administration clients.
Staff: 25 total.
PPOs available: Sagamore, CAPP CARE, Michiana Healthnet, PPOM.
Membership: SPBA.
Officers: William J. Brusda, executive director.

MED-TAC Corp.
 4 Chrysler Road, Naick, Mass. 01760; 617-431-1999; fax: 508-653-5665

Claims services since: 1972.
Business: 100% claims administration.
Region served: Nationwide.
Specialties: 3.5% disability, 0.5% flex compensation, 96% health.
Health plans: 14,000 employees, 11,000 dependents covered.
Self-insured clients: 50 administration clients, including 49 corporations, one union-sponsored plan.
Self-insured claims: \$65 million paid for administration clients.
Staff: 58 total, all serving self-insurers.
1992 gross revenues: \$4 million, all from claims services.
PPOs available: Healthcare Value Management, USA Healthnet.
Membership: SPBA.
Officers: Joseph L. Tierney Jr., president; Mary Elizabeth Smith, vp-finance; DeLanson Hopkins, vp-sales; Edward O'Brien, vp-claims/MIS; Mary M. Tierney, treasurer.
Contact: DeLanson Hopkins.

Medical Claims Service Inc.
 300 Congress St., Quincy, Mass. 02169; 617-471-4100; fax: 617-471-6823

Claims services since: 1975.
Business: 100% claims administration.
Region served: Northeast, Midwest and some national accounts.
Specialties: 10% flex compensation, 90% health.
Health plans: 15,000 employees, 7,500 dependents covered.
Self-insured clients: Corporations.
Self-insured claims: \$35 million paid for administration clients.
Staff: 55 total, all serving self-insurers.
Branch offices: Administrative office in Ravenswood, W.Va. Sales office in Columbus, Ohio.
Subsidiaries: A.M. Franklin Insurance Agency Inc.
1992 gross revenues: \$3.5 million.
PPOs available: Numerous organizations.
Membership: SPBA.
Officers: William McKelvey, president; Shirley Johnson, vp; Edward Tyburski, vp.
Contact: William McKelvey.

Mid-Atlantic Benefit Administrators Inc.
 1300 Piccard Drive, Suite 104, Rockville, Md. 20850; 301-990-1900; fax: 301-990-7076

Claims services since: 1988.
Business: 77% claims administration; 23% other services, including set-up fees, renewal fees, billing compensation.
Region served: Nationwide.
Specialties: 90% health, 10% life and disability.
Self-insured clients: 33 administration and adjusting clients, including two associations, 27 corporations, four public/government entities.
Self-insured claims: \$3.2 million paid for administration clients. Medical, dental, prescription drug, vision, weekly disability claims adjusted.
Staff: 10 total, all serving self-insurers.
1992 gross revenues: \$475,000, all from claims services.
PPOs available: Alliance, AIH Options for Health.
Membership: SPBA.
Officers: Darlene Marinello, president; Stephen Phillips, controller.
Contact: Darlene Marinello, 800-822-3402.

Midwest Security Administrators Inc./ dba NBC
 1150 Springhurst Drive, Suite 140, Green Bay, Wis. 54304; 414-496-2500; fax: 414-496-2515

Claims services since: 1981.
Parent: R.W. Houser Inc..
Business: 99% claims administration, 1% other services.
Region served: California, Florida,
Continued on next page

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Illinois, Indiana, Iowa, Minnesota, Missouri and Michigan.

Specialties: 1% disability, 10% flex compensation, 89% health.

Health plans: 43,000 employees, 99,000 dependents covered.

Self-insured clients: 345 administration clients, including two associations, 298 corporations, 45 public/government entities.

Self-insured claims: \$105 million paid for administration clients.

Staff: 87 total; 81 serving self-insurers only.

Branch offices: Administrative offices in LaCrosse, Wis. Sales offices in Detroit; LaCrosse and Milwaukee, Wis.; Chicago; Indianapolis.

1992 gross revenues: \$4.7 million; \$4 million from claims services.

PPOs available: Associates for Health Care Inc., Wisconsin Preferred Provider Network, CCN Inc.

Membership: NAEBA, SIA, SPBA.

Officers: Robert Hergenrader, president; Marti Hergenrader, executive vp; Steve Schmeisser, controller.

Contact: Robert Hergenrader.

J.F. Molloy & Associates Inc.

4040 Vincennes Circle, Suite 600,
Indianapolis, Ind. 46268;
317-879-4040; fax: 317-879-4049

Claims services since: 1967.

Business: 30% claims administration; 10% auditing; 60% other services, including claims administration for fully insured clients, consulting on a fee basis.

Region served: Nationwide.

Specialties: 5% disability, 5% flex compensation, 90% health.

Self-insured clients: 36 administration clients, including two associations, 26 corporations, one multiemployer plan, six MEWAs, one public/government entity.

Self-insured claims: \$79 million paid for administration clients. Two claims-auditing projects conducted.

Staff: 107 total; 64 serving self-insurers only.

Subsidiaries: First Step Inc., Health First Consulting Corp., Claim Aid Consulting Corp.

Membership: SIA, SPBA.

Officers: David W. Blanford, CEO; Craig S. Penwell, executive vp; Dean Padgett, Nan Gill and Aaron Curtis, vps.

Contact: Aaron Curtis.

Mountain States Administration Co.

2530 S. Parker Road, Suite 606,
Aurora, Colo. 80014; 303-368-4500;
fax: 303-368-5703

Claims services since: 1980.

Business: 100% claims administration.

Region served: Colorado, New Mexico, South Dakota and Wyoming.

Specialties: 3% disability, 1% flex compensation, 96% health.

Health plans: 27,000 employees, 34,000 dependents covered.

Self-insured clients: 40 administration clients, all corporations.

Self-insured claims: \$38 million paid for administration clients.

Staff: 21 total, all serving self-insurers.

1992 gross revenues: \$1.2 million; \$1.1 million from claims services.

PPOs available: Colorado Alliance, Admar, Sloans Lake PPO, Mountain Medical Affiliates.

Membership: NAEBA.

Officers: Clarence F. Gray, president; Bettina Gray, secretary/treasurer.

Contact: Clarence F. Gray.

Mutual Assurance Administrators Inc.

3015 United Founders Blvd.,
Oklahoma City, Okla. 73112;
405-848-1975; fax: 405-843-1953

Claims services since: 1975.

Business: 100% claims administration, adjusting and auditing.

Region served: Nationwide, concentrated in Oklahoma, Texas and Arkansas.

Specialties: 2% disability, 5% flex compensation, 90% health, 3% life.

Health plans: 45,000 employees, 67,500 dependents covered.

Self-insured clients: 121 administration and adjusting clients, including 18 corporations, five multiemployer plans, 98 public/government entities.

Self-insured claims: \$29.4 million paid for administration clients.

Staff: 33 total; Nine serving self-insurers only.

Subsidiaries: Mutual Assurance Advantage Inc., Mutual Assurance Agency Inc.

1992 gross revenues: \$1.5 million, all from claims services.

Membership: NAEBA, SIA, SPBA.

Officers: Richard E. Carllson, president; Jacki Carllson, executive vp; Todd Archer, vp-marketing.

Contact: Todd Archer.

N

NBA Corp./NBA Insurance Administrators

P.O. Box 905, El Cajon, Calif. 92022;
619-579-9994; fax: 619-447-6234

Claims services since: 1982.

Business: 100% claims administration.

Region served: Arizona, California, Colorado, Idaho, Nevada, New Mexico, Oregon, Utah and Washington.

Specialties: 100% health.

Health plans: 14,000 employees, 35,750 dependents covered.

Self-insured clients: 42 administration clients, including 16 corporations, 26 public/government entities.

Self-insured claims: \$28 million paid for administration clients.

Staff: 25 total; 24 serving self-insurers only.

1992 gross revenues: \$1.2 million;

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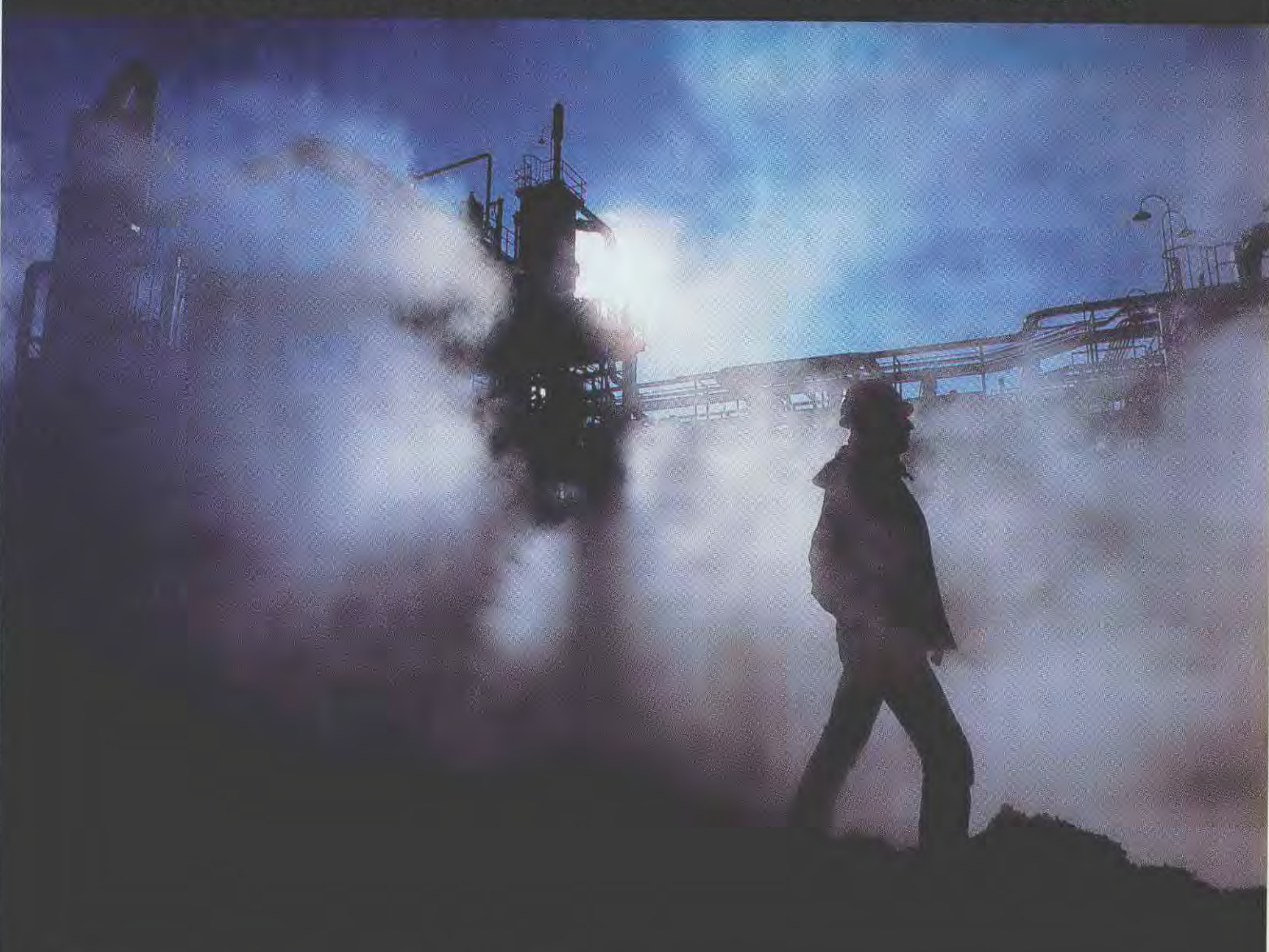
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Continued from previous page
\$1.1 million from claims services.

PPOs available: CCN Inc., CAPP CARE, Admar Corp., California Foundation.

Officers: Ralph L. Ball, president.

NCAS Mountain Plains

215 E. Eighth Ave., P.O. Box 3137, Cheyenne, Wyo. 82003-3137; 307-638-3825; fax: 307-634-7611

Claims services since: 1987.

Parent: BC/BS of Wyoming, BC/BS of Montana.

Business: 100% claims administration.

Region served: Montana, Wyoming.

Specialties: 100% health.

Self-insured clients: 25 administration clients, including seven corporations, 17 public/government entities, one union-sponsored plan.

Self-insured claims: \$14.4 million paid for administration clients.

Staff: 14 total.

Branch offices: Sales offices in Casper, Wyo.; Missoula, Mont.

1992 gross revenues: \$516,737.

Membership: SPBA.

Officers: Dick Martin, president; Gary Ritter, director-operations; Ralph Hayes,

director-marketing; Bob Decker, director-major accounts; Glenn Klofstad, marketing manager.

Contact: Ralph Hayes.

NGS American Inc.

2757E Harper, St. Clair Shores, Mich. 48080; 313-779-7679; fax: 313-779-0117

Claims services since: 1979.

Business: 80% claims administration; 20% other services, including continuation coverage administration; cost containment services including hospital pre-verification, continued stay review and second surgical opinion program administration; reimbursement account claims administration; and plan documentation services.

Region served: Nationwide.

Specialties: 2.5% disability, 0.5% flex compensation, 97% health.

Health plans: 503,000 employees, 694,000 dependents covered.

Self-insured clients: 63 administration clients, all corporations.

Self-insured claims: \$111.2 million paid for administration clients.

Staff: 189 total, all serving self-insur-

ers.

Subsidiaries: Equation Inc., Mon-goose Administrators Inc., NGS Flex Inc.

PPOs available: CAPP CARE, Select Care.

Membership: IFEFP, SIA, SPBA.

Officers: William D. Alcott, president; Kimberley Cunter, executive vp; James G. Blashill, Sherryl Mulcahey, senior vps; Gerry Kibat, vp.

Contact: James G. Blashill, P.O. Box 7676, St. Clair Shores, Mich. 78080-7676; 313-445-6837.

National Benefit Administrators Inc.

P.O. Box 1270, Colorado Springs, Colo. 80901; 719-636-3382; fax: 719-636-3169

Claims services since: 1985.

Parent: FRIMAC Insurance.

Business: 90% claims administration, 10% auditing.

Region served: Nationwide.

Specialties: 5% disability, 15% flex compensation, 80% health.

Health plans: 15,000 employees, 37,500 dependents covered.

Self-insured clients: 85 administra-

tion clients, including five associations, 55 corporations, 25 public/government entities.

12 auditing clients, including two associations, 10 corporations.

Self-insured claims: \$45 million paid for administration clients.

Staff: 20 total.

1992 gross revenues: \$900,000, all from claims services.

PPOs available: Sloans Lake Managed Care, Mountain Medical Affiliates, CAPP CARE Inc., USA Healthnet, The Healthcare Initiative, Medical Network of Colorado Springs, The Alliance, Admar Corp.

Membership: NAEBA, SPBA.

Officers: Dennis A. Weber, president; Erik D. Nebeker, executive vp; Richard C. Anderson, vp; Phil Yadon, operating manager; Beverly Beeman, marketing manager.

Contact: Erik D. Nebeker.

National Benefit Plans Inc.

5 The Koger Center, Suite 127, P.O. Box 13128, Norfolk, Va. 23506-7570; 804-466-1940; fax: 804-466-7570

Claims services since: 1972.

Business: 90% claims administration;

10% other services, including union pension administration.

Region served: Mid-Atlantic and Southeastern U.S.

Specialties: 90% health, 10% pensions.

Health plans: 7,992 employees, 10,038 dependents covered.

Self-insured clients: 23 administration clients, including 19 corporations, four multiemployer plans.

Self-insured claims: \$6.3 million paid for administration clients.

Staff: 15 total; seven serving self-insurers only.

Branch offices: Administrative offices in Richmond, Va.

PPOs available: Sentara Health System, Virginia Hospital Network.

Membership: IFEFP, SPBA.

Officers: James Davenport, chairman/CEO; Benjamin E. Herrmann, president; James J. Bailey, vp-marketing; Robert M. Jones, executive vp.

National Claims Administrative Services Inc.

3702 Pender Drive, Suite 200, Fairfax, Va. 22030; 703-934-6200; fax: 703-934-6279

Claims services since: 1984.

Parent: GHMSI Cos. Inc.

Business: 65% claims administration, 35% other services.

Region served: Nationwide.

Specialties: 1% disability, 7% flex compensation, 92% health.

Health plans: 39,173 employees covered.

Self-insured clients: 99 administration clients, including two associations, 75 corporations, 22 public/government entities.

Self-insured claims: \$260 million paid for administration clients.

Staff: 320 total; 263 serving self-insurers only.

Branch offices: Administrative offices of affiliates in Charlotte, N.C.; Cheyenne, Wyo.; Detroit; Harrisburg, Pa.; Portland, Maine; Providence, R.I.; Phoenix; Seattle; Wheeling, W.Va. Sales offices in Helena, Mont.

Subsidiaries: NCAS Insurance Agency Inc.

PPOs available: Crawford Care Alliance, Cost Care, IntraCorp, National Capital PPO, Admar Inc., CAPP CARE Inc.

Membership: SIA, SPBA.

Officers: William G. Hendren, CEO; David A. Kreager, vp-marketing; Jane S. LeRoy, vp-claims services.

Contact: David A. Kreager.

National Health Plan Corp.

1 Penn Plaza, New York, N.Y. 10119; 212-279-3232; fax: 212-629-0749

Claims services since: 1975.

Business: 80% claims administration, 20% adjusting.

Region served: Nationwide.

Specialties: 100% health.

Health plans: 35,000 employees, 100,000 dependents covered.

Staff: 20 total; 14 serving self-insurers only.

Subsidiaries: Universal Prescription Administrators, Mailmed.

PPOs available: NHP's PPO; The Health Advantage PPO, Florida; Health Care Value Management Inc., New England

Membership: SPBA.

Officers: Alvin S. Konigsberg, president; David H. Zaback, executive vp.

Contact: David H. Zaback.

National Prescription Administrators Inc.

1200 Route 46, Clifton, N.J. 07013; 201-471-6030; fax: 201-471-9434

Claims services since: 1978.

Business: 100% claims administration.

Region served: Nationwide.

Specialties: 100% health.

Self-insured clients: 690 administration clients, including five associations, 298 corporations, 25 multiemployer plans, 50 MEWAs, 159 public/government entities, 153 union-sponsored plans.

Staff: 400 total.

Branch offices: Administrative offices in Harrisburg and Philadelphia, Pa. Sales offices in Harrisburg and Pittsburgh, Pa.; Las Vegas, Nev.; Raleigh-Durham, N.C.; St. Louis.

PPOs available: National Prescription Administrators's pharmacy and vision PPOs.

Officers: Richard Ullman, president/chairman; A. Hosier, Art Ullman, executive vps.

Contact: David Karlin, executive vp.

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A Global Perspective...



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Continued from previous page

New World Claims Services Ltd.2624 N. Fifth St., Niles, Mich. 49120;
616-684-6700; fax: 616-684-8138**Claims services since:** 1984.**Business:** 100% claims administration.**Region served:** Nationwide.**Specialties:** 100% health.**Health plans:** 5,500 employees, 13,750 dependents covered.**Self-insured clients:** 120 administration clients, all corporations.**Self-insured claims:** \$12.8 million paid for administration clients.**Staff:** 12 total; five serving self-insurers only.**Branch offices:** Sales offices in Chicago.**PPOs available:** PPO Alliance, HealthStar, Sloans Lake, CAPP CARE Inc., North Texas Healthcare Network.**Membership:** IFEBP, NAEBA, SIA, SPBA.**Officers:** R.D. Cravens, president; S. Jacobson, vp; P. Vishney, secretary; J. Grollman, treasurer.**Contact:** R.D. Cravens.**Noble Lowndes Administrators**P.O. Box 248, Newtown, Pa. 18940;
215-968-7700; fax: 215-860-3887**Claims services since:** 1981.**Parent:** Noble Lowndes & Partners.**Business:** 100% claims administration.**Region served:** Nationwide.**Specialties:** 10% flex compensation, 90% health.**Health plans:** 75,000 employees, 160,000 dependents covered.**Self-insured clients:** 200 administration clients, including 185 corporations, 15 public/government entities.**Self-insured claims:** \$225 million paid for administration clients.**Staff:** 150 total.**Branch offices:** Sales offices in Atlanta; Boston; Chicago; Dover, Del.; Garden City, N.Y.; Roseland, N.J.; San Francisco; Washington.**PPOs available:** Multiplan Inc., USA Healthnet Inc., Pro-Net, The Ethix Corp., NCPPO, Alliance PPO Inc.**Membership:** SPBA.**Officers:** Peter Brew, managing director; Donald Gallie, managing vp; David Oberkircher, COO; Elizabeth Burns, vp.**Contact:** David Oberkircher.**North American Administrators Inc.**40 John Glenn Drive, Amherst, N.Y.
14228; 716-691-8556;
fax: 716-691-8524**Claims services since:** 1983.**Business:** 99% claims administration, 1% adjusting.**Region served:** Nationwide.**Specialties:** 3% disability, 2% flex compensation, 95% health.**Health plans:** 85,000 employees, 120,000 dependents covered.**Self-insured clients:** 109 administration clients, including 88 corporations, one multiemployer plan, 20 public/government entities.

One adjusting client, a public/government entity.

Self-insured claims: \$200 million paid for administration clients. Medical claims adjusted.**Staff:** 112 total, all serving self-insurers.**Branch offices:** Sales office in Walpole, Mass.**Subsidiaries:** CareNet.**1992 gross revenues:** \$6.5 million; \$5.5 million from claims services.**PPOs available:** CareNet, Synernet.**Membership:** SIA, SPBA.**Officers:** Ronald K. Zoeller, president; David W. Miller, senior vp; Charles W. Barger, vp.**Contact:** Ronald K. Zoeller.**North American Benefits Network Inc.**19800 Detroit Road, Cleveland, Ohio
44116; 216-356-8212;
fax: 216-356-0140**Claims services since:** 1962.**Parent:** Swiss Re Group member.**Business:** 61% claims administration, adjusting, and auditing; 39% other services, including case management, PPO/HMO data management, consulting.**Region served:** Nationwide.**Specialties:** 1% disability, 3.5% flex compensation, 95.5% health.**Health plans:** 205,727 employees, 229,648 dependents covered.**Self-insured clients:** 114 administration clients, including 111 corporations, three public/government entities.**Self-insured claims:** \$261.3 million* paid for administration clients.**Staff:** 111 total, all serving self-insurers.**Subsidiaries:** North American Case Managers Inc.**PPOs available:** DenteMax, Emerald Health Network, Ohio Health Choice Plan, U.S. Health Plan, Horizon Health Plan, NW Texas PPO, Sagamore Health Network, Physician's Hospital Alliance.**Membership:** SIA, SPBA.**Officers:** Donald T. Baker, president; Robert Gearhart, Martha Was, Mary Morgan, Richard L. Phillips, vps.**Contact:** Donald T. Baker.

*For 11 months ending 11/30/92

NOVA Healthcare Administrators2680 Grand Island Blvd., Grand Island,
N.Y. 14072; 716-773-1143;
fax: 716-773-1276**Claims services since:** 1980.**Business:** 75% claims administration, 25% adjusting.**Region served:** Nationwide.**Specialties:** 25% flex compensation, 60% health, 15% utilization review and PPO services.

Continued on next page

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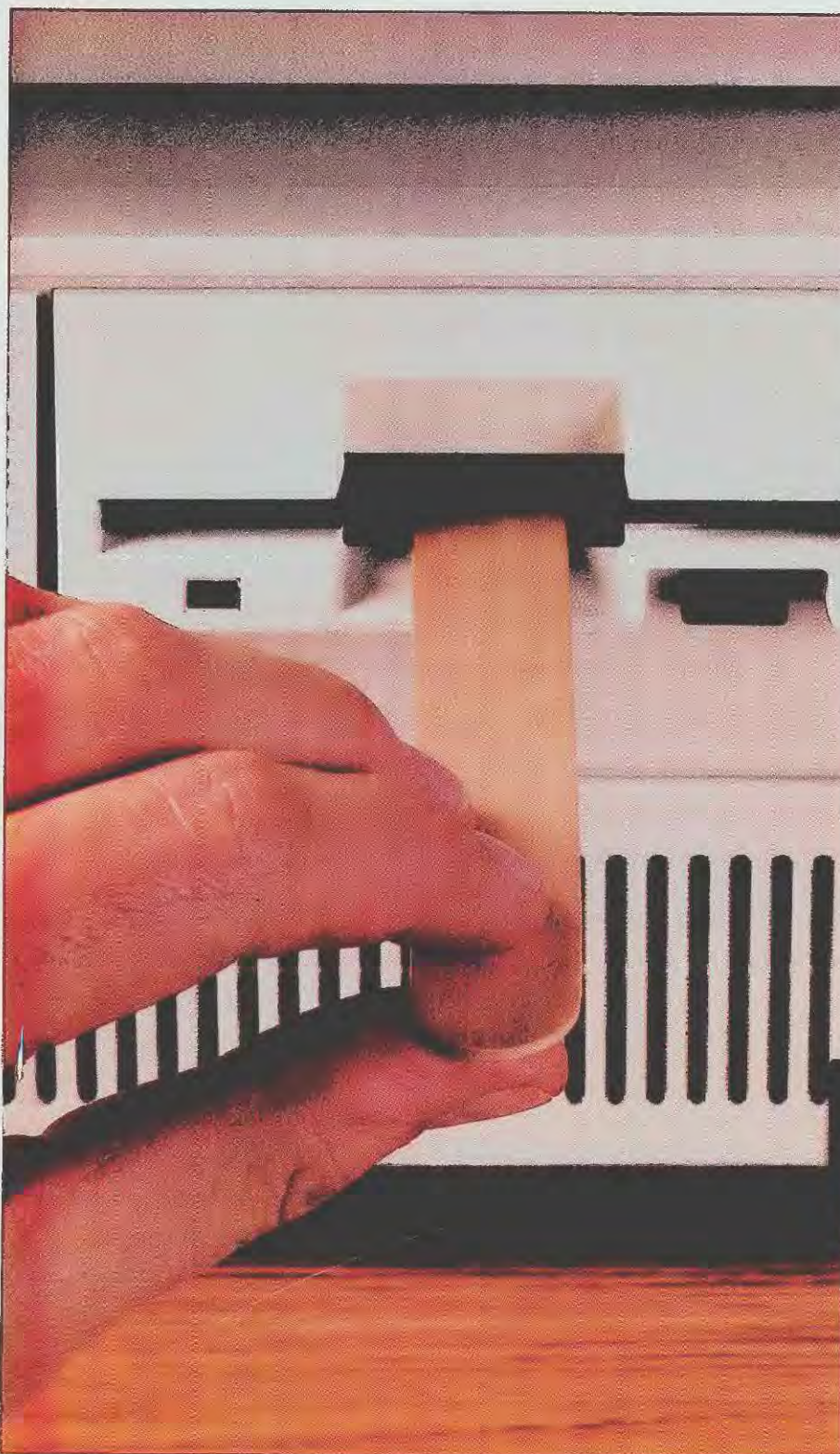
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Continued from previous page

Health plans: 15,000 employees, 30,000 dependents covered.**Self-insured clients:** 61 administration clients, including 52 corporations, two multiemployer plans, three public/government entities, four union-sponsored plans.**Self-insured claims:** \$30 million paid for administration clients.**Staff:** 40 total; 18 serving self-insurers only.**PPOs available:** ConPharma Home Healthcare, Healthsource, Heyman Laboratories, NOVA Dentalcare Network, NOVA Medicalcare Network, OmniLabs Inc.**Membership:** SPBA.**Officers:** Cynthia A. Hammer, vp-operations; Robert L. Dotton, president; Larry Thompson, senior vp; Paul M. Tambe, treasurer; Bill Brothers, senior account executive.

O

Oliver & Larkin Inc.

1261 Oakmead Parkway, Suite 200, Sunnyvale, Calif. 94086; 408-735-9975; fax: 408-735-7102

Claims services since: 1986.**Business:** 99% claims administration, 1% auditing.**Region served:** Nationwide.**Specialties:** 100% disability.**Self-insured clients:** 67 administration clients, all corporations.**Self-insured claims:** \$18 million paid for administration clients. One claims-auditing project conducted.**Staff:** 23 total, all serving self-insurers.**Subsidiaries:** O&L Services Inc.**Membership:** SIA.**Officers:** Michael L. Oliver, president; Thomas H. Larkin Jr. executive vp; Nancy W. Cantley, vp.

P

PAI

3701 S. Lindbergh Blvd., St. Louis, Mo. 63127; 314-821-3957; fax: 314-821-4349

Claims services since: 1974.**Parent:** BC/BS of Missouri.**Business:** 100% claims administration.**Region served:** Nationwide.**Specialties:** 2% flex compensation, 98% health.**Self-insured clients:** 68 administration clients, including one association, 60 corporations, five multiemployer plans, two public/government entities.**Self-insured claims:** \$225 million paid for administration clients.**Staff:** 130 total; 110 serving self-insurers only.**1992 gross revenues:** \$6.5 million; \$5.2 million from claims services.**PPOs available:** Alliance, Beech Street, CCN Inc., Epical, Ethix Preferred Care, HealthLink, Healthnet.**Membership:** IFEBP, SIA.**Officers:** Lawrence E. Thurmond, chairman; Thomas A. Sax, president; Robert F. Sax, senior vp; Sharon Loos and Peter Llay, vps.**Contact:** Thomas Sax, 314-821-3957 ext. 204.**PLCM Group**

300 W. Washington Blvd., Suite 610, Chicago, Ill. 60606; 312-201-3000; fax: 312-201-3030

Claims services since: 1989.**Parent:** Aon Direct Group.**Business:** 55% claims administration; 32% adjusting, 10% auditing; 3% other services, including specialty lines auditing.**Region served:** Nationwide.**Specialties:** 95% professional liability, 5% specialty lines liability.**Self-insured clients:** Two administration clients, both corporations.

45 adjusting clients, all corporations.

20 auditing clients, all multiemployer plans.

Self-insured claims: \$20 million paid for administration clients. Legal and medical malpractice claims adjusted. 25 claims-auditing projects conducted.**Staff:** 45 total; 36 serving self-insurers only.**Branch offices:** Administrative and sales offices in Atlanta; Dallas; Fort Lauderdale and Tampa, Fla.; Houston; Los Angeles; Stanford, Conn.**1992 gross revenues:** \$3.7 million; \$3.5 million from claims services.**Officers:** William P. Vit, president; Anthony Zumbano, executive vp; Sylvia Brown, Eileen Barrett and Tanya Lamoreaux, senior vps.**Pacific Coast Administrators Inc.**

2100 W. Orangewood Ave., Orange, Calif. 92668-1952; 714-939-7000; fax: 714-939-7081

Claims services since: 1971.**Business:** 90% claims administration; 10% other services, including HMO accounting and eligibility.**Region served:** Nationwide.**Specialties:** 2.2% flex compensation, 95.6% health, 2.2% life.**Health plans:** 68,000 employees, 90,000 dependents covered.**Self-insured clients:** 62 administration clients, including 47 corporations, one multiemployer plan, 14 public/gov-

ernment entities.

Self-insured claims: \$94 million paid for administration clients.**Staff:** 88 total; 81 serving self-insurers only.**1992 gross revenues:** \$4.5 million.**Membership:** SPBA.**Officers:** Andrew D. Murphy, president; Brian J. Towersey, senior vp; Donald W. Luhrs, executive vp; Cynthia J. Carter, vp-benefit payments; Ben Bautista, vp-MIS.**Contact:** Andrew D. Murphy.**Paradigm Administrators Inc./BenefitAmerica**

P.O. Box 1268, Tifton, Ga. 31793; 912-386-1751; fax: 912-386-4967

Claims services since: 1978.**Business:** 95% claims administration; 5% other services, including COBRA administration, benefit consulting.**Region served:** Nationwide.**Specialties:** 10% disability, 90% health.**Health plans:** 16,000 employees, 12,000 dependents covered.**Self-insured clients:** 42 administration clients, including 35 corporations, seven public/government entities.**Self-insured claims:** \$30 million paid for administration clients.**Staff:** 30 total; 20 serving self-insurers only.**1992 gross revenues:** \$1.4 million; \$1 million from claims services.**PPOs available:** ProAmerica, Medco Value Plus, USA HealthNet Inc.**Membership:** IFEBP, SIA, SPBA.**Officers:** Starling Grisham, president; Norma Young, director-client services; Martha Ellis, director-accounting services; Mitzi Walker, director-administrative services; Lori Sapp, director-claims services.**Contact:** Starling Grisham.**T.R. Paul Group Services Inc.**

14 Commerce Road, Newtown, Conn. 06470; 203-426-8161; fax: 203-270-0928

Claims services since: 1973.**Parent:** T.R. Paul Inc.**Business:** 90% claims administration; 10% other services, including benefits consulting.**Region served:** Nationwide.**Specialties:** 2% disability, 3% flex compensation, 95% health.**Health plans:** 60,000 employees, 126,000 dependents covered.**Self-insured clients:** 120 administration clients, including one association, 108 corporations, 11 public/government entities.**Self-insured claims:** \$59 million paid for administration clients.**Staff:** 105 total; 60 serving self-insurers only.**Branch offices:** Administrative office in Denville, N.J.**1992 gross revenues:** \$3.2 million; \$2.9 million from claims services.**PPOs available:** HealthChoice of Connecticut, HealthCare Value Management Inc., USA HealthNet Inc.**Membership:** IFEBP, NAEBA, SIA, SPBA.**Officers:** Mary G. Ingham, president; Diane G. Feldman, vp; Deborah L. Wilber, secretary; Roslyn Diaz, treasurer.**Contact:** Diane G. Feldman.**Payflex Systems USA Inc.**

100 Blackstone Centre, Omaha, Neb. 68131; 402-345-5000; fax: 402-345-9884

Claims services since: 1985.**Parent:** Insurance Consultants Inc.**Business:** 90% claims administration, 10% other services.**Region served:** Nationwide.**Specialties:** 20% flex compensation, 80% health.**Health plans:** 39,467 employees, 55,862 dependents covered.**Self-insured clients:** 118 administration clients, including three associations, 67 corporations, one MEWA, 45 public/government entities, two union-sponsored plans.**Self-insured claims:** \$46.2 million paid for administration clients.**Staff:** 47 total, all serving self-insurers.**1992 gross revenues:** \$2.2 million.**PPOs available:** Option One, Sooner Health Plan, Take Care Preferred, among others.**Membership:** SIA, SPBA.**Officers:** J. Terry Haney, CEO; Russ Hartung, president; Robert Brooks, executive vp/general manager; Dennis Maggart, executive vp-marketing.**Contact:** Dennis Maggart.**Plandata Co. Inc.**

P.O. Box 719, 1070 Morris Ave., Union, N.J. 07083; 908-352-3456; fax: 908-354-0664

Claims services since: 1978.**Business:** 90% claims administration; 10% other services, including managed care and auditing.**Region served:** Nationwide.**Specialties:** 1% disability, 1% flex compensation, 88% health, 10% managed care.**Health plans:** 20,000 employees, 30,000 dependents covered.**Self-insured clients:** 78 administration clients, including 60 corporations, 15 multiemployer plans, one public/government entity, two union-sponsored plans.

Three auditing clients, including two corporations, one public/government entity.

Self-insured claims: \$40 million paid for administration clients.**Staff:** 30 total; 20 serving self-insurers only.**Subsidiaries:** Universal Consulting Corp., Provider Programs Inc.**1992 gross revenues:** \$2 million, all from claims services.**PPOs available:** Consumer Health Network, National Health Plan, Preferred Health Strategies.**Membership:** SPBA.**Officers:** George P. Mahler, president; Alan I. Gitlin, executive vp.**POMCO**

2425 James St., Syracuse, N.Y. 13206; 315-432-9171; fax: 315-437-9466

Claims services since: 1979.**Business:** 85% claims administration; 15% other services, including managed care, enrollment services.**Region served:** Nationwide.**Specialties:** 5% disability, 5% flex compensation, 80% health, 10% workers comp.**Health plans:** 78,000 employees, 122,000 dependents covered.**Self-insured clients:** 62 administration clients, including two associations, four corporations, 54 public/government entities, two union-sponsored plans.**Self-insured claims:** \$120 million paid for administration clients.**Staff:** 140 total, all serving self-insurers.**Branch offices:** Administrative offices in Elmsford and Watertown, N.Y. Sales offices in Elmsford, N.Y.; West Palm Beach, Fla.**PPOs available:** Three self-operated health PPOs and one dental PPO.**Membership:** SPBA.**Officers:** Maurice W. Pomfrey, CEO; Robert Pomfrey, president; George Sherman, vp-MIS; Terry Dowd, vp-finance/administration.**Contact:** Robert Pomfrey.**Prairie States Enterprises Inc.**

101 W. Grand Ave., Suite 404, Chicago, Ill. 60610; 312-464-1888

Claims services since: 1989.**Business:** 70% claims administration; 30% other services, including managed care, precertification, fraud detection, PPOs, flex administration, workers compensation.**Region served:** Midwest.**Specialties:** 10% disability, 10% flex compensation, 70% health, 5% workers comp, 5% managed care.**PPOs available:** Bravell Drug Pharmacy Service, Health Choice, Preferred Plan.**Membership:** SIA, SPBA.**Officers:** Felicia Wilhelm, Susan Caragher.**Contact:** Felicia Wilhelm.**The Preferred Group**

301 Nott St., Schenectady, N.Y. 12305; 518-393-4101; fax: 518-377-1399

Claims services since: 1988.**Business:** 60% claims administration; 10% auditing; 30% other services, including imaging and data entry service.**Region served:** Nationwide.**Specialties:** 70% flex compensation, 30% health.**Self-insured clients:** 45 administration clients, including 40 corporations, five public/government entities.**Staff:** 45 total; 25 serving self-insurers only.**1992 gross revenues:** \$800,000.**Officers:** Thomas P. Collins, president; Rita J. Wojnar, vp.**Contact:** Thomas P. Collins.**Professional Benefit Administrators Inc.**

201 E. Ogden Ave., Suite 120, Hinsdale, Ill. 60521; 708-655-3755

Claims services since: 1985.**Business:** 100% administration.**Region served:** Midwest.

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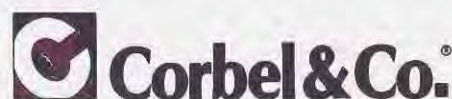
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FAX: (904) 399-5551

Continued from page 46

Specialties: 1% disability, 99% health.
Health plans: 15,000 employees, 32,000 dependents covered.

Self-insured clients: 75 administration clients, including 70 corporations, five public/government entities.

Self-insured claims: \$58 million paid for administration clients.

Staff: 45 total, all serving self-insurers.
PPOs available: PPI, Health Network, Health Direct, Health Star.

Membership: IFEBP, SIA, SPBA.
Officers: Ronald Walter, president; David Plumb, vp.

Contact: Ronald Walter.

Professional Claim Services Inc.

1901 Main St., Buffalo, N.Y. 14208;
 716-887-8622; fax: 716-887-8614

Claims services since: 1986.
Parent: Blue Cross of Western New York.

Business: 100% claims administration.
Region served: Nationwide.
Specialties: 100% health.
Health plans: 1,400,000 employees, 2,100,000 dependents covered.

Self-insured clients: 17 administration clients, all corporations.

Self-insured claims: \$500 million paid for administration clients.

Staff: 75 total, all serving self-insurers.
1992 gross revenues: \$9 million.

PPOs available: Pro-Serv Pharmacy Network, Pro-Serv Plus Pharmacy Network.

Membership: SIA.
Officers: Donald W. Niles, president; Francis E. Hayes, chairman; Chester S. Hejna, executive vp; Richard L. Ludwig, financial vp; Thomas A. Fortunato, secretary; Chris D. Robbins, vp-marketing.
Contact: Chris D. Robbins.

Professional Claims Management Inc.

4845 Fulton Drive, P.O. Box 5276,
 Canton, Ohio 44735; 216-493-7278;
 fax: 216-493-5878

Claims services since: 1983.
Business: 90% claims administration; 10% other services, including COBRA and Section 125 plan administration.

Region served: Ohio and surrounding states, Texas and Louisiana.

Specialties: 2% disability, 3% flex compensation, 95% health.

Health plans: 19,000 employees, 31,000 dependents covered.

Self-insured clients: 124 administration clients, including one association, 114 corporations, nine public/government entities.

Self-insured claims: \$60 million paid for administration clients.

Staff: 45 total, all serving self-insurers.
1992 gross revenues: \$1.9 million; \$1.7 million from claims services.

PPOs available: Ohio Health Choice Plan, CAPP CARE, Emerald Health Network, Path Health Network.

Membership: SIA, SPBA.
Officers: J. David Bratton, president; Robert J. Archibald, executive vp; Michael Novelli, senior vp; Rita Michaud, vp.

Contact: Robert J. Archibald.

Prudential Service Bureau Inc.

11405 Bluegrass Parkway, Louisville,
 Ky. 40299; 502-267-4900;
 fax: 502-267-3297

Claims services since: 1988.
Parent: Prudential Insurance Co.
Business: 61% claims administration; 39% other services, including COBRA administration, flex administration, group legal insurance, long term care.

Region served: Nationwide.
Specialties: 23% flex compensation, 77% health.

Health plans: 110,000 employees, 230,000 dependents covered.

Self-insured clients: 57 administration clients, including two associations, 47 corporations, one multiemployer plan, seven public/government entities.

Self-insured claims: \$516 million paid for administration clients.

Staff: 730 total; 315 serving self-insurers only.

Branch offices: Administrative and sales offices in Los Angeles, Minneapolis; Roseland, N.J.

1992 gross revenues: \$40 million; \$24 million from claims services.

PPOs available: PruNetwork.
Officers: Robert F. Lewis, president; Dennis A. Sweeney, vp in charge; Jeremiah Kelly, John LeDell, Thomas Crosswell, vps.

Q

Qualchoice Inc.

20600 Chagrin Blvd., 950 Tower East,
 Cleveland, Ohio 44122; 216-283-0508;
 fax: 216-283-2816

Claims services since: 1990.
Parent: University Hospitals Health System.

Business: 100% claims administration.
Region served: Northeast Ohio.

Specialties: 100% health.
Health plans: 12,000 employees, 15,000 dependents covered.

Self-insured clients: 24 administration clients, including 22 corporations, two public/government entities.

Self-insured claims: \$25.7 million paid for administration clients.

Staff: 60 total, all serving self-insurers.

PPOs available: QualChoice.
Membership: SIA, SPBA.

Officers: Jerome Gotthainer, presi-

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 dent/CEO; Cyndy Demarest, vp-operations; Pete Ebner, vp-finance/CFO; Jay Garriss, vp-marketing; Linda Johnson, vp-health services.
Contact: Jay V. Garriss.

R

RESTAT
 279 S. 17th St., P.O. Box 758; West Bend, Wis. 53095; 800-926-5858; fax: 414-338-5767

Claims services since: 1985.
Parent: F. Dohmen Co.
Business: 90% claims administration, 5% adjusting, 5% auditing.
Region served: Nationwide.
Specialties: 99% health, 1% workers comp.
Staff: 50 total, all serving self-insurers.
Membership: SIAA.
Officers: C. Thomas Smith, president; David Grunke, vp-marketing/sales; Barb O'Donahue, director-operations.

Ry-Ron Inc.
 13105 N.W. Freeway, Suite 580, Houston, Texas 77040; 713-690-0044; fax: 713-939-1957

Claims services since: 1982.
Business: 82% claims administration, 2% adjusting, 10% auditing, 6% other services.
Region served: Nationwide.
Specialties: 4% disability, 2% flex compensation, 91% health, 2% life, 1% workers comp.
Health plans: 38,700 employees, 85,300 dependents covered.
Self-insured clients: 157 administration clients, including 140 corporations, one MEWA, 15 public/government entities, one union-sponsored plan.
Self-insured claims: \$107.9 million paid for administration clients.
Staff: 79 total; 76 serving self-insurers only.

Branch offices: Administrative office in Pharr, Texas. Sales office in San Antonio, Texas.
1992 gross revenues: \$6.9 million; \$6.5 million from claims services.
PPOs available: Beech Street PPO.
Membership: SIAA, SPBA.
Officers: W.K. Oehlschlager, president; Valerie Bagwell, Rose Ann Davis, vps; Dave Arnett, office manager.
Contact: W.K. Oehlschlager.

S

SMC Inc.
 100 S. Main, Searcy, Ark. 72143; 501-268-6442; fax: 501-268-7525

Claims services since: 1973.
Business: 25% claims administration; 75% other services, including claims administration, underwriting, accounting, services for fully insured plans from 1 to 100 people.
Region served: Arkansas, Alabama, Mississippi, Missouri, Oklahoma, Tennessee.
Specialties: 100% health.
Health plans: 7,500 employees, 10,500 dependents covered.
Self-insured clients: 21 administration clients, all corporations.
Self-insured claims: \$6 million paid for administration clients.
Staff: 20 total; six serving self-insurers only.

Subsidiaries: Roussel & Associates, United Employers Federation Inc., Service Management Corp.
1992 gross revenues: \$1 million; \$220,000 from claims services.
PPOs available: Health Care Compare, Affordable Network.
Membership: SIAA, SPBA.
Officers: William Scott Roussel, president; Marinell Donald, senior vp; Amy Pryor, vp-underwriting; Sandra Johnson, vp/claims manager Paula Heathscott, assistant vp.
Contact: Scott Roussel.

SS&G Administrators Inc.
 1100 E. First, P.O. Box 2698; Wichita, Kansas 67201; 316-263-3785; fax: 316-263-9563

Claims services since: 1984.
Business: 95% claims administration, 5% adjusting.
Region served: Kansas, Iowa, Missouri, Nebraska.
Specialties: 10% disability, 10% flex compensation, 80% health.

Health plans: 5,000 employees, 3,000 dependents covered.
Self-insured clients: 23 administration clients, including three associations, 20 corporations.
Self-insured claims: \$4 million paid for administration clients. One claims auditing project conducted.
Staff: 18 total; six serving self-insurers only.
Branch offices: Sales office in Kansas City, Mo.
Subsidiaries: SS&G Inc.
1992 gross revenues: \$400,000 from claims services.
PPOs available: Healthnet, Preferred Health Care.
Membership: SIAA, SPBA.
Officers: Brad W. Stowell, CEO; Patricia A. Bybee, vp-operations.
Contact: Brad W. Stowell.

Self-Funded Plans Inc.
 1432 Hamilton Ave., Cleveland, Ohio 44114; 216-566-1455; fax: 216-566-1505

Claims services since: 1980.
Business: 100% claims administration.
Region served: Nationwide.
Specialties: 1% disability, 1% flex compensation, 98% health.
Health plans: 42,089 employees, 58,110 dependents covered.
Self-insured clients: 217 administration clients, including 210 corporations, seven public/government entities.
Self-insured claims: \$95.3 million paid for administration clients.
Staff: 105 total, all serving self-insurers.
Branch offices: Administrative and sales offices in Chicago and Pittsburgh. Sales office in Tampa, Fla.
1992 gross revenues: \$5.2 million; \$5.1 million from claims services.
PPOs available: Healthstar, Emerald Health Network.
Membership: SIAA, SPBA.
Officers: Donna B. Luby, president; Richard C. Sheldon, executive vp; Bonnie Bletcher Krauss, vp-administration/claims; Marsha Phillips, vp-client service.
Contact: Richard C. Sheldon.

Self-Insured Benefit Administrators Inc.
 3221 Tyrone Blvd. N., P.O. Box 47338, St. Petersburg, Fla. 33743-7338; 813-347-0082; fax: 813-345-0919

Claims services since: 1988.
Parent: Jones & Hawkins Insurance.
Business: 95% claims administration, 5% auditing.
Region served: Nationwide.
Specialties: 5% disability, 5% flex compensation, 90% health.
Health plans: 12,000 employees, 30,000 dependents covered.
Self-insured clients: 27 administration clients, including 25 corporations, two union-sponsored plans.
Self-insured claims: \$30 million paid for administration clients.
Staff: 26 total, all serving self-insurers.
1992 gross revenues: \$1.3 million, all from claims services.
PPOs available: Florida Health Choice Plan, Sunhealth PPO, Health Advantage PPO, Mid-Florida Preferred PPO, Florida Health Network, Av-Med Preferred Provider Network.
Membership: SPBA.
Officers: Terrell V. Hawkins, president; Michael A. McClain, senior vp; Charles B. Honeywell, executive vp; Ronnie S. Brown, vp; Bonnie L. Hiller, claims manager.
Contact: Ronnie S. Brown.

SIEBA Ltd.
 3206 Vestal Parkway E., Vestal, N.Y. 13850-2185; 607-770-0120; fax: 607-770-7082

Claims services since: 1983.
Business: 100% claims administration.
Region served: Northeast-MidAtlantic.
Specialties: 5% flex compensation, 95% health.
Health plans: 9,200 employees, 20,000 dependents covered.
Self-insured clients: 38 administration clients, including one association, eight corporations, 28 public/government entities, one union-sponsored plan.
Self-insured claims: \$22 million paid for administration clients.
Staff: 24 total, all serving self-insurers.
PPOs available: Two available in New York.
Membership: SPBA.
Officers: Richard G. DaBell, president.

T

TIC International Corp.
 11590 N. Meridian St., Suite 600, Carmel, Ind. 46032; 317-580-8650; fax: 317-580-8651

Claims services since: 1951.
Business: 70% claims administration; 10% adjusting; 20% other services, including actuarial consulting.
Region served: Nationwide except for the West.
Specialties: 10% disability, 50% health, 40% pensions.
Self-insured clients: 90 administration clients, all multiemployer plans.
30 adjusting clients, all corporations.
Staff: 130 total; 110 serving self-insurers only.
Branch offices: Administrative and sales offices in Detroit and East Lansing, Mich.; Indianapolis; New York. Sales office in Milwaukee.
Subsidiaries: United Actuarial Services.
1992 gross revenues: \$7 million; \$5.5 million from claims services.
Membership: IFEBP, SPBA.
Officers: Stephen E. Kraabel, COO; John M. Myer, CFO; Jim Schreiber, assistant vp; Len Teeuws, executive vp; Ed Rozman, vp.

Tayson Insurance Administrators
 54 Corporate Park, Irvine, Calif. 92714; 714-251-8970; fax: 714-476-2443

Claims services since: 1983.
Business: 100% claims administration.
Region served: Nationwide.
Specialties: 100% health.
Health plans: 19,000 employees, 35,000 dependents covered.
Self-insured clients: 27 administration clients, including 13 associations, 13 corporations, one MEWA.
Self-insured claims: \$23.3 million paid for administration clients.
Staff: 22 total; 20 serving self-insurers only.
Branch offices: Administrative offices in Riverside and Oxnard, Calif. Sales office in Riverside, Calif.
Subsidiaries: Benefit Consulting Service.
PPOs available: Community Care Network, Foundation for Medical Care, ProAmerica, Healthsynq.
Membership: SPBA.
Officers: Ruberta Taylor, president; Ivan K. Stevenson, CFO; Glen Michael, director-claims administration; Connie Zoller, manager; Steve Williams, auditor.
Contact: Glen Michael, P.O. Box 51900, Riverside, Calif. 92517-2900; 909-274-7915.

Tedro & Associates Inc.
 2160 S. Foster Ave., Wheeling, Ill. 60090; 708-577-8828; fax: 708-577-8869

Claims services since: 1980.
Business: 100% claims administration.
Region served: District of Columbia, Illinois, Indiana, Missouri, Wisconsin.
Specialties: 5% disability, 90% health, 5% pensions.
Self-insured clients: 60 administration and adjusting clients, including 25 corporations, 35 multiemployer plans.
Self-insured claims: \$26 million paid for administration clients, Medical, dental, vision and short-term disability claims adjusted.
Staff: 55 total; 45 serving self-insurers only.
Branch offices: Administrative and sales offices in Belleville, Ill.; Milwaukee; Washington.
1992 gross revenues: \$2.9 million.
Membership: IFEBP, SIAA, SPBA.
Officers: Gerald A. Mele, president/CEO; Robert C. Calaman, executive vp; Laura Sholsberger, secretary/treasurer.
Contact: Gerald A. Mele.

Third Party Claims Management Inc.
 5221 N. O'Conner Blvd., Suite 300, Irving, Texas; 75039; 214-432-3700; fax: 214-432-3786

Claims services since: 1984.
Parent: Millennium Healthcorp.
Business: 100% claims administration.
Region served: Nationwide.
Specialties: 10% flex compensation, 90% health.
Health plans: 92,900 employees, 232,250 dependents covered.
Self-insured clients: 215 administration clients, including 193 corporations, 22 public/government entities.
Self-insured claims: \$298.5 million

paid for administration clients.
Staff: 200 total, all serving self-insurers.
Branch offices: Administrative offices in Harrisburg, Pa.; Memphis, Tenn.; North Olmsted, Ohio; San Bernardino, Calif.
1992 gross revenues: \$11 million, all from claims services.
PPOs available: Open Choice (Aetna PPO).
Membership: SIAA, SPBA.
Officers: Mike Formhals, president; Price Ewing, claims director; John Luther, manager-marketing support; Diana Valdez, manager-customer support; Kim Bordelon, manager-technical support.
Contact: Mike Formhals.

Three Rivers Benefit Corp
 518 Eighth St., Suite E, P.O. Box 3440, Sioux City, Iowa 51102; 712-258-1525; fax: 712-255-3521

Claims services since: 1975.
Business: 100% claims administration.
Region served: Upper Midwest.
Specialties: 1% disability, 3% flex compensation, 96% health.
Health plans: 3,766 employees covered.
Self-insured clients: 52 administration clients, including 50 corporations, two public/government entities.
Self-insured claims: \$4.8 million paid for administration clients.
Staff: 12 total; three serving self-insurers only.
1992 gross revenues: \$355,000.
PPOs available: Crawford & Co., Health First.
Membership: SPBA.
Officers: Peter D. Benson, R. James Buswell, owners.
Contact: Theresa Gray.

Total Benefit Services Inc.
 225 Baronne, Suite 914, New Orleans, La. 70112; 504-596-3150; fax: 504-596-3172

Claims services since: 1978.
Business: 100% claims administration.
Region served: Nationwide.
Specialties: 100% health.
Health plans: 31,500 employees, 48,000 dependents covered.
Self-insured clients: 11 administration clients, including seven corporations, one public/government entity, three union-sponsored plans.
Self-insured claims: \$35 million paid for administration clients.
Staff: 32 total, all serving self-insurers.
1992 gross revenues: \$1.2 million, all from claims services.
PPOs available: Healthcare Advantage, CAPP CARE.
Membership: SIAA.
Officers: A. Michael Lawrence, president/CEO; Sandra S. Deblanc, executive vp.
Contact: J. Steven Roth, 504-596-3182.

Total Program Administrators
 7130 Glen Forest Drive, Suite 102, Richmond, Va. 23226; 804-673-5800; fax: 804-673-5902

Claims services since: 1987.
Parent: Blue Cross & Blue Shield of Virginia.
Business: 100% claims administration.
Region served: District of Columbia, Maryland, Virginia.
Specialties: 1% disability, 3% flex compensation, 96% health.
Health plans: 52,482 employees, 68,227 dependents covered.
Self-insured clients: 85 administration clients, including 83 corporations, two public/government entities.
Self-insured claims: \$115 million paid for administration clients.
Staff: 105 total, all serving self-insurers.
Branch offices: Sales office in Columbia, Md.
1992 gross revenues: \$7.6 million, all from claims services.
Membership: SIAA.
Officers: William D. Monday Jr., president; Jim LePrel, director; Hubie Register, director; Stephen R. Hall, vp-finance.

The Travelers Plan Administrators Inc.
 1 Tower Square, 1 MS, Hartford, Conn. 06183; 203-277-1116; fax: 203-954-5479

Claims services since: 1985.
Parent: The Travelers Cos.
Business: 96% claims administration, 2% auditing, 2% other services.
Region served: Nationwide.
Specialties: 10% disability, 5% flex compensation, 85% health.
Health plans: 440,000 employees,

700,000 dependents covered.
Self-insured clients: 632 administration clients, including one association, 566 corporations, 65 public/government entities.
Association adjusting clients, including one association, seven corporations, one public/government entity.
Self-insured claims: \$1.5 billion paid for administration clients. Ten claims-auditing projects conducted.
Staff: 633 total, all serving self-insurers.
Subsidiaries: The Travelers Plan Administrators Inc., The TPA of Arizona, The TPA of California, The TPA of Colorado, The TPA of Connecticut, The TPA of Florida, The TPA of Illinois, The TPA of Minnesota, The TPA of Ohio, The TPA of Pennsylvania, The TPA of Tennessee, The TPA of Texas; The TPA of Washington.

1992 gross revenues: \$60 million; \$58.8 million from claims services.
Membership: SIAA.
Officers: Stephen F. Rasnick, president; Ronald D. Binder, CFO; Jeffrey S. Carter, vp-sales; John S. Barber, vp-operations; William Keister, director-MIS.
Contact: Stephen F. Rasnick.

Tucker & Clark
 14755 Preston Road, Suite 525, Dallas, Texas 75240; 214-392-2930; fax: 214-490-6347

Claims services since: 1982.
Business: 100% claims administration.
Region served: Nationwide.
Specialties: 10% flex compensation, 90% health.
Health plans: 16,000 employees, 5,900 dependents covered.
Self-insured clients: 88 administration clients, including three associations, 85 corporations.
Self-insured claims: \$45.9 million paid for administration clients.
Staff: 37 total, all serving self-insurers.
1992 gross revenues: \$2.6 million; \$1.8 million from claims services.
PPOs available: ProAmerica, Multi Plan, North Texas Healthcare.
Membership: SIAA, SPBA.
Officers: John W. Clark, president; Barbara J. Clark, corporate vp; Mary Mallory, vp-administration.

U

United Medical Resources Inc.
 2343 Auburn Ave., Cincinnati, Ohio 45219; 513-651-3737; fax: 513-651-4356

Claims services since: 1984.
Business: 100% claims administration.
Region served: Nationwide.
Specialties: 1.56% disability, 4.72% flex compensation, 92.92% health, 0.8% special reports.
Health plans: 122,628 employees, 177,631 dependents covered.
Self-insured clients: 115 administration clients, including 100 corporations, one multiemployer plan, three public/government entities, 11 union-sponsored plans.
Self-insured claims: \$163 million paid for administration clients.
Staff: 164 total; 104 serving self-insurers only.
Branch offices: Administrative office in Newport, Ky.
1992 gross revenues: \$9.3 million; \$8.9 million from claims services.
PPOs available: Crawford Care Alliance, Ohio Health Choice Plan, CAPP Care, Health Services Preferred, Healthspan, Universal Preferred Health Network.
Membership: IFEBP, SIAA, SPBA.
Officers: Victoria B. Buyniski, president/CEO; Julie D. Mueller, director-marketing/installation.
Contact: Julie D. Mueller.

Usable Administrators
 320 W. Capitol, Suite 500, Little Rock, Ark. 72201; 501-378-3737; fax: 501-378-3732

Claims services since: 1983.
Parent: Arkansas Blue Cross & Blue Shield.
Business: 100% claims administration.
Region served: Nationwide.
Specialties: 100% health.
Health plans: 55,000 employees, 125,000 dependents covered.
Self-insured clients: 200 administration clients.
Self-insured claims: \$120 million paid for administration clients.
Staff: 125 total.
Branch offices: Sales offices in Fort Smith, Ark.

Continued from previous page
1992 gross revenues: \$6 million.
PPOs available: Usable PPC, Arkansas.
Membership: SIIA.
Officers: Mark White, president/CEO; Jim Bailey, marketing director; Jan Harrelson, controller; Joy Deaton, claims manager.

V

Variable Protection Administrators Inc.

6902-Pearl Road, Suite 500, Lincoln Towers Inc. Cleveland, Ohio 44130; 216-884-8585; fax: 216-884-2130

Claims services since: 1968.
Business: 100% claims administration.
Region served: Nationwide.
Specialties: 100% health.
Health plans: 5,600 employees.
Self-insured clients: 57 administration clients, including one association, 56 corporations.
Self-insured claims: \$5.5 million paid for administration clients.
Staff: 15 total; 10 serving self-insurers only.
Subsidiaries: VPA Insurance Ltd.
1992 gross revenues: \$250,000.
Membership: SIIA, SPBA.
Officers: David T. Manley, president; Susan Maddock, executive vp; Timothy Eisenmann, vp; David Campbell, director.

Vista Administrators Inc.

444 W. Galena, P.O. Box 10, Aurora, Ill. 60507; 708-844-2151; fax: 708-844-0465

Claims services since: 1982
Business: 100% claims administration.

Region served: Midwest, Texas.
Specialties: 8% flex compensation, 92% health.
Health plans: 1,911 employees, 2,484 dependents covered.
Self-insured clients: 9 administration clients, including three corporations, six public/government entities.
Self-insured claims: \$4.1 million paid for administration clients.
Staff: Seven total; five serving self-insurers only.
PPOs available: USA Healthnet Inc.
Membership: SIIA.
Officers: Nicholas Viola, president/CEO; Marilee Viola, secretary/legal counsel.

Voluntary Plan Administrators Inc.

23622 Calabasas Road, Suite 250, Calabasas, Calif. 91302; 818-591-9444 ext. 3105; fax: 818-591-7664

Claims services since: 1979.
Business: 99% claims administration, 1% auditing.
Region served: Nationwide.
Specialties: 100% disability.
Self-insured clients: 226 administration clients, including 225 corporations, one public/government entity.
Self-insured claims: \$72.7 million paid for administration clients. Two claims-auditing projects conducted.
Staff: 82 total, all serving self-insurers.
Branch offices: Service office in Santa Clara, Calif.
1992 gross revenues: \$4.5 million, all from claims services.
Membership: SPBA.
Officers: John Bredehorn.

Volusia Health Network

111 N. Frederick Ave., Suite 500, Daytona Beach, Fla. 32114-3414; 904-253-2198; fax: 904-255-6130

Claims services since: 1986.
Parent: Halifax Medical Center.
Business: 75% claims administration;

25% other services, including PPO services and utilization review.
Region served: Volusia County, Fla.
Specialties: 100% health.
Health plans: 2,400 employees, 2,600 dependents covered.
Self-insured clients: Two administration clients, both public/government entities.
Self-insured claims: \$3.8 million paid for administration clients.
Staff: Eight total; four serving self-insurers only.
PPOs available: Volusia Health Network.
Officers: David Seal, president; Ron Rees, vp; Edward Heverin, secretary/treasurer.
Contact: David Seal.

W

Western States Administrators

5130 E. Clinton Way, Fresno, Calif. 93727; 209-251-4861; fax: 209-255-3954

Claims services since: 1972.
Parent: NAC Corp.
Business: 58% claims administration, 22% adjusting, 20% other services.
Region served: Nationwide.
Specialties: 5% flex compensation, 95% health.
Health plans: 15,443 employees, 10,000 dependents covered.
Self-insured clients: 41 administration clients, including 30 corporations, one multiemployer plan, 10 public/government entities.
Self-insured claims: \$32.8 million paid for administration clients.
Staff: 207 total; 55 serving self-insurers only.
Branch offices: Sales office in Citrus Heights, Calif.
Subsidiaries: National American

Life Insurance Co. of Pennsylvania; A+ Benefits Inc.; Quality Care Medical Assurance Program Inc.
1992 gross revenues: \$10.4 million; \$2.3 million from claims services.
PPOs available: FFO Alliance, American Health Network, Preferred Health Network, Interplan.
Membership: SIIA, SPBA.
Officers: Robert H. Rath, president/chairman; Robert J. Ornellas, secretary; David P. Kuszmar, vp-health services; Frank M. Shanahan, senior vp/CFO; Keith L. Gregory, assistant treasurer/assistant secretary
Contact: David P. Kuszmar.

Willis Corroon Corp. of New Hampshire

95 S. Main St. P.O. Box 5003, Rochester, N.H. 03867; 603-332-5800 fax: 603-332-3481

Claims services since: 1905.
Parent: Willis Corroon P.L.C.
Business: 100% claims administration.
Region served: Nationwide.
Specialties: 10% disability, 5% flex compensation, 85% health, 5% COBRA.
Health plans: 7,500 employees, 4,700 dependents covered.
Self-insured clients: 38 administration clients, including 38 corporations, one MEWA, one union-sponsored plan.
Self-insured claims: \$25 million paid for administration clients.
Staff: 22 total, all serving self-insurers.
Membership: IFEEP.
Officers: David Hampson, president; Kenneth Kendall Jr., chairman/CEO.

Z

Zenith Administrators Inc.

303 E. Ohio St., Suite 2620, Chicago, Ill. 60611; 312-329-7923; fax: 312-649-1245

Claims services since: 1985.

Parent: Ullico Inc.

Business: 50% claims administration; 50% other services, including general administration of employee benefit plans; record keeping benefit payments, managed care.

Region served: Nationwide.

Specialties: 1% flex compensation, 90% health, 9% pensions.

Health plans: 330,000 employees, 825,000 dependents covered.

Self-insured clients: 303 administration clients, including 23 corporations, 270 multiemployer plans, 10 public/government entities.

Self-insured claims: \$501 million paid for administration clients.

Staff: 785 total; 235 serving self-insurers only.

Branch offices: Administrative and sales offices in Albuquerque, N.M.; Beaumont, Dallas, Houston and San Antonio, Texas; Boston and Springfield, Mass.; Chicago and Springfield, Ill.; Denver; Duluth and Minneapolis, Minn.; Indianapolis; Kansas City and St. Louis, Mo.; Lansing, Mich.; Little Rock, Ark.; Los Angeles; Louisville, Ky.; Madison and Milwaukee, Wis.; Metairie, La.; Oklahoma City; Phoenix; Portland, Ore.; San Francisco; Seattle and Spokane, Wash.; Washington; West Palm Beach, Fla.

1992 gross revenues: \$43 million; \$24 million from claims services.

PPOs available: First Choice, Seattle, Wash.

Membership: SPEA.

Officers: James W. Luce, president; Jerome P. Pollock, executive vp; Gary Eng, Dean Kalahar, Richard A. Rerek, senior vps.

For an explanation of directory terms and criteria see directory guide, page 24.

GENERAL REHABILITATION SERVICES INC.

THE FAST TRACK TO A COMEBACK

cost containment n. efforts used to check, monitor and control the cost of rehabilitating disabled workers while at the same time ensuring that they receive quality care.

GRS gives new meaning to the word "rehabilitation" by offering you a variety of well-defined medical and vocational **COST-CONTAINMENT PROGRAMS** that benefit employers as well as workers. That's because all of our programs are designed to put disabled workers on the *fast track to a comeback*.

As America's largest **INDEPENDENT DISABILITY MANAGEMENT ORGANIZATION**, GRS can help you develop and administer a disability cost containment program of your own.

With **MORE THAN 100 OFFICES** in the United States, Puerto Rico and Canada,

GRS now serves well over 1,000 clients. Clients who rely on our extensive experience in **DISABILITY COST-CONTAINMENT**, and the quick response of our nationwide network to help them keep disability management costs in line while getting their disabled workers back on the job — quickly and cost effectively.

For more information on GRS' nationally-coordinated programs to help you **CONTROL THE COSTS** of rehabilitating disabled workers, please call or fax today. Phone 215-993-2800. Fax 215-993-2819.



GENERAL REHABILITATION SERVICES INC.

THE FAST TRACK TO A COMEBACK

735 Chesterbrook Boulevard, Suite 200, Wayne, Pennsylvania 19087
 215-993-2800 ■ Fax 215-993-2819



BI directory of property/casualty claims specialists

A

ASU Risk Management Services Ltd.

2120 University Park Drive, P.O. Box 77, Okemos, Mich. 48864; 517-349-6700; fax: 517-349-9063

Claims services since: 1952.
Business: 17% claims administration; 0.5% auditing; 82.5% other services, including adjusting for insurers, fire investigations, rehabilitation counseling and medical case management.

Region served: Nationwide.
Specialties: 15% general liability; 75% workers comp; 10% products and liquor liability, specialty programs.

Self-insured clients: Three administration clients, all associations.
158 adjusting clients, including 131 corporations, 27 union sponsored plans.
10 auditing clients, all associations.

Self-insured claims: \$54 million paid for administration clients. Workers' compensation, general liability, commercial auto, property, products, pollution claims adjusted. Two claims-auditing projects conducted.

Staff: 360 total; 65 serving self-insurers only.

Branch offices: Administrative offices in Edina, Minn.; Grand Rapids and Livonia, Mich.; Indianapolis.

Subsidiaries: Adjusting Services Unlimited Inc., Recovery Unlimited Inc., Fire Origin and Cause Investigation.

1992 gross revenues: \$18.6 million; \$3.2 million from claims services.

Membership: SIIA.
Officers: Mike Csom, chairman; L.C. Musser, president; J.R. Gabel, executive vp; April Zelinski, vp/secretary; J. R. Matthews, treasurer.

Alexsis Inc.

41000 Seven Mile Road, Northville, Mich. 48167; 313-348-2202; fax: 313-348-1564

Claims services since: 1932.
Parent: Alexander & Alexander Inc.
Business: 90% claims administration; 10% other services, including excess coverage marketing, loss control consulting.

Region served: Nationwide.
Specialties: 5% auto, 20% general liability, 5% property, 70% workers comp.
Self-insured clients: 927 administration clients, including 47 associations, 470 corporations, 410 public/government entities.

Self-insured claims: \$1.2 billion paid for administration clients.
Staff: 1,493 total, all serving self-insurers.

Branch offices: Administrative and sales offices in Albuquerque, N.M.; Atlanta and Macon, Ga.; Austin, Dallas, Houston and Corpus Christi, Texas; Baltimore and Columbia, Md.; Bentonville, Ark.; Birmingham, Ala.; Boston; Chicago and Lombard, Ill.; Denver; Des Moines, Iowa; East Hartford, Conn.; Fairfax and

Richmond, Va.; Frankfort and Louisville, Ky.; Grand Rapids, Livonia, Northville and Saginaw, Mich.; Harrisburg, Philadelphia and Pittsburgh, Pa.; Helena, Mont.; Honolulu; Independence, Ohio; Indianapolis; Jackson, Miss.; Jefferson City, Kansas City and St. Louis, Mo.; Los Angeles and San Francisco, Calif.; Lyndhurst, N.J.; Melville and Syracuse, N.Y.; Memphis and Nashville, Tenn.; Miami, Orlando, Tallahassee and Tampa, Fla.; Milwaukee; Minneapolis; New Orleans; Omaha, Neb.; Phoenix; Portland, Ore.; Raleigh and Winston-Salem, N.C.; Rapid City and Sioux Falls, S.D.; Seattle and Spokane, Wash.; Tulsa, Okla.; Washington.

Subsidiaries: Corporate Services Inc.
1992 gross revenues: \$79 million; \$71.1 million from claims services.

Membership: SIIA.
Officers: Kevin J. Smith, chairman/CEO; Clyde K. Hensley, president/COO; William C. Wallace, treasurer; M. Ollie Parker, Ronald F. Proffer, executive vps.

Allied Claim Services Inc.

372 Ellen Drive, P.O. Box 488; Buffalo, N.Y. 14225-0488; 716-631-9505; fax: 716-631-0226

Claims services since: 1959.
Business: 45% claims administration; 33% adjusting; 22% other services, including investigation, adjustment and administration of claims for insurance companies.

Region served: New York; Ohio; Pennsylvania; portions of Ontario, Canada.

Specialties: 26% auto, 43% general liability, 9% property, 22% workers comp.

Self-insured clients: 24 administration clients, including two associations, 16 corporations, six public/government entities.

Self-insured claims: \$4.2 million paid for administration clients. General liability, workers comp, automobile, property damage and professional liability claims adjusted.

Staff: 26 total; 17 serving self-insurers only.

Membership: SIIA.
Officers: Gregory J. Dendler, president; Paul J. Nowak, Patrick H. Dendler, vps; Edward E. Gress, assistant vp; Michael S. O'Shei, property manager.
Contact: Paul J. Nowak.

Aon Insurance Management of Texas Inc.

P.O. Box 131027, 2440 E. Fifth St., Suite 108, Tyler, Texas 75713; 903-593-4496; fax: 903-593-4695

Claims services since: 1992.
Parent: Aon Corp.
Business: 90% claims administration; 10% other services, including auditing.

Region served: Texas.
Specialties: 10% auto, 5% general liability, 5% property, 80% workers comp.

Self-insured clients: 233 administration and adjusting clients, including three

corporations, 210 public/government entities.

Self-insured claims: \$10 million paid for administration clients. 20 claims-auditing projects conducted.

Staff: 25 total, all serving self-insurers.

Branch offices: Administrative office in Dallas, Texas.

1992 gross revenues: \$200,800, all from claims services.

Officers: Ronald L. Pollard, president; James Gresham, Kevin Mabus, Wesley Brubaker, vps.
Contact: Laura Knight.

ARISCO

417 Montgomery St., San Francisco, Calif. 94104; 415-986-3999; fax: 415-986-4421

Claims services since: 1990.
Business: 30% claims administration, 70% other services.

Region served: California, Nevada.
Specialties: 100% professional liability.

Self-insured clients: Three administration clients, including one corporation, two public/government entities.

Self-insured claims: \$8 million paid for administration clients.
Staff: 45 total; 15 serving self-insurers only.

Branch offices: Administrative offices in Los Angeles and San Diego, Calif.

Officers: Aaron Richardson, president; Ronald Shepherd, executive vp; Emily Davis-Clark, senior vp-claims; Sandy Mahon, senior vp-risk management; Jan Lester, senior vp-client services.

Associated Claims Enterprises Inc.

10 S. LaSalle St., 12th Floor, Chicago, Ill. 60603-1099; 312-263-1620; fax: 312-580-0106

Claims services since: 1986.
Parent: Cameron General Corp.

Business: 10% claims administration; 25% adjusting; 10% auditing; 55% other services including claims services for insurers and reinsurers.

Region served: Nationwide.
Specialties: 100% professional liability.

Self-insured clients: Six adjusting clients, all associations.
Two auditing clients, including one corporation, one public/government entity.

Self-insured claims: Accountants and lawyers errors and omissions claims adjusted. Two claims-auditing projects conducted.

Staff: 10 total; three serving self-insurers only.
1992 gross revenues: \$700,000; \$375,000 from claims services.

Membership: SIIA.
Officers: Fred H. Pearson, president; Anne M. Jaskula, vp; James E. Hill, Elizabeth Quisling, assistant vps.
Contact: Anne M. Jaskula.

Associated Claims Management Inc.

390 N. Wiget Lane, P.O. Box 31077, Walnut Creek, Calif. 94598; 510-930-9883; fax: 510-930-7268

Claims services since: 1982.
Parent: Foundation Health Corp.

Business: 88% claims administration, 5% adjusting, 5% auditing, 2% other services.

Region served: California.
Specialties: 2% auto, 20% general liability, 3% property, 75% workers comp.

Self-insured clients: 230 administration clients, including 130 corporations, 100 public/government entities.

35 auditing clients, including 25 corporations, 10 public/government entities.
Three auditing clients, including two corporations, one public/government entity.

Self-insured claims: \$250 million paid for administration clients. Workers compensation, general liability, property damage, auto liability claims adjusted. One claims-auditing project conducted.

Staff: 375 total; 350 serving self-insurers only.

Branch offices: Administrative and sales offices in Pleasanton, Brea and Irvine Calif.

Subsidiaries: Advanced Loss Services Inc., Foundation Health Medical Resources Management, Medical Managed Care.

1992 gross revenues: \$20 million.
PPOs available: Community Care Network, Affordable Medical Networks.

Officers: Thomas R. Leonard, presi-

dent; Roberta Penarelli, Deborah Greenfield, executive vps; Stephen Smith, CFO; Gary Graham, vp-administration.

Contact: Deborah Greenfield or Rebecca Decker.

Association Self Insurance Services Inc.

166 Commerce St., Montgomery, Ala. 36104; 205-265-7700; fax: 205-265-4762

Claims services since: 1987.
Business: 90% claims administration; 10% other services, including loss control, auditing, marketing.

Region served: Alabama.
Specialties: 5% auto, 10% general liability, 85% workers comp.

Self-insured clients: Five administration clients, all associations.
Self-insured claims: \$18.8 million paid for administration clients.

Staff: 48 total; 47 serving self-insurers only.

1992 gross revenues: \$3.8 million; \$3.3 million from claims services.

PPOs available: Alamed.
Membership: SIIA.

Officers: W. Dan Oaks, president/chairman; John J. Strickland II and John Edward Hasset, vps.

Contact: W. Dan Oaks or John E. Hasset.

B

Berkley Administrators

P.O. Box 59143, Minneapolis, Minn. 55459-0143; 612-544-0311; fax: 612-591-7404

Claims services since: 1979.
Parent: W.R. Berkley Corp.

Business: 35% claims administration, 65% other services.
Region served: Minnesota, Oklahoma, Texas.

Specialties: 2% auto, 2% general liability, 2% property, 94% workers comp.

Self-insured clients: 42 administration clients, including six associations, 34 corporations, two public/government entity pools.

Staff: 260 total.
Affiliates: Berkley Risk Management, Berkley Administrators of Texas.

Officers: Stephen P. Letak, president; Ronald M. Holbach, vp.
Contact: Ron Johnson, sales manager.

Gregory B. Bragg & Associates Inc.

1 Sierragate Plaza, Suite 230A, Roseville, Calif. 95678; 916-783-0100 or 800-422-7244; fax: 916-783-0338

Claims services since: 1986.
Business: 60% claims administration; 5% adjusting; 5% auditing; 30% other services, including claims adjusting for clients other than self-insurers, safety and loss control.

Region served: California.
Specialties: 15% auto, 40% general liability, 2% professional liability, 3% property, 40% workers comp.

Self-insured clients: 77 administration clients, including one corporation, 76 public/government entities.

Eight adjusting clients, including six corporations, two public/government entities.

Three auditing clients, including one corporation, two public/government entities.

Self-insured claims: General and auto liability claims adjusted. Three claims-auditing projects conducted.

Staff: 45 total; 30 serving self-insurers only.

Branch offices: Administrative offices in Chico, Fairfield, Redding, Sacramento, Stockton and Walnut Creek, Calif.

1992 gross revenues: \$2.6 million; \$2.2 million from claims services.

PPOs available: Occupational Urgent Care Health Systems Inc.

Officers: Gregory B. Bragg, president; Lee Collins, vp/secretary; Bob Cregan, treasurer; Jeff Kimball, director-finance/administration.

Contact: Greg Bragg.

C

CDS of Nevada Inc.

3070 Camill, Suite C, Reno, Nev. 89509; 702-826-8855; fax: 702-826-9334

Claims services since: 1980.
Business: 90% claims administration, 10% other services, including auditing of employers insured by state fraud.

Region served: Nevada, Utah.
Specialties: 100% workers comp.

Self-insured clients: 45 administration clients, including 37 corporations, eight public/government entities.

25 auditing clients, all corporations.
Self-insured claims: \$25 million paid for administration clients.

Staff: 32 total; 27 serving self-insurers only.

Branch offices: Administrative and sales offices in Las Vegas, Nev.

Officers: L.R. Zimmerman, president; C.J. Verre, vp; R.I. Gresham, secretary.

Campos & Stratis

310 Cedar Lane, Teaneck, N.J. 07666; 201-692-0300; fax: 201-692-0722

Claims services since: 1969.
Business: 20% auditing, 80% other services.

Region served: Nationwide.
Specialties: 10% bonds, 5% inland marine, 5% ocean marine, 10% professional liability, 70% property.

Self-insured clients: 15 auditing clients, all corporations.

Staff: 175 total.
Branch offices: Administrative offices in Atlanta; Boston; Charlotte, N.C.; Chicago; Dallas; Denver; Houston; Des Moines, Iowa; Indianapolis; Los Angeles, Orange County, Sacramento, San Diego and San Francisco, Calif.; Miami and Orlando, Fla.; Milwaukee; Minneapolis; New York; Philadelphia and Pittsburgh, Pa.; St. Louis; Seattle; London; Montreal, Toronto and Vancouver, Canada; Paris; San Juan, Puerto Rico.

Officers: Chris Campos, Steve Rosenthal, Mark Gallagher, Jeff Baliban, Louis Magnan.

Cardinal Claim Service Inc.

100 Stewart Ave., Hicksville, N.Y. 11802-9013; 516-931-7585; fax: 516-931-3068

Claims services since: 1954.
Business: 40% claims administration, 50% adjusting, 10% other services.

Region served: Nationwide.
Specialties: 60% auto, 40% general liability.

Staff: 75 total; 20 serving self-insurers only.

Branch offices: Administrative offices in Brooklyn, Nanuet and Syracuse, N.Y.

1992 gross revenues: \$4.5 million; \$1.5 million from claims services.

Officers: John Tynan, CEO; Charles J. Umbach, president; Erik Himelein, vp-casualty operations; Richard Delaney, vp-financial operations.
Contact: Charles J. Umbach.

Caronia Corp.

Corporate Center, 395 N. Service Road, Suite 200, Melville, N.Y. 11747; 800-227-6642; fax: 516-845-5001

Claims services since: 1969.
Business: 50% claims administration, 10% adjusting, 25% auditing, 15% other services, including claims runoffs, litigation management, loss reserve certification for domestic and foreign carriers.

Region served: Nationwide.
Specialties: 10% general liability, 65% professional liability, 15% workers comp, 10% product liability.

Self-insured clients: 154 administration clients, including seven associations, 135 corporations, 12 public/government entities.

18 adjusting clients, all corporations.
78 auditing clients, including nine association plans, 62 corporations, seven public/government entities.

Self-insured claims: \$50 million paid for administration clients. Professional liability, product liability, general liability, workers compensation claims adjusted. 78 claims-auditing projects conducted.

Staff: 198 total; 123 serving self-insurers only.

Branch offices: Administrative offices in Albany and New York, N.Y.; Atlanta; Boston; Chicago; Dallas; Denver; Greenville, S.C.; Houston; Louisville, Ky.; Miami and Tampa, Fla.; Montgomery, Ala.; Nashville, Tenn.; Newport Beach, San Diego, San Francisco and Santa Monica, Calif.; New Orleans; St. Louis; Washington. Sales offices in Houston; New York; Newport Beach, Calif.

Membership: SIIA.

Officers: Charles A. Caronia, president; Carl Ferdenzi, Joseph Costantino, Randall Brent, executive vps.

Continued on next page

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Los Angeles • Toronto • Vancouver

Continued from previous page

Center for Claims Resolution

116-300 Village Blvd., Princeton, N.J. 08540; 609-520-6800; fax: 609-520-6801

Claims services since: 1988.
Business: 60% claims administration, 40% other services.

Region served: Nationwide.
Specialties: 100% asbestos PI/toxic tort claims administration.

Self-insured clients: 20 administration clients, all corporations.
Self-insured claims: \$100 million paid for administration clients.

Staff: 140 total; 30 serving self-insurers only.
Branch offices: Administrative offices in Richardson, Texas.

Officers: Lawrence Fitzpatrick, president/CEO; Michael F. Rooney, COO; Joseph J. Jordan, CFO.
Contact: Richard C. Bargon, director.

Chubb Services Corp.

25 Independence Blvd., Warren, N.J. 07059; 800-543-4580; fax: 908-580-7187

Claims services since: 1991.

Parent: Chubb & Son Inc.
Business: 50% claims administration; 30% adjusting; 10% auditing; 10% other services, including management consulting.

Region served: Northeastern U.S.
Specialties: 25% auto, 25% general liability, 50% workers comp.

Self-insured clients: 20 administration clients, all corporations.
20 adjusting clients, all corporations.
Three auditing clients, including two corporations, one public/government entity.

Staff: 34 total; 12 serving self-insurers only.
Branch offices: Administrative and sales offices in New York; Westborough, Mass.

Membership: SIAA.

Officers: William J. Frey, president; Robert F. Santoro, James L. Furfari, Arthur F. Billington, vps.
Contact: Robert F. Santoro.

Claim Indemnity Services Inc.

P.O. Box 26227, Oklahoma City, Okla. 73126; 405-947-7660; fax: 405-942-5840

Claims services since: 1981.

Business: 55% claims administration, 28% adjusting, 1% auditing, 16% other services.

Region served: Nationwide.
Specialties: 65% auto, 10% general liability, 5% inland marine, 20% workers comp.

Self-insured clients: 19 administration clients, including 17 corporations, two public/government entities.
Two auditing clients, both corporations.

Self-insured claims: \$5.6 million paid for administration clients. Auto liability and cargo claims adjusted.

Staff: Five total; four serving self-insurers only.
1992 gross revenues: \$298,694; \$250,482 from claims services.

Officers: Wayne M. Osmond, president; John G. Sullivan, vp; Brian G. Sullivan, treasurer; Fioretta S. Sullivan, secretary.

Claim Strategies Inc.

115 Cedar St., Providence, R.I. 02903; 401-331-6244; fax: 401-831-1941

Claims services since: 1988.

Business: 95% claims administration, 5% auditing.

Region served: Rhode Island.
Specialties: 100% workers comp.

Self-insured clients: 23 administration clients, including 21 corporations, two multiemployer plans.
Self-insured claims: Over \$4.2 million paid for administration clients. One claims-auditing project conducted.

Staff: 15 total, all serving self-insurers.
1992 gross revenues: \$1 million, all from claims services.
Officers: Derrick Amato, vp-claims.

CLAIMCO

P.O. Box 729, Long Valley, N.J. 07853; 908-832-7752; fax: 908-832-7752

Claims services since: 1982.

Business: 10% claims administration; 5% adjusting; 55% auditing; 30% other services, including auditing and consulting services for insurance regulators, liquidators, reinsurers and municipalities.

Region served: Nationwide.
Specialties: 15% auto, 30% general liability, 20% professional liability, 5% property, 10% workers comp, 20% reinsurance.

Self-insured clients: Seven administration clients, all corporations.

Six adjusting clients, all corporations.
23 auditing clients, including 16 corporations, seven public/government entities.

Self-insured claims: Commercial auto, professional, general and liquor liability.

Staff: Nine total; five serving self-insurers only.

Branch offices: Administrative and sales offices in Philadelphia.

Officers: John M. Monahan, president; Bill Holt, G. Dianuzzo, vps; Kevin Monahan, secretary/treasurer.
Contact: John M. Monahan.

Claims Management Services Inc.

360 Market Place, P.O. Box 1447, Roswell, Ga. 30075; 404-998-7411; fax: 404-594-9752

Claims services since: 1984.

Business: 89% claims administration, 1% adjusting, 10% auditing.

Region served: Nationwide.
Specialties: 10% auto, 15% general liability, 25% professional liability, 50% workers comp.

Self-insured clients: 80 administration clients, including 70 corporations, 10 public/government entities.

Five auditing clients, all corporations.
Self-insured claims: \$15 million paid for administration clients. Workers compensation, medical malpractice, auto physical damage, product liability, general/auto liability claims adjusted. Two claims-auditing projects conducted.

Staff: 20 total.
Branch offices: Administrative and sales offices in Atlanta.

1992 gross revenues: \$1 million from claims services.
Officers: Gene L. Jones, president/CEO; Neill G. Stevens, vp/secretary/treasurer.
Contact: Barry Lamanno, marketing director.

Constitution State Service Co.

1 Tower Square, Hartford, Conn. 06183; 203-277-3912; fax: 203-277-0142

Claims services since: 1980.

Parent: The Travelers Insurance Co.
Business: 70% claims administration, 5% auditing, 25% other services.

Region served: Nationwide.
Specialties: 27% auto, 20% general liability, 52% workers comp, 1% environmental.

Self-insured clients: 500 administration clients, including 475 corporations, 25 public/government entities.

Self-insured claims: \$429.8 million paid for administration clients.
Staff: 4,000 total.

Branch offices: Administration offices nationwide. Sales offices in Atlanta; Chicago; Dallas; New York; Walnut Creek, Calif.

1992 gross revenues: \$64.2 million.
PPOs available: Travelers Insurance Co. Network.

Officers: Jim Nothem, chairman; Dennis Replogle, president; Robert McGinnis, treasurer.

Continental Loss Adjusting

1 Continental Drive, Cranbury, N.J. 08570-0001; 609-395-2045; fax: 609-395-5750

Claims services since: 1918.

Parent: Continental Corp.
Business: 3% claims administration, 7% adjusting, 1% auditing, 89% other services.

Region served: Nationwide.
Specialties: 20% auto, 28% general liability, 2% inland marine, 5% professional liability, 8% property, 37% workers comp.

Self-insured claims: \$48 million paid for administration clients.
Staff: 2,500 total.

Branch offices: Administrative and sales offices in Atlanta; Boston; Chicago; Columbus, Ohio; Dallas; Denver; Kansas City, Mo.; Louisville, Ky.; New York and Glen Falls, N.Y.; Piscataway, N.J.; Sacramento and San Francisco, Calif.; York, Pa.

Subsidiaries: Continental Rehabilitation Resources Inc.
1992 gross revenues: \$213.5 million; \$24 million from claims services.

Membership: SIAA.
Officers: Mike Riney, senior vp; Ibe Elsamak, vp/treasurer; George Czerwonka, assistant vp-marketing/sales; Malcolm Franklin, secretary.

Contact: George Czerwonka.

Cook & Co. Workers' Compensation Group

1025 Plain St., P.O. Box 1068, Marshfield, Mass. 02050; 617-837-7300; fax: 617-837-5668

Claims services since: 1987.

Business: 100% claims administration.
Region served: Massachusetts.

Specialties: 100% workers comp.
Self-insured clients: 20 administration clients, including seven corporations, 13 public/government entities.

Staff: Nine total, all serving self-insurers.

1992 gross revenues: \$500,000.
Officers: Peter A. Cook, chairman.
Contact: Karen M. Shanley, managing director.

Crawford & Co.

5620 Glenridge Drive, Atlanta, Ga. 30302; 404-256-0830; fax: 404-847-4028

Claims services since: 1941.

Business: 36.4% claims administration, 9.8% adjusting, 53.8% other services.

Region served: Worldwide.
Specialties: 18% auto, 23% general liability, 57% workers comp, 2% other.

Self-insured clients: 1,508 administration clients, including 86 association plans, 1,341 corporations, 81 public/government entities.

2,069 adjusting clients, including 75 associations, 1,900 corporations, 94 public/government entities.

Self-insured claims: \$2.07 billion paid for administration clients. Liability-workers compensation, vehicle appraisals and property claims adjusted.
Staff: 9,113 total.

Branch offices: Administrative offices in over 800 locations throughout the world. Sales offices in Chicago; Dallas; District of Columbia; Los Angeles; New York; Orlando, Fla.; San Francisco; Edmonton, Montreal and Toronto, Canada; London.

Subsidiaries: Crawford & Co. Insurance Adjusting Ltd., Canada; Graham Miller Group; Risk Sciences Group; Efficient Health Systems; The FPE Group.

1992 gross revenues: \$578.8 million; \$228.7 million from claims services.

PPOs available: Crawford Care Alliance.
Membership: SIAA.

Officers: F.L. Minix, chairman/CEO; C.C. Lefler, president-risk management services; P.A. Bollinger, president-health-care management; D.A. Smith, president-claims services and president/chairman/CEO-Graham Miller International; D.R. Chapman, executive vp-finance.

Contact: Barry R. LaFleur, vp-risk management services.

Creative Services Inc.

64 Pratt St., Mansfield, Mass. 02048; 508-339-5451; fax: 508-339-5451

Claims services since: 1978.

Business: 25% claims administration; 15% adjusting; 50% auditing; 10% other services, including insurers, brokers, defense firms, government agencies.

Region served: Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island.

Specialties: 12% auto, 5% bonds, 2% disability, 25% general liability, 3% inland marine, 3% professional liability, 48% workers comp, 2% fidelity.

Self-insured clients: Five administration clients, all corporations.

148 adjusting and auditing clients, including 25 associations, 100 corporations, three public/government entities, 20 union sponsored plans.

Self-insured claims: General liability, products, fidelity, bond, auto, workers compensation, disability, inland marine, professional liability claims adjusted. 1,200 claims-auditing projects conducted.

Staff: 60 total; 20 serving self-insurers only.
Branch offices: Administrative offices in Portland and Waldoboro, Maine; Vernon, Conn.; Manchester, N.H.; Providence, R.I.

Subsidiaries: Creative Claims Service.
1992 gross revenues: \$2.6 million; \$825,000 from claims services.

Officers: Alan T. Sklar, president; S. Eliot Sklar, vp; Kathy Cinquegrana, treasurer; Grace A. Lopes, secretary/clerk.

Contact: Jamie Goldman.

Peter J. Crosa & Co.

4155 La Vista Road, Suite 610-316, Tucker, Ga. 30085-5003; 800-927-7644; fax: 404-381-9486

Claims services since: 1987.

Business: 20% claims administration, 50% adjusting, 30% other services.

Region served: Nationwide.
Specialties: 55% auto, 20% bonds, 10% property, 15% workers comp.

Self-insured clients: Two administration clients, both corporations.
Seven adjusting clients, including one association, six corporations.

Self-insured claims: Commercial auto and general liability claims ad-

justed.

Staff: 20 total.

Subsidiaries: AAA Surveillance.

Officers: Peter J. Crosa, president.

Contact: Patricia A. Nichols.

D**DRJ Integrated Services**

4847 Hopyard Road, Suite 3-384, Pleasanton, Calif. 94588; 510-847-9623; fax: 510-416-0133

Claims services since: 1992.

Business: 100% claims administration.
Region served: California.

Specialties: 100% workers comp
Self-insured clients: 28 administration clients, including two corporations, 26 public/government entities.

Self-insured claims: \$4 million paid for administration clients.
Staff: 20 total.

Branch offices: Administrative offices in Irvine, Calif.
1992 gross revenues: \$1.3 million.

PPOs available: PPO Alliance, InterPlan.
Membership: SIAA.

Officers: Dave Abbott, CEO/president; Jeff Sandford, COO; Thomas McCauley, executive vp; Thomas Blake, vp-operations.

Diversified Insurance Services

136 E. South Temple, Suite 2300, Salt Lake City, Utah 84111; 801-325-5000; fax: 801-521-5945

Claims services since: 1968.

Business: 90% claims administration; 10% other services, including loss control.

Region served: Nationwide.
Specialties: 20% auto, 40% general liability, 40% workers comp.

Self-insured clients: 14 administration clients, all corporations.

Self-insured claims: \$15 million paid for administration clients.
Staff: 30 total; 28 serving self-insurers only.

Branch offices: Administrative offices in Albuquerque, N.M.; Boise, Idaho; Irvine, Calif.; Las Vegas, Nev.; Phoenix, Ariz.; Portland, Ore.

1992 gross revenues: \$2 million; \$1.8 million from claims services.

Officers: Kenneth F. Palmer Jr., president; Timothy P. Foley, senior vp; Jack Barrett, Reed Jenkins, vps; Mary Cairns, workers comp manager.

E**ESIS Inc.**

1601 Chestnut St., Philadelphia, Pa. 19192-2105; 215-761-6779; fax: 215-761-5434

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**Capitol Special Risks**

Tel. (404) 956-0125 ◆ Fax (404) 956-9779

1640 Powers Ferry Road, Bldg. 24, Suite 200, Marietta, GA 30067

Claims services since: 1953.

Parent: CIGNA Corp.

Business: 70% claims administration, 3% adjusting, 2% auditing, 25% other services.

Region served: Nationwide.

Specialties: 35.7% auto, 28% general liability, 0.5% inland marine, 0.2% ocean marine, 0.5% professional liability, 0.3% property, 32.2% workers comp, 2.6% other.

Self-insured claims: \$930 million paid for administration clients. 25 claims-auditing projects conducted.
Staff: 3,876 total.

Branch offices: Sales offices in Atlanta; Boston; Chicago; Dallas; Los Angeles; New York; San Francisco.

Subsidiaries: SIMCO Inc., INTRA-CORP, RSI Inc., CRIS.

PPOs available: CIGNA Healthplan, Community Care Network, Focus Healthcare Preferred Providers of Michigan, USA Healthnet/WIN, Med-Focus.

Membership: SIAA.
Officers: Edward P. Holleran, president; Dennis G. McGowan, director-administration; Brian P. O'Hara, director-product management; W. Bruce Hemphill, manager-product management.

Environmental Claims Administrators Inc.

721 E. Lancaster Ave., P.O. Box 184, Downingtown, Pa. 19335; 215-269-3941; fax: 215-269-3948

Claims services since: 1990.

Parent: Environmental Compliance Services Inc.

Business: 40% adjusting; 10% auditing; 50% other services, including claims adjusting for insurance companies.

Region served: Nationwide.
Specialties: 100% environmental.

Self-insured clients: Six adjusting clients, all corporations.
Three auditing clients, all corporations.

Self-insured claims: Environmental claims adjusted. Three claims-auditing projects conducted.
Staff: 14 total.

Subsidiaries: Environmental Compliance Services Inc., ECS Underwriting Inc., ECS Underwriting UK, Consulting Services Inc.

1992 gross revenues: \$1 million; \$500,000 from claims services.

Membership: SIAA.
Officers: William Kronenberg III, president/CEO; David M. Rosenberg, executive vp; Frank Piliero, CFO; Randall E. Hobbs, vp.

Contact: Randall E. Hobbs.

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F

E.C. Fackler Inc.
201 N. Wells, Suite 2002, Chicago, Ill. 60606; 312-629-0888; fax: 312-629-2506

Claims services since: 1991.
Business: 35% claims administration; 30% adjusting; 20% auditing; 15% other services, including brokering insurance and risk management.
Region served: Illinois.
Specialties: 100% workers comp.
Self-insured clients: Eight administration clients, including four associations, three corporations, one public/government entity.
Self-insured claims: \$500,000 paid for administration clients. Three claims-auditing projects conducted.
Staff: Eight total; six serving self-insurers only.
1992 gross revenues: \$500,000; \$400,000 from claims services.
Officers: Ernest C. Fackler, president; Torquata R. Johnson, claims manager; Michael J. Barrett, sales.
Contact: Ernest C. Fackler.

First Priority Group Inc./ National Fleet Service Inc.
270 Duffy Ave., Hicksville, N.Y. 11801; 516-938-1010; fax: 516-938-1201

Claims services since: 1983.
Business: 95% claims administration; 5% other services, including claims administration for insurance carriers.
Region served: Nationwide.
Specialties: 100% auto.
Self-insured clients: 65 administration clients, all corporations.
Staff: 20 total.
Officers: Michael Karpoff and Barry Siegal, co-chairmen.
Contact: Michael Karpoff.

The Fisher Associates/ Surplus Risk Services
3465 Torrance Blvd., Suite N, Torrance, Calif. 90503; 310-540-8803; fax: 310-543-2391

Claims services since: 1982.
Business: 18% claims administration; 22% adjusting; 10% auditing; 50% other services, including adjusting for insurance companies.
Region served: Nationwide.
Specialties: 15% auto, 35% general liability, 40% professional liability, 10% property.
Self-insured clients: Eight administration clients, including two associations, four corporations, two public/government entities.
Six adjusting clients, including one association, four corporations, one public/government entity.
Five auditing clients, including one association, two corporations, two public/government entities.
Self-insured claims: \$650,000 paid for administration clients. General liability, products, professional and property claims adjusted. Four claims-auditing projects conducted.
Staff: 12 total; six serving self-insurers only.
Branch offices: Administrative office in Walnut Creek, Calif. Sales office in Los Angeles.
Subsidiaries: Surplus Risk Services.
1992 gross revenues: \$3 million; \$1 million from claims services.
Officers: Frederick J. Fisher, president; Aubrey Payne, Jack Foudy, vps.
Contact: Frederick Fisher.

G

GAB Business Services Inc.
9 Campus Drive, Parsippany, N.J. 07054; 201-993-3400; fax: 201-993-9579

Claims services since: 1885.
Parent: SGS North America Inc.
Business: 35% claims administration; 65% other services, including claims services for insurance companies, unbundling carriers.
Region served: Nationwide.
Specialties: 14% auto, 20% general liability, 65% workers comp, 1% other.
Self-insured clients: 708 administration clients, including 20 associations, 648 corporations, 40 public/government entities.

40 adjusting clients, all corporations.
Self-insured claims: \$1.1 billion paid for administration clients. General liability, property, auto liability, workers compensation claims adjusted.
Staff: 3,000 total.
Branch offices: Administrative offices in over 500 locations throughout the United States. Sales offices in Atlanta; Chicago; Dallas; Denver; Houston; Los Angeles; Minneapolis; Orlando, Fla.; New York; Phoenix, Ariz.; San Francisco; Seattle.
Subsidiaries: CH&A, ITS Inc., INS Investigations, Robins Group, Commercial Testing & Engineering Co., Marshall & Stevens Inc., SGS Canada, SGS Control Services Inc., SGS Government Programs Inc., United States Testing Co. Inc., SGS Supervision Services Inc.
1992 gross revenues: \$235 million.
PPOs available: American International Health, Focus Inc., CCN-California.
Membership: SIIA.
Officers: Richard Simon, chairman/CEO; William Bergs, president/COO; Joseph Rizzo, executive vp; John Darden, CFO; G. Roger Eiler, senior vp.
Contact: John M. Kardos, assistant vp, 201-993-3738.

Gates McDonald
3455 Mill Run, Hilliard, Ohio 43026-9079; 614-777-3000; fax: 614-777-3454

Claims services since: 1929.
Parent: Nationwide Insurance Group.
Business: 55% claims administration, 45% other services.
Region served: Nationwide.
Specialties: 2% auto, 5% general liability, 58% workers comp, 5% cost containment services, 30% unemployment compensation.
Self-insured clients: 355 administration clients, including 20 associations, 310 corporations, 25 public/government entities.
Self-insured claims: \$240 million paid for administration clients.
Staff: 855 total; 435 serving self-insurers only.
Branch offices: Administrative offices in Atlanta; Baltimore; Baton Rouge, La.; Boston; Buffalo and New York, N.Y.; Canton, Cincinnati, Cleveland, Columbus, Dayton and Toledo, Ohio; Charleston, W.Va.; Chicago; Concord, Los Angeles, Oakland, Orange County and Sacramento, Calif.; Dallas; Helena, Mont.; Houston; Las Vegas; Parsippany, N.J.; Philadelphia; Pittsburgh; Portland, Ore.; Raleigh, N.C.; St. Louis; Westport, Conn. Sales offices in Atlanta; Boston; Baltimore; Chicago; Columbus, Ohio; Dallas; Los Angeles; New York; Portland, Ore.; San Francisco.
Subsidiaries: Gates McDonald of New York, BPC of Nevada, Healthcare Management Plus.
1992 gross revenues: \$42 million; \$22 million from claims services.
Membership: SIIA.
Officers: Robert W. Witty, president/CEO; David Brown, vp-risk management services; Rich Hoyt, vp-unemployment compensation; Peter Barr, national director-HMS; Pete Warnick, national director-state fund services.
Contact: David Brown, 614-777-3009.

Gow Management Services Inc.
344 Delaware Ave., Buffalo, N.Y. 14202; 716-856-6148; fax: 716-856-6179

Claims services since: 1951.
Parent: S.H. Gow & Co. Inc.
Business: 65% claims administration, 25% adjusting, 5% auditing, 5% other services.
Region served: Nationwide.
Specialties: 15% auto, 25% general liability, 5% professional liability, 5% property, 50% workers comp.
Self-insured clients: 15 administration and adjusting clients, including two associations, three corporations, 10 public/government entities.
10 auditing clients, including two associations, three corporations, five public/government entities.
Self-insured claims: Workers compensation, general, automobile and professional liability claims adjusted. 12 claims-auditing projects conducted.
Staff: 70 total; 23 serving self-insurers only.
Branch offices: Sales offices in Rochester and Syracuse, N.Y.
1992 gross revenues: \$650,000.
Officers: Stephen H. Gow, CFO; Jeffrey J. Gow, president; Michael S. Gow, executive vp; Richard K. Mason, senior vp; Bruce A. Carlson, vp.
Contact: Steven D. McCullough.

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READER REPLY SERVICE

PRODUCTS & SERVICES LISTING

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FREE LITERATURE FOR READERS

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All questions must be answered to process inquiries.
PLEASE CHECK ONE ITEM FOR EACH CATEGORY:

- My organization is best described as:

A	Mfg/Svcs	F	Ins Agent	K	Adj/Apprs
B	Association	G	Ins Broker	L	TPA
C	Union	H	Ins/Reins Co	M	Healthcare Inst
D	Government	I	Actry/Const	N	Other
E	Educational Inst	J	Attorney		
- Number of employees:

1	150 or less	2	151 - 499	3	500 - 999
4	1,000 - 4,999	5	5,000 or more	6	Unknown
- My title is best defined as:

A	Administrative Mgt	D	Benefits Mgt
E	Financial Mgt	E	Loss Prevention Mgt
C	Risk Mgt	F	Other
- My purchasing involvement for the requested products is to:

1	recommend only	2	specify	3	approve
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- Do you now receive a personally addressed copy of Business Insurance?

A	Yes	B	No, so please send subscription info
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Circle the numbers below that correspond to the companies listed on our Advertiser Index for the January 25, 1993 issue. Cards with more than 20 items circled will not be processed. This card expires March 22, 1993.

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Please print clearly

Name _____

Title _____

Company _____

Address _____

City _____ State _____ Zip _____

Phone () _____

Continued from previous page

R.L. Gresham & Co. Inc.

1200 S. Fourth St., Suite O, Las Vegas, Nev. 89104; P.O. Box 2065, Las Vegas, Nev. 89125-2065; 702-384-9700; fax: 702-382-3029

Claims services since: 1947.
Business: 10% claims administration, 40% adjusting, 50% other services.
Region served: Arizona, Nevada and southern Utah.

Specialties: 10% auto, 60% general liability, 10% property, 20% workers comp.

Self-insured clients: 15 administration clients, including 10 corporations, five public/government entities.

32 adjusting clients, including two associations, 25 corporations, five public/government entities.

Self-insured claims: \$12 million paid for administration clients. General liability, automobile, property, civil rights claims adjusted.

Staff: 70 total; 30 serving self-insurers only.

Branch offices: Administrative offices in Flagstaff, Lake Havasu, Phoenix, Show Low, Tucson and Yuma, Ariz.; Laughlin and Reno, Nev.; St. George, Utah.

Subsidiaries: CDS of Nevada.
1992 gross revenues: \$3 million; \$1.5 million from claims services.

Officers: Robert L. Gresham Jr., president; Barbara M. Gresham, secretary/treasurer; Judy Gresham, vp.

Contact: Robert L. Gresham Jr.

H

C.E. Heath Compensation & Liability Insurance Co.

4 Embarcadero Center, Suite 2050, San Francisco, Calif. 94111; 415-956-5834; fax: 415-956-1186

Parent: C.E. Heath-Australia.
Business: 100% claims administration.

Region served: California.
Specialties: 100% workers comp.

Self-insured clients: Two administration clients, including one corporation, one public/government entity.

Staff: 160 total; five serving self-insurers only.

Branch offices: Administrative offices in Burlingame, Fresno, Irvine, LaJolla, Sacramento and Woodland Hills, Calif.

PPOs available: CCN Inc., Conservco.

Membership: SIIA.

Officers: William Zachry, vp.

Contact: William Zachry, 415-342-1812.

Helmsman Management Services Inc.

175 Berkeley St., Boston, Mass. 02117; 617-574-5557; fax: 617-574-5552

Claims services since: 1983.
Parent: Liberty Mutual Insurance Group.

Business: 80% claims administration; 20% auditing and other services, including loss control, risk information, consulting services.

Region served: Nationwide.
Specialties: 4% auto, 20% general liability, 76% workers comp.

Self-insured clients: 156 administration clients, including two associations, 150 corporations, four public/government entities.

Self-insured claims: \$217 million paid for administration clients. Three claims-auditing projects conducted.

Staff: 85 total; 73 serving self-insurers only.

Branch offices: Administrative and sales offices nationwide.

1992 gross revenues: \$23 million; \$18 million from claims services.

PPOs available: Compro, OUCH, Focus Healthcare Management Inc., Affordable Health Care Co.

Membership: SIIA.

Officers: Gary Countryman, CEO; Edmund Kelly, president; Robert Barrese, senior vp; Amy Leddy, vp/manager.

Contact: James Rogers, director-sales/marketing.

Heyenrath & Associates

W. 1616 Dean Ave., Spokane, Wash. 99201-1825; 509-325-9726; fax: 509-325-2431

Claims services since: 1980.

Business: 80% auditing; 20% other services, including treaty commutations, expert witness.

Region served: Nationwide.

Specialties: 10% auto, 40% general

liability, 5% professional liability, 5% property, 40% workers comp.

Self-insured clients: 71 auditing clients, including 10 associations, 18 corporations, 43 public/government entities.

Self-insured claims: 19 claims-auditing projects conducted.

Staff: Six total (includes consultants), all serving self-insurers.

Branch offices: Administrative offices in Manhattan Beach, Calif.

Officers: Leo W. Heyenrath.

I

ITT Specialty Risk Services Inc.

55 Farmington Ave., Hartford, Conn. 06105; 203-547-8440; fax: 203-547-8404

Parent: ITT Hartford.
Business: 100% claims administration.

Region served: Nationwide.
Specialties: 10% auto, 10% general liability, 5% professional liability, 75% workers comp.

Self-insured clients: 286 administration clients, including six associations, 240 corporations, 40 public/government entities.

Self-insured claims: \$593.2 million paid for administration clients.

Staff: 4,365 total; 343 serving self-insurers only.

Branch offices: Administrative offices in 100 locations nationwide. Sales offices in Chicago; Dallas; Los Angeles; New York; Orlando, Fla.

1992 gross revenues: \$32.3 million; \$8.9 million from claims services.

PPOs available: CCN Inc., FOCUS Healthcare Management Inc., BPS, Health Direct Inc.

Membership: SIIA.

Officers: Bill Harrison, president; Lonnie Maytubby and Jim Waters, senior vps; Joanne Larson and Jim Leonard, assistant vps.

Contact: Joanne Larson.

Inservco Insurance Services Inc.

3461 Market St., P.O. Box 8898, Camp Hill, Pa. 17001-8898; 800-356-0438; fax: 717-763-5732

Claims services since: 1980.
Parent: PENN National Insurance Co.

Business: 55% claims administration; 5% adjusting; 1% auditing; 39% other services, including cost containment, claims, loss control for insurers and governmental guaranty funds.

Region served: Delaware, Maryland, New Jersey, North Carolina, Pennsylvania, South Carolina, Tennessee, Virginia.

Specialties: 15% auto, 10% general liability, 5% professional liability, 5% property, 65% workers comp.

Self-insured clients: 153 administration clients, including four associations, 15 corporations, 134 public/government entities.

Five adjusting clients, all corporations. 16 auditing clients, including six corporations, 10 public government entities.

Self-insured claims: \$14 million paid for administration clients. Workers compensation, general/auto/professional liability and property claims adjusted. 20 claims-auditing projects conducted.

Staff: 135 total; 65 serving self-insurers only.

Branch offices: Administrative offices in Altoona, Philadelphia and Pittsburgh, Pa.; Chesapeake, Va.; Greensboro, N.C.; Greer, S.C.; Hunt Valley, Md.; Nashville, Tenn.; Trenton, N.J. Sales offices in Greensboro, N.C.; Pittsburgh; Trenton, N.J.

Subsidiaries: MBA Rehabilitation, Penn National Communications.

1992 gross revenues: \$7 million; \$3.5 million from claims services.

PPOs available: MBA Rehabilitation.

Officers: Daniel D. Walters, president; S.G. McDowell, vp; Robert L. Conrad, executive vp; Barry L. Kline, treasurer; Kenneth R. Shuttis, secretary/general counsel.

Contact: Robert L. Conrad.

Insurance Consulting Associates Inc.

1125 N. McDowell Blvd., Petaluma, Calif. 94952; 707-778-1118; fax: 707-778-8213

Claims services since: 1978.
Business: 50% claims administration, 20% adjusting, 10% auditing, 20% other services.

Region served: California, Oregon, Washington.

Specialties: 10% auto, 10% bonds, 30% general liability, 1% life, 29% pro-

fessional liability, 5% property, 5% workers comp, 10% other including fraud.

Self-insured clients: 132 administration clients, including 12 corporations, 120 public/government entities.

20 adjusting clients, all corporations. 37 auditing clients, all public government entities.

Self-insured claims: \$7 million paid for administration clients. Two claims-auditing projects conducted.

Staff: 21 total; 14 serving self-insurers only.

Branch offices: Administrative offices in San Francisco and Walnut Creek, Calif.

1992 gross revenues: \$1.2 million; \$1 million from claims.

Membership: SIIA.

Officers: Ron Blanque, president; Dan Blanque, executive vp.

Claims services since: 1983.
Parent: FBD Holdings P.L.C.

Business: 70% claims administration; 5% adjusting; 5% auditing; 20% other services, including safety management.

Region served: Ireland, United Kingdom.

Specialties: 30% auto, 20% general liability, 50% workers comp.

Self-insured clients: Five administration clients, all corporations.

Self-insured claims: \$3 million paid for administration clients. Employers liability claims adjusted. Five claims-auditing projects conducted.

Staff: Eight total; six serving self-insurers only.

1992 gross revenues: \$800,000; \$500,000 from claims services.

Officers: Patrick J. O'Reilly, Eamonn Bergin.

Contact: Patrick J. O'Reilly.

J

Jl Specialty Services Inc.

9420 Research Blvd., Echelon III, Suite 300, Austin, Texas 78759; 512-346-5314; fax: 512-346-9321

Claims services since: 1986.
Business: 30% claims administration; 30% adjusting; 40% other services, including program management, loss control, risk management information systems.

Region served: Texas.

Specialties: 10% auto, 10% general liability, 5% professional liability, 5% property, 70% workers comp.

Self-insured clients: 15 administration clients, including three associations, four corporations, eight public/government entities.

115 adjusting clients, including three associations, four corporations, 108 public/government entities.

Self-insured claims: \$10 million paid for administration clients. Workers compensation, general liability and auto liability claims adjusted.

Staff: 50 total, all serving self-insurers.

Subsidiaries: The Joseph Ivy Co.

1992 gross revenues: \$3.7 million; \$1.1 million from claims services.

Officers: Francis J. Fey, president; William Martin, vp; Samuel Francis, general counsel; Dennis Burke, COO.

Johns Eastern Co. Inc.
P.O. Box 4175, Sarasota, Fla. 34230; 813-361-3100; fax: 813-361-3107

Claims services since: 1946.
Business: 20% claims administration, 74% adjusting, 1% auditing, 5% other services.

Region served: Delaware, District of Columbia, Florida, Maryland, New Jersey, Pennsylvania, Virginia.

Specialties: 10% auto, 15% general liability, 5% professional liability, 5% property, 65% workers comp.

Self-insured clients: 32 administration clients, including 20 corporations, 12 public/government entities.

20 adjusting clients, including eight corporations, 12 public/government entities.

Three auditing clients, all corporations.

Self-insured claims: \$15 million paid for administration clients. Workers compensation; automobile, general and professional liability claims adjusted. Two claims-auditing projects conducted.

Staff: 127 total.

Branch offices: Administrative and sales offices in Clearwater, Fort Lauderdale,

dale, Lakeland, Jacksonville, Miami, Orlando, Sarasota, Tampa and West Palm Beach, Fla.; Baltimore and Greenbelt, Md.; Philadelphia; Norfolk, Va.

Subsidiaries: Jeco Excess Agency Inc.

1992 gross revenues: \$7.5 million; \$2 million from claims services.

PPOs available: CCM.

Membership: SIIA.

Officers: Donald L. Johns, chairman; K.M. Johns III, president; Allen L. Ladd, executive vp; Philip Shields and Norman A. Sensinger, vps.

Contact: K.M. Johns III.

K

Keenan & Associates Inc.

P.O. Box 14527, Albuquerque, N.M. 87191; 505-293-6600; fax: 505-293-6400

Claims services since: 1965.
Business: 25% claims administration, 25% adjusting, 50% other services.

Region served: New Mexico.
Specialties: 10% general liability, 90% workers comp.

Self-insured clients: Eight administration clients, including one association, four corporations, three public/government entities.

14 adjusting clients, including one association, 10 corporations, three public/government entities.

Self-insured claims: \$15 million paid for administration clients. Workers compensation, auto and general liability claims adjusted.

Staff: 52 total; 25 serving self-insurers only.

Branch offices: Administrative and sales offices in Farmington, Gallup and Santa Fe, N.M.

Officers: Gary M. Keenan, president; P. Kelly Keenan and Sherri Repichowski, vps; Shirley Ocock, secretary/treasurer.

Contact: Gary M. Keenan or Shirley Ocock.

Kemper Risk Management Services

1 Kemper Drive, Long Grove, Ill. 60049-0075; 708-540-2400; fax: 708-540-4330

Claims services since: 1968.
Parent: Kemper Corp.

Business: 25% claims administration; 75% other services, including claims administration and adjusting for insured clients.

Region served: Nationwide.
Specialties: 10% auto, 20% general liability, 6% property, 64% workers comp.

Self-insured clients: 231 administration clients, including 224 corporations, seven public/government entities.

Self-insured claims: \$250 million paid for administration clients. Workers compensation, general liability, automobile physical damage claims adjusted.

Staff: 320 total; 99 serving self-insurers only.

Branch offices: Administrative offices in Akron, Ohio; Fort Lauderdale, Fla., and 94 branch offices of Kemper National Insurance Co. Sales offices in Atlanta; Charlotte, N.C.; Chicago; Denver; Edina, Minn.; Jackson, Miss.; Garland and Houston, Texas; Los Angeles; Mansfield, Ohio; New York and Syracuse, N.Y.; North Haven, Conn.; North Quincy, Mass.; Orlando, Fla.; Philadelphia; Phoenix; Richmond, Va.; San Francisco; Seattle; St. Louis; Summit, N.J.

Subsidiaries: NATLSCO, Kemper National Services.

1992 gross revenues: \$110 million; \$25 million from claims services.

Officers: F.G. Minch, president; D.F. Benevich, J.G. Weiss, G.J. Graficisin and A.D. Odom, vps.

Contact: Larry R. Toepfer, 708-540-3525.

L

Lindsey Morden Claims Management Inc.

P.O. Box 6030, Tyler, Texas 75711; 903-561-6700; fax: 903-561-7013

Claims services since: 1946.
Parent: Lindsey Morden Claim Services Inc.

Region served: Nationwide, Canada, United Kingdom, western Europe.

Specialties: 10% auto, 25% general liability, 3% professional liability, 2%

property, 50% workers comp, 10% environmental liability.

Self-insured clients: 372 administration clients, including seven associations, 135 corporations, 230 public/government entities.

17 adjusting clients, including seven associations, 10 corporations.

Five auditing clients, including one association, four corporations.

Self-insured claims: \$68 million paid for administration clients. Workers compensation, general/auto/environmental liability and property damage claims adjusted. Five claims-auditing projects conducted.

Staff: 1,650 total.

Branch offices: Administrative offices in more than 340 locations in the United States, Canada, United Kingdom and western Europe. Sales offices in Atlanta; Brea, Redwood City and Walnut Creek, Calif.; Boston; Charlotte, N.C.; Chicago; Dallas; Lafayette, La.; Louisville, Ky.; Mahwah, N.J.; Orlando, Fla.; Philadelphia.

Subsidiaries: Vale National Training Centers Inc.

1992 gross revenues: \$100 million.

Membership: SIIA.

Officers: Kenneth R. Polley, chairman; Terry A. Grant, president; Don L. Guin, senior vp; Gene L. Granato and Wayne H. Steele, vps.

M

McGee Risk Management Services

P.O. Box 419013, Kansas City, Mo. 64141-6013; 816-842-4800

Claims services since: 1987.
Business: 92% claims administration, 4% adjusting, 1% auditing, 3% other services.

Region served: Nationwide.
Specialties: 5% auto, 20% general liability, 4% professional liability, 1% property, 70% workers comp.

Self-insured clients: 125 administration clients, including three associations, 78 corporations, 44 public/government entities.

Five adjusting clients, including one association, four corporations.

Four auditing clients, including three corporations, one public/government entity.

Self-insured claims: \$4.1 million paid for administration clients. Four claims-auditing projects conducted.

Staff: 79 total; 18 serving self-insurers only.

PPOs available: Americana, FOCUS Healthcare Management Inc., Fortis, Health Care, Healthnet, Premier, Pro Act, Pro Care, Pro Med.

Officers: Larry Kaminski, Charlie Kaufmann, Gene Klein, Kevin McGreevy, Jerry Reardon and John Wolff, partners.

Contact: Ed Treadwell, manager.

N

Neuman Claim Administrators Inc.

4250 Ridge Lea, P.O. Box 150, Arnhem, N.Y. 14226; 716-833-0177; fax: 716-833-0178

Claims services since: 1991.
Business: 50% claims administration; 50% other services, including representation of carriers and self insurers in workers comp legal cases.

Region served: New York.
Specialties: 100% workers comp.

Self-insured clients: Six administration clients, including four corporations, two public/government entities.

11 adjusting clients, including one association, 10 corporations.

One auditing client, a corporation.

Self-insured claims: \$1.7 million paid for administration clients. One claims-auditing project conducted.

Staff: Nine total; eight serving self-insurers only.

1992 gross revenues: \$300,000; \$290,000 from claims services.

Officers: William E. Neuman, president.

North Bay Associates

P.O. Box 984, Cameron Park, Calif. 95682; 916-677-0875

Claims services since: 1982.
Business: 90% auditing; 10% other services, including consulting in administration and software.

Region served: California.

Continued on next page

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Self-insured clients: 95 auditing clients, including 20 associations, 25 corporations, 50 public/government entities.

Self-insured claims: 30 claims-auditing projects conducted.

Staff: Four total; two serving self-insurers only.

Officers: John J. Hennessy, president.

Northern General Services Inc.

38 Mallett Drive, P.O. Box 477,
Freeport, Maine 04032; 207-865-0200;
fax: 207-865-0212

Claims services since: 1987.

Business: 65% claims administration; 35% other services, including loss control services and reinsurance brokering.

Region served: New England.

Specialties: 100% workers comp.

Self-insured clients: 22 administration clients, including six associations, 12 corporations, four public/government entities.

Staff: 37 total, all serving self-insurers.

Branch offices: Administrative offices in Essex, Mass. Claims office in Bangor, Maine.

1992 gross revenues: \$2 million, all from claims services.

Officers: O. William Robertson, president; John M. Plunkett, Alan A. Alexander, executive vps.

Contact: O. William Robertson.

O

Occupational Healthcare Management Services Inc.

700 Broadway, Suite 1132, Denver,
Colo. 80273; 303-831-2104;
fax: 303-831-3069

Claims services since: 1988.

Parent: Rocky Mountain Healthcare Corp.

Business: 60% claims administration; 40% other services, including PPO and managed care services.

Region served: Colorado, Kansas, Minnesota, Nebraska, Nevada, New Mexico.

Specialties: 5% general liability, 5% property, 90% workers comp.

Self-insured clients: 37 administra-

tion clients, including three associations, 13 corporations, 21 public/government entities.

Self-insured claims: \$43 million paid for administration clients.

Staff: 40 total; 39 serving self-insurers only.

Branch offices: Administrative offices in Albuquerque, N.M.; Las Vegas, Nev.; St. Paul, Minn. Sales offices in Reno, Nev.

PPOs available: Occupational Healthcare Management Services.

Membership: SIIA, SPBA.

Officers: Tom Levin COO; David Kikumoto, executive vp-marketing; Jerry Robinson, president; Randy Herndon, vp-marketing; Marie Hansen, secretary.

Contact: Randy Herndon.

P

Pennsylvania Insurance Management Co.

1 PHICO Drive, P.O. Box 2005,
Mechanicsburg, Pa. 17055-0782;
717-691-1600 or 800-627-4626;
fax: 717-766-2837

Claims services since: 1981.

Parent: PHICO Insurance Co.

Business: 83% claims administration; 17% other services, including medical case management services, loss control services, agency commissions and distribution of the Hospital Risk Control Manual.

Region served: Indiana, Pennsylvania and contiguous states.

Specialties: 31% auto, 1% professional liability, 68% workers comp.

Self-insured clients: 44 administration clients, including 40 corporations, four public/government entities.

Self-insured claims: \$70.8 million paid for administration clients.

Staff: 110 total; 98 serving self-insurers only.

1992 gross revenues: \$4 million; \$3.3 million from claims services.

Membership: SIIA.

Officers: Richard J. Agostini, president/CEO/director; Robert E. Curry, vp-operations; James L. DeSalle, vp/treasurer; Herbert W. Hoffman, corporate secretary/general counsel; Bruce A. Yergler, assistant treasurer.

Contact: Kendra Shaffer, 717-691-1600 or 800-627-4626 ext. 3820.

Professional Claim Management Group Inc.

P.O. Box 1327, 709 Stokes Road,
Medford, N.J. 08055; 609-953-0442;
fax: 609-953-2149

Claims services since: 1990.

Business: 80% claims administration, 10% adjusting, 10% auditing.

Region served: Northeast.

Specialties: 75% auto, 25% general liability.

Self-insured clients: One administration, adjusting and auditing client, a corporation.

Self-insured claims: \$2.5 million paid for administration clients. Auto liability, general liability and workers comp claims adjusted. Four claims-auditing projects conducted.

Staff: 15 total, all serving self-insurers.

1992 gross revenues: \$1.1 million, all from claims services.

Officers: David J. Troy Jr., president/CEO; Frank P. Santangelo, vp/COO.

Contact: David J. Troy Jr.

R

F.A. Richard & Associates Inc./Richard & Associates

2360 Fifth Ave., Suite 100, Mandeville,
La. 70448; 504-624-8383; fax:
504-624-8489

Claims services since: 1978.

Business: 65% claims administration; 35% other services, including claims adjusting for insurance companies.

Region served: Nationwide.

Specialties: 10% auto, 1% bonds, 2% disability, 15% general liability, 5% inland marine, 2% ocean marine, 3% professional liability, 2% property, 60% workers comp.

Self-insured clients: 187 administration clients, including three associations, 141 corporations, 43 public/government entities.

Self-insured claims: \$120 million paid for administration clients.

Staff: 231 total; 160 serving self-insurers only.

Branch offices: Administrative offices in Alexandria, Baton Rouge, Houma, Lafayette, Lake Charles, New Orleans, Monroe and Shreveport, La.; Atlanta; Beaumont, Corpus Christi, Dallas, Harlingen and Houston, Texas; West Memphis, Ark.; Huntington Beach, Calif. Sales offices in Atlanta; Austin and Dallas, Texas; New Orleans.

Subsidiaries: Loss Control Systems Inc., FARA Business Services Inc.

1992 gross revenues: \$12 million.

PPOs available: FARA Healthcare Management.

Membership: SIIA.

Officers: Francis A. Richard, president/CEO; M. Todd Richard, executive vp; Reed A. Bell, senior vp-administration; David Cantrell, Dan Clark, senior vps-operations.

Risk Innovations

Service & Consulting Inc.

8008 Corporate Center Drive, Suite
400, Charlotte, N.C. 28226;
704-543-8300; fax: 704-541-3264

Claims services since: 1983.

Parent: Royal Insurance.
Business: 90% claims administration, 10% adjusting.

Region served: Nationwide.

Specialties: 5% auto, 25% general liability, 70% workers comp.

Branch offices: Sales offices in Jericho, N.Y.

Membership: SIIA.

Officers: Richard Liersaph, COO; Barbara Spinelli, vp-sales.

Risk Management Services Inc.

7919 Folsom Blvd., Suite 240,
Sacramento, Calif. 95826;
916-381-5858; fax: 916-381-7475

Claims services since: 1987.

Business: 95% claims administration, 5% adjusting.

Region served: California.

Specialties: 100% workers comp.

Self-insured clients: 19 administration clients, including eight associations, 11 public/government entities.

18 adjusting clients, including eight associations, 10 public/government entities.

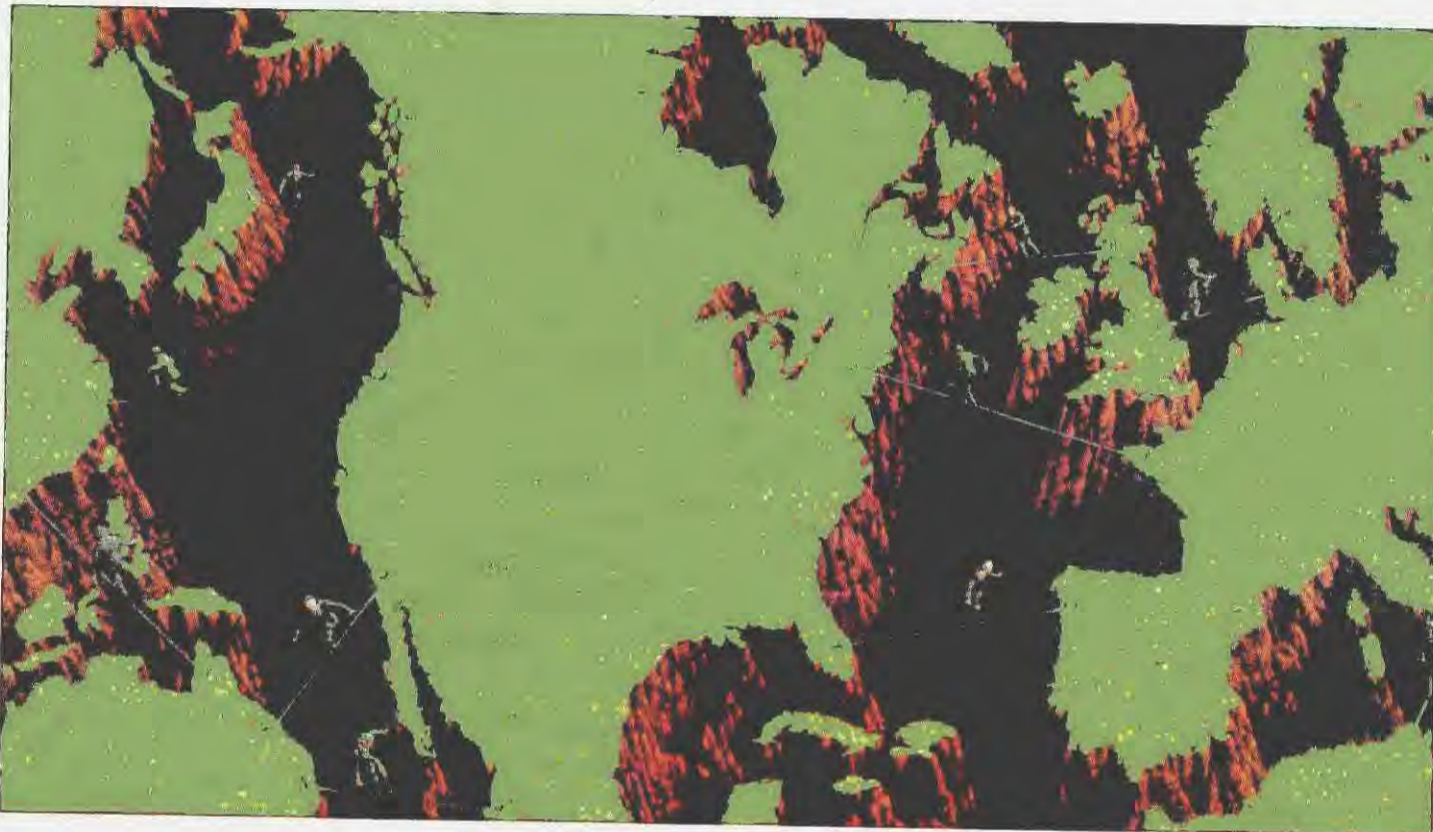
Staff: 33 total, all serving self-insurers.

PPOs available: OUCH, Community Care Network.

Officers: J. Daniel Henke, president; Ronald Wood, chairman; Robert Levering, Robert Sanford, vps; Douglas Grohon, secretary.




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**Continued from previous page
Risk Services of California**

24831 Alicia Parkway, Suite C321,
Laguna Hills, Calif. 92653-4696;
714-859-3697; fax: 714-859-3592

Claims services since: 1979.

Business: 10% adjusting, 60% auditing, 30% other services, including special projects, training, writing claims procedure manuals, auditing insurer claims departments, providing expert witness evaluation and testimony, assisting the design and installation of captive insurers.

Region served: Nationwide.

Self-insured clients: 15 adjusting clients, including three associations, 12 corporations.

14 auditing clients, including three associations, 11 corporations.

Self-insured claims: Workers compensation, medical malpractice, auto and general liability claims adjusted. 16 claims-auditing projects conducted.

Staff: Three total; two serving self-insurers only.

Officers: Terry Coleman, principal; Suzanne Coleman, operations manager/claim analyst.

Contact: Terry Coleman.

bility, 15% property, 24% workers comp, 13% errors & omissions, 5% police.

Self-insured clients: 30 administration clients, including 17 associations, eight corporations, five public/government entities.

Two auditing clients, both public/government entities.

Self-insured claims: \$32.5 million paid for administration clients. General liability, workers compensation, property, errors & omissions claims adjusted. Five claims-auditing projects conducted.

Staff: 42 total, all serving self-insurers.

Branch offices: Administrative and sales offices in Bloomington, Minn.; Grand Rapids, Mich.; Montgomery, Ala.; Overland Park, Kansas. Additional sales offices in Cincinnati and Columbus, Ohio.

Subsidiaries: Star Insurance Co., M.I.N.T., Corporate Risk Consultants, MRM, Meadowbrook Agency.

1992 gross revenues: \$3 million.

Officers: James A. Kammerer, president; Robert Engle, vp; Thomas B. Tucker, vp-claims; Michael Cascone, vp-loss control.

Contact: Darlene Sleep, 313-354-9580 ext. 255.

**Self Insured
Management Services**

P.O. Box 19730-171, Portland, Ore.
97280-0730; 503-245-9756;
fax: 503-246-1581

Claims services since: 1981.

Business: 75% claims administration, 15% adjusting, 10% other services.

Region served: Alaska, Arizona, California, Hawaii, Idaho, Montana, Oregon, Utah, Washington.

Specialties: 80% general liability, 10% professional liability, 2% property, 8% workers comp.

Self-insured clients: 25 adjusting clients, including two associations, 20 corporations, three public/government entities.

Self-insured claims: \$23.1 million paid for administration clients.

Staff: 30 total; 26 serving self-insurers only.

Branch offices: Administrative offices in Seattle.

1992 gross revenues: \$1.5 million; \$1.3 million from claims services.

Officers: James W. Broyles, William S. Griffles, Joseph E. McLaughlin.

Contact: Joseph E. McLaughlin.

ServCo

CNA Plaza, Chicago, Ill. 60685;
312-822-1860; fax: 312-822-7083

Claims services since: 1992.

Parent: CNA Insurance Cos.

Business: 100% other services, including claims services to insured programs. Claims services for self-insured clients began in 1993.

Region served: Nationwide.

Specialties: 50% auto, 50% general liability.

Branch offices: Administrative offices in Atlanta; Boston and West Springfield, Mass.; Brea and San Francisco, Calif.; Charleston, W.Va.; Charlotte, N.C.; Cleveland; Dallas; Denver; Farmington, Conn.; Houston; Indianapolis; Kansas City, Kan.; Marlton, N.J.; Melville, New Jersey, Syracuse and White Plains, N.Y.; Milwaukee; Minneapolis; Nashville, Tenn.; Orlando and Plantation, Fla.; Phoenix, Ariz.; Pittsburgh and Reading, Pa.; Portland, Ore.; St. Louis; Seattle; Silver Spring, Md.; Southfield, Mich.

1992 gross revenues: \$16 million.

PPOs available: Beech Street, OUCH, FOCUS, Managed Care Corp., Private Healthcare Systems Inc., Healthstar,

Community Care Network.

Membership: SIIA.

Officers: Peter P. Conway, president; Carolyn L. Murphy, James B. Mullins, Charles H. Dangelo, senior vps; Donald W. Lowry, vp/corporate secretary.

Contact: Bruce D. Todd, marketing manager.

**Southern California
Risk Management
Assn. Inc.**

250 W. First St., Suite 222, Claremont,
Calif. 91711-4740; 909-621-1335;
fax: 909-624-3746

Claims services since: 1988.

Business: 100% claims administration.

Region served: California.

Specialties: 100% workers comp.

Self-insured clients: 37 administration clients, including six corporations, 31 public/government entities.

Staff: 15 serving self-insurers only.

PPOs available: CCN Inc., Beech Street.

Officers: Dale H. Jones, president.

Continued on next page

S

**Schifrin Gagnon
& Dickey Inc.**

14530 Delano St., Van Nuys, Calif.
91411; 818-909-9090;
fax: 818-909-7365

Claims services since: 1972.

Business: 12% claims administration, 30% adjusting, 1% auditing, 57% other services, including adjusting and investigation.

Region served: Nationwide.

Specialties: 12% auto, 68% general liability, 2% inland marine, 2% professional liability, 14% property, 2% workers comp.

Self-insured clients: 41 administration and adjusting clients, including 38 corporations, three public/government entities.

Two auditing clients, both corporations.

Self-insured claims: \$135,000 paid for administration clients. General, product and professional liability and property damage claims adjusted. Three claims-auditing projects conducted.

Staff: 40 total.

Branch offices: Administrative offices in Carpinteria, Corona, San Diego, Walnut Creek, Calif.

Subsidiaries: Specialized Investigations, FEM Photocopy, STAT Photocopy.

1992 gross revenues: \$2.8 million; \$850,000 from claims services.

Officers: Leslie Schifrin, president; Peter Schifrin, vp.

**Sedgwick James Inc. Claims
Management Services**

230 W. Monroe St., Chicago, Ill.
60606; 312-346-3000;
fax: 312-726-4123

Claims services since: 1971.

Parent: Sedgwick Group P.L.C.

Business: 92% claims administration, 8% other services.

Region served: Nationwide.

Specialties: 2% auto, 3% general liability, 95% workers comp.

Self-insured clients: 2,018 administration clients, including 42 associations, 1,413 corporations, 563 public/government entities.

Self-insured claims: \$868.2 million paid for administration clients.

Staff: 4,600 total; 760 serving self-insurers only.

Branch offices: Administrative offices in 57 locations. Sales offices in 62 locations.

PPOs available: Numerous PPO arrangements.

Membership: SIIA.

Officers: Robert L. Young, president; M. Susan Coble, senior vp; Edward J. Callahan, Glenn Fischer, Richard Disher, vps.

Contact: Robert L. Young.

Select Insured Risk Services

26600 Telegraph Road, Southfield,
Mich. 48034; 313-354-9580;
fax: 313-358-3251

Claims services since: 1980.

Parent: Meadowbrook Insurance Group.

Business: 70% claims administration, 30% other services, including safety and risk control consulting.

Region served: Nationwide.

Specialties: 4% auto, 39% general lia-

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Southern Risk Services Inc.

P.O. Box 2408, Birmingham, Ala.
35201-2408; 205-252-9870 or
800-277-7500; fax: 205-581-9172

Claims services since: 1965.
Parent: McGriff, Seibels & Williams Inc.
Business: 90% claims administration; 5% auditing; 5% other services, including loss control.

Region served: Alabama, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee, Texas.

Specialties: 5% auto, 15% general liability, 2% professional liability, 78% workers comp.

Self-insured clients: 71 administration clients, including six associations, 59 corporations, six public/government entities.

Four auditing clients, all corporations.
Self-insured claims: \$30 million paid for administration clients. 12 claims-auditing projects conducted.

Staff: 69 total, all serving self-insurers only.

Branch offices: Administrative and sales offices in Atlanta; Houston; Jackson, Miss.; Orlando, Fla.

1992 gross revenues: \$5 million, all from claims services.

PPOs available: AlaMed.
Officers: L.B. Feemster, president; Frank Wear, Mike Pritchett, Howard Haskell, vps.

Contact: L.B. Feemster.

**Standard Financial
General Adjustment Inc.**

12770 Colt Road, Suite 1215, Dallas, Texas 75251; 214-991-8077; fax: 214-991-8498

Claims services since: 1987.
Business: 70% claims administration; 5% adjusting; 5% auditing; 20% other services, including services for insurance companies.

Region served: Texas.
Specialties: 30% general liability, 70% workers comp.

Self-insured clients: 25 administration clients, including two associations, 20 corporations, three public/government entities.

Three adjusting clients, including one association, two corporations.

Five auditing clients, all corporations.
Self-insured claims: \$3.5 million paid for administration clients. Workers compensation claims adjusted. Five claims-auditing projects conducted.

Staff: 10 total; seven serving self-insurers only.

1992 gross revenues: \$600,000; \$500,000 from claims services.

Officers: Keith C. Kakacek, president; John R. Catanzano, Don Tate, vps; Connie Holmes, controller, Alison Cassidy, data processing.

Contact: Keith C. Kakacek.

T

TencoNet

3401 W. End Ave., Suite 460, Nashville, Tenn. 37203; 615-292-0098; fax: 615-297-4891

Claims services since: 1947.
Parent: Tenco Services Inc.

Business: 9% claims administration; 9% adjusting; 82% other services, including claims administration and adjusting for insured clients.

Region served: Southeastern states, focusing on Kentucky, Tennessee and Georgia.

Specialties: 30% general liability, 70% workers comp.

Self-insured clients: Three administration clients, including two corporations, one public/government entity.

24 adjusting clients, including 21 corporations, three public/government entities.

Self-insured claims: \$5 million paid for administration clients. Workers comp and commercial liability claims adjusted.

Staff: 58 total; 10 serving self-insurers only.

Branch offices: Administrative and sales offices in Atlanta; Chattanooga, Knoxville and Memphis, Tenn.; Louisville, Ky. Sales offices in Clarksville, Cookeville, Jackson and Kingsport, Tenn.; Hazard and Hopkinsville, Ky.

Subsidiaries: Tenco Services Inc., Transit Services.

1992 gross revenues: \$3 million; \$540,000 from claims services.

Officers: Tom Moss, president/CEO; Janie Coggins, secretary/treasurer; Rebe Trickey, vp-operations; Creed Hoodenpyle, Ruben Maxwell, vps.

Contact: Tom Moss or Rich Stubblefield.

**Thomas Howell Group
(Americas) Inc.—
Gay & Taylor/Ward-THG**

6 Concourse Parkway, Suite 3100, Atlanta, Ga. 30328; 404-395-1000; fax: 404-390-1076

Claims services since: 1928.
Business: 24% claims administration; 17% adjusting; 2% auditing; 57% other services, including adjusting and claims administration for insured clients, medical management, information systems loss control.

Region served: Worldwide.
Specialties: 22% auto, 1% bonds, 24% general liability, 2% health, 12% inland marine, 2% ocean marine, 6% professional liability, 6% property, 25% workers comp.

Self-insured clients: 198 administration clients, including 117 corporations, 81 public/government entities.
875 adjusting clients, including 732 corporations, 143 public/government entities.

ities.
10 auditing clients, all corporations.

Self-insured claims: Auto, general, professional and product liability; workers compensation; inland marine; ocean marine; property claims adjusted. 22 claims-auditing projects conducted.

Staff: 1,700 total; 240 serving self-insurers only.

Branch offices: Administrative offices in Chicago; Dallas; New York; San Diego, Calif. Sales offices in Baltimore; Birmingham, Ala.; Charlotte, N.C.; Columbus, Ohio; Dallas; Glendora and San Diego, Calif.; Greenville, S.C.; Houston; Miami and Orlando, Fla.; Nashville, Tenn.; New York; Richmond, Va.; St. Louis; Washington.

Subsidiaries: Gay & Taylor Inc., Ward-THG Inc., Thomas Howell Group (USA) Inc., Thomas Howell Group (Latin America) Inc., Gay & Taylor/THG Marine & Aviation.

1992 gross revenues: \$85 million; \$30 million from claims services.

PPOs available: Alta Health Strategies.

Membership: SIA.

Officers: T. Bruce Tilley, president/CEO; Brian J. Rembges, COO; William L. Orr, executive vp/CFO; Philip M. Box, Glenn T. Dixon, Richard E. Gray, John V. Kavanagh, Richard B. Piccinini, Peter J. Salt, Richard F. Schroder, David C. Waller, Jeffrey S. Ward, executive vps.

Contact: Susan E. Watson.

Toplis & Harding Inc.

222 S. Riverside Plaza, Chicago, Ill. 60606; 312-648-1300

Claims services since: 1918.
Business: 40% claims administration; 20% adjusting; 10% auditing; 30% other services, including risk management and consulting, property and marine adjusting for insurance companies.

Region served: Nationwide.

Specialties: 5% auto, 5% bonds, 40% general liability, 5% inland marine, 10% ocean marine, 15% professional liability, 10% property, 10% workers comp.

Self-insured clients: Administration clients, 20% associations, 50% corporations, 30% public/government entities.

Adjusting and auditing clients, 10% associations, 50% corporations, 40% public/government entities.

Self-insured claims: Commercial property losses, product liability, medical malpractice and railroad property claims adjusted. 110 claims-auditing projects conducted.

Staff: 315 total; 115 serving self-insurers only.

Branch offices: Administrative and sales offices in Atlanta, Houston, Los Angeles, New York, San Francisco, Seattle.

Subsidiaries: Lee-McAndrews, T&H Services, Toplis & Harding Canada Inc.,

Marine Claim Services Inc.; Henry Eagle-ton Co. Inc.

1992 gross revenues: \$25 million; \$18 million from claims services.

Officers: James V. Ebel, president/CEO; David J. Lewis, COO; Craig Bowlus, director-casualty division; Joseph A. Dotoli, managing director-property division; Ralph R. Wood, managing director-marine division.

W

Carl Warren & Co.

P.O. Box 25161, Santa Ana, Calif. 92799-5161; 800-854-1587

Claims services since: 1944.

Business: 60% claims administration; 20% adjusting; 20% other services, including adjusting claims for insurance companies.

Region served: Nationwide.

Specialties: 20% auto, 80% general liability.

Self-insured clients: 530 administration clients, including 280 corporations, 250 public/government entities.

Self-insured claims: Products, general and auto liability claims adjusted.

Staff: 250 total.

Branch offices: Administrative and sales office in Orange, Calif. Sales offices in Bakersfield, Calabasas, Covina, Fresno, Glendale, Long Beach, Sacramento, San Bernardino, San Diego, San Francisco, San Luis Obispo, Santa Barbara and Ventura, Calif.

Officers: Howard Hitchcock, chairman; Roy George, president/CEO; Michael Dekema and Larry Hunt, executive vps.

Contact: Michael Dekema.

Wear & Wood Inc.

P.O. Box 880287, San Diego, Calif. 92168-0287; 619-238-5888; fax: 619-238-8555

Claims services since: 1984.

Business: 100% claims administration.

Region served: California.

Specialties: 100% workers comp.

Self-insured clients: 21 administration clients, including four corporations, 17 public/government entities.

Self-insured claims: \$8.2 million paid for administration clients.

Staff: 35 total, all serving self-insurers.

1992 gross revenues: \$1.7 million, all from claims services.

Officers: Barbara Lee Wear, president/CEO; Lynn Wood, president-operations.

Contact: Barbara Lee Wear.

Scott Wetzel Services Inc.

500 Pacific Ave., 7th Floor, Bremerton, Wash. 98310; 206-479-0200; fax: 206-479-8297

Claims services since: 1941.

Business: 64% claims administration, 5% adjusting, 2% auditing, 29% other services.

Region served: Nationwide.

Specialties: 9% general liability, 1% professional liability, 7% property, 83% workers comp.

Self-insured clients: 452 administration clients, including nine associations, 412 corporations, 31 public/government entities.

Self-insured claims: \$502.4 million paid for administration clients.

Staff: 325 total, all serving self-insurers.

Branch offices: Administrative and sales offices in Albany, N.Y.; Dallas and Houston, Texas; Fairfax, Va.; Federal Way and Spokane, Wash.; Knoxville, Tenn.; Manchester, N.H.; Mountainside, N.J.; Portland, Ore.; Salt Lake City. Additional regional marketing offices in Atlanta; Bremerton, Wash.; Concord and Orange, Calif.; Chicago; Tampa, Fla.

Membership: SIA.

Officers: John Harrold, president; Terry Neal, executive vp; Peter Greenland, senior vp-client services/marketing; Ed Kocott, vp-operations; Warren Zimmerman, vp-corporate services.

Y

York Claims Services Inc.

111 John St., New York, N.Y. 10038; 212-732-0505; fax: 212-732-1789

Claims services since: 1962.

Business: 80% claims administration; 20% other services, including program administration for insurers.

Region served: Nationwide.

Specialties: 20% auto, 75% general liability, 5% professional liability.

Self-insured clients: 510 administration clients, all corporations.

141 adjusting clients, all corporations.

Self-insured claims: \$120 million paid for administration clients.

Staff: 97 total; 70 serving self-insurers only.

1992 gross revenues: \$7.2 million.

Membership: SIA.

Officers: Stuart A. Myers, president; Frederick M. Schiller, executive vp; Peter Lind, vp; Eileen Rachelson, secretary/treasurer.

Directory of TPAs that handle both benefit, property/casualty claims

A

**Acordia Benefit Services
of Southern California**

2401 E. Katella Ave., Suite 400, Anaheim, Calif. 92806; 714-634-1190; fax: 714-634-9101

Claims services since: 1977.
Parent: Acordia Inc.

Business: 40% claims administration, 60% other services.

Region served: California.

Specialties: 95% health, 5% workers comp.

Health plans: 8,000 employees, 4,000 dependents covered.

Self-insured clients: 16 administration clients, including 10 corporations, six public/government entities.

Self-insured claims: \$10 million paid for administration clients.

Staff: 51 total; 12 serving self-insurers only.

Branch offices: Sales offices in Encino, Calif.

1992 gross revenues: \$6 million; \$2.4 million from claims services.

PPOs available: American Health Network, CCN Inc.

Membership: SPBA.

Officers: George Hahn, president; Jeffrey C. Brittain, vp-underwriting; Lois Royce, vp-operations; Beverly Rehm, vp-finance; Melvin Wong, vp-marketing.

Contact: George Hahn.

Adjustco Inc.

525 N. Broadway, White Plains, N.Y. 10603; 914-948-5405; fax: 914-948-7019

Claims services since: 1973.
Parent: Preferred Health Care Ltd.

Business: 56.3% claims administration; 18% adjusting; 0.5% auditing; 25.2% other services, including medical utilization review, workers comp, vocational and medical rehabilitation, psychiatric utilization review.

Region served: Nationwide.

Specialties: 1% auto, 5% disability, 1% flex compensation, 10% health, 1% professional liability, 4% property, 53% workers comp, 25% other areas.

Health plans: 107,000 employees, 223,000 dependents covered.

Self-insured clients: 1,406 administration clients, including three associations, 1,014 corporations, 384 public/government entities, five union-sponsored plans.

Self-insured claims: \$1.19 billion paid for administration clients. Workers comp and health benefits claims adjusted. Four claims-auditing projects conducted.

Staff: 724 total.

Branch offices: Administrative offices in 32 locations nationwide.

1992 gross revenues: \$117 million.

PPOs available: Beech Street of California, CCN Inc., Health Advantage, Multiplan.

Membership: IFEBP, SIA.

Officers: David G. Noone, CEO; Arthur M. Yoss, president/COO; William V. Hoyt, treasurer; George Neidich, secretary.

Administrative Claim Service

P.O. Box 1478, Thomasville, Ga. 31799; 912-228-7026; fax: 912-228-7464

Claims services since: 1987.

Business: 100% claims administration.

Region served: Alabama, Florida, Georgia, North Carolina, South Carolina, Virginia.

Specialties: 1% flex compensation, 1% general liability, 95% health, 3% workers comp.

Health plans: 6,500 employees, 10,000 dependents covered.

Self-insured clients: 48 administration clients, including 25 corporations, one MEWA, 22 public/government entities.

Self-insured claims: \$8 million paid for administration clients.

Staff: 10 total; five serving self-insurers only.

PPOs available: Archcare Health Plans.

Membership: SIA.

Officers: Byron Hinson, president; Darlene K. Taylor, vp-administration/secretary/treasurer.

Contact: Darlene K. Taylor.

Administrative Services Inc.

P.O. Box 21900, Salt Lake City, Utah 84121-0900; 801-264-9494 or 800-800-1619; fax: 801-263-0505

Claims services since: 1976.

Business: 80% claims administration; 10% adjusting; 10% other services, including case management for large employers who pay claims in-house, oversee

Continued on next page

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68 East Wacker Place, Suite 900 • Chicago, IL 60601 • (312) 580-2250

Continued from previous page fully insured plans.

Region served: Western states and Florida.

Specialties: 80% workers comp, 20% traveler group insurance policies.

Health plans: 1,500 employees covered.

Self-insured clients: Eight administration clients, including five corporations, three public/government entities.

Four adjusting clients, all public/government entities.

Self-insured claims: \$2.3 million paid for administration clients. Workers comp and foreign insurance company claims adjusted.

Staff: Six total; five serving self-insurers only.

Officers: Richard L. Smith, president; Elisa Smith, vp; Wesley Argyle, secretary.

Contact: Shelley Kaas.

American Claims Evaluation Inc.

375 N. Broadway, Jericho, N.Y. 11753; 516-938-8000; fax: 516-938-0405

Claims services since: 1981.

Business: 30% auditing; 70% other services, including auditing for insurance carriers, third party administrators, groups and associations, union health and welfare funds, HMOs.

Region served: Nationwide.

Specialties: 1% auto, 95% health, 4% workers comp.

Self-insured claims: 4,000 claims-auditing projects conducted.

Staff: 50 total.

Branch offices: Administrative and sales offices in Chicago, Dallas, Los Angeles. Sales offices in Atlanta, Detroit, Providence, R.I.; San Francisco.

1992 gross revenues: \$7.9 million.

Officers: Gary Gelman, CEO/president; Gary J. Knauer, CFO/treasurer; Robert G. Dubester, vp-operations; Lawrence Curcio, national sales manager.

American Professional Risk Services Inc.

2 Flavinia Drive, Suite 610, Atlanta, Ga. 30346; 404-512-8916; fax: 404-512-8966

Claims services since: 1989.

Business: 98% claims administration; 1% adjusting; 1% auditing, other services include loss prevention consulting for clients preparing to become self insured.

Region served: Alabama, Arkansas, California, Florida, Georgia, Kentucky, Mississippi, North Carolina, Ohio, Pennsylvania, South Carolina, Tennessee, Texas, West Virginia.

Specialties: 10% flex compensation, 30% health, 60% workers comp, other specialties include general and auto liability.

Health plans: Over 10,000 employees, over 16,000 dependents covered.

Self-insured clients: 61 administration clients, including two associations, 55 corporations, four public/government entities.

One adjusting and auditing client, a corporation.

Self-insured claims: \$12 million paid for administration clients. Workers comp claims adjusted. One claims-auditing project conducted.

Staff: 20 total; 19 serving self-insurers only.

Branch offices: Administrative offices in Nashville, Tenn. Sales offices in Knoxville, Tenn.; Greensboro, N.C.

1992 gross revenues: \$5.2 million; over \$1 million from claims services.

PPOs available: Healthnet, Buyers Health Group, Intracorp.

Membership: SIA, SPBA.

Officers: H.L. Davis, chairman; B.L. Cooper, president; Gary Collins, David Kennedy and Chloe Harper, vps.

Contact: David Kennedy.

Associated Risk Services Corp.

4501 Circle 75 Parkway, Suite B-2190, Atlanta, Ga. 30339; 404-980-1908; fax: 404-984-0320

Claims services since: 1984.

Business: 80% claims administration, 5% auditing, 15% other services.

Region served: Nationwide.

Specialties: 2% auto, 1% disability, 5% flex compensation, 5% general liability, 20% health, 5% pensions, 2% property, 60% workers comp.

Self-insured clients: 84 administration clients, including two associations, 80 corporations, two multiemployer plans.

Self-insured claims: \$95.4 million paid for administration clients.

Staff: 165 total; 140 serving self-insurers only.

Branch offices: Administrative offices in Burbank, Calif.; Columbus, Ohio; Dallas; Orlando, Fla.; Richmond, Va.; Winston-Salem, N.C.

Subsidiaries: ARS Benefits Inc., ARS Underwriters Inc., ARS Financial Services Inc.

PPOs available: American Health Care, Healthstar, Health Advantage, CCN Inc., USA Healthnet.

Membership: IFEBP, SIA, SPBA.

Officers: Richard L. Maloney, president/CEO; Kathleen D. Oliver, senior vp; Gloria Aaberg, president-ARS Benefits Inc.; Orville Lewis, president-ARS Underwriters Inc.; George Thurmond, vp.

Contact: Joe Blizzard.

Assured Risk Management Services

64 Division Ave., Suite 101, Levittown, N.Y. 11756; 800-624-2965; fax: 516-579-6537

Claims services since: 1988.

Business: 60% adjusting; 20% auditing; 20% other services, including consulting, subrogation claims.

Region served: Nationwide.

Specialties: 50% auto, 10% disability, 20% general liability, 20% workers comp.

Self-insured clients: 16 adjusting clients, including 14 corporations, two public/government entities.

Three auditing clients, all corporations.

Self-insured claims: Auto, general liability, workers comp and disability claims adjusted. Three claims-auditing projects conducted.

Staff: Eight total.

Branch offices: Administrative and sales office in Newburgh, N.Y.

Subsidiaries: Assured Recoveries Ltd.

Officers: John J. Wenz, president.

C

Consolidated Risk Management Services

7130 Glen Forest Drive, Suite 102, Richmond, Va. 23226; 804-673-5900; fax: 804-673-5902

Claims services since: 1968.

Parent: Blue Cross and Blue Shield of Virginia.

Business: 100% claims administration.

Region served: Maryland, Michigan, North Carolina, Pennsylvania, Virginia.

Specialties: 6% auto, 6% general liability, 7% health, 81% workers comp.

Self-insured clients: 79 administration clients, including nine associations, 27 corporations, 42 public/government entities, one union-sponsored plan.

Staff: 165 total, all serving self-insurers.

Branch offices: Administrative and sales offices in Bingham Farms, Grand Rapids and Saginaw, Mich.; Columbia and Rockville, Md.; Raleigh, N.C.

1992 gross revenues: \$8.5 million, all from claims services.

PPOs available: PPO Michigan.

Membership: SIA.

Officers: William D. Monday Jr., president; Stephen R. Hall, vp-finance; Monty McFadden, Robert Cone, directors.

CoreSource Inc.

630 Dundee Road, Suite 340, Northbrook, Ill. 60062; 708-559-8321; fax: 708-559-8353

Claims services since: 1968.

Business: 76% claims administration; 0.2% adjusting; 1.8% auditing; 22% other services, including managed care services for health care and workers comp clients, consulting services, safety programs, employee communications.

Region served: Nationwide.

Specialties: 1% auto, 1% disability, 3% flex compensation, 2% general liability, 85% health, 8% workers comp.

Health plans: 839,000 employees, 1,177,000 dependents covered.

Self-insured clients: 2,014 administration clients, including 22 associations, 1,795 corporations, one multiemployer plan, 193 public/government entities, three union-sponsored plans.

271 auditing clients, all corporations.

Self-insured claims: \$1.4 billion paid for administration clients. 271 claims-auditing projects conducted.

Staff: 1,445 total; 1,340 serving self-insurers only.

Branch offices: Administrative offices in Atlanta; Baltimore; Charlotte, High Point, Raleigh, N.C.; Chicago, Peoria, Ill.; Clearwater, Fla.; Columbus, Ohio; Detroit; Grand Rapids, Mich.; Indianapolis; Kansas City, St. Louis, Mo.; Lancaster, Philadelphia, Pa.; Las Vegas, Reno, Nev.; Little Rock, Ark.; Manchester, N.H.; Phoenix; Sacramento, San Diego, Calif.; Seattle; Sioux Falls, S.D.

Membership: NAEBA, SIA, SPBA.

Officers: Bruce Miller, CEO; Kenneth Kaczmarek, CFO; James Didion, Orlo Dietrich, James Duff, executive vps.

Corporate Benefits Service Inc.

139 S. Tryon St., Charlotte, N.C. 28202; 704-373-0447; fax: 704-342-2777

Claims services since: 1947.

Business: 88% claims administration; 12% other services, including consulting projects and insurance commissions.

Region served: Eastern United States.

Specialties: 7% disability, 83% health, 5% workers comp, 5% section 125 cafeteria plan.

Health plans: 19,763 employees, 38,644 dependents covered.

Self-insured clients: 51 administration clients, including 49 corporations, two public/government entities.

Self-insured claims: \$46 million paid for administration clients.

Staff: 36 total; 22 serving self-insurers only.

Branch offices: Administrative offices in Greensboro, N.C. Sales offices in Providence, R.I.

1992 gross revenues: Over \$2 million, \$1.8 million from claims services.

PPOs available: Health Care Savings, Ethix, Multiplan, CHN, Medcost.

Membership: SPBA.

Officers: Kenneth W. Harvey, president; Betty Graves, secretary/treasurer; Joanne Snow, vp-marketing; Sonya Patterson, health plan strategies.

Coverage 24 Inc.

21107 Vanowen St., Canoga Park, Calif. 91303; 800-242-4177; fax: 818-595-0067

Claims services since: 1992.

Business: 80% claims administration, 10% adjusting, 10% auditing.

Region served: Nationwide.

Specialties: 60% disability, 40% workers comp.

Self-insured clients: Seven administration clients, including three corporations, three multiemployer plans, one public/government entity.

Two auditing clients, including one corporation, one multiemployer plans.

Self-insured claims: One claims-auditing project conducted.

Staff: Seven total, all serving self-insurers.

Branch offices: Administrative and sales offices in Chicago and San Francisco.

Membership: SIA, SPBA.

Officers: Ralph D. Hurley, president; Jeremiah J. Hurley, vp.

Contact: Ralph D. Hurley.

D

Diversified Consultants Inc.

17110 N. Dallas Parkway, Suite 210, Dallas, Texas 75248; 214-250-1099; fax: 214-248-5838

Claims services since: 1962.

Business: 92% claims administration; 8% other services, including actuarial work, reinsurance and consulting.

Region served: Nationwide.

Specialties: 3% disability, 84% health, 8% life, 5% workers comp.

Health plans: 28,500 employees, 15,675 dependents covered.

Self-insured clients: 52 administration clients, including 47 corporations, five public/government entities.

Self-insured claims: \$74.5 million paid for administration clients.

Staff: 65 total; 25 serving self-insurers only.

Branch offices: Administrative offices in Peoria, Ill.

1992 gross revenues: \$6.7 million.

Membership: IFEBP, SIA, SPBA.

Officers: Derek Lancaster, president/CEO; Aaron Lancaster, vp-marketing; Darno Lancaster, vp-reinsurance; Willa Goodman, vp-administration.

Contact: Derek Lancaster.

H.L. Duke & Co. Inc.

P.O. Box 530, Richmond, Va. 23204; 804-783-8025; fax: 804-783-1833

Claims services since: 1987.

Business: 90% claims administration; 10% other services, including loss prevention services.

Region served: Nationwide.

Specialties: 2% disability, 3% flex compensation, 70% health, 25% workers comp.

Continued on next page

Attention: Risk Retention Groups, SIR's and Associations

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ASSOCIATED CLAIMS ENTERPRISES, INC.

10 South LaSalle Street, 12th Floor, Chicago, IL 60603
312/263-1620 • TLX 25-3553 • FAX 312/580-0106

Continued from previous page

Health plans: 9,400 employees, 14,300 dependents covered.

Self-insured clients: 44 administration clients, including one association, 40 corporations, three public/government entities.

Self-insured claims: \$14 million paid for administration clients.

Staff: 21 total, all serving self-insurers.

Branch offices: Sales office in Roanoke, Va.

PPOs available: Virginia Health Network, Preferred Care Richmond, Buyers Healthcare Co-op.

Membership: SPBA.

Officers: Henry L. Duke Jr., president/CEO; George Steadman, Thomas R. Brown, vps.

Contact: Henry Duke.

E

Executive Risk Consultants Inc.

P.O. Box 166007, Altamonte Springs, Fla. 32716; 407-788-1717 or 800-669-2331; fax: 407-788-8648

Claims services since: 1985.

Business: 80% claims administration; 20% other services, including claims services for insurance companies.

Region served: Southeastern United States.

Specialties: 1% auto, 3% general liability, 5% health, 1% property, 90% workers comp.

Self-insured clients: 44 administration clients, including 18 associations, 21 corporations, four public/government entities.

Self-insured claims: \$300 million paid for administration clients.

Staff: 450 total, all serving self-insurers.

Branch offices: Administrative offices in Atlanta; Baton Rouge, La.; Jackson, Miss.; Nashville, Tenn.; Orlando, Fla.

Subsidiaries: Maximum Medical Inc.

1992 gross revenues: \$30 million.

Membership: SIIA, SPBA.

Officers: Eugene G. Hill, chairman; David J. Jasmund, president; David Krauser, vp; Gene Hill, secretary; Bob Smith, assistant secretary; Richard Lerner, treasurer.

Contact: David J. Jasmund.

F

FEISCO

2601 Cattlemen Road, Sarasota, Fla. 34232-6249; 813-955-2811; fax: 813-951-3779

Claims services since: 1959.

Parent: FCCI Investment Group Inc. **Business:** 50% claims administration; 25% adjusting; 10% auditing; 15% other services, including loss control, marketing, underwriting.

Region served: Florida, Georgia, Texas.

Specialties: 5% general liability, 5% health, 90% workers comp.

Self-insured clients: 47 administration clients, including three associations, 40 corporations, four MEWAS.

Self-insured claims: \$151 million paid for administration clients.

Staff: 166 total.

Branch offices: Administrative offices in Atlanta; Fort Lauderdale, Orlando, Sarasota, Tallahassee, Fla.

Subsidiaries: Claims Management

Systems Inc., Florida Employers Excess Insurance Agency.

1992 gross revenues: \$35 million.

PPOs available: Med-View.

Membership: SIIA.

Officers: Ray Neff, president; G.W. Jacob, senior vp-legal; David Webber, senior vp-accounting; Bob McManus, executive vp; James Bos, senior vp-marketing.

Contact: Basil Morgan, vp, 813-954-5300.

Fox-Everett Inc.

P.O. Box 188, Jackson, Miss. 39205; 601-981-600; fax: 601-981-9243

Claims services since: 1965.

Business: 100% claims administration.

Region served: Nationwide.

Specialties: 2% disability, 98% health.

Self-insured clients: 39 administration clients, including two associations, 33 corporations, four union-sponsored plans.

Self-insured claims: \$42 million paid for administration clients.

Staff: 72 total; 24 serving self-insurers only.

Branch offices: Sales offices in Gulfport, Miss.

G

Gallagher Bassett Services Inc.

2 Pierce Place, Itasca, Ill. 60143-3143; 708-773-3800; fax: 708-285-4000

Claims services since: 1962.

Parent: Arthur J. Gallagher & Co.

Business: 89% claims administration; 1% auditing; 10% other services, including risk management consulting services, information management services, property appraisal services.

Region served: Worldwide.

Specialties: 10% auto, 19% general liability, 18% health, 1% professional liability, 7% property, 45% workers comp.

Self-insured clients: 1,331 administration clients, including 523 corporations, 772 public/government entities and 36 RETA Trust-sponsored plans.

Five adjusting clients, all corporations.

15 auditing clients, including 12 corporations, three public/government entities.

Self-insured claims: \$1.09 billion paid for administration clients. Five property and casualty claims adjusted. 15 claims-auditing projects conducted.

Staff: 1,115 total.

Branch offices: Administrative offices in 97 locations nationwide. Sales offices in 50 locations nationwide and four international offices.

Subsidiaries: Pacific Atlantic Administrators, Gallagher Bassett Benefit Administrators.

1992 gross revenues: \$87 million; \$77 million from claims services.

PPOs available: In 40 states and the District of Columbia.

Membership: IFEBP, NAEBA, SIIA, SPBA.

Officers: John G. Campbell, chairman-Gallagher Bassett Services Inc.; Peter J. Durkalski, president-Gallagher Bassett Services Inc.; James W. Durkin Jr., vp-Arthur J. Gallagher & Co./Gallagher Benefit Services; Leonard E. Wood, president/CEO-Gallagher Bassett Benefit Administrators; Frank M. Haffernan, president-Pacific Atlantic Administrators.

Contact: Richard R. Rothman, executive vp.

The Frank Gates Service Co.

5000 Bradenton Ave., Dublin, Ohio 43017; 614-793-8000; fax: 614-793-5400

Claims services since: 1946.

Business: 40% claims administration; 60% other services, including insured administration and auditing.

Region served: Nationwide.

Specialties: 5% health, 95% workers comp.

Self-insured clients: 390 administration clients, including 90 associations, 300 corporations.

Self-insured claims: \$150 million paid for administration clients.

Staff: 300 total; 150 serving self-insurers only.

Branch offices: Administrative and sales offices in Ann Arbor, Mich.; Atlanta; Columbus, Ohio; Las Vegas; Los Angeles; Louisville, Ky.; Seattle.

Subsidiaries: MCR Managed Care, OMAC Agency, Commtel Inc.

PPOs available: Healthcare Compare/Affordable Nationwide.

Membership: SPBA.

Officers: Niles C. Overly, CEO; J. Robinson McCormick, president; Robinson M. Overly, executive vp; R. James Kelly, James R. Rieder, senior vps; Richard E. Klomprens, vp.

Contact: Richard E. Klomprens, 614-793-5454.

H

Harrington Services Corp.

1103 Schrock Road, Columbus, Ohio 43229; 614-841-0480; fax: 614-841-0977

Claims services since: 1954.

Business: 79.5% claims administration

Continued on next page

ALABAMA: Insurance Laws and Advance Laws • Insurance Related Laws and Advance Laws • Regulations, Bulletins and Selected Attorney General Opinions • Insurance Related Regulations
ALASKA: Insurance Laws and Advance Laws • Insurance Related Laws and Advance Laws • Regulations, Bulletins, Orders and Selected Attorney General Opinions • Insurance Related Regulations
ARIZONA: Insurance Laws and Advance Laws • Insurance Related Laws and Advance Laws • Regulations • Insurance Related Regulations • Circular Letters, Orders and Selected Attorney General Opinions
ARKANSAS: Insurance Laws and Advance Laws • Insurance Related Laws and Advance Laws • Regulations, Rules of Practice and Procedure and Selected Attorney General Opinions • Bulletins, Directives and Orders
CALIFORNIA: Insurance Laws and Advance Laws • Insurance Related Laws and Advance Laws • Regulations and Selected Attorney General Opinions • Insurance Related Regulations • Bulletins and NS (New Series) Bulletins
COLORADO: Insurance Laws and Advance Laws • Insurance Related Laws and Advance Laws • Regulations, Notices and Bulletins
CONNECTICUT: Insurance Laws and Advance Laws • Insurance Related Laws and Advance Laws • Regulations and Selected Attorney General Opinions • Bulletins
DELAWARE: Insurance Laws and Advance Laws • Insurance Related Laws and Advance Laws • Regulations, Bulletins, Circular Letters and Selected Attorney General Opinions
DISTRICT OF COLUMBIA: Insurance Laws and Advance Laws • Insurance Related Laws and Advance Laws • Regulations
FLORIDA: Insurance Laws and Advance Laws • Insurance Related Laws and Advance Laws • Regulations • Insurance Related Regulations • Bulletins and Selected Attorney General Opinions
GEORGIA: Insurance Laws and Advance Laws • Insurance Related Laws and Advance Laws • Regulations and Selected Attorney General Opinions
HAWAII: Insurance Laws and Advance Laws • Insurance Related Laws and Advance Laws • Regulations and Selected Attorney General Opinions
IDAHO: Insurance Laws and Advance Laws • Insurance Related Laws and Advance Laws • Regulations • Bulletins and Selected Attorney General Opinions and Advance Laws • Regulations and Selected Attorney General Opinions and Advance Laws • Insurance Related Laws and Advance Laws • Attorney General Opinions
IOWA: Insurance Laws and Advance Laws Directives and Selected Attorney General Opinions • Insurance Related Laws and Advance Laws • Regulations • Insurance Related Regulations • Bulletins and Selected Attorney General Opinions
KANSAS: Insurance Laws and Advance Laws • Insurance Related Laws and Advance Laws • Regulations and Selected Attorney General Opinions
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NEW MEXICO: Insurance Laws and Advance Laws • Insurance Related Laws and Advance Laws • Regulations, Advice of the General Counsel and Selected Attorney General Opinions
NEW YORK: Insurance Laws and Advance Laws • Insurance Related Laws and Advance Laws • Regulations and Selected Attorney General Opinions • Insurance Related Regulations • Circular Letters • Opinions of General Counsel
NORTH CAROLINA: Insurance Laws and Advance Laws • Insurance Related Laws and Advance Laws • Regulations, Directives, Bulletins and Selected Attorney General Opinions
NORTH DAKOTA: Insurance Laws and Advance Laws • Insurance Related Laws and Advance Laws • Regulations, Bulletins and Selected Attorney General Opinions
OHIO: Insurance Laws and Advance Laws • Insurance Related Laws and Advance Laws • Regulations, Bulletins, New Series Bulletins and Selected Attorney General Opinions • Insurance Related Regulations
OKLAHOMA: Insurance Laws and Advance Laws • Insurance Related Laws and Advance Laws • Regulations, State Board for Property and Casualty Rate Regulations and Selected Attorney General Opinions
OREGON: Insurance Laws and Advance Laws • Insurance Related Laws and Advance Laws • Regulations, Bulletins and Selected Attorney General Opinions • Insurance Related Regulations
PENNSYLVANIA: Insurance Laws and Advance Laws • Insurance Related Laws and Advance Laws • Regulations • Insurance Related Regulations • Bulletins, Notices, Orders and Selected Attorney General Opinions
RHODE ISLAND: Insurance Laws and Advance Laws • Insurance Related Laws and Advance Laws • Regulations
SOUTH CAROLINA: Insurance Laws and Advance Laws • Insurance Related Laws and Advance Laws • Regulations and Selected Attorney General Opinions • Insurance Related Regulations • Bulletins and Orders
SOUTH DAKOTA: Insurance Laws and Advance Laws • Insurance Related Laws and Advance Laws • Regulations, Bulletins and Selected Attorney General Opinions
TENNESSEE: Insurance Laws and Advance Laws • Insurance Related Laws and Advance Laws • Regulations and Selected Attorney General Opinions • Insurance Related Regulations
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VIRGINIA: Insurance Laws and Advance Laws • Insurance Related Laws and Advance Laws • Regulations and Selected Attorney General Opinions • Administrative Letters
WASHINGTON: Insurance Laws and Advance Laws • Insurance Related Laws and Advance Laws • Regulations, Bulletins, Fire Marshal Regulations, Department of Revenue Bulletins and Selected Attorney General Opinions • Insurance Related Regulations
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WISCONSIN: Insurance Laws and Advance Laws • Insurance Related Laws and Advance Laws • Regulations, Bulletins and Selected Attorney General Opinions • Insurance Related Regulations
WYOMING: Insurance Laws and Advance Laws • Insurance Related Laws and Advance Laws • Regulations and Selected Attorney General Opinions
COMMONWEALTH OF PUERTO RICO: Insurance Laws and Advance Laws • Insurance Related Laws and Advance Laws • Regulations, Circular Letters and Rulings
VIRGIN ISLANDS: Insurance Laws and Advance Laws • Insurance Related Laws and Advance Laws



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Continued from previous page
tion; 20.5% other services, including unemployment tax consulting services.

Region served: Nationwide.

Specialties: 1% disability, 1% flex compensation, 82% health, 13% pensions, 3% workers comp.

Health plans: 530,000 employees, 795,000 dependents covered.

Self-insured clients: 319 administration clients, including six associations, 164 corporations, 116 multiemployer plans, 33 public/government entities.

Self-insured claims: \$1.09 billion paid for administration clients.

Staff: 1,350 total; 1,050 serving self-insurers only.

Branch offices: Administrative offices in Albuquerque, N.M.; Chicago; Dallas; Denver; Honolulu; Houston; Jacksonville, Fla.; Kansas City, Mo.; Las Vegas; Los Angeles; Milwaukee; Minneapolis; Phoenix, Tucson, Ariz.; Salt Lake City; Shreveport, La. Sales offices in Chicago, Dallas, Houston, Las Vegas, Los Angeles, Minneapolis, Phoenix.

Subsidiaries: R.E. Harrington Inc., American Benefit Plan Administrators, ProHealth.

1992 gross revenues: \$52 million; \$42.5 million from claims services.

PPOs available: Access, Affiliated Healthcare, Affordable, AIH, CAPP CARE, Emerald Health Network, Health Services, Preferred, Paramount, Parkside, US Health Plan, USA Healthnet, Cost Care.

Membership: IFEBP, SIA, SPBA.

Officers: Robert Parker, president; Arthur McGimsey, executive vp; Warren Blue, senior vp/general counsel; Robert Covert, treasurer; Gary Fansler, vp-marketing.

Contact: Gary Fansler.

Hertz Claim

Management Corp.

225 Brae Blvd., Park Ridge, N.J.
07656; 201-307-2505;
fax: 201-307-2709

Claims services since: 1981.

Parent: The Hertz Corp.

Business: 50% claims administration, 5% adjusting, 5% auditing, 40% other services.

Region served: Nationwide.

Specialties: 30% auto, 5% general liability, 25% health, 10% property, 25% workers comp., 5% other areas.

Self-insured clients: 350 administration clients, including 150 corporations, 200 public/government entities.

50 adjusting clients, all corporations.

10 auditing clients, all corporations.

Self-insured claims: \$926 million paid for administration clients. Health, workers comp., automobile, property damage and general liability claims adjusted. 10 claims-auditing projects conducted.

Staff: 1,478 total; 893 serving self-insurers only.

Branch offices: Administrative offices in Basking Ridge, Laurel, Parsippany, N.J.; Boston; Chicago; Dallas; Fresno, Glendale, Los Angeles, Orange, Pasadena, San Diego, San Francisco, Calif.; Miami; Pittsburgh; Washington. Sales offices in Los Angeles, Oklahoma City, San Francisco.

Subsidiaries: Best Impression Copy Service, HCM Marketing, HCM Claim Investigation, Regain, HCM Workers Compensation, HCM Medical Review.

Membership: SIA, SPBA.

Officers: Thomas J. Santorelli, president; Howard Rezak, executive vp; Richard P. McEvily, vp/secretary; Robert H. Rillings, treasurer; John Fahey, vp.

Contact: Peter Hamann, director-national sales.

Hewitt, Coleman & Associates Inc.

P.O. Box 3665, Greenville, S.C. 29608;
803-240-5800; fax: 803-232-8824

Claims services since: 1923.

Business: 65% claims administration; 35% other services, including accounting, data processing, excess placement, loss control, underwriting, implementation of risk retention groups and workers comp. pools.

Region served: Nationwide.

Specialties: 1% auto, 5% flex compensation, 10% general liability, 15% health, 69% workers comp.

Self-insured clients: 89 administration clients, including nine associations, 65 corporations, 15 public/government entities.

Two auditing clients, both corporations.

Self-insured claims: \$45 million paid for administration clients. Two claims-auditing projects conducted.

Staff: 85 total, all serving self-insurers.

Branch offices: Administrative offices in Birmingham, Ala.; Denver; Jackson,

Miss.; Little Rock, Ark.; Norcross, Ga.; Orlando, Fla.; Raleigh, N.C. Sales office in Baldwin, La.

Subsidiaries: Hewitt, Coleman/Kemron Environmental.

PPOs available: Intracorp, Focus Healthcare Management.

Membership: SIA.

Officers: Charles R. Warne, president; J. Jay Franks, senior vp; Garry W. Coulter, vp-excess and reinsurance; Ronald J. Graves, vp-loss control; Randy Chapman, vp-marketing.

Contact: Charles Warne.

J

JRH Risk Services Inc.

3000 Riverchase Galleria, Suite 700,
Hoover, Ala. 35244; 205-985-4400;
fax: 205-985-4505

Claims services since: 1979.

Business: 100% claims administration.

Region served: Nationwide.

Specialties: 60% health, 40% workers comp.

Health plans: 5,750 employees, 15,813 dependents covered.

Self-insured clients: 44 administration clients, including 42 corporations, two public/government entities.

Self-insured claims: \$20 million paid for administration clients.

Staff: 23 total, all serving self-insurers.

Branch offices: Sales office in Panama City, Fla.

1992 gross revenues: \$1.3 million, all from claims services.

PPOs available: Health Choice, Health Link, North Alabama PPO, Caraway System.

Membership: SIA, SPBA.

Officers: Larry C. Mathis, president; William V. Cable, vp.

Contact: William V. Cable.

W.J. Jones

Administrative Services Inc.

2001 Marcus Ave., Suite 288 W., Lake Success, N.Y. 11042; 516-775-5420;
fax: 516-775-6601

Claims services since: 1971.

Business: 65% claims administration, 10% adjusting, 25% other services.

Region served: Nationwide.

Specialties: 10% disability, 15% flex compensation, 65% health, 10% pensions.

Health plans: 85,000 employees, 40,000 dependents covered.

Self-insured clients: 94 administration clients, including one association, 93 corporations.

Self-insured claims: \$60 million paid for administration clients. Health, dental, disability claims adjusted.

Staff: 60 total; 30 serving self-insurers only.

1992 gross revenues: \$5 million; \$2.8 million from claims services.

Membership: SIA.

Officers: John P. Sherlock, president; Robert F. Sherlock, Kevin J. Sherlock, vps.

Contact: Robert F. Sherlock.

K

Keenan & Associates

2355 Crenshaw Blvd., Suite 200, P.O. Box 4328, Torrance, Calif. 90501;
310-212-3344; fax: 310-328-6793

Claims services since: 1978.

Business: 39% claims administration; 5% adjusting; 56% other services, including brokerage, benefit consulting, health-care, risk management and financial planning.

Region served: California.

Specialties: 2% auto, 5% general liability, 3% property, 90% workers comp.

Self-insured clients: 925 administration clients, including 19 corporations, 906 public/government entities.

466 adjusting clients, including 29 corporations, 437 public/government entities.

Self-insured claims: \$122.4 million paid for administration clients. Workers comp., general liability and auto claims adjusted.

Staff: 385 total; 179 serving self-insurers only.

Branch offices: Administrative and sales offices in Chico, Emeryville, Campbell, Fresno, Riverside, Santa Ana, Calif. Sales offices in Sacramento, San Diego, Westlake Village, Calif.

Subsidiaries: Regency Claims Service, Service Enhancement Technologies Inc.

1992 gross revenues: \$28 million; \$12.1 million from claims services.

PPOs available: Occupational Urgent Care Health Systems Inc.

Membership: SPBA.

Officers: John R. Keenan, CEO/president; David J. De Wenter, Harwood J. Eren, executive vps; Murton L. Munson, senior vp.

Contact: David J. De Wenter.

Kepple & Co. Inc.

209 W. Fifth St., Peoria, Ill. 61605;
309-673-7330; fax: 309-673-7369

Claims services since: 1982.

Parent: Proctor Healthcare Inc.

Business: 68% claims administration; 32% other services, including utilization review, COBRA, Taft-Hartley administration, drug testing, managed care services.

Region served: Nationwide.

Specialties: 1% disability, 8% flex compensation, 90% health, 1% life.

Health plans: 24,000 employees, 25,000 dependents covered.

Self-insured clients: 65 administration clients, including 37 corporations, four multiemployer plans, 23 public/government entities, one union-sponsored plan.

Self-insured claims: \$39 million paid for administration clients.

Staff: 65 total.

Membership: IFEBP, NAEBA, SIA, SPBA.

Officers: Philip C. Walker II, president; Norm Laconte, chairman; Richard Glass, vp/secretary/treasurer.

L

LaHood & Associates Inc.

P.O. Box 12170, Overland Park, Kan.
66212; 913-362-0040;
fax: 913-362-0041

Claims services since: 1974.

Parent: Blue Cross/Blue Shield of Kansas City.

Business: 100% claims administration.

Region served: Nationwide.

Specialties: 7% disability, 6% flex compensation, 84% health, 3% workers

Continued on next page

No. 0012 of 1993

IN THE HIGH COURT OF JUSTICE OF ENGLAND AND WALES Chancery Division Companies Court

IN THE MATTER OF ST HELEN'S INSURANCE COMPANY LIMITED (IN LIQUIDATION)

and

IN THE MATTER OF THE COMPANIES ACT 1985

NOTICE IS HEREBY GIVEN that by an Order of Mr Registrar Buckley dated 14th January 1993 made in the above matter, the Court has directed that a meeting be convened of Scheme Creditors (as defined in the Scheme of Arrangement hereinafter described) for the purposes of considering and, if thought fit, approving (with or without modification) a Scheme of Arrangement pursuant to section 425 of the Companies Act 1985 between the above Company and its Scheme Creditors and that such meeting be held at The Chartered Insurance Institute, 20 Aldermanbury, London EC2V 7HY on Friday 12th March 1993 commencing at 11.00 a.m. at which place and time all such Scheme Creditors are requested to attend.

Under the Scheme of Arrangement, a Scheme Creditor means a creditor of the Company in respect of a Scheme Claim and a Scheme Claim means any claim against the Company under or arising out of a contract or treaty of insurance, reinsurance or retrocession entered into by the Company and which is admissible in the winding up of the Company.

Any creditor of the Company who is or believes that he may be entitled to attend the said meeting can obtain a copy of the Scheme of Arrangement, the Explanatory Statement required to be furnished under section 426 of the Companies Act 1985 and the Form of Proxy for use at the said meeting from the liquidators whose address is, St Andrew's House, 20 St Andrew Street, London EC4A 3AD (quote reference IDBB/BDH/SA4) or their solicitors, Clifford Chance, 200 Aldersgate Street, London EC1A 4JJ (quote reference AJOW/RAXB) in each case during usual business hours on any day (except Saturday, Sunday or Public Holiday) prior to the date appointed for the said meeting.

Scheme Creditors may vote in person at the meeting or they may appoint another person, whether a Scheme Creditor or not, as a proxy to attend and vote in their place. Completed Forms of Proxy should be sent so as to arrive at the office of the liquidators shown above not less than 48 hours before the time appointed for the meeting, but if not, they may be handed to the Chairman at the meeting. By the aforesaid Order, the Court appointed Ian Douglas Barker Bond, or failing him, Timothy Richard Harris to act as Chairman at the said meeting and has directed the Chairman to report the results thereof to the Court.

Dated 21st January 1993

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Brookfield, WI 53008-0868
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Fax (414) 786-6647



Continued from previous page comp.

Health plans: 95,000 employees.
Self-insured clients: 210 administration clients.
Self-insured claims: Over \$200 million paid for administration clients.
Staff: 185 total.
Branch offices: Administrative offices in St. Louis. Sales offices in Waterloo, Iowa.
1992 gross revenues: \$10.6 million, all from claims services.
Membership: SIA, SPBA.
Officers: George E. LaHood, president; Joel Frisch, executive vp; George F. McDonnell, vp-sales/marketing; Kerry Reardon, vp-operations; Joanne Weber, vp-claims.
Contact: George F. McDonnell.

M

Management Services Inc.
 1 Towne Center, Danville, Ill. 61832;
 217-446-1089; fax: 217-443-0927

Claims services since: 1980.
Business: 100% claims administration.
Region served: Illinois, Indiana, Iowa, Missouri.
Specialties: 2% general liability, 59% health, 39% property.
Health plans: 15,000 employees, 37,500 dependents covered.
Self-insured clients: 167 administration clients, including 16 associations, 105 corporations, 46 public/government entities.
Self-insured claims: \$76.5 million paid for administration clients.
Staff: 208 total; 71 serving self-insurers only.
Branch offices: Administrative and sales offices in Des Moines, Iowa; Indianapolis; Oak Brook, Ill.; St. Louis.
Subsidiaries: Wolford Cannon Hoecker.
PPOs available: Business Health Services Inc.
Membership: SIA.
Officers: Samuel P. Cannon, CEO; Robert L. Cowgill, president; Gary J. Schirmer, Jacqueline J. Cannon, directors.
Contact: Bonnie B. Gotham, 800-252-5059 ext. 118.

N

Northshore International Insurance Services Inc.
 75 Lafayette St., 4th Floor, Salem, Mass. 01970; 508-745-6655;
 fax: 508-741-1642

Claims services since: 1988.
Business: 33% auditing; 70% other services, including review, audit and consultation to insurers, reinsurers and other risk bearing entities.
Region served: Nationwide.
Specialties: 10% auto, 20% general liability, 30% workers comp., 40% excess claim administration of specific and aggregate coverage.
Self-insured clients: 15 administration clients, all corporations.
 92 auditing clients, including 12 associations, 40 corporations, six multiemployer plans, six MEWAs, 28 public/government entities.
Staff: 40 total.
Branch offices: Administrative offices

in Austin, Texas; Brentwood, Tenn.; Chicago.
Subsidiaries: International Managed Care Services Inc., International Subrogation Management Inc., International Tertiary Services Inc.
Membership: SIA.
Officers: David W. Ives, president; Mark E. Scerra, Joseph J. Yablonski, Norman C. Tardif, vps.
Contact: David W. Ives.

P

Penn General Service Corp./ Hogg Robinson Inc.
 20 Custom House St., 7th Floor
 Boston, Mass. 02110; 617-330-5100;
 fax: 617-330-6940

Claims services since: 1972.
Parent: Hogg Robinson Inc.
Business: 100% claims administration.
Region served: Nationwide.
Specialties: 5% flex compensation, 64% health, 31% workers comp.
Health plans: 61,500 employees,

88,500 dependents covered.
Self-insured clients: 508 administration clients.
Staff: 310 total.
Branch offices: Administrative and sales offices in Austin and Irving, Texas; Marshfield, Mass.; Southfield, Mich. Sales offices in Albuquerque, N.M.; Atlanta; Bloomington, Minn.; Chicago; Culver City, Calif.; Lubbock, Texas; New York; Springfield, Mass.
1992 gross revenues: \$19.5 million.
Membership: IFEBP, SIA, SPBA.
Officers: Rick Citron, president; Don Kendeigh, Tom Ucko, Larry Wheeler, Tom Wilkins.
Contact: Tom Ucko, 355 Lexington Ave., New York, N.Y. 10017; 212-682-7500.

Professional Administrators Inc.
 3751 Maguire Blvd., Suite 100,
 Orlando, Fla. 32803; 407-896-0521;
 fax: 407-897-6976

Claims services since: 1972.
Business: 100% claims administration.
Region served: Nationwide.
Specialties: 5% flex compensation, 63% health, 32% workers comp.
Self-insured clients: 31 administration clients, including 26 corporations, five public/government entities.
Self-insured claims: \$22 million paid for administration clients.
Staff: 35 total, all serving self-insurers.
Officers: Byron Newbern, president; Paul Tobin, vp; Cecil Anderson, secretary/treasurer.
Contact: Paul Tobin.

Professional Managers & Claim Adjusters Inc.
 1055 Wilshire Blvd., Suite 1711, Los Angeles, Calif. 90017; 213-975-1288;
 fax: 213-975-1299

Claims services since: 1989.
Business: 70% claims administration; 20% adjusting; 10% other services, including offering services to insurance carriers, corporations and universities.
Region served: California, Oregon.
Specialties: 5% auto, 80% health, 10% professional liability, 5% workers comp.
Self-insured clients: Five administration clients, including one association, two corporations, one public/government entity, one union-sponsored plan.
 Three adjusting clients, including one association, one public/government entity, one union sponsored plan.
Staff: 18 total; eight serving self-insurers only.
Branch offices: Administrative offices in San Francisco and Tustin, Calif.
1992 gross revenues: \$720,000; \$648,000 from claims services.
Officers: Toni Magbaso, president; Lynn Benowitz, CFO.

Professional Risk Management Inc.
 7260 W. Blvd., Building H,
 Youngstown, Ohio 44512;
 216-726-5800; fax: 216-726-3786

Claims services since: 1981.
Business: 80% claims administration; 20% other services, including Section 125 Flex spending, workers comp administration.
Region served: Ohio, Pennsylvania, West Virginia.
Specialties: 5% flex compensation, 80% health, 15% workers comp.
Health plans: 11,500 employees, 17,500 dependents covered.
Self-insured clients: 138 administration clients, including 80 corporations, 58 public/government entities.
Self-insured claims: \$54.7 million paid for administration clients.
Staff: 50 total.
Branch offices: Sales office in Chillicothe, Ohio.
1992 gross revenues: \$1.6 million; \$1.3 million from claims services.
PPOs available: PrimeNet, Health-Star Managed Care Corp.
Membership: NAEBA, SPBA.
Officers: J.B. White, president; Ronald G. Blasko, executive vp; Robert R. Carr, vp-workers comp.
Contact: J.B. White, Rae Lackner, Diana Hogg.

R

RMSCO Inc.
 731 James St., Suite 309, Syracuse, N.Y. 13203; 315-474-8200;
 fax: 315-476-8440

Claims services since: 1981.
Business: 90% claims administration;
Continued on next page

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Continued from previous page
5% auditing; 5% other services, including auditing and monitoring insured workers comp.

Region served: Nationwide.
Specialties: 10% disability, 5% flex compensation, 45% health, 40% workers comp.

Health plans: 70,000 employees, 38,000 dependents covered.

Self-insured clients: 150 administration clients, including 111 corporations, 39 public/government entities.

29 auditing clients, including 18 corporations, 11 public/government entities.

Self-insured claims: \$170 million paid for administration clients. 29 claims-auditing projects conducted

Staff: 141 total; 78 serving self-insurers only.

Branch offices: Administrative and sales offices in Rochester, N.Y.

1992 gross revenues: \$7.5 million; \$6.1 million from claims services.

Membership: SIAA.

Officers: James Heitzhaus, president; Richard H. Sykes, Michael Hotaling, vps.
Contact: Richard H. Sykes.

Rasmusen Administrators

270 Davidson Ave., Somerset, N.J.
08873; 908-302-2400;
fax: 908-302-2440

Parent: W. R. Berkley Corp.

Business: 100% claims administration.

Region served: Delaware, New Jersey, Pennsylvania.

Specialties: 1% auto, 1% general liability, 16% health, 82% workers comp.

Self-insured clients: 186 administration clients, including one association, 10 corporations, 175 union-sponsored plans.
Staff: 130 total.

Branch offices: Administrative offices in Broomall, Pa.; May's Landing, N.J.; New Castle, Del. Sales offices in Atlanta; Broomall, Pa.; Jacksonville, Fla.

PPOs available: CHN, Multi Plan, PPS.

Officers: John Rath, Robert Hughes, Dan Robertson.

S

SRT Corp./Benefits & Insurance Services

426 N. 44th St., Suite 220; Phoenix, Ariz. 85008; 602-244-0891;
fax: 602-231-8823

Claims services since: 1971.

Business: 100% claims administration.

Region served: Nationwide.

Specialties: 2% auto, 10% general liability, 50% health, 38% workers comp.

Health plans: 2,200 employees, 3,500 dependents covered.

Self-insured clients: Five administration clients, including one association, four corporations.

Self-insured claims: \$5 million paid for administration clients.

Staff: 12 total; 10 serving self-insurers only.

1992 gross revenues: \$650,000.

PPOs available: Blue Cross/Blue Shield of Arizona.

Membership: SIAA, SPBA.

Officers: B.G. Redmon, president; Norm Taylor, vp-claims; Mike Goldberg, vp-finance; Karmel Vavra, secretary.
Contact: Karmel Vavra.

Self Insured Services Co.

P.O. Box 389, Dubuque, Iowa
52004-0389; 319-556-1456;
fax: 319-583-0439

Claims services since: 1980.

Business: 100% claims administration.

Region served: Nationwide.

Specialties: 5% auto, 1% disability, 4% flex compensation, 80% health, 10% workers comp.

Health plans: 35,000 employees, 100,000 dependents covered.

Self-insured clients: 130 administration clients, including 115 corporations, 10 public/government entities, five union-sponsored plans.

Self-insured claims: \$115 million paid for administration clients. Workers comp, auto and general liability and property claims adjusted.

Staff: 68 total, all serving self-insurers.

Membership: NAIBA, SIAA, SPBA.

Officers: John E. Butler, president; Andrew J. Butler, vp.

Contact: Andrew J. Butler.

W.H. Shepherd Cos. Inc.

300 Cahaba Park Circle, Suite 206,
Birmingham, Ala. 35242;
205-991-2817; fax: 205-995-0418

Claims services since: 1978.

Business: 80% claims administration, 5% adjusting, 5% auditing, 10% other services.

Region served: Nationwide.

Specialties: 5% disability, 5% flex compensation, 80% health, 10% workers comp.

Health plans: 15,300 employees, 38,600 dependents covered.

Self-insured clients: 35 administration clients, all corporations.

Two adjusting clients, both corporations.

Seven auditing clients, including two multiemployer plans, five public/government entities.

Self-insured claims: \$23 million paid for administration clients. Workers comp medical claims adjusted. Four claims-auditing projects conducted.

Staff: 26 total; 12 serving self-insurers only.

Subsidiaries: Corporate Benefit Consultants.

1992 gross revenues: \$2.2 million; \$1.8 million from claims services.

Membership: SPBA.

Officers: W. Hal Shepherd, president; Sanford Mullins, secretary; Dr. Allan Carter, chairman.

Contact: W. Hal Shepherd.

U

Underwriters & Administrators Inc.

6345 Flank Drive, P.O. Box 6250;
Harrisburg, Pa. 17112; 717-652-8040;
fax: 717-652-8328

Claims services since: 1977.

Business: 100% claims administration.

Region served: Nationwide.

Specialties: 5% disability, 80% health, 15% workers comp.

Health plans: 52,000 employees, 60,500 dependents covered.

Self-insured clients: 47 administration clients, including 22 corporations, 23 multiemployer plans, one public/government entity, one union-sponsored plan.

Self-insured claims: \$51 million paid for administration clients.

Staff: Over 60 total, all serving self-insurers.

1992 gross revenues: \$2.5 million, all from claims services.

PPOs available: Alliance/Mapsi, Alpha, Intracorp.

Membership: SIAA, SPBA.

Officers: S.F. Golin, president; Donald H. Evans Jr., Gregory Goun, vps.

Contact: S.F. Golin.

Underwriters Safety & Claims Inc.

P.O. Box 23790, Louisville, Ky. 40223;
502-244-1343; fax: 502-244-1411

Claims services since: 1941.

Business: 100% claims administration.

Region served: Alabama, Arkansas, Illinois, Indiana, Kentucky, Minnesota, Mississippi, Missouri, Pennsylvania, Tennessee, Virginia.

Specialties: 2% bonds, 40% health, 58% workers comp.

Self-insured clients: 126 administration clients, including two associations, 118 corporations, six union-sponsored plans.

Self-insured claims: \$135 million paid for administration clients.

Staff: 165 total; 85 serving self-insurers only.

Branch offices: Administrative offices in Chicago, Marion, Ill.; Jackson, Miss.; Knoxville, Memphis, Tenn.; Norton, Va.; Paintsville, Ky.; Pittsburgh, Pa.

Subsidiaries: Bluegrass Rehabilitation Inc.

1992 gross revenues: \$12.5 million.

Membership: SIAA.

Officers: Bruce L. Ferguson, president; Bruce W. Ferguson Sr., Jack D. Stewart and Scott C. Ferguson, vps.

Contact: Bruce W. Ferguson Sr.

W

Wausau Insurance Cos.

2000 Westwood Drive, Wausau, Wis.
54401; 715-845-5211;
fax: 715-847-8977

Claims services since: 1971.

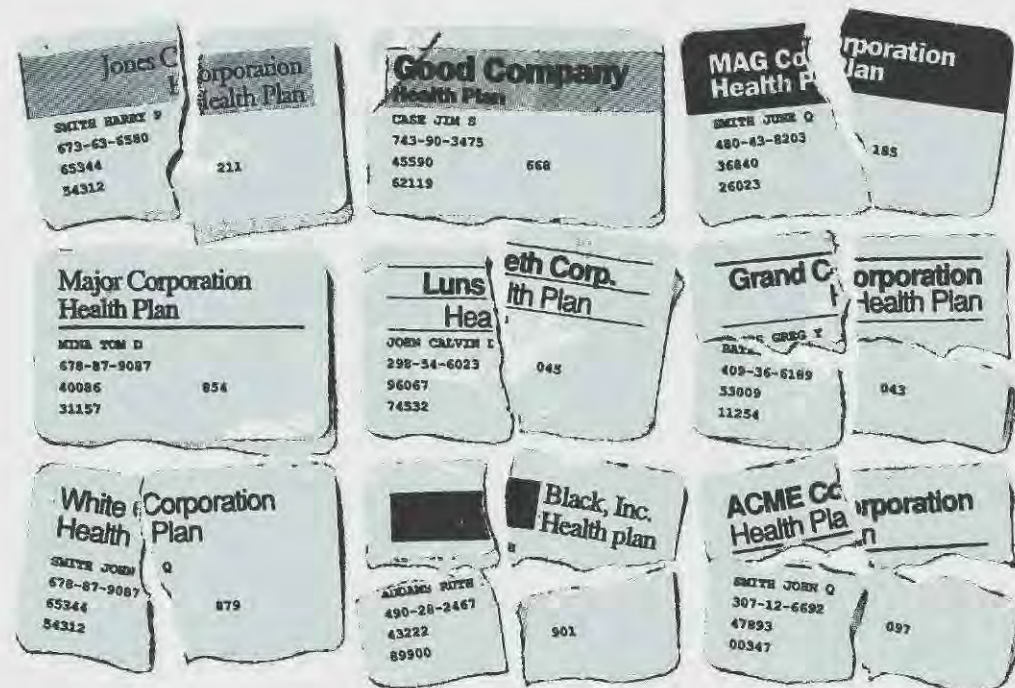
Parent: The Nationwide Group.

Business: 80% claims administration, 15% adjusting, 5% auditing.

Region served: Nationwide.

Specialties: 2% auto, 5% general liability, 65% health, 12% professional liability.

Continued on next page



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Continued from previous page

bility, 16% workers comp.
Health plans: 130,000 employees, 325,000 dependents covered.

Self-insured clients: 193 administration clients, including five associations, 172 corporations, two multiemployer plans, 14 public/government entities.

Eighteen adjusting clients, including 15 corporations, three public/government entities.

Five auditing clients, including three corporations, two public/government entities.

Self-insured claims: \$183 million paid for administration clients. General and professional liability and workers comp claims adjusted. Five claims-auditing projects conducted.

Staff: 6,100 total; 160 serving self-insurers only.

Branch offices: Administrative offices in 27 locations nationwide. Sales offices in 150 locations nationwide.

Subsidiaries: Countrywide Services Corp.

1992 gross revenues: \$15.5 million from claims services.

PPOs available: FOCUS Healthcare Management Inc., HSI, OUCH, PCN of Illinois, PHIC, PPOM.

Officers: John Fisher, chairman; Lee J. Weinberger, president/CEO; Carl J. Santillo, executive vp-operations; Thomas Kryshak, executive vp-finance; Bill Wy-more, executive vp-insurance services.

Willis Corroon Administrative Services Corp.

26 Century Blvd., Nashville, Tenn.
37214; 615-872-4000;
fax: 615-872-4333

Claims services since: 1905.

Parent: Willis Corroon P.L.C.

Business: 90% claims administration, 5% auditing, 5% other services.

Region served: Nationwide.

Specialties: 7% auto, 1% flex compensation, 15% general liability, 26% health, 1% property, 50% workers comp.

Self-insured clients: 247 administration clients, including 29 associations, 135 corporations, 83 public/government entities.

Self-insured claims: \$247 million paid for administration clients.

Staff: 450 total; 241 serving self-insurers only.

Branch offices: Administrative offices in 35 locations nationwide.

Subsidiaries: MedTrac Inc.

Membership: SIA, SPBA.

Officers: Brian Johnson, chairman; Louis Midden, COO/executive vp-property/casualty division; Richard Ford, COO/executive vp-life & health division; Randy Cook, Vincent Price, Steve Thompson, vps.

Contact: Louis E. Midden.

Woods & Grooms Inc.

3126 17th St., Columbus, Ind. 47201;
812-372-9955; fax: 812-379-2077

Claims services since: 1978.

Business: 52% claims administration; 48% other services, including property and casualty.

Region served: Nationwide.

Specialties: 10% flex compensation, 90% health.

Health plans: 9,000 employees, 18,000 dependents covered.

Self-insured clients: 60 administration clients, including 52 corporations, eight public/government entities.

Self-insured claims: \$30 million paid for administration clients.

Staff: 36 total; 25 serving self-insurers only.

1992 gross revenues: \$2.5 million; \$1.3 million from claims services.

PPOs available: SAGAMORE, Health Care Savings, Alliance, Southcare.

Membership: SIA, SPBA.

Officers: Phillip L. Woods, chairman; Michael W. Willett, president; Michael Fredrickson, Ramena Lacey, vps.

The Woodsmall Cos.

5 Crown Center, Suite 600, Kansas City, Mo. 64108; 816-421-7788; fax: 816-472-5517

Claims services since: 1980.

Business: 66% claims administration; 34% other services, including property/casualty brokerage, loss control services, financial and collateral services.

Region served: Nationwide.

Specialties: 1% auto, 1% flex compensation, 1% general liability, 72% health, 25% workers comp.

Health plans: 51,500 employees, 143,000 dependents covered.

Self-insured clients: 118 administration clients, including four associations, 105 corporations, one multiemployer plans, eight public/government entities.

Self-insured claims: \$116 million paid for administration clients.

Staff: 154 total; 98 serving self-insurers only.

Branch offices: Administrative and sales offices in Des Moines, Iowa.

1992 gross revenues: \$10.1 million; \$6.6 million from claims services.

PPOs available: Mid-America Health Network, Health Link, Preferred Health Professionals, American Health Alliance, Preferred Care, ConservCo, Employers Health Services, FOCUS.

Membership: NAEBA, SIA, SPBA.

Officers: Warren O. Woodsmall, chairman; Peter L. Woodsmall, president/CEO; Thomas E. Klug, J. Michael Brewer, executive vps; Gordon Cook, vp/CFO.

Contact: Janie Morris.

Chinese insurer's ESOP forms Delaware subsidiary

By JUDY GREENWALD

WILMINGTON, Del.—The first Chinese-owned insurance company in the United States in at least 40 years is gearing up to write commercial property/casualty coverage in this country.

Ping An Insurance (U.S.A.) Co. Ltd., which received a Delaware license on Dec. 30, is operated by a fund owned by employees of the Shenzhen, China-based Ping An Insurance Co. The Staff Co-Share Fund, essentially equivalent to an employee stock ownership plan, makes investments on behalf of Ping An employees under the direction of a management committee, noted Nick Pearson, an attorney with Carter, Ledyard & Milburn in New York, which helped obtain the license.

Right now, the company, which has a "very modest" capital and surplus of \$1.1 million, is setting up its administrative procedures. Its four-man staff does not plan to move into its Wilmington quarters until next month.

But, Ping An expects to write about \$1 million in property, marine, transportation and some liability premiums this year, Mr. Pearson said.

"Initially, it will probably look to entities doing business on a joint venture basis between Chinese and

American companies," said Mr. Pearson. It will also write business for Chinese companies doing business in the United States and assume reinsurance from Ping An as well.

Ping An (USA)'s business may eventually expand beyond these areas, however, as its cash flow improves, said Mr. Pearson.

The U.S. company is part of an effort by Ping An to expand its operations internationally, Mr. Pearson said.

It will all be a learning experience for the company's management, said President Li Xiao Liang, who was director and general manager of the People's Insurance Co. of China's Shanghai branch before moving to the United States three months ago to assume his new position.

The company will engage in "very prudent underwriting," said Mr. Li, noting that "ping" means safety.

The Chinese Ping An, which was founded in 1988, is one of just three Chinese insurance companies, and the only one established as a stock company, Mr. Pearson noted. The Staff Co-Share Fund is a major stockholder, and the remaining three shareholders are entities that are owned in whole or part by the Chinese government.

BI

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INTERNATIONAL

War risk rates rise after strikes on Iraq

By GAVIN SOUTER

LONDON—Hull and cargo war risk rates for Kuwait and the Persian Gulf are higher in the London market after last week's Allied air strikes in Iraq.

However, war risk underwriters expect rates to fall as soon as the military activity ceases and the political situation in the area stabilizes.

Political risk underwriters also are wary of insuring trade risks in the Persian Gulf region until the threat of military action recedes. But few companies have been seeking such coverage in recent weeks, underwriters and brokers add.

The joint Lloyd's of London/Institute of London Underwriters war risk rating committee last Monday marked Kuwait and the neutral zone, an area bordered by Iraq, Kuwait and Saudi Arabia, as a held-cover area for marine and aviation cargo rates.

Under held-cover status, individual underwriters can set their own war risk rates for cargo risks in the designated zones. Under normal status, they would typically follow the committee's standard rate scale—between 0.0275% and 0.025% of insured value—for cargo war risks.

Some underwriters last week also increased marine hull war risk rates for vessels in some areas of the Per-

sian Gulf, said Richard Hilliard, managing director of Leslie & Godwin Marine Ltd. "But only part of the market is reacting and those that are increasing rates will probably climb down soon."

Shipowners with existing large war risk contracts are generally not being charged additional premiums by underwriters, Mr. Hilliard said.

According to Mark Reith, war risk underwriter for syndicates managed by Alston Brockbank Agencies Ltd., typical additional premiums for seven days of marine hull war risk coverage in the Persian Gulf late last week were: 0.15% to 0.2% for Kuwaiti waters, 0.075% to 0.1% for waters off northern Saudi Arabia

and 0.025% to 0.05% for Iranian waters in the northern Persian Gulf.

Aviation hull war risks are included in standard coverage and few additional premiums have been charged for flights to Kuwait, brokers say.

Political risk underwriters last week were more cautious of underwriting exposures in nations around Iraq. No risks are written for exposures in Iraq due to the United Nations sanctions in force since 1990.

"Political risk underwriters are slightly more nervous about risks in Saudi Arabia and Abu Dhabi, and Kuwait remains a difficult area,"

said Kit Brownlees, managing director of Investment Insurance International, a political risk unit of Hogg Group P.L.C.

Capacity for contract frustration coverage in London has still not recovered to pre-Persian Gulf war levels, he said.

Currently, London capacity for contract frustration coverage anywhere in the world stands at between \$30 million and \$40 million, whereas two years ago it stood at between \$60 million and \$80 million, Mr. Brownlees said.

However, the reduction in capacity is largely due to general market conditions rather than a hangover

Continued on next page

Quake rates may jolt Japanese insurers

By STACY SHAPIRO

LONDON—Even before the earth shook last week in one of Japan's biggest quakes, London underwriters had decided to boost earthquake reinsurance rates by as much as 200% for the country's 23 non-life insurance companies.

The Jan. 15 quake registered 7.8 on the Richter scale, making it the country's worst in 11 years. The jolt was centered offshore of Kushiro City in Eastern Hokkaido in Northern Japan.

The Marine & Fire Insurance Assn. of Japan Inc. has not yet compiled an official insured loss esti-

mate, said Nobuo Hara, general manager of the international department of the association in Tokyo.

However, The Japanese Fire Defense Agency, part of the Ministry of Home Affairs, says that one person died and 614 people were injured. Other reports say two were killed.

The ministry said the property reported damaged so far includes: 71 public buildings, 341 educational facilities, 471 roads, 29 bridges, 26 harbors and fishing ports, 248 forestry and fishery facilities, 161 waterworks and sewers, and four railroads. In addition, 11 houses were destroyed and 537 were damaged.

London reinsurers and brokers said last week the insured loss from the quake would be minimal for the 23 Japanese non-life insurers because the temblor occurred in the country's Earthquake Zone 1, which is mainly agricultural land. The quake was felt in Earthquake Zone 5, which includes Tokyo, but did not cause any damage there.

"There are one or two reasonable-size losses in the (Kushiro) port area which might have an impact on the reinsurance market," said a London-based broker last week. Other than that, insured losses so far are expected to be small, he said.

"We can assume the losses won't

be tremendously large or we would have heard from our clients," added Mark Stobart, director of Leslie & Godwin Reinsurance Ltd.

All Japanese earthquake insurance for private dwellings, including wooden structures, is incorporated into a special government-supported program set up in 1966. All policies are wholly reinsured with Japan Earthquake Reinsurance Co. Ltd., a pool of private insurers that is covered by excess-of-loss reinsurance provided by the government.

The one exception is farmhouses and other farm buildings, which are insured and reinsured privately through Zenkyoren, the National

Mutual Insurance Federation of Agricultural Cooperatives (BI, Aug. 12, 1991).

The quake occurred just as London underwriters started negotiations for the April 1 reinsurance renewals of the 23 Japanese non-life insurers and Zenkyoren.

The underwriters' resolve to re-rate earthquake reinsurance for the 23 non-life insurers comes after rates for Japanese windstorm coverage were re-examined in light of Typhoon Mireille, which caused \$5 billion in insured damage in 1991. London underwriters last year wanted to charge 20 to 65 times

Continued on next page

Captive to reinsure Lloyd's syndicate

By STACY SHAPIRO and GAVIN SOUTER

LONDON—The captive insurance company of Imperial Chemical Industries P.L.C. is writing quota share reinsurance for a marine syndicate under new Lloyd's of London regulations.

London-based Imperial Chemicals Insurance Ltd. is writing the quota share reinsurance program for marine syndicate 741, managed by A.J. Archer & Co. Ltd., that amounts to 5% of the syndicate's premium capacity, said Robert

LONDON

Godden, IC Insurance's marine manager.

According to a report last week, this transaction makes ICI the first multinational to inject corporate capital into the Lloyd's market through its captive insurer.

However, Mr. Godden and London-based brokers called that report inaccurate. IC Insurance is merely taking advantage of Lloyd's new regulations that allow syndicates to

increase their premium capacity by 25% using quota share reinsurance placed outside the market, they say.

"This is just a straight quota share reinsurance deal. It's nothing more than that," said Mr. Godden. "This is not a corporate move on the part of ICI."

IC Insurance now underwrites mainly ICI coverages as well as some third-party business through London brokers. Its annual gross premium volume is about \$171 million.

Improved rates and conditions in the marine market prompted the

captive to participate in syndicate 741's quota share reinsurance, Mr. Godden said. The reinsurance is placed by Carpenter Bowring, the reinsurance arm of C.T. Bowring & Co. Ltd.

Scotland flood claims

Insurance losses after floods and windstorms in Scotland last week could reach 15 million pounds (\$23.3 million), insurers estimate.

The Scottish Highlands have suffered severe wind and snow storms over the past two weeks. However,

most damage was caused by flooding during a rapid thaw after the snowfall. Many shops and businesses in Perth suffered flood damage in their basement storage areas after the River Tay burst its banks. Flood waters reached ceiling level in one residential area.

General Accident Fire & Life Assurance Corp. P.L.C., headquartered in Perth, expects to pay out 5 million pounds (\$7.75 million), equally divided between homeowners and commercial property claims, as a result of the flooding and wind-

Continued on page 65

Single EC insurance market still just a dream

By ALINE SULLIVAN

BRUSSELS, Belgium—Freedom of financial services still is not a reality in the European Community, even though the Jan. 1 target date for becoming a single insurance market has passed.

Issues still are being debated in Brussels and many regulatory changes must be implemented before a single market is achieved.

A particular directive that changes public procurement legislation will have a huge impact on insurance purchasing in the European Community, said Patrick Devine, an attorney specializing in European insurance at London law firm Clyde & Co.

The Utilities Services Directive, which becomes effect July 1, will require national and local governments and state-controlled utilities to purchase their insurance on a competitive-bid basis.

Most worrisome about the implementation of this directive is the prospect that a company with a government contract would not be able to secure emergency insurance for a previously unidentified risk, he said.

However, the Utilities Services Directive allows for some exceptions, including liability insurance and captive insurance arrangements.

Various other directives are taking effect in stages. For example, as of Jan. 1, under the Second Non-life Insurance directive, insurers based in any member state and with total assets of at least 6 million European Monetary Units (\$7.32 million) will be able to conduct business in another member state. Prior to Jan. 1, this applied only to companies with total assets of more than 12 million ECUs (\$14.6 million). Spain, Greece and Portugal have been allowed more time to implement this directive, which was introduced in 1990.

All member states still have three years to implement an E.C. recommendation governing insurance brokers. Some countries, including Italy, Spain and Denmark, are introducing such legislation gradually. The laws will require intermediaries to achieve a minimum level of professional qualification, be registered at a national level and adhere to disclosure rules concerning any ties with insurers.

Freedom of services for small commercial and personal lines business will come into effect July 1, 1994, when the Third Non-Life Directive is implemented (BI, March 2, 1992).

Life insurance sales are covered in the Life Services Directive, which is to become effective by May 1993. This will enable companies to sell life insurance to individuals elsewhere in the European Community in cases where the buyer initiates the purchase. Insurers will not be allowed to market

to specific individuals because consumer protection laws vary from country to country.

The proposed Directive on the Liability of Suppliers of Services is scheduled to be implemented Dec. 31, 1994. However, the directive, which concerns liability claims by individuals for injury to themselves or their property by a public or private service provider, may require some modifications before it is approved by the European Parliament, said a spokesman for Britain's Department of Trade and Industry.

Another directive scheduled to come into force in 1994 will make employers in the European Community liable for protecting pregnant employees from physical or mental risks to themselves or their unborn children. Employers will be required within two years to assess any physical, chemical or biological risk facing pregnant employees. Employers also must follow E.C. guidelines regarding exposure to mental and physical fatigue (BI, Nov. 16, 1992).

Other changes in legislation being considered by the European Community include a draft convention concerning civil liability arising from environmental impairment and a draft waste directive. Mandatory liability coverage for employees traveling on business is also being considered.

The European insurance industry has lobbied strongly against aspects of these proposed changes in legislation

Continued on next page

War risks

Continued from previous page
from the conflict, he said.

Political risk underwriters have not responded to the recent military activity by increasing rates. Instead, they are postponing writing any new contracts for risks in the Persian Gulf region until the outcome of the renewed conflict is clear, said Mark Drummond-Brady, director of political risks at Lloyd Thompson P.L.C. in London.

Some underwriters will give tentative non-binding quotes on Kuwaiti business while others refuse to quote until there is a clearer picture of what is happening in the region, he said.

Underwriters have had few inquiries for political risk coverage in Kuwait over the past two weeks.

"We have received no increase in

inquiries for coverage in the Middle East as a result of the military activity," said Jacqueline Deane, West Coast regional manager-political risk at AIU North America Inc. in San Francisco. Consequently, AIU has not had to quote rates for political risk coverage in the area over the past week, she said.

European underwriters also have received few inquiries, said Louis Habib-Deloncle, chairman of the P.A.R.I.S. Pool, a Paris-based political risk insurance pool.

"If the demand was there for Kuwait and Saudi Arabia we would have the capacity," he added.

Underwriters do not believe that the Allies will allow Iraq to invade Kuwait again, Mr. Habib-Deloncle said. However, if coverage was required now, an increased rate would be imposed, he added.

Underwriters at present would

ask for a premium of between 3% and 5% of limits for political risk coverage in the Gulf area, whereas two weeks ago, the rate would have been about 2%, he said.

Currently, underwriters' main concern in the Middle East is on trading risks with Iran, which is unrelated to the renewed military activity, AIU's Ms. Deane said.

"It seems that Iran is having financial difficulties due to its purchasing of weapons from countries in the former Soviet Union," Mr. Habib-Deloncle said.

Reports suggest that the financial commitments that Iran is making on arms deals is leaving the country short of finances to pay other trade debts, Mr. Habib-Deloncle said. Rates for contract frustration for Iranian trade now stand at approximately 5% of insurance limits, he said.

Fishers Group Ltd., a loss adjuster based in Banstead, England, was appointed by the Kuwaiti authorities as loss adjusters for processing larger claims arising from the 1990-1991 occupation by Iraq.

Under U.N. supervision, the claims will be paid with Iraqi funds being held outside Iraq.

Fishers will deal with claims submitted by both companies and individuals, said Tom Andrews, managing director of Fishers International Kuwait Ltd. in Kuwait City.

According to a timetable set by the United Nations, any claims for the massive environmental damage and depletion of oil field reservoirs would have to be submitted by government representatives, Mr. Andrews said.

•
Maria Kielmas in London contributed to this article.

E.C. directives

Continued from previous page
and decisions on these issues have been postponed until 1994.

"We don't know what is happening with some of the environmental proposals because so many decisions have been postponed," said Ken Fox of the Assn. of British Insurers.

"It may be that these issues become a high priority now that Denmark has the presidency" of the European Community, Mr. Fox commented.

Denmark generally takes a pro-environment stance on such proposals.

The European Community presidency rotates among the 12 member states every six months. Britain held the position during the second half of 1992. **BI**

Quake rates

Continued from previous page
the price they charged in 1991 for windstorm catastrophe reinsurance (BI, Feb. 17, 1992).

One underwriter predicted that premiums would climb as much as 200% for earthquake reinsurance and another 25% for windstorm risks this year.

Windstorm and earthquake reinsurance have been individually rated since last year.

Another factor in the earthquake re-rating is the series of catastrophes last year topped by Hurricane Andrew in the United States. These disasters are forcing reinsurers worldwide to boost their catastrophe reinsurance rates (BI, Jan. 4).

"There is a general desire to get catastrophe rating up worldwide," said John Myers, managing director-international reinsurance division of Willis Corroon P.L.C.

"My feeling is that the London market will concentrate on increasing rates on the earthquake side," said David Ambrose, managing director of Clarkson Bain (Japan) Ltd. in London.

"Last year, the (London) market focused on wind and flood and not earthquake," added Mark Stobart, director of Leslie & Godwin Reinsurance Ltd.

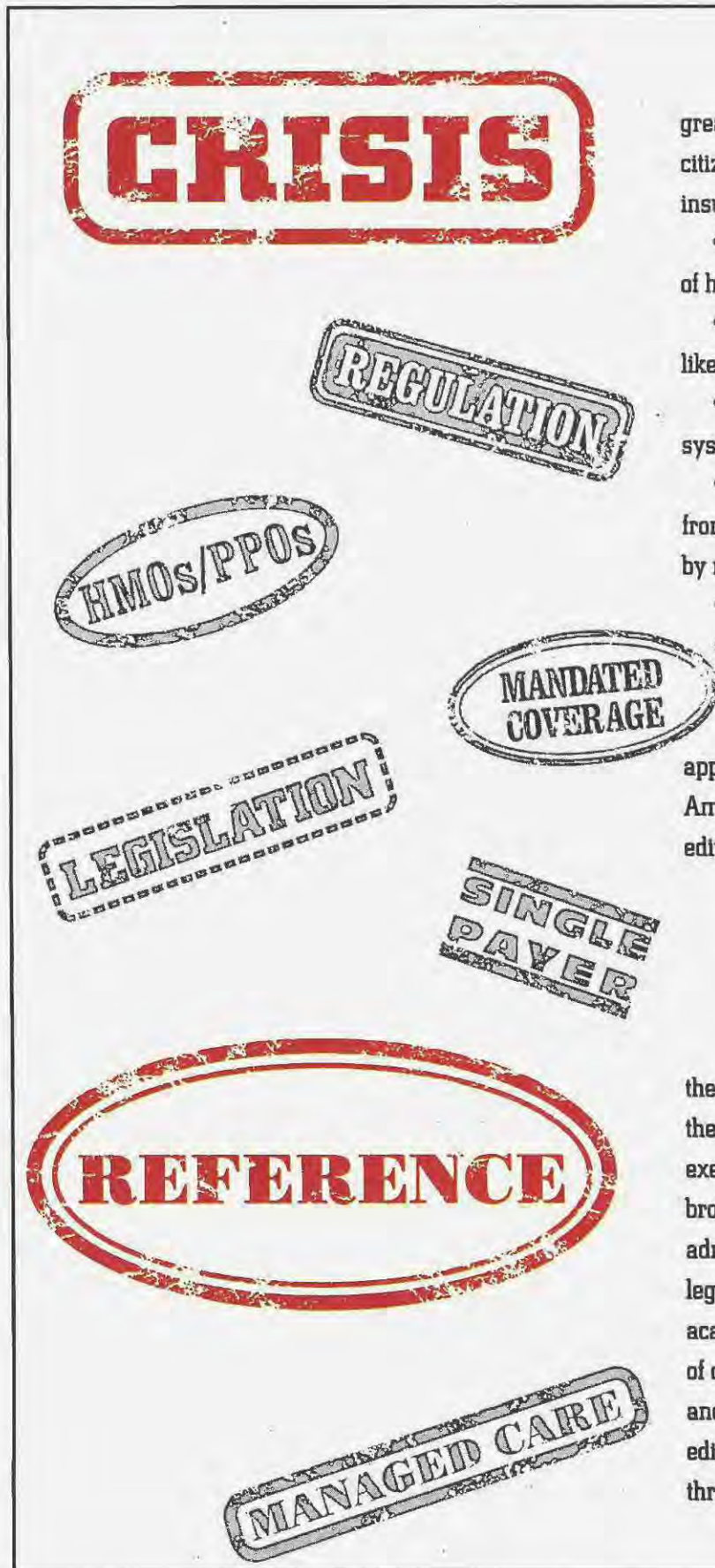
This year the focus is on earthquake, particularly because many people believe the next big catastrophic loss could be a major Tokyo earthquake, he added. "Andrew shows how much of a catastrophic loss can be transferred" to reinsurers.

The renewals also will be complicated by London underwriters discovery last July that they were reinsuring more earthquake coverage than they thought in Japan, London sources agreed.

Since 1966, Japanese insurers have only covered a percentage of a property's insured value, depending on which of the 11 earthquake zones it was located. For example, if an earthquake occurred in Tokyo, only 15% of the total loss was covered.

So if a \$10 million plant was destroyed, the insurer paid \$1.5 million and the policyholder paid \$8.5 million. If the damage only cost \$5 million, the insurer paid \$750,000 and the policyholder paid \$4.25 million.

Unbeknownst to reinsurers until last July, Japanese insurers also offered earthquake coverage on a "first loss" basis to some policyholders, mainly oil-related businesses. Under these terms, the payout would be 15% of the insured value rather than 15% of the damage. This meant that no matter what the ultimate damage to the \$10 million plant was, the insurers were still liable for 15% or \$1.5 million if damage reached that sum. **BI**



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- What are the problems preventing small employers from providing the same type of health care coverage offered by most large employers?
- Should the government strictly control health care costs?
- Should health care services be rationed?

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LONDON

Continued from page 63
storms, a spokesman said. General Accident is the insurer for the Perth local governmental authority and holds approximately 30% of the area insurance market.

Guardian Royal Exchange P.L.C. has a smaller market share and it projects that claims will not exceed 500,000 pounds (\$774,500), a spokesman said.

Royal Insurance Holdings P.L.C. is expecting "at the very most a couple thousand claims," with a combined cost of less than 500,000 pounds, a spokesman said.

Reinsurance dispute

Members of Lloyd's of London syndicate 640 have won a reprieve from looming cash calls after the syndicate's underwriter, Paul Toomey, won a reinsurance dispute.

Judge Anthony Diamond ruled Jan. 14 in London's High Court that an unlimited runoff reinsurance policy placed in 1973 with Eagle Star Insurance Co. Ltd. for 1965 and prior years of account was "all-embracing" and should pay all valid claims.

Syndicate 640 does not have to prove that it is legally liable for each claim for Eagle Star to pay the loss, the judge ruled.

Eagle Star—which had honored the runoff policy until June 1991—plans to appeal the decision (BI, Nov. 16, 1992).

The now-defunct syndicate 640, managed by Lloyd's-owned runoff agency Syndicate Underwriting Management Ltd., is unlikely to make a cash call this month in light of the decision, said Mr. Toomey. Any future cash calls depend on the outcome of the appeal, he said.

Braer claims delay

Payment of the London portion of the hull claim from the wrecked tanker MV Braer was halted by a court injunction last week.

Cargo owner Ultramar Corp. was granted the injunction that stopped payment to tanker manager Bergvall & Hudner Ship Management.

Terrytown, N.Y.-based Ultramar sought the injunction at the request of its insurers, which may seek to subrogate, an Ultramar spokesman said.

"We expect our own cargo claim to be paid fairly soon, but we have an obligation under our policy to cooperate with our underwriters, and they might want to get recompense from the shipowners," he said.

The purpose of the injunction would be to ensure that the tanker manager did not spend the payout

on the hull claim before the cargo owner's insurers have a chance to subrogate, sources say.

The Braer hull has an insured value of \$12.7 million. Three-quarters of the coverage is placed in London (BI, Jan. 11).

The cargo was valued at approximately \$11 million. Coverage is led by Lloyd's syndicate 79.

London lawyers Clyde & Co. are representing Ultramar.

Syndicate losses grow

Losses for the open 1989 year for defunct Lloyd's of London syndicate 475, underwritten by Roy Bromley, have grown to at least 200% of its premium capacity and "could be worse," according to the syndicate's new agent. The syndicate's losses originally were forecast at 60% of its premium capacity.

Recent news reports speculated that losses could escalate to as high as 500%, which would be equivalent to 128 million pounds in value (\$198.3 million). Losses of that magnitude would make members of the syndicate the hardest hit by the London market excess of loss reinsurance spiral.

Suggestions that the losses are above 200% of capacity, however, "are purely speculation," Trevor Bradley, managing director of agent Knightstone Group Ltd., told members agents. Every effort is being made to quickly make an accurate loss assessment, he said.

Meanwhile, Knightstone hopes to defer any cash calls until June.

The syndicate, which was managed by Spratt & White Ltd. until the agency was bought by Knightstone last autumn, incurred the losses because of "inadequacy of the reinsurance program," Mr. Bradley stated.

New regulatory board

Lloyd's of London's new Regulatory Board is composed of 16 people who are mainly non-working members of the Council of Lloyd's or non-Lloyd's Council members nominated by the Bank of England.

The new regulatory board was appointed during the Jan. 7 Lloyd's Council meeting at which David Rowland was officially elected as Lloyd's first paid chairman. Stephen Merrett and Robert Hiscox were officially elected deputy chairmen by the council.

The new regulatory board, which will be separate from the council and the market board, is headed by Brian Garraway, former deputy chairman of B.A.T. Industries P.L.C.

The twofold purpose of regulation is to maintain the market's security and to foster confidence among the members and policyholders of Lloyd's, Mr. Garraway said. The regulatory board must be independent from the rest of the market to do that job, he said.

In addition to Mr. Garraway, the nominated council members on the regulatory board are: Bob Hewes, director of Lloyd's regulatory services; Sir Maurice Hodgson, former chairman of Imperial Chemical Group P.L.C.; Anthony Isaacs, senior partner at Stephenson Harwood; Andrew Large, chairman of the U.K. Securities & Investments Board; and Sir Jeremy Morse, chairman of Lloyds Bank P.L.C.

The five external members are: Lady Delves Broughton, David James, Peter Nutting, Valerie Robinson and Peter Viggers.

The four working members are: Paul Archard, managing director of underwriting agency Murray Lawrence & Partners; Richard Hazell, director of underwriting agency Cater Allen P.L.C.; Anthony Howland Jackson, chief executive and deputy chairman of brokerage Hogg Group P.L.C.; and George Lloyd-Roberts, director of underwriting agency Lloyd-Roberts & Gilkes Ltd.

Also on the regulatory board is John Mallinson, Lloyd's general counsel.

Meanwhile, Mr. Rowland has changed his own membership arrangements at Lloyd's so that he is not seen to favor any individual syndicates.

Instead of selecting individual syndicates himself, Mr. Rowland has opted for a pooling arrangement that Sedgwick Lloyd's Underwriting Agents Ltd. has set up for 1993. Under the Sedgwick Standard Program, members participate in 40 syndicates selected by Sedgwick. Capacity for members participating in the plan is usually limited to 400,000 pounds (\$616,000).

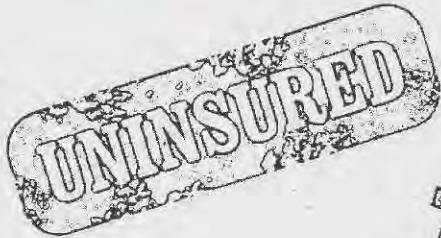
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Withholding tax

Continued from page 1

ary, the company's benefits department was bombarded with 4,000 phone calls in a two-week period from employees who didn't understand the law or thought taxes were being increased, said Rita Metras, director of employee benefits-retirement and savings plans for the Rochester, N.Y.-based company.

Hundreds of employees at another company were ready to withdraw funds from saving plans because they mistakenly believed—possibly due to a misleading newspaper story—that the government was increasing the effective tax rate, rather than the withholding tax, on pension distributions, said Michael Sternklar, a principal at Kwasha Lipton in Fort Lee, N.J.

"The No. 1 problem is employee understanding," Mr. Sternklar said.

For employers, complying with the law has been a huge administrative headache as companies try to answer questions from confused employees. In addition, lots of follow-up is needed when employees don't properly fill out distribution forms.

"There isn't time for this," said Paul Nordine, vp and benefits consultant at BankAmerica Corp. in

San Francisco.

And regulations the IRS proposed last October to implement the new law will cause even more problems for employers and employees, benefit consultants and benefit managers say (BI, Oct. 26, 1992).

The biggest problem with those regulations is the employee notification requirements. Employers must notify employees—in writing—of the withholding tax and their options to possibly avoid the tax between 30 and 90 days before the distribution.

That 30-day pre-distribution notice, which benefit consultants say has no statutory basis, prevents employers from quickly responding to employees who immediately need to withdraw money from savings plans to meet a financial crisis.

"This really goes against the grain. Employers have been investing fortunes to improve their administrative systems so they can act within days on employee requests. Yet, here is the IRS saying, 'You have to wait 30 days to get your money that you have an urgent need for,'" said Gary Blank, a consultant with The Wyatt Co. in San Francisco.

"We are penalizing employees who have an urgent need for the money and know exactly what they

are going to do with it," said Kodak's Ms. Metras.

The 30-day wait will discourage employees from participating in savings plans, conflicting with the congressional intent of boosting the national retirement savings rate, benefit experts say.

"One way to encourage participation in savings plans is for employees to know that in an emergency they don't have to worry about access to funds. Now, the IRS says you have to wait," said Lynn Dudley, director of retirement policy at the Assn. of Private Pension & Welfare Plans in Washington.

Several benefit lobbying groups—including the APPWP, the ERISA Industry Committee and the Profit Sharing Council of America—say the remedy to the 30-day wait is simple: Allow employees to waive the waiting period.

"Employees who have received the required notice of their rights should be allowed to waive the 30-day waiting period," said John Vine, counsel for the ERISA Industry Committee, an employer lobbying group, and a partner with the Washington law firm of Covington & Burling.

And, because many employers administer their plans electronically through voice-response telephone

systems and computer networks, the IRS should modify the regulations to allow employees to waive the 30-day waiting period either electronically or in writing so they can receive hardship and other distributions without delay, Mr. Vine testified before the IRS this month.

Benefit consultants who attended the IRS hearing say the IRS is sympathetic to employer concerns and that some relaxation of the 30-day waiting period is likely.

"I'm optimistic that the IRS wants to accommodate employer concerns," said Gerald Uslander, a principal with William M. Mercer Inc. in Washington.

But there are limits to the regulatory relief the IRS can provide. Groups like the APPWP are urging Congress, at a minimum, to waive the 20% withholding tax for hardship withdrawals.

Benefit experts say there may be a way for employees to circumvent the 20% withholding tax for hardship withdrawals. Employees could, for example, set up a so-called conduit IRA. The employer then would directly transfer a distribution to the IRA, and the employee would withdraw the funds. In such a situation, the 20% withholding tax would not apply.

But Ms. Dudley points out that

this two-step process would delay distributions. "It is an unnecessary step. It takes time," she says.

Others question if the IRS might say that such transfers are illegal. "Hardship withdrawals are supposed to meet an immediate financial need. If money is to be rolled over to an IRA, there is an implication" that there is not an immediate hardship, said Marjorie Martin, director of technical information services with Noble Lowndes in Roseland, N.J.

Benefit managers, noting the high administrative costs, also say that Congress should exempt small distributions—those under \$3,500—from the 20% withholding tax and rollover options.

The administrative costs are the same if a distribution is several hundred dollars or thousands of dollars, said Kodak's Ms. Metras.

The result of the withholding tax is that administrative costs are increased and employers have less money to improve benefits, she added.

Congress last year did pass legislation that would have exempted distributions of less than \$500 from the 20% withholding tax. But President Bush vetoed the legislation for reasons unrelated to the 20% withholding tax relief provision. **BI**

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Sub-total . . . 28,089

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Stock choices

Continued from page 2
ance market.

"The place to be is the reinsurance business," said Myron Picoult, managing director and senior insurance analyst at Oppenheimer & Co. in New York, who recommends both Gen Re and NAC Re.

Analysts also said the stocks of insurance brokers like M&M, A&A and Willis Corroon Group P.L.C. should benefit from the eventual turn in the market.

Business Insurance plans to track several of the stocks recommended by the analysts over the next year, comparing their individual performance to the overall market and to the BI Stock Index, which tracks 83 commercial insurance industry stocks, including seven health maintenance organizations.

Insurance stocks dramatically outperformed the general market last year. The BI Stock Index posted a 25.5% gain in 1992, compared with only a 3.8% gain by the Dow Jones 30 Industrials during the year (BI, Jan. 11).

Insurance stocks should continue to do well this year, say many analysts, who point to an anticipated turn in the property/casualty insurance cycle.

Insurance stocks had a good year in 1992, and "I think it can be replicated in 1993," said Mr. Picoult.

"I think generally speaking they'll do better than the market because I think we're in the process of turning around the cycle," said Gloria Vogel, first vp with Lehman Bros. in New York.

"Overall, the insurance stocks are going to outperform the market," agreed Ira Malis, vp at Alex. Brown & Sons Inc. in Baltimore.

However, Mr. Malis said he is warning people they should be prepared to hold on to insurance stocks for the entire year, noting that the first half of 1993 could see a re-enactment of 1984's first half, when many insurance stocks lost 20% to 25% of their value.

Many investors in late 1983 were anticipating a market turn in the near future, he recalled. But in early 1984, when there was no confirmation of a hardening market and earnings were down because of reserve additions, the stocks fell, he explained.

"That whole scenario could play out again in 1993" and stocks could come under pressure, Mr. Malis said. But, he added, by midyear there should be enough confirmation of a hardening market that the stocks "will rebound off that bottom."

The stock market will do well in the second half of 1993 as concrete evidence the market is turning emerges, predicted Gordon Luce, assistant manager at Brown Bros. Harriman & Co. in New York. "I think we'll beat the S&P 500 in 1993 and 1994."

However, pointing to insurance stocks' strong 1992 showing, Alice Cornish, a partner with Avon, Conn.-based Northington Partners Inc., said that "it's difficult to see how the group can continue to see that type of performance in 1993" unless there is a significant turn early in the year, and "clearly, nothing's going on in January."

If the market does not turn until the second half of 1993, it will be a "pretty difficult time between now and then," said Ms. Cornish, who added that she would be surprised to see investors' patience last through the first half.

"I don't think (insurance industry stocks) are going to do as well in 1993 as they did in 1992 relative to the market at all," said Robert Branche of the Branche Research Group in Morrisville, Pa. He added

Continued on next page

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Stock choices

Continued from previous page that he does not believe a dramatic turn in the market is imminent.

Many current insurance stockholders are not traditional shareholders but are investing only because the group is "hot," and they may be the first to drop the stocks if the market does not harden, he observed. "It's going to be a time to be very selective."

The following are some of the analysts' stock picks:

- American International Group Inc.

Mr. Luce of Brown Bros. said he likes AIG in part because "I'm look-

ing for stocks with a strong balance sheet going into the next up cycle."

Mr. Luce said he also likes its 50-50 mix of domestic and international business.

AIG has an international position that is "unequaled by anybody" and unlikely to be duplicated for a long time, if ever, said Oppenheimer's Mr. Picoult.

- Capital Reinsurance Co

Capital Re is one of only two reinsurers that specialize in financial guarantee insurance, but is selling at a multiple of only nine times earnings, said Mr. Malis.

- Chubb Corp.

Chubb is in much better shape today than it was through the 1984

turn, commented Mr. Luce. "It's probably about the best-reserved company I follow," he said.

Chubb has the best distribution mechanism in the property/casualty industry, a strong position in specialty lines and has outstanding underwriting capabilities, said Michael Lewis, first vp at Dean Witter Reynolds Capital Markets in New York, who also likes the stock.

However, Mr. Branche said he was reluctant to recommend either Chubb or AIG because "they've gone up so much in anticipation of a market turn that there had better be one, or they're going to come right down again."

- EXEL Ltd.

High excess liability insurer X.L. Insurance Co., EXEL's main subsidiary, has a lot of opportunities to build volume because of the London market turmoil, said Mr. Malis. Many of the firms it competes with were hit by catastrophe losses last year, so it is seeing an influx of new business, he said.

- General Re Corp.

"General Re has the best balance sheet in the industry," said Northington's Ms. Cornish. It is also under leveraged, not using its capital and writing as much as it could because of its focus on profits, she said. The company could see a significant increase in earnings over the next couple of years, she added.

- Intercargo Corp.

Intercargo has a 33% market share in the customs bond business, said Joyce Culbert, an analyst with Chicago Corp. in Chicago, who recommends that stock. It also benefits from a data base that keeps track of 44,000 different customs categories, she said. While it is cyclically sensitive to the import-export cycles, with the North American Free Trade Agreement it "should do fine," she said.

- Marsh & McLennan Cos. Inc.

Ms. Cornish cited M&M's pre-eminent position in the brokerage business as well as its strength in the reinsurance brokerage area, which "should allow the company to double its profits over the next couple of years as the cycle turns."

- Mutual Assurance Co.

Mr. Malis of Alex. Brown said he has selected this Birmingham, Ala.-based insurer because "it's a very astute company," with a major share of the Alabama medical malpractice market.

Mr. Branche also recommended this stock.

- Orion Capital Corp.

Orion is one of Mr. Branche's picks because while it writes workers compensation, it focuses on the "better" states. He noted, for instance, that it is almost entirely out of California's workers comp market. "They're in some specialty commercial lines, where they are one of the market leaders," he said.

Mr. Branche also pointed to Orion's equity interest in Guaranty National Insurance Co., a non-standard personal lines and commercial auto insurer, which is another company whose stock he likes.

- Phoenix Re Corp.

Phoenix Re is a "small but excellent" property reinsurance company and, given the turmoil in the market after Hurricane Andrew, "it is one of the pure plays," said Harry Fong, senior vp at Conning & Co.

Mr. Fong explained that while most reinsurance companies have 50% to 80% of their business on the casualty side, 99% of Phoenix Re's business is property, which "is the area to be in this year."

- SAFECO Corp.

SAFECO is a well-reserved company that benefits from its significant amount of personal lines business, which is largely independent of the underwriting cycle, said Mr. Luce.

Three-quarters of its property/casualty business is in the personal lines sector and personal rates are firming, noted Mr. Lewis.

- UNUM Corp.

Ms. Vogel praised two recent moves by UNUM Corp.: its recent merger with personal lines insurer Colonial Cos.; and a recently announced strategic alliance with The Equitable Life Assurance Society of the United States involving the distribution of individual disability insurance products.

"I really think the moves they made are going to be really good for them," Ms. Vogel said.

- Willis Corroon Corp.

Charles Ronson, an analyst with Balestra Capital in New York, said he picked Willis Corroon in particular among the brokerage stocks because its stock price has been hurt by the "fear of weakness in the London market" rather than because of any operating deficit.

As the market turns, Willis Corroon is likely to rebound significantly, he predicted.

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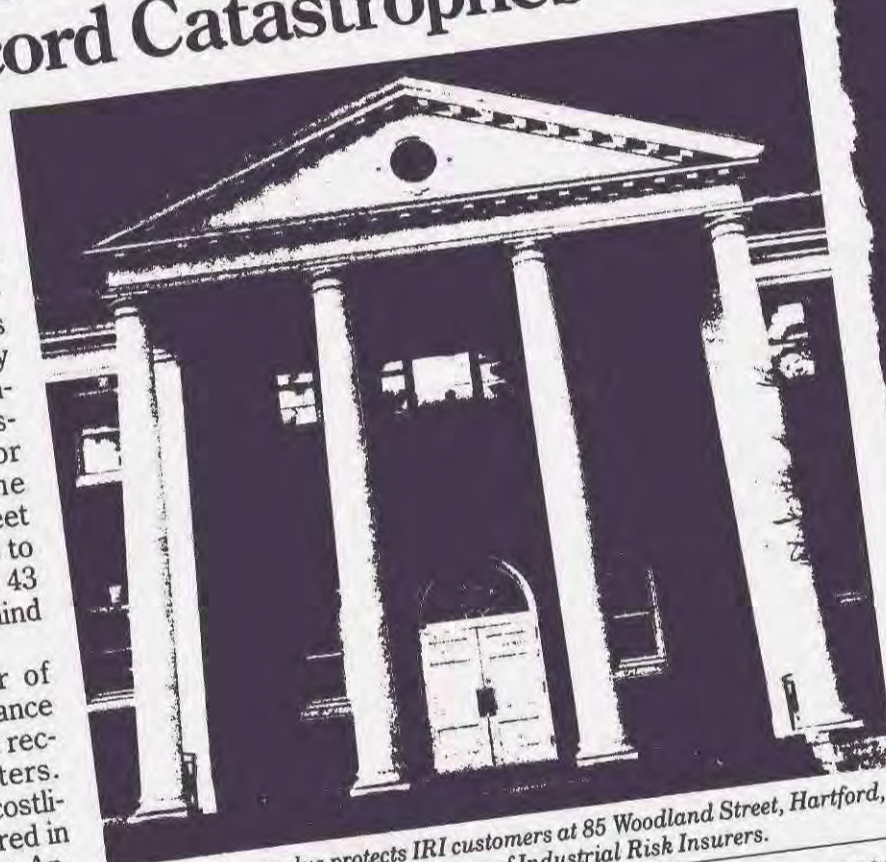
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IRI

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Teale arrest

Continued from page 1
mother's house.

The two will be arraigned in U.S. District Court in Mobile, though no date had been scheduled last week.

Mr. Teale and Ms. Rentz will plead not guilty to the charges in the 41-count indictment, lawyers representing them at last week's hearing said.

Mr. Teale and his companies have figured in several *Business Insurance* articles dating back to 1988, when regulators in three states barred American Trust Insurance Co. Ltd., a Turks & Caicos Islands insurer he then headed (see related story).

In a series of 1991 hearings, the U.S. Senate Permanent Subcommittee on Investigations also examined Mr. Teale's operations, including his alleged role in the failures of Victoria Insurance Co. Ltd. of Georgia, World Life & Health Insurance Co. of Pennsylvania and other insurers.

He remains a target in a separate criminal investigation into the World Life collapse by the U.S. Labor Department's Office of Labor Racketeering and the U.S. Attorney's office in Philadelphia, regulatory and law enforcement sources say.

World Life was ordered liquidated in 1991 in part because of its inability to collect from offshore reinsurers lined up by World Re Inc., an Atlanta intermediary that Mr. Teale—who described himself as a "consultant" to World Re—allegedly controlled.

In what prosecutors are calling one of the most significant insurance fraud cases in U.S. history, Mr. Teale and Ms. Rentz are accused in the indictment of bilking policyholders through a constantly shifting international network of insurance companies and managing general agencies.

MGAs used in the alleged conspiracy included Fenmar International Insurance Services Inc., International Underwriting Assn. Inc. and Worldwide Administrative Services Inc., according to the indictment.

In addition to Victoria and American Trust, the indictment names many other insurers allegedly used by Mr. Teale and Ms. Rentz as "vehicles for fraud."

These insurers are: American Marine & General Insurance Co. Ltd., American Southern Belge Co., American Trade Insurance Co. Ltd., American Transportation Insurance Co. Ltd., American & Southern Insurance Co., Atlantic & Pacific International Assurance Co. Inc., Caribbean Protective Excess Insurance Co. Ltd., Northern Commercial Fire & General Insurance Co. Ltd., Oakwood Reinsurance Co. Ltd., Old American Insur-

ance Co. Ltd., Overseas Deposit Insurance Co., Southern Commercial & General Insurance Co., Trelawney Insurances Ltd., United States & Continental Reinsurance Co., Wilmington Fire & Marine Insurance Co. Ltd., Wilmington Marine & General Insurance Co. Ltd., and Wilmington National Assurance Co. Ltd.

Most of these insurers were based in the Bahamas, Belgium, Ireland or the Turks & Caicos to avoid regulatory and audit requirements, according to the indictment.

Though not mentioned in the indictment, American Marine & General, American Trust and Old American were owned by KLK Consulting & Management Corp. of Houston. Ben Kirk, a KLK official, was sentenced to prison several years ago on unrelated racketeering charges, said John Brennan, an FBI special agent who testified at last week's hearing.

Several of the other offshore insurers were owned by Robert R. Campbell, a Lexington, Ky., businessman sentenced last year to six years in prison on insurance-related fraud charges. He is cooperating with investigators.

Mr. Campbell has told investigators that he formed the insurers at Mr. Teale's suggestion and turned over their management to Mr. Teale, according to Mr. Brennan. Mr. Campbell said he received monthly payments from Mr. Teale totaling more than \$1 million, but had little to do with managing the insurers, Mr. Brennan testified.

Describing the alleged conspiracy, the indictment charges that Mr. Teale and Ms. Rentz:

- Used con men to front for them as legitimate brokers and agents in building a network of insurance companies.

- Provided state regulators with phony financial statements for the various insurers.

- Started new companies as soon as existing ones were shut down by state regulators.

Most of the insurers mentioned in the indictment have been hit with cease and desist orders, liquidation orders or other regulatory actions.

- Concealed Mr. Teale's role by identifying him only as a "consultant" and using multiple addresses and phone numbers for the various companies. In fact, Mr. Teale controlled the companies' operations, including their addresses and phones, the indictment charges.

- Falsely claimed that one or more of Mr. Teale's companies was backed by Lloyd's of London.

Insurers used in the alleged scheme would initially pay some claims to avoid early detection by regulators, the indictment charges. The companies would soon start denying claims, though, blaming

policyholders, adjusters, agents or lawyers for the losses. The insurers knowingly failed to pay for adequate claims-handling and legal support services while Mr. Teale and Ms. Rentz diverted premiums for their own use, the indictment charges.

The indictment focuses on United States & Continental, a Belgium company that Senate investigators said was owned by Mr. Teale and Ms. Rentz through a holding company. Mr. Brennan estimated that the insurer took in more than \$54 million in California premiums alone in 1990 and 1991.

Mr. Teale and Ms. Rentz conspired to "bust out" US&C by forming a daisy chain of companies to strip off commissions and fees, ultimately leaving about 5,500 unpaid insurance claims, the indictment alleges.

With co-conspirators not named in the indictment, they formed Mid-America Management Corp. in Mobile and Management & Administrative Associates Inc. in Atlanta to handle claims. Another Mobile-based company, Brokerage Management Acceptance Co., was formed to finance premiums, while Belgium-based American Southern Belge was used to reinsure US&C, the indictment says.

After California regulators took steps to bar US&C, Mr. Teale, Ms. Rentz and others moved the business to Ireland-based Trelawney. When Trelawney attracted regulators' attention, they moved the business to Washington, D.C.-based Atlantic & Pacific, the indictment says.

Atlantic & Pacific, whose license was suspended last November by District of Columbia regulators, was jointly owned through holding companies by Mr. Teale and Raymond S. Cowan, a surplus lines agent based in Sherman Oaks, Calif., Mr. Brennan said.

The California Insurance Department last week moved to revoke Mr. Cowan's license, citing his actions as an agent for US&C and his ownership interest in Atlantic & Pacific, among other things.

Mr. Cowan—who is not named in the Mobile indictment—declined to comment on allegations involving Atlantic & Pacific.

The indictment charges Mr. Teale and Ms. Rentz with one count of conspiracy, 34 counts of mail fraud, four counts of money laundering, and one count of operating a continuing financial crimes enterprise. Prosecutors are seeking forfeiture of their gains from the insurance operations.

The counts carry prison terms ranging from five to 20 years each and fines ranging from \$250,000 to \$10 million.

Testifying at last week's bail hearing, Mr. Brennan noted that

Mr. Teale and Ms. Rentz took steps to cover up their alleged criminal activities.

After Victoria collapsed in 1988, Ms. Rentz asked her computer programmer to install a device that would destroy records if the insurance operations were investigated, he said.

FBI agents interviewed a former Teale employee who indicated that Mr. Teale had shredded documents subpoenaed by the Senate subcommittee, Mr. Brennan testified.

Asked by Assistant U.S. Attorney Richard Moore about the risk the couple might flee if released, Mr. Brennan testified that agents searching their home found evidence of two London bank accounts that investigators hadn't known about in addition to 102 U.S. and foreign accounts already identified. Correspondence found in the house also showed the couple had inquired about buying property in the north of France, Mr. Brennan said.

A former employee also told investigators that Ms. Rentz had ordered a paralegal to research extradition laws in various countries, as well as quarantine laws that might affect the couple's two pet dogs, Mr. Brennan said.

Arguing for their release on bail, Robert Fierer, an Atlanta lawyer representing Mr. Teale, said that Mr. Teale's and Ms. Rentz's insurance operations have been shut down since 1991. Under questioning by Mr. Fierer, Mr. Brennan said he had no evidence that Mr. Teale is still receiving insurance premiums.

Steven A. Westby, a lawyer representing Ms. Rentz, also noted that Mr. Teale and Ms. Rentz have known for more than a year that their indictment was likely.

"This is not something that's been unexpected," said Mr. Westby, with the Atlanta firm of Neely & Player. "If they had any intention of leaving, they had two years of opportunity." **BI**

A history of controversy for Teale

Alan Teale has been no stranger to controversy. His career in the United States has been marked by escalating conflicts with state regulators, beginning seven years after his move from Britain more than a decade ago:

- **1981:** Mr. Teale, a British citizen and director of the British Insurance Brokers Assn., leaves the London-based group to become the first chief executive officer of the Insurance Exchange of the Americas in Miami (*BI*, March 2, 1981).

- **1984:** Mr. Teale leaves the IEA, which permanently closes its doors in 1987 under the weight of huge losses, at the expiration of his contract (*BI*, Nov. 2, 1987; May 28, 1984).

- **1988:** Insurers managed by Mr. Teale through Fenmar International Insurance Services Ltd. and other Atlanta-based companies first attract regulatory attention.

American Trust Insurance Co. of the Turks & Caicos Islands—one of several insurers forming Mr. Teale's International Underwriting Assn.—is barred in three states after regulators find that most of its reported \$47 million in assets consist of overvalued penny stocks (*BI*, July 25, 1988).

Victoria Insurance Co. Ltd., a Georgia-domiciled IUA member initially headed by Mr. Teale, has its license suspended by Georgia regulators (*BI*, Oct. 3, 1988). Victoria, insolvent by an estimated \$10 million to \$20 million, is later ordered liquidated.

- **1989:** Charlotte C. Rentz, Mr. Teale's wife and IUA's president, settle Florida Insurance Department charges that IUA members wrote business illegally in the state. Eight Turks & Caicos-based IUA insurers including American Trust agree to stop writing in Florida (*BI*, March 6, 1989).

Louisiana regulators take over New England International Surety of America Inc. New England International, though not headed by Mr. Teale, was reported as the insurer of several risk purchasing groups managed by Ms. Rentz's Federation of Business & Professional Assns. International (*BI*, May 1, 1989).

- **1990:** Mr. Teale denies acting as Canada licensing consultant for Wilmington Marine & General Insurance Co., one of several Turks & Caicos insurers owned through a holding company by Robert R. Campbell (*BI*, June 11, 1990).

- **1991:** A Pennsylvania bank denies holding a \$2.5 million trust fund claimed by Northern Commercial Fire & General Insurance Co., another of Mr. Campbell's companies.

Business Insurance reports that World Insurance Network Ltd., an Atlanta-based firm headed by Ms. Rentz, managed Northern Commercial and seven other Campbell-controlled offshore insurers (*BI*, May 6, 1991).

Mr. Teale and Ms. Rentz cite their Fifth Amendment right against self-incrimination in refusing to testify before a U.S. Senate subcommittee investigating the collapse of Victoria and World Life & Health Insurance Co. of Pennsylvania.

Senate investigators charge that Mr. Teale is "at the controls" of a worldwide network of brokerage, management, insurance and reinsurance companies into which millions of dollars of World Life premiums disappeared.

Among these are reinsurers whose assets consist mainly of "treasury bills" issued by the Sovereign Cherokee Nation Tejas, a purported Indian tribe (*BI*, April 29, 1991; July 1, 1991; July 22, 1991; July 29, 1991).

The Florida Insurance Department sues Mr. Teale and others over the collapse of International Forum of Florida Inc., a multiple employer welfare arrangement. Florida regulators charge Mr. Teale with arranging IFF's reinsurance through World Re and providing bogus securities to inflate IFF's assets (*BI*, July 1, 1991).

California regulators act to bar another Teale-owned insurer, United States & Continental Reinsurance Co. of Belgium, after concluding that its assets consisted mainly of "rented" stock. US&C writes \$51 million in premiums in the state in 1991 (*BI*, Dec. 23, 1991).

- **1992:** California regulators bar Trelawney Insurances Ltd. of Ireland, a successor to US&C that Senate investigators identified as among Mr. Teale's companies (*BI*, Nov. 2, 1992).

Mr. Campbell pleads guilty to federal fraud charges related to his insurance operations and is sentenced to six years in prison (*BI*, Nov. 23, 1992).

- **1993:** Mr. Teale and Ms. Rentz are indicted by a federal grand jury in Mobile, Ala., on fraud, money laundering and conspiracy charges arising from their insurance operations (see story, page 1).

—By Douglas McLeod

College of Insurance

Continued from page 2

- \$6 million to strengthen the endowment.

Without the mortgage debt, the college plans to devote its annual funds and endowment to student scholarships, faculty and research projects, college officials say.

The \$20 million raised in an initial "silent" phase—in which longtime supporters were contacted privately before the campaign went public—makes the campaign a phenomenal success so far, noted Richard M. Page, former chairman of Sedgwick James Ltd., chairman of the campaign and a trustee. The silent phase began 16 months ago.

By far the largest contributor has been American International

Group Inc. through its C.V. Starr Foundation. The foundation has given \$8 million, including a \$5 million matching contribution toward paying off the first mortgage; a \$2 million write-off of its share of the second mortgage; and \$1 million over five years for annual support.

AIG Chairman Maurice R. Greenberg, a trustee, is honorary chairman of the fund-raising campaign.

Other gifts of more than \$1 million have come from Alexander & Alexander Services Inc., units of Marsh & McLennan Cos. Inc. and Willis Corroon P.L.C.

Gifts of \$500,000 to \$1 million have come from Chubb & Son Inc., Home Insurance Co., J&H, Metropolitan Life Insurance Co.,

Reliance National Insurance Co. and Sedgwick James.

Contributors of between \$250,000 and \$500,000 include CIGNA Corp.; Crum & Forster Inc.; General Re Corp.; Frank B. Hall & Co. Inc., now Rollins Hudig Hall; Kemper Corp. units; North American Reinsurance Corp.; Selective Insurance Co. of America; Zurich Insurance Group units; and individual board members, faculty and staff of the college.

The College kicked off a second, public phase of its "Campaign for the Second Century" with a dinner party in New York last week.

"We are really hoping (the giving) is going to be contagious," said President Ellen Thrower. **BI**

Railway crash

Continued from page 2
excess of \$5 million written by several insurers, including Lloyd's of London underwriters, said NICTD Chief Financial Officer Dario Brezene.

Rollins Hudig Hall was among the brokers involved in placing the coverage, Mr. Brezene said.

The NICTD last week already faced two crash-related lawsuits.

Injured passenger Anthony Zamfoti of Chicago is seeking unspecified damages for physical and emotional injuries in a suit filed in Cook County Circuit Court in Chicago. Mr. Zamfoti also may ask court per-

mission to seek punitive damages, said his attorney, James Martin of Becker, Baizer & Rapoport of Highland Park, Ill.

A suit seeking class-action status was filed in Lake County Superior Court in Gary on behalf of 13 injured passengers. The suit seeks unspecified physical injury damages for the passengers and also unspecified emotional distress damages for some passengers, said attorney Kenneth J. Allen of Allen & Sarkisian of Merrillville, Ind.

More plaintiffs were scheduled to be added to the suit last week.

The suit also names as a defendant the Chicago South Shore & South Bend Railroad, whose name

appears on NICTD commuter cars.

However, a Chicago South Shore spokeswoman and Mr. Brezene said the NICTD purchased Chicago South Shore cars and tracks years ago and that there is no relationship between the two railroads.

Indiana law limits municipal tort liability to \$5 million per accident and \$300,000 per individual. The NICTD is technically a municipality governed by four counties.

Plaintiffs' attorneys may challenge the applicability of the limit.

The NICTD has adequate property insurance—with "immaterial" deductibles, Mr. Brezene said. But the two cars damaged may be repairable, he added. **BI**

For the Record

Delaware department subject of state audit

DOVER, Del.—Delaware's state auditor plans to recommend that the General Assembly make the insurance commissioner an appointed, not elected, post.

Elected regulators could potentially abuse their power without checks or balances, warned R. Thomas Wagner Jr., a Republican.

Mr. Wagner's observations come on the heels of an audit of the state Insurance Department that was completed just days before David N. Levinson, a Democrat, left office. The commissioner had not sought re-election. The audit was prompted by a General Assembly investigation into a controversial economic development program run by the former commissioner (*BI*, Jan. 27, 1992).

Among the auditor's conclusions are: that the department overpaid a Philadelphia accounting firm to oversee insurer examinations; that the department inappropriately created a private trust fund to pay nursing home claims for poor people; and that Mr. Levinson had an insurance company pay travel bills.

Mr. Levinson contends that many of the auditor's recommendations were inappropriate, distorted the truth or "were illegal," though he agreed with a few minor ones. He called the report "a political document, done by a politician with insufficient expertise in insurance law and regulation."

Several firms report FASB rules' impact

Several companies have recently reported the impact on earnings from Financial Accounting Standards Board rules.

U.S. West Inc. will take a one-

time aftertax charge of \$1.75 billion to recognize its obligations under FAS 106, which governs accounting for retiree health care benefit liabilities, and a \$50 million charge to recognize FAS 112, which accounts for other post-employment benefit liabilities. As a result, it will post a loss for the year.

UAL Corp., the parent company of United Airlines, announced a one-time aftertax charge of \$580 million to comply with FAS 106, offset by \$40 million in gains for adopting FAS 109, which accounts for anticipated tax benefits from future benefit expenditures.

Chemical Banking Corp. will take a one-time pretax charge of approximately \$400 million to adopt FAS 106, which will be offset by a \$450 million gain from FAS 109.

Dow Corning Corp. will take a \$129 million one-time aftertax charge against 1992 earnings to reflect accounting obligations under FAS 106. The charge will be recorded as of Jan. 1, 1992.

California moves to bar six offshore insurers

SAN FRANCISCO—The California Insurance Department has barred six offshore insurers from doing business in the state.

The banned companies are: West Point Insurance Co. Ltd. of Antigua (*BI*, May 4, 1992); MacGregor General Insurance Co. of Antigua, formerly known as Kingham Atlantic National Insurance Co.; Mabuse Insurance Co. of Uruguay, formerly known as Universal Security Insurance Co., of the British Virgin Islands; West Arrow Insurance Co. of Uruguay, formerly Criterion Casualty Co. of B.V.I.; Old American Insurance Co., a Turks & Caicos Islands insurer formerly operated by Alan Teale (see story,

page 1); and Anchorage Fire & Casualty Insurance Co. of the Turks & Caicos (*BI*, June 1, 1992).

None of the six insurers had sufficient assets to meet the \$15 million minimum surplus requirement of California law, and the Insurance Department concluded that West Point is actually insolvent by \$3.5 million.

Miro associates plead guilty to fraud charges

NEW ORLEANS—Two former associates of insurance con man Carlos I. Miro have pleaded guilty to criminal charges stemming from the collapse of Anglo-American Insurance Co. of Louisiana.

Mario Mendiola, a former Anglo-American treasurer, pleaded guilty to a mail fraud charge and faces a maximum of five years in jail. Sheldon Irion, former vp and briefly president of Anglo-American, pleaded guilty to willfully concealing the insurer's true financial condition and faces a maximum prison term of three years.

The two men, indicted Jan. 13, are scheduled to be sentenced on March 31 and have agreed to cooperate in an ongoing investigation of Anglo-American's failure.

Mr. Miro last year pleaded guilty to 16 wire fraud charges related to Anglo-American (*BI*, Nov. 30, 1992).

Separately, Frances S. Pecora has pleaded guilty to mail fraud, conspiracy and money laundering charges stemming from her operation of the defunct Certified Lloyd's Insurance Co. of New Orleans. Ms. Pecora—a former member of the Louisiana Insurance Rating Commission under recently indicted former Insurance Commissioner Sherman A. Bernard—faces a maximum of 30 years in jail.

Her son, Nofio Pecoraro, was indicted on a variety of related charges last year and is a fugitive. **BI**

Update

Super Bowl coverage in place

Continued from page 2

Among other NFL-sponsored events near the stadium is the second annual "NFL Experience" exhibition. The Experience will include: punting, passing, kicking and running contests; a simulated NFL team locker room; and a display of the Super Bowl XX championship ring made for Chicago Bear William Perry, said Lou Valentic, a vp with broker K&K Insurance Group Inc. of Fort Wayne, Ind.

The halftime show will feature Michael Jackson, who will be backed by more than 3,500 children. The show will conclude with the song "Heal the World" from Mr. Jackson's "Dangerous" album.

K&K placed part of the NFL's liability coverage with Transamerica Corp. Mr. Valentic would not reveal limits. But *Business Insurance* has learned that Transamerica wrote a \$1 million primary layer; \$25 million excess of \$1 million; and \$20 million excess of \$45 million.

Willis Corroon Group P.L.C. of New York was involved in placing the \$19 million layer of coverage excess of \$26 million with several insurers, said Bob Kalbfell, vp and senior account executive.

The NFL had not purchased cancellation and abandonment insurance as of last week, though that coverage was still being investigated, sources said.

Industry sources say NBC, which will broadcast the game, apparently did not buy cancellation and abandonment coverage.

Panel bars product liability suit

BOSTON—Manufacturers of some medical devices that are subject to regulatory approval are protected from personal injury lawsuits, a federal appeals court has ruled.

The decision is apparently the first by a federal appeals court to specifically bar claims against so-called Class 3 medical devices, like heart valves and lens implants for cataracts, that are scrutinized by the Food & Drug Administration to ensure safe use.

Plaintiff Jane King sued Collagen Corp. of Palo Alto, Calif., in 1990, alleging she developed an autoimmune disease after using Zyderm, a collagen cosmetic "device" that is injected under the skin to correct wrinkles and skin deformities. Ms. King claimed that Zyderm, which is still on the market, is negligently designed and manufactured and poses risks that are not adequately explained on its label.

A panel of three judges dismissed those claims on Jan. 15, ruling the FDA's initial approval of the product in 1981 precludes lawsuits seeking damages. "The approval process is designed to provide a 'reasonable assurance' that the devices are safe, the court said.

Ms. King's attorney said she will seek U.S. Supreme Court review.

Lawyers say it is unclear whether breast implants will fall under the scope of the decision.

Top Berkshire officers shifted

OMAHA, Neb.—Berkshire Hathaway Inc. is realigning the top management of its property/casualty operations.

Michael A. Goldberg, vp and head of the insurance group, is assuming other responsibilities within Berkshire. Three top executives who formerly reported to Mr. Goldberg—Ajit Jain, president of the reinsurance division; Donald F. Wurster, president of National Indemnity Co.; and Rodney D. Eldred, president of Cornhusker Casualty Co.—will now report directly to Chairman Warren E. Buffett.

Mr. Goldberg said his new duties will involve identifying new areas for Berkshire investment, including possible commercial real estate lending. His cash compensation was \$1.8 million in 1991, including \$1.7 million in bonus compensation based on the results of the insurance group, according to Berkshire's proxy.

Briefly noted

Zoe E. Baird withdrew her name from nomination as attorney general amid criticism over hiring illegal aliens to care for her child. Ms. Baird, senior vp and general counsel for Aetna Life & Casualty Co., had also drawn the wrath of consumer groups for her support of tort reform (*BI*, Jan. 8). . . **Hillary Clinton** will be "closely involved" in developing the administration's health package, White House officials confirmed last week. No one has yet been named to head the administration's health care group. . . The U.S. Supreme Court last week refused to hear a challenge to a **New Jersey auto insurance law** permitting regulators to revoke all the property/casualty licenses of an insurer that stops writing auto coverage (*BI*, Jan. 11). . . House and Senate committees are expected to vote this week on **family leave bills** very similar to measures vetoed last year by President Bush (*BI*, Sept. 14, 1992). . . A federal district court in Minneapolis dismissed a lawsuit which claimed the state's **MinnesotaCare** law violates the Employee Retirement Income Security Act (*BI*, Sept. 28, 1992). . . Under a new reorganization plan filed last week, **LTV Corp.** would initially contribute \$1.5 billion to its three pension plans, which have \$3.1 billion in unfunded liabilities. A bankruptcy judge will consider the plan next month. . . **Pension Benefit Guaranty Corp.** Chief Operating Officer William DeHarde was named acting executive director last week, following the resignation of James B. Lockhart III. . . Citing minimal damage from Hurricane Andrew and a 15% increase in surplus to \$820 million, A.M. Best Co. raised the pooled rating of **Commercial Union Insurance Cos.** to A from A- . . . Alan D. Lebowitz last week was named acting assistant secretary of labor at the **Office of Pension and Welfare Benefit Programs**. Mr. Lebowitz, a career government employee, will remain in the post until Labor Secretary Robert Reich fills the job. . . Insurance Commissioner Tim Ryles has rejected a second request by the National Council on Compensation Insurance to raise **Georgia's workers comp rates** 25.8%. . . The **Earthquake Project**, an insurance industry-funded group that lobbies for federal reinsurance, last week changed its name to the Natural Disaster Coalition.

At issue

What risk management issue should Bill Clinton address immediately?



Mark A. Davis
Manager-Risk Management
USA Truck
Van Buren, Ark.



Anne B. Chervony
Senior Vp
BankAtlantic
Fort Lauderdale, Fla.



Aileen McCullough
Manager-Corporate Risk Management
The Walt Disney Co.
Burbank, Calif.

I believe Bill Clinton should immediately address two areas of equal importance, those being excessive increases in medical costs, in an effort to make health care affordable, and tort reform legislation, to reverse current runaway jury verdicts.

The American people have given President Clinton the mandate to institute health care reform. He has committed to fundamental overhauls of the delivery system and its funding mechanisms, specifically revenue sources. He should also address tort reform; however, this is unlikely (in the first 100 days because) family and medical leave legislation will be his priority.

There are two major issues that immediately come to mind that are actually interrelated somewhat—workers compensation and health care reform.

Good news ahead for brokers

By LEONARD M. WILSON

Special to Business Insurance

THE CURTAIN HAS FALLEN on a difficult 1992, and it is now planning time for the fictitious—but representative—publicly owned insurance broker, Risk-Adverse Brokers. The budget process would not be complete without a fleeting last glance at the forecast for 1992.

Last year's profit plan allowed for modest gross national product growth of 1% in the first half, with an acceleration to about 3% in the second half. Short-term interest rates were expected to average 100 to 150 basis points under the level of the prior year. Finally, on the critical subject of premium rates, the 1992 plan anticipated a drop of 5% in prices on commercial lines for the year as a whole, across a typical book of business. Risk-Adverse's forecasting record on these important variables was creditable.

The economic backdrop for 1993's planning seems more propitious. We expect GNP to advance about 3% in real terms during the year. The general inflation rate, which influences employment costs, should be relatively benign at under 3%, with excess capacity in many industries keeping a lid on price changes. Given an expansion in economic activity, short-term interest rates can be expected to edge up over the course of the year.

Forecasting premium rates for 1993 is a bit touchy. Commercial insurance markets seem to be shifting gears, but the pace of change is difficult to gauge. For now, property and reinsurance are the standard bearers of improved pricing. Casualty rates, judging by our contracts, are still competitive, although most observers look for these to firm sometime in the second half.

Risk-Adverse has contained the profit damage from the prolonged soft market by steadfastly taking a cautious approach to the possibility of price changes. Low expectations keep the organization attuned to the need for tight cost controls.

Therefore, the budget incorporates aggregate rate increases of only 3% across

the entire book of primary insurance for 1993. This figure recognizes the shift in commercial property rates as well as the firming in umbrella coverages, aviation and marine.

It also reflects the breakdown between property and casualty commissions, with property estimated at only 30% of the total. Expectations for premium rates are tempered by the continued softness in casualty pricing that is likely to persist at least through the first half of the year. Casualty rates could be in negative territory for all of 1993, when first half softness is averaged with potential second half stability. If rate expectations on the primary side prove to be too cautious, Risk-Adverse will be quite happy to modify the profit plan later in the year in the direction of less constraint.

A similar dilemma confronts the forecast for reinsurance brokerage commissions. Casualty pricing has not yet followed the rise in property lines. With the clear disarray in reinsurance capacity, Risk-Adverse feels reasonably comfortable using a 15% advance in reinsurance commissions for 1993, virtually all from pricing.

International insurance brokerage stands to gain from the general firming now occurring in insurance markets outside North America. Accordingly, Risk-Adverse allows for a 10% rise in international commissions in 1993.

Benefit consulting was hampered last year by the recession and client deferral of outlays. Revamped health care programs are likely to surface in 1993 with the advent of the Clinton administration, and change is the grist of benefit consulting. But the impact on client billings may not be felt until late in 1993, and to a greater degree in 1994. Therefore, benefit consulting is projected to grow at only 7% to 8% in 1993, with an acceleration in billings occurring late in the year.

Investment income is a function of the level of short-term rates as well as premium volume. Both should contribute to year-over-year gains in 1993. As the economy continues to recover, short-term rates

should edge up at least modestly. Rising rates will lead to premium increases. For the year, investment income could expand by 10% to 15% as a result.

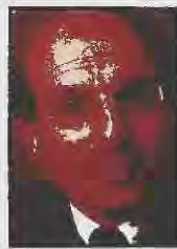
Taking into account Risk-Adverse's various revenue sources, the budget calls for a 7% increase in total revenues for 1993. If casualty rates firm in the second half, then the revenue gain might be as much as two percentage points higher.

Expenses are calculated to rise 6% for the full year. Head count is budgeted to advance at about 2% to reflect increasing activity. Inflation and incentives should add about 4% to employment costs.

The positive spread of 1% between the growth in revenues and expenses translates into wider profit margins, something Risk-Adverse has not achieved since the soft market began. Net income, assuming no change in the tax rate, ought to increase about 15%.

Earnings gains for other brokers will vary depending upon the relative importance of each topline segment. For example, a broker with a high proportion of reinsurance and international business might display stronger comparisons than a broker focused on domestic retail brokerage and casualty risks.

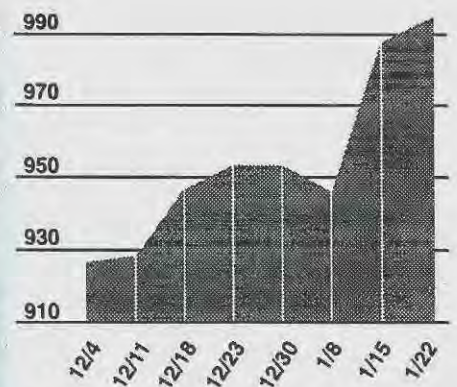
Forecasts for this year's profit plan reflect a typical level of uncertainty. Since the soft market began, though, the planning process has been dogged by the strong possibility of worse than budgeted results. Happily, in 1993, surprises are likely to be on the upside. Moreover, if the soft market actually emits its last gasp by year end, insurance brokerage profitability could be in store for more than a single year of buoyancy.



Leonard M. Wilson is a senior vp with Lazard Asset Management Inc. He is a member of the New York Society of Security Analysts.

BI Insurance Index

1,000



Base = 100 on Dec. 29, 1978
Source: Nordby International Inc.

Insurance industry stocks rose last week, as the BI Index climbed 5.1 points to 992.7 on Jan. 22 from 987.6 on Jan. 15. Advancing issues for the week were led by American Indemnity/Financial, up 15.8%; Phoenix RE, up 14.7%; and Selective Insurance Group, up 12.4%. Declining issues followed Lawrence Insurance Group, down 10.1%; Statesman Group Inc., down 8.2%; and Hilb, Rogal & Hamilton, down 6.7%. The most active issue was U.S. Healthcare, 3.8 million shares traded. The BI Index was up 0.5%; the NYSE Composite was level; the Standard & Poor's 500 was down 0.2%; and the Dow Jones 30 Industrials fell 0.4%.

British Issues

Jan. 21 Companies	Price pence	P/E	Div. pence	Yield %	1 Week High-Low pence
Comml Union	616	N/M	31.5	5.1	619-609
Genl Accident	579	N/M	35.7	6.2	579-565
Gen Royal Exch	170	N/M	10.0	5.9	170-162
Royal	282	N/M	7.0*	2.5	282-269
Sun Alliance	333	N/M	19.0	5.7	337-326
Brokers					
Bradstock	144	16.9	6.8	4.7	144-141
CE Health	340	19.6	21.3*	6.3	340-335
Hogg Group	178	16.8	10.9	6.1	178-175
JIB Group	178	13.6	10.0	5.6	178-176
Lloyd Thompson	255	20.5	7.5	2.9	255-255
Lowndes Lmbt	357	13.9	16.8	4.7	357-347
PWS Holdings	64	9.6	5.3	8.3	64-58
Sedgwick Grp	173	13.8	8.0*	4.6	174-172
Steel Brl Jones	225	11.0	17.7	7.9	225-225
Willis Coroon	189	12.1	17.6	9.3	189-184

Source: Philip Olsen, London * Estimated

BI Industry Stock Report

JANUARY 18, 1993 THROUGH JANUARY 22, 1993

	Price	Weekly		Year to Date		Annual		Vol.(000)	\$ Div.	% Yield	P/E	Book value	Mkt/Bk. value	Price	Weekly		Year to Date		Annual		Vol.(000)	\$ Div.	% Yield	P/E	Book value	Mkt/Bk. value	
		% change	% change	% change	% change	High	Low								High	Low	High	Low									
BROKERS																											
Acordia Inc.	NYS	21.38	4.91	-0.58	22.25	15.13	95	0.36	1.68	14	7.01	3.05	7.01	NYS	72.50	-0.51	-0.85	76.13	50.50	461	3.04	4.19	11	58.92	1.23		
Alexander & Alexander	NYS	26.25	1.94	-0.94	27.63	18.00	556	1.00	3.81	94	10.00	2.63	10.00	OTC	34.25	-2.14	9.60	35.25	23.00	35	0.00	0.00	8	15.44	2.22		
Gallagher Arthur J. & Co.	NYS	26.13	1.95	-7.52	29.00	20.00	136	0.64	2.45	18	6.35	4.11	6.35	NYS	44.88	3.46	10.80	44.88	25.75	46	0.28	0.62	27	7.51	5.98		
Hilb, Rogal & Hamilton	NYS	14.00	-6.67	-10.40	15.63	11.00	58	0.44	3.14	21	3.11	4.50	3.11	OTC	41.25	3.13	1.85	42.00	21.75	481	0.16	0.39	37	13.60	3.03		
Marsh & McLennan	NYS	91.63	1.66	0.27	94.50	71.25	408	2.68	2.92	22	14.40	6.36	14.40	OTC	32.00	1.59	8.02	32.25	17.00	222	0.12	0.38	15	N/A	N/A		
Poe & Associates	OTC	16.88	2.27	0.75	17.25	11.25	115	0.40	2.37	21	2.64	6.39	2.64	OTC	30.50	0.00	-6.15	48.25	26.50	14	0.00	0.00	21	15.69	1.94		
BROKERS AVERAGE			1.0	-3.1						2.3	27			OTC	6.38	2.00	8.51	6.38	4.25	270	0.00	0.00	4	3.91	1.63		
CONGLOMERATES & HOLDING COMPANIES																											
Berkley W.R. Corp.	OTC	43.75	1.16	1.74	47.75	31.00	103	0.36	0.82	16	23.51	1.86	23.51	NYS	54.88	6.04	7.86	54.88	29.63	214	1.48	2.70	14	46.21	1.19		
Berkshire Hathaway Inc.	NYS	12700.0												OTC	62.50	1.63	-0.99	66.63	49.00	118	2.68	4.29	12	43.08	1.45		
ITT (Hartford Group)	NYS	74.00	3.32	8.09	12700.0	8575.00	1	0.00	0.00	51	6437.25	1.97	6437.25	NYS	25.50	-2.86	2.51	26.50	17.63	332	0.40	1.57	8	18.63	1.37		
Sears (Allstate)	NYS	48.88	3.17	7.42	48.88	37.75	3535	2.00	4.09	48	40.18	1.22	40.18	NYS	37.00	4.96	4.59	37.00	23.19	181	0.80	2.16	7	28.62	1.29		
CONGLOMERATES AVERAGE			4.3	5.0						1.9	33			OTC	19.50	14.71	23.81	19.50	8.88	962	0.20	1.03	-28	13.32	1.46		
INSURERS/REINSURERS																											
AEGON N.V.	NYS	44.50	3.19	6.91	44.50	33.00	97	0.68	1.53	7	34.06	1.31	34.06	NYS	29.88	0.84	4.82	29.88	20.00	40	1.00	3.35	12	30.36	0.98		
Aelina Life & Casualty	NYS	49.88	2.05	7.26	50.75	38.00	1605	2.76	5.53	16	67.08	0.74	67.08	ASE	15.63	-3.10	-5.30	16.63	12.25	4	0.24	1.54	28	16.88	0.93		
Allied Group Inc.	OTC	30.75	2.50	-3.15	33.50	16.75	37	0.64	2.08	9	11.29	2.72	11.29	NYS	5.88	-2.08	-4.08	7.13	4.00	396	0.32	5.45	3	2.94	2.00		
Allmerica Prop. & Casualty	OTC	53.25	2.90	5.45	54.00	34.75	297	0.44	0.83	-	40.44	1.32	40.44	NYS	26.00	2.46	5.05	26.00	17.63	23	0.52	2.00	11	17.92	1.45		
American General	NYS	57.88	2.21	1.54	57.88	40.25	917	2.08	3.59	12	39.89	1.45	39.89	NYS	78.00	2.13	1.30	80.75	66.50	466	2.72	3.49	12	59.79	1.30		
American Heritage Life Ins.	NYS	30.00	1.69	-0.83	32.50	23.34	4	0.84	2.80	14	16.51	1.82	16.51	OTC	59.25	0.21	4.41	59.50	42.00	704	1.64	2.77	15	35.37	1.68		
American Indemnity/Fin'l	OTC	8.25	15.79	37.50	9.00	4.75	11	0.08	0.97	4	14.43	0.57	14.43	NYS	18.00	0.70	2.86	19.50	13.13	7	0.28	1.56	21	14.39	1.25		
American International	NYS	112.50	-3.33	-3.02	121.38	82.00	1233	0.56	0.50	15	54.21	2.08	54.21	OTC	2.00	0.00	6.67	6.50	0.38	178	0.36	18.00	0	6.22	0.32		
Aon Corp.	NYS	50.63	-0.74	-6.25	54.00	39.75	404	1.68	3.32	13	27.17	1.86	27.17	OTC	25.00	12.36	13.64	25.00	16.75	273	1.12	4.48	10	20.22	1.24		
Argonaut Group	OTC	29.25	3.54	-4.10	31.25	24.00	106	0.84	2.87	8	21.70	1.35	21.70	OTC	12.63	-8.18	5.21	14.13	5.00	703	0.05	0.40	6	6.71	1.88		
AVEMCO Corp.	NYS	23.25	2.20	-0.53	28.00	21.00	21	0.40	1.72	25	7.33	3.17	7.33	OTC	46.75	0.54	-2.60	52.63	32.25	5	0.00	0.00	94	70.93	0.66		
Baldwin & Lyons Inc.	OTC	36.00	0.00	-1.37	36.50	26.50	0	0.48	1.33	9	30.85	1.17	30.85	NYS	59.75	3.69	5.29	59.75	36.00	373	1.04	1.74	17	14.87	4.02		
Chandler Insurance	OTC	4.63	-2.63	-2.63	7.63	3.25	20	0.00	0.00	21	8.63	0.54	8.63	NYS	48.25	3.21	0.52	50.50	39.75	449	2.00	4.15	22	35.86	1.35		
Chubb Corp.	NYS	84.38	-2.60	-5.06	91.00	62.38	611	1.60	1.90	13	40.67	2.07	40.67	NYS	52.63	2.68	-6.24	56.75	29.38	96	0.28	0.53	18	21.85	2.41		
CIGNA Corp.	NYS	58.75	-2.49	0.21	61.00	47.13	768	3.04	5.17	11	81.73	0.72	81.73	NYS	27.50	1.85	0.92	27.63	17.13	2302	1.60	5.82	-14	43.85	0.63		
CNA Financial Corp.	NYS	92.88	-4.62	-5.23	102.88	78.50	50	0.00	0.00	11	80.24	1.16	80.24	OTC	41.25	2.48	1.23	42.13	25.00	233	0.80	1.94	16	23.87	1.73		
Continental Corp.	NYS	26.50	-4.93	-1.40	34.75	20.00	481	1.00	3.77	19	38.32	0.69	38.32	OTC	40.00	-4.19	-3.61	43.00	30.34	2	1.00	2.50	17	28.47	1.40		
EXEL Ltd	NYS	48.75	5.41	3.17	48.75	32.13	243	1.00	2.05	10	N/A	N/A	N/A	OTC	41.00	3.80	-4.09	43.00	32.75	281	1.20	2.93	13	36.51	1.12		
Fund American Corp.	NYS																										

Crum & Forster

Continued from page 1

quarter (BI, Nov. 2, 1992).

Xerox acquired Crum & Forster in 1983 for \$1.6 billion. Since then, Xerox has put another \$866 million in capital into Crum & Forster, not including the most recent contributions.

In December, Xerox announced a realignment of its operations into specialized units, with each focusing on specific market segments (BI, Dec. 21, 1992). Until now, all these businesses' capital had been pooled, along with that of discontinued operations and those in runoff.

Under the new structure, these businesses have become separate operational entities and will eventually become separate legal entities, as well.

Besides Constitution Re and Viking, a non-standard personal auto insurer, the operational units are:

- Crum & Forster Commercial Insurance, which will become a national property/casualty insurer for individual commercial accounts.

- Industrial Indemnity Co., a San Francisco-based workers compensation insurer.

- A still-unnamed operation devoted to property/casualty program business and professional liability coverages.

- The London Agency of Atlanta, an underwriting manager, and Industrial Underwriters Inc. of San Francisco, which will continue to handle wholesale umbrella, excess casualty and special property business under a still-unnamed holding company.

Crum & Forster is now talking with state regulators about the

restructuring, and it will be a few months before the company knows when the changes will be complete, the spokeswoman said.

Discontinued and runoff operations, as well as the reinsurance recoverables, will be managed by the newly created Resolution Insurance & Claims Services. The runoff business reflects the wide range of businesses Crum & Forster has withdrawn from in recent years and includes:

- Industrial Indemnity Financial Corp., discontinued in 1985, which wrote financial guarantees for tax-exempt revenue bonds.

- Specialty liability coverages underwritten by L.W. Biegler Inc. in the late 1970s and early 1980s.

- Standard personal lines written by C&F Personal Insurance, a business Crum & Forster began to withdraw from in 1990.

- Aviation Office of America Inc., which was sold to a merchant banking firm in 1986, although Crum & Forster continues to run off some of its business.

- Underwriting manager J.H. Blades & Co. Inc., sold in 1987, which dealt primarily with energy-related business, including oil fields and fleets. Blades still operates under different ownership.

- U.I.C., an underwriter of import and export coverages and surety bonds, which Crum & Forster bought in 1987 and sold in 1988.

Insurance rating agencies had a mixed reaction to the Xerox announcement.

Standard & Poor's Corp. said pending a further determination, Crum & Forster remains on CreditWatch with negative implica-

tions. It had been placed on the watch list following the \$44 million third-quarter charge.

Moody's Investor's Service Inc. said it is reviewing—with "direction uncertain"—the Baa2 insurance financial strength rating of Crum & Forster intercompany pool members.

However, A.M. Best Co., which had earlier placed Crum & Forster's A- rating under review with short-term negative implications, reaffirmed the rating. Best said it was satisfied the "most material" aspects of the Crum & Forster reorganization have now been addressed.

Xerox would not disclose how

'The sale price would be a pretty wide band at this point,' says Alan Levin, a senior vp with S&P.

much it expects to gain by selling the insurance units. "There's no special target or goal in terms of the value of the organization," the spokeswoman said.

Walter Fitzgerald, an analyst with RAS Securities in New York, projects that Xerox will seek a minimum of Crum & Forster's book value excluding goodwill—about \$2.7 billion.

With acquisition costs of more than \$2 billion, this will give Xerox a net gain of \$500 million to \$600 million, he said. "I don't think they'll sell it at a big loss," he said, noting that Crum & Forster has indicated it may be willing to provide some financing to buyers.

B. Alex Henderson, an analyst with Prudential Securities Inc. in New York, was less optimistic. He anticipates Xerox will sell its entire financial services business, including Crum & Forster, for about \$3 billion, which would be only \$400 million more than the total of \$2.6 billion in acquisition costs for all financial services units.

Xerox's other financial services units include Furman Selz Inc., an institutional brokerage and investment banking firm, and Xerox Life Insurance Co., which writes annuities and life insurance.

"The sale price would be a pretty wide band at this point," said Alan Levin, a senior vp with S&P in New York. It is still not clear what assets and liabilities each unit will carry on their balance sheets after the intercompany pool is broken up. "You don't know for sure what each company's business coming out of this is going to look like."

Mr. Levin said likely buyers for Crum & Forster's units fall into two broad categories: Strategic buyers, which could include both domestic and foreign insurers that see particular Crum & Forster units as having a good strategic fit with their businesses; and "pure" investors outside the insurance field.

"This industry does not seem diminished in its ability to attract financial buyers," he said.

Michael Morrissey, a principal with Firemark, agreed that Constitution Re and Viking are likely to be among the first units sold. He pointed to a proposed initial public offering for Constitution Re that was withdrawn in 1991 (BI, Nov. 4, 1991).

In addition, any one of the top

10 excess and surplus lines insurers could be interested in buying The London Agency as a way to increase market share, except perhaps for American International Group Inc., which is already strong in the market, said Mr. Morrissey.

Xerox could have problems, however, disposing of Industrial Indemnity, at least until California's workers compensation situation is clarified.

"Workers compensation has got to be a problem for them," agreed Joyce Culbert, an analyst with Chicago Corp. in Chicago.

"All I can say is there's a lot of insurance product on the market," commented Michael Lewis, first vp at Dean Witter Reynolds Inc. in New York. He pointed to Transamerica Corp.'s planned initial public offering for its property/casualty insurance unit, and Kemper Corp.'s plans to sell its primary property/casualty subsidiaries (BI, Nov. 23, 1992). Units of Kemper National Insurance Cos. continue to write primary property/casualty insurance.

"There's certainly a lot of supply, and we're not sure what the demand is at this point," Mr. Lewis said. "It certainly won't be easy, especially if there's any ongoing problems in the components."

The Crum & Forster spokeswoman said there have been ongoing discussions with potential buyers. "I do think there has been interest expressed by various parties, but I don't know how serious these offers are. I think Jay's still all ears," she said, referring to Chairman Joseph W. Brown Jr.

She said Mr. Brown has no plans to leave the company. **BI**

Proposed asbestos settlement

Continued from page 1

asbestos producers operating through the Center for Claims Resolution, along with three prominent plaintiffs' attorneys, proposed a class-action settlement for all future asbestos claims against CCR members.

U.S. District Judge Charles Weiner has set no hearing date on the proposal.

The proposed settlement seeks to settle approximately 10,000 future claims in each of the next 10 years (BI, Jan. 18).

Neither the 75,000 cases now pending against CCR members nor the thousands of suits against larger asbestos producers would be affected. Only future claims would be covered by the proposal.

Backers of the proposal say it would alleviate pressure on courts, provide claimants with prompt, history-based settlements and offer CCR members and their insurers some certainty about asbestos-related liabilities.

But the settlement would be only voluntary, would cap compensation for all but "extraordinary" claims, and would limit legal fees to 25% of an award. For those reasons, observers are already questioning whether people who have been exposed to asbestos will register to be members of the class.

"There will be opposition from the plaintiffs' bar. We can count on that," said plaintiffs' attorney Gene Locks of Greitzer & Locks in Philadelphia. "But if all goes well, this will eventually be the only manner in which future claims are settled."

Mr. Locks, along with Ronald Motley and Joseph Rice of Ness,

Motley, Loadholt, Richardson & Poole in Charleston, S.C., proposed the plan in conjunction with the CCR. Mr. Locks handles about 4,000 cases; Mr. Motley handles substantially more than that.

For its part, the CCR appears upbeat. "We're very excited about this plan," said Larry Fitzpatrick, president of the Princeton, N.J.-based group. "It gives our members certainty about what they're going to pay. And genuinely sick people will get paid much quicker. It is our belief that Judge Weiner will approve it very soon."

The proposal would require everyone who has been exposed to asbestos, but has not yet filed a claim against a CCR member firm, to either opt out of the class or use the settlement to resolve any future claim.

Theoretically, anyone who did not opt out would be bound by the settlement. That means the settlement could bind people who were unaware of the offer and those who had no disease at the time and chose not to get involved.

"There's a serious legal question whether you can tie someone to a settlement they weren't made aware of," said one attorney who represents victims.

Judge Weiner also will have some due process questions to consider when reviewing the notification process outlined in the proposal, suggested Bud London, an attorney with London & Fisher in New York, which represents several insurers that wrote coverage for CCR members.

"I'm not sure how they'll post this so every eligible class mem-

ber can make an educated decision whether to opt out or not," he said. "No matter how thorough you are with notices, some people won't know about it."

Under the plan, the former asbestos producers and their insurers will provide scaled payments for four categories of illnesses: mesothelioma, lung cancer, other cancers and non-malignant illnesses.

Compensation would be capped at \$200,000 for "ordinary" mesothelioma, one of the most serious asbestos-related diseases.

Payments would be lower for lung cancer, other forms of cancer and non-malignant diseases, which comprise the vast majority of asbestos personal injury suits now pending in U.S. courts.

Mr. Fitzpatrick said the program includes medical criteria for determining impairment and levels of compensation. Payment schedules will be based on historic settlement amounts, he said.

For mesothelioma, the payment schedule ranges from \$20,000 to \$200,000, with an average projected at between \$37,000 and \$60,000, said Mr. Fitzpatrick.

Before any payment would be made, though, the diagnosis would have to be confirmed by two board-certified pathologists.

Asbestos victims would be able to seek compensation in two ways. Under the proposal's simplified claim system, they would simply submit a medical report to the CCR. If their condition fell within settlement guidelines, they would receive a minimum payment within 30 days.

Victims would also be able to

file for individual payment, which would entail bargaining and negotiations.

Although the plan limits settlements for "ordinary" cases, "extraordinary" cases would not be governed by the caps. These would include people who are severely stricken by an asbestos-related disease or whose injuries clearly exceed a category's maximum payment. Payments for extraordinary cases would be agreed upon by the CCR and lawyers for the claimant on a per-case basis.

Opposition to the plan is already brewing among victims' attorneys, who believe it would unfairly favor asbestos producers.

"The amounts they're proposing are woefully inadequate for most of our clients," said one New York lawyer. "I admire their efforts to make the (claims resolution) system better, but they can't satisfy all sides here."

"These amounts (for ordinary cases subject to the payment ranges) are inadequate for our New York cases," said the lawyer, who handles several hundred asbestos cases. "It's much less than a plaintiff should get or would get in court."

Bob Steinberg, a personal injury attorney with Rose, Klein & Marias in Los Angeles, said that if awards are truly based on past awards, it could benefit some claimants looking for quick, secure payment.

But, on first look, the settlement didn't appeal to him. "My initial response was, 'Oh God, look at these caps and thresholds on injuries.' It looks like it could be pretty tough to deal with in some cases."

Other asbestos litigation experts say the plan has merits but faces potential pitfalls.

Pat Houser, executive director for the Manville Personal Injury Settlement Trust in Washington, which since 1988 has evaluated, settled and paid asbestos personal injury cases against Manville Corp., said the proposal is "not outside reasonable boundaries."

Before it ran short of money in 1989, the Manville trust settled about 12,000 claims per year for an average of about \$38,500. Claims payments were then suspended by court order in 1990.

But allowing people to opt out might hamstring the plan, she said.

"If everyone except the clients of Mr. Locks and Mr. Motley opt out, then you're right back in court and the success of this plan is limited," Ms. Houser pointed out.

"Class action settlements traditionally have not worked with personal injury cases," added Jim Otto, an insurer attorney with Cummins & White in Los Angeles. "While the causes may be common, the injuries are very different. I doubt whether this would be certified without the opt-out provision."

He predicted people with less serious injuries would use the plan, while those more seriously injured would go to court.

"Most personal injury attorneys I know wouldn't go for 25% of less than \$200,000 when they could take more than one third of a couple million dollars on a solid court case. The plan sounds like it has some merit, but it faces an uphill battle," Mr. Otto said. **BI**



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