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Update

Mentor liquidators settle suits against ODECO, ex-auditor

HAMILTON, Bermuda—The liquidators of Mentor Insurance Ltd. have settled lawsuits against Ocean Drilling & Exploration Co., Mentor's parent, and KPMG Peat Marwick, the insurer's former auditor.

The settlement, terms of which were not disclosed, follows the liquidators' settlement last year of litigation against Pinnacle Reinsurance Co. Ltd. (*BI*, Sept. 23, 1991).

Altogether, Mentor's estate will receive $40 million in cash payments from the settlements with ODECO, Peat Marwick and

Continued on next page

Play-or-pay bill clears a hurdle but fate is cloudy

By MARK A. HOFMANN

WASHINGTON—Health care reform legislation backed by the Senate Democratic leadership faces an uncertain future despite winning the approval of a Senate committee last week.

Even before the Senate Labor and Human Resources Committee approved the proposal to require employers to offer a health care plan or pay a payroll tax to finance coverage for the uninsured, two cabinet secretaries said they would urge President Bush to veto the measure if it ever reaches his desk.

"Even if this bill was on a fast track, you'd have quite a legislative process to go through under the best of circumstances," commented Edward Davey, a principal with A. Foster Higgins & Co. Inc. in New York.

He called the 10-7 party-line vote approving the bill "a political move."

The Senate Democratic leadership wanted to have a measure before the public before President Bush delivers his State of the Union address and releases the administration's proposed 1993 budget this week, both of which may include details on a health care reform plan, Mr. Davey said.

Frank McArdle, a consultant in the Washington, D.C., office of Hewitt Associates, gave the bill's backers high marks for political savvy.

"It's a really clever blend of parliamentary and political strategy

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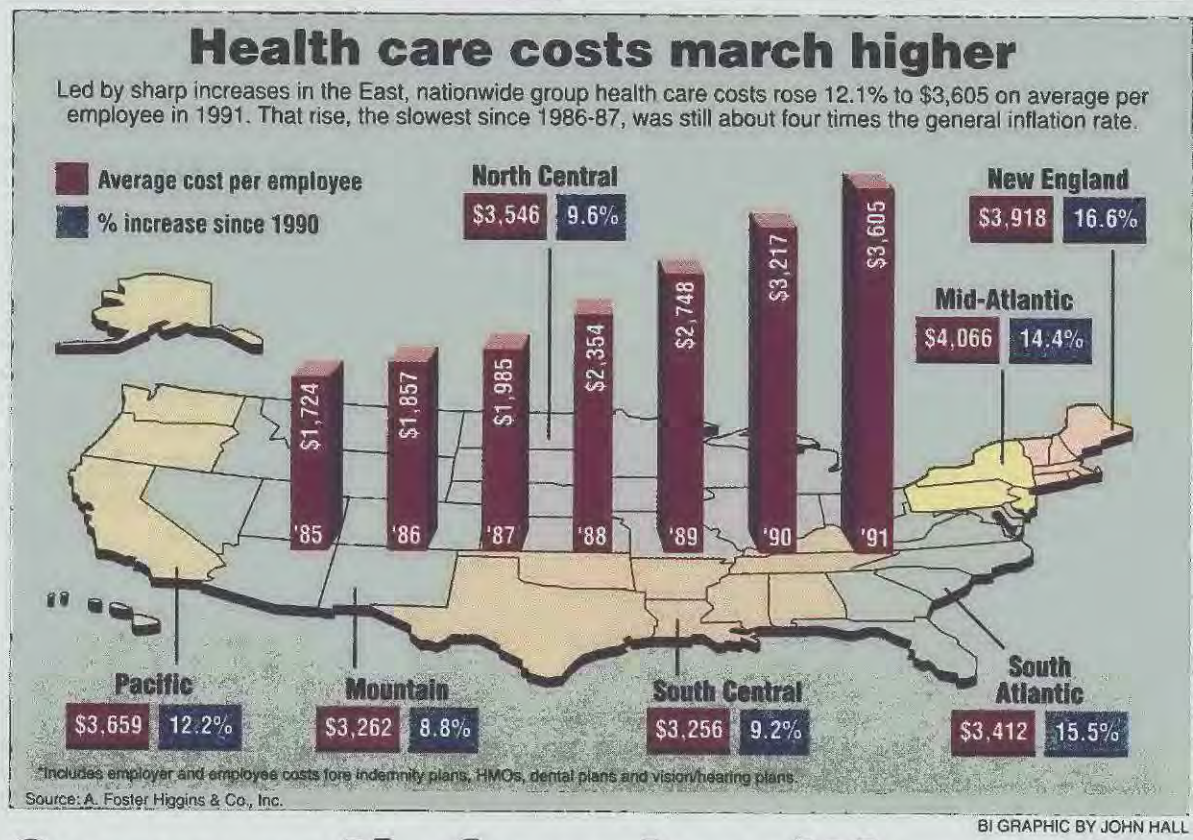

BI GRAPHIC BY JOHN HALL

Some relief on health costs

12.1% increase in 1991 smallest since '87

By JERRY GEISEL

While group health care cost increases are slowing down, costs still are rising at a double-digit pace that is four times greater than the general inflation rate.

Total health care costs—including medical indemnity plans, health maintenance organizations, and dental and vision plans—rose 12.1% to an average of $3,605 per employee in 1991 from $3,217 in 1990, says a new survey by A. Foster Higgins & Co. Inc. of New York. The figures include both employer and employee contributions.

The 1991 increase is a significant decline from increases in recent years: Group health care costs, as tracked by Foster Higgins, rose 17.1% in 1990, 16.7% in 1989 and 18.6% in 1988.

John Erb, a principal in Foster Higgins' New York office, says the cooling of health care inflation in 1991 is good news, but only when compared with the larger increases reported in previous years.

"The slowing of health care inflation after three years of substantially higher increases almost seems like a vacation. But the fact is, health care costs still are running at about four times the rate of general inflation," Mr. Erb said.

The overall Consumer Price Index increased 3.1% last year; the medical care component rose 7.9%.

And the slowdown in health care inflation in 1991 may have been only temporary, the result of higher deductibles and maximum out-of-pocket expenses paid by employees, Mr. Erb cautioned.

The median deductible for individual indemnity plan coverage climbed to $200 last year from $150 in 1990, while the median out-of-pocket limit for individual coverage was $1,050 in 1991, up from $1,000, the study shows.

"Many employers merely appor-

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French airliner crash may cause new hikes in aviation premiums

By STACY SHAPIRO

LONDON—Last week's French airliner crash likely will harden underwriters' resolve to continue charging increased airline hull and liability insurance rates this year.

The crash last week of an Air Inter Airbus A-320, which killed 87 people, was the third airline accident so far in January and the sixth in a string of aviation losses since December.

Those losses, which together will cost underwriters about $190 million, will make them more determined than ever to continue increasing airlines' rates, says a London aviation source. Premiums already doubled or tripled for many airlines renewing their hull and liability insurance programs at the end of 1991 (*BI*, Nov. 25, 1991).

Most of this month's losses will be retained by aviation insurers, which also recently paid increased prices for their reinsurance programs, he noted. Many programs contain retentions of $40 million to $70 million for each loss, he pointed out.

Aviation insurers are "not off to a flying start" in 1991, he said. Last week's loss "will concentrate (insurer's) minds more on under-

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Directory of Third-Party Administrators . . . Page 36

Law to help disabled may injure employers

By MEG FLETCHER and SARA J. HARTY

A new federal law designed to prevent discrimination against the disabled may hamstring employers with increased litigation as well as increased workers compensation and health insurance costs.

Attorneys and consultants predict an onslaught of discrimination complaints by disabled job applicants and workers over hiring decisions and workplace accommodations under the Americans with Disabilities Act of 1990.

They also predict that the law may lead to higher workers compensation and health insurance rates, since employers for the most part no longer can refuse to hire workers predisposed to work-related or non-work-related injuries or illnesses.

However, many others say higher litigation costs may be offset by a reduction in wage-loss benefits paid to disabled employees who will receive added encouragement under the law to return to work.

Tens of thousands of public entities now must be in compliance with the employment-related provisions of the ADA. Most employment-related sections of the law went into effect Sunday for all state and local governments.

In addition, public entities and about 5 million non-governmental businesses that cater to the public —like restaurants and banks—also must now comply with the ADA's provisions designed to increase public access for the 43 million U.S. citizens with substantial physical or mental impairments.

Non-governmental employers, unions and employment agencies with 25 or more employees will not be subject to the ADA's employment-related provisions until July 26. Non-governmental employers with 15 to 24 employees must comply with the law by July 26, 1994.

The Justice Department, which is primarily responsible for enforcement of the law until July when another agency will assume the duty, said a 90-day moratorium on new government regulations that President Bush is expected to announce Tuesday as part of his economic recovery plan would not apply to the ADA.

"The ADA will be a big boost to

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Update

Mentor liquidators drop suits

Continued from previous page

Pinnacle. Those involved in the settlements would not reveal how much of the $40 million will be contributed by each party.

Robert Steinhoff, managing partner of Peat Marwick Mitchell & Co. (Bermuda), said the accounting firm's errors and omissions insurance will cover its share of the settlement.

George Breazeal, vp with Murphy Oil Corp., ODECO's parent, said that Murphy has reserves to cover its part of the settlement and that the payment will not adversely affect Murphy's financial results.

In addition to the cash payment, the settlement provides for the withdrawal of $90 million in claims against the Mentor estate by five banks that had issued letters of credit on Mentor's behalf. The five banks are Manufacturers Hanover Trust Co.; Morgan Guaranty Trust Co.; BankAmerica International; First City National Bank of Houston; and Irving Trust Co.

ODECO has been repaying the banks for LOC drawdowns in quarterly installments since 1988 and finished paying the total of about $90 million last Dec. 31, Mr. Breazeal said.

Mentor's joint liquidators say the settlement could lead to an increase in the first dividend payable to Mentor creditors March 31. The dividend announced last year would amount to 10 cents on the dollar.

Assets available to Mentor creditors will total about $240 million including the cash settlement, said Simon D. Brooke, an Ernst & Young senior manager involved in the liquidation.

Claims against the estate totaled $790 million when the dividend was set last year, but this amount will change with the withdrawal of the bankers' claims, a reduction of litigation expense reserves and changes in Mentor loss reserve estimates, Mr. Brooke noted.

The settlement should also hasten the completion of Mentor's liquidation, which may now be wrapped up by 1995, the liquidators say.

Mentor's liquidators sued ODECO and Pinnacle in 1986, charging that ODECO should be liable for Mentor's debts. The suit also charged that Pinnacle helped conceal Mentor's true financial condition through "secret side letters" to three stop-loss reinsurance contracts it wrote for Mentor (*BI*, March 24, 1986).

The liquidators separately sued Peat Marwick in 1990 for failing to uncover the reinsurance transactions (*BI*, June 11, 1990).

Shareholder sues Dow Corning

MIDLAND, Mich.—Dow Corning Corp. has put its directors and officers liability insurer on notice after an investor filed suit accusing the company and its parents, Dow Chemical Co. and Corning Inc., of securities law violations for allegedly not disclosing potential problems involving silicone gel breast implants.

That suit follows the Food and Drug Administration's action to discontinue the implants because of safety concerns (*BI*, Jan. 13).

Midland, Mich.-based Dow Corning last week released to the FDA 10 scientific studies and 80 internal memoranda regarding the safety of the implants, said Arnold Weigl, Dow Corning's risk manager.

Dow Corning also is asking that a new panel of medical experts from the fields of immunology, rheumatology, toxicology and plastic surgery be convened to review the safety of the implants.

The lawsuit, filed in federal court in New York by Corning shareholder Joseph Reiss of New York, seeks to be made a class action on behalf of all Corning shareholders who bought stock between Jan. 13, 1989, and Jan. 13, 1992, when the stock price fell $10.63 a share to close at $68.38 a share after the FDA ban was announced.

Dow Corning has commercial D&O coverage to respond to the suit, said Mr. Weigl, who declined to identify the insurer.

1991 damages top $4.2 billion

RAHWAY, N.J.—Catastrophes caused an estimated $4.22 billion in insured U.S. property damage in 1991, reports the Property Claim Services Division of the American Insurance Services Group.

That is the second most costly year for property insurers since the division began keeping records more than 40 years ago. Only 1989 was costlier, when Hurricane Hugo, the San Francisco Bay area earthquake and other natural disasters caused $7.64 billion in insured property damage (*BI*, March 5, 1990).

The most costly single catastrophe last year was the Oakland, Calif., wildfire in October, which caused an estimated $1.2 billion in insured damage (*BI*, Oct. 28, 1991). In all, 36 catastrophes—defined as events that cause at least $5 million in insured damage to a wide area—occurred in 1991. No catastrophes have been declared to date in 1992.

MetLife to buy ELNY portfolio

NEW YORK—Metropolitan Life Insurance Co. will pay more than $100 million for Executive Life Insurance Co. of New York's $1.46 billion portfolio of deferred annuities and life insurance policies.

An agreement reached last week with New York regulators, and still subject to court approval, calls for MetLife to assume about half of the New York insurer's overall book of business—$1.2 billion in single-premium deferred annuities and $260 million in life insurance policies. MetLife plans to administer the remaining $1.5 billion in immediate annuities and pensions for an annual fee of about $500,000.

Meanwhile, in California, Superior Court Judge Kurt Lewin says policyholders of the failed Executive Life Insurance Co. of Los Angeles, another First Executive Corp. unit, will receive 48 cents on the dollar if they opt to collect their money before Executive Life is acquired by a French investor group (*BI*, Jan. 6; Dec. 23, 1991). However, this value could increase if an appeals court overturns a ruling that holders of municipal bonds backed by Executive Life guaranteed investment contracts have the same status as other policyholders.

Punitive award cover upheld

SAN FRANCISCO—The 9th U.S. Circuit Court of Appeals has affirmed without comment a 1991 decision that allows California policyholders ordered to pay punitive damages in another state to tap their liability insurance even though California law bars coverage

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Chicago utility covered for explosion damages

By LORI BLOCK

CHICAGO—Peoples Gas Light & Coke Co. says it has substantial liability insurance to cover claims from a series of explosions and fires that killed three people and injured several others Jan. 17.

Set off by a gas surge, the fires and explosions destroyed up to 22 buildings. No damage estimates were available from the gas company, the Chicago Fire Department, or federal and state investigators.

Both homes and businesses were extensively damaged. At least two negligence suits were scheduled to be filed against the utility late last week or this week.

A spokesman for the utility, a unit of Chicago-based Peoples Energy Corp., said it has a $500,000 self-insured retention and purchased three layers of excess liability insurance, but would give few other details.

Up to $35 million in excess coverage is written by Associated Electrical & Gas Insurance Services Ltd., a utility industry captive in Bermuda.

X.L. Insurance Co. Ltd. of Bermuda wrote the second excess layer. Brian M. O'Hara, president and chief operating officer of X.L., would not give the specific policy limits, saying only that the company provides up to $100 million in excess liability limits.

Peoples Gas confirmed that the third excess layer is written by A.C.E. Ltd. of Bermuda and said it attaches somewhere between $100 million and $150 million. A.C.E. writes up to $200 million in limits.

What caused the gas surge still is unknown, but federal investigators are beginning to uncover the events that transpired hours before the explosions ripped through the northwest Chicago neighborhood.

A National Transportation Safety Board spokesman said that maintenance crews were working on a nearby gas regulator. As part of routine maintenance, the crew shut down both main and backup regulators, properly routing the gas through a bypass line.

Just before the regulators were to be turned back on, the pressure on the bypass line shot up, said the spokesman for the investigative agency. Gas then entered customers' homes at a much higher level than normal. "Any time you have gas venting into a house, the chances are it will eventually build up to a level that will hit some ignition source," he said. "We know what happened, but we don't know why the accident occurred."

The safety board has the authority to investigate accidents related to gas transportation and issue a safety report if it deems one

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Will succeed Vairo as top officer of Xerox unit

Crum & Forster taps Brown

BASKING RIDGE, N.J.—Less than two months after resigning from Fireman's Fund Insurance Co., Joseph W. Brown Jr. will take the reins at Crum & Forster Inc., succeeding Robert J. Vairo as chairman, president and chief executive officer.

Mr. Vairo, who is retiring, said last week that Mr. Brown "is the right guy at the right time with the right talents to take Crum & Forster into the future."

Mr. Brown, formerly president and CEO of Fireman's Fund, said he is "incredibly excited" about taking the helm at the Basking Ridge, N.J.-based insurer. Crum & Forster is a unit of Xerox Corp.

Mr. Brown

Mr. Vairo

Mr. Brown, 43, said he will focus in the next three to six months on getting to know Crum & Forster's strengths and weaknesses. The company has just completed a major restructuring, begun in 1990, that included the sale of its personal lines business and a renewed focus on commercial lines.

The company also considered last year selling its Constitution Reinsurance Corp. unit. Mr. Brown said it would reconsider selling Constitution Re for the "right price and to the right buyer."

"I am starting with the assumption that this is the correct road map," he said of the insurer's restructuring. "However, picking the course and driving it are two different things. I'll be in the driver's seat now and my fingerprints will be all over (the road map)," he quipped.

Discussing his decision to resign from Fireman's Fund (*BI*, Dec. 16, 1991), Mr. Brown said last week his role there was "completed." Mr. Brown, who had worked at Fireman's Fund since 1974, left less than a year after the insurer was acquired by German insurer Allianz A.G. Holding.

At Crum & Forster, though, "I can do what I want to do in the next decade; it is a good match," Mr. Brown said.

In particular, Mr. Brown said he wanted to work on improving the insurer's image within the industry, which he agreed is not well-defined.

"One of my clear long-term goals is to articulate an image of the company to employees, brokers and the industry," he said.

Mr. Brown said Xerox has no plans to sell Crum & Forster, nor does management plan to execute a leveraged buyout of the insurer.

He did not rule out the possibility that he and John Byrne, chairman of Fund American Cos., which sold Fireman's Fund to Allianz, could once again work together.

Mr. Vairo, 61, said he had been planning to retire "for some time," but stayed on because the company was in the middle of restructuring.

Mr. Vairo will spend the next couple of months helping Mr. Brown in the transition. Mr. Vairo also will remain on the board of directors of Crum & Forster for at least one year.

—By Stacy Adler Gordon

Deadline nears for directory of risk consultants

Business Insurance will publish its annual directory of risk management consultants in the March 9 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. To be included, 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 Karen Armaganian at 312-280-3195.

The extended deadline for returning completed questionnaires to *Business Insurance* is Feb. 10.

Inside

- The task force report on Lloyd's of London is filled with constructive suggestions that we encourage the Council of Lloyd's and the entire market to carefully consider, says this week's editorial. **PAGE 8**
- Mounting criticism has forced the Council of Lloyd's of London to back down from its initial rejection of a task force proposal to change the regulatory structure of the market. **PAGE 79**
- The hodge-podge of civil law procedures throughout the European Community leads to wide variations in legal costs and the time it takes for settlement or judgment, a London law firm contends. **PAGE 79**
- Leonard Wilson, senior vp with Lazard Asset Management Inc., says he remains convinced that if growth in commercial insurance premiums parallels growth in the gross national product, the public insurance brokers should again enjoy more positive results, perhaps in the not too distant future. **PAGE 87**

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Self-insurance

Workers comp drives growth

Employers find new alternatives for assuming risk

By MICHAEL BRADFORD

Employers looking for ways to clip the high-flying cost of workers compensation coverage and better control their losses continue to fuel the growth of alternative risk financing mechanisms.

While self-insurance is the preferred alternative to the conventional workers compensation insurance market, employers also are finding other means to assume more of their workers comp risk.

For example, laws in several states allow employers in similar industries to form workers comp self-insurance groups.

In addition, commercial insurers—which are trying to regain or retain market share—are offering large deductible plans, which can minimize the impact of residual market loadings (*BI*, Sept. 16, 1991).

Altogether, risk financing alternatives accounted for 33.6%, or $62.3 billion, of a $185.2 billion commercial risk financing market in 1991, according to a study by Johnson & Higgins and IMR Corp., a market research firm in Morristown, N.J.

That share could climb to 34.3%, or $67.1 billion, of a $195.5 billion commercial market by year end, the new study concludes.

Risk financing alternatives, according to the study, include self-insurance, excess/surplus lines insurance and mechanisms like captives, risk retention groups and policyholder-owned insurers.

Workers comp is about the only risk that is driving businesses to seek out these alternatives amid the ongoing soft market, according to consultants and brokers.

Many employers in so-called "tough" classes of business, like chemical or pharmaceutical manufacturing, have long since bailed out of the commercial property or liability insurance market in favor of self-insurance.

Some of those companies recently have shown an interest in self-insuring higher levels of hazardous exposures, said Harry Shuford, global director of Anistics, the New York-based consulting subsidiary of Alexander & Alexander Services Inc.

Companies want to feel that they can handle this "potentially catastrophic loss" cost-effectively, he said.

Seeking to cut expenses, small firms have also shown some interest in self-insuring business interruption and property

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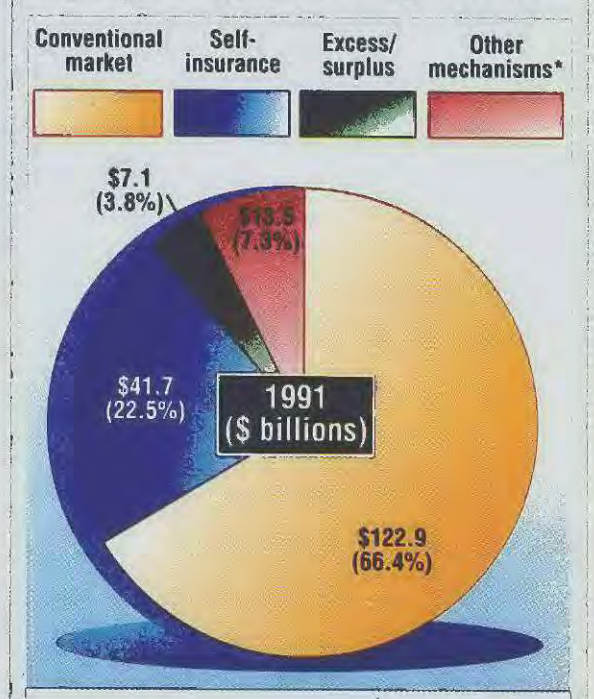
How companies fund property/casualty risks

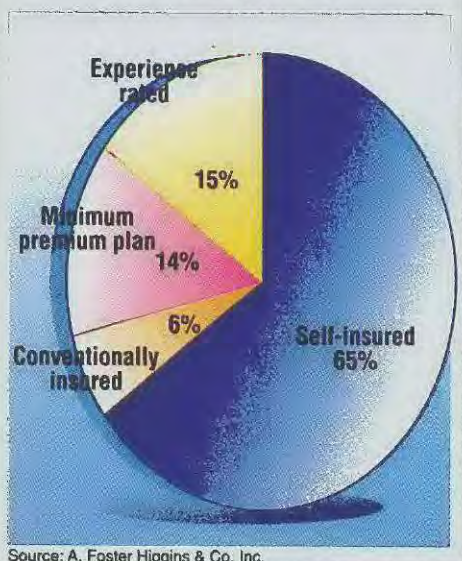


* Other mechanisms include captives, risk retention groups and policyholder-owned programs

Source: Johnson & Higgins/IMR Corp.

GRAPHIC BY JOHN SMITHER

How employers fund health plans



Source: A. Foster Higgins & Co. Inc.

GRAPHIC BY JOHN SMITHER

Benefit self-funding gaining new converts

65% of employers now self-insure: Study

By CHRISTINE WOOLSEY

The steep rise in health care costs is pushing still more employers to self-insure their health care programs, according to a new survey.

Sixty-five percent of 2,408 U.S. employers surveyed said they self-insured their group medical plans in 1991, up from 59% in 1990, according to an A. Foster Higgins & Co. Inc. study to be released today (see story, page 1).

That jump was the second-largest increase since Foster Higgins began its survey in 1986.

Mirroring past years' trends, small and mid-sized employers turned most often to self-insurance in 1991, according to the study.

Forty-one percent of small employers—those with fewer than 500 employees—reported self-insuring their medical plans, up from 37% in 1990.

Another large increase was found among mid-sized companies employing 1,000 to 2,499 workers: 74% reported self-insuring their health care plans in 1991, up from 67% in 1990.

Among large employers—those with 5,000 or more workers—82% self-insured in 1991, up from 79% in 1990, the study indicates.

Stop-loss coverage appeared to have grown a bit less popular with self-insurers: 71% reported having the coverage in

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Soaring costs fuel TPA business growth

Many self-insured employers are turning to third-party administrators for help in managing rising claims costs.

Problems in the workers comp arena are driving more firms to self-insure that exposure, while still-soaring health care costs ensure self-funding of health care benefits will remain popular.

Among 160 TPAs specializing in benefits that responded to the question, $18.32 billion was paid on behalf of self-insured clients last year. Fifty-two property/casualty specialists reported handling $9.88 billion in claims on behalf of self-insurers. And 42 TPAs that handle both types of insurance paid $4.92 billion on behalf of self-insured clients.

Claims administration was the most popular service performed by these firms for self-insured clients last year. Benefit specialists reported 94,947 claims administration clients in 1991, 586 adjusting clients and 89 auditing customers.

TPAs specializing in property/casualty claims reported 43,507 administration clients, 5,454 adjusting clients and 608 auditing clients.

Firms handling both types of claims saw 8,280 administration customers, 349 adjusting clients and 163 auditing clients.

A report on the nation's largest TPAs specializing in benefit claims begins on page 21. And a report on the largest TPAs specializing in property/casualty claims starts on page 28.

A directory of claims administrators serving self-insured clients, organized by specialty, commences on page 36.

12 largest claims administrators serving self-insurers

Company (Ownership)	Claims paid for self-insurers (in millions of dollars)	Number of self-insured clients	Type of claims for self-insurers: Health[1]	Non-health benefits[2]	Workers Comp	General liability	All other	Staff serving self-insurers	1991 gross revenues (in millions of dollars): Total	From claims administration
ALTA Health Strategies Inc. (Publicly held)	$2,640.0	860	96.0%	4.0%	0.0	0.0	0.0	2,600	$142.0	$116.0
Crawford & Co. (Publicly held)	1,919.1	1,399	0.0	0.0	61.0%	21.0%	18.0%	N/A	535.6	199.4
Employee Benefit Plans Inc. (Publicly held)	1,378.0	2,494	99.0	1.0	0.0	0.0	0.0	1,095	198.6	69.6
Administrators Network Inc. (Privately held)	1,277.6	2,037	89.0	5.0	5.0	1.0	0.0	1,118	68.0	47.6
The Travelers Plan Administrators Inc. (Travelers Corp.)	1,242.9	519	85.0	15.0	0.0	0.0	0.0	495	32.0	32.0
Gallagher Bassett Services Inc. (Arthur J. Gallagher & Co.)	961.8	1,030	31.0	0.0	34.0	17.0	18.0	995	72.0	65.4
Alexsis Inc. (Alexander & Alexander Services Inc.)	936.0	3,500	0.0	0.0	70.0	20.0	10.0	1,800	109.0	109.0
Harrington Services Corp. (Privately held)	915.0	273	79.0	18.0	3.0	0.0	0.0	900	52.0	40.0
ESIS Inc. (CIGNA Corp.)	900.0	1,130	0.0	0.0	25.0	30.8	44.2	N/A	N/A	N/A
Prudential Service Bureau Inc. (Prudential Insurance Co. of America)	858.0	107	78.8	21.2	0.0	0.0	0.0	355	32.1	16.5
GAB Business Services Inc. (Societe Generale De Surveillance)	850.0	645	0.0	0.0	51.0	26.0	23.0	N/A	235.0	N/A
Hertz Claim Management Corp. (The Hertz Corp.)	790.0	350	25.0	0.0	25.0	5.0	45.0	955	N/A	N/A

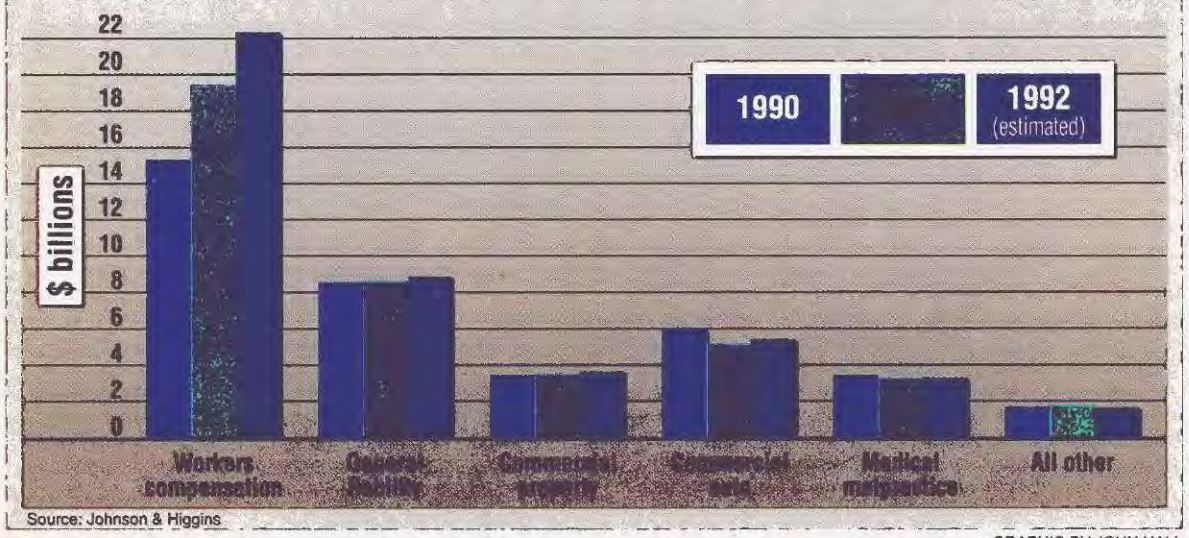
1 Includes medical, dental, vision and prescription drug plans 2 Includes pensions, flexible compensation, disability and life N/A= not available

Source: *BI* survey

GRAPHIC BY CYNTHIA WATSON

Self-insurers target workers comp

Employers are increasingly self-insuring their workers compensation risks, while the amount of other types of property/casualty risks that are self-insured has been flat.



Source: Johnson & Higgins

GRAPHIC BY JOHN HALL

Risk financing

Continued from previous page

exposures, Mr. Shuford noted.

But workers compensation problems still provide the biggest stimulus for employers to self-insure.

"Workers comp is in fact the No. 1 driving force" of the self-insurance movement, said Richard Duvall, president of financial and actuarial consulting at Sedgwick James Inc. in Nashville, Tenn. Low rates in recent years have kept policyholders in the commercial market for most other lines of coverage, he said.

Self-insured workers comp programs in 1991 produced the equivalent of $19.4 billion in premiums, up 27% from $15.3 billion in 1990, according to the J&H/IMR study. In 1992, researchers expect that amount to rise another 15% to $22.3 billion.

"Workers comp is the leader" when it comes to self-insurance, agreed Donald J. Krutek, a senior vp at J&H in Chicago. "One of the things that we have seen and are, in fact, gearing up for" is an increase in clients wanting to self-insure their workers comp programs as a way to control losses and lower costs, he added.

"It seems to us that workers comp problems continue and the momentum for workers comp self-insurance growth continues," agreed Robert A. Brian, senior vp at Conning & Co., a insurance industry securities research firm in Hartford, Conn.

As workers comp-related problems continue to power the move to alternative risk financing, commercial insurers are seeing their total market share drop.

The conventional market comprised 66.4%, or $122.9 billion, of the total commercial risk financing market of $185.2 billion last year, according to J&H/IMR. That is down from 68.4%, or $120 billion, of a $175.6 billion commercial market in 1990.

The study predicts that decline will continue this year, with the conventional market writing 65.7%, or $128.4 billion, of a $195.5 billion overall market.

Self-insurance accounted for 22.5%, or $41.7 billion, of the 1991 risk financing market and is expected in 1992 to rise to 23.1%, or $45.1 billion, of the total.

Excess/surplus lines also will make up a greater percentage of the total market this year, predicts the J&H/IMR study. The excess/surplus share of the market is expected to rise to 4%, or $7.9 billion, by year end, from 3.8%, or $7.1 billion, in 1991.

Captives, policyholder-owned insurers and risk retention groups will comprise a slightly smaller percentage of the total this year, the J&H/IMR report indicates. After finishing 1991 with a combined 7.3% of the total market, or premium equivalents of $13.5 billion, they are expected to comprise 7.2%, or $14.1 billion, this year.

Other studies predict similar growth in the alternative markets.

Conning & Co.'s annual Property-Casualty Alternative Markets' Update shows conventional insurers with 64.7%, or $108.3 billion in premiums, of a total $167.4 billion commercial market in 1991.

That share, the report forecasts, will shrink to 64%, or $115 billion, of a $180.7 billion market in 1992.

Alternative markets, excluding excess/surplus lines insurers, will account for 32.1% of the total by year end, up from 31.5% last year, Conning predicts.

Breaking down those alternatives, Conning reported that self-insurance accounted for 23.6% of the total market last year and is expected to make up 24% in 1992. Captives, which comprised 6.4% of the 1991 market, will account for 6.5% this year.

Large-capacity facilities—like policyholder-owned A.C.E. Ltd. and X.L. Insurance Co. Ltd.—will hold 1.2% of the market at year end, the same as in 1991. And risk retention groups, Conning predicts, will grow to 0.4% of the market by year end, from 0.3% in 1991.

And Conning expects excess/surplus insurers, which accounted for 3.8% of the total market last year, to account for 3.9% this year.

Another report shows the shrinking market share of the commercial market continuing into 1993.

Figures compiled by Sedgwick James show the commercial insurance market accounted for 58.7%, or $141 billion, of a total $240 billion market in 1991.

While the commercial market is expected to write $149 billion in 1993 premiums, that would represent only 57.3% of the total $260 billion market, according to Sedgwick James, which made no 1992 forecasts.

Brokers, consultants and insurers agree that employers enjoy several advantages over the traditional market when self-insuring their exposures. Those include lower coverage costs, better control over claims and avoidance of high assessments from

Continued on page 6

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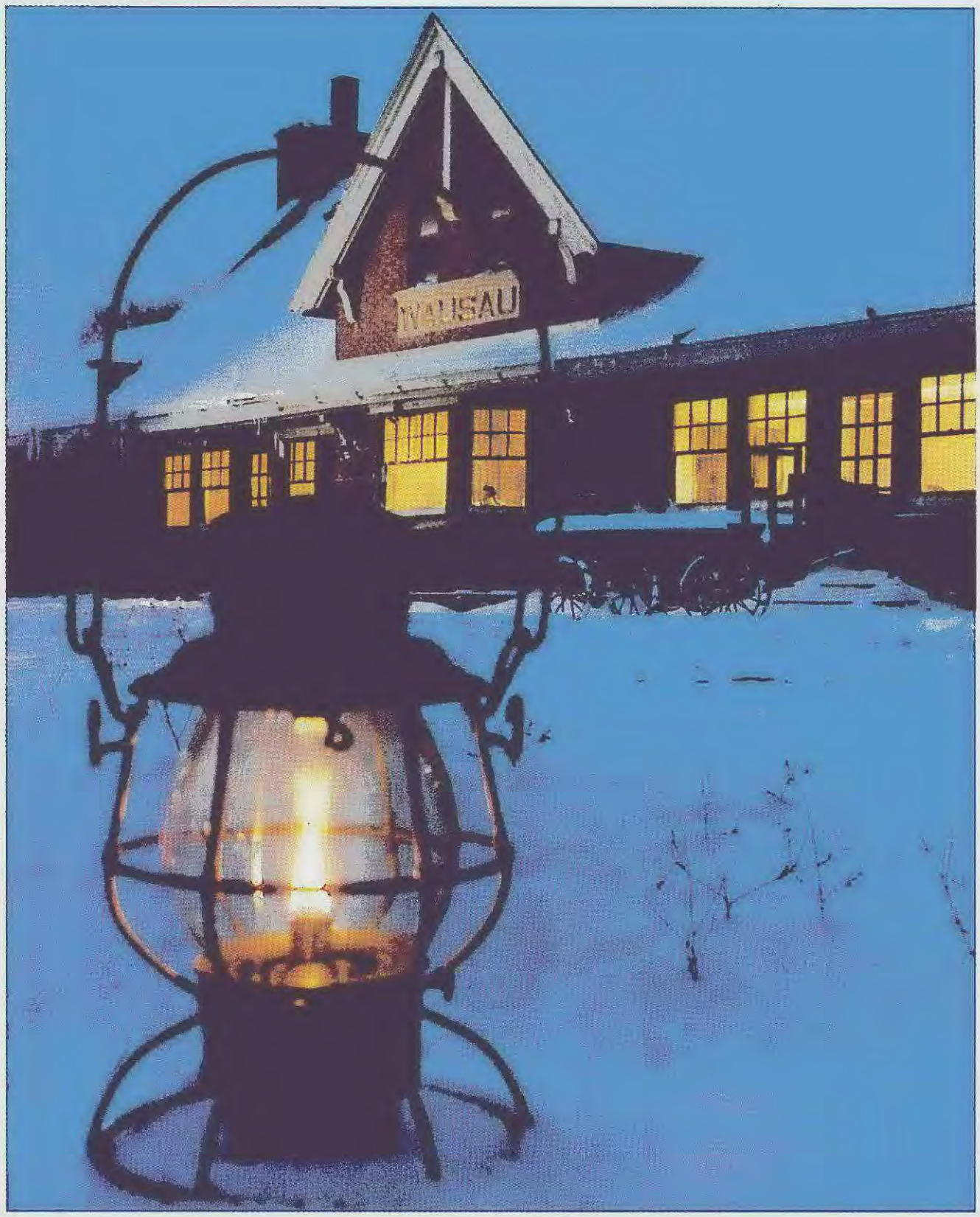

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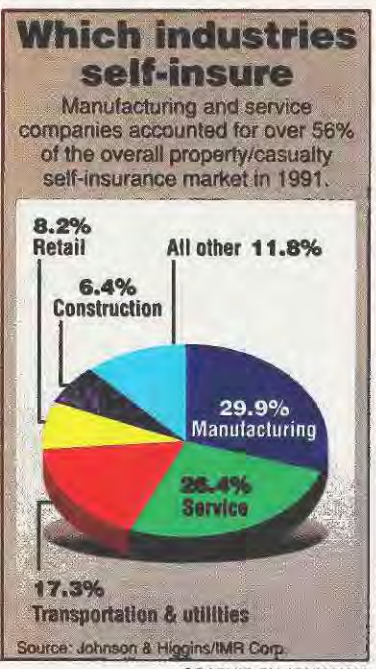

GRAPHIC BY JOHN HALL

Risk financing

Continued from page 4
state assigned risk pools.

"More and more companies are looking at this because of the horrendous workers comp costs," said Joseph H. Albert, president of J.H. Albert International Insurance Advisors Inc. in Needham, Mass.

"And there are more benefits. They are able to control their own destinies" by self-insuring and administering claims and loss control programs themselves, Mr. Albert pointed out.

Some businesses are finding their claims processing procedures have improved since they were taken away from insurers, according to Herb Feldman, president of Alpha Risk Management Inc., a consultant in Great Neck, N.Y.

Some cost-conscious insurers have reduced claims administration staff and, therefore, the service they provide, Mr. Feldman said. "Several of my clients are concerned about the expense cutbacks by insurers."

While self-insured employers enjoy control over their workers compensation program, they are particularly happy with the savings they find by avoiding high premiums and residual market "loadings," according to sources.

And those savings are realized quickly as the cost of commercial workers comp coverage continues to skyrocket, they point out.

For the first time, "short-term savings" are motivating employers to leave the commercial market, said Mike R. Levin, a consultant in Chicago with Tillinghast, a division of Towers, Perrin, Forster & Crosby Inc. "The short-term savings haven't always been available because the cost of workers comp has not always been as high as it is."

The risk manager for a major pharmaceutical manufacturer says his company is studying self-insurance alternatives for its workers comp program as a way to avoid residual market loadings.

"We're considering it in a couple of states," said Joe Basciano, director of risk management and pension investments at G.D. Searle & Co. in Skokie, Ill.

"There is the potential to save on some residual market loads. In a couple of states where we have large employee concentrations, we'll see if it makes sense," he explained.

Yet as more companies dodge residual market assessments, states are beginning to look harder at whether self-insurers should help carry some of the burden.

In Iowa, legislation has been drafted that would shift part of the responsibility for deficits in the state's workers comp assigned risk pool to self-insurers.

The legislation will "attempt to level the playing field," said Steven Ort, an attorney with Bell, Hansen & Ort in New London, Iowa.

Mr. Ort, who worked on the legislation on behalf of the Iowa Insurance Institute, an insurance company trade association, argued that too much of the burden of funding the assigned risk pool lies with employers that remain in the commercial market.

"Good businesses are abandoning the commercial market," he noted, leaving a smaller base for residual market assessments.

Residual markets were originally created to make workers comp coverage available to all employers, Mr. Ort added. "But what we see occurring, with the shift to self-insurance, is that the burden of the social policy is being transferred to insured employers."

Employers that are too small to self-insure are particularly hurt by residual market loads, he said.

The bill, expected to be considered by Iowa legislators this spring, would apply to all self-insured entities and to the large deductible policies that some insurers offer.

"That could be a concern on the part of some insurers," Mr. Ort acknowledged, referring to the proposed law's application to large deductible policies. "Nevertheless, having a large deductible reduces the premium, which reduces the assessment to the residual market."

Large deductible policies have come into vogue in recent years as a way to minimize residual market loads. Because the loads are figured only on the amount of premium paid, employers with these policies pay a smaller load.

Large deductible programs have become "extremely popular," said Phil Petronis, managing director of risk management services at Marsh & McLennan Cos. Inc. in New York. But, he acknowledged, the programs are helping shrink the pool of those responsible for residual market assessments.

"There is a deficit that has to be covered," said Mr. Petronis. "Somebody has to pay it."

Although large deductible policies can provide a way around the assessments for the time being, "there is no guarantee the alternative will work forever," he said.

Large deductible policies are "essentially self-funding without the self-insurance process," explained Dick Palczynski, vp and chief financial officer for commercial lines at Travelers Corp. "Many employers in '91 took greater advantage of it."

Mr. Palczynski, who pioneered the idea of large deductible policies, pointed out that Travelers offers the policies in 33 states and he expects all states will eventually allow the policies.

Under the policies, deductibles begin at $100,000 per claim and Travelers has sold policies with deductibles as high as $2 million per claim.

Large deductible policies can "make an awful lot of sense," said Mark Charron, senior manager at Deloitte & Touche-Casualty Actuarial & Risk Management Consulting Services in Hartford, Conn.

It's not uncommon for a large employer to take a $100,000 deductible, according to Mr. Charron, and even some medium-sized companies can be found that have coverage with deductibles ranging from $10,000 to $25,000.

Mr. Charron cautioned employers considering a large deductible policy that it is "imperative that you take a close look at what your historical losses have been and actuarially project future claims to know what claim costs will be. If claims are continuing to go up, it isn't the time to take on more risk."

Employers also are turning to group self-insurance to avoid workers comp residual market loads.

About two dozen states allow businesses in similar industries to band together and self-insure their workers comp risks. In many states, premium contributions serve also serve as capital contributions.

"There is a tremendous amount

Continued on page 10

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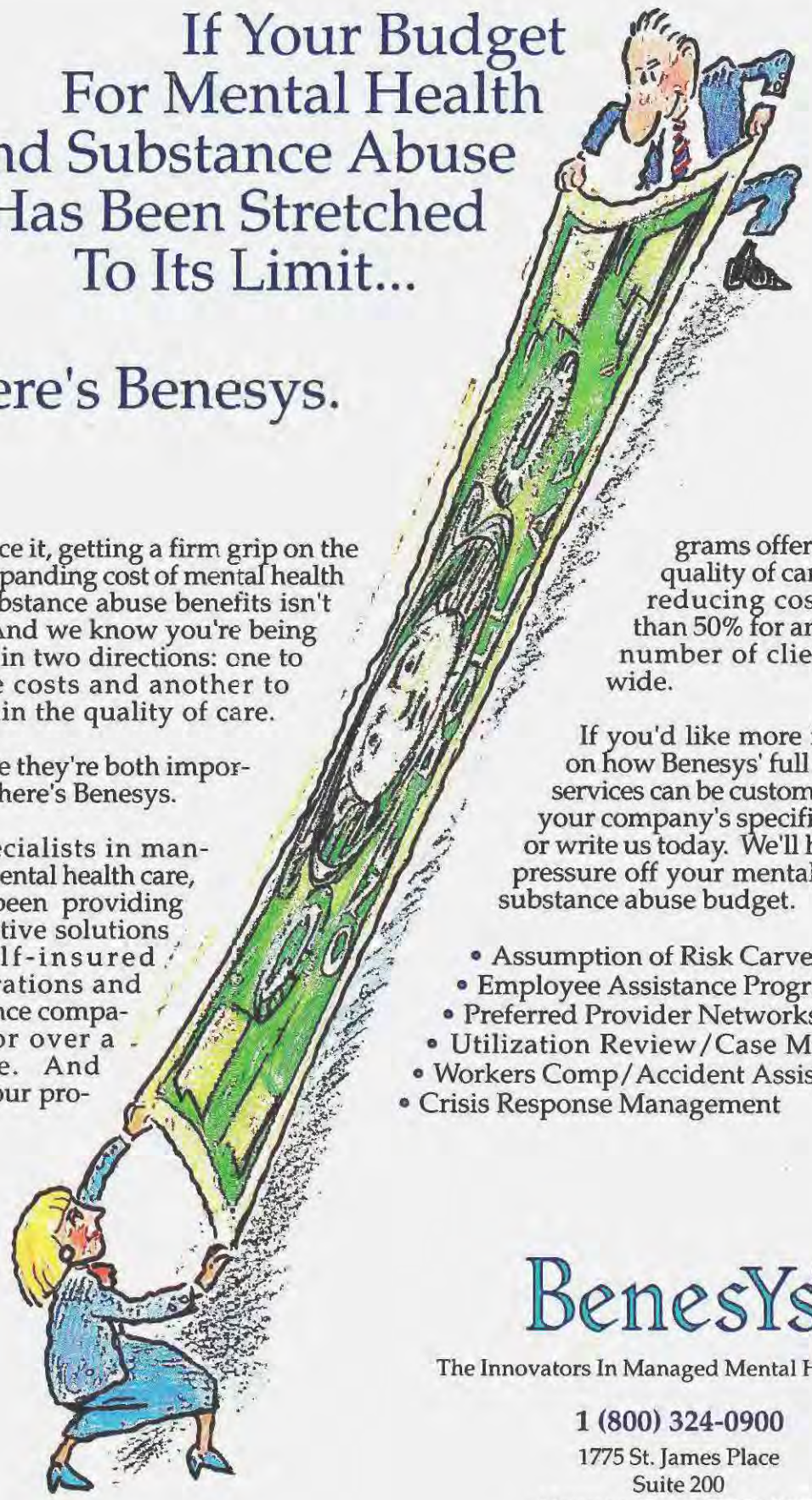

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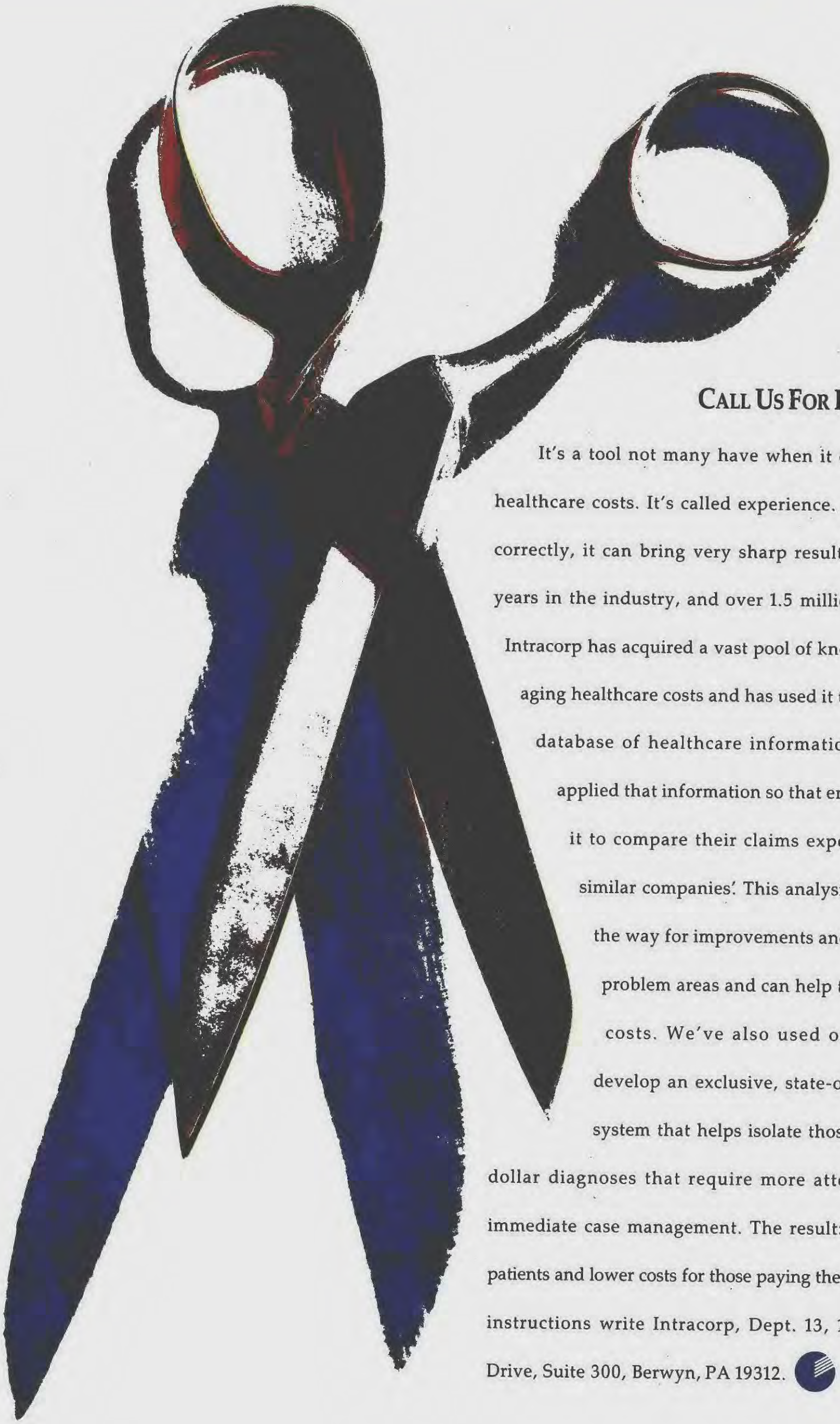

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Opinions

Good advice for Lloyd's

IT'S TOUGH TO TEACH an old dog new tricks, especially when Fido is 304 years old. But that's essentially what a Lloyd's of London task force is doing: asking one of the most blue-blooded of British institutions to radically change its ways in order to attract the capital required for Lloyd's to retain its leadership in the world market in the 21st century.

Fortunately, the 235-page report issued by the task force, "Lloyds: A Route Forward," is exactly that. It proposes a road map that Lloyd's can follow to solve some problems that have haunted the market over the past decade while allowing it to take advantage of new opportunities to improve its competitive posture.

The task force report is filled with constructive suggestions—some that are obvious, others that border on the radical—that we encourage the Council of Lloyd's and the entire market to carefully consider.

Already, we are heartened that the council last week reconsidered its hasty decision to shelve a key task force recommendation: that the council be divided into two groups, one that would govern Lloyd's business operations and another that would oversee regulation.

At best, the council's knee-jerk dismissal of the recommendation was a poor public relations move. It appeared to both Lloyd's members and Lloyd's policyholders that the council would not give the entire report the consideration it deserves. While the council's announcement last week that it would reconsider the so-called governance proposal appeared on the surface to be damage control, we hope that the council seriously considers the suggestion. It makes sense to concentrate Lloyd's business strategy with market insiders while letting non-working members and outsiders preside over regulatory matters, especially in light of the early-1980s scandals.

Another sensible task force recommendation is its proposed solution to the huge losses that some members face—capping a member's losses in any one year to his or her overall premium volume in that year, while still leaving the member's unlimited liability intact should a new stop-loss fund be exhausted. More potential members will be attracted to Lloyd's if they know that some mechanism exists that will at least partially limit their losses. And, the stop-loss cap was set at a reasonably high level so that Lloyd's would not "mutualize" most of a member's losses. That would wipe out most of the profit motive for joining Lloyd's.

The task force also should be applauded for something it did not suggest: bailing out the members who now face huge losses from past underwriting years. When members agree to join the Society of Lloyd's, they accept the premise of unlimited liability. If members want to challenge their members agents and managing agents in the courts in an attempt to avoid paying the losses, as many are now doing, that's their right.

But, to change Lloyd's rules now to bail out these members, long after the losses have been incurred, would not be fair to members who had no losses or to those who suffered the losses and paid them.

While the task force did not offer the aid that members stung with huge losses desperately seek, it did offer them some relief. The task force's recommendation that Lloyd's members be allowed to resign, even if they are members of syndicates with open years of account, also will help attract new blood. Who wants to join a club and then learn they can never quit?

The so-called radical long-term proposals offered by the task force are intriguing and, we believe, workable. There's now no reason that corporations cannot become members, even if it breaks 300-year-old traditions. Lloyd's could become attractive and exciting for corporations searching for new investment avenues. Corporations now power the global economy; there's no reason why they should not power Lloyd's.

However, if Lloyd's is to attract corporate membership—or, for that matter, additional individual members—it must ensure that it is attracting stable, knowledgeable capital. Just as the "innocent capacity" that entered the global property/casualty insurance market in the late 1970s and early 1980s helped trigger the market upheavals of the past 10 years, a Lloyd's of London whose capacity rises and falls rapidly with market profits would create chaos, both at Lloyd's and in the global insurance market.

In short, while Lloyd's is looking for more capacity, what it also needs is responsible capacity. The steps the task force has outlined are a good starting point to push Lloyd's toward that goal.

Letters

Only safety planning can end work comp crisis

To the editor: The insurance industry and your publication have been bemoaning the national workers compensation dilemma for quite some time. The National Council on Compensation Insurance and workers compensation insurers all battle with the state agencies for rate and premium increases, and employers blame everyone except themselves. Fingers are pointing everywhere.

It seems that no one is attempting, realistically, to solve the overall problem—i.e., if occupational injuries were reduced or non-existent, the workers compensation problem and its related idiosyncrasies also would be non-existent.

The question remains whether or not U.S. companies are going to be proactive and solve their problems voluntarily or wait for the federal government to do the work for them by enacting legislation.

In this election year, Congress may consider instituting national health insurance, which does not, at this time, affect workers compensation. Another "great" program like Social Security is not the answer.

Currently, OSHA is the workers comp "traffic cop," since companies do not possess foresight—like the Japanese—and take steps to solve their own problems. Why not? Because companies are myopic and short-term oriented. Most fail to consider that without people, there would be no company. We do have an aging labor force, do we not? Aging gives rise to injuries.

The real solution is for top management to commit to a written, proactive, cost-effective, fully funded safety and health program focusing on ergonomics and cost containment. The way to do this is to adopt a holistic approach by means of providing proper workplace equipment and related services. There is no other answer, only finger pointing.

Gerard A. Grabinski
President
Workplace Ergonomics Inc.
Furlong, Pa.

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Risk financing

Continued from page 6

of interest" in forming these self-insurance groups, said Jane Rastallis, senior consultant with Betterley Risk Consultants Inc. in Worcester, Mass.

Betterley has helped clients form several groups, she said, and is working on formation of one in Georgia and three in Colorado.

The groups work well, she said, because policyholder-owners are actively involved in operations.

The groups will continue to be popular "at least until there is some resolution of the problems in the traditional market for workers compensation," said Mr. Shuford of Anistics.

However, Mr. Feldman of Alpha Risk Management advised employers to "tread very, very carefully before committing" to a self-insurance group.

"The problem is they are very thinly capitalized. What if they are in the middle of processing your claim and they collapse? It really is a perilous path to travel," he said.

Other risk financing alternatives—like captives and risk retention groups—continue to have a role in providing coverage for businesses looking to leave the commercial property/casualty insurance market, observers say.

"We've seen a slight increase in interest in captives," said Mr. Krutek of J&H, "mostly for difficult, costly or unavailable coverages."

Anistics' Mr. Shuford said his firm has been busy handling captive feasibility studies. "We've probably done more this past year than the last four or five years."

Risk retention groups also continue to be a source of alternative coverage, even though risk retention groups cannot write workers comp coverage.

Karen Cutts, managing editor of The Risk Retention Reporter, said 72 groups were generating around $521 million in annual premiums as of Jan. 1. That compares with 76 that produced premiums of $452.8 million in January 1991.

Of the four risk retention groups that ceased writing last year, the most notable was the failure of Physicians National Risk Retention Group Inc., which was placed in liquidation by Louisiana regulators (*BI*, Dec. 2, 1991).

"The soft market has definitely had an impact" on the growth of risk retention groups, said Ms. Cutts. Still, despite cheap insurance in the commercial market, "risk retention groups lost very few members who were tempted by low rates."

Pooling arrangements, like those formed by municipalities to insure their liability exposures, also remain popular in the soft market, according to brokers and consultants.

"They've really been successful," Betterley's Ms. Rastallis remarked. "Most formed in the last hard market and seem to be real solid. All the ones I am familiar with are growing." ■

Self-funding

Continued from page 3

1991 compared with 73% a year earlier (see story, page 18).

Of those with stop-loss coverage, 65% had aggregate coverage, down from 69% in 1990. By contrast, the percentage of employers with specific stop-loss coverage grew in 1991 to 85% from 81% in 1990.

Meanwhile, the survey shows, the percentage of employers with fully insured health plans continued to decline. Only 6% bought conventional, non-experience-rated group health insurance in 1991, compared with 9% in 1990 and 11% in 1989.

And, as in 1990, 14% bought minimum premium plans—group health care arrangements that combine aspects of conventional insurance and self-insurance (see chart, page 3).

Other data reinforces the findings of the Foster Higgins study.

For example, a 1991 survey conducted by Alexander Consulting Group Inc. found that 54% of 424 responding companies self-insured their group health plans, said Randall Abbott, a managing director in Boston. Of those, 41% of the companies with fewer than 500 lives were self-insured, as did 60% of those with 500 to 2,000 lives and 83% of those with more than 2,000 lives.

In addition, some commercial group health insurers are reporting increases in self-insurance.

Mark Welch, director of Aetna Health Plans Inc. in Middletown, Conn., estimated that on a claims-paid basis, 70% of its group health business is administrative services only, up from 65% in 1990.

Based on claims paid, 22% of Aetna's business is written under minimum premium plan arrangements, down from 28% in 1990. And, he added, 8% is conventionally insured, up from 7% in 1990.

Skyrocketing group health insurance premiums are the major factor driving more employers toward self-insurance.

"In general, the vast majority of large employers moved to some form of self-insurance in the 1970s and early-1980s. But, as health care premiums have risen continually, mid-sized employers—those with 200 employees or more—have made the move to some type of self-insurance," said Rich Ostuw, a Cleveland-based vp with TPF&C, a division of Towers, Perrin, Forster & Crosby Inc.

"Increases in health care costs make finding some kind of savings imperative," he said.

"Insurers are very aggressive with their (health care cost) trends," said Mary Case, a principal with William M. Mercer Inc. in New York. Noting that one client's recent renewal resulted in a 26% rate increase, she said: "If you add a 5% margin to that, the question is, 'What kind of protection am I getting for that money?' "

Three to five years of "dramatic" rate hikes are fueling the trend toward self-insurance, noted Robert Brook, senior vp of sales and marketing for Employee Benefit Plans Inc., a Minneapolis-based TPA.

Another reason more small and mid-sized firms are self-insuring is the greater availability of reinsurance products, like stop-loss insurance and monthly cash flow guarantees, he said.

Indeed, a Travelers Insurance Co. pilot program for administrative services only is being offered to employers with as few as 50 lives, noted Al Decker, vp of new business and marketing for the Hartford, Conn.-based insurer. The ASO program formerly served only clients with a minimum of 200 lives. However, he noted, small companies opting for the new product must purchase aggregate and specific stop-loss coverage.

Experts disagree about whether the recession has increased employers' interest in self-insuring.

"I think there is definitely a correlation between the move to self-insurance and the recession," commented John Erb, a Foster Higgins principal in New York.

"Benefit managers and finance managers are under tremendous pressure to cut costs wherever they can. If you track the increase in self-funding—almost 25% over the last two years—with the recession, it's hard to say it's coincidental," said Mr. Erb.

Other experts, though, argue that the recession has not prompted employers to self-insure.

"I don't see it having an impact," Ms. Case said. The decision to self-insure "still boils down to an individual employer's risk posture—whether it is comfortable with some volatility in risk," she said.

"We've been in an economic downturn long enough that it may have affected employers' decisions to self-fund a year or two ago," but it's not creating a lot of movement now, said Mark Nelson, a consultant with Hewitt Associates in Lincolnshire, Ill.

Continued on page 14

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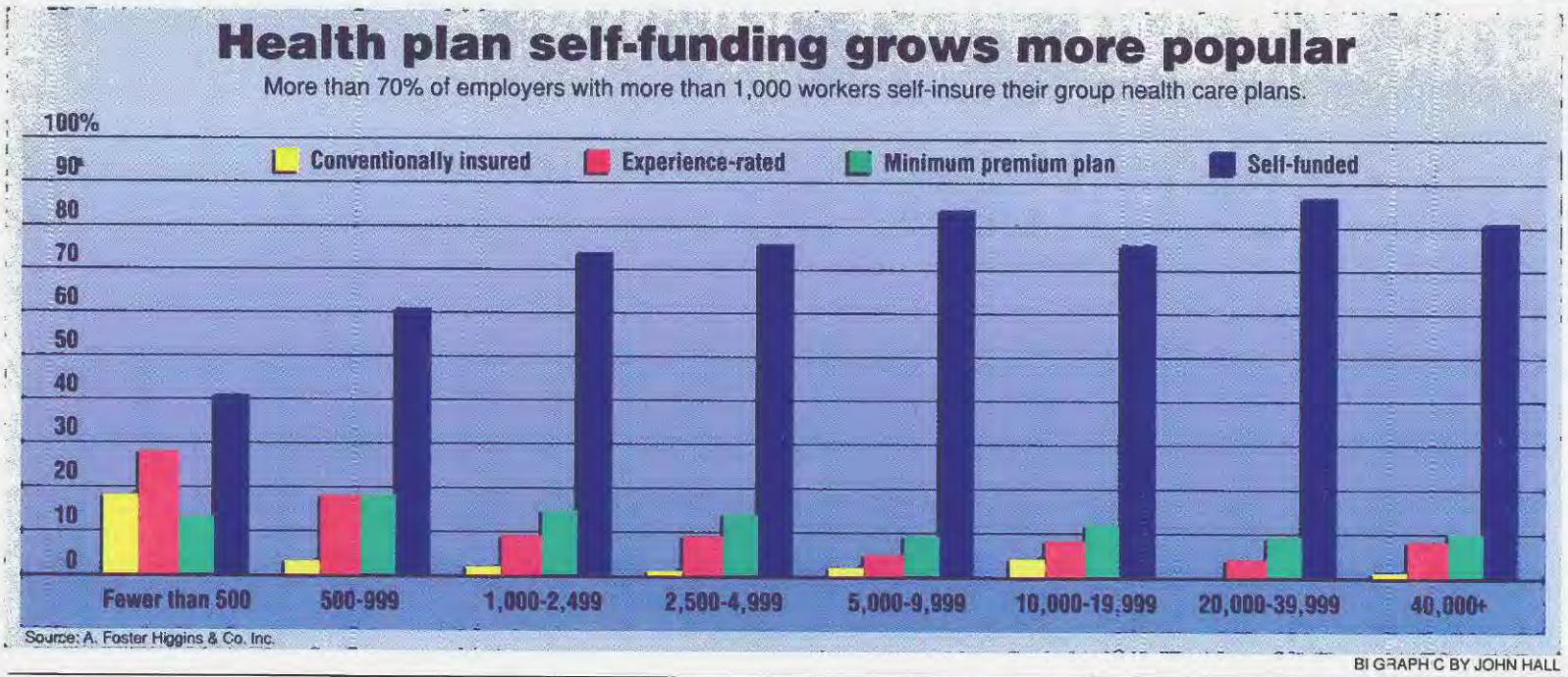

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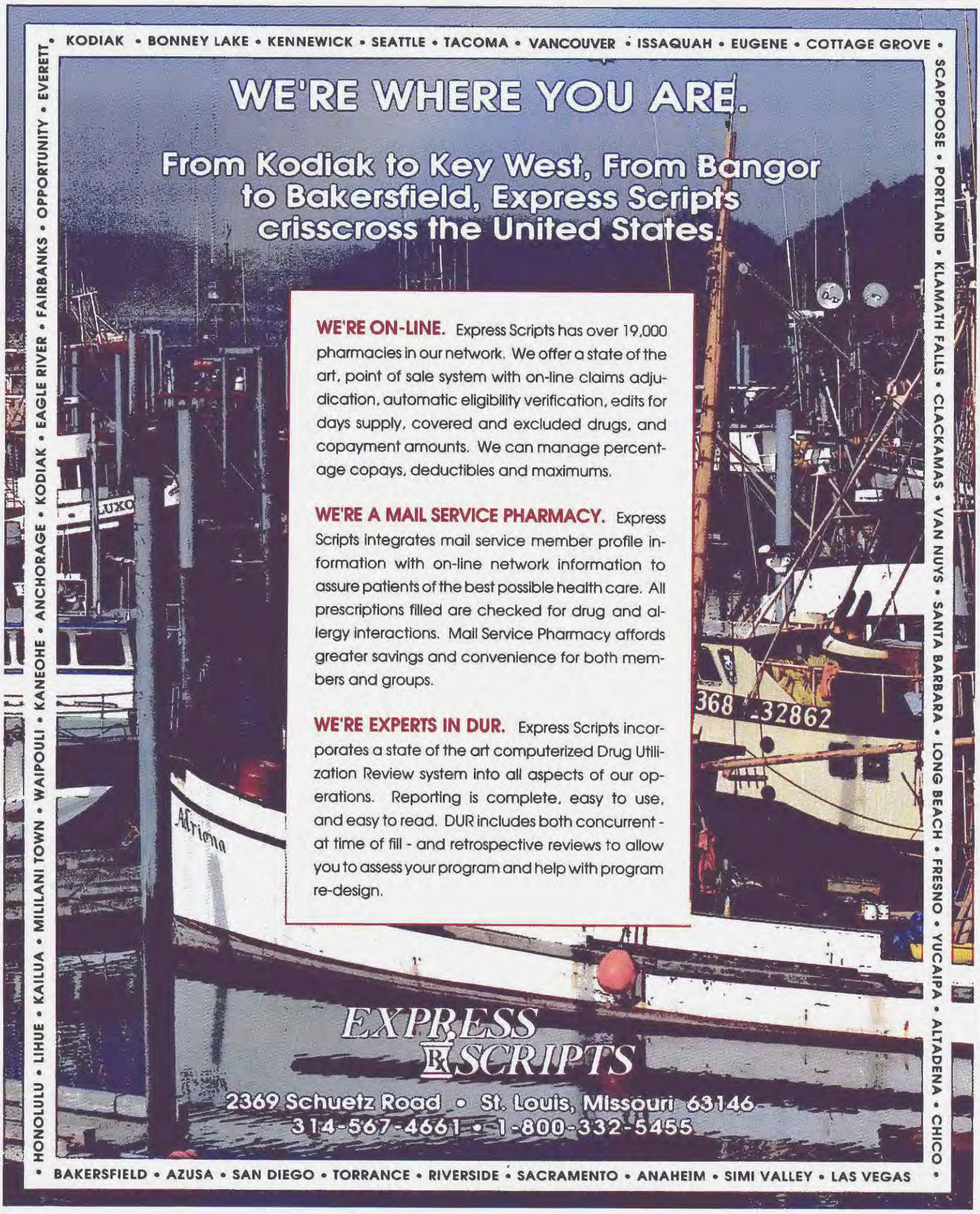

Self-funding

Continued from page 10

"If employers had been interested in self-funding before, the recession has probably accelerated their decisions. But I don't see people saying the recession has caused them to rethink their philosophy about self-funding," said Mr. Abbott of Alexander Consulting.

Employers that are willing to assume the risk of self-insuring enjoy some advantages, consultants say.

For instance, they pay no administrative or risk charges to insurers. For large plans, these charges can be significant. And self-insured plans are not subject to state premium taxes, which can range from about 1% to 2.5% of total premiums.

Also, because health insurance premiums are paid in advance, they affect an employer's cash flow. Self-insurance gives employers greater control over cash flow.

Improving cash flow was the primary reason GTE Corp. of Stamford, Conn., chose to self-insure its medical and dental plans in 1989, said Vincent Longobardo, director of employee insurance. The company offers its 175,000 workers an indemnity plan and a health maintenance organization and does not purchase stop-loss coverage.

Employers benefit from self-insuring in other ways as well. The Employee Retirement Income Security Act of 1974 exempts self-insured benefit plans from state insurance laws. Thus, self-insured employers can avoid the benefit mandates or minimum requirements that all states impose on insured plans.

Avoiding those state laws was the reason Lonza Inc., a chemical manufacturer in Fair Lawn, N.J., chose to self-insure its medical and dental plans this year, said Dan Barbeau, director of compensation and benefits.

Lonza employs 850 workers in six states, each of which has different requirements. "It becomes very difficult to keep track of all of the mandates and have summary plan documents that reflect the differences," Mr. Barbeau said.

The company purchases specific stop-loss coverage that pays medical claims exceeding $125,000, Mr. Barbeau said.

Although self-insured employers avoid state mandates, most don't offer less comprehensive programs than their fully insured counterparts, said Ms. Case.

"As I talk to my members, I find that most self-funded plans are very compatible with what you'd find in a commercially insured product," agreed James A. Kinder, executive vp of the Self-Insurance Institute of America in Santa Ana, Calif., a trade association designed to promote alternatives to traditional insurance. Most employers self-insure to get greater control over the level and type of coverage they offer, he said.

Self-insured employers also may be able to realize savings by eliminating duplicative or unnecessary services offered under insured arrangements, like actuarial support or insurance certificate production, Ms. Case said.

Employers that use an independent TPA or an in-house claims administration system are "better able to tailor services to meet their needs," Mr. Kinder said.

Alexander Consulting's Mr. Abbott agreed: "TPAs are more entrepreneurial."

And, he said, TPAs often offer a better bargain. "There is a competitive cost advantage with most TPAs. When you compare a full-service insurer to a TPA, there can easily be a 35% to 45% difference in price."

Mr. Abbott also noted that employers are showing increased interest in self-administration.

"There is a sense of frustration with the level and the cost of services provided by commercial insurers. And, there also is frustration with accessing those services. Some

Continued on page 18

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Self-funding

Continued from page 14

employers feel that by the time they expend the time and effort to get what they're after, they may as well do it themselves."

And, Mr. Abbott explained, "There are lots of complaints about how insurers are applying reasonable and customary rates to charges." Some employers are choosing to self-administer their claims so they can control reimbursement levels, he said.

Personal computer-based administration systems also are helping employers make the transition to in-house claims administration, he noted.

Consultants warn that self-insuring is not without its drawbacks.

"Certainly there are many advantages to self-funding, but they start to disappear and even turn into disadvantages as the group size shrinks," said Ms. Case.

"Anytime an employer considers self-funding, it should look at its prior claims experience and how it's fluctuated from year to year, and even month to month, and how that fluctuation will affect the company's cash flow," she said.

"The biggest disadvantage to self-funding is some employers' false sense of security and savings," Mr. Kinder said. "Self-funding should not solely be sold on the basis of savings. It should be sold on the basis of control." Brokers and consultants have the responsibility to point this out to employers, he said.

"If I'm a chief financial officer and I have difficulty sleeping at night because I'm uncertain I can pay an employee's claim, I'm not a candidate for self-insurance," Mr. Kinder commented.

Self-insured employers should keep their eyes on legal and legislative developments, pointed out Frank McArdle, a Hewitt consultant in Washington, D.C.

Among the legislative efforts self-insured employers should watch in Congress are health care reform proposals. One bill, sponsored by Rep. Daniel Rostenkowski, D-Ill., would subject small, self-insured companies —those with two to 50 employees—to an excise tax of 25% on all benefits paid (*BI*, Nov. 4, 1991).

That excise tax would effectively bar the use of self-insurance for those employers and encourage them to use insured plans, Mr. McArdle said.

In addition, Mr. McArdle pointed out, a bill approved last year by a House subcommittee, as well as a similar bill pending before a Senate committee, would overturn a 1987 Supreme Court decision that exempts insurers from state penalties, including punitive damages, for mishandling group claims (*BI*, Dec. 2, 1991; Sept. 30, 1991).

"The language in these bills is ambiguous in terms of whether it applies to self-insureds," he said. Some experts say it's possible that an employer that self-funds and self-administers its health care program could be considered an insurer under the legislation.

The Americans with Disabilities Act, which becomes law for most employers this July, raises other questions for self-insured employers (see story, page 1).

While no lawsuits have been brought yet, experts expect that self-insured employers that limit benefits for specific illnesses—namely AIDS —may find such restrictions challenged in court as discriminatory under the law.

"The reason self-insured employers have been able to dodge discrimination laws is because they've been enforced on a state level," explained Mary Lynn Eubanks, a legal consultant with Hewitt in Lincolnshire, Ill. Whether or not the new disabilities law supercedes self-insurers' rights to limit benefits "is going to boil down to how the (law) is interpreted and what the exceptions for (self-insured) welfare plans are." ■

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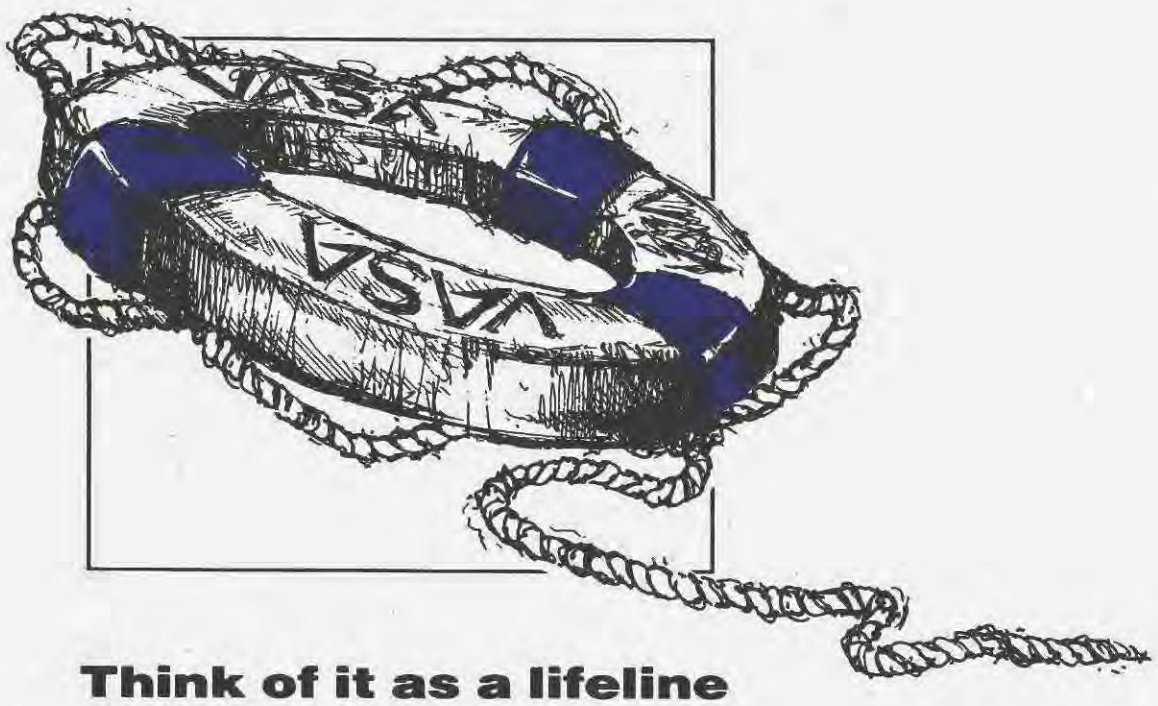

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Specific stop-loss premiums climbing

Study cites rise of 30% to 50%

By LOUISE KERTESZ

Rising medical costs continue to push up the cost of specific stop-loss coverage by 30% to 50% for employers that self-fund their health care benefits.

But, unlike previous years, when many employers increased the loss threshold at which their specific stop-loss coverage was triggered to hold down premium hikes, some employers this year cannot afford the exposure of the higher threshold. And, some contend that the coverage is not worthwhile at that point.

As a result, some self-funded employers are looking for other solutions, like purchasing cheaper, so-called lesser contracts that include more restrictive coverage terms.

In addition, some very large self-funded employers are even going without stop-loss coverage, and some small self-funded employers are switching to insured plans.

With the recession forcing employers to closely examine their fixed costs, employers are concerned about rising stop-loss premiums, said Thomas J. Kuhlman, a vp in the Minneapolis office of TPF&C, the actuarial and benefits consulting division of Towers, Perrin, Forster & Crosby Inc.

"People don't react well to 30% increases, though that's average," he said.

Rate hikes for aggregate stop-loss coverage are expected to be more moderate but still approach 20%.

Some stop-loss insurers, meanwhile, are winning enough new business away from their competitors to more than make up for the drop in stop-loss coverage premium volume caused by a recession-related decrease in the workforce, observed Jeff Perkins, Midwest marketing representative for Atlanta-based American Insurance Managers, an underwriting manager for Lamar Life Insurance Co. of Jackson, Miss.

Two types of stop-loss coverage are available:

- Specific coverage, which is triggered when an individual's claims reach a threshold chosen by the employer. Specific stop-loss coverage generally would then pay claims after the threshold is reached, up to the medical plan's lifetime limit per employee.

Minimum thresholds vary by insurer.

For example, the minimum threshold at Hartford Life Insurance Co. of Hartford, Conn., is $15,000, according to Leonard Odell, vp and actuary.

But, it is one-third lower—$10,000 —at Pacific Mutual Life Insurance Co., reported Robert Olsen, managing director of subsidiary Pacific Risk Management Services in Fountain Valley, Calif.

However, few employers opt for such low thresholds.

According to a survey by A. Foster Higgins & Co. Inc. to be released today (see story, page 1), 54% of survey respondents that purchased stop-loss coverage in 1991 reported thresholds of at least $100,000, up from 45% in 1990.

Only 25% of respondents that purchased stop-loss coverage had thresholds of $50,000 or less.

Typical trigger points for specific stop-loss coverage have increased be-

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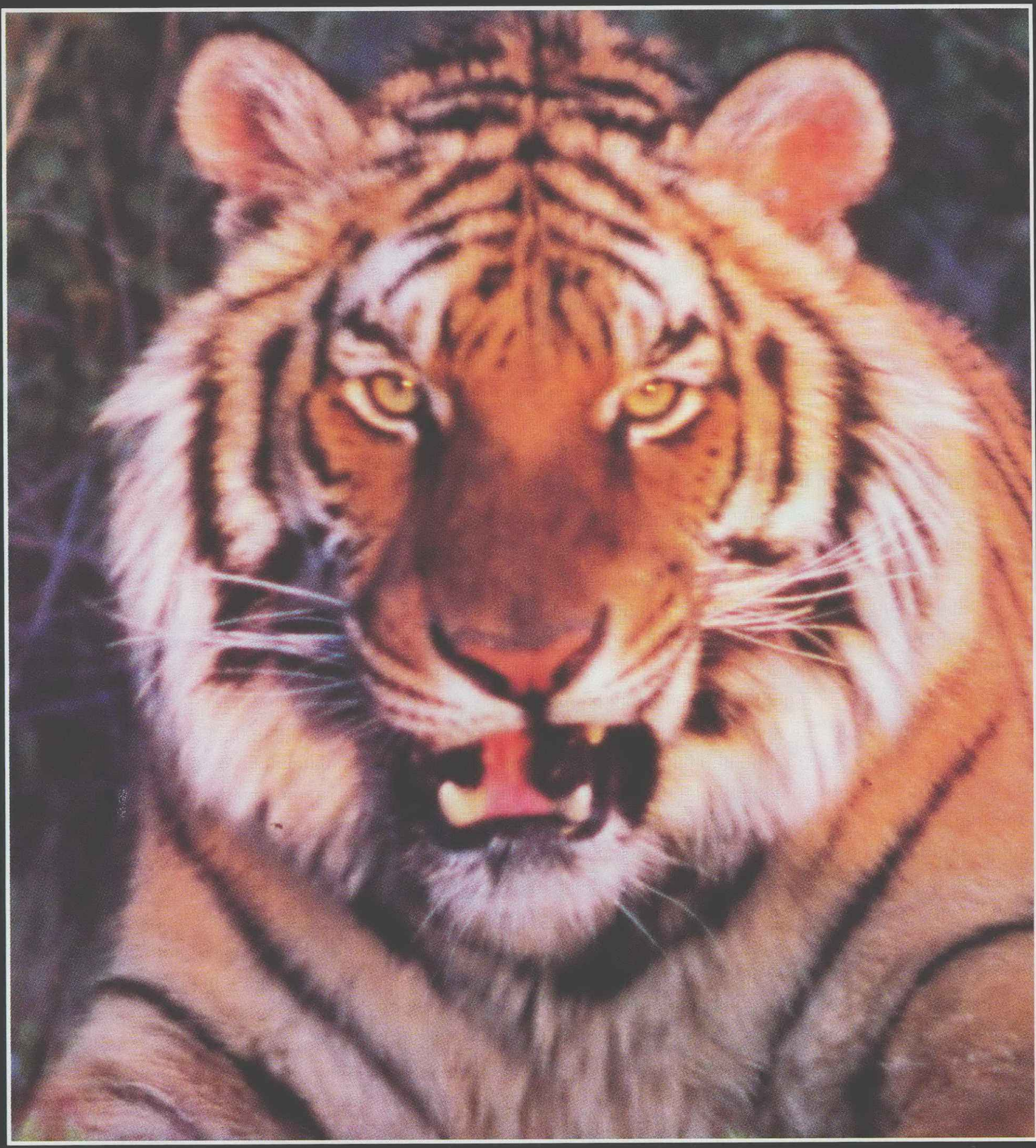

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Stop-loss coverage

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cause employers cannot afford the cost of coverage with even $50,000 to $75,000 thresholds, observed Mark Nelson, a consultant with Hewitt Associates in Lincolnshire, Ill.

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

The typical aggregate stop-loss threshold also rose in 1991, Foster Higgins found. In 1991, 65% of survey respondents that purchased aggregate stop-loss coverage had thresholds of at least 125% of expected costs, compared with 61% of respondents in 1990.

In general, employers that buy stop-loss coverage purchase specific coverage and may or may not buy aggregate coverage.

Among employers surveyed by Foster Higgins that purchase stop-loss insurance, 85% purchased specific stop-loss coverage in 1991, up from 81% in 1990.

But, only 65% of the surveyed employers with stop-loss coverage had aggregate coverage in 1991, down from 69% a year earlier.

The cost of specific stop-loss coverage ranges from $4 to $80 per employee per month, depending on the insurer, group size, geographic area, plan design and threshold. But the average is about $25, according to Mr. Olsen.

Specific stop-loss rates are rising more quickly than overall health care costs, because specific stop-loss insurers' costs are magnified by increases in underlying medical costs, something known as "leverage trend," according to Hartford's Mr. Odell.

If underlying medical costs rise at about 20% annually, a $12,000 claim from an employer with a $10,000 threshold—which represents a $2,000 stop-loss payment—becomes a $14,400 claim the following year—which represents a $4,400 stop-loss payment. So, a 20% rise in underlying medical costs would increase the amount the insurer pays by 120%, Mr. Odell explained.

Insurers estimate that trend lines—used to forecast health insurance cost increases—will run about 22% this year (*BI,* Dec. 16, 1991).

However, there is some "competition" for specific stop-loss coverage, observers say.

For example, Pacific Mutual's increases this year will range from 25% to the mid-40% range, compared with 30% to 50% rate hikes last year.

"The competition is getting very, very tough out there. Carriers are shaving to get some market share," said Mr. Olsen of Pacific Risk Management. "We're seeing some really outrageous rating that makes no sense whatsoever."

"It's one of the most volatile markets I've ever seen," said Mr. Perkins of American Insurance Managers. "We've had more players come into the market in the past 12 months than we have at any other time."

The cost of aggregate stop-loss coverage is not keeping pace with specific stop-loss rate hikes, but aggregate rates still are rising nearly 20%. This increase tracks closely with medical trend lines, which have slowed somewhat as more employers implement managed care features in their medical plans, observers say.

But, some insurers are increasing aggregate stop-loss rates only 5% to 10%, said Mr. Nelson of Hewitt.

To help minimize rate hikes for specific stop-loss coverage, some insurers are offering employers "lesser contracts," according to James Smidt, regional representative and manager of the La Mesa, Calif., office of Alden Risk Management Services, a unit of John Alden Life Insurance Co.

But, these contracts can prove "a significant exposure for employers," Pacific Risk Management's Mr. Olsen warned.

For example, some insurers will allow policyholders to take on excessively high thresholds in return for a better rate. Spurred by the recession, some employers are doing "anything possible" to reduce fixed costs, Mr. Olsen said.

"But we won't quote if the deductibles fall out of the guidelines" set by Pacific Mutual actuaries, he said.

Some insurers also are changing the terms of the specific stop-loss contract at renewal to keep premiums lower.

Traditionally, at renewal, an insurer would offer a "claims-paid" contract, which would reimburse the policyholder for medical claims paid in the contract year, no matter when they were incurred.

But now at renewal, some insurers are offering contracts that cover only claims incurred in the contract year.

"Slapping on certain restrictions has been common" when changing insurers, but now even employers that remain with their stop-loss insurer face contract restrictions if they want to keep their premiums from soaring, Hewitt's Mr. Nelson said.

Insurers also also offering contracts that do not cover claims incurred before the contract year to attract new business.

"Some employers will take that, because they are not aware of any potential liability out there," said Mr. Olsen of Pacific Risk Management. "But it's a crapshoot. It's dangerous, dangerous stuff."

Another way for employers to secure lower premiums is to accept higher trigger points for certain types claims, like premature births, or for individuals who, based on experience, are expected to file large claims.

"It's a little bit frustrating in the marketplace from our standpoint," said Alden's Mr. Smidt. When employers change insurers, "we feel that often the employers don't really understand what they are buying" to get lower rates. "We put as few limitations on our contract as possible."

The recession is behind the trend in the past year to accept these "lesser contracts," Mr. Smidt added.

But, "Hartford is not changing the terms of the contract at the renewal year. We think that's a practice that creates a real gap for the policyholder," who may not be "completely aware" of the changes, Mr. Odell said.

"It boils down to a matter of philosophy. We could charge a lower rate if we did that, too. But we feel it deviates from the insurance concept," he explained.

Observers say that in attempting to keep stop-loss premiums stable, employers have not taken advantage of one alternative to so-called lesser contracts: changing their health plan design.

Hartford, for instance, will partially offset a rate hike for employers that impose a large out-of-pocket maximum on plan participants or that use cost-containment tools like preferred provider organizations, Mr. Odell said.

In addition, self-funded employers also could trim some benefits to cut costs, he said. "Self-insured plans almost always mirror insured plans," even though they are not bound by state benefit mandates laws, he said.

But, only the largest self-insured employers can afford to go without any form of stop-loss protection.

For example, among respondents to the Foster Higgins survey with between 500 and 999 workers, only 5% self-fund and do not purchase stop-loss protection.

However, among all survey respondents with at least 40,000 workers, 76% self-fund their health care plans and do not purchase stop-loss coverage, the survey shows.

And, this trend among the largest self-funded employers is expected to continue.

One reason that large employers

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are dropping their specific stop-loss coverage instead of raising their thresholds is that their trigger points are now so high that the coverage is no longer worth the cost, Hewitt's Mr. Nelson explained.

"It just seems like $150,000 is kind of the point where people make the hard decision to go without it," Mr. Nelson said. "If they go to $200,000 or $250,000, they realize there's not much protection," he explained.

"A couple of employers that a year or two ago wouldn't have considered dropping specific stop loss. . .are more willing to take that risk than they used to be. The trend is up or out, pretty much," Mr. Nelson said.

However, Hartford's Mr. Odell said that self-funded employers "are not going bare to any degree that we are seeing."

In addition, "some people have dropped aggregate coverage when they saw that their claims did not fluctuate," observed Joyce Wans, vp at Duncanson & Holt Inc., a reinsurance pool manager in Seattle. "I've not heard of anybody regretting it."

Mr. Kuhlman of TPF&C agreed. "I've seen a few employers abandon aggregate coverage because it's not seen as worthwhile."

Aggregate coverage is "basically sleep insurance," Hewitt's Mr. Nelson said. "It's inexpensive enough so that employers are sometimes willing to pay for something they really think they'll never need."

The cost of "aggregate premium is minimal," said Alden's Mr. Smidt.

An employer with 50 employees would pay about $8 per employee per month for aggregate stop-loss coverage, while the premium for an employer with several thousand workers would be only a few cents per employee, he said.

Meanwhile, some smaller self-funded employers that are laying off workers are switching to insured plans.

"A number of smaller groups, because they are shrinking, are going back to being fully insured," said Duncanson & Holt's Ms. Wans. A "reasonable assumption" is that the recession is taking its toll on these groups, she said.

When groups shrink—particularly to fewer than 40 employees—the spread of risk shrinks, causing employers to consider purchasing group health insurance again. And because employers usually lay off their younger, healthier employees during a recession, "the remaining population is getting older, so it's wise to go back" to a fully insured plan, she explained.

Stop-loss insurers are finding that quality is becoming a "real important" issue for some buyers, Mr. Olsen said.

"The buyer out there is a lot more educated with respect to the underwriting practices of different carriers. More and more third-party administrators are asking us questions," he said.

And Ms. Wans finds that many buyers "are far more interested in continuity of coverage than in absolute low price." Buyers are beginning to realize that "in getting low price, you're getting a lower something else," she said.

Looking beyond price to factors like the financial strength of a stop-loss insurer's reinsurers "is becoming more a part of the buying process," agreed Daniel Johnson, manager of marketing managers at North American Life & Casualty Co. in Minneapolis. ■

Health care TPAs consolidate cost containment services

Good times seen for full-service firms; a bleak outlook for others

By MICHAEL SCHACHNER

The seemingly never-ending battle against rising health care costs is causing third-party administrators to integrate the cost control services they provide to employers that self-insure their health care plans.

TPAs that can manage care, consult on plan design, provide stop-loss insurance and efficiently administer claims will attract the lion's share of the business, TPAs concede.

The scope of services most self-insurers are demanding has changed significantly in the past two years. Fewer self-insured employers want unbundled services from various suppliers. Instead, they are looking to one source for an array of health care services.

As a result, TPAs that only process and pay claims will continue to be acquired by larger firms, go out of business or be relegated to serving small employers with less sophisticated needs.

Executives with the leading TPAs say the latter two scenarios are more likely to be played out this year because acquisitions by most large benefit TPAs have dramatically slowed since the late 1980s.

"I think the larger TPAs that aggressively pursued mergers and acquisitions are now digesting what they gobbled up the past few years. We're stopping to take a look at the future, which is full-service managed care and administration, not building networks of regional claims payers," said John LeDell, a vp with Prudential Service Bureau Inc. in Roseland N.J., which is the sixth-largest TPA specializing in employee benefit claims and No. 10 overall.

"Small TPAs are still viable for less-sophisticated employers with limited resources, like local governments," added Stephen Rasnick, president of Travelers Plan Administrators Inc. of Hartford, Conn., the fourth-largest benefits TPA and the fifth-largest overall. "But for how long I don't know."

"Our block of business is mostly companies with 500 to 750 lives, but the size of the companies coming to us is getting smaller every day. We can now offer full managed care packages to employers with as few as 25 people," he said.

One benefits consultant sees a bleak future for small administrative-services-only TPAs.

"A lot of small TPAs are seeking buyers. They realize they don't have the depth to compete with the biggies," noted Marty Hurd, a consultant with The Wyatt Co. in Denver. "The insurance companies are becoming very advanced with their administrative services and they have much greater access to managed care networks."

Robert Parker, president of Harrington Services Corp. of Columbus, Ohio, the fifth-largest benefits TPA and No. 8 overall, believes the ability to "latch up" with an established provider network is a key selling point.

"Things are changing from a few years ago when employers wanted only unbundled services. Now most self-insurers with more than 150 covered lives want an administrator capable of offering a broad range of services, including plan design consulting," he said.

Dan O'Malley, a principal in Pittsburgh with TPF&C, the benefits consulting arm of Towers, Perrin, Forster & Crosby Inc., said TPA selection usually centers around which administrators can provide solid utilization review services.

"Employers self-insure to save money, which boils down to UR," Mr. O'Malley said. "And, there are two ways to get this. You can either one-stop shop or subcontract for unbundled services. My impression is that one-stop shopping is preferred."

In addition to marketing the gamut of health care services, TPAs also are investing time and money in technological improvements.

Nearly all the large TPAs offer customers toll-free phone numbers that allow employers and employees to obtain information, mak

Continued on next page

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Benefit TPAs

Continued from previous page

plan changes and, in some cases, to report claims.

"We have an 800 line for all inquiries and changes that's open until 11 p.m. and on weekends. We try to provide proprietary service so employees don't even know it's Prudential they're dealing with," said Mr. LeDell.

Fully electronic claims processing also is gaining in popularity, according to TPA executives and consultants.

"Computerized loading, transmitting and adjudication of claims greatly reduces mistakes and may eventually lower claims processing costs by 50%. But it's not yet reducing costs, because the TPAs are still paying for the new systems," said TPF&C's Mr. O'Malley.

"We're looking into software that polices providers and should help reduce billing fraud," according to Robert Brook, senior vp-marketing and sales for Employee Benefit Plans Inc. of Minneapolis, which is the No. 2-ranked TPA specializing in benefit claims and the third-largest overall.

"It's very easy for a doctor to miscode a procedure and receive three times what it should be worth. There's also more being done with electronic claims reception and payment," Mr. Brook commented.

At ALTA Health Strategies Inc. of Salt Lake City, the nation's largest TPA, the automated claim technology system is being upgraded to image claims electronically when they're submitted and evaluate them automatically.

"We'd like to take the bodies out of the claims processing system," said Rick Hansen, senior vp-national accounts.

In the future, Mr. Hansen predicts, TPAs will coordinate health claims and workers compensation claims. "But we're not prepared to reinvent the wheel. We'd probably prefer to ally with others on this type of venture."

Another issue that TPAs will face in 1992 is the federal government's attempt to recoup hundreds of million of dollars that Medicare wrongly paid on behalf of older workers during the 1980s (*BI*, Jan. 13).

However, the Health Care Financing Administration's effort to bill TPAs, insurers and employers for payments Medicare mistakenly made has not yet reached most TPAs.

"Not one bill has come to our attention," said EBPI's Mr. Brook. "So far, this sounds like a lot of front-end talk and saber rattling. We'll have to see where the reimbursement actually comes from," he commented.

ALTA's Mr. Hansen said it's the employers and insurers who will eventually pay. "Under ERISA, it's the plan sponsor who's responsible, not the TPA. We'll research claims histories for employers, but not without a fee.

"But it's a little early now to say how big an issue this will be. We don't even have a policy yet on how to handle this," he said.

Observers say third-party administrators' overall claims service remains steady. Yet performance guarantees, which became a bone of contention in contract talks over the past few years, are slipping in importance.

Such guarantees still are included in about half of the contracts between larger employers and TPAs, said Wyatt's Ms. Hurd. But they're rarely of paramount importance "unless the client has been burned before."

Others say cost control and customer service have become more important issues than how fast a claim is paid and whether processing accuracy is guaranteed (see story, page 25).

Following are profiles of the six largest third-party administrators specializing in employee benefit claims:

ALTA Health Strategies Inc.

For the sixth straight year, publicly held ALTA ranked as the nation's largest TPA based on $2.64 billion in claims paid on behalf of self-insured clients in 1991.

That was a 12.3% increase from $2.35 billion the previous year.

ALTA reported gross revenues of $142 million in 1991, up 7.6% from $132 million in 1990. Approximately 82%, or $116.4 million of that total, was derived from claims administration, adjusting and auditing services performed for self-insured clients only.

The remaining $25.6 million, or about 18% of total gross revenues, was generated primarily by providing managed care services to self-insured clients, including utilization review, health care data analysis, disability management, prescription drug management and coordinating preferred provider networks.

ALTA's continued financial success has attracted a buyer for the TPA: First Financial Management Corp., an Atlanta-based information management and data processing company. Its $117 million purchase of ALTA, announced in late November, is expected to be completed next month, according to Mr. Hansen, who is senior vp-national accounts and corporate sales.

First Financial Management is acquiring ALTA to beef up its presence in the health care industry. It has acquired 14 other companies involved in managed care in the past year, including other TPAs and health care data processing firms.

Under the agreement, ALTA shareholders will receive about $13 per share. ALTA stock had been trading at $9.75 per share on Nov. 1.

ALTA's current management will be retained after the completion of the deal, which is scheduled for next month.

Mr. Hansen said the acquisition will provide ALTA with an improved asset base for "strategic acquisitions," and will vastly enhance its data management capabilities. ALTA will become "more proficient" as a result of the deal, he said.

Health insurance claims accounted for nearly 96% of ALTA's administrative business conducted on behalf of self-insurers last year. Administering flexible compensation accounted for the other 4%.

ALTA's client base dipped about 14% to 860 self-insurers last year from just over 1,000 in 1990.

According to Mr. Hansen, that was by design. "We had been on a pretty aggressive acquisition course over the past few years, and we took some time last year to weed out some of the smaller clients we had picked up through purchases and mergers," he said. "We're only targeting business that meets our level of sophistication for total health care services."

Of its 860 clients, 700 are corporations, 150 are public entities and 10 are union-sponsored plans.

While ALTA's total client base decreased last year, so did the numbe of employees for whom it admini tered benefits. About 1.19 mill employees were covered by AL administered plans last year, d 8.5% from 1.3 million in 1990.

But the total number of dep dents covered by health plans ministered by ALTA increased than 47.6% to 3.1 million, fro million the previous year.

All of ALTA's 2,600 employees service self-insured clients only.

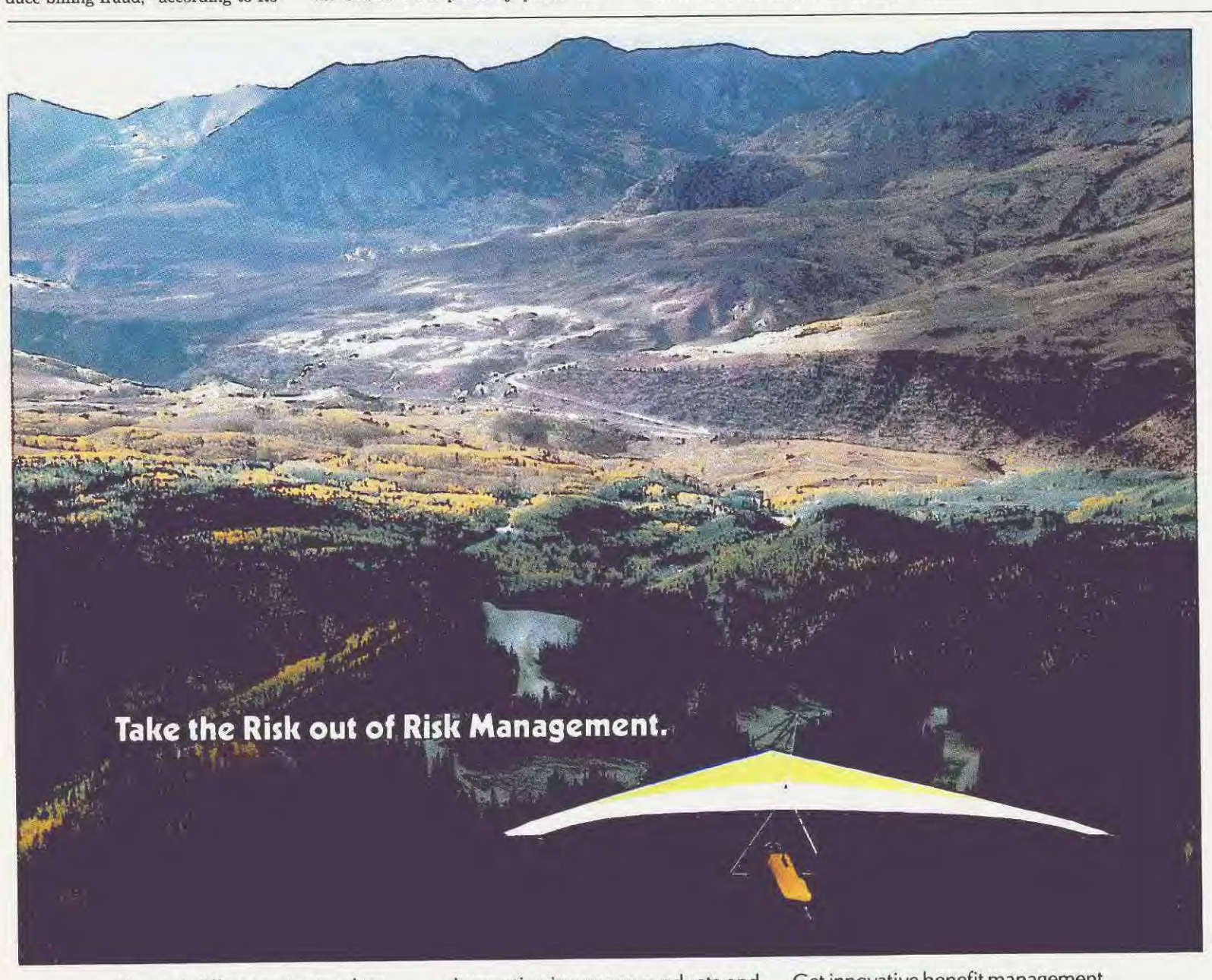
Employee Benefit Plans Inc.

Employee Benefit Plans Inc. paid $1.38 billion in claims for its self-insured clients last year, boosting it one spot to No. 2 in the rankings of TPAs specializing in benefits and to No. 3 overall.

The firm increased the amount of claims it paid last year by 47.4% from $936 million in 1990.

"Last year was a great year for us. There seems to be a growing

Continued on page 24



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Benefit TPAs

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demand for our product among small- to medium-sized employers. The ability to integrate benefits administration with managed care, consulting and reinsurance is vital these days, and it's really the only service we sell to employers with fewer than 500 employees," said Mr. Brook, senior vp-marketing and sales.

Gross revenues rose 45% in 1991 to $198.6 million from $137 million the previous year.

While Mr. Brook attributed a portion of that growth to increased claims administration business, most of it came as a result of a major surge in stop-loss reinsurance written by its reinsurance subsidiary, EBPLife Insurance Co.

Stop-loss coverage generated about 64%, or $127.1 million, of EBPI's revenues. Only 36%, or about $71.5 million, was attributable to claims administration or claims adjusting on behalf of self-insured clients.

In addition to EBPLife, which before last year functioned as First Security Insurance Co., EBPI also owns Bermuda-based EBPRe Ltd., which was dormant throughout 1991.

EBPLife is licensed in 40 states with applications pending in all other states. It writes up to $160,000 of specific coverage above a minimum deductible of $10,000, explained Mr. Brook.

Self-insured employers obtain stop-loss coverage through three fronting insurers, with EBPLife reinsuring 100% of the risk assumed by those insurers.

EBPI also has arranged for a syndicate of life and health insurers to write excess specific stop-loss coverage above $170,000.

As of December, EBPLife had capital and surplus of about $100 million, said Mr. Brook.

Nearly all of EBPI's claims administration business centered on health insurance claims. Disability and flexible compensation accounted for about 1%.

EBPI administers benefit plans for 2,263 corporations, 186 public entities, 40 association plans and five union-sponsored plans. It adjusts claims only for 11 corporations, two public entities and one union plan.

Just more than 600,000 employees and about 1.5 million dependents were covered under EBPI-administered plans last year.

All of EBPI's 1,095 employees serve self-insured clients.

In addition to EBPI, the company operates two regional TPAs: Risk Management Resources in San Francisco, which caters to large self-insurers in California and Nevada; and Comprehensive Benefits Services Co. in Exton, Pa., which services employers of all sizes throughout the eastern United States.

It also owns August Healthcare Services Inc. of Anaheim, Calif., which specializes in utilization review services for self-insurers in California, Connecticut, Florida, Minnesota, Pennsylvania, Texas and Washington.

Administrators Network Inc.

Administrators Network Inc., formerly owned by Lincoln National Corp., paid $1.28 billion in claims on behalf of more than 2,000 self-insured clients last year, earning the now independent firm the No. 3 ranking among benefit TPAs.

ANI, the fourth-largest TPA overall, is now owned by the management of the 16 regional TPAs that constitute ANI, as well as three venture capital groups: Weiss, Peck & Greer; and Welsh, Carson, Anderson & Stowe, both of New York; and C.I.D. of Indianapolis (*BI*, Sept. 30, 1991).

President Lance W. Feighner said the change in ownership will not affect daily operations. "We plan to continue providing the consistent, quality service that our clients have become accustomed to."

He said the TPA will continue to specialize in claims administration and health care plan design consulting, as well as negotiating new managed care networks for self-insurers.

The $1.28 billion in claims paid in 1991 was up 39.6% from $916.6 million the previous year.

Of its claims administration business, 89% involved health insurance claims, while workers compensation claims accounted for 5%, and disability claims accounted for 4%. Flexible compensation and general liability accounted for the remaining 2%.

Administrators Network reported gross revenues of $68 million, $47.6 million of which was attributable to claims services performed solely for self-insured clients. The remaining $20.4 million was derived from other services provided to insured clients of Lincoln National.

The total number of employees covered under self-insured plans administered by the TPA last year was 661,000 with 846,000 dependents.

Among its clients were 1,805 corporations, 190 public entities, 31 multiemployer welfare arrangements, nine Taft-Hartley plans and two association plans.

ANI finished 1991 with a staff of 1,229, with 1,118 employees serving self-insured clients only.

Travelers Plan Administrators Inc.

Despite 32.4% growth in the amount of claims paid on behalf of self-insurers, Travelers Plan Administrators Inc. dropped two notches to No. 4 in the ranking of benefits TPAs and two notches to No. 5 in the overall rankings.

The Travelers Corp. unit paid $1.24 billion in claims last year, up from $936.4 million in 1990.

But because Travelers Plan considers itself a managed care provider more than a claims administrator, increases in claims paid are not a cause to celebrate, said Mr. Rasnick, its president.

"We feel we're a managed care provider more than anything else, so increases in claims paid are not a good measuring stick for success if you're concerned about curbing care. In the context of managed care, seeing an increase in claims volume is not an accomplishment," he explained.

Mr. Rasnick did, however, have an explanation for why claims volume increased by nearly one-third when the number of employees and dependents covered under health plans administered by Travelers Plan increased only slightly to 1.4 million in 1991 from 1.3 million in 1990 and the TPA's total number of self-insured clients dipped 1.5% to 519 from 527 in 1990.

"I think people submitted every claim they incurred last year and some claims from previous years. Considering the economy, I don't think anyone let anything sit around in a shoe box," Mr. Rasnick commented.

Travelers Plan reported $32 million in gross revenues, a 13.9% jump from $28.1 million in gross revenues for 1990.

Claims administration and auditing for self-insurers accounted for 97%, or $31 million, of gross revenues. The remaining 3%, or $960,000, stemmed from services for clients other than self-insurers.

In 1991, approximately 85% of total claims paid by Travelers Plan were health care claims, while 10% were flexible compensation and 5% were disability claims.

Travelers Plan cut its staff last year to 495 from 526 in 1990, with the entire staff serving self-insured clients.

Harrington Services Corp.

Harrington Services Corp., one of the largest administrators of multiemployer Taft-Hartley plans, paid about $915 million in claims last year for its self-insured clients, leaving the company in the

Continued on next page

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Continued from previous page
No. 5 slot among benefit TPAs and pushing it up a notch to No. 8 overall.

The $915 million in claims paid last year marked a 14.4% increase from the $800 million the Columbus, Ohio-based company paid in 1990.

While Harrington still caters to Taft-Hartley business through its American Benefit Plan Administrators Inc. subsidiary, these types of health care plans, which are composed mostly of unionized building and construction firms, are being formed less frequently than during the 1980s, noted Mr. Parker, Harrington's president.

"The Taft-Hartley business is still there, but we didn't get any new plans last year at all. They seem to be consolidating and turning to self-administration more often," he said.

To offset the lack of growth in this area, Harrington is marketing itself more for corporations. Its corporate client base last year more than doubled to 133 from 50 in 1990.

Revenues rose 8.3% to $52 million in 1991 from $48 million a year earlier.

About 78.1%, or $40.6 million, of that total came from claims administration services performed for self-insured clients. The remaining 21.9%, or $11.4 million, was attributable to services performed for clients other than self-insurers, primarily unemployment tax consulting.

All non-health care administration services, like unemployment tax consulting and auditing of claims for non-clients, are handled by Harrington's REH Group.

About 50% of the claims Harrington processes are Taft-Hartley claims through ABPA. The other half, which consists of individual employers, public entities and association plans, is handled by Harrington Benefit Services Group.

Of its claims administration business, 79% was health care-related, 16% pensions, 3% workers compensation and 1% each was disability and flexible compensation.

Of its 1,200 employees, 900 serve self-insured clients only.

Prudential Service Bureau Inc.

The Prudential Insurance Co. of America unit paid $858 million in claims in 1991 on behalf of self-insurers, earning it the No. 6 spot among TPAs specializing in benefits and No. 10 overall.

Claims administration for self-insurers, though, accounted for just more than half of the Louisville, Ky.-based company's $32.1 million in revenues.

Of equal importance to Prudential, which did not make *BI*'s TPA ranking of the top TPAs last year, is services for clients other than self-insurers. For example, the firm serves as an administrator for a large number of businesses with flexible benefits and spending accounts, tuition refund programs and leave-of-absence plans.

Prudential also is a leading administrator of Consolidated Omnibus Budget Reconciliation Act benefits and group legal and long-term care plans, said Mr. LeDell, the vp, who noted that revenues from services performed for clients other than self-insurers were $15.6 million.

Last year, the company administered programs for 107 self-insured clients: 97 corporations; eight government entities and two association plans.

The group health plans for which it acted as administrator covered about 867,000 employees and dependents, while Prudential-administered flexible benefit plans covered 521,000 employees and 1.15 million dependents.

Health claims accounted for nearly 79% of its claims administration business, while flexible compensation accounted for the remainder. ■

Cost control is top factor in assessing benefit TPAs

Guarantees slip in employers' eyes

By MICHAEL SCHACHNER

A third-party administrator's ability to pay claims accurately and on time is no longer the sole definition of quality service, according to self-insured employers and benefit consultants.

Instead, employers confronting the escalation in health care costs now are judging TPAs on their ability to enhance benefit plan design and manage costs, as well as their ability to process claims.

Most benefit experts no longer believe that performance guarantees are the best way for employers to improve the quality of service provided by their TPA. Opponents of such guarantees say they tend to overshadow more important issues like health care cost containment.

Self-insurers are best served when they thoroughly research a potential administrator to ensure that it is stable and can fulfill its contractual obligations, some experts say.

Cost containment is now the basis for assessing a TPA, according to Dan O'Malley of TPF&C.

And, in cases in which the TPA does not meet expectations, the employer should simply fire the administrator and find one that can provide better service, they say.

"All you can really do as an employer is try to fully understand the range of services you're buying and decide whether it's cost control or claims accuracy that's your primary concern," said Barbara Hammer, a consultant with Hewitt Associates in Lincolnshire, Ill.

Ms. Hammer recommended that smaller, self-insured employers needing administrative services should focus on a TPA's claims processing ability. Guarantees on payment accuracy and timeliness are most valuable to them. But larger, more sophisticated self-insurers are better off focusing on a TPA's ability to access managed care networks and perform utilization review services, she said.

"It used to be that service was judged on the financial accuracy and timeliness of claims payment. But now, cost containment is the basis for assessing a TPA," said Dan O'Malley, a principal in the Pittsburgh office of TPF&C, the benefits consulting division of Towers, Perrin, Forster & Crosby Inc. "Employers still want accuracy, but they're concerned with whether a medical procedure was properly charged and whether it's covered under the plan."

The need for utilization review and management of care is why The Pep Boys—Manny, Moe & Jack, an automotive parts chain based in Philadelphia, switched to Prudential Service Bureau Inc. of Louisville, Ky., to administer a self-insured indemnity plan with a preferred provider option that is

Continued on next page

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Cost control

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offered to more than 13,000 employees, said Alan Dean, employee benefits manager.

"We needed an administrator with access to a provider network that could also write stop-loss reinsurance and perform UR services. We desperately wanted more managed care," said Mr. Dean.

When The Pep Boys initially negotiated with the Prudential Insurance Co. of America unit in early 1990, claims-paying performance guarantees were at the heart of the contract. If Prudential fails by more than 10% to meet its promise to pay an agreed-upon percentage of claims within a specified time period it must refund a portion of its fee. Conversely, if it exceeds its accuracy standard by more than 10%, it receives an additional fee.

However, The Pep Boys are eliminating the performance guarantees on Feb. 1.

"It became more of the focus in the relationship than cost containment. Administration and proper payment is still important, but it's secondary to managing care," said Mr. Dean. "I think their system is good enough that they can pay claims correctly without a guarantee."

James Kinder, executive vp with the Self-Insurance Institute of America in Santa Ana, Calif., a trade organization that includes both self-insured employers and TPAs, said performance guarantees are not of much use to self-insurers.

"When you demand something like 24-hour turnaround on claims, what happens is that you get a reduction in service for the sake of pushing paper. Fortunately, performance standards run case by case and are not an industry standard. The way I see it, the ultimate guarantee of service is the threat of getting fired if you don't do the job," said Mr. Kinder.

Brad Doty, director of benefits administration with Purolator Products Co. in Tulsa, Okla., said the company switched last year to Benefit Planners Inc., a small, regional TPA based in San Antonio, Texas, from in-house administration because too many claims were being paid "philanthropically."

The ultimate service guarantee is the 'threat of getting fired if you don't do the job,' says Mr. Kinder.

"Much of what we paid was in excess of 'reasonable and customary' or was for uncovered services. Now we get tougher enforcement," Mr. Doty said. "It's easier to say no when you have a buffer. They also handle Medicare and coordination of benefits, so that spouses and other dependents are covered first by their own plan."

Mr. Doty noted that Purolator also has set performance standards for accuracy and timeliness of payment; however, penalties never have been invoked.

For large employers, "performance standards are old hat," said Hewitt's Ms. Hammer. "It's more important to know how long your TPA will take to implement your system and whether the TPA will perform regular surveys of employees to gauge their feelings."

One company that requires its TPA to conduct periodic employee satisfaction surveys is Rohm & Haas Co., a Philadelphia-based chemical manufacturer.

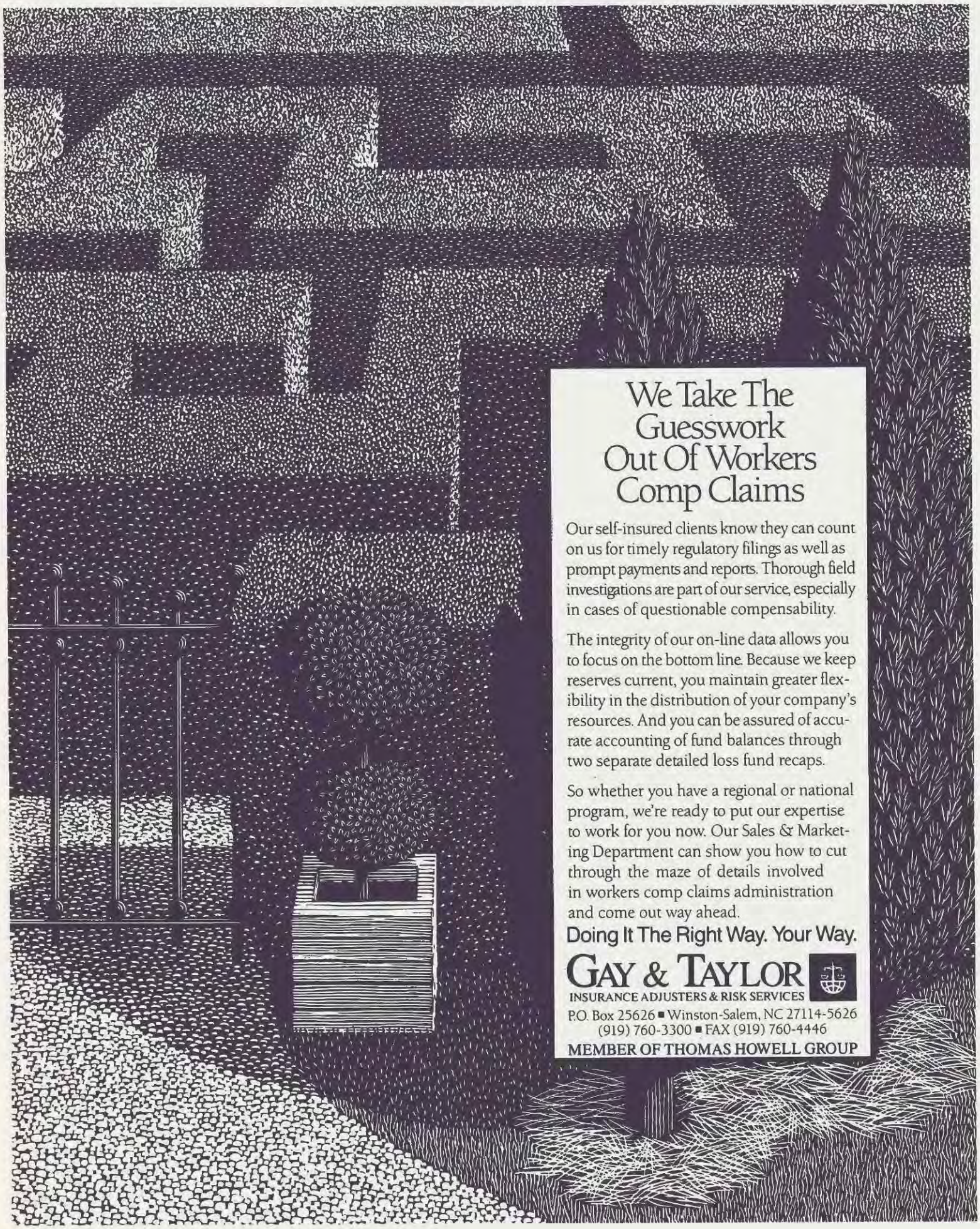
Rohm & Haas last year hired Prudential Service Bureau to administer its self-insured comprehensive health care plan for about 12,000 employees and retirees.

Patricia Coyle, employee benefits manager, said that continually monitoring how the company's employees feel about the administration of the plan is important.

"What we wanted most was customer satisfaction, and we spelled it out to them that if they didn't deliver, we'd be their worst nightmare," she said.

Rohm & Haas has performance guarantees in its contract for both timeliness and financial accuracy of payments, but they were not the contract's selling point, she said.

"We wanted a TPA with low turnover and stability, and we wanted to know where decisions were being made," she said. As a result, Rohm & Haas has its claims processed from a North Carolina Prudential office, "where the working climate is more stable and their local people have autonomy," she explained. ■



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Spotlight report

Risk managers seek more from TPAs

Bad times demand better use of data, more cost control

By LORI BLOCK

With workers compensation costs spiraling out of control and corporate bottom lines battered by the lingering recession, risk managers and their superiors want more than run-of-the-mill reports and claims handling services from their third-party administrators.

These challenged risk managers now seek personalized and up-to-the-minute information from their TPAs to help them contain claims costs, TPA executives say.

In addition to meeting new demands for information, TPAs continue to explore ways to help employers corral the escalating medical costs associated with workers comp. TPAs and their clients also are attempting to apply cost-containment techniques to other property/casualty-related costs like litigation.

All of these pressures require TPAs to make extensive investments in advanced computer and communications technology, as well as personnel—outlays that may be beyond the reach of smaller TPAs.

The recession doesn't seem to have stymied growth among the nation's largest TPAs that specialize in property/casualty claims. The TPAs that disclose gross revenue figures all reported gains in 1991 and expect continued growth in 1992.

The current thrust is in providing "better information to senior management," said Clyde K. Hensley, president and chief executive officer of Alexsis Inc. of Northville, Mich. Alexsis, a subsidiary of broker Alexander & Alexander Services Inc., is the third-largest TPA specializing in property/casualty claims and the seventh-largest overall.

This demand for information has arisen because corporations have "put the risk management arena right into the boardroom," where chief financial officers and even chief executive officers are examining a company's risk management performance, he said. "There is definitely a zeroing in on the whole area of information reporting, because senior management wants information on how to control their costs."

"The risk manager is really now reporting to finance people to a greater extent," observed Barry R. LaFleur, vp and national sales manager for risk management services at Atlanta-based Crawford & Co. As a result, TPAs are focusing on providing clients with detailed reports in the format they need, he said.

Some TPAs also have provided clients with easy access to computerized claims data, he said. For instance, clients can tap into various data bases maintained by Crawford, the largest TPA specializing in property/casualty claims and the second-largest overall.

Peter J. Durkalski, president of Gallagher Bassett Services Inc. of Itasca, Ill., pointed out that risk managers have for some time been able to access their claims files on Gallagher's computer system. But now, when risk managers tap into files on individual claims, they will find that the adjuster's notes also have been included, he said.

Gallagher Bassett, a unit of broker Arthur J. Gallagher & Co., is the sixth-largest TPA and the second-largest specializing in property/casualty claims.

At GAB Business Services Inc. of Parsippany, N.J., the fifth-largest TPA specializing in property/casualty claims and the 11th-largest overall, clients soon will be able to choose from a range of modular reports that can present data in a prearranged format.

These reports will eliminate the need for the client to constantly design spreadsheets to organize the data they download from GAB's system each time they want to generate a report, according to John Kardos, GAB's assistant vp and director of contract sales.

"We've modularized it so that the reports are very cost-effective," regardless of the client's size, Mr. Kardos said. The client's cost will range from $3,000 to $20,000 a year, depending on the type of report chosen. And, aside from the basic long-distance charges, risk managers won't pay additional costs each time they access the data because the format they desire already is established in GAB's system, he said.

According to Edward P. Holleran, president of Philadelphia-based ESIS Inc., client needs are pushing TPAs to combine the elements of "mechanization, technology. . .and cost containment for evaluative purposes, not just for monitoring purposes."

This change in focus has generated the need for more personalized reports that can tell clients more than just where their claims dollars went, he said.

"Senior managers are increasingly looking at what their risk managers are doing and want to see a managed program that results in real savings," said Mr. Holleran, who oversees the fourth-largest TPA specializing in property/casualty claims and the ninth-largest overall.

Technological advances also enable risk managers to communicate more quickly and more frequently with their TPA, while also allowing TPAs to connect their operations coast-to-coast.

As simple as it may sound, the ability to send in a claim via a facsimile machine or file the first statutorily required report about a workplace injury via a toll-free telephone line has been a great convenience to risk managers, TPA executives said.

Despite a greater use of today's technology, one client concern that TPAs haven't been able to comple-

Continued on page 30

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P/C claims firms

Continued from page 28

tely conquer is spiraling workers comp costs.

Toward this end, many of the larger TPAs are:

- Establishing or expanding networks of managed health care providers for workers comp cases.
- Developing computerized fee schedules that can compare claims payments with the appropriate state fee schedule or "usual and customary" fees.
- Checking for so-called "double dipping" so injured employees don't receive duplicative health care and workers compensation benefits for the same ailment.
- Applying other managed care techniques to rein in workers comp medical costs where possible.

Another service that has proved popular with clients is vocational rehabilitation.

Hertz Claims Management Corp., which makes its debut in the *Business Insurance* ranking as the sixth-largest TPA specializing in property/casualty claims and the 12th-largest overall, recently acquired a vocational rehabilitation company based in San Diego. From its offices throughout California, REGAIN Inc. can provide Hertz clients with a variety of consulting services, including consulting with regard to the Americans with Disabilities Act (see story, page 1).

"As medical costs continue to grow in the U.S., rehab will become an even more important factor" in controlling both workers comp and health insurance costs, noted Thomas J. Santorelli, the president of Park Ridge, N.J.-based Hertz Claims Management.

"Workers compensation continues to be the fastest-growing product line," said GAB's Mr. Kardos, expressing a sentiment shared by other TPA executives. "It's not just the handling of the claim clients are looking for; they are looking for cost containment."

"Medical cost containment is the most popular service (clients) are looking for," said Mr. LaFleur of Crawford & Co.

Still, that doesn't mean risk managers are overlooking other cost factors. For instance, litigation management, fraud investigation and international services are three other frequently requested services, Mr. LaFleur said.

ESIS' Mr. Holleran said his firm is "experimenting with cost containment programs involving legal expenses."

For example, it will analyze a client's losses, evaluate counsel, require standardized legal billing and ensure counsel is not sought for certain types of work, like investigations. Work that is not directly in the purview of legal counsel usually can be performed by either the TPA or the client at a lower cost, Mr. Holleran noted.

Legal costs are "a big element now in the total cost of risk. It's an element people have been struggling with for years and one that is no longer considered a cost of doing business," said Mr. Holleran.

One cost of doing business, at least for TPAs, is investment in computer hardware and software, communications technology and human resources.

For instance, GAB's Mr. Kardos said the modular-report project required the company to make a "million-dollar-plus" investment in software.

Mr. Durkalski of Gallagher Bassett summed up the demands being put on TPAs and their personnel by saying, "If 10 years ago it took 10 steps to go through a claim, now it takes 500 steps. All of the processes have become more complex And that's requiring us to pay for a higher level of people."

The big financial challenge for TPAs, according to Robert B. Shomer, executive vp of Hertz Claim Management, is to "make the continuing investments that will enable (the TPA) to keep up with the rapidly changing environment."

ESIS' Mr. Holleran believes that, in this environment, "the big (TPAs) will remain big, while the small ones (may) go out of business."

Meanwhile, all TPAs will have to fend off challenges mounted by the electronic data processing companies that are using their existing computing capabilities and hiring experienced claims adjusters to enter this field. Computer Sciences Corp. of El Segundo, Calif., and EDS Corp. of Dallas are two such firms, said ESIS' Mr. Holleran.

Yet while this long-term challenge looms before these TPAs, in the short term most are delighting in the fact that this recession hasn't battered them. In fact, Mr. Shomer said the recession appears to have "helped firms like ourselves who have been able to manage their (clients') claims. More people are concerned about the bottom line so more people are looking to firms like ourselves."

Following are profiles of the six largest TPAs with the greatest concentration of business in handling property/casualty claims:

Crawford & Co.

Crawford & Co., the nation's largest property/casualty TPA, boosted its claims paid for self-insured clients 22.3% last year, to $1.92 billion from $1.57 billion in 1990.

Of those claims paid, 61% were workers compensation claims, 21% were for general liability, 16% were for automobile and 2% were for such claims as bonds, inland and ocean marine and professional liability.

Last year, the company administered claims for 1,399 self-insured clients, a 14.3% increase over 1,224 such clients in 1990. These clients included 1,252 corporations, 76 association plans and 71 public or government entities.

Crawford also acted as an adjuster, but did not pay claims for, 2,152 self-insured clients, including 1,985 corporations.

Mr. LaFleur noted that the company continues its global efforts in conjunction with the Graham Miller Group, a London-based international claims adjusting subsidiary, and Crawford & Co. Insurance Adjusters Ltd., its Canada-based operation.

"We are now able to respond to multinational clients that have exposures worldwide," he said.

In addition to the claims services provided by Crawford and its two international subsidiaries, the company also provides risk management information systems, through its Risk Sciences Group subsidiary; utilization review services through its Efficient Health Systems operation; and risk control services, particularly in the areas of fire protection and boiler and machinery consulting, through the FPE Group, a Lafayette, Calif.-based company Crawford acquired in 1990.

During 1991, the company boosted its total revenues 20% to $535.6 million, compared with $446 million in 1990. This rise was in large part fueled by a 28.6% increase in the amount of revenues generated by claims administration services on behalf of self-insured clients. In 1991, such revenues, which account for 37.2% of the company's total revenues, rose to $199.4 million from $155 million in 1990.

More than 52% of the company's revenues was generated by other services, like health care cost management, risk control and education, while the remaining 10.7% was generated through claims adjusting for self-insured clients.

To support its growth, Crawford boosted staff 29.6% to 9,123 employees last year, up from 7,039 employees in 1990.

Gallagher Bassett Services Inc.

Gallagher Bassett Services Inc., a unit of broker Arthur J. Gallagher & Co., paid $961.8 million in claims on behalf of self-insured clients last year, up 4.4% over $921.5 million in 1990.

While still predominantly a property/casualty TPA, Gallagher Bassett's health insurance business continues to grow. In 1991, this part of the business amounted to 31% of the claims paid on behalf of self-insured clients, up from 22% in 1990 and 15% in 1989.

Thirty-four percent of claims paid were for workers compensation, 17% were general liability and 18% were for other areas, including automobile, professional liability and property damage.

Gallagher Bassett's self-insured client list grew 11.9% to 1,030 clients, from 920 in 1990. This includes more than 600 public or government entities and more than 400 corporations for which the company administers claims. In addition, the company continued to audit claims for 11 corporate clients and one public entity.

The increase in the number of self-insured clients led to a 17.8% boost in revenues from claims services on behalf of such clients, while overall revenues rose 14.8%. Gallagher Bassett reports that its overall revenues rose to $72 million from $62.7 million last year, while the portion attributed to claims services for self-insured clients rose to $65.4 million from $55.5 million during the same period.

The remaining revenues posted in 1991 were realized through claims auditing and such operations as risk management consulting, information management and property appraisal services.

The company's staff size rose 5.8% during 1991 to 995 employees, all of whom are assigned to self-insured clients, up from 940.

Gallagher Bassett continues to grow without making acquisitions, said Mr. Durkalski. Instead, like some of the other major TPAs, the company concentrates on maintaining existing clients and attracting new ones. Last year, the company's client retention rate was 95%, he noted.

"You can't fill the bathtub with the drain open," Mr. Durkalski quipped. "We want to keep clients and get new clients."

However, such a philosophy did not preclude Gallagher Bassett from forming an alliance with the London-based Thomas Howell Group late last year. With a combined total of more than 400 offices, this alliance will enable Gallagher Bassett to provide self-insured clients worldwide risk management services, he said.

Alexsis Inc.

Alexsis Inc. moved up one place to become the third-largest property/casualty TPA, with $936 million in claims paid on behalf of self-insured clients, up more than 10% from $850 million in 1990.

This double-digit growth followed 1990's 41.7% rise in the amount of claims paid on behalf of self-insured clients. Much of that growth came from workers comp claims, which comprise 70% of the claims the company administers on behalf of self-insured clients.

The remainder of claims paid were for general liability, 20%; and automobile and property damage claims, each 5%.

Meanwhile, the number of self-insured clients for whom Alexsis administered claims nearly held

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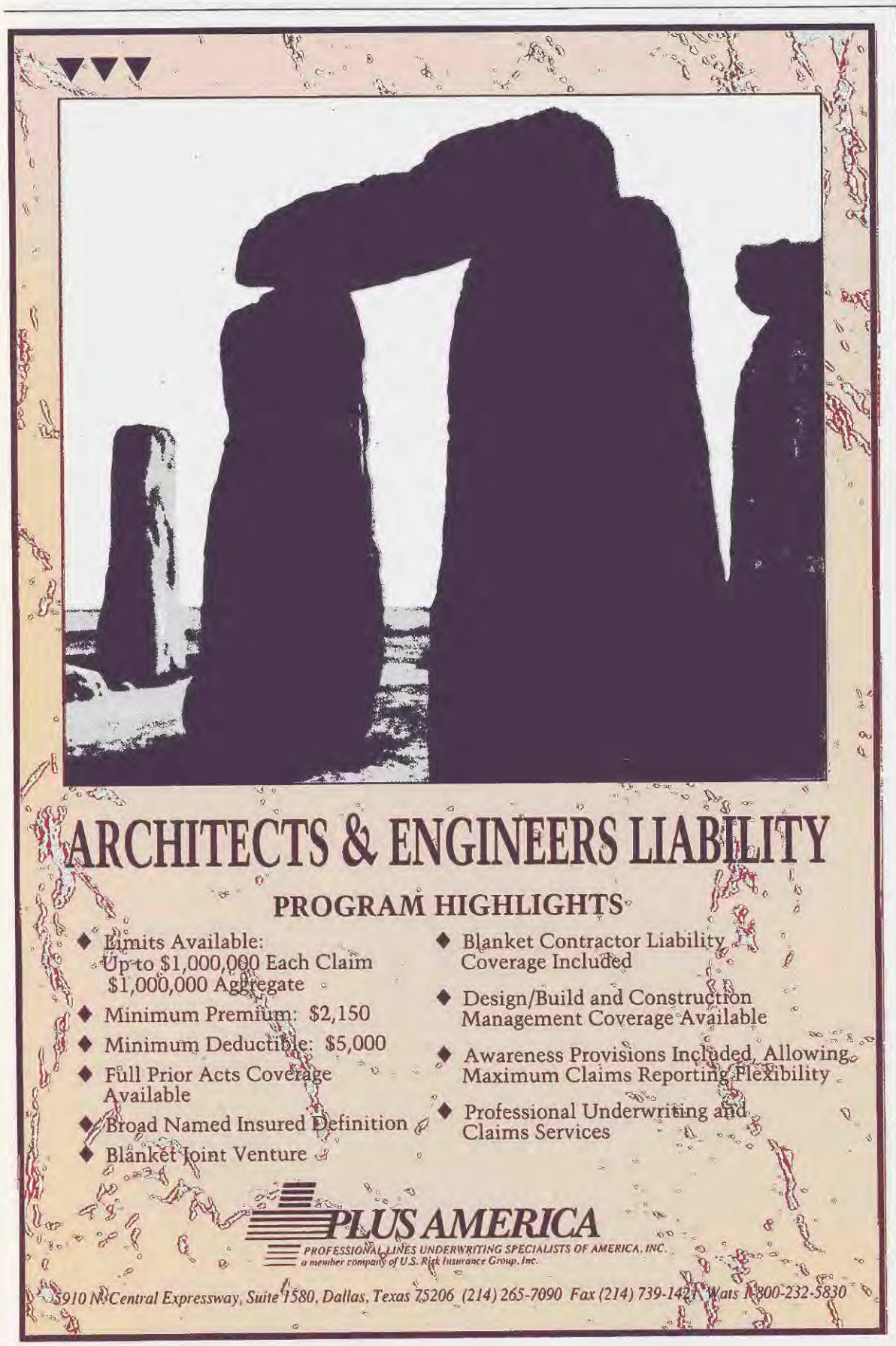

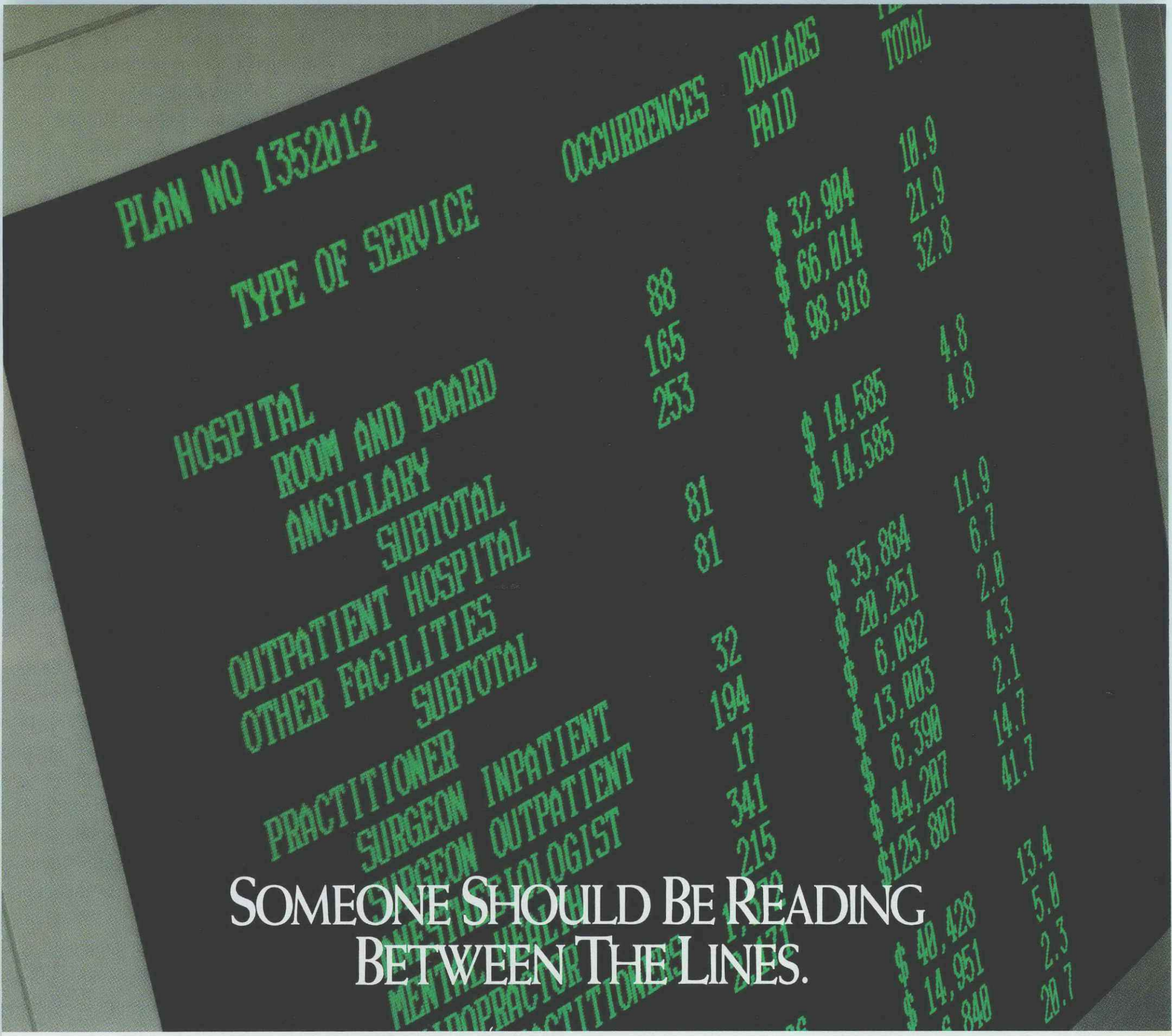

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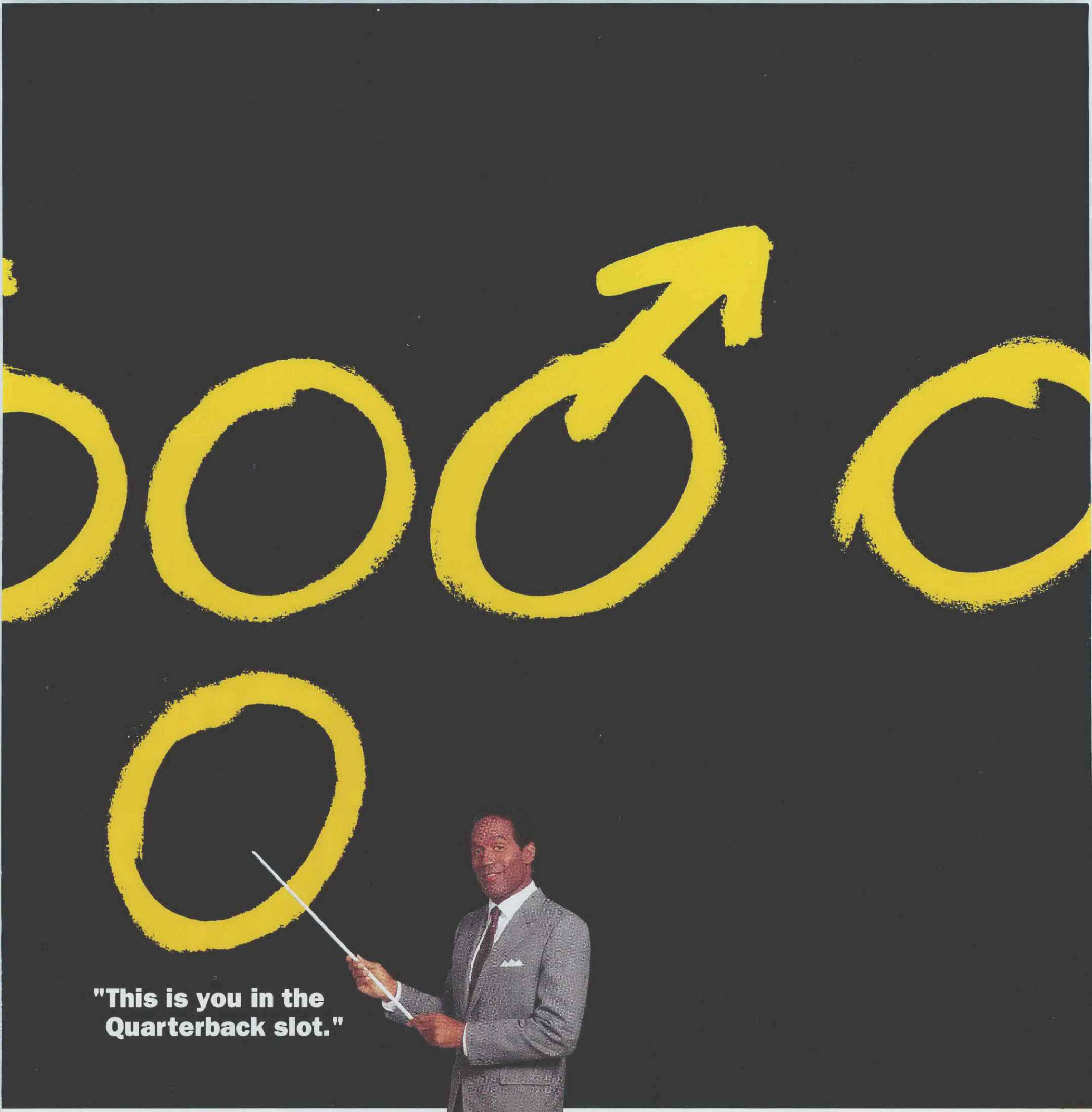

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P/C claims firms

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constant in 1991 after rising nearly 20% in 1990. Currently Alexsis administers claims for 3,500 self-insured clients.

Self-insured corporations account for 3,015 of the company's clients, but the company also services 75 association plans and 410 public or government entities.

Revenues, meanwhile, continued to grow at a double-digit pace, something that usually only happens during a hard market, Mr. Hensley observed. Total gross revenues surpassed the $100 million mark, reaching $109 million, up 21.1% from the $90 million posted in 1990.

"We're fairly confident that we'll see 12% to 15% growth in revenues" in 1992, Mr. Hensley said. This growth, fueled largely by new business from clients, is offsetting any of the other pressures the company might be feeling as a result of the recession, he noted.

To keep pace with the growth in claims paid and revenues generated, Alexsis boosted its staff 12.5% last year to 1,800 employees, up from 1,600 the previous year.

While 90% of the company's business is focused on claims administration for self-insured clients, Alexsis also provides excess coverage marketing and loss control consulting services.

ESIS Inc.

ESIS Inc. reversed the 0.4% decline in claims paid in 1990 with a 13% rise this year, the company reports. Claims paid on behalf of self-insured clients rose to $900 million from $796.6 million, making ESIS the fourth-largest property/casualty TPA.

The company continues to be a broad-based service provider, with automobile claims accounting for 40.6% of the claims paid; general liability, 30.8%; workers comp, 25%; and other areas, 3.6%.

"We had the best year in our history," remarked Mr. Holleran, noting that the company's revenues rose 22% while its gross sales increased 24%.

ESIS, a unit of CIGNA Corp., does not break out its gross revenue figures. However, the company did report that it administers claims for 1,130 self-insured clients.

"Much of the growth has come in workers compensation," Mr. Holleran observed. "But all lines of business are growing," he said.

Sixty-seven percent of revenues are generated through claims administration for its 1,130 self-insured clients, 5% through claims adjusting and 3% through claims auditing. The rest of ESIS' revenues are derived through other services like loss control.

Despite the continued soft market—which might lull self-insured clients back into more traditional insurance programs—Mr. Holleran remains bullish on the prospects for the TPA business for a number of reasons.

First, "the workers compensation disaster" continues to fuel growth in self-insurance, he said. Second, smaller companies that have tested the self-insurance waters through their employee benefit programs are now well-positioned to make the transition to a self-insured property/casualty program, he said.

GAB Business Services Inc.

By the start of 1991, GAB Business Services Inc. had totally withdrawn from the health insurance claims administration arena. Partly as a result, the company falls to No. 5 on the list of the largest property/casualty TPAs, with $850 million in claims on behalf of self-insured clients, down from $875 million in claims paid in 1990, which included $8.75 million in health insurance claims.

Despite the pullout from health insurance, total revenues climbed 2.6%, reaching $235 million in 1991, up from $229 million in 1990. More than two-thirds of these revenues are derived from services other than claims administration.

GAB's self-insured client base also rose in 1991 to 645, up 9.3% from 590 the previous year. Of these, 578 are corporations, including 45 for whom the company also performs adjusting services; 45 are public or government entities and 22 are association plans.

Claims administered on behalf of self-insured clients break down as: workers comp claims, 51%; general liability, 26%; automobile, 19%; and property, marine, professional liability and other claims, 4%.

Mr. Kardos noted that the company continues to expand its workers compensation cost containment services, like conducting fee schedule reviews and developing links with major preferred provider organizations to direct injured workers to facilities that offer discounts to the employer.

GAB also is working with clients that want to self-administer a portion of their claims while sending GAB only selected claims, like those requiring field investigation.

In those situations, GAB continues to maintain data on all of the client's claims so that they "have one source for all of their statistical information," Mr. Kardos explained.

The company's client retention level is up to 93%, a fact that Mr. Kardos attributes both to GAB's own efforts and the recession, which may be dissuading self-insured clients from switching TPAs.

Hertz Claim Management Corp.

Hertz Claim Management Corp. makes its debut in *BI*'s ranking of the largest TPAs as the sixth-largest property/casualty TPA and the 12th largest overall, administering $790 million in claims for self-insured clients.

Listed as HCM Claim Management Corp. a year ago, the Hertz Corp. unit posted a 285% increase in paid claims over 1990, when the company paid $205 million in claims on behalf of self-insured clients.

The company's client base also grew, though not quite so dramatically. Hertz administered claims for 350 self-insured clients last year, a 16.6% increase over its 300 clients in 1990. Of these clients, 150 are corporations and 200 are public or government entities, including the state of Oklahoma.

Mr. Shomer attributes much of the company's rapid growth in claims to new clients like the state of Oklahoma, which has 80,000 employees.

Thirty percent of the company's claims administration business is in the automobile arena; health insurance and workers comp each account for an additional 25%; and the remaining 20% is divided among property damage, general liability and other claims.

The staff at Hertz rose to 1,371 employees, up 41.3% from 1990 when the company had 970 employees. Of these, nearly 70%—or 955—are assigned to serving self-insured clients only. In 1990, the company had 676 employees assigned to self-insured clients.

Though the company would not provide revenue figures, Mr. Shomer indicated that 1991 was a "record year" in terms of sales for Hertz.

Mr. Santorelli noted that the company, while not in an acquisitions mode, is interested in completing strategic acquisitions if it fits their strategic plan. "We're not out there looking for anything at any price." ■

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TPA performance hinges on communication

Risk managers urged not to be bashful in detailing needs

By LORI BLOCK

A successful partnership between a risk manager and a property/casualty third-party administrator is built on upfront communication that starts during the selection process and continues throughout the relationship.

The communication that ensures risk managers of quality service from a TPA should cover such information as the self-insured company's operations, needs and philosophy as well as those of the TPA. This information should be exchanged during the selection process, the contract formulation and regular audits.

Furthermore, when it comes to auditing and monitoring, risk managers shouldn't be bashful and TPAs shouldn't be offended, consultants say. Rather, these processes form the basis of a performance assessment that can be used to improve claims handling.

Risk managers should clearly outline what services they want and the quality they expect, advises Linda Brodt, director of loss management services for J.H. Albert International Insurance Advisors Inc., a risk management consultant in Needham, Mass. Such specifics might include medical and litigation cost management, time limits for various stages of claims handling and case strategy.

In addition to spelling out such details, risk managers should explain their particular operations, said Ron O'Nan, a senior vp at Willis Corroon Advanced Risk Management Services, a Willis Corroon P.L.C. unit in Nashville, Tenn.

Risk managers should "make sure the TPA is trained to do *your* claims. Let them see your business, so they feel like they know your business. This will make them effective in handling your claims," advises Minh Vu, a consultant with The Wyatt Co. in Chicago.

Charles T. Tagman Jr., a vp and principal in Boston with the Tillinghast division of Towers, Perrin, Forster & Crosby Inc., has another reason why it's important for TPAs to be familiar with client operations: "Risk managers are telling their TPAs, 'It's your job to make sure my guys are doing their job.' "

It's the TPA's responsibility to visit plants and make sure plant supervisors understand their role in the claims process, he said.

And risk managers, Ms. Brodt noted, also must educate supervisors about the importance of investigating every accident quickly, whether it's a workers compensation or general liability claim, and then transmitting the information to the TPA.

Ensuring that the TPA records the information and handles the claim the way the risk manager wants also requires good communication.

"What I would want to hear from my TPA is that it takes a very proactive approach to managing claims," explained Charles McGill, director of marketing for Melville, N.Y.-based Caronia Corp., a risk management consultant and TPA. "You really want to hear that their primary interest is to protect your dollars, your financial interests and your reputation in the community."

Audits are a good time for risk managers to judge whether claims are being handled in a manner consistent with the company's requirements.

Anthony Rodolakis, the vp of risk management and insurance for Atlanta-based Holiday Inn Worldwide, said the company conducts 10 to 12 audits of its TPA's field offices each year. Then the company completes a performance report, which is the TPA's "report card," he said. Included is a comparison of how claims are being handled and how they should be handled.

Similarly, Ford Motor Co. of Dearborn, Mich., which uses a TPA for ancillary claims services, relies on its general counsel to monitor both the quality and scope of the TPA's product and service, according to Daniel Sobczynski, Ford's corporate insurance manager.

Willis Corroon's Mr. O'Nan insists that audits "are a necessary tool risk managers should use, and not be bashful about using, whenever they suspect things aren't going well."

Mr. Vu adds that audits are a time for the TPA and the risk manager to examine "what we are doing well and what we can be doing better."

One way to ensure that TPA performance meets company standards is to compensate the TPA based on performance. While not a widespread practice, Stephen J. Ware, a managing director with Mesirow Insurance Services, a unit of Mesirow Financial Corp. of Chicago, recommends it.

The key is setting up an agreement that "subjects the TPA to minimum and maximum standards" and then either rewards or penalizes it, Mr. Ware said.

But there's more to selecting and auditing a TPA than seeing that the TPA understands the self-insured company's needs. Risk managers also should take the time to learn about their TPA during the selection process and in periodic audits and reviews.

Issues that should be of concern before selecting a TPA include whether it is approved by the client's excess insurer, whether it buys adequate errors and omissions liability coverage and whether the TPA can provide the type of reports that will truly help the risk manager control losses, said Mr. McGill.

Once a TPA is selected, the risk manager should meet with those who actually will be handling the account, not just the marketing manager or chief executive, he said. It's also a good idea to gauge the quality of the overall TPA organization by meeting backup personnel who will handle the account when necessary, he said.

After the TPA has been on the job, risk managers should watch for problems like high turnover, claims that fall through cracks and excessive caseloads, said Mr. Vu.

Mr. Rodolakis said that although personnel changes are inevitable, the effectiveness of a TPA often can hinge on the talents of a few people, and "it's very important to manage them effectively."

"When all is said and done, the key thing is teamwork," said Mr. Vu, echoing other consultants and risk managers.

TPAs, he said, should be given room to work, and risk managers should assume the TPA is competent to perform that work. Yet at the same time, they should be monitored, Mr. Vu stressed. ■

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Specialties: 100% health insurance.
Health plans: 30,000 employees, 25,000 dependents covered.
Self-insured clients: 11 administration clients, including eight corporations, three public/government entities.
Self-insured claims: $20 million paid for administration clients.
Staff: 51.
Charges: Capitated or percentage of claims for administration.
Branch offices: Sales offices in Encino, Calif.
1991 gross revenues: $4.5 million; $1.2 million from claims services.
PPOs available: Anthem Health Systems.
Principal officers: George Hahn, president/chief executive officer; Lois Royce, vp-operations; Melvin Wong, vp-marketing; Beverly Rehm, director-finance; Jeffrey Brittain, director-underwriting.
Membership: IFEBP, Orange County Employee Benefit Council.

Admar Corp.

1551 N. Tustin Ave., Suite 300, Santa Ana, Calif. 92701; 714-953-9600; fax: 714-953-9060

Founded: 1973.
Business: 100% claims administration.
Region served: Nationwide.
Specialties: 100% health insurance.
Health plans: 3,956 employees, 1,514 dependents covered.
Self-insured clients: 10 administration clients, all corporations.
Staff: 15, all serving self-insurers only.
Charges: Per employee per month for administration.
Branch offices: Sales offices in Scottsdale, Ariz.; San Bruno, Calif.; Denver; St. Louis; Houston.
Subsidiaries: Advantage Benefits Co.
1991 gross revenues: $10.3 million.
PPOs available: Locations in 22 states.
Principal officers: Richard Toral, president/chairman; Virginia Pascual, executive vp/board member; Edward K. Evans, vp-finance/chief financial officer; Pamela J. Kehoe, vp-management information systems; Donald Cummins, vp-marketing.

Administrative Risk Management Inc.

214 Overlook Court, Suite 201, Brentwood, Tenn. 37027; 615-373-2400

Founded: 1988.
Business: 100% claims administration.
Region served: Nationwide.
Specialties: 5% flex compensation, 95% health insurance.
Health plans: 3,000 employees, 5,000 dependents covered.
Self-insured clients: Eight administration clients, including seven corporations, one public/government entity.
Self-insured claims: $3.5 million paid for administration clients.
Staff: Five, all serving self-insurers only.
Charges: Capitated fee for administration.
1991 gross revenues: $1.5 million, all from claims services.
Principal officers: Luke A. Ussery, president; Jennifer G. Ussery, secretary.
Membership: NAEBA.

Aetna, Third Party Claims Management

5215 N. O'Conner Blvd., Suite 2200, Irving, Texas 75039; 214-401-8618; fax: 214-401-8686

Founded: 1984.
Parent company: Aetna Life & Casualty Co.
Business: 100% claims administration.
Region served: Nationwide.
Specialties: 10% flex compensation, 90% health insurance.
Health plans: 110,000 employees, 165,000 dependents covered.
Self-insured clients: 201 administration clients, including 179 corporations, 22 public/government entities.
Staff: 163, all serving self-insurers only.
Charges: Per employee per month for administration.
Branch offices: Administrative office in Memphis, Tenn.; San Bernardino, Calif. Sales offices in Atlanta and Cleveland.
Principal officers: M.J. Formbals, assistant vp; Price Ewing, claims manager.
Membership: SIIA.

Alden Associates Inc.

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

Founded: 1991.
Business: 100% claims administration.
Region served: Connecticut, Massachusetts, New Jersey, New York, Rhode Island.
Specialties: 10% disability, 10% flex compensation, 80% health insurance.
Health plans: 1,850 employees, 2,200 dependents covered.
Self-insured clients: 14 administration clients, including three association plans, 10 corporations, one multiemployer plan.
Self-insured claims: $3.1 million paid for administration clients.
Staff: Nine; five serving self-insurers only.
Charges: Per employee per month plus commissions, $10 to $16 for administration.
1991 revenues: $500,000, all from claims services.
Principal officers: Harold A. Meyer Jr., president; Christopher W. Smith, chief financial officer; Denise D. Welby, vp-administration.
Membership: SIIA, SPBA, Connecti-

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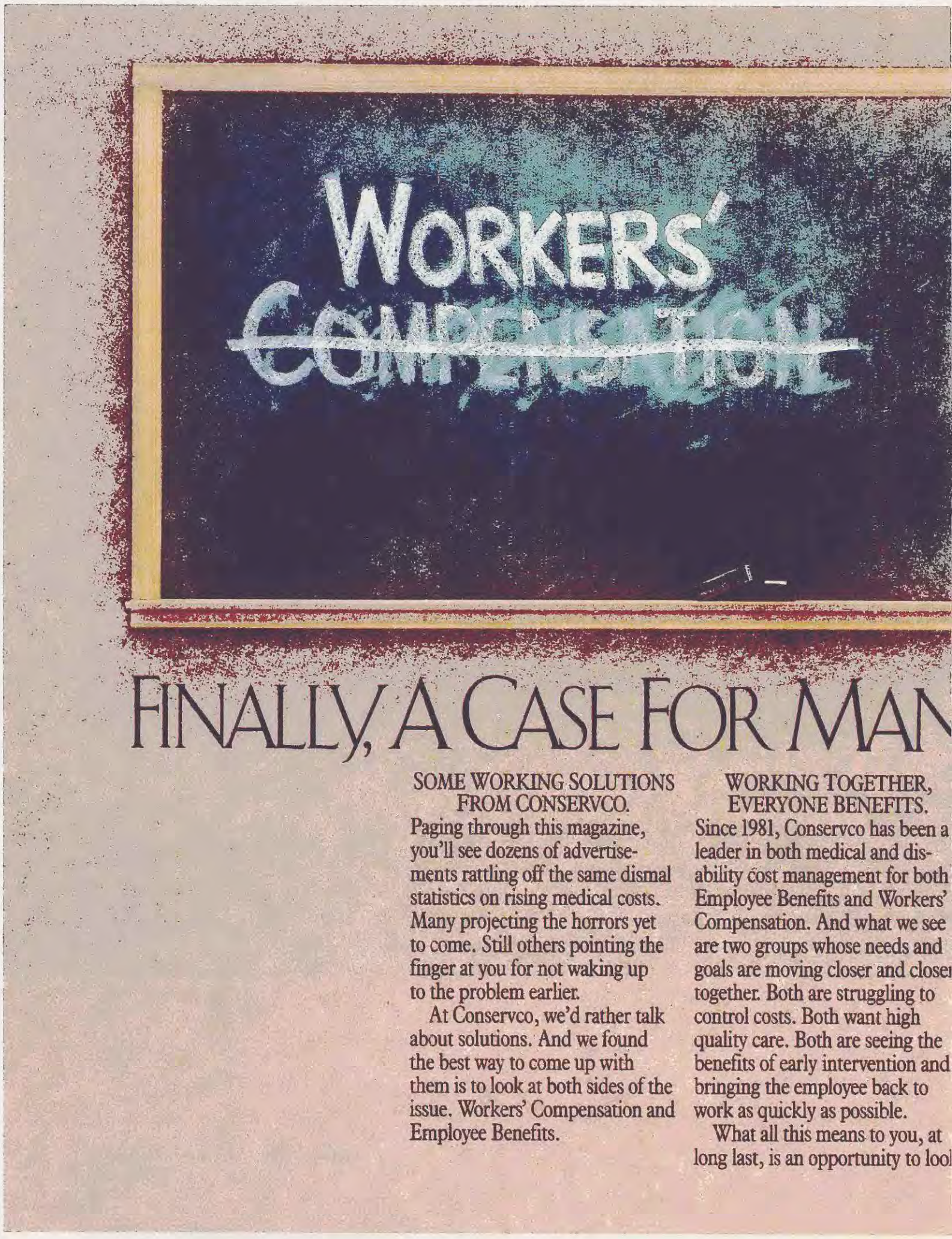

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cut Assn. of Third Party Administrators.

Allied Administrators Inc.

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

Founded: 1953.
Business: 50% claims administration, 50% other services, including insured clients.
Region served: California, Arizona, Nevada.
Specialties: 100% health insurance.
Health plans: 25,000 employees, 50,000 dependents covered.
Self-insured clients: 55 administration clients, including 20 corporations, multiemployer plans, five public/government entities.
Self-insured claims: $25 million paid for administration clients.
Staff: 40.
Charges: Flat, percentage and per capita for administration.
Branch offices: Administrative offices in San Diego.
PPOs available: American Health Network, Community Care Network.
Principal officers: David Walker, president.
Membership: IFEBP, SPBA

Allied Benefit Systems Inc.

222 S. Riverside Plaza, Chicago, Ill. 60606; 312-906-8060
fax: 312-906-8359

Founded: 1980.
Business: 80% claims administration, 20% other services, including brokering insurance.
Region served: Nationwide
Specialties: 5% disability, 5% flex compensation, 90% health insurance.
Health plans: 25,500 employees, 42,800 dependents covered.
Self-insured clients: 115 administration clients including 106 corporations, eight public/government entities, one union-sponsored plan.
Self-insured claims: $50 million paid for administration clients.
Staff: 45; 35 serving self-insurers only.
Charges: Per employee per month for administration.
Branch offices: Administrative offices in Schaumburg, Ill.
1991 gross revenues: $2 million; $1.6 million from claims services.
PPOs available: PATH, Rush, Preferred Care Network, Crawford.
Principal officers: Laurie Wilneff, Ben D. Schenke.
Membership: NAEBA, SIIA, SPBA.

ALTA Health Strategies Inc.

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

Founded: 1960.
Business: 82% claims administration, 18% other services, including consulting.
Region served: Nationwide.
Specialties: 4% flex compensation, 96% health insurance.
Health plans: 1.2 million employees, 3.1 million dependents covered.
Self-insured clients: 860 administration clients, including 700 corporations, 150 public/government entities, 10 union-sponsored plans.
Self-insured claims: $2.6 billion paid for administration clients.
Staff: 2,600, all serving self-insurers only.
Charges: Per employee per month or per claim for administration.
Branch offices: Administrative offices in 13 locations nationwide. Sales offices in 15 locations nationwide.
1991 gross revenues: $142 million; $116 million from claims services.
Principal officers: W. Terry Nofsinger, president; Jim Kenworthy, chief accounting officer; Sid Paulson and George Dreisbach, executive vps; Linda Gerbig, senior vp.
Membership: SIIA, SPBA, IFEBP, American Assn. of Preferred Provider Organizations, Employee Council on Flexible Compensation, American Medical Care & Review Assn., Council on Employee Benefits.

Continued on next page

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

Companies are organized according to specialization. Those handling only employee benefits/group insurance are listed first, those handling only property/casualty claims (including workers compensation) are listed next, and those handling both employee benefits/group insurance and property/casualty claims are listed last.

Listings begin with the company name, address, year founded and parent company.

That is followed by information on the percentage of the company's 1991 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 problems.
- Other services, not related to claims services for self-insured clients.

The geographic region served is listed next, followed by the types of claims the company specializes in servicing. These are given as a percentage of gross revenues derived from handling claims for self-insured clients. Within the specialty heading, "health insurance" encompasses medical, dental, vision and prescription drug claims.

If health plan administration is one of the largest percentages of business, the number of employees and dependents covered is listed.

The number of self-insured claims administration clients, adjusting clients and auditing projects and amount of claims paid for them in 1991 also are included.

The next information is on staff and charges. Locations of administrative and sales offices and subsidiaries follow.

When reported by the company, total 1991 gross revenues are included. Because *Business Insurance* gathered the information on companies before year-end 1991, revenue figures may be estimated.

Preferred provider organizations with which the company contracts to service their clients' employees are listed, followed by names and titles of principal officers. Memberships in claims organizations 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; PIMA, Professional Insurance Marketing Assn.; QCA, Quiclaim Client Assn.; SIIA, Self-Insurance Institute of America; SPBA, Society of Professional Benefit Administrators.

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Continued from previous page

Amalgamated Life Insurance Co./Alicare

770 Broadway, New York, N.Y. 10003; 212-473-5700; fax: 212-477-5517

Founded: 1943.
Business: 75% claims administration, 25% other services.
Region served: Nationwide.
Specialties: 1% disability, 54% health insurance, 1% life, 44% pensions.
Health plans: 130,000 employees, 260,000 dependents covered.
Self-insured clients: 66 administration clients, including one association plan, 12 corporations, 50 multiemployer plans, three union-sponsored plans.
Self-insured claims: $280 million paid for administration clients.
Staff: 400, all serving self-insurers only.
Charges: Per employee per month, $4 to $8 for administration.
Branch offices: Administrative offices in Salem, N.H.
Subsidiaries: Alicomp, Alivest, The Amalgamated Agency.
1991 gross revenues: $30 million; $20 million from claims services.
Principal officers: Harvey Sigelbaum, president; Richard Burker and Ronald Minikes, executive vps; Arthur Kurek and Ira Schwartz, senior vps.
Membership: IFEBP, National Coordinating Committee for Multiemployer Plans.

American Health Alternatives Inc.

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

Founded: 1984.
Parent company: Independence Blue Cross.
Business: 97% claims administration, 3% other services, including COBRA and flexible benefits administration.
Region served: Pennsylvania, New Jersey, Delaware, Maryland.
Specialties: 2% flex compensation, 97% health insurance, 1% COBRA administration.
Health plans: 3,151 employees, 3,792 dependents covered.
Self-insured clients: 15 administration clients, including 13 corporations, two public/government entities.
Self-insured claims: $6.3 million paid for administration clients.
Staff: 12; 11 serving self-insurers only.
Charges: Per employee per month for administration.
Subsidiaries: Delaware Valley HMO, Delaware, N.J.
1991 gross revenues: $516,736; $475,280 from claims services.
PPOs available: American Health Preferred.
Principal officers: Alfred E. Meyer, president; Charles D. Clausen, vp; John G. Foos, treasurer; Patricia R. Hatler, secretary.
Membership: SIIA.

American Insurance Administrators

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

Founded: 1977.
Parent company: Management Applied Programming Inc.
Business: 70% claims administration, 4% claim adjusting, 3% claims auditing, 23% other services.
Region served: Nationwide.
Specialties: 5% flex compensation, 95% health insurance.
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; 26 serving self-insurers only.
Charges: Per employee per month for administration. Hourly or per claim for adjusting and auditing.
Branch offices: Administrative and sales offices in Orange, Calif.
1991 gross revenues: $2.5 million.
PPOs available: CAPP Care, CCN, PHN, Cost Care, PPO Alliance.
Principal officers: F.N. Dastur, president; Herbert Schaffer, executive vp; Phirose H. Dalai, chief financial officer; R. Trived, B. Rabinowitz and J. Hoskins, assistant vps.
Membership: SPBA, Employee Benefit Planning Assn. of Southern California, Orange County Benefit Council, Los Angeles and Orange County Claims Assn.

American Medical & Life Insurance Co.

35 Broadway, Hicksville, N.Y. 11802; 516-822-8700; fax: 516-931-1010

Founded: 1964.
Business: 20% claims administration, 80% other services, including insurance premiums.
Region served: Nationwide.
Specialties: 100% health insurance.
Self-insured clients: 67 administration clients, including three association plans, 10 corporations, 16 public/government entities, 38 union-sponsored plans.
Self-insured claims: $18 million paid for administration clients.
Staff: 105; 40 serving self-insurers only.
Charges: 6% of paid claims for administration.
Branch offices: Administrative and sales offices in Honolulu. Additional sales offices in Fort Lauderdale, Fla.
Subsidiaries: American Dental Centers.
1991 gross revenues: $20 million; $2 million from claims services.
Principal officers: Jules V. Lane, president; Lee Jarmolowsky, executive vp; Peter Norton, senior vp; Fred Eichler, vp-operations; Larry Schwartz, vp-sales.

Arizona Preferred Provider Claims Services

6464 E. Grant Road, Tucson, Ariz. 85715; 602-298-5297

Founded: 1984.
Business: 40% claims administration, 5% claim adjusting, 15% claims auditing, 40% other services.
Region served: Nationwide.

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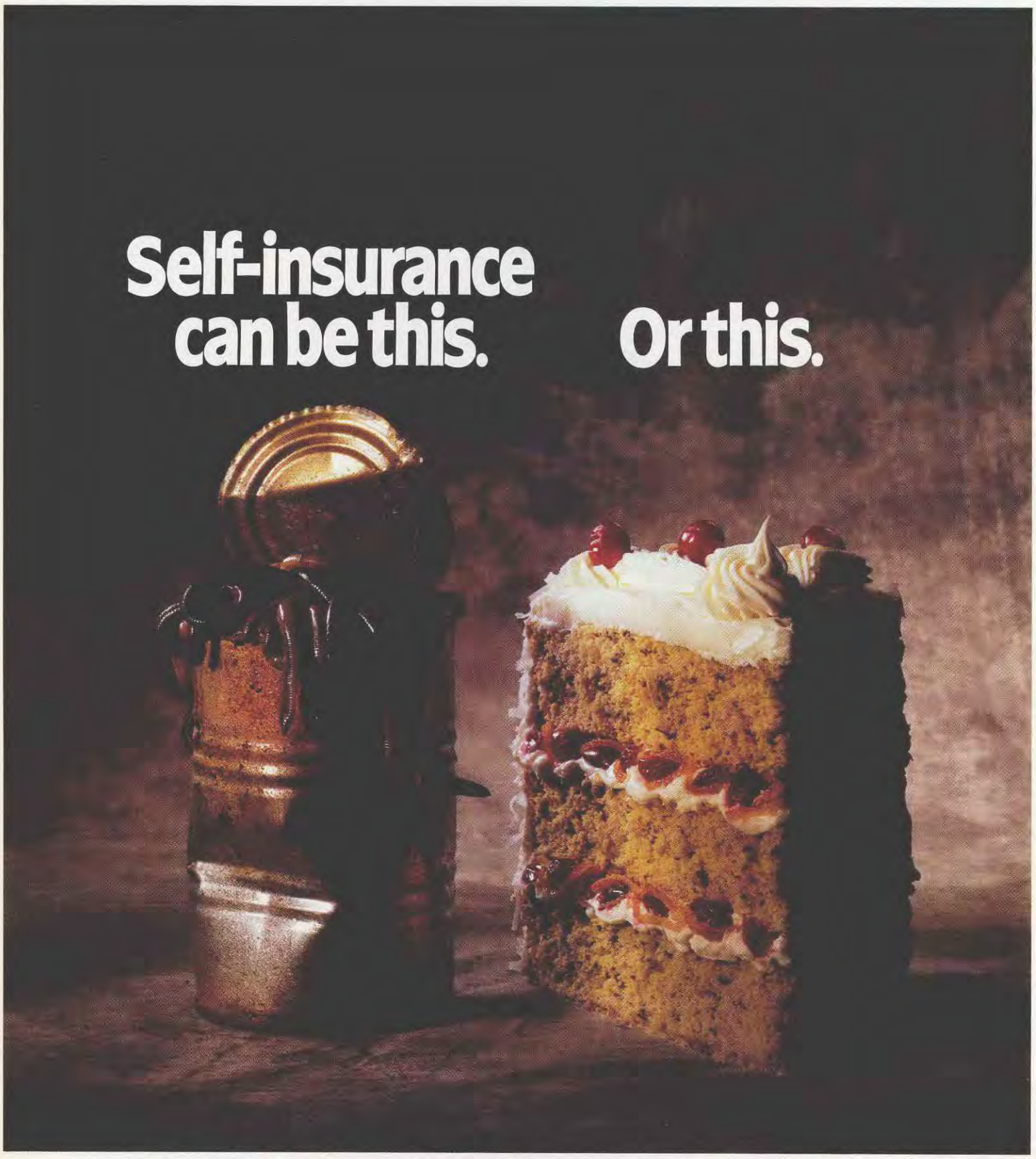

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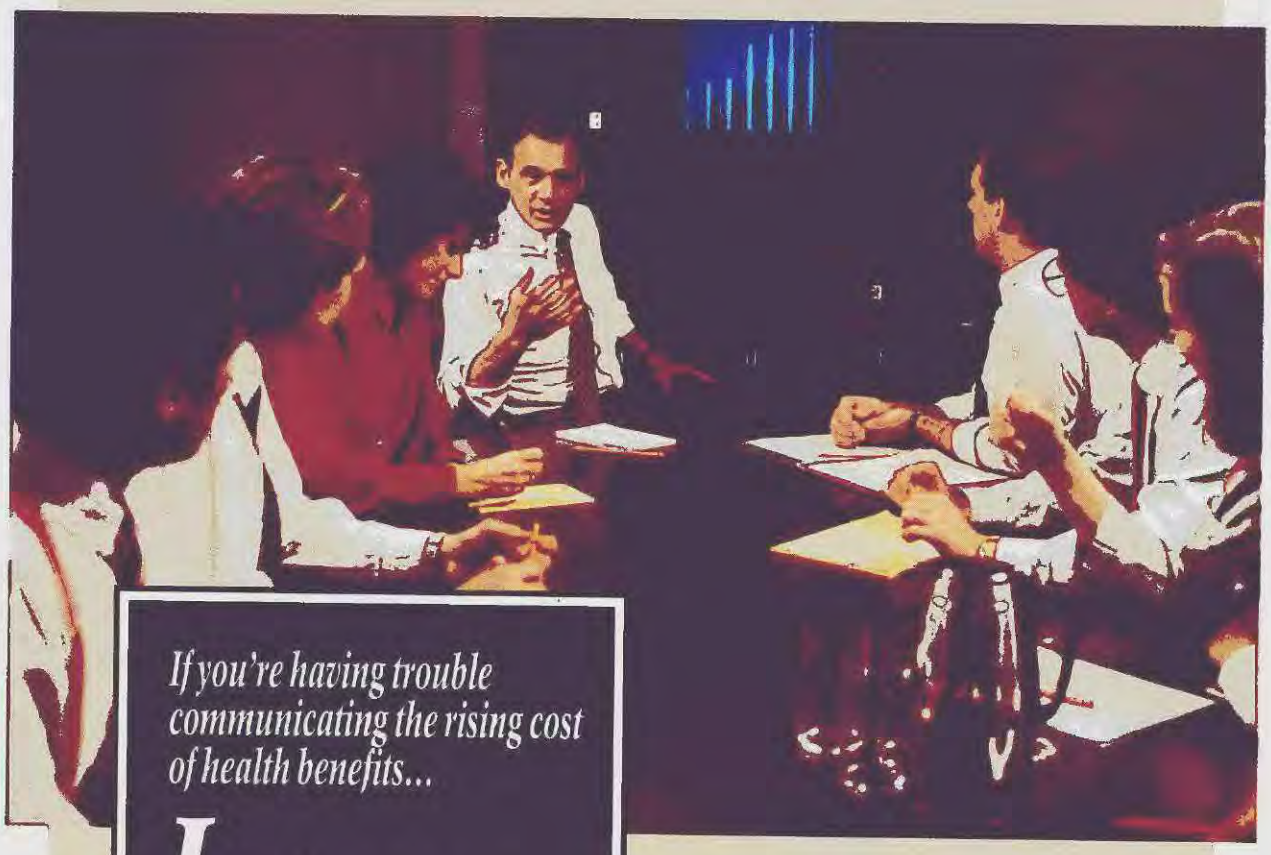

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The NAEBA is an Association of independent Third Party Administration firms specializing in the design and administration of employee health benefit programs. Independent member firms are listed on this page.

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Continued from page 38

Specialties: 90% health insurance, 7% disability, 3% life.
Health plans: 2,000 employees, 3,750 dependents covered.
Self-insured clients: Nine administration clients, including one association plan, seven corporations, one multiemployer plan.
Two adjusting clients, including one corporation, one public/government entities.
Two auditing clients, including one corporation, one public/government entity.
Self-insured claims: $1.5 million paid for administration clients. Health, disability and life claims adjusted.
Staff: Seven; three serving self-insurers only.
Charges: Per employee per month for administration. By the hour for adjusting and auditing.
PPOs available: Arizona Preferred Provider.
Principal officers: Dwight W. Babcock, president.

Associated Health Plans Inc. of Louisiana

4415 Shores Drive, Metairie, La. 70006; 504-885-9365; fax: 504-885-9380

Founded: 1978.
Business: 60% claims administration.
Region served: Nationwide.
Specialties: 5% flex compensation, 95% health insurance.
Health plans: 30,000 employees, 40,000 dependents covered.
Self-insured clients: 217 administration clients, including 207 corporations, 10 public/government entities.
Self-insured claims: $60 million paid for administration clients.
Staff: 102, all serving self-insurers only.
Charges: Fee per employee for administration.
1991 gross revenues: $5 million; $3 million from claims services.
PPOs available: American Life Care.
Principal officers: Vince Varisco, president; Arthur J. Blanchat, chairman; Pamela A. Chauff, vp.
Membership: SIIA, SPBA.

Associated Plan Administrators Inc.

4133 Whitney Ave., Hamden, Conn. 06518; 203-287-1272

Business: 100% claims administration.
Region served: Nationwide.
Specialties: 100% health insurance.
Health plans: 6,000 employees, 5,000 dependents covered.
Self-insured clients: 73 administration clients, including 71 association plans, two public/government entities.
71 adjusting clients, all association plans.
Self-insured claims: $7 million paid for administration clients.
Staff: 26; 24 serving self-insurers only.
Charges: Per employee per month, $3 to $5 for administration.
1991 gross revenues: $3.4 million.
Principal officers: Fred Brown, president; John Cuozzo and Michael Zipp, vps.
Membership: NAEBA, SIIA, SPBA, QCA.

B

Bankers Risk Management Services Inc.

1000 112th Circle N., Suite 100, St. Petersburg, Fla. 33716; 813-576-8780; fax: 813-576-1746

Founded: 1985.
Parent company: Bankers Insurance Group.
Business: 100% claims administration.
Region served: Florida and Georgia.
Specialties: 100% health insurance.
Health plans: 10,000 employees.
Self-insured clients: 50 administration clients, all corporations.
Staff: 23; 21 serving self-insurers only.
PPOs available: Health Advantage, Bankers, Florida Health Network.
Principal officers: Robert F. McBurney, president.
Membership: SPBA, NAHU.

BeneCare

620 Chestnut St., Suite 472, Public Ledger Building, Philadelphia, Pa. 19106-3487; 800-222-9150 (Pennsylvania) or 800-445-6665; fax: 215-440-1021

Founded: 1978.
Business: 30% claims administration, 70% other services, including dental preferred provider organization.
Region served: Pennsylvania, New Jersey, Maryland, Connecticut, Michigan, Tennessee.
Specialties: 100% health insurance.
Health plans: 50,000 employees, 75,000 dependents covered.
Self-insured clients: Five administration clients, including one association plan, two corporations, two multiemployer plans.
Self-insured claims: $2 million paid for administration clients.
Staff: 25.
Charges: Per employee per month, $1 to $2.50 for administration.
1991 gross revenues: $1.1 million; $300,000 from claims services.
PPOs available: Benecare Individual Practice Network.
Principal officers: Bertram H. Serota, president.

Benefit Administration Corp.

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

Founded: 1953.
Business: 98% claims administration, 2% other services, including consulting.
Region served: California.
Specialties: 5% flex compensation, 95% health insurance.
Health plans: 22,000 employees, 50,000 dependents covered.
Self-insured clients: 34 administration clients, including 15 corporations, 12 multiemployer plans, seven public/government entities.
Self-insured claims: $22.1 million paid for administration clients.
Staff: 52, all serving self-insurers only.
Charges: Per employee per month, $8.50 to $12 for administration.
1991 gross revenues: $1.9 million, all from claims services.
PPOs available: Interplan, American Health Network, Community Health Plan.
Principal officers: Robert J. Cardinal, president; Mirth Lundal, executive vp; Regina Alexander, claim manager; Darlene Moore, controller, Cathy Rainaldi, Taft-Hartley manager.
Membership: IFEBP, SIIA, SPBA.

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

Founded: 1982.
Parent company: Health Ventures Inc.
Business: 96% claims administration, 4% other services.
Region served: Nationwide.
Specialties: 1% flex compensation, 99% health insurance.
Health plans: 71,000 employees, 191,700 dependents covered.
Self-insured clients: 113 administration clients, including four association plans, 84 corporations, two multiemployer welfare arrangements, 17 public/government entities, six union-sponsored plans.
Self-insured claims: $135 million paid for administration clients. Medical, dental, disability and vision claims adjusted.
Staff: 145, 142 serving self-insurers only.
Charges: Per employee per month for administration.
Branch offices: Administrative offices in Sioux City and Davenport, Iowa. Sales offices in Chippewa Falls, Wis.
1991 gross revenues: $7 million; $6.7 million from claims services.
PPOs available: CAPP Care, Health Network and Midwest Business Medical Assn., Chicago; Healthcare Preferred, Des Moines, Iowa; Preference Health Plan, Davenport, Iowa; Comp Med, Oklahoma City; Sloans Lake, Denver; Health Link, St. Louis.
Principal officers: Clifford D. Gold, chief operating officer.
Membership: SIIA.

Benefit Administrators of New England Inc.

200 Ledgewood Place, P.O. Box 557, Rockland, Mass. 02370; 617-982-1881; fax: 617-871-6860

Founded: 1988.
Business: 100% claims administration.

Continued on next page

The reason you need Managed R_x to control prescription drug costs is spelled out right here.

Right here, on the label of every prescription drug container, are the most important elements of the prescription drug delivery system—the pharmacy, the patient and the drug.

If you want to control the cost and improve the quality and safety of your prescription drug benefit plan, each of these elements must be managed effectively.

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Managed R_x offers you the

Continued from previous page

Region served: Nationwide.
Specialties: 5% disability, 5% flex compensation, 90% health insurance.
Self-insured clients: 76 administration clients, including 71 corporations, five public/government entities.
Self-insured claims: $32 million paid for administration clients.
Staff: 43.
Charges: Per employee per month for administration.
PPOs available: Cost Care.
Principal officers: Neil Guerin, chief executive officer; John A. Keith Jr., chief financial officer/general counsel.
Membership: SPBA.

Benefit Consultant Services

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

Founded: 1961.
Parent company: Donald F. Smith & Associates.
Business: 65% claims administration, 35% other services.
Region served: Nationwide.
Specialties: 2% disability, 2% flex compensation, 96% health insurance.
Health plans: 4,400 employees, 5,200 dependents covered.
Self-insured clients: 28 administration clients, including one association plan, 26 corporations, one multiemployer welfare arrangement.
Self-insured claims: $17.2 million paid for administration clients.
Staff: 12, all serving self-insurers only.
Charges: Per employee per month for administration.
Branch offices: Administrative and sales offices in Norfolk, Va. Additional sales offices in Richmond, Va., and Wallingford, Conn.
Subsidiaries: Smith Insurance Services, Lawrenceville, N.J.
Principal officers: Donald F. Smith, chairman; William B. Stephenson, president; Robert M. Neumann, senior vp; Ronald G. Keefe, vp; F. John Herrmann, assistant vp.
Membership: SPBA.

Benefit Consultants Inc.

14500 S. Forty Outer Road, Suite 502, Chesterfield, Mo. 63017; 314-434-4620; fax: 314-434-8335

Founded: 1982.
Business: 31% claims administration, 9% claim adjusting, 15% claims auditing, 45% other services, including consulting.
Region served: Midwest.
Specialties: 100% health.
Health plans: 13,000 employees, 26,000 dependents covered.
Self-insured clients: Three administration clients, including two corporations, one multiemployer plan.
Six adjusting clients, including one corporation, five multiemployer plans.
Six auditing clients, including one corporation, five multiemployer plans.
Self-insured claims: $6 million paid for administration clients. Health claims adjusted. Nine claims-auditing projects conducted.
Staff: Nine; five serving self-insurers only.
Charges: Fee per employee for administration. Hourly rates for adjusting. Hourly rates and per project for auditing.
PPOs available: HealthLink.
Principal officers: Alan N. Lemley, president.
Membership: IFEBP.

Benefit Management Technologies

10 Mechanic St., Worcester, Mass. 01608; 508-757-5440; fax: 508-754-6862

Founded: 1991.
Parent company: HealthPro Inc. and Information Concepts Inc.
Business: 70% claims administration, 10% claim adjusting, 5% claims auditing, 15% other services, including software, software services, time sharing, utilization review, HMO certifications, data analysis.
Region served: Nationwide.
Specialties: 100% health insurance.
Health plans: 2.5 million employees.
Self-insured claims: 12 claims-auditing projects conducted.
Staff: 300.
Charges: Per member per month for administration. Percentage of dollars saved for auditing.
Branch offices: Administrative and sales offices in Columbus, Ohio, and City of Industry, Calif. Additional sales offices in Sacramento, Calif.
Subsidiaries: HealthPro Inc., Worcester, Mass., and Columbus, Ohio; Information Concepts Inc., California.
Principal officers: Paul Michael Ryan, president; Barbara Ladon, vp-marketing.
Membership: SIIA.

Benefit Plan Services Inc.

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

Founded: 1977.
Business: 100% claims administration.
Region served: North Carolina.
Specialties: 2% disability, 98% health insurance.
Health plans: 93,933 employees, 1,576 dependents covered.
Self-insured clients: 14 administration clients, including 11 corporations, three public/government entities.
Self-insured claims: $4.9 million paid for administration clients.
Staff: Four, all serving self-insurers only.
Charges: Capitation for administration.
Principal officers: J. Larry Peters, president; Alan O. Peters, vp.
Membership: SPBA.

Benefit Systems & Services Inc.

760 Pasquinelli Drive, Suite 320, Westmont, Ill. 60559; 708-990-2082; fax: 708-789-2093

Founded: 1986.
Business: 55% claims administration, 45% other services, including benefit software licensing and consulting.
Region served: Nationwide.
Specialties: 1% disability, 5% flex compensation, 94% health insurance.
Health plans: 22,000 employees, 30,000 dependents covered.
Self-insured clients: 49 administration clients, including one association plan, 32 corporations, 16 public/government entities.
Self-insured claims: $42.9 million paid for administration clients.
Staff: 45; 30 serving self-insurers only.
Charges: Per employee, $1.80 to $11.50 for administration.
1991 gross revenues: $3.1 million; $1.8 million from claims services.
PPOs available: Preferred Care Network, HealthNetwork.
Principal officers: David H. Lloyd, president; Carmen Morreale, executive vp; Roy Wapiennik, vp; Jackie Wenzel and Pamela Pratt, assistant vps.
Membership: SIIA, SPBA.

BenefitAmerica

P.O. Box 1365, Columbia, S.C. 29072; 803-731-5555; fax: 803-772-1627

Founded: 1972.
Parent company: Colonial Life & Accident Insurance Co.
Business: 40% claims administration, 60% other services.
Region served: Nationwide.
Specialties: 100% health insurance.
Health plans: 20,000 employees, 14,000 dependents covered.
Self-insured clients: 45 administration clients, including 38 corporations, seven public/government entities.
Self-insured claims: $24 million paid for administration clients.
Staff: 82; 35 serving self-insurers only.
Charges: Per employee, $5 to $12 for administration.
Branch offices: Administrative and sales offices in Tifton, Ga. Additional sales offices in Columbia, S.C.; Newport Beach, Calif.
1991 gross revenues: $3.2 million; $1.3 million from claims services.
PPOs available: Premier Health Plans of Alabama, ProAmerica.
Principal officers: William M. Bennett, president; Rory Magargle, assistant vp-operations (Columbia, S.C.); Starling Grisham, assistant vp-operations (Tifton, Ga.); Laura Beckmann, assistance vp/controller.
Membership: IFEBP, NAEBA, SIIA.

BenePlan Strategies Inc.

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

Founded: 1983.
Parent company: M.A. Hanna Co.
Business: 89% claims administration, 11% other services, including shopping for stop loss coverage, utilization review programs, life insurance coverage, additional lines commissions.
Region served: Nationwide.
Specialties: 2% disability, 5% flex compensation, 93% health insurance.
Health plans: 37,001 employees, 92,503 dependents covered.

Continued on next page

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Managed Rx is supported by the most sophisticated information management and drug utilization review capabilities. Our

unmatched clinical and plan design expertise. And the PCS pharmacy network, which covers 56,000 independent and chain pharmacies nationwide.

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Managing Prescription Drug Costs.
By Managing Prescription Drug Care.℠

Continued from previous page

Self-insured clients: 85 administration clients, including 64 corporations, 21 public/government entities.
Self-insured claims: $92.8 million paid for administration clients.
Staff: 93, all serving self-insurers only.
Charges: Per employee per month, flat fee.
1991 gross revenues: $4.2 million; $3.8 million from claims services.
PPOs available: BenePlan Preferred/HSP PPO, PPO of Michigan, Health Network Inc.
Principal officers: Ralph Zimmerman, president; William C. Bligh, senior vp; Lee Peffly, vp-health administration; Rosalie Gehrich, director-finance; Nancy Calandrelli, director-pension benefits and human resources.
Membership: SPBA.

Boon-Chapman Benefit Administrators Inc.

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

Founded: 1961.
Business: 100% claims administration.
Region served: Southwest.
Specialties: 3% flex compensation, 97% health insurance.
Health plans: 30,000 employees, 10,000 dependents covered.
Self-insured clients: 60 administration clients, including two association plans, 48 corporations, 10 public/government entities.
Self-insured claims: $35 million paid for administration clients.
Staff: 75; 65 serving self-insurers only.
Charges: Per employee or percentage of claims for administration.
Subsidiaries: MedCorp Southwest Inc. Preferred Provider Organization in Arkansas, Oklahoma and Texas.
PPOs available: MedCorp Southwest Inc.
Principal officers: T.J. Chapman, president; Robert J. Calvisi, Marlene Sharp and Craig Olson, senior vps; Robert Lindauer, vp-finance.
Membership: SPBA.

Brookfield Inc.

5440 N. Cumberland, Suite 250, Chicago, Ill. 60656-4999; 312-714-8750; fax: 312-714-8730

Founded: 1979.
Parent company: Aon Corp.
Business: 100% claims administration.
Region served: Nationwide.
Specialties: 1% disability, 1% flex compensation, 98% general liability.
Health plans: 146,000 employees, 219,000 dependents covered.
Self-insured clients: 116 administration clients, including one association plan, 103 corporations, 12 public/government entities.
Self-insured claims: $210 million paid for administration clients.
Staff: 140, all serving self-insurers only.
Charges: Per capita for administration.
PPO access: The Preferred Plan, HFN, Affordable, PCN.
Principal officers: Charles Lohenry, president; Patricia Reger, vp-claims; Olga Titos, director-client services; Michael Vasil, director-marketing/sales.
Membership: QCA, NAEBA.

Brookfield West

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

Founded: 1957.
Parent company: Aon Corp.
Business: 75% claims administration, 25% other services, including COBRA, flex compensation, Medicare supplement, premium administration.
Region served: Nationwide.
Specialties: 5% flex compensation, 85% health insurance, 10% workers compensation.
Health plans: 20,000 employees, 10,000 dependents covered.
Self-insured clients: 302 administration clients, including one association plan, 300 corporations, one multiemployer welfare arrangement.
Self-insured claims: $25 million paid for administration clients.
Staff: 40; 35 serving self-insurers only.
Charges: Per employee per month for administration.
Branch offices: Administrative and sales offices in Las Vegas and Reno, Nev.
1991 gross revenues: $2.8 million; $2.1 million from claims services.
Principal officers: Jerald Kleinberg, president; Mark Barauck and Rob Jarvi, vps.
Membership: IAA, QCA, Nevada Workers Compensation Council.

Brown & Brown Inc.

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

Founded: 1939.
Business: 78% claims administration, 22% other services, including claims administration for fully insured clients.
Region served: Nationwide.
Specialties: 6% disability, 4% flex compensation, 90% health insurance.
Health plans: 26,000 employees, 61,000 dependents covered.
Self-insured clients: 32 administration clients, including 26 corporations, six public/government entities.
Self-insured claims: $85 million paid for administration clients.
Staff: 47; 40 serving self-insurers only.
Charges: Per employee per month for administration.
Branch offices: Sales offices in 16 locations in Florida, and Thomasville, Ga.
1991 gross revenues: $3.1 million; $2.7 million from claims services.
PPOs available: Florida Health Network, American Health Network.
Principal officers: J. Hyatt Brown, president/chief executive officer; Kenneth E. Hill, executive vp; Robert Thomas III, E.G. Brewer and Jim Henderson, senior vps.
Membership: SIIA, NAEBA.

Cher A. Bumps & Associates Inc.

6100 N. Robinson, Suite 204, Oklahoma City, Okla. 73118; 405-840-6022; fax: 404-848-9864

Business: 48% claims administration.
Region served: Nationwide.
Specialties: 100% health insurance.
Health plans: 10,000 employees, 25,000 dependents covered.
Self-insured clients: 34 administration clients, including one association plan, 25 corporations, five public/government entities, three union-sponsored plans.
Self-insured claims: $31.8 million paid for administration clients.
Staff: 34; 13 serving self-insurers only.
Charges: Per employee per month for administration. Per claim for adjusting. Per cost of claims for auditing.
1991 gross revenues: $1.3 million; $600,000 for claims services.
PPOs available: Sooner Health Plan, ProAmerica.
Principal officers: Cher Bumps, president; Diane Elliott, director; Charlotte Chitlam, director-operations; Tracy Akins, controller; Tom Baldwin, vp.
Membership: SIIA, SPBA.

C

CC Systems

1200 Yankee Doodle Road, P.O. Box 64668, St. Paul, Minn. 55164-6717; 612-456-5950; fax: 612-683-2159

Founded: 1982.
Parent company: MII Cos.
Business: 100% claims administration.
Region served: Nationwide.
Specialties: 100% health insurance.
Self-insured clients: 44,000 administration clients, including 35,000 association plans, 4,000 multiemployer plans, 5,000 public/government entities.
Staff: 80, all serving self-insurers only.
Charges: Per employee per month for administration.
Branch offices: Sales office in Hudson, Wis.
Principal officers: Grayce Peters, president; Virgil Hammerstead, chairman; Robert Milis, secretary; Norm Storbakker, treasurer; Barbara Gruner, vp-external operations.
Membership: SPBA.

CCI Administrators Inc.

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

Founded: 1981.
Business: 100% claims administration.
Region served: Midwest.
Specialties: 100% health insurance.
Health plans: 9,500 employees, 24,600 dependents covered.
Self-insured clients: 47 administration clients, all corporations.

Continued on next page

Workers Comp medical costs out of control? Crawford provides power tools!

Now that medical expenses in workers compensation generally exceed indemnity payments, it's time for you to institute measures to reduce those costs to the minimum.

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- ☐ Sentinel Hospital Bill Audits
- ☐ Sentinel Provider Bill Audits

Send me information to reduce my workers compensation costs.

Name _____
Title _____
Company _____
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Phone _____

BI–WC

Continued from previous page

Self-insured claims: $17.5 million paid for administration clients.
Staff: 14, all serving self-insurers only.
Charges: Per employee per month for administration.
PPOs available: Health Service Preferred, Preferred Patient Plan Network.
Principal officers: R. Ted Miller, president; R.T. Alkire, vp; T. O'Reilly, secretary/treasurer; Michael Winters, director-operations.

Casper-Murphy Agency Inc./Claim Management Services Inc.

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

Founded: 1978.
Parent company: West Bend Mutual Insurance Co.
Business: 100% claims administration.
Region served: Nationwide.
Specialties: 5% disability, 5% flex compensation, 89% health insurance, 1% COBRA.
Health plans: 25,000 employees, 48,500 dependents covered.
Self-insured clients: 125 administration clients, all corporations.
Self-insured claims: $75 million paid for administration clients.
Staff: 92, all serving self-insurers only.
Charges: Per employee per month for administration.
PPOs available: HCN, WPPN.
Principal officers: John Dedrick, chairman; Thomas Casper, president; Thomas Murphy, vp; Marilyn Bortel, secretary/treasurer; Joan Rousseau, vp-operations.
Membership: SIIA, SPBA.

Chandler & Associates Inc.

35 River St., Chagrin Falls, Ohio 44022; 216-247-4315; fax: 216-247-7018

Founded: 1961.
Business: 91% claims administration, 9% consulting.
Region served: Upper Midwest.
Specialties: 100% health insurance.
Health plans: 11,472 employees, 16,057 dependents covered.
Self-insured clients: 21 administration clients, including 16 corporations, two multiemployer welfare arrangements, three union-sponsored plans.
Self-insured claims: $16.8 million paid for administration clients.
Staff: 29, all serving self-insurers only.
Charges: Per employee per month for administration.
PPOs available: Primary Health Services Inc.
Principal officers: Arthur W. Chandler, president; Mary C. Chandler, senior vp; Keith Kern, secretary/treasurer.
Membership: SIIA, SPBA.

Claims Auditing & Professional Services

2117 Windsor Way, Minneapolis, Minn. 55422; 612-545-5888; fax: 612-546-3350

Founded: 1987.
Business: 100% claims auditing.
Region served: Nationwide.
Specialties: 5% disability, 95% health insurance.
Self-insured clients: 44 auditing clients, including 41 corporations, three multiemployer plans.
Self-insured claims: 33 claims-auditing projects conducted.
Staff: Seven; five serving self-insurers only.
Charges: By the hour or by the project for auditing.
Principal officers: Betty Clark, president; Barbara Ballinger, vp; H. Fears, secretary/treasurer.
Membership: IFEBP, SIIA.

Comprehensive Benefits Service Co. Inc.

740 E. Lancaster Pike, Suite 200, Whiteland Business Park, Exton, Pa. 19341; 215-524-9500; fax: 215-363-5276

Founded: 1976.
Parent company: Employee Benefit Plans Inc.
Business: 95% claims administration, 5% other services.
Region served: Nationwide.
Specialties: 10% disability, 10% flex compensation, 80% health insurance.
Health plans: 118,848 employees, 247,000 dependents covered.
Self-insured clients: 325 administration clients, including one association plan, 312 corporations, 10 public/government entities, two union-sponsored plans.
Self-insured claims: $256 million paid for administration clients.
Staff: 215, all serving self-insurers only.
Charges: Per employee per month for administration.
Branch offices: Administrative and sales offices in Buffalo and Carle Place, N.Y. Additional administrative offices in Hartford, Conn., and Easton, Pa. Additional sales offices in Annapolis, Md.; New York; Pittsburgh and Radnor, Pa.; Sayreville, N.J.; and Boston.
1991 gross revenues: $13.1 million.
PPOs available: Family Health, HealthSource, Allicance, Preferred Health Network.
Principal officers: Richard J. Fleder, president; Dennis M. Ryan, executive vp/chief operating officer; Mark Sorenson, treasurer.
Membership: SIIA, SPBA.

Concept Administrators Inc.-California

9342 Tech Center Drive, Sacramento, Calif. 95826; 916-364-7026; fax: 916-362-5319

Founded: 1972.

Continued on page 47

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BI-WC

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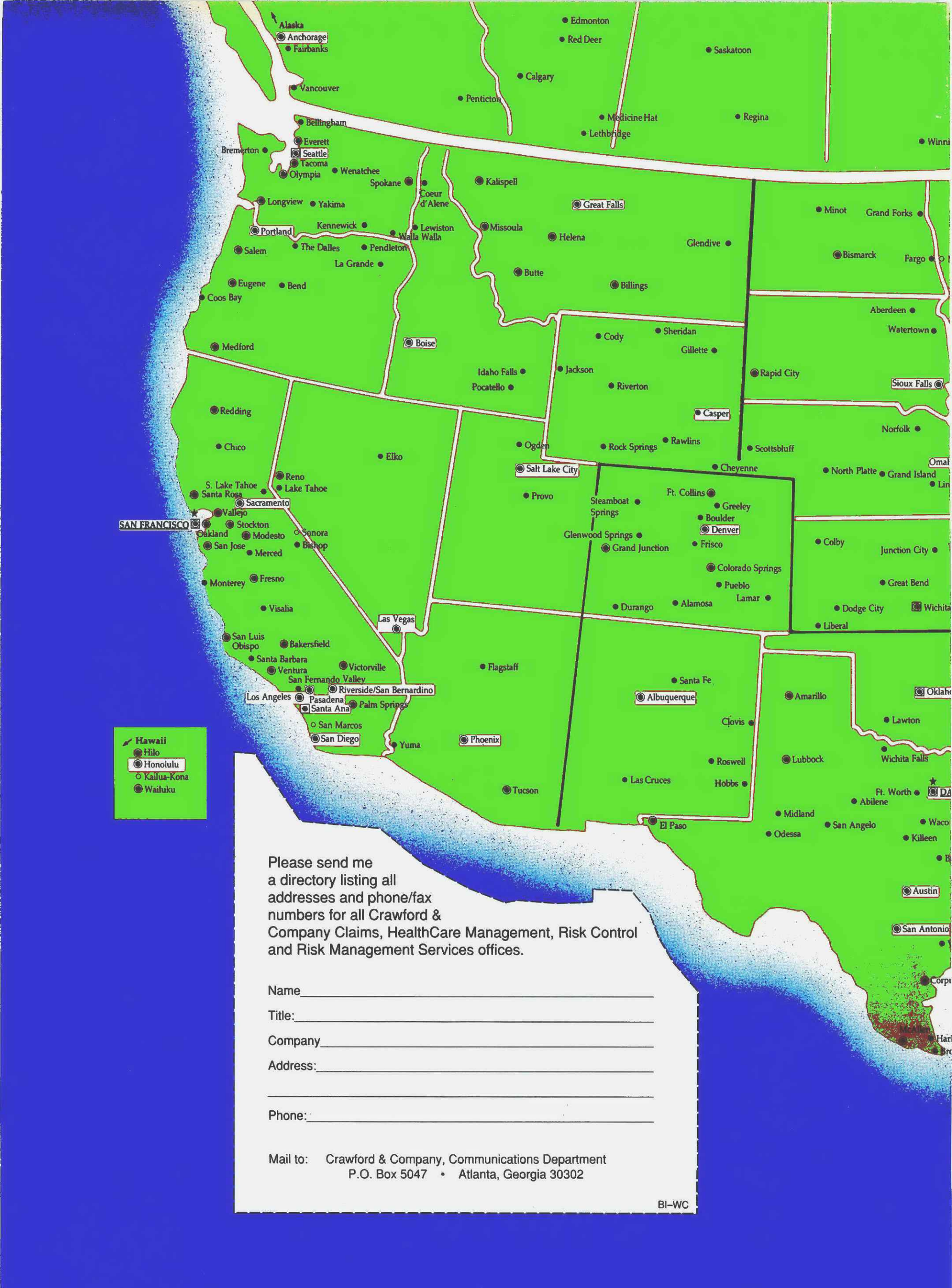

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Title:_____

Company_____

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P.O. Box 5047 • Atlanta, Georgia 30302

BI–WC

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$1.6 billion in new business in 1990 — testimony to a company whose health care network delivers appropriate care more efficiently through local medical management. A company that customizes programs because it understands that not all businesses are the same. A company committed to avoiding illness — and expense — through wellness and counseling programs.

Two more numbers to be remembered. The Travelers is backed by $55 billion in assets and by a 127 year tradition of service.

This is Managed Care The Travelers Way.

The Travelers Insurance Company and its Affiliates
Hartford, Connecticut 06183

The Travelers

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Continued from page 43

Parent company: The Administrators Network.
Business: 85% claims administration, 10% claims auditing, 5% other services.
Region served: Nationwide.
Specialties: 2% disability, 8% flex compensation, 90% health insurance.
Health plans: 60,119 employees, 128,955 dependents covered.
Self-insured clients: 128 administration clients, including two association plans, 110 corporations, one multiemployer plan, one multiemployer welfare arrangement, 14 public/government entities.
Self-insured claims: $210 million paid for administration clients.
Staff: 132, all serving self-insurers only.
Charges: Fixed fee, $8 to $13.50 for administration.
Branch offices: Administrative and sales offices in Seattle. Additional administrative office in Marysville, Calif.
1991 gross revenues: $6.2 million.
PPOs available: Interplan, OUCH, PHN, Affordable.
Principal officers: Matthew Schafer, president; Scott Shute, executive vp.
Membership: SIIA, SPBA.

Concept Administrators-Washington

10627 N.E. 38th Place, Kirkland, Wash. 98033; 206-822-9843; fax: 206-867-8614

Founded: 1979.
Parent company: Administrators Network.
Business: 100% claims administration.
Region served: Northwest.
Specialties: 5% disability, 95% health insurance.
Health plans: 38,000 employees, 45,600 dependents covered.
Self-insured clients: 145 administration clients, including five association plans, 130 corporations, 10 public/government entities.
Self-insured claims: $90 million paid for administration clients.
Staff: 95, all serving self-insurers only.
Charges: Per employee per month or per claim for administration.
1991 gross revenues: $3.5 million, all from claims services.
PPOs available: ETHIX, Sound Health.
Principal officers: Scott Shute, executive vp.
Membership: NAEBA, SIIA, SPBA.

Confed Admin Services Inc.

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

Founded: 1987.
Parent company: Confederation Life Insurance Co.
Business: 100% claims administration.
Region served: Nationwide.
Specialties: 100% health insurance.
Health plans: 175,924 employees, 105,554 dependents covered.
Self-insured clients: 101 administration clients, including two association plans, 84 corporations, 15 public/government entities.
Self-insured claims: $224.7 million paid for administration clients.
Staff: 314, all serving self-insurers only.
Charges: Self-administered for administration.
Branch offices: Administrative offices in Charleston, W.Va.; Tucson, Ariz., and Hato Rey, Puerto Rico. Sales offices in Boston; Chicago; Columbus, Ohio; Glendale, Irvine and San Francisco, Calif.; Houston; Mount Laurel, N.J.; Hato Rey, Puerto Rico.
1991 gross revenues: $14.9 million.
PPOs available: Private Health Care Systems.
Principal officers: Bill Allison, president; Ken Jacobsen, executive vp; John MacDonald, vp-claims; Dave Hare, vp-marketing; Frank DiPaolo, treasurer.

Consolidated Benefit Services Inc.

1400 Lake Hearn Drive, Suite 300, Atlanta, Ga. 30319; 404-843-5566; fax: 404-843-5455

Founded: 1986.
Business: 99.5% claims administration, 0.5% claims auditing.
Region served: Nationwide.
Specialties: 1% disability, 1% flex compensation, 96% health insurance, 2% pensions.
Health plans: 40,100 employees, 100,300 dependents covered.
Self-insured clients: 43 administration clients, including 24 corporations, 16 multiemployer plans, three public/government entities.
120 auditing clients, all corporations.
Self-insured claims: $78 million paid for administration clients. 120 claims-auditing projects conducted.
Staff: 76; 65 serving self-insurers only.
Charges: Per employee per month for administration. Hourly, $50 to $100 plus expenses for auditing.
Branch offices: Administrative offices in Birmingham, Ala., and Richmond, Va.
Principal officers: Troy E. Hardin Jr., president; Judy L. Heilman, executive vp; Charles A. Hill and Elizabeth A. Dorn, vps.
Membership: IFEBP, SIIA, SPBA, Georgia Claims Assn., Virginia Claims Assn. and Southern Claims Assn.

Consolidated Benefits Inc.

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

Founded: 1988.
Business: 100% claims administration.
Region served: Georgia, North Carolina, Pennsylvania, South Carolina.
Specialties: 5% disability, 10% flex compensation, 85% health insurance.
Health plans: 4,000 employees, 7,500 dependents covered.
Self-insured clients: 37 administration clients, including 35 corporations, two union-sponsored plans.
Self-insured claims: $5.8 million paid for administration clients.
Staff: 10, all serving self-insurers only.
Charges: Per employee per month for administration.
Branch offices: Sales offices in Lake Wylie, S.C.
1991 gross revenues: $2.5 million, all from claims services.
PPOs available: Health Care Savings Inc. and ETHIX Inc.
Principal officers: Jeffrey C. Miller, chief executive officer; Phil Collier, president; Richard Navarra, vp; Fred Navarra, treasurer.
Membership: SPBA.

Control Data Benefit Services

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

Founded: 1979.
Business: 100% claims administration.
Region served: Nationwide.
Specialties: 100% health insurance.
Health plans: 295,216 employees, 314,480 dependents covered.
Self-insured clients: 22 administration clients, including 20 corporations, one multiemployer plan, one public/government entity.
Self-insured claims: $400.5 million paid for administration clients.
Staff: 340, all serving self-insurers only.
Charges: Per claim or per employee per month for administration.
Branch offices: Administrative offices in Lynnwood, Wash. Sales offices in Minneapolis and Seattle.
1991 gross revenues: $16 million, all from claims services.
PPOs available: Sound Health of Washington, CAPP Care.
Principal officers: Bob Franus, president/director; Dave Evert, vp-sales; Diane Rodgers, vp-marketing; Don Rainville, vp-finance; Mike Walton, vp-quality; Carl Dvorak, vp-management information systems; Dan Maier, vp-operations; Margie McGovern, vp-human resources.
Membership: NAEBA, IFEBP.

Thomas P. Corcoran, Consultant & Administrator

P.O. Box 4026, Concord, Calif. 94524; 510-798-2550; fax: 510-685-1556

Founded: 1968.
Business: 50% claims administration, 50% other services.
Region served: California, Oregon, Washington, Nevada, Arizona, Colorado, Utah and Montana.
Specialties: 92% health insurance, 2% life, 6% pensions.
Health plans: 7,200 employees, 17,280 dependents covered.
Self-insured clients: Four administration clients, including three multiemployer plans, one union-sponsored plan.
Four adjusting clients, including three multiemployer plans, one union sponsored plan.
Self-insured claims: $30.2 million paid for administration clients.
Staff: 32; seven serving self-insurers only.
Charges: Per unit per month, $6.50 to $20 for administration.
Branch offices: Administrative offices in Oakland and San Francisco, Calif.
1991 gross revenues: $1.7 million; $856,800 from claims services.
PPOs available: Affordable Health Care Concepts Inc., Community Care Network, Preferred Health Network, Foundation Health Network.
Principal officers: Thomas P. Corcoran, president; Lynn Monday, vp-general administration/finance; Gino Roth, vp-claims administration; Dennis Monday, vp-EDP.
Membership: IFEBP, SPBA.

Corporate Benefits Service Inc.

139 S. Tryon St., Suite 700, Charlotte, N.C. 28202; 704-373-0447; fax: 704-342-2777

Founded: 1947.
Business: 72% claims administration, 9% claims auditing, 19% other services, including consulting, placing stop-loss and other insured lines, COBRA administration, cafeteria plan administration.
Region served: Nationwide.
Specialties: 9% disability, 12% flex compensation, 76% health insurance, 3% workers compensation.
Health plans: 18,000 employees, 11,000 dependents covered.
Self-insured clients: 41 administration clients, including 39 corporations, two public/government entities.
Self-insured claims: $38 million paid for administration clients.
Staff: 31, all serving self-insurers only.
Charges: Per employee per month, $5 to $12 for administration. Hourly or per claim for auditing.
Branch offices: Administrative offices in Greensboro, N.C.
Subsidiaries: Corporate Claims Inc.
1991 gross revenues: $1.2 million; $900,000 from claims services.
PPOs available: Health Care Savings, National PPO Network.
Principal officers: Kenneth W. Harvey, president; Betty T. Graves, secretary/treasurer; James O. Lee III, vp-sales; Debbie Williams, claims manager.
Membership: SPBA.

Corporate Claims Services Inc.

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

Founded: 1875.
Business: 79% claims administration, 21% other services, including fully insured claims administration, hospital utilization review, COBRA, college student health claims administration.
Region served: Nationwide.
Specialties: 5% disability, 2% flex compensation, 93% health insurance.
Health plans: 26,500 employees.
Self-insured clients: 70 administration clients, all corporations.
Self-insured claims: $61 million paid for administration clients.
Staff: 55; 48 serving self-insurers only.
Charges: Per employee per month, $5.50 to $10.50 for administration.
Branch offices: Sales offices in Dayton, Ohio.
Subsidiaries: Davis & Associates, Columbus, Ohio.
PPOs available: Direct Care, U.S. Health, CoMed.
Principal officers: James R. Creek, secretary; Keith A. Pierce, chief financial officer; William R. Gillam, chairman; Thomas E. Moore, vice chairman; Monna Burns, president.
Membership: SPBA, SIIA, IFEBP, Self-Funded Institute of Ohio.

Corporate Diversified Services Inc.

2120 S. 72nd St., Suite 400, Omaha, Neb. 68124; 402-393-3133

Founded: 1974.
Parent company: Nebraska Blue Cross & Blue Shield.
Business: 90% claims administration, 10% other services, including commissions on life, disability and stop-loss premiums.
Region served: Nationwide.
Specialties: 1% disability, 11% flex compensation, 88% health insurance.
Health plans: 22,010 employees.
Self-insured clients: 182 administration clients, including 176 corporations, six public/government entities.
Self-insured claims: $27.9 million paid for administration clients.
Staff: 62; 34 serving self-insurers only.
Charges: Per month per employee, $2 to $8 for administration.
1991 gross revenues: $985,675; $960,924 from claims services.
Principal officers: Richard Guffey, president; Cheri Kowal, executive vp/chief operating officer; Jerry Herbel, vp/treasurer; Sue Schneiderwind, corporate secretary; Robert Henrichsen, vp-marketing individual products.
Membership: IFEBP, SIIA.

Corporate Group Systems Inc.

32290 W. Five Mile Road, P.O. Box 5710, Livonia, Mich. 48151-5710; 313-525-3600; fax: 313-425-1819

Founded: 1938.
Parent company: Alexander & Alexander Inc.
Business: 100% claims administration.
Region served: Nationwide.
Specialties: 5% disability, 5% flex compensation, 88% health insurance, 2% life.
Health plans: 30,000 employees, 36,000 dependents covered.
Self-insured clients: 87 administration clients, including 72 corporations, 15 public/government entities.
Self-insured claims: $35 million paid for administration clients. Medical, dental, short-term disability, vision and flexible spending account claims adjusted.
Staff: 55, all serving self-insurers only.
Charges: Per enrolled employee for administration.
Branch offices: Sales offices in Grand Rapids, Mich.
PPOs available: PPOM and SelectCare.
Principal officers: Pete Proffer, president; Donald Fisher, executive vp; Darwin Daniel, senior vp/sales manager; Chris Crowley, assistant vp/general manager; Janice Carroll, assistant vp/marketing manager.
Membership: SIIA.

Corporate Health Administrators

980 Jolly Road, P.O. Box 730, Blue Bell, Pa. 19422; 800-437-1630; fax: 215-283-6589

Founded: 1988.
Parent company: U.S. Healthcare.
Business: 87% claims administration, 13% claims adjusting.
Region served: Nationwide.
Specialties: 100% health insurance.
Health plans: 25,306 employees, 29,694 dependents covered.
Self-insured clients: 52 administration clients, including one association plan, 48 corporations, three public/government entities.
Self-insured claims: $46 million paid for administration clients.
Staff: 70, all serving self-insurers only.
Charges: Per employee per month, $10 to $17 for administration.
Branch offices: Administrative offices in Bismarck, N.D., and Pittsburgh.
1991 gross revenues: $3.2 million; $2.6 million from claims services.
PPOs available: Dimension PPO and Florida Health Choice Plan.
Principal officers: Nancy G. Cocozza and Daniel J. Hoffmann, senior vps; Mary Claire Bonner, vp; Alan R. Letofsky, secretary/treasurer; David F. Simon, vp/assistant secretary.
Membership: SIIA, SPBA.

Corporate Systems Administration Inc.

P.O. Box 4985 CRS, Johnson City, Tenn. 37602-4985; 615-282-3420; fax: 615-282-2999

Founded: 1980.
Business: 80% claims administration, 20% other services, including claims processing for fully insured clients.
Region served: South and Eastern United States.
Specialties: 5% disability, 10% flex compensation, 80% health insurance, 5% life.
Health plans: 22,000 employees, 25,000 dependents covered.
Self-insured clients: 37 administration clients, including 23 corporations, 14 public/government entities.
Self-insured claims: $33.3 million paid for administration clients.
Staff: 23; 14 serving self-insurers only.
Charges: Per month per employee, $4.50 to $8.50 for administration.
PPOs available: State of Franklin Independent Physicians Assn.
Principal officers: Thomas H. Repass, president; David H. Grazier, vp-administration; Michael R. Miller, vp-marketing; Douglas M. Sizemore, secretary/treasurer.
Membership: SIIA, SPBA, NAEBA, PIMMA.

Cost Management Technologies Inc.

4435 Main, Suite 810, Kansas City, Mo. 64111; 816-531-6300; fax: 816-531-3699

Founded: 1985.
Business: 90% claims administration, 10% other services, including claims administration for HMOs and stand-alone utilization review.
Region served: Nationwide.
Specialties: 5% disability, 15% flex compensation, 80% health insurance.
Health plans: 5,800 employees, 8,700 dependents covered.
Self-insured clients: Eight administration clients, including one association plan, seven corporations.
Self-insured claims: $7.8 million paid for administration clients. Three claims-auditing projects conducted.
Staff: 23; 21 serving self-insurers only.
Charges: Per participant per month for administration. Percent of billed charges for auditing.
Subsidiaries: CMT Utilization Management Services.
1991 gross revenues: $750,000.
PPOs available: USA Healthnet.
Principal officers: Patrick Thompson, president; John Laird, vp; Joseph Stasi, chief financial officer.

Cox-Green Associates Inc.

1 Cherry Hill, Suite 909, Cherry Hill, N.J. 08002; 609-667-5500; fax: 609-667-5500

Founded: 1980.
Business: 80% claims administration, 20% other services, including risk management consulting, Section 125 administration.
Region served: Nationwide.
Specialties: 15% flex compensation, 85% health insurance.
Health plans: 9,000 employees, 4,000 dependents covered.
Self-insured clients: 46 administration clients, including one association plan, 25 corporations, 20 public/government entities.
Self-insured claims: $15 million paid for administration clients.
Staff: 25; 16 serving self-insurers only.
Charges: Per employee per month for administration.
Subsidiaries: Insurance Advisory Service.
1991 gross revenues: $1.2 million; $1 million from claims services.
PPOs available: Intergroup PPO, Florida Health Choice, Preferred Care Network, Cost Care PPN, CAPP Care.
Principal officers: Clelland N. Green II, president; Dennis E. Cox, chairman.
Membership: Greater Philadelphia Claims Assn.

D

DBL Services Inc.

515 Olive St., Suite 700, St. Louis, Mo. 63101; 314-241-8665; fax: 314-241-3628

Founded: 1982.
Business: 100% claims administration.
Region served: Illinois, Missouri, Arkansas, Louisiana, Texas.
Specialties: 2% disability, 7% flex compensation, 88% health insurance, 3% life.
Self-insured clients: 26 administration clients, including 13 corporations, six multiemployer plans, one multiemployer welfare arrangement, six public/government entities.
Self-insured claims: $97 million paid for administration clients.
Staff: 76; all serving self-insurers only.
Charges: Per capita monthly charge for administration.
Branch offices: Administrative offices in Jefferson City, Mo.; New Orleans.
1991 gross revenues: $3.4 million.
PPOs available: Healthlink, Sanus, Preferred Care, Health Care Advantage, Southeast Medical Alliance.
Principal officers: Anne Landau, chairman; H. Stephen Landau Jr., chief executive officer; Donald R. Boniface, senior vp; Karen Maggio and Byron Gorman, vps.
Membership: SPBA, NAEBA, SIIA, PIMMA.

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Didion & Associates Inc.

229 Huber Village Blvd., Westerville, Ohio 43081-3313; 614-890-0070; fax: 614-794-0736

Business: 60% claims administration, 40% other services.
Region served: Indiana and Ohio.
Specialties: 100% health insurance.
Health plans: 100,000 employees, 260,000 dependents covered.
Self-insured claims: $200 million paid for administration clients.
Staff: 160.
Charges: Per employee per month for administration.
1991 gross revenues: $8 million.
PPOs available: U.S. Health, Health Response, CIGNA, Emerald Health, OCHIP.
Principal officers: J.W. Didion, chief executive officer; Fred Kinsler, president/chief operating officer; John Lacher, executive vp; Jim Dill, vp-marketing.
Membership: SIIA.

Diversified Consultants Inc.

17110 N. Dallas Parkway, Suite 210, Dallas, Texas 75248; 214-250-1099; fax: 214-248-5838

Founded: 1962.
Parent company: Jerry D. Lancaster & Associates Inc.
Business: 85% claims administration, 15% claim adjusting.
Region served: Nationwide.
Specialties: 5% disability, 85% health insurance, 5% life, 2% pensions, 3% workers compensation.
Health plans: 27,000 employees, 13,760 dependents covered.
Self-insured clients: 34 administration clients, including two association plans, 27 corporations, five public/government entities.
16 adjusting clients, including 15 corporations, one public/government entity.
Self-insured claims: $64.9 million paid for administration clients. Medical, dental, accident and sickness claims adjusted.
Staff: 61; 33 serving self-insurers only.
Charges: Per employee per month, $9 to $14 for administration. Time and charges, $90 to $175 per hour for adjusting.
Branch offices: Administrative and sales offices in Peoria, Ill., and Weslaco, Texas. Additional administrative offices in Ogden, Utah.
1991 gross revenues: $5.5 million, all from claims services.
Principal officers: Derek D. Lancaster, president; Edward Oquist, executive vp/chief executive officer; Daron G. Lancaster, vp-reinsurance; Aaron L. Lancaster, vp-marketing; Willa R. Goodman, vp-administration.
Membership: IFEBP, SIIA, SPBA, Texas Assn. of Professional Benefit Administrators.

Diversified Group Administrators Inc.

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

Founded: 1982.
Business: 85% claims administration, 15% other services.
Region served: Nationwide.
Specialties: 2% disability, 3% flex compensation, 95% health insurance.
Health plans: 31,200 employees, 57,900 dependents covered.
Self-insured clients: One administration client, who is an association plan.
277 adjusting clients, including 274 corporations, three public/government entities.
Self-insured claims: Medical, dental, vision, prescription drug and flexible spending account claims adjusted.
Staff: 83, all serving self-insurers only.
Charges: Annual fee for administration. Per capita for adjusting.
Branch offices: Administrative and sales offices in Knoxville, Tenn. Additional sales offices in Morgantown, W.Va.; Indiana and Meadville, Pa.
PPOs available: PHCP, Alpha, IntraGroup, PHP, MCI, Sanus.
Principal officers: David C. Bramer, chief executive officer; Daniel Riston, chief financial officer; Michele Peindl, senior vp; Sharon Lavery, vp; Robert Soleau, chairman.
Membership: SIIA, SPBA.

Donovan Benefit Systems Inc.

440 Louisiana St., Suite 2120, Houston, Texas 77002; 713-224-9483; fax: 713-223-2615

Founded: 1985.
Business: 100% claims administration.
Region served: Nationwide.
Specialties: 3% disability, 97% health insurance.
Health plans: 20,020 employees, 21,826 dependents covered.
Self-insured clients: 46 administration clients, including 41 corporations, four public/government entities, one union-sponsored plan.
Self-insured claims: $37.5 million paid for administration clients.
Staff: 34, all serving self-insurers only.
Charges: Per capita, $6 to $11 for administration.
1991 gross revenues: $2 million, all from claims services.
PPOs available: CAPP Care, Beech Street, ETHIX, Sanus.
Principal officers: James D. Baker, president; Kathleen J. Ross, executive vp.
Membership: SPBA.

E

Eagles' Administrators Ltd.

3191 Nicholasville Road, Lexington, Ky. 40503; 606-272-7600; fax: 606-271-2047

Founded: 1972.
Parent company: Professional Administrators Ltd., Bradford National Life Insurance Co.
Business: 80% claims administration, 20% other services, including insurance administration and consulting.
Region served: Nationwide.
Specialties: 5% disability, 95% health insurance.
Health plans: 13,500 employees, 23,500 dependents covered.
Self-insured clients: 91 administration clients, all corporations.
Self-insured claims: $41 million paid for administration clients.
Staff: 38; 34 serving self-insurers only.
Charges: Per employee per month $4.50 to $17 for administration.
1991 gross revenues: $2 million; $1.6 million from claims services.
PPOs available: Health Service Preferred, CAPP Care.
Principal officers: Garry R. Ramsey, president; Richard Stump, treasurer; David Gubbay, secretary; Jean George, assistant vp.
Membership: NAEBA, SIIA, Health Insurance Assn. of America.

Eastern Benefit Systems Inc.

200 Freeway Drive E., East Orange, N.J. 07018; 201-676-3333; fax: 201-676-6794

Founded: 1980.
Parent company: Centennial Financial Group.
Business: 95% claims administration, 5% other services, including claims administration for fully insured plans.
Region served: Nationwide.
Specialties: 2% disability, 5% flex compensation, 93% health insurance.
Health plans: 45,000 employees, 105,000 dependents covered.
Self-insured clients: 74 administration clients, including 65 corporations, five public/government entities, four union-sponsored plans.
Self-insured claims: $78 million paid for administration clients.
Staff: 70, all serving self-insurers only.
Charges: Per employee per month for administration.
Branch offices: Sales offices in Bloomfield, N.J.
1991 gross revenues: $3.8 million, all from claims services.
Principal officers: William E. Vogel, chief executive officer; Antonio T. Lim, president; Dominick Fanuele, vp.
Membership: SIIA, SPBA.

Employee Benefit Claims Inc.

820 Parish St., Pittsburgh, Pa. 15220; 412-922-2803; fax: 412-922-3071

Founded: 1974.
Business: 100% claims administration.
Region served: Nationwide.
Specialties: 5% disability, 2% flex compensation, 93% health insurance.
Health plans: 29,000 employees, 60,000 dependents covered.
Self-insured clients: 600 administration clients, including 580 corporations, 20 public/government entities.
Self-insured claims: $70 million paid for administration clients.
Staff: 140, all serving self-insurers only.
Charges: Monthly fee for administration.
Branch offices: Administrative and sales offices in Cleveland and Atlanta.
Subsidiaries: Benefit Planners & Associates, BP Agency, EB Cares, EBRX, American Select Care.
1991 gross revenues: $10.1 million, all from claims services.
PPOs available: Ohio Health Choice, Emerald Health Network, Preferred Care Network, American Select Care.
Principal officers: Paul R. Hughes, chairman; Donald C. Matz, president-Cleveland; Don Matz Jr., executive vp-Cleveland; Charles Petrovic, president-Atlanta; Dennis Casey, executive vp-Pittsburgh.
Membership: SIIA, SPBA.

Employee Benefit Claims of Wisconsin

5235 N. Ironwood Road, Milwaukee, Wis. 53217; 414-962-7771; fax: 414-962-2975

Founded: 1977.
Parent company: SAFECO Corp.
Business: 80% claims administration, 20% other services, including managed care.
Region served: Nationwide.
Specialties: 100% health insurance.
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 only.
Charges: Percentage of claims paid for administration.
Branch offices: Administrative and sales offices in Cleveland and Findlay, Ohio; Meridian, Miss.
PPOs available: EBC PPO, WPPN, AHC.
Principal officers: John Feith, president; John A. Feith, Steve Hopp, Horace Garfield and Pat Finnegan, vps.
Membership: SIIA.

Employee Benefit Management Corp.

4789 Rings Road, Dublin, Ohio 43017; 614-766-5800; fax: 614-766-0901

Founded: 1979.
Business: 66.9% claims administration, 33.1% other services, including commissions, flex plans, COBRA.
Region served: Nationwide.
Specialties: 2% disability, 0.2% flex compensation, 97.8% health insurance.
Health plans: 59,375 employees, 106,875 dependents covered.
Self-insured clients: 84 administration clients, including three association plans, 77 corporations, four multiemployer plans.
Self-insured claims: $103.3 million paid for administration clients.
Staff: 124; 123 serving self-insurers only.
Charges: Capitation fee, $5.25 to $11.95 for administration.
1991 gross revenues: $5.5 million; $3.7 million from claims services.
PPOs available: Alternative Care Management Systems.
Principal officers: Thomas C. Jack, president; Russel G. Means, chairman; Molly S. White and William Weatherholt, vps; Dave Coleman, director-government regulations.
Membership: SIIA, SPBA, NAEBA.

Employee Benefit Management Services

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

Founded: 1980.
Parent company: Health Dynamics.
Business: 90% claims administration, 10% other services, including utilization management and consulting.
Region served: Nationwide.
Specialties: 5% flex compensation, 90% health insurance, 5% pensions.
Health plans: 15,000 employees, 27,000 dependents covered.
Self-insured clients: 105 administration clients, including 40 corporations, five multiemployer welfare arrangements, 60 public/government entities.
Self-insured claims: $22 million paid for administration clients.
Staff: 47; 44 serving self-insurers only.
Charges: Per employee per month for administration.
Branch offices: Administrative offices in Missoula, Mont. Sales offices in Spokane, Wash.
1991 gross revenues: $2.25 million; $1.6 million from claims services.
Principal officers: Robert Hunter, chief executive officer; Frederick Larson, president; Nicki Larson, secretary.
Membership: SIIA, SPBA.

Employee Benefit Plans Inc.

425 Ford Road, Suite 500, Minneapolis, Minn. 55426; 612-546-4353; fax: 612-525-4455

Founded: 1974.
Business: 33% claims administration, 3% claim adjusting, 64% other services, including reinsurance.
Region served: Nationwide.
Specialties: 1% disability, 1% flex compensation, 99% health insurance, 1% life.
Health plans: 605,303 employees, 1.5 million dependents covered.
Self-insured clients: 2,494 administration clients, including 40 association plans, 2,263 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: $1.4 million paid for administration clients. Medical, dental, vision, prescription drug and flexible compensation claims adjusted.
Staff: 1,095, all serving self-insurers only.
Charges: Capitation rate or percentage of paid claims for administration. Capitation rate for adjusting.
Branch offices: Administrative and sales offices in 32 locations nationwide.
Subsidiaries: Comprehensive Benefits Service Co., August Healthcare Services Inc., Risk Management Resources, EBPLife Insurance Co., EBPRe Ltd.
1991 gross revenues: $198.6 million; $69.6 million from claims services.
PPOs available: 29 providers nationwide.
Principal officers: William E. Sagan, chief executive officer/president/chairman; Mark A. Sorensen, chief financial officer/vp/treasurer; Robert P. Brook, senior vp/sales & marketing director; Timothy W. Kuck, general counsel/secretary; Martin J. Mannion, James B. Lockhart, Michael J. Goran and Lawrence S. Hershfield, directors.
Membership: SIIA.

Employee Benefit Specialists Inc.

701 Devonshire Drive, Champaign, Ill. 61820; 504-845-8056; fax: 504-836-6692

Founded: 1990.
Business: 90% claims administration, 10% other services, including claims administration consulting.
Region served: Nationwide.
Specialties: 100% health insurance.
Self-insured clients: Three administration clients, including one association plan, two multiemployer plans.
Staff: Two; both serving self-insurers only.
Charges: Per employee per month for administration.
Branch offices: Sales offices in Mandeville, La.
Principal officers: Richard T. Wickert, president; Barbara A. Miller, vp.

Employee Group Benefits Administrators

1030 State St., Erie, Pa. 16501; 814-455-6768; fax: 814-455-7548

Founded: 1978.
Parent company: Associated Insurance Cos. Inc.
Business: 60% claims administration, 40% other services.
Region served: Nationwide.
Specialties: 8% disability, 2% flex compensation, 90% health insurance.
Health plans: 8,650 employees, 12,870 dependents covered.
Self-insured clients: 41 administration clients, including 40 corporations, one public/government entity.
Self-insured claims: $14 million paid for administration clients.
Staff: 17, all serving self-insurers only.
Charges: Per employee per month, $6 to $12 for administration.
Subsidiaries: Robinson-Conner Inc.
1991 gross revenues: $1.2 million; $630,000 from claims services.
PPOs available: Horizon Health Plan, Great Lakes Managed Care Inc.
Principal officers: William B. Conner, president; Patrick Quirk, treasurer; Craig McCune and J. Boyd Bert Jr., vps.
Membership: SIIA.

Employee Services Inc.

P.O. Box 1610, Sioux Falls, S.D. 57101; 605-336-2457; fax: 605-336-3712

Founded: 1966.
Business: 100% claims administration.
Region served: Iowa, Minnesota, Montana and South Dakota.
Specialties: 100% health insurance.
Health plans: 10,641 employees, 6,007 dependents covered.
Self-insured clients: 57 administration clients, including one association plan, 56 corporations.
Self-insured claims: $19 million paid for administration clients.
Staff: 24, all serving self-insurers only.
Charges: Per employee per month for administration.
1991 gross revenues: $1.3 million; $1.2 million from claims services.
Principal officers: Phil Hegg, president; Marv Jensen, vp/comptroller.
Membership: SIIA, SPBA.

Escobar Diversified

P.O. Box 5279, 19191 S. Vermont Ave., Suite 700, Torrance, Calif. 90510; 310-532-8887; fax: 310-532-2824

Founded: 1972.
Business: 100% claims administration.
Region served: Nationwide.
Specialties: 1% disability, 6% flex compensation, 93% health insurance.
Health plans: 19,000 employees.
Self-insured clients: 148 administration clients, including 146 corporations, two multiemployer plans.
Self-insured claims: $50 million paid for administration clients.
Staff: 64, all serving self-insurers only.
Charges: Per capita for administration.
PPOs available: CAPP Care, CCN, PPO Alliance.
Membership: SIIA.

F

The J.P. Farley Corp.

24600 Center Ridge Road, Suite 425, Westlake, Ohio 44145; 216-871-6800; fax: 216-871-0173

Founded: 1979.
Business: 100% claims administration.
Region served: Ohio, Pennsylvania, New York.
Specialties: 100% health insurance.
Health plans: 11,000 employees, 20,000 dependents covered.
Self-insured clients: 38 administration clients, including two association plans, 29 corporations, one multiemployer plan, six public/government entities.
Staff: 31, all serving self-insurers only.
Charges: Per employee per month for administration.
1991 gross revenues: $1.8 million.
PPOs available: Emerald Health Network, Ohio Health Choice Plan.
Principal officers: James P. Farley, Patricia S. Hannigan-Farley.
Membership: SPBA, NAEBA, Self-Funded Institute of Ohio.

Financial Insurance Agency Inc.

400 E. Diehl Road, Naperville, Ill. 60563-1358; 800-437-1568; fax: 708-505-8055

Founded: 1991.
Business: 100% claims administration.
Region served: Nationwide.
Specialties: 100% health insurance.
Health plans: 7,000 employees, 7,500 dependents covered.
Self-insured clients: 10 administration clients, including one association plan, eight corporations, one multiemployer welfare arrangement.
Self-insured claims: $20 million paid for administration clients.
Staff: 24; 22 serving self-insurers only.
Charges: Per employee per month, $5 to $15 for administration.
1991 gross revenues: $1 million.
PPOs available: Health Network, Health Link.
Principal officers: Robert O.J. Peele, chairman; Michael E. LaVault, chief executive officer; Ronald O. Anfeson, executive vp.
Membership: SIIA, SPBA.

First American Administrators

529 Kansas City St., Suite 200, Rapid City, S.D. 57709; 605-343-2509; fax: 605-343-8887

Founded: 1983.

Continued on next page

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Business: 75% claims administration, 25% other services, including Section 125 claims administration and insurance sales.
Region served: Nationwide.
Specialties: 5% flex compensation, 95% health insurance.
Health plans: 8,200 employees, 12,000 dependents covered.
Self-insured clients: 24 administration clients, including two association plans, 10 corporations, 12 public/government entities.
Self-insured claims: $17.1 million paid for administration clients.
Staff: 14, all serving self-insurers only.
Charges: Per employee per month for administration.
Branch offices: Administrative offices in Cheyenne, Wyo.
1991 gross revenues: $600,000; $590,000 from claims services.
Principal officers: Joe Dobbs, president/owner; Cheryl Trulson, administrative manager; Nancy Crist, claim manager.
Membership: SPBA.

First Benefit Corp.

6061 State Road 9 N., P.O. Box 879, Anderson, Ind. 46015; 317-642-1199; fax: 317-644-5782

Founded: 1986.
Business: 89% claims administration, 11% other services.
Region served: Nationwide.
Specialties: 5% disability, 3% flex compensation, 92% health insurance.
Health plans: 27,000 employees.
Self-insured clients: 90 administration clients, all corporations.
Self-insured claims: $87 million paid for administration clients.
Staff: 90.
Charges: Per employee per month, $7 to $12 for administration.
Branch offices: Sales offices in Indianapolis and St. Louis.
1991 gross revenues: $5.2 million; $4.2 million from claims services.
PPOs available: Sagamore Health Network.
Principal officers: Greg A. Bell, president/chief executive officer; Helmut Braun, vp-finance/information systems; Joyce Misner, senior vp-administration; Frank Pianki, vp-operation; Rich Mousty, vp-contracting/underwriting.
Membership: NAEBA, SPBA.

First Benefits Agency Inc.

3636 Copley Road, P.O. Box 4138, Akron, Ohio 44321; 216-666-0337; fax: 216-666-6685

Founded: 1980.
Business: 65% claims administration, 5% claim adjusting, 30% other services, including fully insured claims, pension administration, flex, life.
Region served: Nationwide.
Specialties: 5% flex compensation, 80% health insurance, 5% life, 10% pensions.
Health plans: 97,163 employees, 216,957 dependents covered.
Self-insured clients: 289 administration clients, including one association plan, 158 corporations, 68 multiemployer plans, 62 public/government entities.
15 adjusting clients, including two association plans, three corporations, eight multiemployer plans, two public/government entities.
Staff: 198; 182 serving self-insurers only.
Charges: Per eligible employee for administration. Flat fee for adjusting.
Branch offices: Administrative and sales offices in Chicago; Columbus, Cincinnati and Youngstown, Ohio; Miami, Tallahassee and Tampa, Fla.; Detroit; Austin, Texas; Philadelphia. Additional administrative offices in Kansas City, Kan.; Canton and Mansfield, Ohio.
Subsidiaries: Lamborn & Associates.
1991 gross revenues: $6.8 million.
PPOs available: First Health Network Inc.
Principal officers: Robert C. Frazier, Kathleen M. Frazier, Richard Linn, Charles Mozingo, Edward Dunlavy.
Membership: IFEBP, SIIA, SPBA.

Flexcorp

5700 Northwest Central Drive, Suite 210, Houston, Texas 77092-2092; 800-444-1311 or 713-460-4850; fax: 713-460-0361

Founded: 1986.
Parent company: The Hand Group.
Business: 20% claims administration, 5% claim adjusting, 75% other services, including Section 125 administration.
Region served: Nationwide.
Specialties: 50% flex compensation, 50% health insurance.
Health plans: 3,241 employees, 1,278 dependents covered.
Self-insured clients: 25 administration clients, including one association plan, 24 corporations.
Self-insured claims: $1.6 million paid for administration clients.
Staff: 20; 10 serving self-insurers only.
Charges: Per employee per month, $8 to $10 or percentage of flow through, 2.5% to 5% for administration.
Branch offices: Sales offices in Dallas.
1991 gross revenues: $1.3 million; $266,099 from claims services.
PPOs available: Medical Control, Alliance PPO—Houston.
Principal officers: David Hand, president; Stephen Mueller, executive vp; Maureen Machale Douglas, senior vp.
Membership: SIIA, Texas Professional Benefit Administrators Assn.

FlexiCare Inc.

7124 Windsor Lake Parkway, P.O. Box 2628, Rockford, Illinois 61111-2628; 815-654-3600; fax: 815-654-5186

Founded: 1991.
Parent company: CliniCare Inc.
Business: 95% claims administration, 5% other services, including reinsurance placement, plan consulting.
Region served: Northern Illinois.
Specialties: 100% health insurance.
Staff: Eight, all serving self-insurers only.
Principal officers: Jack Zilavy, chief executive officer; Ken Ulmer, vp-planning/development; Dr. Richard Carr, executive vp/medical director; Patricia Luedke, vp-marketing; Ronald Vetter, director-TPA operations.

Florida 1st

1201 First Ave. S., Suite A, Winter Haven, Fla. 33883-9126; 813-293-0785; fax: 813-297-9095

Founded: 1986.
Parent company: Mid-Florida Medical Services Inc.
Business: 9% claims administration, 91% other services.
Region served: Southeast.
Specialties: 5% flex compensation, 95% health insurance.
Health plans: 23,910 employees, 19,128 dependents covered.
Self-insured clients: 89 administration clients, all corporations.
Staff: 70.
Charges: Per member per month for administration.
Branch offices: Administrative and sales offices in Orlando and Clearwater, Fla.
Subsidiaries: Florida 1st Health Plan HMO.
PPOs available: Health Choice, Sun Health Care Plans of Florida, Mid-Florida Preferred Inc.
Principal officers: R.D. O'Connor, president; Mary Anthony, Carrie Hill, Dr. James Morgan and Trish Vickers, vps.
Membership: SIIA.

Foundation Health Preferred Administrators

5150 El Camino Real, Suite C-10, Los Altos, Calif. 94022; 415-967-5217; fax: 415-969-4695

Founded: 1985.
Parent company: Foundation Health Corp.
Business: 100% claims administration.
Region served: Nationwide.
Specialties: 5% flex compensation, 95% health insurance.
Health plans: 35,000 employees, 85,000 dependents covered.
Self-insured clients: 100% administration clients, 70% corporations, 30% public/government entities.
Self-insured claims: $55 million paid for administration clients.
Staff: 50; 43 serving self-insurers only.
Charges: Per employee per month for administration.
Branch offices: Administrative offices in Sacramento, Calif.
1991 gross revenues: $5.5 million.
PPOs available: Foundation Health PPO, PPO Alliance, Customized Provider Concepts.
Principal officers: Steve Tough, president; Denise L. Shull, chief operating officer; Randall Fralos, vp-operations; Scott Kelly, vp-sales.
Membership: SIIA.

Fringe Benefit Services Inc.

7000 N. Broadway, Suite 106, Denver, Colo. 80221; 303-426-4984; fax: 303-429-1359

Founded: 1972.

Continued on next page

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Continued from previous page

Business: 100% claims administration.

Region served: Colorado, New Mexico, Arizona, Utah, Wyoming, Nevada.

Specialties: 2% disability, 3% flex compensation, 93% health insurance, 2% pensions.

Health plans: 14,000 employees, 35,000 dependents covered.

Self-insured clients: 22 administration clients, including seven corporations, one multiemployer plan, one multiemployer welfare arrangement, 13 public/government entities.

Four adjusting clients, including one corporation, three public/government entities.

Self-insured claims: $30 million paid for administration clients. Medical, dental, short-term disability claims adjusted.

Staff: 21; 18 serving self-insurers only.

Charges: Fee basis, $6 to $12, for administration. Fee basis, $5 to $7 for adjusting.

1991 gross revenues: $900,000; $850,000 from claims services.

Principal officers: Mabel A. LaChappell, president; Harry Auston, executive vp; Mark Griffin, secretary/treasurer.

Membership: SPBA.

G

Genelco Inc.

1600 S. Brentwood Blvd., Suite 500, St. Louis, Mo. 63144-1330; 314-962-2040; fax: 314-968-9589

Founded: 1973.

Parent company: General American Life Insurance Co.

Business: 100% claims administration.

Region served: Nationwide.

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

Health plans: 121,000 employees, 302,500 dependents covered.

Self-insured clients: 65 administration clients, including two association plans, 54 corporations, two multiemployer plans, seven public/government entities.

Self-insured claims: $153.8 million paid for administration clients.

Staff: 210; 133 serving self-insurers only.

Charges: Per employee per month for administration. By the project for adjusting and auditing.

Branch offices: Administrative offices in Dallas. Sales offices in Atlanta and Chicago.

1991 gross revenues: $16.9 million.

PPOs available: SANUS, Healthlink, Healthnet, Sooner Health Plan, Private Healthcare Systems Ltd.

Principal officers: David B. Johnson, president; Russell E. Korte, executive vp; Ben Allen, senior vp; Larry Amundsen, vp-marketing/sales; David Garver, vp-marketing and sales, ASO.

Membership: SIIA, SPBA.

Group Services & Administration Inc.

3113 Classen, Oklahoma City, Okla. 73118; 405-528-4400; fax: 405-528-5558

Founded: 1980.

Business: 95% claims administration, 5% other services.

Region served: Nationwide.

Specialties: 5% disability, 95% health insurance.

Health plans: 7,120 employees, 16,800 dependents covered.

Self-insured clients: 34 administration clients, including 30 corporations, four public/government entities.

Self-insured claims: $8.8 million paid for administration clients.

Staff: 12, all serving self-insurers only.

Charges: Flat fee per employee for administration. Flat fee for auditing.

PPOs available: Sooner Health Plan, CompMed.

Principal officers: Donald R. Stephenson, president; Gary Stephenson, vp; R. Denning Crowe, secretary/treasurer.

Membership: SPBA.

Group Services Administrators Inc.

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

Founded: 1966.

Business: 90% claims administration, 5% claims auditing, 5% other services, including electronic filing of IRS forms.

Region served: New York and New Jersey.

Specialties: 100% health insurance.

Health plans: 25,000 employees, 80,000 dependents covered.

Self-insured clients: 22 administration clients, including one association plan, one corporation, 20 multiemployer plans.

Self-insured claims: $16 million paid for administration clients. 2,600 claims-auditing projects conducted.

Staff: 12; 11 serving self-insurers only.

Charges: Per employee per month for administration.

1991 gross revenues: $735,000 from claims services.

Principal officers: Robert C. Gerald, president; Carmen Contreras, office manager; Ashby Mercado, claims manager.

Membership: IFEBP, SPBA.

Gulf South Health Plans Inc.

5615 Corporate Blvd., Suite 4, Baton Rouge, La. 70808; 504-927-7212; fax: 504-922-9241

Founded: 1986.

Parent company: General Health Inc.

Business: 15% claims administration, 85% other services, including HMO, PPO, utilization review.

Region served: Nationwide.

Specialties: 100% health insurance.

Health plans: 21,872 employees, 25,373 dependents covered.

Self-insured clients: 21 administration clients, including 19 corporations, two public/government entities.

Self-insured claims: $27.2 million paid for administration clients.

Staff: 84; 16 serving self-insurers only.

Charges: Per employee per month for administration.

1991 gross revenues: $20.2 million; $3.2 million from claims services.

Principal officers: Patrick C. Powers, president; Charles D. Clavi Jr., senior vp-marketing; Dr. Dwight Brower, vp-medical affairs; Jake Walker, senior vp-operations; Adam Short, vp-finance.

Membership: IFEBP, NAEBA, SIIA, Louisiana Independent Administration Assn.

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H

Joseph R. Halow Co. Inc.

4100 Rio Bravo, Suite 211, El Paso, Texas 79902; 915-532-2408; fax: 915-532-7772

Founded: 1985.

Business: 95% claims administration, 5% other, including PPO services.

Region served: Nationwide.

Specialties: 1% disability, 98% health insurance, 1% workers compensation.

Self-insured clients: 24 administration clients, all corporations.

Self-insured claims: $10 million paid for administration clients.

Staff: 16; 15 serving self-insurers only.

Charges: Per capita, $4 to $6.50, for administration.

1991 gross revenues: $600,000; $550,000 from claims services.

PPOs available: MCRG, Healthmark, Premier, North Texas Healthcare.

Principal officers: Joseph Halow, president; Lorri Halow, executive vp.

Membership: SPBA.

Harden & Co. Insurance Services Inc.

1800 Sutter St., Suite 400, Concord, Calif. 94520; 510-682-7707; fax: 510-676-9317

Founded: 1974.

Parent company: Anchor Pacific Underwriters Inc.

Business: 100% claims administration.

Region served: Nationwide.

Specialties: 100% health insurance.

Health plans: 15,000 employees, 34,500 dependents covered.

Self-insured clients: 75 administration clients, all corporations.

Self-insured claims: $15.7 million paid for administration clients.

Staff: 56; 26 serving self-insurers only.

Charges: Per capitation, $8.50 to $14 for administration.

1991 gross revenues: $4 million.

PPOs available: American Health Network, PPO Alliance, Beech Street, OUCH, PHN, California Foundation for Medical Care, CCN.

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Principal officers: James R. Dunathan, president/chief executive officer; Earl Wiklund, senior vp/chief financial officer; Lynn Boyd and Ray Petersen, vps.

Membership: SPBA, Independent Administrators Assn.

Health Care 2000

660 Kenilworth Drive, Towson, Md. 21204; 410-296-8326; fax: 410-296-8341

Founded: 1983.
Parent company: Fidelity Health Systems.
Business: 100% claims administration.
Region served: Maryland.
Specialties: 100% health insurance.
Health plans: 30,000 employees, 30,000 dependents covered.
Self-insured clients: Seven administration clients, all corporations.
Staff: 25; 10 serving self-insurers only.
Charges: Fixed fee per employee and risk sharing for administration.
Subsidiaries: Physicians Medical Group Inc.
PPOs available: Physicians Medical Group, Health Care 2000.
Principal officers: Mitchell Diamond, Richard Maffezzoli, Lisa Johnson.

Health Care Administrators Inc.

8500 Keystone Crossing, Suite 450, Indianapolis, Ind. 46240; 317-254-0327; fax: 317-254-0173

Founded: 1985.
Parent company: The Lafayette Life Insurance Co.
Business: 100% claims administration.
Region served: Nationwide.
Specialties: 3% disability, 7% flex compensation, 90% health insurance.
Health plans: 15,184 employees, 2,492 dependents covered.
Self-insured clients: 25 administration clients, all corporations.
Self-insured claims: $18 million paid for administration clients.
Staff: 14, all serving self-insurers only.
Charges: Per employee per month $4 to $10.25 for administration.
Branch offices: Administrative offices in Lafayette, Ind.
1991 gross revenues: $501,748, all from claims services.
PPOs available: Preferred Care Network, USA HealthNet.
Principal officers: Robert Whitsel, president; Don Edwards, treasurer; Owen Luecke, secretary; Tommy Anderson, executive vp; Edmund W. Finley, vp.
Membership: NAEBA, IFEBP, SIIA, SPBA.

Health Economics Corp.

1300 W. Mockingbird Lane, Dallas, Texas 75247; 214-905-4400; fax: 214-905-4412

Founded: 1984.
Parent company: Halliburton Co.
Business: 75% claims administration, 1% claims auditing, 24% other services, including analytical services, utilization management, managed care plans, major case management, flexible compensation.
Region served: Nationwide.
Specialties: 1% flex compensation, 97% health insurance, 2% workers compensation.
Health plans: 253,000 employees, 422,000 dependents covered.
Self-insured clients: 39 administration clients, including two association plans, 27 corporations, five public/government entities, five multiemployer welfare arrangements.
Self-insured claims: $506 million paid for administration clients.
Staff: 475; 450 serving self-insurers only.
Charges: Capitated rate per employee for administration. Designated price per assignment for auditing.
Branch offices: Administrative offices in Houston; Charleston, W.Va.; Duncan and Tulsa, Okla. Sales offices in Houston, Atlanta, Chicago, Washington, D.C.
1991 gross revenues: $28 million; $21 million from claims services.
PPOs available: Two PPOs in Dallas and Houston.
Principal officers: Stephen F. Coady, president/chief executive officer; Dick Herrman, vp/chief operating officer; Nancy Coleman, vp-claims administration; James R. McPhail, vp-managed health care; Tom Dubowski, controller.
Membership: SIIA.

Health Economics Group Inc.

625 Panorama Trail Building, Rochester, N.Y. 14625; 716-385-3390; fax: 716-385-4787

Founded: 1978.
Business: 95% claims administration, 5% other services, including consulting.
Region served: Northeast, Mid-Atlantic, West.
Specialties: 20% flex compensation, 75% health insurance, 5% miscellaneous.
Health plans: 50,000 employees, 90,000 dependents covered.
Self-insured clients: 120 administration clients, including 75 corporations, three multiemployer plans, 40 public/government entities, two union-sponsored plans.
Self-insured claims: $20 million paid for administration clients.
Staff: 25.
Charges: Per employee per month for administration.
1991 gross revenues: $1.2 million; $1.1 million from claims services.
Principal officers: Stephen D. Hooper, president; Jeffrey A. Zweiben and Patricia A. Waldila, vps.
Membership: SIIA, SPBA.

Health Plan Administrators Inc.

3707 N. Main St., Rockford, Ill. 61103; 815-633-5851; fax: 815-633-0277

Founded: 1981.
Business: 60% claims administration, 40% other services, including claims administration for insurers, short-term medical and dental.
Region served: Nationwide.
Specialties: 100% health insurance.
Health plans: 40,000 employees, 17,000 dependents covered.
Self-insured clients: 40,000 administration clients, including 22,000 corporations, 16,000 multiemployer welfare arrangements, 2,000 public/government entities.
Self-insured claims: $83 million paid for administration clients.
Staff: 75; 30 serving self-insurers only.
Charges: Fixed fee for administration.
Branch offices: Sales offices in Tampa, Fla.
PPOs available: CAPP Care, Sagamore, Mid-Florida Preferred, Preference.
Principal officers: William E. Kosloske, chief executive officer; Michael Kosloske, president; Bud Abbott, vp-marketing; Christine Heneger, vp-claims.
Membership: SPBA, SIIA, PIMMA, Group Underwriters of America Assn., National Assn. of Life Cos.

HealthCare Administrators Inc.

P.O. Box 1309, Muskogee, Okla. 74402; 800-749-1422; fax: 918-682-7984

Founded: 1978.
Business: 100% claims administration.
Region served: Nationwide.
Specialties: 100% health insurance.
Health plans: 11,406 employees, 6,231 dependents covered.
Self-insured clients: 46 administra-

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tion clients, including 44 corporations, two public/government entities.

Self-insured claims: $21 million paid for administration clients.

Staff: 16, all serving self-insurers only.

Charges: Fixed fee per employee per month for administration.

Branch offices: Sales offices in Rogers, Ark.; Tulsa, Oklahoma City and Chickasha, Okla.

1991 gross revenues: $1.1 million; $648,000 from claims services.

PPOs available: Comp-Med, Sooner Health Plan.

Principal officers: Ron Woods, president; Marilyn Palmieri, vp.

Membership: SIIA, SPBA.

Heller Associates

2787 Bristol St., Costa Mesa, Calif. 92626; 714-549-7052; fax: 714-755-7052

Founded: 1980.

Business: 95% claims administration, 5% other services, including serving fully insureds.

Region served: California, Nevada, Arizona.

Specialties: 5% disability, 2% flex compensation, 91% health insurance, 2% miscellaneous.

Health plans: 120,000 employees, 280,000 dependents covered.

Self-insured clients: 79 administration clients, including three association plans, 61 corporations, four multiemployer plans, six public/government entities, five union-sponsored plans.

Charges: Capitation for administration.

Branch offices: Administrative and sales offices in Las Vegas, Nev., and Redding, Calif. Additional administrative office in Carson City, Nev.

Subsidiaries: Preferred Plans Inc.

PPOs available: Community Care Network, CAPP Care, Preferred Health Network, Cost Care, Admar.

Principal officers: Frank Heller, chief executive officer; Glen Ogden, president; Phillip Steffensen, executive vp; Reiko Tsu and Charles Jackson, senior vps.

Membership: SPBA, SIIA, NAEBA, IFEBP.

Hofgard Benefit Plan Administrators

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

Founded: 1986.

Business: 90% claims administration, 10% other services, including commissions.

Service area: Nationwide.

Specialties: 5% flex compensation, 95% health insurance.

Health plans: 20,000 employees, 24,000 dependents covered.

Self-insured clients: 55 administration clients, including 50 corporations, five public/government entities.

Self-insured claims: $25 million paid for administration clients.

Staff: 34; 28 serving self-insurers only.

Charges: Per employee per month for administration.

1991 gross revenues: $1.8 million; $1.5 million from claims services.

PPOs available: Colorado Alliance for Health.

Principal officers: William G. Hofgard, president; Mark W. Hofgard, vp/general counsel; Edna H. Hofgard, secretary/treasurer.

Membership: NAEBA, SPBA.

Hurley & Associates

18 S. Fifth St., Geneva, Ill. 60134; 800-727-1859

Founded: 1990.

Business: 10% claims administration, 50% claim adjusting, 40% claims auditing.

Region served: Illinois, Indiana, Iowa, Ohio, Michigan, Minnesota, Wisconsin, northern California.

Specialties: 60% disability, 40% health insurance.

Health plans: 15,000 employees. 6,500 dependents covered.

Self-insured clients: Three administration clients, all multiemployer welfare arrangements.

Four adjusting clients, all corporations.

Five auditing clients, all corporations.

Self-insured claims: Eight claims-auditing projects conducted.

Staff: Four, all serving self-insurers only.

Charges: 1% to 4% for administration. $50 to $75 for adjusting. $75 to $125 for auditing.

PPOs available: CCN.

Principal officers: Jerry J. Hurley, president; Ralph D. Hurley, executive vp.

Membership: SPBA.

I

ITT Comprehensive Employee Benefits Services Co.

200 Hopmeadow St., Simsbury, Conn. 06118; 203-843-8895; fax: 203-843-8499

Founded: 1976.

Parent company: ITT Hartford Group Inc.

Business: 75.9% claims administration, 24.1% other services, including marketing, actuarial, underwriting and administration.

Region served: Nationwide.

Specialties: 4.1% disability, 95.9% health insurance.

Health plans: 190,540 employees, 205,783 dependents covered.

Self-insured clients: 324 administration clients, including 196 corporations, 12 multiemployer plans/multiemployer welfare arrangements, 15 public/government entities, one union-sponsored plan.

Self-insured claims: $469.5 million paid for administration clients.

Staff: 628; 148 serving self-insurers only.

Charges: Percentage of claims, capitated rate or per transaction for administration.

Branch offices: Administrative and sales offices in Atlanta and Dallas. Additional administrative offices in Sacramento, Calif.; Kansas City, Kan.; Bolingbrook, Ill.; Syracuse and Woodbridge, N.J.; Alexandria, Va.; Savannah, Ga. Additional sales offices in 21 locations nationwide.

1991 gross revenues: $29.5 million, all from claims services.

PPOs available: 16 providers nationwide.

Principal officers: Larry K. Lance, director/president; John P. Ginetti, director; Barbara Rodin, James Trimble and David L. Washburn, vps.

Membership: International Claim Assn.

INDECS of Ebasco Inc.

160 Chubb Ave., Lyndhurst, N.J. 07071; 201-460-6161; fax: 201-460-6400

Founded: 1982.

Parent company: Ebasco Services Inc.

Business: 100% claims administration.

Region served: Nationwide.

Specialties: 1% disability, 5% flex compensation, 94% health insurance.

Health plans: 16,323 employees, 40,800 dependents covered.

Self-insured clients: 10 administration clients, including five corporations, one multiemployer plan, three public/government entities, one union-sponsored plan.

Self-insured claims: $53 million paid for administration clients.

Staff: 33; all serving self-insurers only.

Charges: Per employee per month for administration.

Branch offices: Administrative offices in New York.

Subsidiaries: Ebasco Risk Management Inc., New York.

1991 gross revenues: $2.4 million, all from claims services.

PPOs available: Multiplan Inc., Quantum.

Principal officers: Bruce E. Buchanan, president; Lee H. Cohen, vp; Douglas Cheppo, treasurer; Herbert M. Blum, secretary.

Membership: SPBA, IFEBP.

Insurance Benefit Services Inc.

16420 Park 10 Place, Suite 400, Houston, Texas 77084; 713-578-0250; fax: 713-578-9916

Founded: 1981.

Business: 100% claims administration.

Region served: Nationwide.

Specialties: 1% disability, 2% flex compensation, 97% health insurance.

Health plans: 38,000 employees, 43,700 dependents covered.

Self-insured clients: 35 administration clients, including 32 corporations, three public/government entities.

Self-insured claims: $81 million

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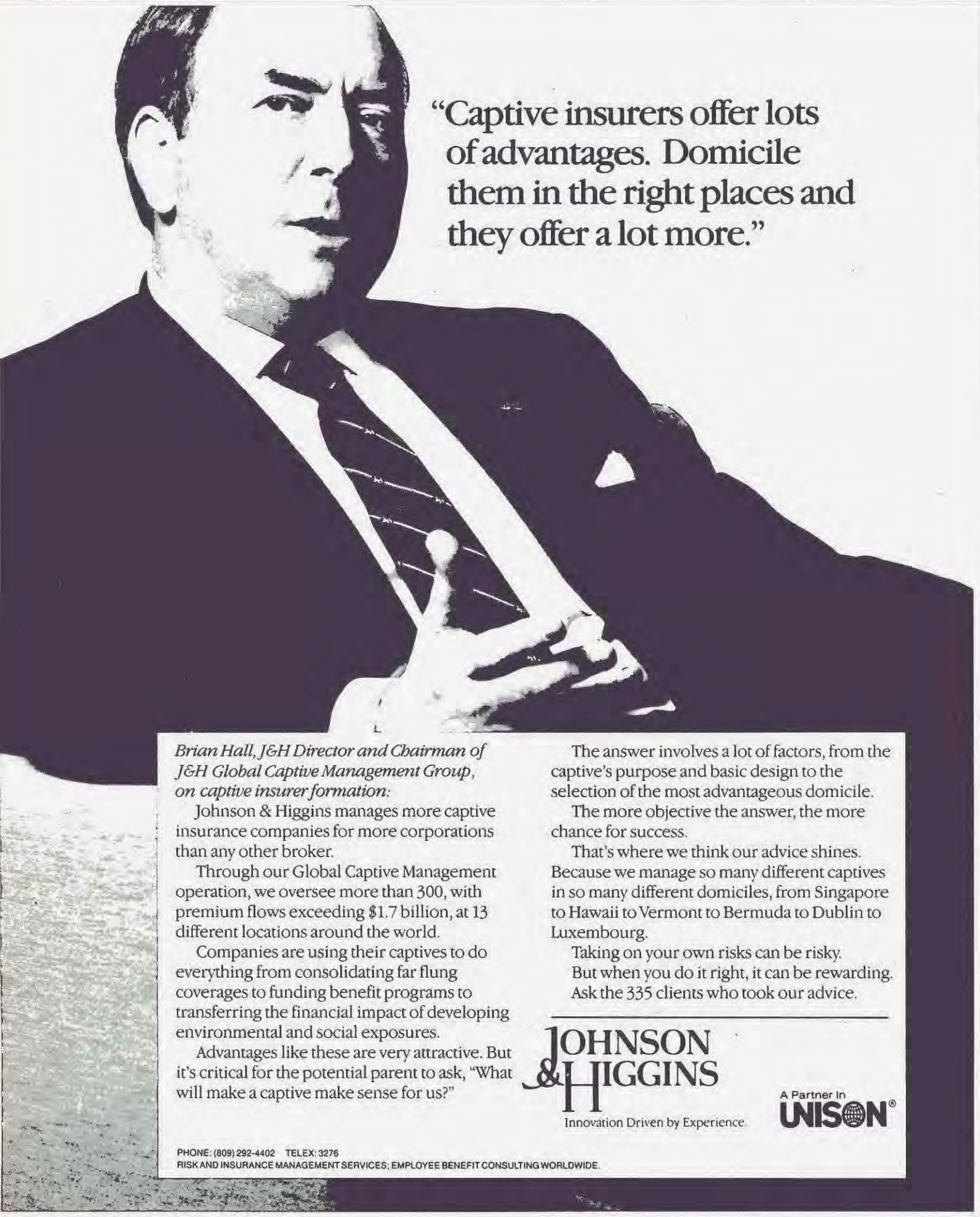

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paid for administration clients.
Staff: 45, all serving self-insurers only.
Charges: Per employee per month for administration.
Subsidiaries: IBS Agency.
Principal officers: Timothy D. Davis, president; Bobby G. Melton and Donald C. Huff, executive vps.
Membership: SIIA, NAEBA.

Insurance Claims Auditing & Professional Services

6311 Wayzata Blvd., Suite 315, Minneapolis, Minn. 55416; 612-545-5888; fax: 612-546-3350

Founded: 1988.
Business: 80% claims auditing, 20% other services.
Region served: Nationwide.
Specialties: 100% health insurance.
Self-insured clients: 34 auditing clients, including 27 corporations, three multiemployer plans, one multiemployer welfare arrangement, one public/government entity, two union-sponsored plans.
Self-insured claims: 37 claims-auditing projects conducted.
Staff: Six; four serving self-insurers only.
Charges: By the project, by the hour, or by the claim, $30 to $75 for auditing.
Principal officers: Betty C. Clark, president; Barbara Ballinger, vp; Helen Fears, secretary/treasurer.
Membership: IFEBP, SIIA, Twin Cities Claim Assn.

Insurdata Inc.

5215 N. O'Connor Blvd., 800 Central Tower, Irving, Texas 75039; 214-869-2553; fax: 214-556-0572

Founded: 1964.
Business: 45% claims administration, 55% other services, including facilities and nationwide network management, health claims system development and integration.
Region served: Nationwide.
Specialties: 1% flex compensation, 99% health insurance.
Health plans: 235,000 employees, 260,000 dependents covered.
Self-insured claims: $400 million paid for administration clients.
Staff: 400, all serving self-insurers only.
Charges: Capitated rate per month for administration.
Subsidiaries: Insurnational Inc. of Arkansas, Little Rock, Ark.; Insurnational Insurance Administrators Inc., Costa Mesa, Calif.; U.S. Information Systems Inc.
Principal officers: Raymond C. Morrison Jr., president; Doug Freeman, vp-data processing; Jim Taylor, vp-finance and administration.
Membership: SIIA, Texas Assn. of Professional Benefit Administrators, National Council of Prescription Drug Programs.

Insurex Benefits Administrators

2158 Union Ave., P.O. Box 41779, Memphis, Tenn. 38174; 901-725-6435; fax: 901-725-6437

Founded: 1989.
Parent company: TPI Restaurants Inc.
Business: 100% claims administration.
Region served: Nationwide.
Specialties: 100% health insurance.
Health plans: 7,389 employees.
Self-insured clients: 22 administration clients, all corporations.
Self-insured claims: $20 million paid for administration clients.
Staff: 18; 16 serving self-insurers only.
Charges: Per employee per month for administration.
Principal officers: Bruce R. Osborne, president; Sharon A. Lewis, director.
Membership: SPBA.

J

JAS Inc.

4885 S. 900 E., Suite 202, Salt Lake City, Utah 84117; 801-266-3271; fax: 801-266-4383

Founded: 1986.
Business: 80% claims administration, 20% other services, including pension administration.
Region served: Nationwide.
Specialties: 5% disability, 5% flex compensation, 70% health insurance, 20% pensions.
Health plans: 15,000 employees, 25,000 dependents covered.
Self-insured clients: 12 administration clients, including two corporations, 10 multiemployer plans.
Self-insured claims: $25 million paid for administration clients.
Staff: 25; 20 serving self-insured clients only.
PPOs available: Premier Medical Network.
Membership: SIIA, QCA.

JJJ Group Inc.

2600 Eagan Woods Drive, Suite 150, Eagan, Minn. 55121; 612-454-1226; fax: 612-454-2702

Founded: 1990.
Business: 100% claims administration.
Region served: Minnesota, Wisconsin, North Dakota, South Dakota, Iowa.
Specialties: 5% flex compensation, 95% health insurance.
Health plans: 2,000 employees, 1,000 dependents covered.
Self-insured clients: 15 administration clients, all corporations.
Staff: Nine, all serving self-insurers only.
Charges: Per person per month for administration.
1991 gross revenues: $300,000; all from claims services.
PPOs available: PreferredOne, CAPP Care, Select Care, Park Nicollet Clinic.
Principal officers: John J. Jurewicz, Thomas E. Walsh, Michael E. Jorgensen.
Membership: SPBA.

Jackson, Long & Associates Inc.

4801 Southwick, Matteson, Ill. 60443; 708-747-7400; fax: 708-747-6096

Founded: 1979.
Parent company: Administrators Network.
Business: 100% claims administration.
Region served: Nationwide.
Specialties: 1% disability, 1% flex compensation, 98% health insurance.
Self-insured clients: 119 administration clients, including 118 association plans, one corporation.

Continued on next page

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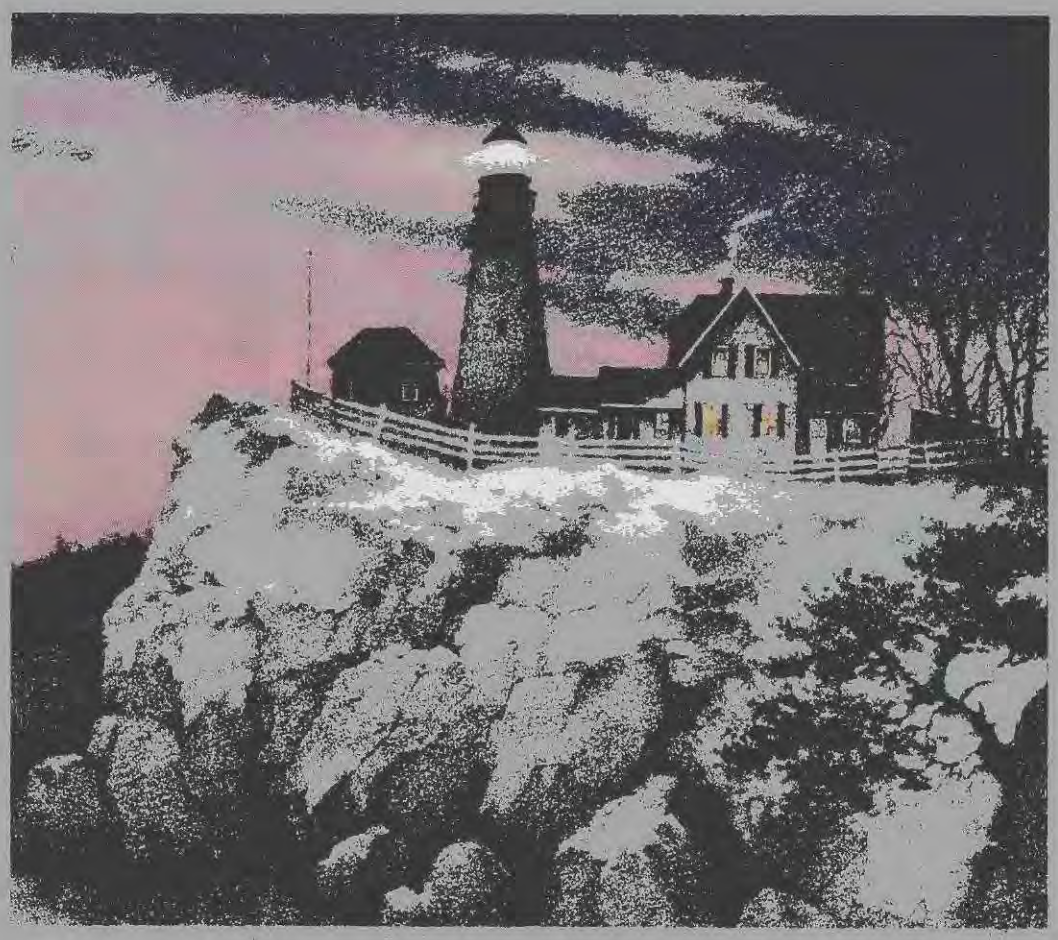

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QUALITY PRODUCTS THROUGH GENERAL AGENTS AND SURPLUS LINES BROKERS

Continued from previous page

Self-insured claims: $117 million paid for administration clients.
Staff: 50.
Charges: Self-billing invoices.
1991 gross revenues: $2.8 million.
Principal officers: Jane Bergman, president; Gail Dagenais, sales manager; Garry Kearnes, controller.
Membership: SIIA, SPBA.

Jardine Group Services Corp.

433 State St., Schenectady, N.Y. 12305; 518-381-5380; fax: 518-381-5354

Founded: 1982.
Parent company: Jardine Insurance Brokers Group.
Business: 31% claims administration, 69% other services, including commission income.
Region served: Nationwide.
Specialties: 10% disability, 90% health insurance.
Health plans: 325,000 employees, 8,500 dependents covered.
Self-insured clients: 25 administration clients, including three association plans, three corporations, 11 multiemployer plans, eight union-sponsored plans.
Self-insured claims: $65 million paid for administration clients.
Staff: 182; 67 serving self-insurers.
Charges: Per capita for administration.
Branch offices: Administrative offices in New York; Washington, D.C.; Oakbrook, Ill.
Subsidiaries: Professional Dental Reviewers Inc.
Principal officers: W. Michael Carroll; Thomas P. McDonough, chief operating officer; Nels Carlson, executive vp; Gary P. Hickey and Willis H. Griffith, senior vps.
Membership: SIIA.

William N. Jenkins & Associates Inc.

1200 Battle Creek Road, Suite 200, P.O. Box 607, Jonesboro, Ga. 30236; 404-471-1888; fax: 404-471-5558

Founded: 1984.
Business: 100% claims administration.
Region served: Georgia, Alabama, South Carolina, Tennessee.
Specialties: 100% health insurance.
Health plans: 2,000 employees, 5,000 dependents covered.
Self-insured clients: Four administration clients, including one public/government entity, four union-sponsored plans.
Self-insured claims: $4.7 million paid for administration clients.
Staff: Four, all serving self-insurers only.
Charges: Per capita for administration.
Branch offices: Administrative and sales offices in Atlanta.
1991 gross revenues: $250,000, all from claims services.
PPOs available: South Care.
Principal officers: Larry Jenkins, president/treasurer; Sheila J. Lister, vp/secretary.
Membership: SPBA, IFEBP.

Jones, Hill & Mercer Employee Benefits Inc.

12 E. Bay St., Savannah, Ga. 31401; 912-236-1551; fax: 912-234-3965

Founded: 1885.
Parent company: Hilb, Rogal & Hamilton Co.
Business: 100% claims administration.
Region served: Nationwide.
Specialties: 2% disability, 3% flex compensation, 95% health insurance.
Health plans: 38,200 employees, 95,500 dependents covered.
Self-insured clients: 76 administration clients, including 64 corporations, 12 multiemployer plans.
Self-insured claims: $200 million paid for administration clients.
Staff: 83, all serving self-insurers only.
Charges: List billing, $3.60 to $17.10 for administration.
1991 gross revenues: $4.6 million; $3.3 million from claims services.
Principal officers: Roger Holden, president; Norman Maes, Terri G. Doyle, James Garrison and Barrie Roland, vps.
Membership: NAEBA, SIIA, SPBA.

Jordan Jones Administrators

P.O. Box 160128, Sacramento, Calif. 95816-0128; 916-442-9071; fax: 916-448-7810
Founded: 1923.
Business: 27% claims administration, 73% other services, including billing, eligibility and claims administration for fully insureds.
Region served: California, Texas, Arizona, Nevada.
Specialties: 1% flex compensation, 97% health insurance, 2% pensions.
Health plans: 9,637 employees, 24,090 dependents covered.
Self-insured clients: 27 administration clients, including 21 corporations, five multiemployer plans, one multiemployer welfare arrangement.
Self-insured claims: $7.8 million paid for administration clients.
Staff: 54; 12 serving self-insurers only.
Charges: $7 per person (medical); $2 per person (dental) for administration.
1991 gross revenues: $2.1 million; $562,958 from claims services.
PPOs available: Admar, Interplan, PHN.
Principal officers: Brent G. Jones, president; Diane P. Cook, senior vp; Kathleen A. Franklin, controller.
Membership: NAEBA, SIIA, SPBA.

K

J.P. Kennedy & Co.

333 S. Arroyo Parkway, Pasadena, Calif. 91105; 818-449-5048; fax: 818-785-8608

Founded: 1966.
Parent company: Century MediCorp.
Business: 85% claims administration, 7% claim adjusting, 5% claims auditing, 8% other services, including administration services to state-mandated benefits plans.
Region served: Pacific Coast and Southwest.
Specialties: 7% disability, 15% flex compensation, 78% health insurance.
Health plans: 11,400 employees, 8,100 dependents covered.
Self-insured clients: 18 administration clients, including 15 corporations, three public/government entities.
Self-insured claims: $12,000 paid for administration clients.
Staff: 24; 21 serving self-insurers only.
Charges: Per employee per month, $7 to $16 for administration. Per employee per month, $4 to $9 for adjusting.
Branch offices: Sales offices in San Diego.
PPOs available: PHN, CCN, CAPP Care and Amerimed.
Principal officers: James P. Kennedy, president; Dierdre L. Kennedy, vp; Don Comstock, chief financial officer, Harry Baldwin.
Membership: SPBA, Employee Benefit Assn. of Southern California, Independent Administration Assn., Western Benefit Conference.

Klais & Co. Inc.

1867 W. Market St., Akron, Ohio 44313; 216-867-8443; fax: 216-867-0827

Founded: 1980.
Business: 95% claims administration, 5% other service.
Region served: Nationwide.
Specialties: 1% flex compensation, 99% health insurance.
Health plans: 33,000 employees, 75,000 dependents covered.
Self-insured clients: 126 administration clients, including one association plan, 79 corporations, 46 public/government entities.
Self-insured claims: $100 million paid for administration clients.
Staff: 107.
Charges: Per employee per month, $5.50 to $9 for administration.
Branch offices: Sales offices in Reston, Va.; Norcross, Ga.; Dayton, Ohio.
1991 gross revenues: $5.3 million; $220,000 from claims services.
PPOs available: Emerald Health Network, Ohio Health Choice Plan, Ethix, Health Design Plus and Health Services Preferred.
Principal officers: Daniel Klais, president; Nancy Hinebaugh, vp.
Membership: SIIA, SPBA.

L

LaHood & Associates Inc.

P.O. Box 12170, Overland Park, Kan. 66212; 913-362-0040; fax: 913-362-0041

Founded: 1974.
Parent company: Blue Cross & Blue Shield of Kansas City.

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BI

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Business: 100% claims administration.
Region served: Nationwide.
Specialties: 8% disability, 7% flex compensation, 85% health insurance.
Health plans: 98,000 employees covered.
Self-insured clients: 200 administration clients, including association plans, corporations, multiemployer plans, public/government entities and union-sponsored plans.
Self-insured claims: $230 million paid for administration clients.
Staff: 185, all serve self-insurers only.
Charges: Flat fee per employee per month for administration.
Branch offices: Sales offices in Waterloo, Iowa.
1991 gross revenues: $9.4 million, all from claims services.
Principal officers: George E. LaHood, president; Joel Frisch, executive vp; George F. McDonnell, vp-sales/marketing; Kerry Reardon, vp-operations; Joanne Weber, vp-claims.
Membership: SIIA, SPBA.

Richard M. Lewis Co.

1100 River East Drive, Belle, W.Va. 25013; 304-926-1640

Founded: 1988.
Business: 80% claims administration, 20% other services, including property/casualty, life and health insurance sales.
Specialties: 5% disability, 10% flex compensation, 85% health insurance.
Health plans: 800 employees, 600 dependents covered.
Self-insured clients: 12 administration clients, including two association plans, 10 corporations.
Self-insured claims: $3 million paid for administration clients.
Staff: Seven; four serving self-insurers only.
Charges: $5 to $15 for administration.
Branch offices: Administrative offices in Lewisburg, W.Va.
Subsidiaries: Richard M. Lewis Insurance Agency Inc.
Principal officers: Richard M. Lewis, president.
Membership: SIIA.

M

The MacKinnon Co. Inc.

23 Kulick Road, Fairfield, N.J. 07004; 201-808-9090; fax: 201-808-9507

Founded: 1969.
Parent company: Delta Dental Plan of New Jersey Inc.
Business: 75% claims administration, 25% other services, including fully insured accounts and consulting.
Region served: New York, New Jersey, Pennsylvania, Connecticut, Delaware and Florida.
Specialties: 100% health insurance.
Health plans: 25,000 employees, 39,000 dependents covered.
Self-insured clients: 55 administration clients, including two association plans, 40 corporations, three multiemployer plans, two multiemployer welfare arrangements, two public/government entities, six union-sponsored plans.
Self-insured claims: $20 million paid for administration clients.
Staff: 30.
Charges: Per employee per month for administration.
1991 gross revenues: $2 million; $1.5 million from claims services.
PPOs available: CHN.
Principal officers: James W. Oxford, president; Walter A. MacKinnon, executive vp; Margaret L. Struble, vp-administration; Steve Demas, vp-marketing.
Membership: SIIA, SPBA, New Jersey Assn. of Manufacturers.

Managed Care Administrators

12651 High Bluff Drive, Suite 200, San Diego, Calif. 92130-2023; 619-259-1933; fax: 619-792-7068

Founded: 1988.
Business: 85% claims administration, 15% other services, including managed care review services.
Region served: California, Utah, Arizona, Florida, Washington, Oregon, Virginia and Massachusetts.
Specialties: 5% flex compensation, 95% health insurance.
Health plans: 60,000 employees, 70,000 dependents covered.
Self-insured clients: 130 administration clients, including 110 corporations, 20 public/government entities.
Self-insured claims: $217 million paid for administration clients.
Staff: 147; 130 serving self-insurers only.
Charges: Per employee per month, $8 to $14 for administration.
Branch offices: Sales offices in Irvine and San Jose, Calif.
PPOs available: CCN, FMC, PHN, AHN, PPO Alliance, Vantage, Admar, Medsense and OUCH.
Membership: SIIA.

ManageMED, a division of ClaimsWare Inc.

775 Woodruff Road, Greenville, S.C. 29607; 803-234-8200; fax: 803-234-8202

Founded: 1988.
Business: 100% claims administration.
Region served: Nationwide.
Specialties: 90% health insurance, 10% life.
Health plans: 10,000 employees, 22,500 dependents covered.
Self-insured clients: Three administration clients, all corporations.
Self-insured claims: $13 million paid for administration clients.
Staff: 10
Charges: Per employee basis for administration.
1991 gross revenues: $500,000, all from claims services.
Principal officers: Ron Ross, president; G. Lee Barnett, vp.

McConachie Financial Services Inc.

1480 Renaissance Drive, Park Ridge, Ill. 60068; 708-297-3640; fax: 708-297-5674

Founded: 1982.
Business: 70% claims administration, 30% other services, including claims administration for fully-insured clients.
Region served: Nationwide.
Specialties: 100% health insurance.
Health plans: 4,700 employees.
Self-insured clients: 14 administration clients, all corporations
Self-insured claims: $10.5 million paid for administration clients.

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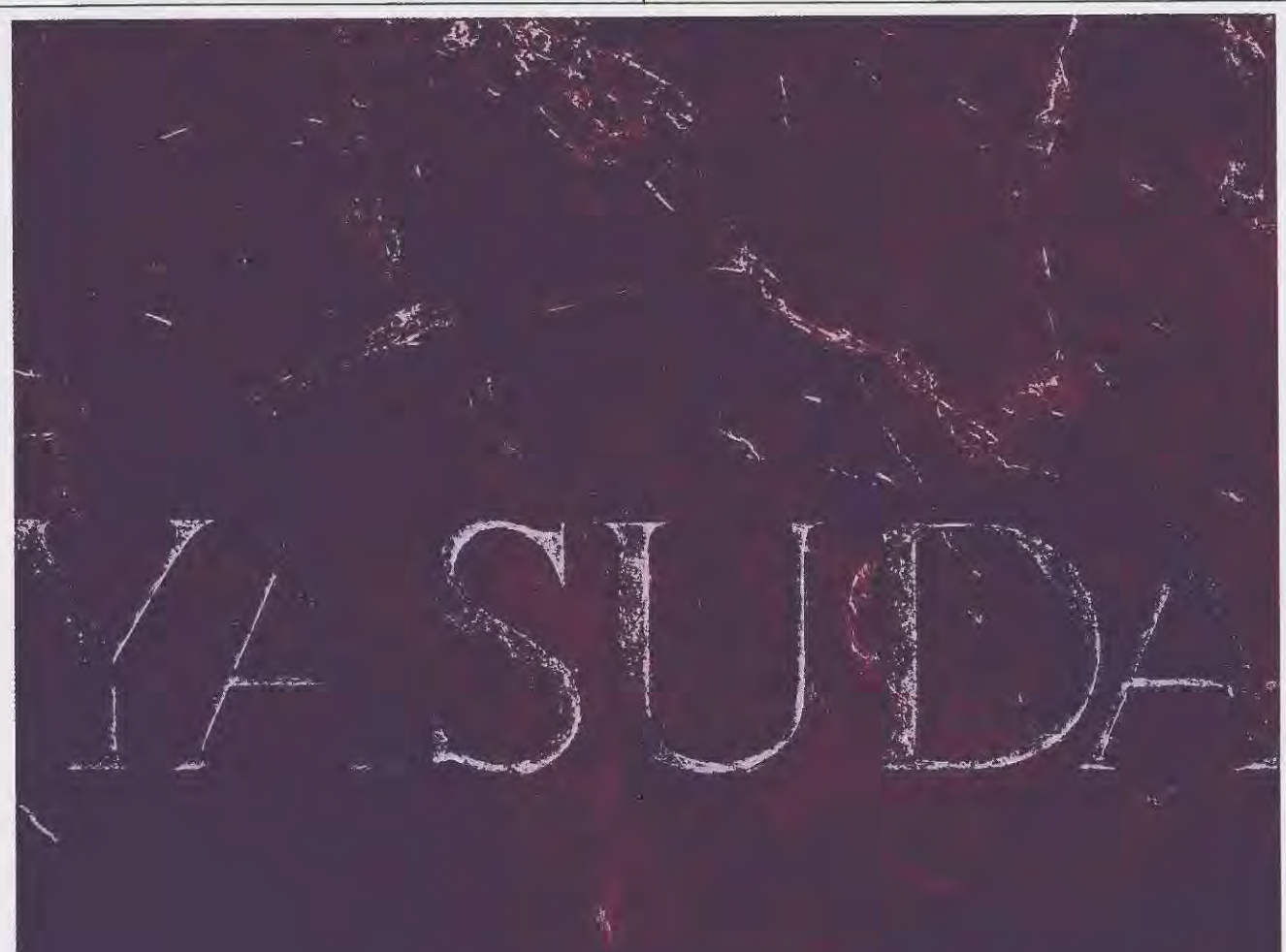

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Continued from previous page

Staff: Nine; seven serving self-insurers only.

Charges: Fee per employee per month for administration.

1991 gross revenues: $400,000; $300,000 from claims services.

PPOs available: Healthnetwork, Preferred Plan, Preferred Care Network, Rush Contract Care.

Principal officers: Scot McConachie, president.

Membership: SIIA, SPBA, Self-Insurance Assn. of Illinois.

McDonough Caperton Insurance Group

P.O. Box 1551, Charleston, W.Va. 25314; 304-346-0611; fax: 309-347-1506

Founded: 1976.

Business: 27% claims services, 73% other services, including brokerage.

Region served: Nationwide.

Specialties: 0.05% disability, 2% flex compensation, 91% health insurance, 0.05% pensions, 1% professional liability, 5% workers compensation.

Health plans: 385,000 employees, 675,000 dependents covered.

Self-insured clients: 432 administration clients, including 18 association plans, 382 corporations, four multiemployer plans, four multiemployer welfare arrangements, 22 public/government entities, two union-sponsored plans.

Self-insured claims: $440.3 million paid for administration clients.

Staff: 598; 300 serving self-insurers only.

Charges: Per employee per month, $1.25 to $25 for administration. Various networks for adjusting and auditing.

Branch offices: Administrative offices in Big Stone Gap, Va.; Miami; Savannah, Ga.; Lexington, Ky.

Subsidiaries: McDonough Caperton Benefit Services.

1991 gross revenues: $38 million; $10 million from claims services.

PPOs available: MedSelect, Dimension Health Systems, Virginia Health Network, Cost Control Network, American Healthcare Systems and Sun Health Systems.

Principal officers: W. Marston Becker, president-McDonough Caperton Insurance Group; James M. Pennington, president-McDonough Caperton Benefit Services.

Membership: IFEBP, SIIA, SPBA.

Med-Pay Inc.

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

Business: 100% claims administration.

Region served: Nationwide.

Specialties: 100% health insurance.

Health plans: 17,937 employees, 23,318 dependents covered.

Self-insured clients: 63 adjusting clients, including one association plan, 59 corporations, three public/government entities.

Self-insured claims: $32.7 million paid for administration clients.

Staff: 41, all serving self-insurers only.

Charges: Included in premium, $3 to $5 for administration.

1991 gross revenues: $1.6 million, all million from claims services.

Principal officers: Gordon L. Kinne, president.

Membership: SIIA, SPBA.

Mica Benefits Corp.

703 John Adams Parkway, Idaho Falls, Idaho 83401; 208-529-4063; fax: 208-529-4063

Founded: 1985.

Business: 100% claims administration.

Region served: Nationwide.

Specialties: 1% disability, 15% flex compensation, 84% health insurance.

Health plans: 1,053 employees, 585 dependents covered.

Self-insured claims: $972,863 paid for administration clients.

Staff: Seven, all serving self-insurers only.

Charges: Per employee per month for administration.

Branch offices: Sales offices in Salt Lake City.

1991 gross revenues: $352,000; $310,000 from claims services.

Principal officers: Jerry Mitchell, president; Barbara Morris, vp; Jean Robery Babilis, secretary/treasurer.

Membership: NAEBA.

Mid-Atlantic Benefit Administrators Inc.

1300 Picard Drive, Suite 204, Rockville, Md. 20850; 800-822-3402 or 301-990-1900; fax: 301-990-7076

Founded: 1987.

Business: 100% claims administration.

Region served: Nationwide.

Specialties: 85% health insurance, 10% life, 5% miscellaneous.

Health plans: 6,000 employees.

Self-insured clients: 40 administration clients, all corporations.

Self-insured claims: $6.5 million paid for administration clients.

Staff: 15, all serving self-insurers only.

Charges: List billing, $3 to $20 for administration.

1991 gross revenues: $550,000, all from claims services.

PPOs available: Sanus Passport, Alliance and National Capital PPO.

Principal officers: L. Darlene Marinello, president; Anthony M. Marinello, secretary/treasurer; Stephen Phillips, controller.

Membership: SPBA.

Mountain States Administration Co.

2530 S. Parker Road, Suite 606, Aurora, Colo. 80014; 303-368-4500; fax: 303-368-4500

Founded: 1980.

Business: 100% claims administration.

Region served: Colorado, Wyoming, New Mexico and South Dakota.

Specialties: 3% disability, 1% flex compensation, 96% health insurance.

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, all serving self-insurers only.

Charges: Per employee per month for administration.

1991 gross revenues: $1.2 million; $1.1 million from claims services.

PPOs available: Colorado Alliance, Admar, Sloans Lake PPO, Mountain Medical Affiliates.

Principal officers: Clarence F. Gray, president; Bettina Gray, secretary/treasurer.

Membership: NAEBA, Colorado Claims Assn.

Mutual Assurance Administrators Inc.

3105 United Founders Blvd., Oklahoma City, Okla. 73112 405-848-1975; fax: 405-848-1284

Founded: 1975.

Business: 75% claims administration, 10% claim adjusting, 10% claims auditing, 5% other services.

Region served: Oklahoma, Texas Georgia, Alabama, Kansas and Arkansas.

Specialties: 2% disability, 5% flex compensation, 90% health insurance, 2% life, 1% workers compensation.

Health plans: 17,000 employees, 11,000 dependents covered.

Self-insured clients: 29 administration clients, including 25 corporations, four public/government entities.

Self-insured claims: $27.7 million paid for administration clients.

Staff: 31, all serving self-insurers only.

Charges: Per employee per month, $8 to $12 for administration.

Subsidiaries: Mutual Assurance Agency Inc. and Mutual Assurance Advantage Inc.

1991 gross revenues: $1.5 million, all from claims services.

PPOs available: Medcorp Southwest and Compmed.

Principal officers: Richard Carllson, chief executive officer; Jacki Carllson, chief operating officer; Todd Archer, vp-marketing; Harold Huffman, vp-operations; Terrie Adams-Beck, chief operating officer-Mutual Assurance Advantage Inc.

Membership: NAEBA, SIIA, SPBA.

N

NBA Insurance Administrators

109 E. Lexington Ave., El Cajon, Calif. 92020; 619-579-9994; fax: 619-447-6234

Founded: 1982.

Business: 100% claims administration.

Region served: Nationwide.

Specialties: 100% health insurance.

Health plans: 13,000 employees, 4,500 dependents covered.

Self-insured clients: 17 administration clients, all corporations.

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

Staff: 35, all serving self-insurers only.

Charges: Per employee for administration.

1991 gross revenues: $1.5 million; $1.4 million from claims services.

PPOs available: Community Care Network, San Diego Foundation for Medical Care, Med-Sense, CAPP Care, Pac-Net.

Principal officers: Ralph L. Ball, president; Lorianne Ball, treasurer.

NCAS Mountain-Plains

215 E. Eighth Ave., P.O. Box 3137, Cheyenne, Wyo. 82003-3137; 307-638-3825; fax: 307-778-8582

Founded: 1987.

Parent company: Blue Cross & Blue Shield of Wyoming and Montana.

Business: 100% claims administration.

Region served: Idaho, North Dakota, South Dakota, Montana, Wyoming.

Specialties: 1% flex compensation, 99% health insurance.

Health plans: 5,694 employees, 9,822 dependents covered.

Self-insured clients: 21 administration clients, including four corporations, 16 public/government entities, one union-sponsored plan.

Self-insured claims: $9.6 million

Continued on next page

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Continued from previous page
paid for administration clients.
Staff: 15; 13 serving self-insurers only.
Charges: Per employee per month for administration.
Branch offices: Sales offices in Missoula, Mont.; Fargo, N.D.; Casper, Wyo.
1991 gross revenues: $489,943, all from claims services.
Principal officers: Dick Martin, president; Gary Ritter, director-operations; Ralph D. Hayes, director-marketing; Bob Decker, director-major accounts; John Jennings, marketing manager.
Membership: IFEBP, SPBA.

NEP Insurance Service Inc.

P.O. Box 152, Sybertsville, Pa. 18251; 717-788-4123; fax: 717-788-5465

Founded: 1973.
Business: 90% claims administration, 10% other services, including subcontracting of claims services to insurance companies.
Region served: Pennsylvania, New York, New Jersey, Maryland, Virginia, West Virginia, Ohio.
Specialties: 2% disability, 98% health insurance.
Health plans: 40,000 employees, 75,000 dependents covered.
Self-insured clients: 78 administration clients, including 11 corporations, one multiemployer plan, 65 multiemployer welfare arrangements, one public/government entity.
Self-insured claims: $58 million paid for administration clients.
Staff: 65; 58 serving self-insurers only.
Charges: Per employee per month, $5.75 to $8.75 for administration.
Subsidiaries: Keystone Health Care Management Services Inc.
1991 gross revenues: $2.1 million.
PPOs available: HealthPass PAA-Horizon, Preferred Health Care System Inc., Alpha Health Network, Susquehanna Health Care Inc., Central Susquehanna Healthcare Inc.
Principal officers: Llewellyn F. Drofoos Jr., chairman; John Morrison, president/treasurer; Edward W. Beishline, vp-marketing; Karen A. Magill, secretary; Edwin T. Kosteva, executive vp.
Membership: SPBA, Self-Funded Assn. of Pennsylvania.

NGS American Inc.

27575 Harper, P.O. Box 7676, St. Clair Shores, Mich. 48080; 313-779-7676; fax: 313-779-0117

Founded: 1979.
Business: 100% claims administration.
Region served: Nationwide except Alaska, New Hampshire, North Dakota, Vermont.
Specialties: 15% disability, 5% flex compensation, 80% health insurance.
Health plans: 43,000 employees, 57,369 dependents covered.
Self-insured clients: 66 administration clients, including 64 corporations, two public/government entities.
Self-insured claims: $95.6 million paid for administration clients.
Staff: 185, all serving self-insurers only.
Charges: Per employee per month for administration.
Subsidiaries: Equation, Mongoose.
PPOs available: CAPP Care, PPOM, Selectcare, Family Health Plan.
Principal officers: William D. Alcott, president; Kim Gunter, executive vp; Michael Verlinden, chief financial officer; James Blashill, senior vp-sales; William Ellwood, senior vp-marketing.
Membership: SIIA, SPBA.

NJHA Self-Funded Employee Benefits

760 Alexander Road, CN-1, Princeton, N.J. 08540; 609-275-4205; fax: 609-452-2538

Founded: 1989.
Parent company: Center for Health Affairs.
Business: 100% claims administration.
Region served: Northeast.
Specialties: 100% health insurance.
Health plans: 5,000 employees, 6,200 dependents covered.
Self-insured clients: 22 administration clients, all association plans.
Staff: Eight.
Charges: Per employee per month for administration.
1991 gross revenues: $1.2 million.
Principal officers: Laurie J. Nordone, assistant vp.
Membership: SIIA.

National Benefit Administrators

P.O. Box 1270, Colorado Springs, Colo. 80901; 719-636-3382; fax: 719-636-3169

Founded: 1985.
Parent company: PRIMAC Insurance.
Business: 100% claims administration.
Region served: Nationwide.
Specialties: 1% disability, 1% flex compensation, 98% health insurance.
Health plans: 15,000 employees, 22,000 dependents covered.
Self-insured clients: 48 administration clients, including three association plans, 40 corporations, five public/government entities.
Self-insured claims: $26 million paid for administration clients.
Staff: 16, all serving self-insurers only.
Charges: Per employee per month, $5 to $10, for administration.
1991 gross revenues: $700,000, all from claims services.
PPOs available: Sloan's Lake, Preferred Health, Family Health, The Alliance, Cherry Creek Associated Physicians, CAPP Care.
Principal officers: Erik Nebeker, executive vp.
Membership: SPBA.

National Benefit Consultants Inc.

1150 Springhurst Drive, Suite 140, Green Bay, Wis. 54313; 414-496-2500; fax: 414-496-2515

Founded: 1981.
Business: 99% claims administration, 1% other services, including COBRA administration.
Region served: Nationwide.
Specialties: 1% disability, 5% flex compensation, 94% health insurance.
Health plans: 62,000 employees, 147,000 dependents covered.
Self-insured clients: 388 administration clients, including two association plans, 350 corporations, one multiemployer plan, 35 public/government entities.
Self-insured claims: $135 million paid for administration clients.
Staff: 93, all serving self-insurers only.
Charges: Per person per month for administration.
Subsidiaries: Spectrum.
1991 gross revenues: $4.8 million.
Principal officers: Robert J. Hergenrader, president/chief executive officer; Marti Hergenrader, secretary; Steve Schmeisser, treasurer.
Membership: SIIA, NAEBA.

National Benefit Plans Inc.

5 Koger Center, Suite 127, Norfolk, Va. 23502; 804-466-1940

Founded: 1972.
Business: 95% claims administration, 5% other services.
Region served: Nationwide.
Specialties: 100% health insurance.
Health plans: 3,700 employees, 9,500 dependents covered.
Self-insured clients: 18 administration clients, including 13 corporations, five multiemployer plans.
Self-insured claims: $9.4 million paid for administration clients.
Staff: 14; 13 serving self-insurers only.
Charges: Per employee per month, $5.50 to $9.85, for administration.
Branch offices: Administrative offices in Richmond, Va.
1991 gross revenues: $592,000; $62,800 from claims services.
PPOs available: Virginia Health Network, Sentara Alternative Delivery Systems.
Principal officers: Benjamin Herrmann, president; James Davenport, chief executive officer; Robert M. Jones, executive vp; John Bailey, senior vp; Ronald Dukes, vp.
Membership: IFEBP, SPBA.

National Claims Administrative Services Inc.

3702 Pender Drive, Fairfax, Va. 22030; 703-934-6200; fax: 703-934-6279

Founded: 1983.
Parent company: GHMSI Cos. Inc.
Business: 80% claims administration, 20% other services, including software licensing and support.
Region served: Nationwide.
Specialties: 2% disability, 3% flex

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Continued from previous page

compensation, 95% health insurance.

Health plans: 67,916 employees, 65,438 spouses covered.

Self-insured clients: Three administration clients, all public/government entities.

Self-insured claims: $229 million paid for administration clients.

Staff: 125; 100 serving self-insurers only.

Charges: Capitation fee, $3 to ‡15, for administration.

Branch offices: Administrative offices in Detroit; Portland, Maine; Providence, R.I.; Harrisburg, Va.; Cheyenne, Wyo.; Seattle; Phoenix; Charlotte, N.C.; Wheeling, W.Va. Sales offices in Helena, Mont.

Subsidiaries: NCAS Insurance Agency Inc.

1991 gross revenues: $9.6 million; $7.5 million from claims services.

PPOs available: Alliance, AIH, Beech Street, Cost Care, Crawford Care Alliance, Intracorp, NCPPO.

Principal officers: William G. Hendren, chief financial officer; Dr. Joseph A. Crowley, David A. Kreager and Jane S. Leroy, vps.

Membership: SIIA, SPBA.

New World Claims Services

2624 N. Fifth St., Niles, Mich. 49120; 616-684-6700; fax: 616-684-8138

Business: 100% claims administration.

Region served: Nationwide.

Specialties: 100% health insurance.

Health plans: 5,000 employees, 12,000 dependents covered.

Self-insured clients: 110 administration clients, all corporations.

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

Staff: 12, all serving self-insurers only.

Charges: Per capita for administration.

PPOs available: PPO Alliance, Preferred Care Network.

Membership: IFEBP, NAEBA, SIIA, SPBA.

Noble Lowndes

P.O. Box 248, Newtown, Pa. 18940; 215-968-7700; fax: 215-860-3774

Founded: 1955.

Parent company: Noble Lowndes & Partners.

Business: 100% claims administration.

Region served: Nationwide.

Specialties: 10% flex compensation, 90% health insurance.

Health plans: 70,000 employees, 150,000 dependents covered.

Self-insured clients: 175 administration clients, including 160 corporations, 15 public/government entities.

Self-insured claims: $200 million paid for administration clients.

Staff: 150, all serving self-insurers only.

Charges: Per employee per month or per transaction for administration.

Branch offices: Sales offices in Boston; Garden City, N.J.; Atlanta; Chicago; Washington, D.C.; Dover, N.H.; San Francisco.

PPOs available: Family Health Plan, Multiplan, Intergroup Services.

Principal officers: Peter Brew, managing director; Donald L. Gallie; David O. Oberkircher.

Membership: SPBA.

North American Administrators Inc.

40 John Glenn Drive, Amherst, N.Y. 14228; 716-691-8556; fax: 716-691-8524

Founded: 1983.

Business: 80% claims administration, 20% other services, including managed care and PPO development.

Region served: Nationwide.

Specialties: 0.5% disability, 0.5% flex compensation, 99% health insurance.

Health plans: 90,000 employees, 190,000 dependents covered.

Self-insured clients: 103 administration clients, including 12 association plans, 81 corporations, 10 public/government entities.

Self-insured claims: $140 million paid for administration clients.

Staff: 90, all serving self-insurers only.

Charges: Per employee per month for administration.

Branch offices: Sales offices in Walpole, Mass.

Subsidiaries: CareNet.

1991 gross revenues: $5 million, all from claims services.

PPOs available: CareNet.

Principal officers: Ronald Zoeller, president; Timothy Danahy, executive vp; David Miller, senior vp; Charles Barger, vp; Thomas Doney, director.

Membership: SIIA, SPBA, American Assn. of Preferred Provider Organizations.

North American Benefits Network Inc.

19800 Detroit Road, Cleveland, Ohio 44116; 216-356-8212; fax: 216-356-0140

Founded: 1962.

Parent company: Swiss Re Group.

Business: 67% claims administration, 33% other services, including case management, data management for PPOs and HMOs, consulting.

Region served: Nationwide.

Specialties: 5% disability, 5% flex compensation, 90% health insurance.

Health plans: 194,082 employees, 216,649 dependents covered.

Self-insured clients: 82 administration clients, including 79 corporations, three public/government entities.

Self-insured claims: $251.3 million paid for administration clients.

Staff: 92, all serving self-insurers only.

Charges: Per enrollee, $5.50 to $12, for administration.

Subsidiaries: North American Case Managers Inc.

PPOs available: DenteMax, Emerald Health Network, Ohio Health Choice Plan, U.S. Health Plan, Horizon Health Plan, Northwest Texas PPO, Sagamore Health Network, Physician's Hospital Alliance.

Principal officers: Donald T. Baker, president; William P. Coleman, Martha Was, Mary Morgan and Richard L. Phillips, vps.

Membership: SIIA, SPBA.

O

Oliver & Larkin Inc.

1261 Oakmead Parkway, Suite 200, Sunnyvale, Calif. 94086; 408-735-9975; fax: 408-735-7102

Founded: 1986.

Business: 95% claims administration, 5% claims auditing.

Region served: Nationwide.

Specialties: 100% disability.

Self-insured clients: 62 administration clients, including 59 corporations, three other.

Self-insured claims: $14.8 million paid for administration clients. Four claims-auditing projects conducted.

Staff: 19, all serving self-insurers only.

Charges: Percent of covered wages for administration. Fee per file for auditing.

Principal officers: Michael L. Oliver, president; Thomas H. Larkin Jr., executive vp; Nancy W. Cantley, vp.

Membership: SIIA.

P

PM Group Life Insurance Co.

17360 Brookhurst St., Fountain Valley, Calif. 92708; 714-760-4440 or 800-733-7020; fax: 714-721-5198

Founded: 1982.

Parent company: Pacific Mutual Life Insurance Co.

Business: 90% claims administration, 5% claim adjusting, 3% claims auditing, 2% other services.

Region served: Nationwide.

Specialties: 5% disability, 1% flex compensation, 93% health insurance, 1% life.

Health plans: 350,000 employees, 200,000 dependents covered.

Self-insured clients: 79 administration clients, including one association plan, 74 corporations, one multiemployer plan, two public/government entities, one union-sponsored plan.

Self-insured claims: $189 million paid for administration clients.

Staff: 997; 128 serving self-insurers only.

Charges: Per employee per month, $5 to $15, for administration.

Branch offices: Administrative offices in Atlanta; Phoenix; Burbank, Calif.; Fort Wright, Ky.; Federal Way, Wash. Sales offices in Chicago; Los Angeles; San Francisco; Kirkland, Wash; Portland, Ore.; Houston; Secaucus, N.J.;

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Continued from previous page
Charlotte, N.C.; Denver; Tampa, Fla.; Phoenix; Philadelphia; San Diego; Atlanta; Dallas; Cincinnati; Old Saybrook, Conn.

Subsidiaries: Employee Benefits America Administration Corp.

1991 gross revenues: $543.1 million; $13.7 million from claims services.

PPOs available: CAPP Care, Private Healthcare Systems Ltd.

Principal officers: William L. Ferris, president/chief executive officer; Michael E. Berumen, senior vp-marketing; Gerald W. Griswold, senior vp-actuarial and finance; Lawrence Halpin, president-FBA; F.J. Whittien, senior vp-MET.

Membership: SIIA.

Pacific Coast Administrators Inc.

2100 W. Orangewood Ave., Orange, Calif. 92668-1943; 714-939-7000; fax: 714-939-7081

Founded: 1971.

Business: 90% claims administration, 10% other, including HMO services.

Region served: Nationwide.

Specialties: 2% flex compensation, 86% health insurance, 2% life, 10% HMO account eligibility.

Health plans: 66,000 employees, 85,800 dependents covered.

Self-insured clients: 58 administration clients, including 44 corporations, one multiemployer plan, 13 public/government entities.

Self-insured claims: $87.2 million paid for administration clients.

Staff: 85; 79 serving self-insurers only.

Charges: Capitated fee, $10 to $18 per month per employee for administration.

1991 gross revenues: $4 million.

Principal officers: Andrew D. Murphy, president; Brian J. Towersey, senior vp; Donald W. Luhrsen, executive vp; Cynthia J. Carter, vp-benefit payments; Ben Bautista, vp-management information systems.

Membership: SPBA.

T.R. Paul Group Services Inc.

14 Commerce Road, Newton, Conn. 06470; 203-426-8161; fax: 203-270-0927

Founded: 1947.

Parent company: T.R. Paul Inc.

Business: 90% claims administration, 10% other services.

Region served: Nationwide.

Specialties: 2% disability, 3% flex compensation, 95% health insurance.

Health plans: 22,000 employees, 55,000 dependents covered.

Self-insured clients: 106 administration clients, including two association plans, 100 corporations, four public/government entities.

Self-insured claims: $4.5 million paid for administration clients.

Staff: 55.

Charges: Monthly capitation fee for administration.

1991 gross revenues: $3 million; $2.5 million from claims services.

PPOs available: Health Choice of Connecticut.

Principal officers: Mary G. Ingham, Diane G. Feldman, Deborah Wilber, Roz Diaz.

Membership: NAEBA, SIIA, SPBA.

Plandata Co. Inc.

P.O. Box 719, Union, N.J. 07083; 908-352-3456; fax: 908-354-0664

Founded: 1979.

Business: 98% claims administration, 1% claim adjusting, 1% claims auditing.

Region served: Nationwide.

Specialties: 1% disability, 99% health insurance.

Health plans: 20,000 employees, 38,000 dependents covered.

Self-insured clients: 70 administration clients, including 54 corporations, 12 multiemployer plans, four union-sponsored plans.

One adjusting client, a multiemployer plan.

One auditing client, a union-sponsored plan.

Self-insured claims: $35 million paid for administration clients.

Staff: 25; 21 serving self-insurers only.

Charges: Capitation fee for administration. Per claim for adjusting and auditing.

Subsidiaries: Provider Programs Inc.

1991 gross revenues: $1.4 million; $1.2 million from claims services.

PPOs available: Preferred Health Strategies.

Principal officers: George P. Mahler, president; Alan I. Gitlin, vp.

Membership: SPBA.

Prairie States

500 N. Clark, Chicago, Ill. 60610; 312-464-1888; fax: 312-464-0097

Founded: 1989.

Business: 100% claims administration.

Region served: Nationwide.

Specialties: 10% disability, 20% flex compensation, 70% health insurance.

Charges: Per employee per month, $5.50 to $7.50, for administration.

Principal officers: Felicia S. Wilhelm, president.

Membership: SIIA, SPBA, American Assn. of PPOs.

The Preferred Group

301 Nott St., Schenectady, N.Y. 12305; 518-393-4101; fax: 518-377-1399

Founded: 1988.

Business: 55% claims administration, 45% other services, including data entry to process claims for clients.

Region served: Nationwide.

Specialties: 70% flex compensation, 30% health insurance.

Self-insured clients: 25 administration clients, all corporations.

Staff: 45.

Charges: Per member per month for administration.

1991 gross revenues: $750,000.

Principal officers: Thomas P. Collins, president; Rita Wojnar, vp.

Professional Benefit Administrators Inc.

201 E. Ogden Ave., Suite 120, Hinsdale, Ill. 60521; 708-655-3755; fax: 708-655-3781

Founded: 1985.

Business: 100% claims administration.

Region served: Midwest.

Specialties: 100% health insurance.

Health plans: 9,007 employees, 20,000 dependents covered.

Self-insured clients: 61 administration clients, all corporations.

Staff: 25, all serving self-insurers only.

Charges: Per capita fee for administration.

1991 gross revenues: $715,000.

PPOs available: Path, Health Network, PCN, Preferred Plan, Rush Contract Care, Affordable.

Principal officers: Ronald Walter, president; Donald W. Plumb, vp.

Membership: SIIA, SPBA, Self Insurance Assn. of Illinois.

Professional Claims Management Inc.

P.O. Box 35276, 4845 Fulton Drive, Canton, Ohio 44735-5276; 216-493-7278; fax: 216-493-5878

Founded: 1983.

Business: 90% claims administration, 10% other services, including COBRA, Section 125.

Region served: Ohio and surrounding states.

Specialties: 3% disability, 2% flex compensation, 95% health insurance.

Health plans: 17,000 employees,

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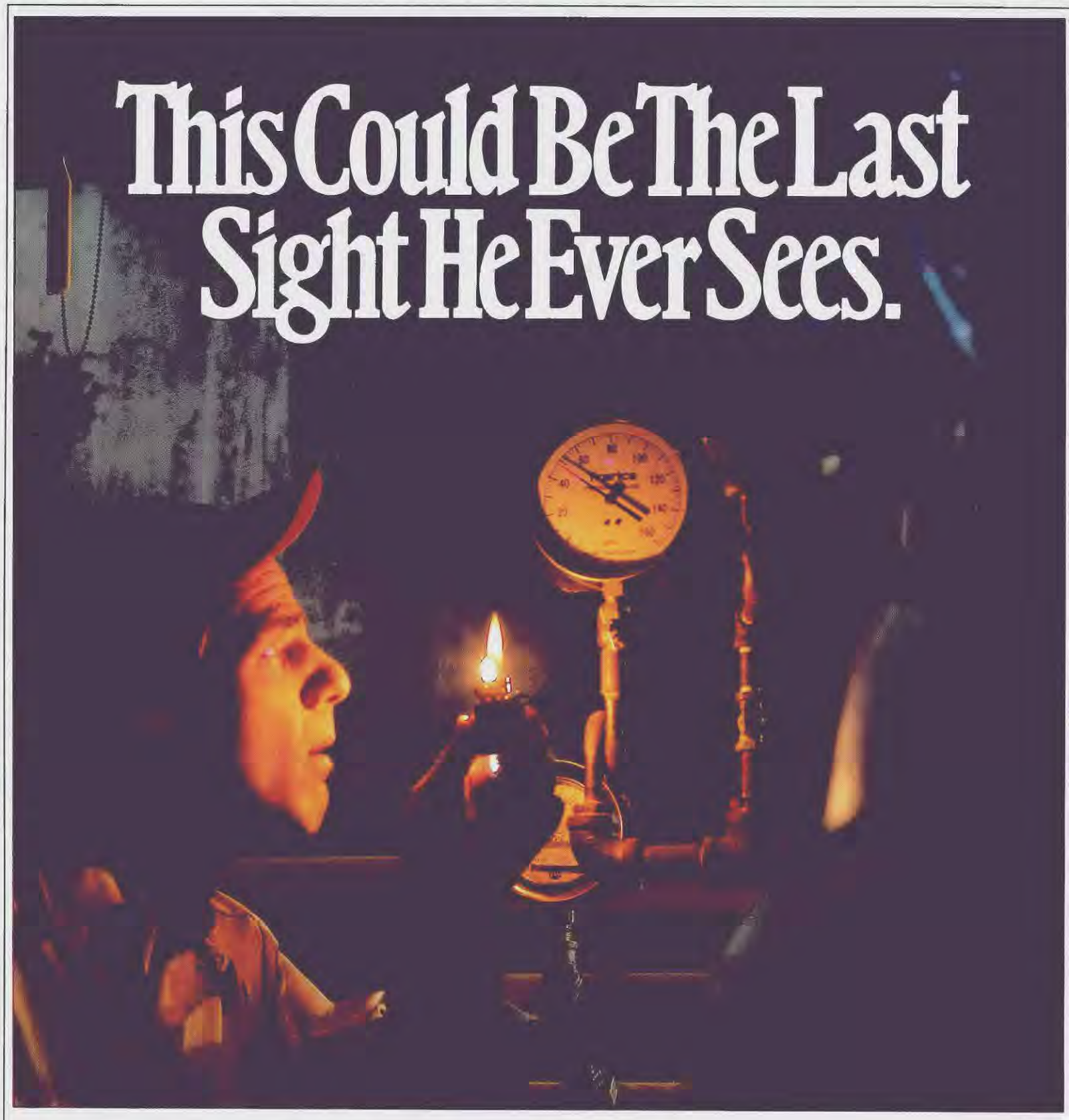

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23,800 dependents covered.

Self-insured clients: 108 administration clients, including one association plan, 99 corporations, eight public/government entities.

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

Staff: 40, all serving self-insurers only.

Charges: Per employee per month, $5 to $10, for administration.

1991 gross revenues: $1.7 million; $1.5 million from claims services.

PPOs available: Ohio Health Choice Plan, CAPP Care, Path Health Network.

Principal officers: J. David Bratton, president; Robert J. Archibald, executive vp; Michael Novelli, senior vp; Rita Forchione, vp-claims and operations.

Membership: SIIA, SPBA.

Professional Risk Management Inc.

7260 West Blvd., P.O. Box 1049, Youngstown, Ohio 44501; 216-726-5800; fax: 216-726-3786

Founded: 1981.

Business: 97% claims administration, 3% other services, including Section 125 flex plans and COBRA administration.

Region served: Ohio, West Virginia, Pennsylvania.

Specialties: 1% disability, 2% flex compensation, 87% health insurance, 10% workers compensation.

Health plans: 11,471 employees, 18,317 dependents covered.

Self-insured clients: 109 administration clients, including 43 association plans, 54 corporations, eight public/government entities, four union-sponsored plans.

Self-insured claims: $30.3 million paid for administration clients.

Staff: 42, all serving self-insurers only.

Charges: Monthly for administration.

1991 gross revenues: $1.5 million; $1.4 million from claims services.

PPOs available: PCN Plus.

Principal officers: J.B. White, president; Ronald Blasko, executive vp; Robert Carr, vp-workers compensation.

Membership: SPBA.

Prudential Service Bureau Inc.

11405 Bluegrass Parkway, Louisville, Ky. 40299; 502-267-4900; fax: 502-267-3128

Founded: 1987.

Parent company: The Prudential Insurance Co. of America.

Business: 51.4% claims administration, 48.6% other services, including COBRA, flexible benefits, flexible spending accounts, HMO administration, life recordkeeping, employee hot lines, leave of absence processing, tuition refund, gift-matching plans, group legal and long-term care administration.

Region served: Nationwide.

Specialties: 21.2% flex compensation, 78.8% health insurance.

Health plans: 797,000 employees, 1.7 million dependents covered.

Self-insured clients: 107 administration clients, including two association plans, 97 corporations, eight public/government entities.

Self-insured claims: $858 million paid for administration clients.

Staff: 810; 355 serving self-insurers only.

Charges: Per employee per month plus per claim payment for administration.

Branch offices: Administrative offices in Woodland Hills, Calif.; Minneapolis; Roseland, N.J.

1991 gross revenues: $32.1 million; $16.5 million from claims services

Principal officers: Robert Lewis, chairman; John LeDell, vp in charge; Dennis Sweeney, vp-operations; Fred Cerwinske and Steve Detweiler, directors-operations.

Q

QualChoice Inc.

20600 Chagrin Blvd., Cleveland, Ohio 44122; 216-283-0508; fax: 216-283-2816

Founded: 1990.

Parent company: University Hospitals Health Systems Inc.

Business: 50% claims administration, 50% other services, including medical management, provider network management.

Region served: Ohio.

Specialties: 100% health insurance.

Health plans: 8,095 employees, 10,055 dependents covered.

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

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

Staff: 51, all serving self-insurers only.

Charges: Per employee per month for administration.

Principal officers: Jerome Gotthainer, chief executive officer; Peter Ebner, vp-finance; Jay Garriss, vp-marketing; Cyndy Demarest, vp-operations; Linda Johnson, vp-health services.

Membership: SIIA.

R

RESTAT

279 S. 17th, Suite 5, P.O. Box 758, West Bend, Wis. 53095; 800-248-1062 or 414-338-5760; fax: 414-338-5767

Founded: 1985.

Parent company: The F. Dohmen Co.

Business: 100% claims administration.

Region served: Nationwide.

Specialties: 100% health insurance.

Self-insured clients: Include association plans, corporations, multiemployer plans, multiemployer welfare arrangements, public/government entities, union-sponsored plans.

Charges: Per claim for administration.

Branch offices: Sales office in Dallas.

Principal officers: C. Thomas Smith, president; G. John Teichgraeber, vp-sales.

Robey-Barber Insurance Services Corp.

3965 Henderson Blvd., Tampa, Fla. 33629; 813-286-1123; fax: 813-289-0444

Founded: 1982.

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

Region served: Florida, Georgia, Tennessee, Alabama, Mississippi, Louisiana.

Specialties: 1% disability, 1% flex compensation, 98% health insurance.

Self-insured clients: 200 administration clients, including 190 corporations, 10 public/government entities.

Self-insured claims: $32 million paid for administration clients.

Staff: 80; 45 serving self-insurers only.

Charges: Per employee per month, $5 to $12.50 for administration.

Subsidiaries: Group Insurance Sales & Services, Tallahassee and Panama City, Fla.; Southeastern Employee Benefit Services, Knoxville, Tenn.

1991 gross revenues: $7 million; $3 million from claims services.

PPOs available: Health Advantage, Health Choice, Mid-Florida Preferred, American Life Care.

Principal officers: James B. Robey, chairman; Timothy R. Barber, president; Garrett N. Mangin, vp-administration; Gloria J. Alexander, vp-data processing; Karen M. McNulty, vp-marketing.

Membership: SIIA, SPBA.

Ry-Ron Inc.

P.O. Box 4582, Houston, Texas 77040; 713-690-0044; fax: 713-939-1957

Founded: 1980.

Business: 90% claims administration, 10% other services.

Region served: Texas and Southwest.

Specialties: 5% disability, 3% flex compensation, 92% health insurance.

Health plans: 38,600 employees, 84,500 dependents covered.

Self-insured clients: 128 administration clients, including 112 corporations, 15 public/government entities, one union-sponsored plan.

Six auditing clients, all public/government entities.

Self-insured claims: $87.9 million paid for administration clients.

Staff: 73; 70 serving self-insurers only.

Charges: Per employee per month for administration. Percentage of gross for auditing.

Branch offices: Administrative offices in Pharr, Texas.

1991 gross revenues: $6.2 million; $6 million from claims services.

PPOs available: Beech Street, MHI.

Principal officers: W.K. Oehlschlager, president; Valerie Bagwell, vp; Dave Arnett, general manager; Rose Ann Davis, vp.

Membership: SIIA, SPBA, NAEBA.

S

Self Assurance Co. Inc.

100 Yordy Road, Morton, Ill. 61550; 309-263-7722; fax: 309-263-7721

Founded: 1981.

Parent company: Lincoln National Life Insurance Co.

Business: 100% claims administration.

Region served: Nationwide.

Specialties: 5% disability, 10% flex compensation, 80% health insurance, 5% life.

Health plans: 11,156 employees, 10,842 dependents covered.

Self-insured clients: 107 administration clients, including one association plan, 99 corporations, seven public/government entities.

Self-insured claims: $17.7 million paid for administration clients.

Staff: 26; six serving self-insurers only.

Charges: Per employee per month for administration.

1991 gross revenues: $1.2 million.

PPOs available: Lincoln National PPO.

Principal officers: R. Scott Reid, president; Gerald G. Pauley, controller; Mark Pfefferkorn, secretary; Karen Elmore, claims manager; Lisa Carroll, underwriting service manager.

Membership: IFEBP, SIIA, SPBA.

Self-Funded Plans Inc.

1432 Hamilton Ave., Cleveland, Ohio 44114; 216-566-1455; fax: 216-566-1505

Founded: 1980.

Business: 100% claims administration.

Region served: Nationwide.

Specialties: 1% disability, 1% flex compensation, 98% health insurance.

Health plans: 37,570 employees, 51,871 dependents covered.

Self-insured clients: 202 administration clients, including 195 corporations, seven public/government entities.

Self-insured claims: $80 million paid for administration clients.

Staff: 91, all serving self-insurers only.

Continued on next page

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Continued from previous page

Charges: Per employee claim fee for administration.

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

1991 gross revenues: $4.8 million; $4.7 million from claims services.

PPOs available: PCN Plus, Emerald Health Network.

Principal officers: Donna B. Luby, president; Richard C. Sheldon, executive vp; Bonnie Bletcher Krauss, vp-administration and claims; Marsha Phillips, vp-client service.

Membership: SIIA, SPBA.

Sheffield, Olson & McQueen Inc.

7400 Metro Blvd., Edina, Minn 55439; 612-831-5574; fax: 612-831-6153

Founded: 1982.

Business: 50% claims administration, 50% other services, including flex plans, consulting, broker services, billing services, COBRA.

Region served: Minnesota and surrounding Midwest states.

Specialties: 5% disability, 40% flex compensation, 50% health insurance, 5% miscellaneous.

Health plans: 14,000 employees, 23,200 dependents covered.

Self-insured clients: 224 administration clients, including 220 corporations, two public/government entities, two union-sponsored plans.

Self-insured claims: $6 million paid for administration clients.

Staff: 28; 14 serving self-insurers only.

Charges: $3.50 to $10 per hour for administration. $75 per hour for auditing.

Branch offices: Sales office in Minneapolis.

1991 gross revenues: $1.1 million; $780,000 from claims services.

PPOs available: Preferred One, SelectCare, Park Nicollet.

Principal officers: Cindy Sheffield, president; Kim Olsen, vp.

Membership: SPBA.

W.H. Shepherd Cos. Inc.

300 Cahaba Park Circle, Suite 206, Birmingham, Ala. 35242; 205-991-2817; fax: 205-995-0418

Founded: 1983.

Business: 100% claims administration.

Region served: Alabama, Georgia, South Carolina.

Specialties: 100% health insurance.

Health plans: 6,000 employees, 10,000 dependents covered.

Self-insured clients: 27 administration clients, including 26 corporations, one union-sponsored plan.

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

Staff: 18, all serving self-insurers only.

Charges: Self-audit billing for administration.

Subsidiaries: Corporate Benefit Consultants Inc.

1991 gross revenues: $1.6 million, all from claims services.

PPOs available: Calmed.

Principal officers: W. Hal Shepherd, president.

Membership: SIIA, SPBA.

Southern Benefit Consultants Inc.

222 W. Las Colinas, Suite 756, Irving, Texas 75039; 214-401-4033; fax: 214-444-2398

Founded: 1988.

Business: 95% claims administration, 5% other services, including Section 125, COBRA administration.

Region served: Texas, Arkansas, New Mexico, California, South Carolina, Alabama, Mississippi, Georgia, Louisiana, Oklahoma.

Specialties: 5% flex compensation, 95% health insurance.

Health plans: 12,000 employees, 4,200 dependents covered.

Self-insured clients: 100% of administration clients are corporations.

Self-insured claims: $10.9 million paid for administration clients.

Staff: 44; 15 serving self-insurers only.

Charges: List or self billing for administration.

1991 gross revenues: $6.5 million.

PPOs available: North Texas Healthcare Network.

Principal officers: Cloy David Feachen, owner/president; Elizabeth Dixon, assistant secretary.

Membership: SIIA, SPBA, Texas Assn. of Professional Business Administrators.

Southwest Employee Benefits Administrators

P.O. Box 30668, Albuquerque, N.M. 87190-0668; 800-726-6547; fax: 505-881-5097

Founded: 1990.

Parent company: Horizon Healthcare.

Business: 100% claims auditing.

Region served: New Mexico, Nevada, Montana, Ohio, Florida, Kansas, Missouri, Oklahoma.

Specialties: 100% health insurance.

Health plans: 1,396 employees, 2,304 dependents covered.

Self-insured claims: $2.4 million paid for administration clients.

Staff: Two, all serving self-insurers only.

PPOs available: Primary Health Services.

Principal officers: Committee members: Klem Belt, vp; John Jerke, vp-human resources; Ernie Schofield, vp-finance; Pat Mills, benefits manager.

Spectrum Benefits Management Corp.

8695 College Blvd., Suite 220, Overland Park, Kan. 66210; 913-451-1672

Founded: 1987.

Business: 100% claims administration.

Region served: Nationwide.

Specialties: 100% health insurance.

Health plans: 10,000 employees, 15,000 dependents covered.

Self-insured clients: 75 administration clients, including 65 corporations, 10 public/government entities.

Self-insured claims: $500,000 paid for administration clients. Vision claims adjusted.

Staff: Six, all serving self-insurers only.

Charges: Percent of claims volume handled for administration. Percent of dollar volume handled for adjusting.

Branch offices: Sales offices in Chicago; Dallas; Indianapolis, Kansas City, Mo.; Los Angeles; Minneapolis; New York; Tampa, Fla.

PPOs available: Preferred Vision Care.

Principal officers: Paul J. Disser, chairman/chief executive officer.

Membership: American Assn. of Preferred Provider Organizations.

Stirling & Stirling Inc.

20 Armory Lane, Milford, Conn. 06460; 203-876-1660; fax: 203-876-1465

Founded: 1971.

Business: 100% claims administration.

Region served: Nationwide.

Specialties: 100% health insurance.

Health plans: 11,100 employees, 13,300 dependents covered.

Self-insured clients: 46 administration clients, 41 corporations, five public/government entities.

Self-insured claims: $28.8 million paid for administration clients.

Staff: 32, all serving self-insurers only.

Charges: Per employee per month, $9 to $24, plus commissions for administration.

Principal officers: George S. Stirling Jr., president; Dean S. Stirling and James B. Stirling, vps; Catherine M. Wemett, secretary/treasurer.

Membership: SPBA.

Sutter Preferred Insurance Administrators

2805 J St., Suite 200, Sacramento, Calif. 95816; 916-443-6999; fax: 916-443-0424

Founded: 1986.

Parent company: Sutter Health.

Business: 100% claims administration.

Region served: California.

Specialties: 2% flex compensation, 98% health insurance.

Health plans: 17,092 employees, 19,190 dependents covered.

Self-insured clients: Seven administration clients, including six corporations, one multiemployer welfare arrangement.

Self-insured claims: $15 million paid for administration clients. Medical, dental, vision and flexible spending claims adjusted.

Staff: 25, all serving self-insurers only.

Charges: Flat fee per employee per month for administration.

1991 gross revenues: $1.3 million; all from claims services.

PPOs available: Sutter Preferred

Continued on next page

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Continued from previous page
Provider Organization.

Principal officers: Charles Guenther, executive director; Donna Conroy, operations manager; Louise Dwyer, medical services manager; Shirley Hodgdon, claims supervisor; Susan Austin, sales manager.

T

Target Point Administrators Inc.

6 N. Main St., Suite 475, Dayton, Ohio 45402; 513-461-1717; fax: 513-461-3416

Founded: 1990.
Parent company: Centennial 2000 Life & Health Insurance Co. of Ohio Inc.
Business: 95% claims administration, 5% other services.
Region served: Nationwide.
Specialties: 10% flex compensation, 90% health insurance.
Health plans: 3,500 employees, 6,000 dependents covered.
Self-insured clients: 247 administration clients, all corporations.
Self-insured claims: $7.4 million paid for administration clients.
10 claims-auditing projects conducted.
Staff: 35, all serving self-insurers only.
Charges: Per employee per month for administration.
1991 gross revenues: $14 million; $560,000 from claims services.
Principal officers: John L. Johnson, president; Donald C. Bailey, secretary/treasurer; Philip Cox, marketing director; Linda Hartbarger, claims manager; Sheila Bauer, manager-administration.
Membership: SIIA.

Tayson Insurance Administrators

54 Corporate Park, Irvine, Calif. 92714; 714-274-7915; fax: 714-274-7917

Founded: 1983.
Business: 100% claims administration.
Region served: Nationwide.
Specialties: 100% health insurance.
Health plans: 16,000 employees, 25,000 dependents covered.
Self-insured clients: 37 administration clients, including eight association plans, 29 corporations.
Self-insured claims: $24 million paid for administration clients.
Staff: 23, all serving self-insurers only.
Charges: Per employee per month, $6.50 to $9.50 for administration.
Branch offices: Riverside and Oxnard, Calif.
Subsidiaries: Benefits Consulting Service, Costa Mesa, Calif.
Principal officers: Ruberta J. Taylor, president; Ivan K. Stevenson, chief financial officer; Glen E. Michael, claims administrator; Constance Zoller, claims manager; Steven Williams, internal auditor.
Membership: Southern California Assn. of Benefit Plan Administrators, Orange County Employee Benefit Council.

Third Party Administrators Inc.

1733 Park St., Suite 300, Naperville, Ill. 60563; 708-416-1111; fax: 708-416-9962

Founded: 1979.
Business: 70% claims administration, 25% claim adjusting, 5% other services, including claim fee negotiation services.
Region served: Nationwide.
Specialties: 10% flex compensation, 85% health insurance, 5% life.
Health plan: 12,000 employees; 30,000 dependents covered.
Self-insured clients: 40 administration clients, including 38 corporations, two multiemployer plans.
Self-insured claims: $21.6 million paid for administration clients.
Staff: 60; 47 serving self-insurers only.
Charges: Capitated fee per employee per month, $5 to $9 for administration.
Branch offices: Sales offices in Columbus, Ohio.
1991 gross revenues: $6.5 million; $2.5 million from claims services.
PPOs available: Parkside Health Management, Preferred Care Network, Preferred Plan.
Principal officers: Philip E. Spicer, president; Ronald E. Hoke, vp-sales; Patricia M. Toledano, vp-administration; Kerry L. Bradle, vp-claims.
Membership: SIIA, SPBA.

Total Benefit Services Inc.

225 Baronne, Suite 914, New Orleans, La. 70112; 504-596-3150; fax: 504-596-3172

Founded: 1972.
Business: 100% claims administration.
Region served: Nationwide.
Specialties: 100% health insurance.
Health plans: 25,000 employees, 41,500 dependents covered.
Self-insured clients: Nine administration clients, including four corporations, one public/government entity, four union-sponsored plans.
Self-insured claims: $35 million paid for administration clients.
Staff: 35, all serving self-insurers only.
Charges: Per employee per month, $3.50 to $12 for administration.
Branch offices: Sales offices in Baton Rouge, La.
1991 gross revenues: $1 million, all from claims services.
PPOs available: Healthcare Advantage, CAPP Care, Southeast Medical Alliance.
Principal officers: A. Michael Lawrence, president/chief executive officer; Sandra DeBlanc, executive vp/secretary/treasurer.
Membership: SPBA.

Total Plan Administrators Inc.

65 Jackson Drive, Cranford, N.J. 07016; 908-272-1616; fax: 908-272-1626

Founded: 1989.
Parent company: Blue Cross & Blue Shield of New Jersey.
Business: 100% claims administration.
Region served: Nationwide.
Specialties: 100% health insurance.
Health plans: 33,000 employees, 76,000 dependents covered.
Self-insured clients: 16 administration clients, including one association plan, 10 corporations, three public/government entities, two union-sponsored plans.
Self-insured claims: $40 million paid for administration clients.
Staff: 23, all serving self-insurers only.
Charges: Per capita for administration.
Principal officers: Terence L. Byrd, executive vp/chief operating officer; Emmett A. King, director-marketing.
Membership: IFEBP, NAEBA, SPBA.

Total Program Administrators

4914 W. Marshall St., Richmond, Va. 23230; 804-354-4042; fax: 804-354-4114

Founded: 1987.
Parent company: Blue Cross & Blue Shield of Virginia.
Business: 100% claims administration.
Region served: Virginia, North Carolina, Washington, D.C., Maryland.
Specialties: 1% disability, 17% flex compensation, 82% health insurance.
Health plans: 56,800 employees, 73,840 dependents covered.
Self-insured clients: 79 administration clients, including 76 corporations, three public/government entities.
Self-insured claims: $110 million paid for administration clients.
Staff: 107, all serving self-insurers only.
Charges: Per employee for administration.
Branch offices: Sales offices in Baltimore; Raleigh, N.C.; Richmond, Va.
1991 gross revenues: $7.6 million, all from claims services.
Principal officers: William D. Monday Jr., president; Jim LePrell, director-marketing; Hubie Register, director-operations; Stephen R. Hall, chief financial officer.
Membership: SIIA.

The Travelers Plan Administrators Inc.

1 Tower Square-1MS, Hartford, Conn. 06183; 203-277-1116; fax: 203-954-5479

Founded: 1985.
Parent company: Travelers Corp.
Business: 95% claims administration, 2% claims auditing, 3% other services.
Region served: Nationwide.
Specialties: 5% disability, 10% flex compensation, 85% health insurance.
Health plans: 374,136 employees, 1,028,874 dependents covered.
Self-insured clients: 519 administration clients, including four association plans, 465 corporations, 50 public/government entities.
16 adjusting clients, including two association plans, 13 corporations, one public/government entity.
Self-insured claims: $1.2 billion paid for administration clients. 20 claims-auditing projects conducted.
Staff: 495, all serving self-insurers only.
Charges: Per capita rating basis for administration.
Branch offices: Sales offices nationwide.
Subsidiaries: The TPA of Arizona Inc.; The TPA of California Inc.; The TPA of California Inc.; The TPA of Connecticut Inc.; The TPA of Florida Inc.; The TPA of Illinois Inc.; The TPA of Minnesota Inc.; The TPA of Ohio Inc.; The TPA of Pennsylvania Inc.; The TPA of Tennessee Inc.; The TPA of Texas Inc.; and The TPA of Washington Inc.
1991 gross revenues: $32 million, all from claims services.
PPOs available: THN, HRM, Preferred Network, Crawford, Select Care, HCN, CCN.
Principal officers: Stephen F. Rasnick, president; Ronald Binder, chief financial officer; Jeffrey Carter, vp-sales; John Barber, vp-operations.
Membership: SIIA.

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U

Underwriters & Administrators

6345 Flank Drive, P.O. Box 6250, Harrisburg, Pa. 17112; 717-652-8040; fax: 717-652-8328

Founded: 1977.
Business: 70% claims administration, 30% other services, including pension administration, consulting, employee benefits design.
Region served: Nationwide.
Specialties: 10% disability, 20% flex compensation, 70% health insurance.
Health plans: 32,000 employees, 78,000 dependents covered.
Self-insured clients: 65 administration clients, including 33 corporations, 30 multiemployer plans, two public/government entities.
Self-insured claims: $19 million paid for administration clients.
Staff: 50; 40 serving self-insurers only.
Charges: Per capita for administration.
1991 gross revenues: $2 million; $1.9 million from claims services.
PPOs available: Alliance.
Principal officers: Stanford F. Golin, president; Donald Evans, senior vp; Steven Golin, vp.
Membership: IFEBP, SIIA, SPBA.

United Medical Resources Inc.

2343 Auburn Ave., Cincinnati, Ohio 45219; 513-651-3737; fax: 513-651-4356

Founded: 1983.
Business: 84% claims administration, 16% other services, including preadmission/admission review, second surgical opinion program.
Region served: Nationwide.
Specialties: 1.5% disability, 2.3% flex compensation, 96.2% health insurance.
Health plans: 124,000 employees, 129,000 dependents covered.
Self-insured clients: 142 administration clients; including 140 corporations, two public/government entities.
Self-insured claims: $132 million paid for administration clients.
Staff: 120; 115 serving self-insurers only.
Charges: Per employee per month for administration.
1991 gross revenues: $6.5 million; $6.2 million from claims services.
PPOs available: Ohio Health Plan/CAPP Care, Universal Preferred Health Network.
Principal officers: Victoria B. Buyniski, president.
Membership: SPBA, SIIA, IFEBP, Employer Council on Flexible Compensation, American Assn. of Preferred Provider Organizations, UserFacts.

Usable Administrators

320 W. Capitol, Suite 500, Little Rock, Ark. 72201; 501-378-3719; fax: 501-378-3732

Founded: 1983.
Parent company: Arkansas Blue Cross & Blue Shield.
Business: 100% claims administration.
Region served: Nationwide.
Specialties: 100% health insurance.
Health plans: 50,000 employees, 120,000 dependents covered.
Self-insured clients: 200 administration clients, all corporations.
Self-insured claims: $100 million paid for administration clients.
Staff: 80, all serving self-insurers only.
Charges: Per employee per month, $5 to $15 for administration.
1991 gross revenues: $5 million; all from claims services.
PPOs available: Usable PPO.
Principal officers: Mike Brown, Jim Bailey, Joy Deaton.
Membership: SIIA.

V

Variable Protection Administrators Inc.

6902 Pearl Road, Suite 500, Lincoln Tower, Cleveland, Ohio 44130; 216-884-8585; fax: 216-884-2130

Founded: 1968.
Business: 100% claims administration.
Region served: Nationwide.
Specialties: 100% health insurance.
Health plans: 2,300 employees, 4,200 dependents covered.
Self-insured clients: 55 administration clients, including 50 corporations, five public/government entities.
55 adjusting clients, including 50 corporations, five public/government entities.
Self-insured claims: $5.9 million paid for administration clients.
Staff: 27; 24 serving self-insurers only.
Charges: Flat fee for administration. Flat fee per claim charge or cost plus charges for adjusting.
Subsidiaries: VPA Insurance Ltd., Hamilton, Bermuda.
1991 gross revenues: $914,100; $498,000 from claims services.
Principal officers: David Manley, president; Timothy M. Eisenmann, vp-operations; Susan Maddock, vp; David Campbell, director.
Membership: Northeast Ohio Claim Assn., SIIA, SPBA.

Voluntary Plan Administrators Inc.

23622 Calabasas Road, Suite 250, Calabasas, Calif. 91302; 818-591-9444; fax: 818-591-7664

Founded: 1979.
Business: 90% claims administration, 5% claim adjusting, 5% claims auditing.
Region served: Nationwide.
Specialties: 100% disability.
Self-insured clients: 225 administration clients, including 224 association plans, one public/government entity.
Self-insured claims: $50 million paid for administration clients. Self-insured, short-term disability, long-term disability, sick pay and salary continuation plans claims adjusted. Three claims-auditing projects conducted.
Staff: 85, all serving self-insurers only.
Charges: Percentage of covered payroll for administration. Hourly, $75 to $250 for adjusting and auditing.
Branch offices: Administrative offices in Santa Clara, Calif.
1991 gross revenues: $3.8 million, all from claims services.
Principal officers: John H. Bredehorn, president.
Membership: SIIA, SPBA, California Manufacturers Assn.

Volusia Health Network

111 N. Frederick Ave., Suite 500, Daytona Beach, Fla. 32114-3414; 904-253-2198; fax: 904-255-6130

Founded: 1986.
Parent company: Halifax Medical Center.
Business: 90% claims administration, 10% other services, including PPO services.
Region served: Florida.
Specialties: 100% health insurance.
Health plans: 2,000 employees, 1,100 dependents covered.
Self-insured clients: Two administration clients, both public/government entities.
Self-insured claims: $2.1 million paid for administration clients.
Staff: Eight; four serving self-insurers only.
Charges: Per enrollee per month for administration.
Principal officers: David Seal, president; Ron Rees, vp; Edward J. Heverin, secretary/treasurer.
Membership: Florida Claims Assn.

W

Western States Administrators

5130 E. Clinton Way, Fresno, Calif. 93727; 209-251-4861

Founded: 1972.
Parent company: NAC Corp.
Business: 20% claims administration, 80% other services, including fully insured plan claims administration.
Region served: Nationwide.
Specialties: 15% flex compensation, 85% health insurance.
Health plans: 13,000 employees, 13,670 dependents covered.
Self-insured clients: 41 adjusting clients, including 34 corporations, multiemployer plans, seven public/government entities.
Self-insured claims: $75 million paid for administration clients. Medical, dental and vision claims adjusted.
Staff: 50, all serving self-insurers only.

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Continued from previous page

Charges: Per employee and dependent per month for administration.

Branch offices: Sales offices in Sacramento, San Jose and Los Angeles, Calif.

1991 gross revenues: $10 million; $2.2 million from claims services.

PPOs available: American Health Network, Interplan, PPO Alliance, Preferred Health Network, USA Healthnet, Pro America.

Principal officers: Robert H. Rath, president; Frank Shanahan, senior vp/chief financial officer; Robert Ornellas, secretary; Keith Gregory, assistant treasurer/assistant secretary; Dave Kuszmar, vp-health services division.

Membership: Independent Administrators Assn. of California, SIIA, SPBA.

Willis Corroon of New Hampshire

95 S. Main St., P.O. 5003, Rochester, N.H. 03867; 603-332-5800; fax: 603-332-3481

Founded: 1905.

Parent company: Willis Corroon P.L.C.

Business: 100% claims administration.

Region served: Nationwide.

Specialties: 10% disability, 85% health insurance, 5% miscellaneous.

Health plans: 8,800 employees, 5,600 dependents covered.

Self-insured clients: 40 administration clients, including 38 corporations, one multiemployer welfare arrangement, one union-sponsored plan.

Self-insured claims: $32 million paid for administration clients.

Staff: 26, all serving self-insurers only.

Charges: Per employee per month, percentage, flat fee or per check for administration.

Principal officers: Kenneth Kendall, president; David Hampson, executive vp.

Membership: IFEBP. ■

TPA directory lists property/casualty claims specialists

A

The ASU Group

2120 University Park Drive, P.O. Box 77, Okemos, Mich. 48854; 517-349-6700; fax: 517-349-9053

Founded: 1952.

Business: 9% claims administration, 5% claim adjusting, 0.5% claims auditing, 85.5% other services, including adjusting for insurers, fire investigations, rehabilitation counseling, vocational counseling, medical case management.

Region served: Nationwide.

Specialties: 15% general liability, 75% workers compensation, 10% liquor liability and specialty programs.

Self-insured clients: Five administration clients, all association plans.

151 adjusting clients, including 125 corporations, 26 public/government entities.

10 auditing clients, all association plans.

Self-insured claims: $46 million paid for administration clients. Workers Compensation, general liability, commercial auto, property, products and pollution claims adjusted. 10 claims-auditing projects conducted.

Staff: 320; 47 serving self-insurers only.

Charges: Percent of premium volume for administration. Percentage of premium, fee per case, time and expense for adjusting. Time and expense or fee per case for auditing.

Branch offices: Administrative offices in Livonia and Grand Rapids, Mich.; Edina and Minneapolis, Minn. 45 sales offices nationwide.

Subsidiaries: Adjusting Services Unlimited Inc., Adjusting Services Unlimited Inc. of Minnesota, Recovery Unlimited Inc. and Fire Origin & Cause Investigations.

1991 gross revenues: $17 million; $2.5 million from claims services.

Principal officers: J.R. Matthews, president/chief executive officer; Mike Csom, executive vp; S.T. Brooks, secretary, L.C. Musser, treasurer; Jim Gabel, vp-operations.

Membership: SIIA, National Panel of Selected Adjusting Cos.

Alexsis Inc.

41000 W. Seven Mile Road, Northville, Mich. 48167; 313-348-2202; fax: 313-348-1564

Founded: 1932.

Parent company: Alexander & Alexander Inc.

Business: 90% claims administration, 10% other services, including excess coverage marketing, loss control consulting.

Region served: Nationwide.

Specialties: 5% automobile, 20% general liability, 5% property damage, 70% workers compensation.

Self-insured clients: 3,500 administration clients, including 75 association plans, 3,015 corporations, 410 public/government entities.

Self-insured claims: $936 million paid for administration clients.

Staff: 1,800; all serving self-insurers only.

Charges: Per claim fee, percentage of premium, time and expense for administration, adjusting, auditing.

Branch offices: 64 administrative and sales offices nationwide.

Subsidiaries: Corporate Service Inc., Livonia, Mich.; Summit Consulting Inc., Lakeland, Fla.

1991 gross revenues: $109 million, all from claims services.

Principal officers: Clyde K. Hensley, president/chief executive officer; Richard A. Schacht, treasurer; Timothy J. Ermatinger, M. Ollie Parker, Ronald F. Proffer, executive vps.

Membership: SIIA.

Allied Claim Services Inc.

372 Ellen Drive, P.O. Box 488, Buffalo, N.Y. 14225-0488; 716-631-9505; fax: 716-631-0226

Founded: 1959.

Business: 42% claims administration, 35% claim adjusting, 23% other services including investigation, adjustment and administration of claims for insurance companies.

Region served: New York, Ohio, Pennsylvania, southern Ontario.

Specialties: 28% automobile, 41% general liability, 1% professional liability, 9% property damage, 21% workers compensation.

Self-insured clients: 24 administration clients, including three association plans, 15 corporations, six public/government entities.

Self-insured claims: $3.5 million paid for administration clients. General liability, workers compensation, automobile, property damage and professional liability.

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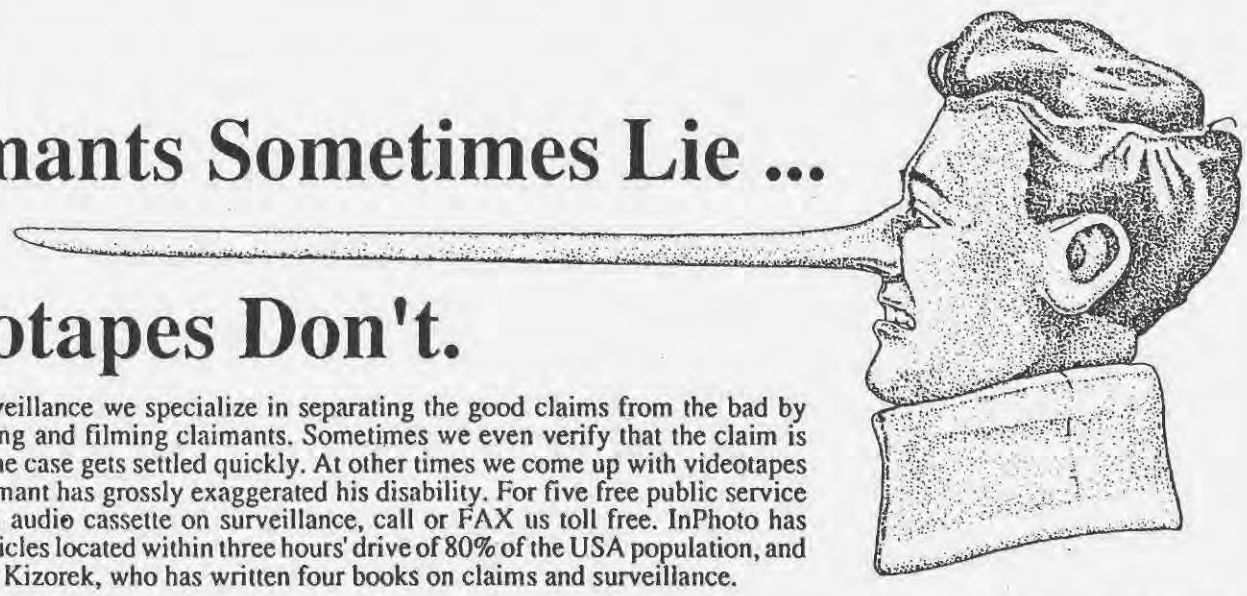
Claimants Sometimes Lie ...



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Staff: 31; 17 serving self-insurers only.

Charges: Per claims, flat rate, contract for administration. Hourly time and expense for adjusting. On contract basis plus expenses for auditing.

Principal officers: Gregory J. Dendler, president; Paul J. Nowak, Patrick H. Dendler, vps; Edward E. Gress, assistant vp; Michael S. O'Shei, property manager.

Membership: CPCU, NAIIA, IAIABC, National Council of Self-Insureds, New York State Self-Insureds.

American Professional Risk Services Inc.

2 Ravinia Drive, Suite 610, Atlanta, Ga. 30346; 404-512-8916; fax: 404-512-8966

Founded: 1989.

Business: 85% claims administration, 4% claim adjusting, 10% claims auditing, 1% other services, including claims and reserve auditing.

Region served: Nationwide.

Specialties: 1% automobile, 1% general liability, 98% workers compensation.

Self-insured clients: 17 administration clients, including one association plan, 16 corporations.

Self-insured claims: $7.2 million paid for administration clients. Two claims-auditing projects conducted.

Staff: 10; eight serving self-insurers only.

Charges: Percentage of premium, 2% to 6%, for administration. Time and expense, $46.50 to $92.75, for auditing. Time and expense, $46.50 to $92.75, for adjusting.

Subsidiaries: American Professional Risk Services Inc., Risk Management Consulting, AmPro Underwriting Managers Ltd., Captive Management and Underwriting Services.

Principal officers: H.L Davis, chief executive officer; William F. Faulkinberry, assistant vp; T.M. Breinich, assistant secretary/treasurer; D.S. Kennedy, vp-marketing.

Membership: Atlanta Claims Assn.

ARISCO

417 Montgomery St., Suite 600, San Francisco, Calif. 94101-1115; 415-986-3999; fax: 415-986-4421

Business: 40% claims administration, 60% other services, including insurance brokerage and other self-insured insure functions.

Region served: California, Nevada, Arizona, Washington, Oregon.

Specialties: 80% professional liability, 20% directors & officers.

Self-insured clients: Three administration clients, including two association plans, one corporation.

Self-insured claims: $10 million paid for administration clients.

Staff: 40; 34 serving self-insurers only.

Charges: Annually negotiated, paid monthly for administration.

Branch offices: Administrative and sales offices in Los Angeles, San Diego. Additional administrative offices in Reno, Nev.

1991 gross revenues: $3.3 million; $1.4 million from claims services.

Principal officers: Aaron Richardson, president/chief executive officer; Ron Shepherd, chief operating officer; Emily Davis Clark, senior vp/executive director of claims; Sandy Mahon, senior vp; Connie Weisman, senior vp-client services.

Associated Claims Enterprises Inc.

10 S. LaSalle St., Chicago, Ill. 60603-1099; 312-263-1620; fax: 312-580-0106

Founded: 1985.

Parent company: Cameron General Group.

Business: 90% claims administration, 10% claims auditing.

Region served: Nationwide.

Specialties: 10% general liability, 80% professional liability, 10% miscellaneous.

Self-insured claims: Professional liability, general liability claims adjusted.

Staff: 10.

Principal officers: John Hendrickson, president; Kathie Wyatt, assistant vp; Anne Jaskula, claims counsel.

Membership: SIIA.

Associated Claims Management Inc.

390 N. Wiget, P.O. Box 31077, Walnut Creek, Calif. 94598; 510-930-9883; fax: 510-930-7268

Founded: 1982.

Business: 90% claims administration, 5% claim adjusting, 3% claims auditing, 2% other services, including management information services and loss prevention services.

Region served: California, Nevada, Arizona, New Mexico.

Specialties: 2% automobile, 20% general liability, 3% property damage, 75% workers compensation.

Self-insured clients: 170 administration clients, including 95 corporations, 75 public/government entities.

35 adjusting clients, including 25 corporations, 10 public/government entities.

Three auditing clients, including two corporations, one public/government entity.

Self-insured claims: $160 million paid for administration clients. Workers compensation, general liability, property damage and auto liability claims adjusted. Three claims auditing projects conducted.

Staff: 300, 265 serving self-insurers only.

Charges: Negotiated annual fee or per claim charge for administration. Time and expense for adjusting. Negotiated fee or time and expense for auditing.

Branch offices: Administrative and sales offices in Brea, Santa Clara and Pleasanton, Calif.; Phoenix.

Subsidiaries: Advanced Loss Services Inc., Walnut Creek and Brea, Calif.

1991 gross revenues: $15 million.

PPOs available: Community Care Network.

Principal officers: Thomas R. Leonard, chairman/chief executive officer; Bartholomew G. Nyhan, president/chief operating officer; Roberta Penarelli, executive vp; David F. Nolan, president-Santa Clara Division; Gary S. Graham, vp-administration.

Membership: California Administrative Services Organization, Diablo Valley Industrial Claims Assn.

Atlantic States Adjustment Inc.

572 W. Main St., P.O. Box 812, Trappe, Pa. 19426; 215-489-0600 or 800-933-2524; fax: 215-489-4190

Founded: 1990.

Business: 80% claims administration, 10% claim adjusting, 10% other services, including specialized investigations for insurance carriers.

Region served: Pennsylvania, New Jersey.

Specialties: 80% automobile, 10% general liability, 5% property damage, 5% workers compensation.

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

Four adjusting clients, all corporations.

Self-insured claims: $1.2 million paid for administration clients. Auto, general liability and liquor liability claims adjusted.

Staff: 14; nine serving self-insurers only.

Charges: Flat rate and expenses for administration. Time and expense for adjusting and auditing.

Branch offices: Administrative offices in Harrisburg and Allentown, Pa.; Tuckerton, N.J.

Subsidiaries: ASA Investigations, ASA Environmental Inc., The ASA Group Inc.

1991 gross revenues: $500,000.

Principal officers: Stephanie J. Hallman, paralegal/litigations coordinator; Neil J. Piazza, director-field operations; Robert J. Spadaccino, claims manager; Donald G. Flynn, president.

Axia Services Inc.

45 Glastonbury Blvd., Glastonbury, Conn. 06033; 203-659-6700; fax: 203-659-4461

Founded: 1972.

Parent company: Aetna Life & Casualty Co.

Business: 40% claims administration, 40% claim adjusting, 5% claims auditing, 15% other services.

Region served: Nationwide.

Specialties: 5% automobile, 2% bonds, 5% general liability, 3% property damage, 85% workers compensation.

Self-insured clients: 157 administration clients, including two association plans, 140 corporations, 15 public/government entities.

Staff: 6,500; 3,670 serving self-insurers only.

Charges: Per claim fee for administration and adjusting. Flat fee for auditing.

Branch offices: Sales offices in Atlanta; Boston; Charlotte, N.C.; Chicago; Cleveland; Dallas; Hartford, Conn.; Los Angeles; New York; Philadelphia; St.

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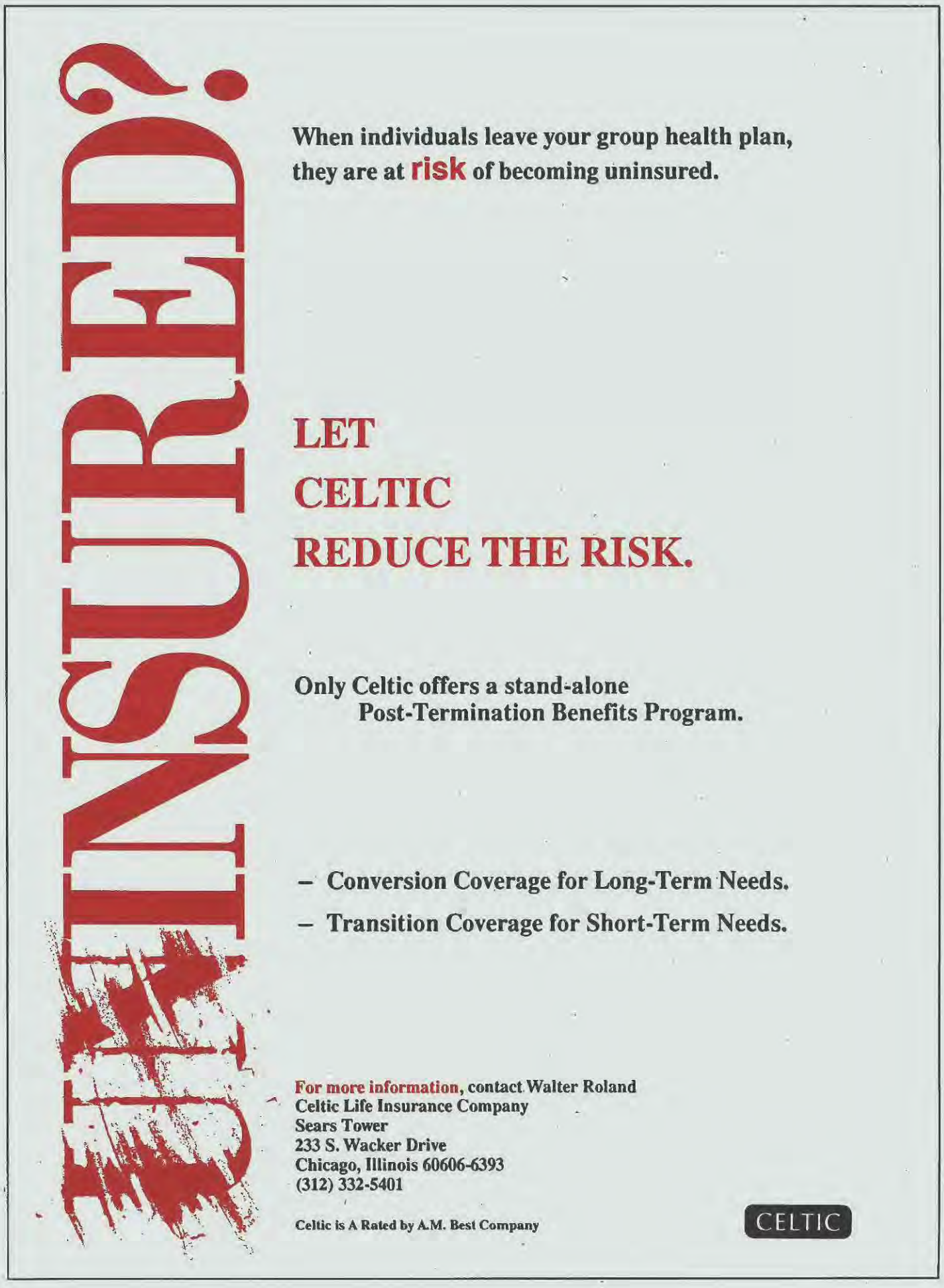

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Louis; San Francisco; Seattle.

1991 gross revenues: $80 million; $70 million from claims services.

PPOs available: Aetna Health Plans, Partners.

Principal officers: Susan Boyers, president; D. Vernon White, Jaca Strohecker, Donna Giuffrida, vps.

Membership: SIIA.

B

Berkley Administrators

8441 Wayzata Blvd., First Floor, Minneapolis, Minn. 55426; 612-544-0311; fax: 612-591-7404

Founded: 1979.

Parent company: W.R. Berkley Corp.

Business: 100% claims administration.

Region served: Minnesota, Oklahoma, Texas.

Specialties: 1% automobile, 1% general liability, 2% property damage, 96% workers compensation.

Self-insured clients: 1,433 administration clients, including 1,400 association plans, 25 corporations, eight public/government entities.

Self-insured claims: $69 million paid for administration clients.

Staff: 285.

Charges: Percentage of premium equivalent for administration.

Branch offices: Administrative offices in Tulsa, Okla.; Dallas.

1991 gross revenues: $21 million; all from claims services.

Principal officers: Ernest Kallgren, president; Stephen Letak, executive vp; Ronald M. Holbach, vp (Minneapolis); Gerald Mitchell, president (Tulsa, Okla.); James Gresham, president (Dallas).

Berkley Risk Services Inc.

1401 W. 76th St., Suite 500, Minneapolis, Minn. 55423; 612-861-8600; fax: 612-861-8643

Founded: 1984.

Parent company: W.R. Berkley Corp.

Business: 50% claims administration, 5% claim adjusting, 5% claims auditing, 40% other services.

Region served: Minnesota, Arizona, Colorado.

Specialties: 20% automobile, 50% general liability, 2% inland marine, 15% professional liability, 10% property damage, 3% workers compensation.

Self-insured clients: 1,006 administration clients, including six association plans, 1,000 public/government entities. 306 adjusting clients, including six association plans, 100 corporations, 200 public/government entities.

Self-insured claims: $10.1 million paid for administration clients. General liability, automobile, property and workers compensation claims adjusted.

Staff: 70; 15 serving self-insurers only.

Charges: Function of premium or equivalent for administration. Time and expense for adjusting and auditing.

Branch offices: Administrative and sales offices in Minneapolis, Phoenix, Denver. Additional sales offices in Nashville, Tenn.; Atlanta.

Subsidiaries: DIS Inc., Denver; Southwest Risk Services Inc., Phoenix; Arizona Claims Inc., Phoenix; Allied Adjusters Inc., Minneapolis.

1991 gross revenues: $3.6 million; $1.2 million from claims services.

Principal officers: Leland P. Johnson, senior vp (Berkley Risk Services); Robert A. Wiesbrod, assistant vp (Berkley Risk Services); Peter J. Huber, president (Allied Adjusters); Carlton R. Simmons, president (Arizona All Claims).

Membership: Twin Cities Claims Assn., Arizona Insurance Claims Assn.

Gregory B. Bragg & Associates Inc.

1 Sierra Gate Plaza, Suite 230 A, Roseville, Calif. 95678; 916-783-0100 or 800-422-7244; fax: 916-783-0338

Founded: 1986.

Business: 65% claims administration, 3% claim adjusting, 2% claims auditing, 30% other services, including safety and loss control.

Region served: California.

Specialties: 10% automobile, 35% general liability, 2% professional liability, 3% property damage, 50% workers compensation.

Self-insured clients: 69 administration clients, including one corporation, 68 public/government entities. Six adjusting clients, including four corporations, two public/government entities. Three auditing clients, including one corporation, two public/government entities.

Self-insured claims: Auto, general liability claims adjusted. Two claims-auditing projects conducted.

Staff: 45; 30 serving self-insurers only.

Charges: Annual flat rate plus time and expense for administration. Time and expense for adjusting. Flat rate for auditing.

Branch offices: Administrative offices in Sacramento, Chico, Fairfield, Stockton and Redding, Calif. Sales offices in Roseville, Calif.

1991 gross revenues: $2.4 million; $2 million from claims services.

Principal officers: Gregory B. Bragg, president; Lee Collins, vp; D.M. Grassinger, Bob Gregan, treasurers, Jeff Kimball, director-finance and administration.

Membership: California Assn. of Independent Insurance Adjustors.

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C

CDS of Nevada Inc.

575 E. Plumb Lane, Reno, Nev. 89509; 702-323-0555; fax: 702-323-5634

Founded: 1980.

Business: 90% claims administration, 10% other services, including auditing of employers insured by state fund.

Region served: Nevada, Utah.

Specialties: 100% workers compensation.

Self-insured clients: 30 administration clients, including 26 corporations, four public/government entities. 12 auditing clients, all corporations.

Self-insured claims: $14 million paid for administration clients.

Staff: 21; 19 serving self-insurers only.

Charges: Flat fee for administration and auditing.

Branch offices: Administrative and sales offices in Las Vegas, Nev.

Principal officers: L.R. Zimmerman, president; C.J. Verre, vp; R.L. Gresham, secretary.

Cardinal Claim Service Inc.

100 Stewart Ave., Hicksville, N.Y. 11802-9013; 516-931-7585; fax: 516-931-3068

Founded: 1954.

Business: 20% claims administration, 60% claim adjusting, 20% other services.

Region served: Nationwide.

Specialties: 60% automobile, 40% general liability.

Charges: Time and expense, contract or flat rate for administration. Time and expense for adjusting. Contract for auditing.

Branch offices: Administrative offices in Brooklyn, Nanuet and Syracuse, N.Y.

Principal officers: John Tynan, chief executive officer; Charles J. Umbach, president; Erik Himelein, vp-casualty operations; Richard Delaney, vp-financial operations.

Membership: National Assn. of Independent Insurance Adjusters, New York Assn. of Independent Insurance Adjusters, Loss Executive Assn.

Caronia Corp.

395 N. Service Road, Corporate Center, Suite 200, Melville, N.Y. 11747; 800-227-6642; fax: 516-845-5001

Founded: 1969.

Business: 50% claims administration, 10% claim adjusting, 25% claims auditing, 15% other services, including representing major primary and excess insurers, domestic and foreign, claims management assessment, excess claims auditing and monitoring, loss settlement consulting.

Region served: Nationwide.

Specialties: 10% general liability, 70% professional liability, 10% workers compensation, 10% product liability.

Self-insured clients: 120 administration clients, including five association plans, 106 corporations, nine public/government entities. 66 auditing clients, including seven association plans, 54 corporations, five public/government entities.

Self-insured claims: Hospital professional liability, physician professional liability, product and general liability claims adjusted. 61 claims

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auditing projects conducted.

Staff: 175; 105 serving self-insurers only.

Charges: Fixed fee or time and expense, $60 to $75 per hour, for administration. Fixed fee or time and expense, $50 to $65 per hour for adjusting. Per file or time and expense, $75 to $125 per hour for auditing.

Branch offices: Administrative and sales offices in Albany, N.Y.; Atlanta; Boston; Chicago; Dallas; Denver; Houston; Los Angeles; Louisville, Ky.; Miami; Nashville, Tenn.; New Orleans; New York; San Diego, San Francisco and Santa Monica, Calif.; St. Louis; Tampa, Fla.; Washington, D.C.

Principal officers: Charles A. Caronia, president; Carl Ferdenzi, Randall Brent and Joseph Constantino, executive vps.

Membership: Assn. of Independent Insurance Adjusters.

The Center for Claims Resolution Inc.

116-300 Village Blvd., Princeton, N.J. 08540; 609-520-6800; fax: 609-520-6801

Founded: 1988.

Business: 60% claims administration, 40% other services, including litigation management.

Region served: Nationwide.

Specialties: 100% toxic tort litigation management.

Self-insured clients: 20 administration clients, all corporations.

Self-insured claims: $100 million paid for administration clients.

Staff: 99.

Charges: Cost plus for administration.

Branch offices: Administrative offices in Richardson, Texas; San Ramon, Calif.

1991 gross revenues: $100 million.

Principal officers: Lawrence Fitzpatrick, president/chief executive officer; Michale F. Rooney, chief operating officer; Joseph J. Jordon, chief financial officer.

Chubb Services Corp.

25 Independence Blvd., Warren, N.J. 07059; 908-580-7170; fax: 908-580-7187

Founded: 1991.

Parent company: Chubb & Son Inc.

Business: 5% claims administration, 90% claim adjusting, 5% claims auditing.

Region served: New Jersey, Massachusetts, Maine, New York, Connecticut, Rhode Island, Pennsylvania, New Hampshire.

Specialties: 100% workers compensation.

Staff: 10, all serving self-insurers only.

Charges: Percentage of premium, 5% to 8%, for administration. Per claim, $75 to $650, for adjusting. Per hour, $100 to $225, for auditing.

Branch offices: Administrative and sales offices in Framingham, Mass.

Principal officers: William Frey, president; Henry Gulick, vp/secretary; Phillip Sompier, vp/treasurer.

Membership: SIIA.

Claim Indemnity Services Inc.

P.O. Box 26227, Oklahoma City, Okla. 73126; 405-947-7660; fax: 405-942-5840

Founded: 1981.

Business: 55% claims administration, 26% claim adjusting, 1% claims auditing, 18% other services.

Region served: Nationwide.

Specialties: 65% automobile, 10% general liability, 5% inland marine, 20% workers compensation.

Self-insured clients: 15 administration clients, including 13 corporations, two public/government entities.

Self-insured claims: $3.7 million paid for administration clients. Auto liability and cargo claims adjusted. Two claims-auditing projects conducted.

Staff: Six; four serving self-insurers only.

Charges: Monthly fee, $250 to $6,000, for administration. Per hour, $50 plus expenses for adjusting and auditing.

1991 gross revenues: $272,484; $224,104 from claims services.

Principal officers: Wayne M. Osmond, president; John G. Sullivan, vp; Brian G. Sullivan, treasurer; Fioretta Sullivan, secretary.

Claim Strategies Inc.

115 Cedar St., Providence, R.I. 02903; 401-331-6244; fax: 401-831-1941

Founded: 1988.

Business: 100% claims administration.

Region served: Rhode Island.

Specialties: 100% workers compensation.

Self-insured clients: 15 administration clients including 14 corporations, one multiemployer plan.

Self-insured claims: $2.8 million paid for administration clients.

Staff: 11, all serving self-insurers only.

Charges: Per month for administration.

1991 gross revenues: $500,000 from claims services.

Principal officers: Derrick Amato, vp-claims.

Membership: Rhode Island Adjusters Assn.

CLAIMCO Inc.

P.O. Box 729, Long Valley, N.J. 07853; 908-832-7752; fax: 908-832-7752

Founded: 1982.

Business: 10% claims administration, 10% claim adjusting, 55% claims auditing, 25% other services, including auditing for regulators, liquidators and reinsurers.

Region served: Nationwide.

Specialties: 15% automobile, 30% general liability, 20% professional liability, 15% workers compensation, 20% reinsurance.

Self-insured clients: Seven administration clients, all corporations. Eight adjusting clients, all corporations. 19 auditing clients, including 13 corporations, six public/government entities.

Self-insured claims: Liquor liability, professional liability, general liability, commercial auto claims adjusted. 19 claims-auditing projects conducted.

Staff: 10; five serving self-insurers only.

Charges: Time and expense, per file, per diem for administration. Time and expense for adjusting. Time and expense, per diem, by contract for auditing.

Branch offices: Administrative and sales offices in Philadelphia.

Principal officers: John M. Monahan, president; Bill Holt and G. Dianuzzo, vps; Kevin Monahan, secretary/treasurer.

Claims Management Services Inc.

360 Market Place, P.O. Box 1447, Roswell, Ga. 30077; 404-998-7411; fax: 404-594-9752

Founded: 1984.

Business: 89% claims administration, 1% claim adjusting, 10% claims auditing.

Region served: Nationwide.

Specialties: 10% automobile, 15% general liability, 25% professional liability, 50% workers compensation.

Self-insured clients: 73 administration clients, including 70 corporations, three public/government entities.

Self-insured claims: $15 million paid for administration clients. Workers compensation, medical malpractice, auto physical damage, product liability, general and auto liability claims adjusted. Two claims-auditing projects conducted.

Staff: 17, all serving self-insurers only.

Charges: Time and expense, $60 to $125 per hour for administration. Flat rate, $50 to $600 per claimant or time and expense, $60 to $100 per hour for adjusting. Per hour, $85 to $150 for auditing.

Branch offices: Administrative and sales offices in Atlanta.

1991 gross revenues: More than $1 million from claims services.

Principal officers: Gene L. Jones, president; Neill C. Stevens, secretary/treasurer/vp.

Constitution State Service Co.

1 Tower Square, Hartford, Conn. 06183; 203-277-3912; fax: 203-277-0142

Founded: 1980.

Parent company: The Travelers Insurance Co.

Business: 70% claims administration, 5% claims auditing, 25% other services, including risk management, loss control.

Region served: Nationwide.

Specialties: 15% automobile, 20% general liability, 5% ocean marine, 5% property damage, 50% workers compensation, 5% environmental.

Clients: Approximately 300 administration clients, including 275 corpora-

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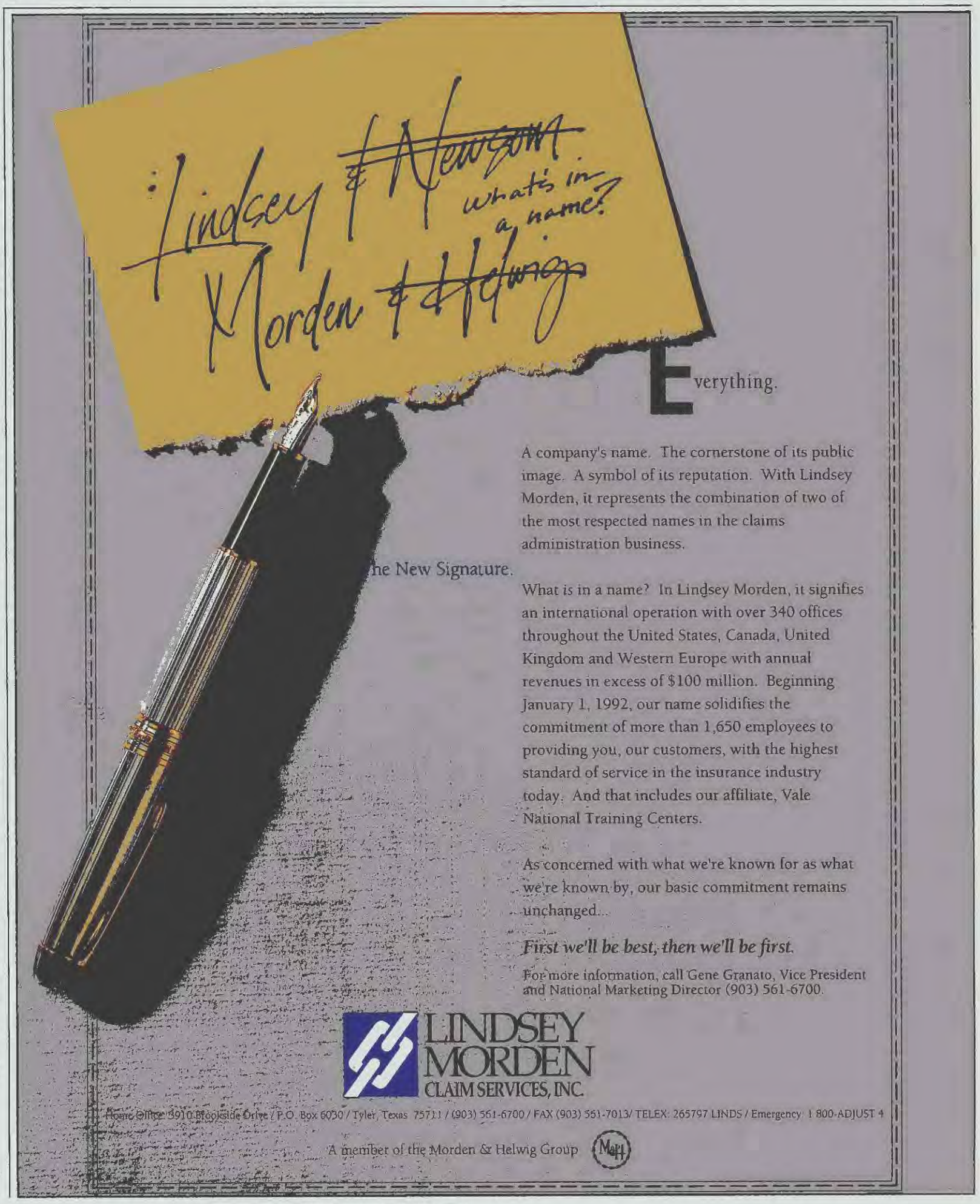

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tions, 25 public/government entities.
Self-insured claims: $400 million paid for administration clients.
Staff: 4,700.
Charges: Percentage of paid or incurred or per claim for administration for administration.
Branch offices: Administrative offices nationwide. Sales offices in New York and Atlanta.
1991 gross revenues: $51.5 million.
PPOs available: Travelers Insurance Co. Network.
Principal officers: Jim Nothem, chairman; Dennis Replogle, president; Robert McGinnis, treasurer.

Continental Loss Adjusting

1 Continental Drive 2-B, Cranbury, N.J. 08570, N.J. 08570; 609-395-2045; fax: 609-395-6303

Founded: 1918.
Parent company: Continental Corp.
Business: 3% claims administration, 7% claim adjusting, 1% claims auditing, 89% other services.
Region served: Nationwide.
Specialties: 20% automobile, 1% bonds, 28% general liability, 2% inland marine, 5% professional liability, 8% property damage, 36% workers compensation.
Staff: 2,830.
Charges: Flat fee for administration. Unit cost for adjusting. Time and expense or flat fee for auditing.
Branch offices: Administrative and sales offices in New York and Glen Falls, N.Y.; Piscataway, N.J.; Boston; York, Pa., Atlanta; Chicago; Columbus, Ohio; Kansas City, Mo.; Dallas; Sacramento and San Francisco, Calif.; Denver; Louisville, Ky.
Subsidiaries: Continental Rehabilitation Services.
1991 gross revenues: $212 million; $18.2 million from claims services.
Principal officers: Darrell Stone, senior vp; Mike Riney, vp; Ibe Elsammak, assistant vp/treasurer; George H. Czerwonka, assistant vp; Malcolm Franklin, secretary.
Membership: SIIA, PRIMA, Risk & Insurance Management Society.

Cook & Co., Workers Compensation Group

737 Webster St., P.O. Box 1068, Marshfield, Mass. 02050; 617-837-7300; fax: 617-837-5668

Founded: 1987.
Business: 100% claims administration.
Region served: Massachusetts.
Specialties: 100% workers compensation.
Self-insured clients: 18 administration clients, including six corporations, 12 public/government entities.
Staff: Eight, all serving self-insured clients only.
Charges: Annual flat fee for administration.
1991 gross revenues: $300,000; all from claims services.
Principal officers: Peter A. Cook.
Membership: SIIA.

Corporate Service Inc.

29500 W. Five Mile Road, P.O. Box 5715, Livonia, Mich. 48151-5715; 313-525-4540; fax: 313-525-2832

Founded: 1932.
Parent company: Alexander & Alexander Services Inc.
Business: 95% claims administration, 5% auditing.
Region served: Nationwide.
Specialties: 3% automobile, 15% general liability, 2% professional liability, 5% property damage, 75% workers compensation.
Self-insured clients: 430 administration clients, including 20 association plans, 360 corporations, 50 public/government entities. 20 auditing clients.
Self-insured claims: $110 million paid for administration clients.
Staff: 400, all serving self-insurers only.
Charges: Fee per claim, percentage of premium, flat fee or time and expense for administration. Time and expense, fee per file or flat negotiated fee for auditing.
Branch offices: Administrative and sales offices in Cleveland; Bentonville, Ark.; Grand Rapids, Mich. Additional administrative offices in Saginaw, Mich., and Indianapolis.
Principal officers: Pete Proffer, president; Donald Fisher, executive vp/chief operating officer; J. Darwin Daniel, senior vp; Daniel Burkland, senior vp-claims.
Membership: SIIA.

Crawford & Co.

5620 Glenridge Drive, P.O. Box 5047, Atlanta, Ga. 30302; 404-256-0830; fax: 404-847-4028

Founded: 1941.
Business: 37.2% claims administration, 10.7% claim adjusting, 52.1% other services, including claims administration and adjusting for fully insured clients, health care management, information systems, risk control, education.
Region served: Worldwide.
Specialties: 16% automobile, 21% general liability, 61% workers compensation, 2% miscellaneous including bonds, inland marine, ocean marine, professional liability.
Self-insured clients: 1,399 administration clients, including 76 association plans, 1,252 corporations, 71 public/government entities.
2,152 adjusting clients, including 84 association plans, 1,985 corporations, 83 public/government entities.
Self-insured claims: $1.9 billion paid for administration clients. Liability, workers compensation, vehicle appraisals, property claims adjusted.
Staff: 9,123.
Charges: Time and expense and per claimant flat rate for administration. Time and expense for adjusting.
Branch offices: 800 administrative offices worldwide. Sales offices in Atlanta; Chicago; Dallas; Los Angeles; New York; Orlando, Fla.; San Francisco; Washington, D.C.; Toronto; Montreal; Edmonton, Alberta; London.
Subsidiaries: Crawford & Co. Insurance Adjusters Ltd., Graham Miller Groups, Risk Sciences Group, Efficient Health Systems, The FPE Group.
1991 gross revenues: $535.6 million; $199.4 million from claims services.
PPOs available: Crawford Care Alliance.
Principal officers: F.L. Minix, chairman/chief executive officer; P.A. Bollinger, executive vp-HealthCare Management Services; D.R. Chapman, executive vp-finance; C.C. Lefler, executive vp-risk management services; F.J. Semancik, executive vp-claims services.
Membership: SIIA.

Peter J. Crosa & Co.

4135 LaVista Road, Suite 610-316, Tucker, Ga. 30085-5003; 404-717-7644; fax: 404-381-9486

Founded: 1987.
Business: 10% claims administration, 90% claim adjusting.
Region served: Nationwide.
Specialties: 75% automobile, 10% general liability, 10% property damage, 5% workers compensation.
Self-insured clients: 10 adjusting clients, all corporations.
Self-insured claims: Commercial and auto claims adjusted. 50 claims-auditing projects conducted.
Staff: 10, all serving self-insurers only.
Charges: Hourly fee for adjusting.
Branch offices: Administrative offices in Atlanta.
Subsidiaries: AAA Surveillance.
Principal officers: Peter J. Crosa, Melissa Dunavant, Clara M. Zellars.

D

Diversified Insurance Services

136 E. South Temple, Suite 2300, Salt Lake City, Utah 84111; 801-532-6387; fax: 801-521-5945

Founded: 1968.
Business: 90% claims administration, 10% other services, including loss control.
Region served: Nationwide.
Specialties: 20% automobile, 40% general liability, 40% workers compensation.
Self-insured clients: 11 administration clients, all corporations.
Self-insured claims: $11 million paid for administration clients.
Staff: 23; 21 serving self-insurers only.
Charges: $65 to $600 per file for administration.
Branch offices: Administrative offices in Boise, Idaho; Albuquerque, N.M.; Phoenix; Portland, Ore.
1991 gross revenues: $1.6 million; $1.4 million from claims services.
Principal officers: Kenneth F. Palmer Jr., president; Timothy P. Foley, senior vp; Jack Barrett and Max McCormick, vps.

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Business Insurance

FREE LITERATURE FOR READERS

Issue Date: JANUARY 27, 1992
Card Expiration: MARCH 23, 1992

All questions must be answered to process inquiries.
PLEASE CHECK ONE ITEM FOR EACH CATEGORY:

1. My organization is best described as:
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C ☐ Union
D ☐ Government
E ☐ Educational Inst
F ☐ Ins Agent
G ☐ Ins Broker
H ☐ Ins/Reins Co
I ☐ Actry/Conslt
J ☐ Attorney
K ☐ Adj/Apprs
L ☐ TPA
M ☐ Healthcare Inst
N ☐ Other _____

2. 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

3. My title is best defined as:
A ☐ Administrative Mgt
B ☐ Financial Mgt
C ☐ Risk Mgt
D ☐ Benefits Mgt
E ☐ Loss prevention Mgt
F ☐ Other _____

4. My purchasing involvement for the requested products is to:
1 ☐ recommend only
2 ☐ specify
3 ☐ approve

5. Do you now receive a personally addressed copy of Business Insurance?
A ☐ Yes
B ☐ No, so please send subscription info

Circle the numbers below that correspond to the companies listed on our Advertiser Index for the **January 27, 1992** issue. Cards with more than 20 items circled will not be processed. This card expires **March 23, 1992.**

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E

Environmental Claims Administrators Inc.

721 E. Lancaster Ave., P.O. Box 184, Downingtown, Pa. 19335; 215-269-3941; fax: 215-269-3948

Founded: 1990.
Parent company: Environmental Compliance Services Inc.
Business: 20% claims administration, 30% claim adjusting, 50% other services, including claims services for insurance companies.
Region served: Nationwide.
Specialties: 100% environmental.
Self-insured clients: 12 administration clients, all corporations. 12 adjusting clients, all corporations.
Staff: 11.
Charges: Time and expense for administration and adjusting.
Subsidiaries: ECS Underwriting Inc., Consulting Services Inc.
1991 gross revenues: $350,000 from claims services.
Membership: SIIA.

ESIS Inc.

1601 Chestnut St., Philadelphia, Pa. 19192-2105; 215-761-6779; fax: 215-761-5434

Founded: 1955.
Parent company: CIGNA Corp.
Business: 67% claims administration, 5% claim adjusting, 3% claims auditing, 25% other services, including loss control and statistical services.
Region served: Nationwide.
Specialties: 40.6% automobile, 30.8% general liability, 0.5% inland marine, 0.2% ocean marine, 0.5% professional liability, 0.3% property damage, 25% workers compensation, 2.1% miscellaneous.
Self-insured clients: 1,130 administration clients.
Self-insured claims: $900 million paid for administration clients. 30 claims-auditing projects conducted.
Staff: 3,878.
Charges: Per claim for administration and adjusting. Flat fee or per diem fee for auditing.
Branch offices: Sales offices in Atlanta, Boston, Chicago, Dallas, Houston, Los Angeles, New York, San Francisco.
Subsidiaries: SIMCO Inc., Boston; IntraCorp; RSI Inc.; CRIS.
PPOs available: CIGNA Healthplan, Community Care Network, FOCUS Healthcare, Compro, Preferred Providers of Michigan, Health Strategies Inc., Med-Focus, The Greenery Rehabiliation, Pharmacy Management Services Inc.
Principal officers: Edward P. Holleran, president; George W. Putnam, vp; Dennis G. McGowan, director-administration; Brian P. O'Hara, director-product management; Gerhard Klinke, director-CRIS.
Membership: SIIA.

F

J.H. Frank & Associates

1638 Virden Drive, Glendale, Calif. 91208; 818-246-7527

Founded: 1985.
Business: 10% claims auditing, 90% other services, including underwriting and claim consulting for self-insurers and reinsurers, consulting for captives and TPAs and provision of forums and personnel for application of alternative dispute resolution.
Region served: Nationwide.
Specialties: 50% general liability, 40% professional liability, 10% workers compensation.
Self-insured clients: Eight auditing clients, including three corporations, five public/government entities.
Staff: Four; one serving self-insured clients only.
Charges: On a contract basis, per day or hour per auditor for auditing.
Branch offices: Sales offices in San Francisco; Jacksonville, Fla.; New York; Madison, N.J.
Principal officers: Jaye Frank, principal; C. Simmons, P.S. Buck and P.R. Majchrowicz, associates.

Frontier Adjusters Inc.

45 E. Monterey Way, Phoenix, Ariz. 85012; 800-528-1187; fax: 800-553-4799

Founded: 1957.
Business: 8% claims administration, 30% claim adjusting, 62% other services.
Region served: Nationwide and Canada.
Specialties: 15% automobile, bonds, 57% general liability, 12% property damage, 16% workers compensation.
Self-insured clients: 57 administration clients, including five association plans, 33 corporations, 19 public/government entities. 336 adjusting clients, including seven association plans, 255 corporations, 74 public/government entities.
Self-insured claims: $24.6 million paid for administration clients. General liability, workers compensation, auto liability claims adjusted.
Staff: 1,490.
Charges: Time and expense, $35 to $45 per hour, for administration and adjusting. $65 per hour plus expenses for auditing.
Branch offices: Administrative and sales offices in more than 500 locations nationwide.
1991 gross revenues: $35 million; $10.5 million from claims services.
Principal officers: William J. Rocke, chief executive officer/president; Jean E. Ryberg, secretary/treasurer; Mike Soltau, executive vp-risk management.

G

GAB Business Services Inc.

9 Campus Drive, Linden Plaza, Parsippany, N.J. 07054; 201-993-3400; fax: 201-993-9579

Founded: 1885.
Parent company: SGS North America Inc.
Business: 29% claims administration, 71% other services, including claims administration for insurance companies, unbundling carriers.
Region served: Nationwide.
Specialties: 19% automobile, 26% general liability, 51% workers compensation, 4% miscellaneous.
Self-insured clients: 645; 22 association plans, 578 corporations, 45 public/government entities. 45 adjusting clients, all corporations.
Self-insured claims: $850 million paid for administration clients. General liability, property, auto liability, workers compensation claims adjusted.
Staff: 3,500.
Charges: Fee per claim, time and expense for administration and adjusting. Time and expense or flat fee for auditing.
Branch offices: Administrative offices in 500 locations nationwide. Sales offices in New York; Philadelphia; Atlanta; Dallas; Chicago; Los Angeles; San Francisco; Minneapolis; Orlando, Fla.; Cleveland; Denver; Seattle; Houston; Phoenix.
Subsidiaries: CH&A, ITS Inc., INS Investigations, Robins Group, Commercial Testing and Engineering Co., Marshall & Stevens Inc., SGS Canada, SGS Control Services Inc., SGS Government Programs Inc., United States Testing Co. Inc.
1991 gross revenues: $235 million.
PPOs available: American International Health Focus Inc.
Principal officers: Richard Simon, chairman/chief executive officer; William Bergs, president/chief operating officer; Joseph Rizzo, executive vp; John Darden, chief financial officer; G. Roger Eiler, senior vp.
Membership: SIIA.

Gates, McDonald & Co.

3 Nationwide Plaza, P.O. Box 1944, Columbus, Ohio 43216-1944; 614-249-7211; fax: 614-249-3887

Founded: 1929.
Parent company: Nationwide Mutual Insurance Co.
Business: 95% claims administration, 5% other, including loss control services.
Region served: Nationwide.
Specialties: 5% automobile, 5% general liability, 90% workers compensation.
Self-insured clients: 700 administration clients, all corporations.
Self-insured claims: $325 million paid for administration clients.
Staff: 810; 500 serving self-insurers only.
Charges: Per claim basis, percentage of incurred or percentage of paid for administration.
Subsidiaries: BPC of Nevada Inc., Gates McDonald of New York Inc.
Principal officers: Robert W. Witty, president; David R. Brown, vp-sales/marketing; Ronald L. Dublin, vp-self-insured services; Richard H. Hoyt, vp-unemployment compensation services; Glenn H. Waring, vp-finance/corporate services.
Membership: SIIA.

Gay & Taylor/Ward-THK

3334 Healy Drive, P.O. Box 25626, Winston-Salem, N.C. 27114; 919-760-3300; fax: 919-760-4446

Founded: 1928.
Business: 18% claims administration, 8% claim adjusting, 1% claims auditing, 73% other services, including adjusting and claims administration for fully insureds, medical management, information systems, loss control.
Region served: Nationwide.
Specialties: 21% automobile, 20% general liability, 25% inland marine, 2% ocean marine, 5% professional liability, 3% property damage, 24% workers compensation.
Self-insured clients: 107 administration clients, including 75 corporations, 32 public/government entities. 761 adjusting clients, including 650 corporations, 111 public/government entities.
Self-insured claims: Auto liability, general liability, workers compensation, inland marine, ocean marine, professional liability, product liability, property claims adjusted. 17 claims-auditing projects conducted.
Staff: 1,300; 125 serving self-insurers only.
Charges: Monthly flat rate for administration. Flat rate per file or hourly rate for adjusting. Hourly rate for auditing.
Branch offices: Administrative and sales offices in Atlanta; Columbus, Ohio; Baltimore; Washington, D.C.; Orlando, Fla. Additional administrative offices in Richmond, Va.; Nashville, Tenn.; Kansas City, Kan.; Raleigh, N.C.; Fort Lauderdale, Fla. Additional sales offices in San Diego, St. Louis and Dallas.
Subsidiaries: Ward-THK, Thomas Howell Kiewit (USA), Thomas Howell Kiewit (Latin America), Thomas Howell Group Worldwide.
1991 gross revenues: $67 million; $18 million from claims services.
Principal officers: T. Bruce Tilley, president/chief executive officer; Richard F. Schroder, executive vp; William L. Orr, senior vp-finance/chief financial officer; Joseph E. Dupree Jr. and Virgil A. Coleman, senior vps.
Membership: SIIA, PRIMA.

W.R. Gibbens Inc.

P.O. Box 14097, Las Vegas, Nev. 89117; 702-477-0030; fax: 702-477-7715

Founded: 1966.
Parent company: The Gibbens Co.
Business: 50% claims administration, 50% other services, including cost control services for employers insured with state funds or private carriers.
Region served: Nevada, Washington, Colorado, Wyoming.
Specialties: 100% workers compensation.
Self-insured clients: 48 administration clients, including 43 corporations, five public/government entities.
Self-insured claims: $50 million paid for administration clients.
Staff: 78; 45 serving self-insurers only.
Charges: Percentage of payroll, flat fee or per claim for administration.
Branch offices: Administrative and sales offices in Reno, Nev.; Olympia, Wash.; Denver.
Principal officers: Gil Lawrence, president; Richard Weeks, vp; Doug Todd, secretary/treasurer; Tom Homering and Bob Wong, regional managers.

Gow Management Services Inc.

344 Delaware Ave., Buffalo, N.Y. 14202; 716-856-6148; fax: 716-856-6179

Founded: 1951.
Parent company: S.H. Gow & Co. Inc.
Business: 65% claims administration, 25% claim adjusting, 5% claims auditing, 5% other services.
Region served: Nationwide.
Specialties: 65% automobile, 15% bonds, 10% disability, 5% flex compensation, 5% general liability.
Self-insured clients: 10 administration clients, including two association plans, three corporations, five public/government entities. 10 adjusting clients, including two association plans, three corporations, five public/government entities. 10 auditing clients, including two association plans, three corporations, five public/government entities.
Self-insured claims: Workers compensation claims adjusted. 10 claims-auditing projects conducted.
Staff: 14, all serving self-insurers only.
Charges: Annual fee for administration. Annual fee or per file for adjusting and auditing.
Branch offices: Administrative and sales offices in Rochester, Syracuse and Albany, N.Y.
1991 gross revenues: $400,000, all from claims services.
Principal officers: Stephen H. Gow, chairman; Jeffrey J. Gow, president; Michael S. Gow, executive vp; Richard K. Mason, senior vp.

Greenfield-Thompson Associates Inc.

7020 Koll Center Parkway, Suite 110, Pleasanton, Calif. 94566-0570; 510-426-8263; fax: 510-426-8857

Founded: 1985.
Business: 100% claims administration.
Region served: California.
Specialties: 100% workers compensation.
Self-insured clients: 104 administration clients, including 33 corporations, 71 public/government entities.
Self-insured claims: $45 million paid for administration clients.
Staff: 86, all serving self-insurers only.
Charges: Flat annual fees for administration.
Branch offices: Administrative offices in Irvine, Calif.
Principal officers: James L. Thompson, Deborah S. Greenfield.

R.L. Gresham & Co. Inc.

1200 S. Fourth St., Suite O, Las Vegas, Nev. 89104; 702-384-9700; fax: 702-382-3029

Founded: 1947.
Business: 30% claims administration, 70% other services.
Region served: Nevada, Arizona, Utah.
Specialties: 20% automobile, 35% general liability, 3% inland marine, 2% ocean marine, 2% professional liability, 25% property damage, 10% workers compensation, 3% training, inspections and attorney supervision.
Self-insured clients: Six administration clients, including four corporations, two public/government entities. 18 adjusting clients, including 10 corporations, eight public/government entities.
Self-insured claims: $7 million paid for administration clients. Hotel property and liability, governmental property and liability, automobile fleet claims liability claims adjusted.
Staff: 70; 20 serving self-insurers only.
Charges: Hourly plus expenses for administration and adjusting.
Branch offices: Administrative and sales offices in Reno and Laughlin, Nev.; St. George, Utah; Phoenix, Tucson, Yuma, Show Low, Flagstaff and Lake Havasu, Ariz.
1991 gross revenues: $3.5 million; $1.1 million from claims services.
Principal officers: Robert L. Gresham Jr., president; Judy Gresham, vp; Barbara M. Gresham, secretary/treasurer.
Membership: National Assn. of Independent Insurance Adjusters.

H

Hartford Specialty Co./Specialty Risk Services

155 Founders Plaza, East Hartford, Conn. 06108; 203-275-1350; fax: 203-275-1396

Founded: 1975.
Parent company: ITT Hartford.
Business: 80% claims administration, 5% claim adjusting, 10% claims auditing, 5% other services, including management information systems, loss control.
Region served: Nationwide.
Specialties: 10% automobile, 15% general liability, 5% professional liability, 70% workers compensation.
Self-insured clients: 267 administration clients, including five association plans, 220 corporations, 37 public/government entities.
Self-insured claims: $234,880 paid for administration clients. General liability, auto liability, professional liability claims adjusted.
Staff: 5,100; 510 serving self-insurers only.
Charges: Fee per claim for administration. Fixed fee or time and expense for adjusting. Time and expense for auditing.
Branch offices: Administrative offices in 100 locations nationwide. Sales offices in Hartford, Conn.; New York; Dallas; Chicago; Los Angeles.
Subsidiaries: Speciality Risk Services Inc.
1991 gross revenues: $29.7 million; $5.2 million from claims services.
PPOs available: Community Care Network.
Principal officers: John A. MacDonald, president; Lonnie Maytubby and James Waters, senior vps; Joanne Larson and James T. Leonard, assistant vps.
Membership: SIIA.

Helmsman Management Services Inc.

175 Berkeley St., Boston, Mass. 02117; 617-574-5623; fax: 617-426-1067

Founded: 1983.
Parent company: Liberty Mutual Insurance Group.
Business: 50% claims administration, 50% other services, including risk management information systems, loss prevention consulting services, statistical services.
Region served: Nationwide.
Specialties: 2% automobile, 20% general liability, 78% workers compensation.
Self-insured clients: 102 administration clients, including one association plan, 98 corporations, three public/government entities.
Self-insured claims: $142 million paid for administration clients.
Staff: 65; 52 serving self-insurers only.
Charges: Annual fee per claim, time and expense for administration. Time and expense for adjusting and auditing.
Branch offices: Administrative and sales offices in all major cities nationwide.
1991 gross revenues: $32 million; $16 million from claims services.
PPOs available: Compro, OUCH, FOCUS Healthcare Management, Affordable HealthCare Co.
Principal officers: Gary Countryman, chief executive officer; William Commack, president; Robert Barrese, senior vp; Amy Leddy, vp/manager.
Membership: SIIA, Self-Insurance Association in Arizona, California, Florida, Georgia, Illinois, Maine, Michigan, New York, New Jersey, Pennsylvania, South Carolina.

Hewitt, Coleman & Associates Inc.

P.O. Box 3665, Greenville, S.C. 29608; 803-240-5800; fax: 803-232-8824

Founded: 1923.
Business: 65% claims administration, 35% other services, including loss control, excess placement, accounting, marketing, underwriting, data management, implementation and management of risk retention groups, captive insurance companies and workers compensation pools.
Region served: Nationwide.
Specialties: 1% automobile, 5% flex compensation, 10% general liability, 15% health insurance, 69% workers compensation.
Self-insured clients: 85 administration clients, including 10 association plans, 60 corporations, 15 public/government entities.
Self-insured claims: $48 million paid for administration clients. Two claims-auditing projects conducted.
Staff: 87, all serving self-insurers only.
Charges: Percent of premium, per claims or flat fee for administration. Hourly basis for auditing.
Branch offices: Administrative offices in Orlando, Fla.; Atlanta; Birmingham, Ala.; Denver; Raleigh, N.C.
Subsidiaries: Hewitt, Coleman/Kemron Environmental.
PPOs available: FOCUS Healthcare Management.
Principal officers: Charles R. Warne, president; Garry W. Coulter, vp-excess and reinsurance; Ronald J. Graves, vp-loss control.
Membership: SIIA, National Assn. of Safety and Claims Organizations.

Heyenrath & Associates

W. 1616 Dean Ave., Spokane, Wash. 99201-1825; 509-325-9726; fax: 509-325-2431

Founded: 1980.

Continued on next page

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CEBS

Continued from previous page

Business: 80% claims auditing, 20% other services, including expert testimony, treaty consolidations and commutations.

Region served: Nationwide.

Specialties: 5% automobile, 40% general liability, 5% professional liability, 10% property damage, 40% workers compensation.

Self-insured clients: 100 auditing clients, including 25 association plans, 25 corporations, 15 multiemployer plans, 35 public/government entities.

Self-insured claims: 35 claims-auditing projects conducted.

Staff: Four, all serving self-insurers only.

Charges: Flat fee and $125 per hour plus expenses for administration.

Branch offices: Administrative offices in Manhattan Beach, Calif.

Principal officers: Leo W. Heyenrath.

George Hills Co. Inc.

300 27th St., Oakland, Calif. 94612;
510-465-1313;
fax: 510-465-0788

Founded: 1954.

Business: 20% claims administration, 25% claim adjusting, 5% claims auditing, 50% other services, including adjusting for insurers, brokers and defense attorneys.

Region served: Nationwide.

Specialties: 10% automobile, 5% bonds, 60% general liability, 5% professional liability, 20% property damage.

Self-insured clients: 123 administration clients, including 36 corporations, 87 public/government entities.

Self-insured claims: $2 million paid for administration clients.

Staff: 62; 34 serving self-insurers only.

Charges: Cost per month or cost per claim for administration. Time and expense for adjusting. Hourly for auditing.

Branch offices: Administrative offices in San Francisco, Sacramento, San Jose and Stockton, Calif.

1991 gross revenues: $4.5 million; $2 million from claims services only.

Principal officers: George C. Hills, president/chief executive officer; Donna Yvonne Hills, secretary.

Membership: National/California Assn. of Independent Insurance Adjusters.

I

Insurance Consulting Associates Inc.

1125 N. McDowell Blvd., Petaluma, Calif. 94952; 707-778-1118;
fax: 707-778-8213

Founded: 1978.

Business: 50% claims administration, 20% claim adjusting, 10% claims auditing, 20% other services.

Region served: California, Oregon, Washington, Tennessee.

Specialties: 10% automobile, 10% bonds, 30% general liability, 1% life, 29% professional liability, 5% property damage, 5% workers compensation, 10% miscellaneous 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; 14 serving self-insurers only.

Charges: Time and expense, $50 to $75 per hour, for administration. Time and expense, $50 to $120 per hour, for adjusting. Time and expense, $75 to $150, for auditing.

Branch offices: Administrative offices in San Francisco.

1991 gross revenues: $1.8 million; $750,000 from claims services.

Principal officers: Ron Blanquie, president; Dan Blanquie, executive vp.

Membership: SIIA, National/California Assn. of Independent Adjustors, North Coast Adjusters Assn.

International Loss Control Services Ltd.

FBD House, Bluebell, Dublin 12, Republic of Ireland; 353-1-504800;
fax: 353-1-783108

Founded: 1983.

Parent company: FBD Holdings P.L.C.

Business: 70% claims administration, 10% claim adjusting, 10% claims auditing, 10% other services.

Region served: Ireland, United Kingdom.

Specialties: 30% automobile, 70% general liability.

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

Self-insured claims: $3 million paid for administration clients.

Staff: Seven; five serving self-insurers only.

Charges: Time and percent on settlement for administration.

1991 gross revenues: $500,000.

Principal officers: Patrick J. O'Reilly.

J

JI Specialty Services Inc.

9420 Research Blvd., Echelon III, Suite 300, Austin, Texas 78759;
512-346-5314; fax: 512-346-9321

Founded: 1986.

Business: 20% claims administration, 20% claim adjusting, 60% other services, including program management, loss control, risk management information systems.

Region served: Texas.

Specialties: 10% automobile, 10% general liability, 5% professional liability, 5% property damage, 70% workers compensation.

Self-insured clients: Seven administration clients, including three association plans, four public/government entities. 111 adjusting clients, including three association plans, 108 public/government entities.

Self-insured claims: $9 million paid for administration clients. Workers compensation, general liability/auto liability claims adjusted.

Staff: 40, all serving self-insurers only.

Charges: Negotiable for administration. Per claim, $180 to $250, for adjusting.

Subsidiaries: The Joseph Ivy Co.

1991 gross revenues: $2.8 million; $878,000 from claims services.

Principal officers: Francis Fey, president; William Martin, vp; Samuel Francis, general counsel; Dennis Burke, chief operations officer.

Johns Eastern Co. Inc.

P.O. Box 4175, Sarasota, Fla. 34230;
813-361-3100; fax: 813-361-3107

Founded: 1946.

Business: 20% claims administration, 74% claim adjusting, 1% claims auditing, 5% other services.

Region served: Florida, Virginia, Washington, D.C., Maryland, Delaware, Pennsylvania, New Jersey.

Specialties: 10% automobile, 15% general liability, 5% professional liability, 5% property damage, 65% workers compensation.

Self-insured clients: 33 administration clients, including 18 corporations, 15 public/government entities. 23 adjusting clients, including eight corporations, 15 public/government entities. Three auditing clients, all corporations.

Self-insured claims: $26 million paid for administration clients. Workers compensation, automobile and general liability, professional liability claims adjusted. Two claims-auditing projects conducted.

Staff: 118.

Charges: Percentage of premium, 5% to 12%, for administration. Percentage, 10%, time and expense for adjusting. Hourly, $100, for auditing.

Branch offices: Administrative offices in Clearwater, Fort Lauderdale, Lakeland, Jacksonville, Miami, West Palm Beach, Orlando, Tampa and Sarasota, Fla.; Baltimore and Greenbelt, Md.; Philadelphia; Norfolk, Va.

Subsidiaries: JECO Excess Agency Inc.

1991 gross revenues: $9.3 million; $3.5 million from claims services.

Principal officers: Donald L. Johns, chairman; K.M. Johns III, president; Allen L. Ladd, executive vp; Philip Shields and Norman A. Sensinger, vps.

Membership: SIIA, Society of CPCU.

K

Kemper Risk Management Services

1 Kemper Drive, Long Grove, Ill. 60049-0075; 708-540-2400;
fax: 708-540-4330

Founded: 1968.

Continued on next page

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Parent company: Kemper Corp. and Kemper National Insurance Cos.

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

Specialties: 10% automobile, 20% general liability, 6% property damage, 64% workers compensation.

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: 600; 84 serving self-insurers only.

Charges: Percent of incurred claims, percentage of payroll, per claim, percentage of annual premiums/deposits for administration.

Branch offices: Administrative offices in Akron, Ohio; Fort Lauderdale, Fla., and 94 branch offices of Kemper National Insurance Cos. Sales offices in 22 locations nationwide.

Subsidiaries: NATLSCO, Kemper National Services.

1991 gross revenues: $75 million; $66 million from claims services.

Principal officers: F.G. Minchk, president; J.G. Weiss, A.D. Odom, G.J. Krafcisin, D.F. Benevich, vps.

L

Lindsey Morden Claims Management Inc.

P.O. Box 6030, Tyler, Texas 75711; 903-561-6700; fax: 903-561-7013

Founded: 1946.

Parent company: Lindsey Morden Claim Services Inc.

Business: 80% claims administration, 15% claim adjusting, 5% claims auditing.

Region served: Nationwide and Canada, United Kingdom, Western Europe.

Specialties: 10% automobile, 20% general liability, 3% professional liability, 2% property damage, 50% workers compensation, 10% environmental liability.

Self-insured clients: 125 administration clients, including five association plans, 95 corporations, 25 public/government entities. 17 adjusting clients, including seven association plans, 10 corporations. Seven auditing clients, including two association plans, five corporations.

Self-insured claims: $53 million paid for administration clients. Workers compensation, general liability, auto liability, environmental liability, professional liability, property damage claims adjusted. Seven claims-auditing projects conducted.

Staff: 1,650.

Charges: Fee per claim or time and expense for administration and adjusting. Time and expense for auditing.

Branch offices: Administrative offices in 340 locations nationwide, Canada, United Kingdom, Western Europe. Sales offices in 13 cities nationwide.

Subsidiaries: Vale National Training Centers Inc., North American Health and Rehabilitation Services.

1991 gross revenues: $100 million.

Principal officers: Kenneth R. Polley, chairman; Terry A. Grant, president; Don L. Guin, senior vp; Gene L. Granato and Wayne H. Steele, vps.

Membership: SIIA.

M

McGee Risk Management Services

P.O. Box 419013, Kansas City, Mo. 64141-6013; 816-842-4800; fax: 816-472-5018

Founded: 1910.

Business: 80% claims administration, 10% claim adjusting, 5% claims auditing, 5% other services.

Region served: Nationwide.

Specialties: 10% automobile, 20% general liability, 10% professional liability, 5% property damage, 55% workers compensation.

Self-insured clients: 67 administration clients, including seven association plans, five corporations, 55 public/government entities. Eight adjusting clients, including three corporations, five public/government entities. Five auditing clients, all corporations.

Self-insured claims: $2.8 million paid for administration clients. Professional errors & omissions, general liability, auto liability claims adjusted. Five claims-auditing projects conducted.

Staff: 75; 12 serving self-insurers only.

Charges: Flat fee, per claim for administration. Flat fee, per claim or hourly for adjusting and auditing.

PPOs available: Healthnet, FOCUS, Health Midwest, Blue Cross Blue Shield.

Principal officers: Larry Kaminsky, Charles Kaufmann, Gene Klein, Kevin McGreevy, Jerry Reardon and John Wolff, partners.

Membership: SIIA, SPBA.

N

National Fleet Service Inc.

270 Duffy Ave., Hicksville, N.Y. 11801; 516-938-1010; fax: 516-938-1201

Founded: 1983.

Business: 100% claims administration.

Region served: Nationwide.

Specialties: 100% automobile.

Self-insured clients: 65 administration clients, all corporations.

Self-insured claims: Vehicle repair claims adjusted.

Staff: 20, all serving self-insurers only.

Charges: Per claim for administration and adjusting.

Principal officers: Michael Karpoff and Barry Siegel, co-chairmen; Martin Wierzbicki, president.

North Bay Associates

P.O. Box 984, Cameron Park, Calif. 95682; 916-677-0875

Founded: 1982.

Business: 90% claims auditing, 10% other services.

Region served: California.

Self-insured clients: 250 auditing clients, including 100 corporations, 150 public/government entities.

Self-insured claims: 25 claims-auditing projects conducted.

Staff: Three, all serving self-insurers only.

Charges: By contract for auditing.

Principal officers: John J. Hennessy, owner/manager.

O

Occupational Healthcare Management Services

700 Broadway, Suite 1132, Denver, Colo. 80273; 303-831-2104; fax: 303-831-3069

Founded: 1988.

Parent company: Rocky Mountain Healthcare Corp.

Business: 60% claims administration, 40% other services, including medical management and preferred provider agreements.

Region served: Colorado, New Mexico, Nevada, Nebraska, Kansas.

Specialties: 5% general liability, 95%

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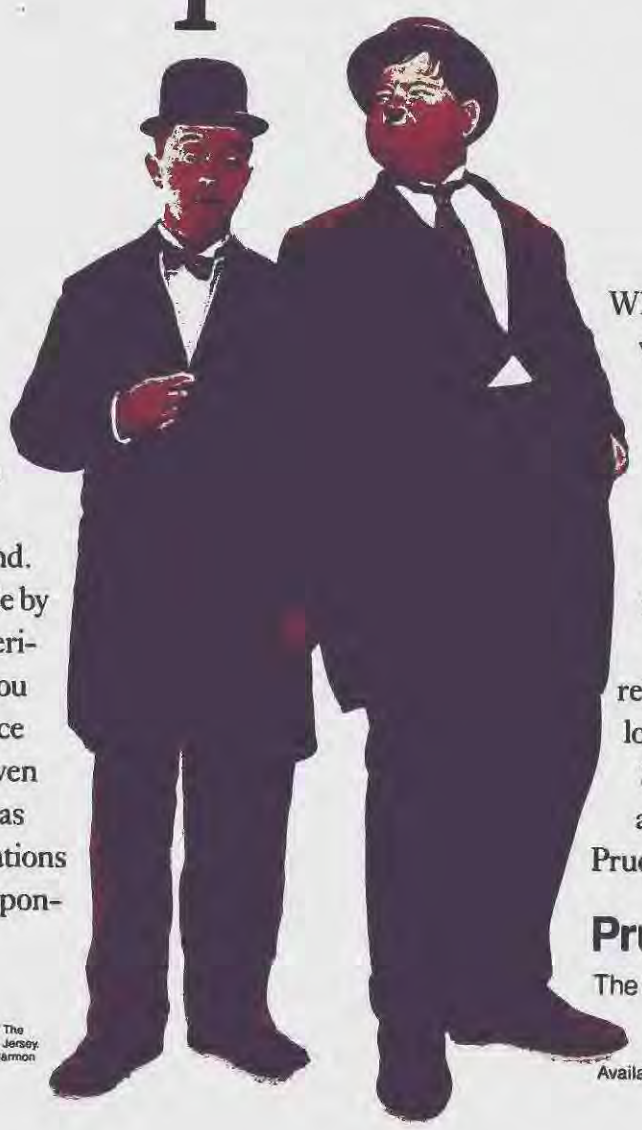

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Continued from previous page
workers compensation.

Self-insured clients: Administration clients, including association plans, corporations, public/government entities.

Self-insured claims: $25 million paid for administration clients.

Staff: 36; 34 serving self-insurers only.

Charges: Fixed price based on volume for administration.

Branch offices: Administrative and sales offices in Albuquerque, N.M., and Las Vegas. Additional sales office in Reno, Nev.

PPOs available: Occupation Healthcare Management Services.

Principal officers: Tom Levin, chief executive officer; David Kikumoto, executive vp-marketing; Jerry Robinson, president; Carole Robinson, treasurer; Randy Herndon, vp-chief operating officer; Marie Hansen, secretary.

Membership: SIIA, SPBA.

P

Pennsylvania Insurance Management Co.

1 PHICO Drive, P.O. Box 2005, Mechanicsburg, Pa. 17055-0782; 717-691-1600; fax: 717-766-2837

Founded: 1981.

Parent company: PHICO Insurance Co.

Business: 81% claims administration, 19% other services, including hospital risk control manual, medical case management services, loss control services.

Region served: Pennsylvania and contiguous states.

Specialties: 44% automobile, 1% professional liability, 55% workers compensation.

Self-insured clients: 29 administration clients, including 25 corporations, four public/government entities.

Self-insured claims: $65.2 million paid for administration clients.

Staff: 110; 95 serving self-insurers only.

Charges: Annual fee and per claim for administration.

Branch offices: Sales offices in Pittsburgh and Harrisburg, Pa.

1991 gross revenues: $4.2 million; $3.4 million from claims services.

Principal officers: Richard J. Agostini, president/chief executive officer/director; Robert E. Curry, vp-operations; James L. DeSalle, vp/treasurer; Herbert W. Hoffman, corporate secretary/general counsel; Bruce A. Yerger, assistant treasurer.

Membership: SIIA, Pennsylvania Self Insurers Assn.

Professional Liability Claim Managers Inc.

300 W. Washington Blvd., Suite 610, Chicago, Ill. 60606; 312-201-3000; fax: 312-201-3030

Founded: 1989.

Parent company: Aon Corp.

Business: 55% claims administration, 32% claim adjusting, 10% claims 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: $17 million paid for administration clients. Legal malpractice and medical malpractice claims adjusted. 15 claims-auditing projects conducted.

Staff: 41; 36 serving self-insurers only.

Charges: Time and expense, $40 to $90 per hour, for administration and adjusting.

Branch offices: Administrative offices in Los Angeles; Fort Lauderdale and Tampa, Fla.; Stamford, Conn.; Dallas; Houston.

Subsidiaries: Diversified Claim Services Inc., AMNA Corp.

1991 gross revenues: $3.2 million; $3.1 million from claims services.

Principal officers: William P. Vit, president (Professional Liability Claim Managers); Michael V. Shook, assistant managing director; Anthony Zumbano, president (AMNA Corp.); Eileen Barrett, vp (Diversified Claim Services Inc.); James M. Hazard, director-health care services.

Membership: Professional Liability Underwriting Society.

R

F.A. Richard & Associates Inc./Richard & Associates

2360 Fifth Ave., Suite 100, Mandeville, La. 70488, Mandeville, La. 70488; 504-624-8383; fax: 504-624-8489

Founded: 1978.

Business: 60% claims administration, 40% other services, including trade business from insurance companies.

Region served: Nationwide.

Specialties: 10% automobile, 1% bonds, 15% general liability, 5% inland marine, 2% ocean marine, 5% professional liability, 2% property damage, 60% workers compensation.

Self-insured clients: 152 administration clients, including two association plans, 120 corporations, 32 public/government entities.

Self-insured claims: $80 million paid for administration clients.

Staff: 225; 150 serving self-insurers only.

Charges: Flat annual fee, cost per claim and time and expense for administration. Time and expense, $40 to $50 per hour, for adjusting. Time and expense, $40 to $75, for auditing.

Branch offices: Administrative offices in Alexandria, Baton Rouge, Houma, LaFayette, Lake Charles, New Orleans, Monroe and Shreveport, La.; Houston, Dallas, San Antonio, Harlingen, Corpus Christi and Austin, Texas. Sales offices in New Orleans; Dallas and Austin, Texas; Atlanta.

Subsidiaries: Loss Control Systems Inc.

1991 gross revenues: $10 million; $6.5 million from claims services.

Principal officers: Francis A. Richard, president/chief executive officer; M. Todd Richard, vp; Lolly J. Leger, vp-marketing; David Cantrell, vp-operations; Reed Bell, vp-operations.

Risk Innovations Service and Consulting Inc.

8008 Corporate Center Drive, Suite 400, Charlotte, N.C. 28210; 704-543-8300; fax: 704-541-3264

Founded: 1983.

Parent company: Royal Group Inc.

Business: 100% claims administration.

Region served: Nationwide.

Specialties: 10% automobile, 40% general liability, 50% workers compensation.

Charges: Flat fee per claim for administration.

Branch offices: Administrative offices nationwide. Sales offices in Bohemia, N.Y.

Principal officers: Richard W. Liersaph, chief operating officer.

Risk Management Services Inc.

7919 Fulson Blvd., Suite 240, Sacramento, Calif. 95826; 916-381-5858; fax: 916-381-7475

Founded: 1987.

Business: 100% claims administration.

Region served: California.

Specialties: 100% workers compensation.

Self-insured claims: $15 million claims paid for administration clients.

Staff: 41, all serving self-insurers only.

Charges: Flat fee and cost per claim for administration.

1991 gross revenues: $2.1 million; all from claims services.

PPOs available: OUCH, Community Care Network.

Principal officers: J. Daniel Henke, president; Ronald Wood, chairman; Robert Levering and Robert Sanford, vps; Douglas Grohon, secretary.

Membership: California Self-Insured Assn., Northern California Claim Assn.

Risk Services of California

4126 Ransom St., Long Beach, Calif. 90804; 310-597-8084; fax: 310-498-7198

Founded: 1979.

Business: 10% claim adjusting, 50% claims auditing, 40% other services, including specific projects, auditing, training client staff, adjusting major losses, installing claims departments.

Region served: Nationwide.

Self-insured clients: Five adjusting clients, all five corporations. 29 auditing clients, including three association plans, 21 corporations, five public/government entities.

Self-insured claims: Workers compensation, general liability, auto liability and medical malpractice claims adjusted. 18 claims-auditing projects conducted.

Staff: Two, both serving self-insurers only.

Charges: Hourly and expenses, $75 to $120, for adjusting. Hourly and expenses, $110 to $150, or by the project, for auditing.

Principal officers: Terry Coleman, president; Suzanne Coleman, vp.

Membership: California Assn. of Independent Insurance Adjusters.

S

Schifrin, Gagnon & Dickey Inc.

14530 Delano St., Van Nuys, Calif. 91411; 818-909-9090; fax: 818-909-7365

Founded: 1972.

Business: 8% claims administration, 30% claim adjusting, 1% claims auditing, 61% other services, including adjusting and investigation.

Region served: Nationwide.

Specialties: 10% automobile, 50% general liability, 5% inland marine, 5% professional liability, 10% property damage, 10% workers compensation.

Self-insured clients: 27 administration clients, including 25 corporations, two public/government entities. 27 adjusting clients, including 25 corporations, two public/government entities.

Self-insured claims: Liability, products, property damage, auto, workers compensation, fidelity, errors & omissions claims adjusted. Two claims-auditing projects conducted.

Staff: 25.

Charges: Flat contract fee for administration. Hourly rate and expenses for adjusting and auditing.

Branch offices: Administrative and sales offices in Walnut Creek, San Diego and Carpinteria, Calif.

Subsidiaries: Specialized Investigations, Van Nuys, Calif.

1991 gross revenues: $2 million; $650,000 from claims services.

Principal officers: Leslie Schifrin, president; Pete Schifrin, vp; Judy Schifrin, secretary/treasurer.

Scott Wetzel Services Inc.

500 Pacific Ave., Seventh Floor, Bremerton, Wash. 98310; 206-479-0200; fax: 206-479-8297

Founded: 1941.

Business: 60% claims administration, 6% claim adjusting, 2% claims auditing, 32% other services.

Region served: Nationwide.

Specialties: 7% general liability, 1% professional liability, 6% property damage, 86% workers compensation.

Self-insured clients: 439 administration clients, including eight association plans, 402 corporations, 29 public/government entities.

Self-insured claims: $476.4 million paid for administration clients.

Staff: 311, all serving self-insurers only.

Charges: $75 to $100 medical only, $415 to $800 indemnity, products based on severity, and loss conversion factor of 9% to 14% for administration. Time and expense, $65 to $85 per technical hour for adjusting. $65 to $120 per hour plus expenses for auditing.

Branch offices: Administrative offices in 20 cities nationwide. Sales offices in 28 cities nationwide.

Principal officers: John Harrold, president; Terry Neal, executive vp; Ed Kocott, vp-operations; Warren Zimmerman, vp-corporate services; Doug Alsop, vp-client services/marketing.

Membership: SIIA.

Sedgwick James Inc. Claims Management Services

230 W. Monroe St., Chicago, Ill. 60606; 312-346-3000; fax: 312-726-4123

Founded: 1858.

Parent company: Sedgwick Group P.L.C.

Business: 92% claims administration, 8% other services.

Region served: Nationwide.

Specialties: 2% automobile, 3% general liability, 95% workers compensation.

Self-insured clients: 1,709 administration clients, including 38 association plans, 1,244 corporations, 427 public/government entities.

Self-insured claims: $693.3 million paid for administration clients.

Staff: 4,800; 648 serving self-insurers only.

Branch offices: Administrative offices in 48 locations nationwide. Sales offices in 62 locations nationwide.

Principal officers: Robert L. Young, president; M. Susan Coble, senior vp; Edward J. Callahan and John C. Oliver, vps; Richard Disher, regional director.

Membership: SIIA, Workers Compensation Research Institute, National Assn. of Industrial Accident Boards and Commissions, National Council of Self-Insurers, all state self-insurance associations.

Select Insured Risk Services

26600 Telegraph Road, Southfield, Mich. 48034; 313-354-9580; fax: 313-358-3251

Founded: 1980.

Parent company: Meadowbrook Insurance Group.

Business: 70% claims administration, 30% other services, including safety and risk control consulting.

Region served: Nationwide.

Specialties: 4% automobile, 39% general liability, 15% property damage, 24% workers compensation, 13% errors & omissions, 5% police.

Self-insured clients: 30 administration clients, including 17 association plans, eight corporations, five public/

Continued on next page

Motel 6 was losing sleep over its benefits program...

...until QicClaim/2® put their problems to rest.

Human resources personnel at Motel 6 were lodged in a health benefits administration nightmare.

"We found ourselves bogged down in paperwork and claims resolution...stuck between our insurance company and our employees," said Tom Higgins, vice president of human resources.

The QicClaim/2 advantage for Motel 6? "It works."

Then they woke up to the fact that they could serve their 6,000 covered employees better–and more economically–by self-insuring and self-administering their group health program.

So they talked to other human resources executives. They consulted software experts. They sent for information and they reviewed several products. Most software programs left them with reservations.

All but one–QicClaim/2 software from Resource Information Management Systems, Inc.(RIMS).

Higgins quickly discovered what he calls the major advantage of QicClaim/2: "It works."

Even the installation was easy. The program came in four small boxes and plugged right in to Motel 6's existing PC hardware.

When it came to actually paying claims, the motel chain didn't lose any sleep, either. That's when RIMS top training and support staff checked in.

"I could almost run the program just from watching the demonstration, so you know it's easy," Higgins said.

As for QicClaim/2's efficiency, Motel 6 expects a 15-month return on their investment.

Now, when Motel 6 employees have health claims questions, they call their co-workers. And that's a dream come true for staff and the human resources department alike.

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government entities. Two auditing clients, both public/government entities.

Self-insured claims: $20.6 million paid for administration clients. General liability, workers compensation, property, errors & omissions claims adjusted. Five claims-auditing projects conducted.

Staff: 38, all serving self-insurers only.

Charges: Flat fee and percentage of premium for administration. Time and expense, per claim or percentage of premium for adjusting. Hourly or per diem for auditing.

Branch offices: Administrative and sales offices in Grand Rapids, Mich.; Bloomington, Minn.; Montgomery, Ala. Additional sales offices in Cincinnati and Columbus, Ohio.

Subsidiaries: Star Insurance Co., M.I.N.T., Corporate Risk Consultants, MRM and Meadowbrook Agency.

1991 gross revenues: $2.5 million.

Principal officers: James A. Kammerer, president; Robert Engle, vp; Thomas B. Tucker, vp-claims; Michael Cascone, vp-loss control.

Self Insured Management Services Inc.

9320 S.W. Barbur Blvd., Suite 140, P.O. Box 19730-171, Portland, Ore. 97280-0730; 503-245-9756; fax: 503-246-1581

Founded: 1980.

Business: 80% claims administration, 10% claim adjusting, 5% claims auditing, 5% other services.

Region served: Alaska, Washington, Oregon, California, Idaho, Nevada, Utah, Arizona, Montana, Wyoming, Colorado, New Mexico.

Specialties: 60% general liability, 15% professional liability, 5% property damage, 20% workers compensation.

Self-insured clients: 15 administration clients, including two association plans, 12 corporations, one public/government entity.

Self-insured claims: $4.8 million paid for administration clients.

Staff: 25, all serving self-insurers only.

Charges: Per claim fee for administration. Time and expense for adjusting. Flat fee for auditing.

Branch offices: Administrative offices in Bellevue, Wash.

1991 gross revenues: $1.2 million, all from claims services.

Principal officers: James W. Broyles, president; William S. Griffels, vp; Joseph E. McLaughlin, vp-sales.

Southern California Risk Management Associates Inc.

9525 Monte Vista, Suite 180, Montclair, Calif. 91763; 714-621-1335

Founded: 1988.

Business: 100% claims administration.

Region served: California.

Specialties: 100% workers compensation.

Self-insured clients: 23 administration clients, including two corporations, 21 public/government entities.

Staff: 15.

Charges: Annual fee based on claim volume for administration.

PPOs available: CCN.

Principal officers: Dale H. Jones, president.

Southern Risk Services Inc.

P.O. Box 2408, Birmingham, Ala. 35201-2408; 205-252-9870; fax: 205-581-9293

Founded: 1965.

Parent company: McGriff, Seibels & Williams Inc.

Business: 95% claims administration, 5% claims auditing.

Region served: Southeast.

Specialties: 5% automobile, 28% general liability, 2% professional liability, 75% workers compensation.

Self-insured clients: 54 administration clients, including six association plans, 41 corporations, seven public/government entities. Three auditing clients, all corporations.

Self-insured claims: $31 million paid for administration clients. 12 claims-auditing projects conducted.

Staff: 54, all serving self-insurers only.

Charges: Percentage of premium, 6% to 8%, for administration. Per visit, $400 per day, for auditing.

Branch offices: Administrative offices in Orlando and Pensacola, Fla.; New Orleans; Houston; Atlanta. Sales offices in Jackson, Miss.; Atlanta.

1991 gross revenues: $3 million, all from claims services.

Principal officers: Lional B. Feemster, president; William Muir, Mike Prichett, Frank Wear and Howard Haskell, vps.

Standard Financial General Adjustment Inc.

1222 Merit Drive, Suite 1000, Dallas, Texas 75251; 214-770-4660; fax: 214-770-4655

Founded: 1987.

Parent company: SIR Group.

Business: 40% claims administration, 5% claim adjusting, 5% claims auditing, 50% other services.

Region served: Texas.

Specialties: 5% automobile, 5% general liability, 90% workers compensation.

Self-insured clients: 28 administration clients, including three association plans, 25 corporations. Four adjusting clients, including one association plan, three corporations. Seven auditing clients, including five corporations, two public/government entities.

Self-insured claims: $5 million paid for administration clients. Workers compensation claims adjusted. Seven claims-auditing projects conducted.

Staff: 20; nine serving self-insurers only.

Charges: Percentage of written premium, 10% to 13%, for administration. Percentage of incurred claims, 5% to 8%, for adjusting. Hourly, $75 to $150, for auditing.

1991 gross revenues: $900,000; $450,000 from claims services.

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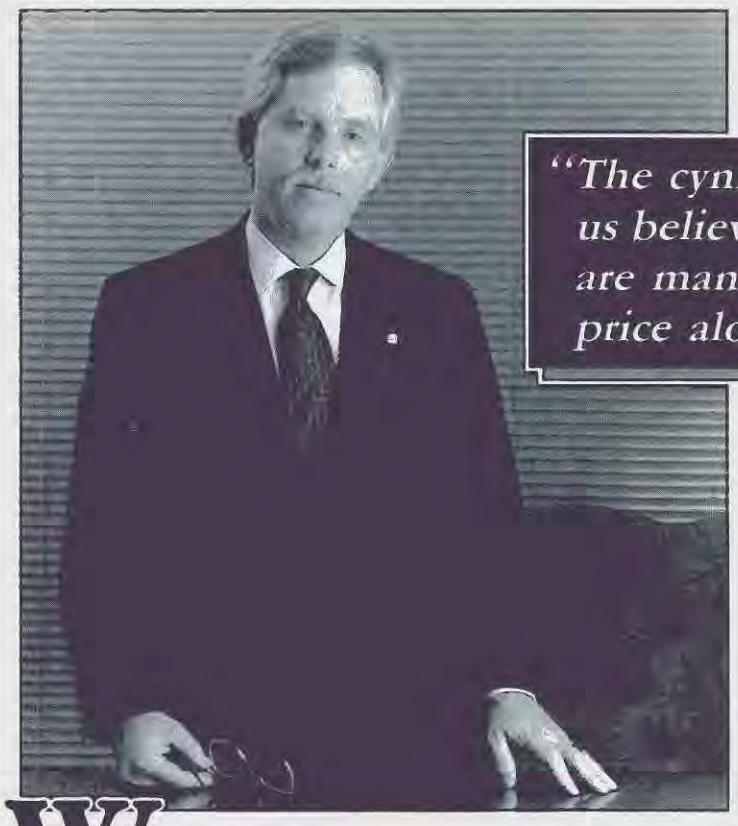

"The cynics would have us believe that markets are manipulated by price alone."

Dave Driscoll
RLI Southeast Regional Office
Atlanta, GA

We know better. What's important to our brokers is our responsiveness today, and tomorrow's opportunities.

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RLI

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800/445-5468

Continued from previous page

Principal officers: Keith C. Kakacek, president; John R. Catanzano and James McNeely, vps; Mary Ann Friberg and Jimmie Mayfield, claims managers.

Summit Consulting Inc.

P.O. Drawer 988, Lakeland, Fla. 33802; 813-665-6060; fax: 813-665-3546

Founded: 1978.
Business: 40% claims administration, 40% claim adjusting, 20% other services, including auditing, loss control and data processing.
Region served: Florida and Louisiana.
Specialties: 100% workers compensation.
Self-insured clients: Four administration clients.
Self-insured claims: Workers compensation claims adjusted.
Staff: 450, all serving self-insurers only.
Branch offices: Administrative and sales offices in Fort Lauderdale, Fla., and Baton Rouge, La.
Subsidiaries: Summit Claims Management Inc., Summit Loss Control Services Inc. and Commercial Insurance Agency Inc.
1991 gross revenues: $250 million total premiums.
PPOs available: Focus, AIIA.
Principal officers: William B. Bull, president; Georgia Collis, vp-administration; Russell Wall, vp-finance; Allen C. Bennett, vp-loss control; Ricky Hodges, vp-claims.
Membership: SIIA, Group Risk Administrators, Florida Assn. of Self-Insurers, Workers Compensation Task Force.

T

Toplis & Harding Inc.

222 S. Riverside Plaza, Chicago, Ill. 60606; 312-648-1300; fax: 312-454-1588

Founded: 1918.
Business: 40% claims administration, 15% claim adjusting, 15% claims auditing, 30% other services, including risk management consulting, property and marine adjusting for insurance companies.
Region served: Nationwide.
Specialties: 5% automobile, 5% bonds, 30% general liability, 5% inland marine, 15% ocean marine, 10% professional liability, 20% property damage, 10% workers compensation.
Self-insured clients: Administration clients include 20% association plans, 50% corporations, 30% public/government entities. Adjusting clients include 10% association plans, 50% corporations, 40% public/government entities.
Self-insured claims: Commercial property losses, product liability, medical malpractice and railroad property claims adjusted. 125 claims-auditing projects conducted.
Staff: 350; 100 serving self-insurers only.
Charges: Time and expense, flat rate per claim, percentage of premium or annual fee for administration. Time and expense or flat rate per claim for adjusting. Hourly fee, daily flat rate or project rate for auditing.
Branch offices: Administrative and sales offices in Atlanta, Los Angeles, New York and San Francisco.
Subsidiaries: Lee McAndrews, New York; T&H Services, New Hampshire; William A. Volpe Corp., New Berg, N.Y.
1991 gross revenues: $25 million; $17.5 from claims services.
Principal officers: James V. Ebel, president/chief executive officer; David Lewis, chief operating officer; Ralph Wood, managing director-marine division; Joseph A. Dotoli, managing director-property division; Craig Bowlus, director-casualty division.

Tower Associates Ltd.

248 Geiger Road, Suite 105, Philadelphia, Penn. 19115; 215-676-6922; fax: 215-676-6942

Founded: 1985.
Business: 50% claims administration, 50% claim adjusting.
Region served: Pennsylvania, New Jersey, Delaware.
Specialties: 100% workers compensation.
Self-insured clients: Four administration clients, including two corporations, two public/government entities.
Self-insured claims: $8 million paid for administration clients.
Staff: Five.
Charges: Project basis, $125 to $350, for administration.
1991 gross revenues: $575,000; $525,000 from claims services.
PPOs available: Tower PPO, U.S. Healthcare.
Principal officers: Terri M. Moffa, president.

W

Carl Warren & Co.

320 Arden Ave., Suite 110, Glendale, Calif. 91207; 800-824-1249

Founded: 1944.
Business: 70% claims administration, 30% other services.
Region served: Nationwide.
Specialties: 30% automobile, 70% general liability.
Self-insured clients: 570 administration clients, including 20 association plans, 250 corporations, 300 public/government entities.
Self-insured claims: General liability, product liability, auto liability claims adjusted.
Staff: 250; 150 serving self-insurers only.
Charges: Time and expense for administration and adjusting.
Branch offices: Administrative offices in 14 locations nationwide.
Principal officers: Roy George, president; Michael Dekema and Larry Hunt, executive vps.

Wear & Wood Inc.

8989 Rio San Diego Drive, Suite 300, San Diego, Calif. 92108; 619-238-5888; fax: 619-238-8555

Founded: 1984.
Business: 100% claims administration.
Region served: California.
Specialties: 100% workers compensation.
Self-insured clients: Administration clients include 60% corporations, 40% public/government entities.
Self-insured claims: $5 million paid for administration clients.
Staff: 35.
Charges: Based on dedicated unit for administration.
1991 gross revenues: $1.5 million, all from claims services.
Principal officers: Barbara Lee Wear, president/chief executive officer; Lynn Wood, president-operations; Linda Smith, unit manager; Cathy Aguilar, supervisor.
Membership: California Administrative Service Organization.

Y

York Claims Service Inc.

156 William St., New York, N.Y. 10038; 212-732-0505; fax: 212-732-1789

Founded: 1962.
Business: 80% claims administration, 20% other services, including program administration for insurers.
Region served: Nationwide.
Specialties: 20% automobile, 75% general liability, 5% professional liability.
Self-insured clients: 466 administration clients, all corporations. 131 adjusting clients, all corporations.
Self-insured claims: $15 million paid for administration clients.
Staff: 81; 70 serving self-insurers only.
Charges: Time and expense for administration, adjusting and auditing.
1991 gross revenues: $5.3 million.
Principal officers: Stuart A. Myers, president; Frederick M. Schiller, executive vp; Peter Lind, vp; Eileen Rachelson, secretary/treasurer.
Membership: SIIA. ■

Directory of TPAs that handle both benefit, P/C claims

A

Adjustco Inc.

525 N. Broadway, P.O. Box 639, White Plains, N.Y. 10603; 914-948-5405

Founded: 1973.
Parent company: Frank B. Hall & Co. Inc.
Business: 60.6% claims administration, 13.3% claim adjusting, 26.1% other services, including medical utilization review, workers comp vocational and medical rehabilitation.
Region served: Nationwide.
Specialties: 2% automobile, 4% disability, 15% health insurance, 1% professional liability, 2% property damage, 50% workers comp, 26% miscellaneous.
Health plans: 85,000 employees, 195,000 dependents covered.
Self-insured clients: 1,354 administration clients, including two association plans, 998 corporations, 351 public/government entities, three union-sponsored plans.
Self-insured claims: $724 million paid for administration clients. Workers comp and health benefits claims adjusted. Two claims-auditing projects conducted.
Staff: 439.
Charges: Per claim, per open pending or flat fee for administration. Time and expense for adjusting and auditing.
Branch offices: Administrative offices in 27 locations nationwide.
Subsidiaries: Cost Containment Management.
1991 gross revenues: $33.2 million.
Principal officers: John C. Addeo, chief executive officer; Arthur M. Yoss, chief operating officer.
Membership: IFEBP, SIIA.

Administrative Claim Service

P.O. Box 1478, Thomasville, Ga. 31799; 912-228-7028 or 800-476-9971; fax: 912-228-7464

Founded: 1987.
Business: 100% claims administration.
Region served: Georgia, Florida, Alabama.
Specialties: 1% flex compensation, 95% health insurance, 1% property damage, 3% workers comp.
Health plans: 4,000 employees, 5,000 dependents covered.
Self-insured clients: 30 administration clients, including 20 corporations, 10 public/government entities.
Self-insured claims: $5 million paid for administration clients.
Staff: 10, all serving self-insurers.
Charges: Per employee per month, service fee for administration.
1991 gross revenues: $310,000 from claims services.
PPOs available: Archcare Health Plans.
Principal officers: Byron L. Hinson, president; Darlene K. Taylor, secretary/treasurer.
Membership: SIIA.

Administrators Network Inc.

6920 Pointe Inverness Way, Suite 150, Fort Wayne, Ind. 46804; 219-455-5079; fax: 219-455-7408

Founded: 1984.
Parent company: Lincoln National Administrative Service Co.
Business: 70% claims administration, 30% other services, including conventional funding, HMO, workers comp, property/casualty.
Region served: Nationwide.
Specialties: 4% disability, 1% flex compensation, 1% general liability, 89% health insurance, 5% workers comp.
Health plans: 661,000 employees, 846,000 dependents covered.
Self-insured clients: 2,037 administration clients, including two association plans, 1,805 corporations, nine multiemployer plans, 31 multiemployer welfare arrangements, 190 public/government entities.
Self-insured claims: $1.3 billion paid for administration clients.
Staff: 1,229; 1,118 serving self-insurers.
Charges: Per employee per month for administration.
Subsidiaries: Concept Administrators; Creative Risk Management; Didion & Associates; Employee Services Inc.; Fringe Benefit Review Inc.; Municipal Administrators Inc.; Independent Benefit Plans; Jackson, Long & Associates Inc.; Mutual Administrators; Rowland Group Services Inc.; Self Assurance Co. Inc.; Self-Funding Administrators Inc.; Susquehanna Administrators Inc.; Susquehanna Administrators of New England; Susquehanna Administrators at Valley Forge; Total Group Services Inc.
1991 gross revenues: $68 million; $47.6 million from claims services.
Principal officers: Lance W. Feighner, president.
Membership: SIIA, SPBA.

Alternative Benefit Administrators Inc.

2220 Hicks Road, Suite 2200, Rolling Meadows, Ill. 60008; 708-398-0660; fax: 708-398-6606

Founded: 1990.
Business: 100% claims administration.
Region served: Nationwide.
Specialties: 95% health insurance, 5% workers comp.
Health plans: 6,800 employees.
Self-insured clients: 33 administration clients, including 32 corporations, one public/government entity.
Self-insured claims: $9.6 million paid for administration clients.
Staff: 12, all serving self-insurers.
Charges: Capitation for administration.
PPOs available: Preferred Health Plans, Rush Contract Care, Health Network, HRM.
Principal officers: Thomas D. Card-

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Continued from previous page
well, president; Edward P. Walden, executive vp; Mary Bacher, vp.
Membership: SIIA, IFEBP.

American Claims Evaluation Inc.
375 N. Broadway, Jericho, N.Y. 11753; 516-938-8000; fax: 516-938-0405

Founded: 1981.
Business: 30% claims 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% automobile, 95% health insurance, 4% workers comp.
Self-insured claims: 3,000 auditing projects conducted.
Staff: 50, all serving self-insurers.
Charges: Contingency fee for auditing.
Branch offices: Administrative and sales offices in Chicago, Dallas and Los Angeles. Additional sales offices in Atlanta; Detroit; San Francisco; Providence, R.I.
1991 gross revenues: $5.9 million.
Principal officers: Gary Gelman, president/chairman; Gary J. Knauer, chief financial officer; Robert G. Dubester, vp-operations.

Associated Risk Services Corp.
4501 Circle Parkway, Suite B-2190, Atlanta, Ga. 30339; 404-980-1908 or 800-888-8003; fax: 404-984-0320

Founded: 1984.
Business: 80% claims administration, 5% claims auditing, 15% captives, fronted programs and retros.
Region served: Nationwide.
Specialties: 5% automobile, 1% disability, 5% flex compensation, 10% general liability, 10% health insurance, 1% life, 5% pensions, 1% professional liability, 2% property damage, 60% workers compensation.
Self-insured clients: 54 administration clients, including six association plans, 39 corporations, nine public/government entities.
Self-insured claims: $94.1 million paid for administration clients.
Staff: 165; 125 serving self-insurers.
Charges: Per claim, flat annual fee, percentage of premium for administration. Monthly fee, time and expense for auditing.
Branch offices: Administrative offices in Orlando, Fla.; Richmond, Va.; Winston-Salem, N.C.; Columbus, Ohio; Dallas; Burbank, Calif.
Subsidiaries: ARS Underwriters Inc., ARS Benefits, ARS Financial, Atlanta.
Principal officers: Richard L. Maloney, president/chief executive officer; Donald G. Walraven, senior vp/secretary; Kathleen Oliver, senior vp-operations; Gloria Aaberg-Sneath, president-ARS Benefits Inc.; R. Scott King, assistant vp-marketing.
Membership: IFEBP, SIIA, SPBA, Atlanta Claims Assn.

Association Self Insurance Services Inc.
166 Commerce St., P.O. Box 11427; Montgomery, Ala. 36104; 205-265-7700; fax: 205-265-4762

Founded: 1987.
Business: 100% claims administration.
Region served: Alabama.
Specialties: 10% general liability, 90% workers compensation.
Self-insured clients: Four administration clients, all association plans.
Self-insured claims: $19.1 million paid for administration clients.
Staff: 34; 32 serving self-insurers.
1991 gross revenues: $3 million; $2.8 million from claims services.
Principal officers: W. Dan Oaks, president/chairman; John J. Strickland II and John E. Hassett, vps.
Membership: Southern Assn. of Workmans Compensation Administrators, Montgomery Claims Assn., Alabama Claims.

Assured Risk Management Services
64 Division Ave., Suite 101, Levittown, N.Y. 11756; 516-579-6108 or 800-624-2965; fax: 516-579-6537

Founded: 1988.
Business: 80% claim adjusting, 20% other services, including auditing and subrogation recoveries.
Region served: Nationwide.
Specialties: 60% automobile, 5% disability, 10% general liability, 5% health insurance, 10% property damage, 10% workers compensation.
Self-insured clients: 16 adjusting clients, including 15 corporations, one public/government entity. One auditing client, a corporation.
Self-insured claims: Auto, general liability, workers comp claims adjusted. One claims-auditing project conducted.
Staff: 12; five serving self-insurers.
Charges: Time and expense for adjusting and auditing.
Branch offices: Administrative offices in Newburgh, N.Y.
Subsidiaries: Assured Recoveries Ltd., Levittown, N.Y.
Principal officers: John J. Wenz, president.

C

California Audit Service Inc.
5244 Evanwood Ave., Agoura, Calif. 91301; 818-597-8978

Founded: 1978.
Business: 50% claims auditing, 50% other services, including enrollment eligibility audits, fraud identification, risk assessment, internal audit peer review.
Region served: Nationwide.
Self-insured clients: 31 auditing clients, including eight association plans, 12 corporations, six multiemployer plans, two multiemployer welfare arrangements, one public/government entity, two union-sponsored plans.
Self-insured claims: 76 claims-auditing projects conducted.
Staff: 34; 12 serving self-insurers.
Charges: Negotiated fee, time and expense and contingency fees available for cost-recovery programs for auditing.
Branch offices: Administrative offices in Sacramento, Los Angeles and San Diego, Calif.
1991 gross revenues: $2.9 million; $1.3 million from claims services.
Principal officers: Russell D. Franich, president.
Membership: SIIA, Institute of Internal Auditors.

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

Founded: 1983.
Parent company: Ramsay HMO Inc.
Business: 60% claims administration, 40% other services, including fully insured services.
Region served: Nationwide.
Specialties: 5% disability, 1% flex compensation, 90% health insurance, 5% life.
Health plans: 23,000 employees, 32,000 dependents covered.
Self-insured clients: 55 administration clients, including 50 corporations, one multiemployer welfare arrangement, four public/government entities.
Self-insured claims: $17 million paid for administration clients.
Staff: 40; 32 serving self-insurers.
Charges: Administration fee, $1.50 to $15.
PPOs available: CAC/Ramsay.
Principal officers: Michael B. Fernandez, president; Richard P. Shea, executive vp; Albert Arca and Maribel Chavez, vps.
Membership: SIIA, SPBA.

Consolidated Risk Management Services
4914 W. Marshall St., Richmond, Va. 23230; 804-354-4042; fax: 804-354-4114

Founded: 1968.
Parent company: Blue Cross & Blue Shield of Virginia.
Business: 100% claims administration.
Region served: Michigan, Maryland, North Carolina, Pennsylvania, Colorado, Virginia.
Specialties: 6% automobile, 6% general liability, 7% health insurance, 81% workers comp.
Health plans: 6,800 employees, 8,800 dependents covered.
Self-insured clients: 79 administration clients, including eight association plans, 30 corporations, 40 public/government entities, one union-sponsored plan.
Self-insured claims: $75 million paid for administration clients.
Staff: 173, all serving self-insurers.
Charges: Fixed fee for administration.
Branch offices: Administrative and sales offices in Farmington Hills, Grand Rapids and Saginaw, Mich.; Rockville and Columbia, Md.; Raleigh, N.C.
1991 gross revenues: $8.9 million, all from claims services.
PPOs available: PPO Michigan.
Principal officers: William D. Monday Jr., president; Mike Murawski and Tom England, executive vps; Stephen R. Hall, vp/chief financial officer.
Membership: SIIA.

Creative Risk Management Corp.
34820 Harper Ave., P.O. Box 2305, Mount Clemens, Mich. 48046-2305; 313-792-6355; fax: 313-792-9429

Founded: 1971.
Parent company: Lincoln National Corp.
Business: 66% claims administration, 2% claim adjusting, 2% claims auditing, 30% other services.
Region served: Nationwide.
Specialties: 9% automobile, 3% disability, 2% flex compensation, 21% general liability, 23% health insurance, 3% inland marine, 2% property damage, 37% workers comp.
Self-insured clients: 140 administration clients, including 10 association plans, 114 corporations, 16 public/government entities. Two auditing clients, both associations.
Self-insured claims: $49.9 million paid for administration clients. General liability, auto and property claims adjusted. Two claims-auditing projects conducted.
Staff: 103; 90 serving self-insurers.
Charges: Percent of premium, flat fee or time and expense for administration. Time and expense for adjusting and auditing.
Branch offices: Administrative offices in Grand Rapids and Flint, Mich.
PPOs available: PPOM and Maricopa.
Principal officers: James W. Duff, president; Thomas D. Mather and W.T. Platt, senior vps; F.V. Warren, senior vp-claims; Lisabeth Vernier, vp; Steven Knowlton and Cheryl A. Chapman, vps.
Membership: SIIA.

D

Diversified Benefit Plans Inc.
37190 Colorado Ave., Avon, Ohio 44011; 216-934-1033; fax: 216-934-1040

Founded: 1977.
Business: 35% claims administration, 18% claim adjusting, 5% claims auditing, 42% other services.
Region served: Nationwide.
Specialties: 5% disability, 5% flex compensation, 70% health insurance, 20% workers comp.
Health plans: 51,000 employees, 145,000 dependents covered.
Self-insured clients: 141 administration clients, including one association plan, 96 corporations, one multiemployer welfare arrangement, 41 public/government entities, three union-sponsored plans. Five auditing clients, including four corporations, one public/government entity.
Staff: 26, all serving self-insurers.
Charges: $7 to $15 per head for administration. $45 to $100 per hour for auditing.
Branch offices: Administrative offices in Lorain and Beachwood, Ohio. Sales offices in Chicago.
PPOs available: Emerald Health Network, Lorain County Healthcare Network.
Principal officers: Thomas J. Patton, president; Thomasina B. Patton, senior vp; Richard A. Brent and Robert McDonald, vps.
Membership: SIIA, SPBA.

Diversified Group Brokerage Corp.
P.O. Box 180, 369 N. Main St., Marlborough, Conn. 06447; 203-295-9583; fax: 203-295-8164

Founded: 1967.
Business: 100% claims administration.
Region served: Nationwide.
Specialties: 7% disability, 10% flex compensation, 73% health insurance, 10% fitness and health, 401(k) administration.
Health plans: 62,000 employees, 192,000 dependents covered.
Self-insured clients: 1,064 administration clients, including one association plan, 1,052 corporations, five public/government entities, six union-sponsored plans.
Staff: 256; 235 serving self-insurers.
Charges: Per employee per month, $8 to $16 for administration.
Branch offices: Administrative and sales offices in Canonsburg, Pa. Additional sales offices in Danbury, Mystic, Conn.; Norwell, Springfield, Lynnfield, Mass.; Hampton, N.H.; Knoxville, Tenn.; Charleston, Morgantown, W.Va.; Dallas.
Subsidiaries: Diversified Group Administrators, Canonsburg, Pa.
1991 gross revenues: $18 million; $15

Continued on next page

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PAULSEN, DOWLING SECURITIES, INC.

January 17, 1992

Continued from previous page
million from claims services.

PPOs available: Pennsylvania Health Choice, Pioneer Health Care.

Principal officers: Robert H. Soleau, president/chief executive officer; Dean Briskey, chief financial officer; Kathy Shea, vp-underwriting; Mary Armstrong, vp-administration; Ed O'Brian, vp-operations; Dave Bramer, president.

Membership: SIIA, SPBA.

H.L. Duke & Co. Inc.

P.O. Box 2-S, Richmond, Va. 23204; 804-783-8025; fax: 804-783-1833

Founded: 1987.

Business: 80% claims administration, 20% other services, including loss prevention and reinsurance.

Region served: Nationwide.

Specialties: 75% health insurance, 25% workers comp.

Health plans: 10,000 employees, 18,000 dependents covered.

Self-insured clients: 38 administration clients, all corporations.

Self-insured claims: $12.9 million paid for administration clients.

Staff: 20; 18 serving self-insurers.

Charges: Per employee fee and percent of claims for administration.

Branch offices: Administrative and sales offices in Roanoke, Va.

1991 gross revenues: $1.3 million.

PPOs available: Virginia Health Network, Preferred Care of Richmond.

Principal officers: Henry L. Duke Jr., president; Henry T. Thomas, vp.

Membership: SIIA, SPBA, QCA.

E

Employee Benefit Management Services

P.O. Box 21367, Billings, Mont. 59104; 800-777-3575

Founded: 1980.

Business: 90% claims administration, 10% other services.

Region served: Northwest.

Specialties: 5% flex compensation, 95% health insurance.

Health plans: 19,000 employees, 45,000 dependents covered.

Self-insured clients: 108 administration clients, including four association plans, 60 corporations, four multiemployer welfare arrangements, 40 public/government entities.

Self-insured claims: $29 million paid for administration clients.

Staff: 46, all serving self-insurers.

Charges: Per employee per month for administration. $75 per hour for auditing.

Branch offices: Administrative and sales offices in Missoula, Mont.; Spokane, Wash.

PPOs available: Sound Health-Washington.

Principal officers: Frederick H. Larson, president; Rob Hunter, chief executive officer; Nick Larson, secretary/treasurer.

Membership: IFEBP, NAEBA, SIIA, SPBA.

Executive Risk Consultants Inc.

260 Wekiva Springs Road, Longwood, Fla. 32779; 407-788-1717; fax: 407-788-8648

Founded: 1985.

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

Region served: Southeast.

Specialties: 1% automobile, 3% general liability, 5% health insurance, 1% property damage, 90% workers comp.

Self-insured clients: 30 administration clients, including 15 association plans, 14 corporations, one public/government entity.

Self-insured claims: $200 million paid for administration clients.

Staff: 350, all serving self-insurers.

Charges: Percentage of premium for administration and adjusting.

Branch offices: Administrative offices in Baton Rouge, La.; Jackson, Miss.; Nashville, Tenn.

Subsidiaries: Southeast Administrators Inc.

1991 gross revenues: $21 million.

Principal officers: Eugene G. Hill, president; David J. Jasmund, senior vp; Bob R. Smith, secretary; David K. Krauser, vp; Richard V. Lerner, treasurer.

Membership: IFEBP, SIIA, SPBA.

F

Florida Employers Insurance Service Corp.

2601 Cattlemen Drive, Sarasota, Fla. 34234-6249; 813-955-2811; fax: 813-951-3779

Founded: 1979.

Parent company: Florida Employers Insurance Co.

Business: 95% claims administration, 3.5% claim adjusting, 1.5% other services.

Region served: Florida, Georgia.

Specialties: 0.5% property, 0.5% auto, 1.5% general liability, 4% health insurance, 0.5% life, 93% workers comp.

Self-insured clients: 32 administration clients, including 28 corporations, two public/government entities and two association plans.

Self-insured claims: $119 million paid for administration clients. Workers comp, health, general liability, property claims adjusted.

Staff: 454; 430 serving self-insurers.

Charges: Percent of premium for administration.

Branch offices: Administrative offices in Fort Lauderdale, Fla.

Subsidiaries: Claims Management Systems.

1991 gross revenues: $21 million; $20 million from claims services.

Principal officers: Raymond Neff, president; John Dubreuil, James Bos, David Weber and Robert McManus, senior vps.

Membership: SIIA, Florida Assn. of Self-Insureds.

Fox-Everett Inc.

P.O. Box 188, Jackson, Miss. 39205; 601-981-6000; fax: 601-981-9243

Founded: 1945.

Business: 100% claims administration.

Region served: Nationwide.

Specialties: 2% disability, 3% flex compensation, 95% health insurance.

Health plans: 18,500 employees, 24,000 dependents covered.

Self-insured clients: 34 administration clients, including two association plans, 28 corporations, four union-sponsored plans.

Self-insured claims: $34 million paid for administration clients.

Staff: 65; 22 serving self-insurers.

Charges: Per employee per month, $5.50 to $8, for administration.

Branch offices: Sales office in Gulfport, Miss.

1991 gross revenues: $1.5 million; $1.1 million from claims services.

PPOs available: Gulfport Memorial Hospital PPO.

Principal officers: Carl J. Bush, president; John F. Anderson Jr., executive vp; W.E. Kinchen, secretary/treasurer; W.H. Mathison, C. Larry Vance and Ronald W. Myrick, vps.

Membership: SIIA.

G

Gallagher Bassett Services Inc.

The Gallagher Centre, 2 Pierce Place, Itasca, Ill. 60143-3141; 708-773-3800; fax: 708-285-4000

Founded: 1962.

Parent company: Arthur J. Gallagher & Co.

Business: 90% claims administration, 1% claims auditing, 9% other services, including risk management consulting, information management services and property appraisal services.

Region served: Worldwide.

Specialties: 8% automobile, 17% general liability, 31% health insurance, 1% professional liability, 9% property damage, 34% workers comp.

Self-insured clients: 1,030 administration clients, including one association plan, 417 corporations, 612 public/government entities, 38 retro trust. 12 auditing clients, including 11 corporations, one public/government entity.

Self-insured claims: $961.8 million paid for administration clients. 12 claims-auditing projects conducted.

Staff: 995, all serving self-insurers.

Charges: Per claim fee, per employee, time and expense or annual fee for administration. Time and expense, flat fee or project basis for auditing.

Branch offices: Administrative offices in 91 cities nationwide. Sales offices in 47 cities nationwide, four non-U.S. cities.

Subsidiaries: Pacific-Atlantic Administrators, Gallagher Bassett Benefit Administrators.

1991 gross revenues: $72 million; $65.4 million from claims services.

Principal 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.; Leonard E. Wood, president/chief executive officer-Gallagher Bassett Benefit Administrators; Frank M. Hefferman, president-Pacific Atlantic Administrators.

Membership: SIIA, SPBA, National Council of Self-Insurers.

Gilsbar Inc.

19348 N. Fourth St., P.O. Box 998, Covington, La. 70434; 504-892-3520; fax: 504-898-1500

Founded: 1959.

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

Region served: Louisiana, Mississippi, Alabama.

Specialties: 100% health insurance.

Health plans: 22,000 employees, 50,000 dependents covered.

Self-insured clients: 73 administration clients, including 66 corporations, seven public/government entities.

Self-insured claims: $30 million paid for administration clients.

Staff: 144; 58 serving self-insurers.

Charges: Per head for administration.

Branch offices: Sales offices in Baton Rouge, Monroe, Lafayette, Houma, La.

1991 gross revenues: $7 million; $2.8 million from claims services.

PPOs available: SMA, HCA, PRHCP, CCN.

Principal officers: Henry J. Miltemberger Jr., president; W. Robert Ellis, senior vp; Fritz B. Ziegler, senior vp/general counsel; Curt W. Keay, vp-operations.

Membership: SIIA, SPBA.

H

Harrington Services Corp.

1103 Schrock Road, Columbus, Ohio 43229; 614-841-0480; fax: 614-841-0977

Founded: 1954.

Business: 78% claims administration, 22% other services, including unemployment tax consulting services.

Region served: Nationwide.

Specialties: 1% disability, 1% flex compensation, 79% health insurance, 16% pensions, 3% workers comp.

Health plans: 495,000 employees, 740,000 dependents covered.

Self-insured clients: 273 administration clients, including six association plans, 133 corporations, 112 multiemployer plans, 22 public/government entities.

Self-insured claims: $915 million paid for administration clients.

Staff: 1,200; 900 serving self-insurers.

Charges: Per employee per month for administration.

Branch offices: Administrative offices in 16 locations nationwide. Sales offices in Chicago, Dallas, Houston, Las Vegas, Los Angeles, Minneapolis, Phoenix.

Subsidiaries: American Benefit Plan Administrators Inc.

1991 gross revenues: $52 million; $40 million from claims services.

PPOs available: Access, Affiliated Healthcare, Affordable, AIH, CAPP Care, Emerald Health Network, Health Services Preferred, Paramount, Parkside, U.S. Health Plan.

Principal officers: Robert Parker, president; Arthur McGimsey, executive vp; Warren Blue, senior vp/general counsel; Robert Covert, treasurer; Gary Fansler, vp-marketing.

Membership: SIIA, SPBA.

Health Risk Management Inc.

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

Founded: 1977.

Business: 100% claims administration.

Region served: Nationwide.

Specialties: 5% flex compensation, 94.5% health insurance, 0.5% workers comp.

Health plans: 17,000 employees, 24,000 dependents covered.

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

Self-insured claims: $47 million paid for administration clients.

Staff: 410, all serving self-insurers.

Charges: Per employee per month for administration. Fee per claim for adjusting. Hourly fee for auditing.

Branch offices: Administrative and sales offices in Kalamazoo, Mich. Additional sales offices in Shrewsbury, N.J.; Atlanta; Chicago; Woodland Hills, Mich.

Subsidiaries: Pension & Group Services Inc.

1991 gross revenues: $20.2 million; $1.9 million from claims services.

PPOs available: HRM CarePASS.

Principal officers: Gary McIlroy, chief executive officer; Marlene Travis, chief operating officer/president; Tom Clark, chief financial offier; Adele Kimpell, vp-claims; Al Pertuz, senior vp-operations; Ken Diamond, vp-provider relations.

Hertz Claim Management Corp.

225 Brae Blvd., Park Ridge, N.J. 07656; 201-307-2505; fax: 201-307-2709

Founded: 1981.

Parent company: The Hertz Corp.

Business: 80% claims administration, 5% claim adjusting, 5% claims auditing, 10% other services.

Region served: Nationwide.

Specialties: 30% automobile, 5% general liability, 25% health insurance, 10% property damage, 25% workers comp, 5% miscellaneous.

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: $790 million paid for administration clients. Health, workers comp, automobile, property damage and general liability claims adjusted. 10 claims-auditing projects conducted.

Staff: 1,371; 955 serving self-insurers.

Charges: Per case, fixed fee, line item for administration. Time and expense for adjusting. Fixed fee for auditing.

Branch offices: Administrative offices in 17 locations nationwide. Sales offices in Oklahoma City, Chicago, Los Angeles.

Subsidiaries: Best Impression Copy Service, HCM Marketing, HCM Claim Investigation, Regain, HCM Workers Compensation.

Principal officers: Thomas J. Santorelli, president; Robert B. Shomer and Howard Rezak, executive vps; Richard P. McEvily, vp/managing attorney; Roy Titterton, controller.

Membership: SIIA, SPBA.

I

Inservco Insurance Services Inc.

P.O. Box 8898, Camp Hill, Pa. 17001-8898; 800-356-0438; fax: 717-763-5732

Founded: 1980.

Parent company: Pennsylvania National Mutual Casualty Insurance Co.

Business: 50% claims administration, 4% claim adjusting, 1% claims auditing, 45% other services.

Region served: Pennsylvania, New Jersey, Maryland, Virginia, North Carolina, South Carolina, Tennessee.

Specialties: 10% automobile, 5% disability, 10% general liability, 3% health insurance, 1% life, 1% professional liability, 5% property damage, 65% workers comp.

Health plans: 5,979 employees and dependents covered.

Self-insured clients: 35 administration clients, including seven association plans, 10 corporations, 18 public/government entities. Two auditing clients, both

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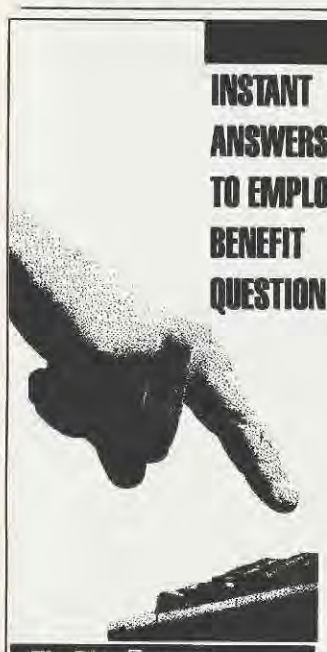

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Continued from previous page
public/government entities.

Self-insured claims: $12.8 million paid for administration clients. Workers comp, auto and general liability claims adjusted. 10 claims-auditing projects conducted.

Staff: 124; 65 serving self-insurers.

Charges: Time and expense, per claim fee, annual fee for administration. Time and expense, per claim, annual fee for adjusting. Time and expense for auditing.

Branch offices: Administrative and sales offices in Philadelphia and Pittsburgh, Pa.; Trenton, N.J. Additional administrative offices in Greensboro, N.C.; Chesapeake, Va.

Subsidiaries: Pennsylvania National Communications.

1991 gross revenues: $5 million; $2.8 million from claims services.

PPOs available: MBA Rehabilitation.

Principal officers: Daniel D. Walters, president; Robert L. Conrad, executive vp; S.G. McDowell, vp; Kenneth R. Shutts, secretary/general counsel; Barry L. Kline, treasurer.

Membership: SIIA, National Council of Self Insurers, Pennsylvania Self-Insurance Assn., Pennsylvania Claims Assn., New Jersey Self-Insurance Assn., Maryland Self-Insurance Assn.

J

W.J. Jones Administration Services Inc.

2001 Marcus Ave., Suite 228 West, Lake Success, N.Y. 11042; 516-775-5420; fax: 516-775-6601

Founded: 1971.

Business: 65% claims administration, 10% claim adjusting, 25% other services.

Region served: Nationwide.

Specialties: 10% disability, 15% flex compensation, 65% health insurance, 10% pensions.

Health plans: 85,000 employees, 40,000 dependents covered.

Self-insured clients: 92 administration clients, including two association plans, 90 corporations.

Self-insured claims: $60 million paid for administration clients. Health, dental and disability claims adjusted.

Staff: 50; 25 serving self-insurers.

Charges: Per capita monthly fee basis, $3 to $15, for administration. Per capita monthly fee or flat monthly retainer basis for adjusting.

1991 gross revenues: $5 million; $2.8 million from claims services.

Principal officers: John P. Sherlock, president; Robert F. Sherlock and Kevin Sherlock, vps.

Membership: SIIA, Health Insurance Assn. of America.

K

Keenan & Associates

2355 Crenshaw Blvd., Suite 200, P.O. Box 4328, Torrance, Calif. 90501; 310-212-3344; fax: 310-328-6793

Founded: 1972.

Business: 38% claims administration, 4% claim adjusting, 58% other services, including brokerage, benefit consulting, health care, risk management, financial planning.

Region served: California.

Specialties: 3% automobile, 5% general liability, 3% property damage, 89% workers comp.

Self-insured clients: 844 administration clients, including 16 corporations, 828 public/government entities. 264 adjusting clients, including 21 corporations, 243 public/government entities.

Self-insured claims: $97.4 million paid for administration clients. Workers comp, general liability, auto claims adjusted.

Staff: 365; 160 serving self-insurers.

Charges: Flat fee for administration. Hourly for adjusting.

Branch offices: Administrative and sales offices in Chico, Emeryville, Campbell, Fresno, Riverside, Santa Ana, Calif. Additional sales offices in Westlake Village, San Diego, Sacramento, Calif.

Subsidiaries: Regency Claims Service, Service Enhancement Technologies Inc.

1991 gross revenues: $23.9 million; $9.9 million from claims services.

PPOs available: Occupational Urgent Care Health Systems Inc.

Principal officers: John R. Keenan, chief executive officer; Frederick A. Johnson, president; David J. De Wenter, executive vp; Murton L. Munson, senior vp.

Membership: SPBA, California Administrative Service Organization.

Kepple & Co. Inc.

209 W. Fifth St., Peoria, Ill. 61605; 309-673-7330; fax: 309-673-7369

Founded: 1982.

Parent company: Proctor Healthcare Inc.

Business: 68% claims administration, 32% other services, including utilization review, COBRA, Taft-Hartley administration, property/casualty, drug testing.

Region served: Nationwide.

Specialties: 1% disability, 8% flex compensation, 90% health insurance, 1% life.

Health plans: 29,000 employees, 30,000 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: $52 million paid for administration clients.

Staff: 70; 68 serving self-insurers.

Charges: Per employee per month, $6 to $13, for administration.

Principal officers: Michael D. Kepple, president; Norm Laconte, chairman; Kevin Roberts, vp/secretary/treasurer.

Membership: IFEBP, NAEBA, SIIA, SPBA, Employers Council on Flexible Compensation, Self-Insurance Assn. of Illinois, National Assn. of Quality Assurance.

N

Northshore International Insurance Services Inc.

76 Lafayette St., Salem, Mass. 01970; 508-745-6655; fax: 508-741-1642

Founded: 1988.

Business: 30% claims auditing, 70% other services, including review, audit and consultation to insurers, reinsurers and risk-bearing entities.

Region served: Nationwide.

Specialties: 10% automobile, 20% general liability, 20% workers comp, 50% excess claim administration of specific and aggregate coverage.

Self-insured clients: 12 administration clients, all corporations. 72 auditing clients, including four association plans, 36 corporations, six multiemployer plans, six multiemployer welfare arrangements, 20 public/government entities.

Self-insured claims: 115 auditing projects conducted.

Staff: 27.

Charges: Time and expense accounted against a monthly retainer for administration. Time and expense, $95 to $125 per hour, for auditing.

Branch offices: Administrative offices in Austin, Texas; Chicago; Brentwood, Tenn.

Subsidiaries: International Managed Care Services Inc., International Subrogation Management Inc.

Principal officers: David W. Ives, president; Mark E. Scerra, Joseph J. Yablonski and Norman C. Tardif, vps.

Membership: SIIA.

P

Penn General Service Corp.

400 Galleria Officentre, Suite 500, Southfield, Mich. 48086; 313-353-5800; fax: 313-353-1875

Founded: 1972.

Parent company: Republic Hogg Robinson Inc.

Business: 100% claims administration.

Region served: Nationwide.

Specialties: 85% health insurance, 15% workers comp.

Staff: 225, all serving self-insurers.

Charges: Fee per employee for administration.

Branch offices: Administrative and sales offices in Atlanta; Austin, Texas; Springfield, Mass.; Lubbock, Texas; Los Angeles; Miami; Albuquerque, N.M.

Principal officers: Charles Keller, chairman/chief executive officer; Jack Welsh, vp-acquisition/treasurer; Larry Wheeler, Ann Kolanowski and Cindy Howard, senior vps.

Membership: SIIA, SPBA.

POMCO

2425 James St., Syracuse, N.Y. 13206; 315-432-9171; fax: 315-437-9466

Founded: 1979.

Business: 90% claims administration, 10% claim adjusting.

Region served: Nationwide.

Specialties: 5% disability, 85% health insurance, 10% workers comp.

Health plans: 74,000 employees, 112,000 dependents covered.

Self-insured clients: 45 administration clients, including two corporations, three multiemployer plans, 38 public/government entities, two union-sponsored plans.

Self-insured claims: $137 million paid for administration clients.

Staff: 160, all serving self-insurers.

Charges: Flat fee per enrollee for administration.

Branch offices: Administrative and sales offices in Elmsford, N.Y.

Principal officers: Maurice W. Pomfrey, chief executive officer; Robert Pomfrey, president; George Sherman, vp-management information systems; Terry Dowd, vp-finance and administration.

Membership: SIIA.

Professional Administrators Inc.

P.O. Box 140415, Orlando, Fla. 32814; 407-896-0521

Founded: 1972.

Business: 60% claims administration, 25% claim adjusting, 15% claims auditing.

Region served: Florida.

Specialties: 56% health insurance, 44% workers comp.

Health plans: 4,700 employees, 4,900 dependents covered.

Self-insured clients: 38 administration clients, including 32 corporations, six public/government entities. One adjusting client, a corporation.

Self-insured claims: $12.1 million paid for administration clients.

Staff: 30, all serving self-insurers.

Charges: Semi-annual for administration.

PPOs available: Health Choice, Best Choice, Florida Hospital.

Principal officers: William Byron Newbern, president; E. Paul Tobin, vp; Cecil B. Anderson, secretary/treasurer.

R

RDH Consulting

22647 Ventura Blvd., Suite 263, Woodland Hills, Calif. 91364; 818-222-4969; fax: 818-703-1425

Founded: 1990.

Business: 60% claims administration, 30% claim adjusting, 10% claims auditing.

Region served: Nationwide.

Specialties: 30% disability, 20% health insurance, 50% workers comp.

Health plans: 10,000 employees, 4,000 dependents covered.

Self-insured clients: Two administration clients, both multiemployer welfare arrangements. Eight auditing clients, including five corporations, two multiemployer welfare arrangements, one public/government entity.

Self-insured claims: Five claims-auditing projects conducted.

Staff: Three, all serving self-insurers.

Charges: Per employee per claim for administration. Per hour, $75 to $150, for adjusting and auditing.

Branch offices: Administrative offices in Moraga, Calif., and Geneva, Ill.

Principal officers: Ralph D. Hurley, president.

Membership: SIIA, SPBA.

RMSCO Inc.

731 James St., Suite 309, Syracuse, N.Y. 13203; 315-474-8200; fax: 315-476-8440

Founded: 1981.

Business: 90% claims administration, 5% claims auditing, 5% other services, including auditing and monitoring of insured workers comp.

Region served: Nationwide.

Specialties: 10% disability, 5% flex compensation, 45% health insurance, 40% workers comp.

Health plans: 64,000 employees, 35,000 dependents covered.

Self-insured clients: 140 administration clients, including 101 association plans, 39 public/government entities. 27 auditing clients, including 16 association plans, 11 public/government entities.

Self-insured claims: $155 million paid for administration clients. 27 claims-auditing projects conducted.

Staff: 126; 71 serving self-insurers.

Branch offices: Administrative and sales offices in Rochester, N.Y. Additional sales office in Tampa, Fla.

1991 gross revenues: $6.8 million; $5.7 million from claims services.

Principal officers: James Heitzhaus, president; Richard H. Sykes and Mike Hotaling, vps.

Membership: SIIA.

RMSCO Management Services Inc.

651 W. Washington Blvd., Chicago, Ill. 60660; 312-707-9000; fax: 312-559-3550

Founded: 1981.

Business: 100% claims administration.

Region served: United States, Canada.

Specialties: 1% automobile, 1% disability, 1% flex compensation, 97% health insurance.

Health plans: 17,742 employees, 24,430 dependents covered.

Self-insured clients: 51 administration clients, including 50 corporations, one public/government entity.

Self-insured claims: $51 million paid for administration clients. Medical, dental, drug, short-term disability and vision claims adjusted.

Staff: 38, all serving self-insurers.

Charges: Per head for administration.

Branch offices: Administrative and sales offices in Newport Beach, Calif.

1991 gross revenues: $1.9 million.

PPOs available: RUSH Contract Care, HealthNetwork, CCN-Epiqual.

Principal officers: Karen A. Vacko, president; Thomas Schaffler, vp.

Membership: SIIA, SPBA.

Rasmussen Agency Inc.

60 Evergreen Place, East Orange, N.J. 07018; 201-675-3940; fax: 201-675-5674

Founded: 1975.

Parent company: W.R. Berkley Corp.

Business: 100% claims administration.

Specialties: 2% automobile, 4% general liability, 50% health insurance, 2% professional liability, 42% workers comp.

Health plans: 20,000 employees, 35,000 dependents covered.

Self-insured clients: 144 administration clients, including one association plan, three corporations, 140 public/government entities.

Self-insured claims: $126.5 million paid for administration clients.

Staff: 147, all serving self-insurers.

Charges: Monthly capitation fee for health administration, flat annual fee for workers comp administration.

Branch offices: Administrative offices in Mays Landing, N.J.; Broomall, Pa., Richmond, Va., New York.

1991 gross revenues: $8.5 million; $6.5 million from claims services.

Principal officers: John Roth, president; Richard Rasmussen, chairman; Robert E. Hughes, executive vp; Paul Sebina, senior vp; Wayne Morris, vp-comptroller.

Membership: SIIA, NAEBA.

Robinson-Conner of Ohio Inc.

1422 Euclid Ave., 200 Hanna Building, Cleveland, Ohio 44115; 216-241-4344

Founded: 1985.

Parent company: The Associated Group.

Business: 40% claims administration, 5% claim adjusting, 10% claims auditing, 35% other services.

Region served: Ohio, Pennsylvania, Indiana.

Specialties: 15% health insurance, 85% workers comp.

Self-insured clients: 93 administration clients, including 10 association plans, 80 corporations, three public/government entities.

Self-insured claims: $25 million paid for administration clients. Eight claims auditing projects conducted.

Staff: 50, one serving self-insurers.

Branch offices: Administrative offices in Columbus, Cincinnati, Ohio; Erie, Pa. Sales offices in Erie, Pa.

1991 gross revenues: $2.8 million; $600,000 from claims services.

Principal officers: William Conner, chairman; Michael J. Cancelliere, president; Frederick Schnitzspahn, executive vp; Charles Fuller and Don Voorhees, vps.

Membership: SIIA.

S

SRT Corp.-Benefits & Insurance Services

426 N. 44th St., Suite 220, Phoenix, Ariz. 85008; 602-244-0891; fax: 602-231-8823

Founded: 1971.

Business: 80% claims administration, 20% other services, including loss control and broker services.

Region served: Nationwide.

Specialties: 10% automobile, 5% disability, 10% general liability, 50% health insurance, 25% workers comp.

Health plans: 2,200 employees, 6,000 dependents covered.

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

Self-insured claims: $5 million paid for administration clients.

Staff: 12; seven serving self-insurers.

Charges: Fee only for administration. Hourly for adjusting and auditing.

1991 gross revenues: $700,000; $600,000 from claims services.

PPOs available: Blue Cross/Blue Shield of Arizona and Pro America.

Principal officers: B.G. Redmon, president; David K. Stewart, executive vp; Norman A. Taylor, vp-claims/secretary; Mike Goldberg, vp/treasurer.

Membership: SIIA, SPBA, Arizona Insurance Claims Assn., Arizona Self-Insurers Assn.

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SIEBA Ltd.

3206 Vestal Parkway E., Vestal, N.Y. 13850; 607-770-0120; fax: 607-770-7082

Founded: 1983.
Business: 80% claims administration, 5% claim adjusting, 5% claims auditing, 10% other services.
Specialties: 5% flex compensation, 90% health insurance, 5% workers comp.
Health plans: 12,000 employees, 13,000 dependents covered.
Self-insured clients: 13 administration clients, including one association plan, seven corporations, four public/government entities, one union-sponsored plan.
Staff: 24, all serving self-insurers.
Charges: Per participant for administration.
1991 gross revenues: $800,000, all from claims services.
Principal officers: Richard DoBell, president/chief executive officer.
Membership: SPBA.

Self Insured Services Co.

P.O. Box 389, Dubuque, Iowa 52004-0389; 319-583-7344; fax: 319-583-7339

Founded: 1980.
Business: 100% claims administration.
Region served: Nationwide.
Specialties: 5% automobile, 1% disability, 2% flex compensation, 80% health insurance, 12% workers comp.
Health plans: 32,000 employees, 95,000 dependents covered.
Self-insured clients: 125 administration clients, including 120 corporations, five public/government entities.
Self-insured claims: $103 million paid for administration clients.
Staff: 60, all serving self-insurers.
Charges: Per employee per month for administration.
Branch offices: Sales office in Davenport, Iowa.
PPOs available: Preference Health Plans, CAPP Care, Community Care Network.
Principal officers: John E. Butler, president; Willy Schuller and Andrew J. Butler, vps.
Membership: SPBA, National Assn. of Safety & Claims Organization.

U

Underwriters Safety & Claims Inc.

11405 Park Road, Louisville, Ky. 40223; 502-244-1343; fax: 502-244-1411

Founded: 1941.
Business: 70% claims administration, 5% claim adjusting, 5% claims auditing, 20% other services.
Region served: Kentucky, Indiana, Illinois, Wisconsin, Missouri, Mississippi, Alabama, Arkansas, Virginia, Pennsylvania, Tennessee.
Specialties: 50% health insurance, 50% workers comp.
Health plans: 14,000 employees, 36,000 dependents covered.
Self-insured clients: 55 administration clients, including 53 corporations, two public/government entities. Two auditing clients, including one corporation, one public/government entity.
Self-insured claims: $62 million paid for claims administration. Two claims-auditing projects conducted.
Staff: 53; 35 serving self-insurers.
Charges: Per claim for administration and adjusting. Time and expense for auditing.
Branch offices: Administrative offices in Knoxville, Memphis, Tenn.; Chicago, Marion, Ill.; Norton, Va., Pittsburgh; Paintsville, Ky. Sales offices in Nashville, Tenn.
Subsidiaries: Underwriters Group Inc.
1991 gross revenues: $2.2 million; $1.4 million from claims services.
Principal officers: Bruce L. Ferguson, president; B.W. Ferguson, senior vp-advertising; Scott Ferguson, Jack Stewart, Gary Gilmour, vps.
Membership: NAEBA, SIIA.

V

Vista Administrators Inc.

444 W. Galena Blvd., P.O. Box 10, Aurora, Ill. 60507; 800-245-4776 or 708-844-2151; fax: 708-844-0465

Founded: 1982.
Business: 100% claims administration.
Region served: Illinois, Indiana, Michigan, Texas.
Specialties: 100% health insurance.
Health plans: 2,164 employees, 1,309 dependents covered.
Self-insured clients: Six administration clients, including four corporations, two public/government entities.
Self-insured claims: $4.2 million paid for administration clients.
Staff: Seven; six serving self-insurers.
Charges: Per employee per month, $4.50 to $7, for administration. Time and expense for auditing.
PPOs available: Health First Network.
Principal officers: Nicholas Viola, president/chief executive officer; Marilee Viola, secretary/corporate counsel.
Membership: NAEBA, Chicago Claims Assn., WEB Self Insurance Institute of Illinois.

W

Wausau Insurance Cos.

2000 Westwood Drive, Wausau, Wis. 54401; 715-845-5211; fax: 715-847-8977

Founded: 1911.
Parent company: The Nationwide Group.
Business: 80% claims administration, 15% claim adjusting, 5% claims auditing.
Region served: Nationwide.
Specialties: 2% automobile, 5% general liability, 65% health insurance, 12% professional liability, 16% workers comp.
Health plans: 125,000 employees, 310,000 dependents covered.
Self-insured clients: 183 administration clients, including five association plans, 166 corporations, two multiemployer plans, 10 public/government entities. 18 adjusting clients, including 15 corporations, three public/government entities. Five auditing clients, including three corporations, two public/government entities.
Self-insured claims: $175 million paid for administration clients. General liability, professional liability, workers comp claims adjusted. Five claims-auditing projects conducted.
Staff: 6,000; 150 serving self-insurers.
Charges: Per claim, percentage of incurred or paid losses, percent of payroll or premium and per employee for administration. Time and expense, $36 to $75, for adjusting and auditing.
Branch offices: Administrative offices in 27 cities nationwide. Sales offices in 150 cities nationwide.
Subsidiaries: Countrywide Services Corp., St. Louis.
1991 gross revenues: $14 million from claims services.
PPOs available: OUCH, PCN, PPOM, PHIC, HSI, FOCUS.
Principal officers: John Fisher, chairman; Lee J. Weinberger, president/chief executive officer; Carl J. Santillo, executive vp-operations; Thomas Kryshak, executive vp-finance; Bill Wymore, executive vp.

Willis Corroon Administrative Services Corp.

26 Century Blvd., Nashville, Tenn. 37214; 615-872-4000; fax: 615-872-4333

Founded: 1905.
Parent company: Willis Corroon P.L.C.
Business: 90% claims administration, 5% claims auditing, 5% other services.
Region served: Nationwide.
Specialties: 7% automobile, 1% flex compensation, 15% general liability, 26% health insurance, 1% property damage, 50% workers comp.
Self-insured clients: 247 administration clients, including 29 association plans, 135 corporations, 83 public/government entities.
Self-insured claims: $247 million paid for administration clients.
Staff: 450; 241 serving self-insurers.
Charges: Per employee per claim or percentage of premium for administration.
Branch offices: Administrative offices in 35 cities nationwide.
Subsidiaries: Medtrac Inc., Minneapolis.
Principal officers: Brian D. Johnson, chairman; Robert J. Jennings, president; D. DeWitt Hinds, Louis Midden, Tom E. Mitchell and Bobby McElhiney, senior vps.
Membership: SIIA, SPBA.

Woods & Grooms Inc.

3126 17th St., Columbus, Ind. 47201; 812-372-9955

Founded: 1969.
Business: 52% claims administration, 48% other services, including property and casualty.
Region served: Nationwide.
Specialties: 10% flex compensation, 90% health insurance.
Health plans: 9,800 employees, 18,290 dependents covered.
Self-insured clients: 60 administration clients, including 52 corporations, eight public/government entities.
Self-insured claims: $26.7 million paid for administration clients.
Staff: 34; 22 serving self-insurers.
Charges: Monthly administrative fee based on employees covered for administration.
1991 gross revenues: $2.3 million; $1.2 million from claims services.
PPOs available: Sagamore, Health Care Services, Alliance.
Principal officers: Phillip L. Woods, chairman; Kenneth O. Dunn, vice chairman; Michael W. Willett, president.
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Health cost study

Continued from page 1

tioned a greater share of the cost of medical care to employees. . . . Many of their initiatives may amount to little more than a one-time cost reduction. The larger problem remains," Mr. Erb said.

Even if health care costs again rise only about 12% this year, costs will top $4,000 per employee. As recently as the mid-1980s, the average was well under $2,000 (see chart, page 1).

Last year, 31% of the employers surveyed reported that total health care costs exceeded $4,000 per employee, up sharply from 20% in 1990.

As has been the case in recent years, the increase in total health care costs was smaller than the rise in the cost of medical indemnity plans. But, the gap did narrow.

For example, indemnity plan costs last year rose 13% to $3,573 per employee from $3,161 in 1990. That compares with increases of 21.6% in 1990 and 20.4% in 1989.

The rise in health care costs is detailed in the survey, "Indemnity Plans: Cost, Design and Funding." The survey, the largest of its kind, is based on the responses of 2,409 employers.

Health care costs varied considerably by region, industry and by size of employer.

Regionally, the biggest percentage increase occurred in New England, where costs rose 16.6% in 1991 to an average of $3,918 per employee from $3,361 in 1990.

Mr. Erb gives several reasons for that increase, including the slow spread of managed care in New England and a high number of teaching hospitals, which have been the least successful in holding down the costs of patient care.

By contrast, health care costs rose an average of 8.8% among employers in the Mountain states, climbing to $3,262 per employee in 1991 from $2,998 in 1990.

Even though health care cost increases eased somewhat in 1991, the per-employee average topped $4,000 in five industries:

- Utilities, $4,591 per employee in 1991, a 5.2% increase from $4,363 in 1990. The utilities industry was the only industry to exceed the $4,000 barrier in 1990.
- Mining/construction, $4,252, up 8.4% from $3,922.
- Transportation services, $4,186, up 29.3% from $3,238.
- Communications, $4,044, up 11.8% from $3,616.
- Energy/petroleum, $4,039, up 4.6% from $3,863.

By contrast, health care costs last year averaged under $3,000 per employee in only one industry: the wholesale/retail trade, $2,891, up 15.9% from $2,494.

Health care costs were highest among the largest employers, which typically have the richest health plans.

For example, health care costs last year among employers with between 20,000 and 39,999 employees averaged $4,003 per employee, up 11.2% from $3,601 in 1990. Similarly, for employers with between 10,000 and 19,999 employees, costs averaged $3,847 per employee, up 20.1% from $3,203.

On the other hand, the lowest costs in 1991 were reported by employers with fewer than 500 employees. Their costs rose to an average of $3,503 per employee, up 14.9% from $3,048 in 1990.

Just as employers are shifting more costs to employees through higher deductibles and out-of-pocket limits, employers are hitting employees with higher premiums, the survey shows.

For example, among employers requiring employee premium contributions for individual indemnity plan coverage, the average monthly contribution increased 12.9% to $35 last year from $31. For family coverage, the average monthly contribution increased 17.4% to $101 from $86.

Other survey findings include:

- Wellness and fitness programs continue to surge in popularity. Last year, 32% of employers said they offered such programs, up from 27% in 1990 and 17% in 1989.

"The conventional wisdom says wellness programs, which cost relatively little to start, will pay off in the long run," Mr. Erb said.

- About two-thirds of employers said they have launched a smoke-free workplace policy.

"More employers are convinced that smoking is harmful and face pressure from non-smoking employees who are concerned about the risks of inhaling second-hand smoke," Mr. Erb noted.

- Dental plan costs in 1991 rose 8.5% to an average of $359 per employee, from $331 in 1990.
- Eighty-six percent of employers said they offered a dental program in 1991, compared with 85% in 1990.
- Health care costs comprised an average of 45% of corporations' aftertax earnings in 1990.

•

Copies of "Indemnity Plans: Cost, Design and Funding," are available from Sheila Lynn, A. Foster Higgins & Co. Inc., 212 Carnegie Center, CN 5323, Princeton, N.J. 08543-5323; 609-520-2695. The cost is $100 and prepayment is requested.

INTERNATIONAL

Fallout over Lloyd's task force report

Council to reconsider dual regulation proposal

By STACY SHAPIRO

LONDON—Mounting criticism has forced the Council of Lloyd's of London to back down from its rejection of a task force proposal to change the regulatory structure of the market.

The decision to re-examine the proposal, announced last week, followed growing public debate over what some perceived as a too hasty dismissal of recommendations to create a dual regulatory body at Lloyd's.

David Rowland, chairman of Sedgwick Group P.L.C. and chairman of the task force, said at the release of the report that he was "disappointed" by the council's quick rejection of the proposal.

However, late last week Mr. Rowland said he was "delighted" that Lloyd's "had perceived it was wise" to further examine the regulatory changes proposed by the task force.

"I am pleased we've got back on course now," he said.

Lloyd's Chairman David Coleridge explained that the council's initial decision "was motivated by the council's unanimous desire to move quickly to implement" the report's other recommendations. But he said last week the council "will now be reviewing the recommendations on this particular topic in the same manner as the report's other recommendations."

The council has appointed a committee headed by council member Sir Jeremy Morse, and which includes Mr. Rowland, to further examine the "governance" recommendations.

It may be that this committee will reject the task force's ideas on governance, said Mr. Rowland last week. But at least the proposal will be considered, he said.

Many in the market believed that the question of governance was overshadowing other task force recommendations, many of which were embraced by the council (see related story).

In fact, others contend the question of governance was the whole reason for the report, though the task-force said its primary aim was to look at ways of improving Lloyd's capital base.

The report, "Lloyd's: A Route Forward," contains 65 recommendations, many of which were designed to immediately attract new members to the market, while others were designed to increase the market's capital base in the future (*BI*, Jan. 20). The council is already working on implementing some of the recommendations, like the creation of a compulsory stop-loss insurance fund to reduce members' losses.

The bone of contention, however, was over Chapter 14 of the report, which suggests that the council should be replaced with two new bodies:

- A "market board" elected by businesses in the market, like underwriting agencies, to govern business policy.
- And, a "regulatory council," which would be smaller but similar to the current council, to oversee regulation.

To promote a close working relationship, the task force recommends that four members of each body should hold concurrent membership in both groups.

Under the proposal, the market board would be led by the Lloyd's chairman, who would serve on a full-time basis and be assisted by a full-time chief executive officer. The regulatory council would be chaired by a non-member of Lloyd's, to be nominated by the Bank of England, who would work on a part-time basis.

The task force said the current 28-member council doesn't give those working in the market the

Continued on next page

Task force outlines range of proposals for market reforms

By STACY SHAPIRO

LONDON—The task force examining Lloyd's of London offered a host of recommendations for making the market more competitive in difficult times.

While several of the recommendations in the task force report, "Lloyd's: A Route Forward," have received broad publicity (*BI*, Jan. 20), other proposals are designed to:

- **Maintain a steady increase in Lloyd's capacity in the next few years, aside from capping members' losses.**

Many task force proposals aim to increase capacity to between 15 billion and 17 billion pounds ($27 billion to $30.6 billion at current exchange rates) from the current 10 billion pounds ($18.7 billion at the appropriate exchange rate) by 1997. If this cannot be achieved by attracting individual members in the next few years, the task force suggested eventually introducing corporate membership with limited liability.

More immediate proposals, however, include introducing a "Members Agent Pooling Arrangement," which would be open to members writing less than 500,000 pounds ($900,000). The MAPA would act like a mutual fund, investing in a spread of syndicates.

The task force also suggests that capacity should be "managed" throughout the year, thereby allowing individuals to apply for membership throughout the year rather than only at the end of the year prior to the one in which they wish to participate.

Members also should be allowed to increase their capacity at mid-year, the report suggests. Likewise, managing agents should be

Continued on next page

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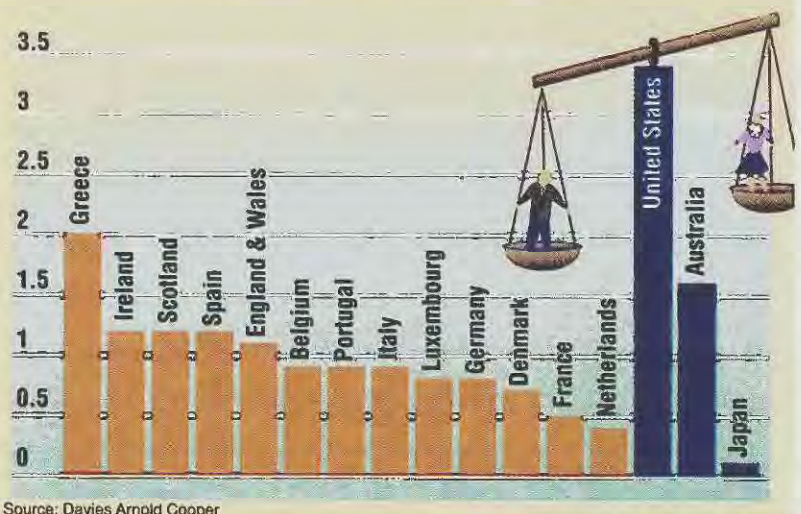

Source: Davies Arnold Cooper

GRAPHIC BY KIMBERLY MART

More uniform legal rules, procedures urged for E.C.

By GAVIN SOUTER

LONDON—European Community legislators should act now to harmonize legal procedures in the community, contends a London law firm.

The hodge-podge of civil law procedures throughout the community leads to wide variations in legal costs and the time it takes for settlement or judgment, according to a recent report from Davies Arnold Cooper, which specializes in personal injury and insurance company defense.

Consequently, insurers have to incur large research expenses to rate different risks according to the different civil codes, and plaintiffs are encouraged to shop for a forum that will offer them quick decisions and keep their costs down, the authors contend.

"We do not need Euro-juices or Euro-jams or Euro-motorbikes. We do, however, need Euro-civil procedures and Euro-levels of compensation if more than lip service is to be paid to the interests of the populations of each member state," wrote David McIntosh, a senior partner at the firm, and Marjorie Holmes, a partner.

The comments were made in a report commissioned by Tokio Marine & Fire Insurance Co. Ltd.

The report recommends that a working party, including senior judges from all E.C. member states, consider standardizing some civil procedures.

"We are not suggesting that a federal system should be imposed from Brussels, but that procedures should be harmonized where differences cause unfair discrimination and uneven access to justice," the authors said.

Through its product liability directive, the E.C. already has set an example of fairness, and it should strive to do the same in the field of civil procedures, the report states. That directive, originally passed by the European Council in 1985, shifts the burden of proof in product liability suits to producers from consumers and makes com-

Continued on page 81

Typhoon losses batter insurers in Japan

By JUDITH RAWNSLEY

TOKYO—Japan's five major non-life insurers are expected to tap contingency reserves, bank loans and their reinsurance programs to cover rising claims for damages caused by a series of typhoons last fall.

The insurers may use up to 140 billion yen ($1.12 billion at current exchange rates), or 40%, of their contingency reserves to meet typhoon claims. The insurers also are relying on reinsurance recoveries and newly permitted bank loans to minimize the drain on their earnings.

And, the typhoon-related claims seem likely to lead to an increase in reinsurance premiums for Japanese insurers, observers say.

As of Dec. 18, Japan's 23 non-life insurers faced damage claims from the largest storm, Typhoon 19, totaling 484.33 billion yen ($3.9 billion), according to the Marine & Fire Insurance Assn. of Japan Inc.

Claims are estimated to reach more than 500 billion yen ($4 billion) by March 31, which is the end of the current fiscal year.

Typhoon 19 struck in September (*BI*, Dec. 2, 1991; Oct. 7, 1991).

Yasuda Fire & Marine Insurance Co. Ltd. of Tokyo, one of the nation's five major non-life insurers, expects reinsurance to cover about 40% of its typhoon-related claims, said Yasuo Goto, the company president. The company did not specify the amount of those claims.

Mr. Goto, who also is president of the marine and fire association, did not say what percentage of all Japanese insurers' losses would be covered by reinsurance. Sources in London, however, say that no more than $1.1 billion of the loss was reinsured.

According to the association, 86% of the estimated 484.33 billion yen in claims so far, or 415 billion yen ($3.32 billion), will be paid under property insurance policies. This is 150% more than the 260 billion yen ($2.1 billion) in claims paid out by the whole industry under property insurance policies in fiscal 1990.

'We have various pockets to dip into,' says a spokesman for Tokio Marine & Fire.

Tokio Marine & Fire Insurance Co. Ltd., Japan's largest non-life insurer, expects to pay 62 billion yen ($496 million) in claims net of reinsurance for the typhoon. It paid 44.8 billion yen ($358 million) in net claims under its fire insurance policies for all of fiscal 1990. In fiscal 1990, the insurer paid 494 billion yen ($3.95 billion) in overall claims and reported a net profits of 37 billion yen ($296 million).

"The claims will affect our earnings this year, but not so badly," said a spokesman for Tokio Marine & Fire. "We can use reinsurance and our extra loss reserves to help cover the costs; we have various pockets to dip into."

Mitsui Marine & Fire Insurance Co. Ltd. estimates its gross typhoon claims at around 25 billion yen ($200 million), Sumitomo Marine & Fire Insurance Co. Ltd. at 35 billion yen ($280 million) and Nippon Fire & Marine Insurance Co. Ltd. at 29 billion yen ($232 million) as of mid-December. The three Tokyo-based insurers would not disclose how much they expect to recover from reinsurance.

Non-life insurers expect to pay 20% to 30% of the typhoon claims from contingency reserves, the first time that those reserves will have been tapped for property insurance losses. The non-life insurers' contingency reserves are now about 590 billion yen ($4.7 billion).

Insurers also are expected to borrow from banks to cover about 30% of typhoon claim payments.

In December, the Japanese Ministry of Finance permitted insurers to pay typhoon claims by borrowing emergency funds from banks, the first time such loans were allowed in 44 years.

The ministry, which had been cautious of allowing such loans, decided that delayed payouts following the typhoons would hurt policyholders.

The Ministry of Finance "has allowed us to use bank loans, but we haven't as yet decided whether or not this will be necessary," said the Tokio Marine & Fire spokesman.

Japanese non-life insurers have had little difficulty placing their programs in recent years because they had lower loss ratios than their counterparts in many countries. ■

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INTERNATIONAL

Lloyd's Council

Continued from previous page

feeling they are in control of their business. Since 1987, working members have been in the minority on the council because Parliament and public opinion have required "that some of those responsible for regulatory policy have a degree of independence and distance from the market," the task force noted.

However, "independence and distance are not helpful in developing and supporting Lloyd's collective business performance. Rather, they are obstacles to the total commitment of all concerned to Lloyd's competitive success," the report said.

The task force concluded that two bodies—one overseeing business, the other regulation—should govern Lloyd's.

"We place particular importance on the creation of the Lloyd's market board," the report said. "We are confident that this body will command widespread respect and acceptance within the market. Its authority will derive from its composition: It will have representatives of the businesses within the market, not just individuals; it will include full-time executives in a role where they can be seen to be unambiguously serving the market's interests. . ."

Mr. Rowland commented when the report was released: "It's very necessary to have identification between the people who work in the market and those who actually lead it. Otherwise you have a sense of divorce, and you don't get the support and morale that is absolutely necessary if you're going to make a world contribution. That's what inspired our recommendation."

However, the recommendations concerning the "governance" of Lloyd's were initially rejected. Mr. Coleridge said at the time that the council would "review its own structure and responsibilities as well as those of the Committee of Lloyd's, to progress the future business needs of the market."

Before the council reconsidered its position, Lloyd's Chief Executive Alan Lord told *Business Insurance* early last week that the task force's governance proposal was "a backward step" to return the primary power of the market to its working members. And Mr. Lord, a non-member of Lloyd's nominated to his post by the Bank of England, was reported to have told the London press that he would resign over this issue if the governance proposal were implemented.

Mr. Lord could not be reached for comment last week after the council announced it would reconsider the matter.

Prior to the Lloyd's Act 1982, the market was governed by the Committee of Lloyd's, composed of working members who were elected by the market. Any bylaws had to be approved by a general meeting of Lloyd's membership, which proved cumbersome.

In 1980, a task force led by Sir Henry Fisher suggested formation of the Council of Lloyd's, which would include 16 working members elected by the market, six non-working members chosen by external members and three non-members of Lloyd's to be nominated by the Bank of England. The council was established under the 1982 Lloyd's Act and given the authority to make bylaws, discipline members and oversee the operation of the market.

'It's very necessary to have identification between the people who work in the market and those who actually lead it. Otherwise you have a sense of divorce, and you don't get the support and morale that is absolutely necessary,' Mr. Rowland says.

In 1983, following scandals in the market, the council added another nominated non-member, the Lloyd's chief executive.

However, the 28-member council was still dominated by working members until 1987, when a government committee headed by Sir Patrick Neill decided that the structure should be changed again. Among other things, the Neill report cited three incidents where the working member-dominated council did not act in the best interest of all members and found that the council did not provide protection to Lloyd's members comparable to that received by investors in British companies (*BI*, Jan. 26, 1987).

As a result, four of the 16 working members were replaced by four nominated non-members of Lloyd's, bringing to eight the number of council members who are not Lloyd's members.

Under the task force's suggestion, the market board "would be more powerful" than the regulatory council, which "takes us backwards to prior to the 1982 act," according to Mr. Lord.

The market board would also be dominated by the biggest underwriting agents in the market, he said, noting that agents' voting power would be proportional to their size.

There also is a "false distinction" by the task force between the business and regulatory sides of the market, Mr. Lord said. Both sides need to work together in order to make the market work, he said. "To separate these functions is wrong."

In addition, both the market board and the regulatory council would be sovereign in their own right, Mr. Lord noted. No one body would be in charge "to settle disputes," he said.

The whole idea, in fact, "is wrong. It's a muddle," he said.

However, Mr. Lord did concede the the current system was not perfect.

For example, the council now delegates some of its business to the Lloyd's "committee," which

Continued on next page

Task force recommendations

Continued from previous page

allowed to reduce syndicate capacity throughout the year if there is surplus capacity.

Another proposal recommends that the council allow syndicates to write 125% of their premium limit instead of 100%, to take into account premiums paid for quota-share reinsurance. Lloyd's already agreed to this late last year, but only if the quota-share reinsurance was placed within Lloyd's. But the task force suggests this also be allowed if it is placed with outside commercial underwriters.

Syndicates also should be allowed to enter into "consortium underwriting arrangements" with commercial insurers, says the task force. Under these arrangements, a single Lloyd's underwriter would bind both his own syndicate and the insurance company or companies in specific lines of business.

• Ensuring that Lloyd's can continue to pay all valid claims by improving the funds available to pay claims.

This recommendation includes allowing members to set up "equalization"—or catastrophe—reserves on a tax-free basis. Long a sore spot with syndicates, Lloyd's currently is negotiating with the Inland Revenue on this matter.

The task force also suggests that an additional reinsurance-to-close premium should be paid by syndicates to cover the risk of deteriorating losses from previous years. Many syndicates have been hit by such losses, like unforeseen U.S. asbestos losses 40 years after a policy was written.

The report also recommends taking steps so that "all the capital backing of a Lloyd's policy can be called when necessary."

At the moment, Lloyd's capital is only partially paid up so that, using an average year as an example, members' deposits at Lloyd's total 2 billion pounds of the 9 billion pounds the market has at its disposal.

Members are not required to deposit an amount equal to their full investment because they agree to assume unlimited liability for losses.

The report notes, though, that syndicates lately have had to make huge cash calls to cover their share of billions of dollars in catastrophic losses. Therefore, the report recommends that Lloyd's place greater emphasis on the liquidity and accessibility of members' assets.

Members should deposit an additional 10% of their premium income limits at Lloyd's, bringing the total to 40%, the report said.

The market should retain its three-year accounting system, as it provides a clearer picture of syndicates' total losses, particularly if they are involved in long-tail liability risks, the task force said. But more information should be given to members after 24 months about a syndicate's solvency situation and profit outlook, the report says.

• Improving the cost structure, management and professionalism of the marketplace.

There are signs that Lloyd's position in the world market is "eroding," says the report, which attributes this situation to higher expenses and a lower quality of service than other markets.

Though Lloyd's still is one of the three largest reinsurers in the world, "Lloyd's world market share has been in long-term decline," the report said. While Lloyd's controlled about 3% of the world's non-life direct and reinsurance premiums in 1965, its share had dropped to about 1.5% in 1990.

This has pushed Lloyd's underwriters into writing higher-risk excess-of-loss reinsurance, a move that requires "adequate skills and controls" or "this strategy is dangerous," the report said.

Lloyd's strength has been and will continue to be "its underwriting knowledge," the report stresses. "No major company has been able to emulate the Lloyd's structure, where underwriters have the freedom to make final decisions and have a direct interest in the outcome of each underwriting decision."

However, the task force said that maintaining those professional skills should be encouraged in the market.

Specific professional qualifications for managing agents and members agents should be introduced "as soon as possible," the report said.

Meanwhile, the report says that the Council of Lloyd's should publish the percentage of business that Lloyd's brokers place in the Lloyd's market, in order to get a better idea of how much of the business they handle is placed with Lloyd's syndicates.

However, Lloyd's also should allow Lloyd's syndicates to trade overseas directly with major brokerage groups "of international standing," regardless of whether they are a Lloyd's broker, the report suggests.

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Copies of "Lloyd's: A Route Forward" are available for $40 from Lloyd's Gift Shop, 1 Lime St., London EC3M 7HA; 011-4471-327-6073; fax, 011-4471-623-8238.

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INTERNATIONAL

Lloyd's Council

Continued from previous page
consists of the 12 working members of the council and meets three weeks out of four. The committee already represents many of the major managing agents at Lloyd's. In addition, the chairmen of Lloyd's six market associations now meet with the committee to decide on some business issues, though the council has the ultimate veto on these ideas, Mr. Lord said.

Perhaps, he suggested, the council could delegate to the committee more of the decisions on the business matters, he suggested.

Mr. Lord also agrees that 28 is "a lot of people" and said he would consider a smaller regulatory body, as suggested by the task force. But the ratio between working, external and nominated members would have to be the same as established following the Neill report, he said.

Despite Mr. Lord's analysis, there was a groundswell of opinion that the council's initial rejection of the task force's governance recommendations was hasty and unfortunate.

That view was epitomized by Mark Farrer, chairman of the Assn. of Lloyd's Members, who said the ALM was "disappointed by the council's initial rejection of the fundamental recommendations of the task force on corporate governance as the best means needed to ensure a profitable market for names."

The ALM, which represents 40% of Lloyd's members, "supports the task force's compelling commercial arguments for the separation of regulation and market governance," Mr. Farrer said. Late last week, the ALM said it "supports wholeheartedly the creation of a working group under Sir Jeremy Morse, which will now give these recommendation the serious consideration they deserve."

Mr. Rowland, who also expressed disappointment that the proposal had been rejected, said last week that it is important that the council "gives out signals" that it is taking the report seriously and looking at its long-term aims.

John Kay, visiting professor of economics at the London Business School and a task force member, added that in any market or business "the key people in the institution must take the responsibility for running it." The market board would fulfill such a need at Lloyd's, he said, noting that the board's power would be checked by the regulatory council and by individual businesses in the market.

Mr. Kay thinks that Lloyd's can only continue to exist if it can evolve without "a task force or a committee every decade" deciding its future. The market must plot its own evolution internally, "which goes right back to the market board," he said.

Michael Wade, chairman of London broker Holman Wade Ltd. and a member of the task force, pointed out that the report was written so that the market could "discuss" its recommendations. "The whole emphasis of the report is to give readers as much information as possible" to see how the task force came to its conclusions, he said.

The governance question, like all the other recommendations, "is a matter for debate and I welcome that debate," Mr. Wade added. ■

E.C. civil procedure

Continued from page 79
panies strictly liable for damage caused by their products.

Among the aspects of E.C. civil procedures reviewed by the report are: specialized courts, court fees, statutes of limitations, summary judgment, interest paid on awards, the time elapsed between the trial's end and judgment, lawyers' contingency fees, fee scales, the plaintiff's recovery of costs and expenses, discovery, structured settlements and legal aid.

All of the countries, the report found, favored specialized courts for certain cases, but the chosen type of court and level of claim varied considerably.

Court fees were the highest in Germany, Greece and Portugal, with all three charging a percentage of the claim. At the other end of the scale, a flat fee of 70 pounds per writ ($126 at current exchange rates) is charged in the High Court of England and Wales.

Because it costs little to bring suit in England and Wales, courts there are "inundated with far too many cases involving interlocutory applications and pretrial hearings which ought not to trouble the court system at all," the report authors said.

All E.C. countries have statutes of limitations, but they vary widely, the study reports. For personal injury and property damage cases, the statute of limitations varies from a one-year limit on tort liability cases in Spain to a 30-year limit for civil cases other than tort cases in France.

'If you want a speedy judgment, you are much better off in Germany' than Italy, says Mr. McIntosh.

The report also found that member nations treated summary judgment and interim awards differently. A unified system would discourage indefensible claims, the report said.

"The formality and opportunities for delay which legal procedures provide should not be the easy refuge for those merely intent on delaying the day of reckoning," the lawyers said.

Varying times between the issuance of a writ and judgment also raised concerns. In Italy, for example, the average is 42 months, compared with six months in Greece and Germany, the report states.

Many countries have official guidelines for timeframes within which judges should render judgments after the case has been heard. The limits vary between one day and months. England and Wales set no official limit.

"Guidelines are clearly required to make sure there is never undue delay in obtaining judicial decisions once the evidence and argument have concluded at trial," the report states.

The study also found that Greece is alone among E.C. member states in allowing contingency fees as a means of paying lawyers. The maximum fee in Greece is 20% of the amount recovered.

The authors recommend introducing contingency fees in a limited way for commercial cases in other E.C. countries, but warn this could lead to a surge in the number of lawyers.

"The United States (which allows contingency fees) has 5% of the world's population and 70% of the world's lawyers, and our survey shows Greece with the highest ratio of lawyers per head of population within Europe," the report authors said.

Different domestic factors make it difficult for standard legal fees to be imposed throughout the European Community, but guidelines should be published for each country to encourage openness in discussing fees, the report states.

Interest rates on awards also should be reviewed, according to the report. In Greece, interest rates on awards are as high as 34%, while in Germany they are as low as 4%.

Also, in France and Spain, standard interest rates on awards are doubled if the court rules that the parties should have settled before trial.

Large variations in the types of costs and expenses recoverable by a successful party from the losing party also give cause for concern, according to the report.

For example, in England and Wales, the losing party may be held responsible for: lawyers' fees and expenses, court fees, expert fees, witness expenses and interest on costs. In Luxembourg, though, only expert witness fees, witness expenses and interest on costs are recoverable; each side pays its own legal and court fees.

The legal system differences help fuel rising insurance premiums, Mr. McIntosh said. Insurers and reinsurers spend vast amounts on research to help them rate the same risks in different countries, because the liabilities will vary, he said.

Premiums could be reduced if the European Community harmonized civil procedures, thus removing the need to take varying legal costs into account, Mr. McIntosh said.

Structured settlements are becoming more common in some E.C. nations, but only in France are structured settlements the norm for serious injury cases, according to the report.

Structured settlements are not permitted at all in Belgium, Germany, Greece, Ireland, Italy, Luxembourg and Portugal.

The benefit of structured settlements is that they allow actuaries to play a larger role in assessing compensation, the report states.

"If (actuaries') involvement is permitted for structured settlement cases, there seems no logical reason to leave assessment of even the smaller personal injury awards to judges alone using unsophisticated arithmetical calculations," the report authors said.

In another area of civil procedure, the study found that discovery processes in Europe generally are very limited compared with those in the United States. Exceptions to that rule were England and Wales, as well as Ireland.

Also, those countries that use limited discovery systems, like the Netherlands, have a low proportion of lawyers per 1,000 residents. In the Netherlands, the ratio is 0.4 lawyers per 1,000, compared with 1.2 in Ireland and England and Wales, the report said.

Another area in which the countries vary widely is the maximum income level at which litigants are eligibile to receive legal aid in countries in which legal fees are subsidized by the government, the study found.

For example, the maximum income allowed for legal aid to be granted ranged from about $27,000 in Denmark to about $5,000 in Portugal for litigants with no dependents.

"Justification of the differences in eligibility for legal aid. . .seems impossible. The proposed working party should be asked to review legal aid to allow standardization of scope and eligibility across Europe," the report authors said.

The range of differences in civil procedure illustrate a paradox within the European Community: The community enforces liability systems beneficial to citizens of all of the 12 countries but does not act to see that they can be applied equally throughout the community, Mr. McIntosh said in an interview.

"For example, if you want a speedy judgment, you are much better off in Germany than in Italy," he said.

And in some countries, it is so expensive to bring a suit that plaintiffs are deterred from going to court, Mr. McIntosh said.

In addition, forum shopping will continue to increase, because the Brussels and San Sebastian conventions, which are supposed to prevent forum shopping, are vague, said Stanislas Deuter, a lawyer in the Brussels office of Davies Arnold Cooper.

Under the conventions, plaintiffs must sue in the country in which the defendant is domiciled. However, the conventions also allow special jurisdictions, he said.

For example, plaintiffs may bring tort cases to court in the country in which the harmful event occurred, Mr. Deuter said.

"So if you have a case where something is damaged due to polluted river water, and the polluter was in another country, you could argue to have the case heard in either country because the term 'harmful event' is too general," he said.

•

"Civil Procedure in E.C. Countries" is available for 125 pounds ($225 at current exchange rates) from Lloyd's of London Press, Sheepen Place, Colchester, Essex, England.

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closing:	**February 12**
issue:	March 2
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Sub-total	**25,117**
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Sub-total	**26,809**
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Adjusters, Appraisers, TPA's, Captive Managers & Health Care Providers	1,392
Others Allied to the Field	1,518
TOTAL	**50,599**

* Source Business/Occupational breakdown of qualified circulation, May 27, 1991 issue, as submitted to BPA for June 1991 BPA Publisher's Statement.

Health care reform

Continued from page 1

that's more of a symbolic advance," he said.

Consultants pointed out that the play-or-pay proposal contains no outline of exactly how the program would be financed, which keeps it out of the jurisdiction of the Senate Finance Committee, whose chairman also has developed a health care reform proposal.

"They skirted the issue of financing and I think financing will be the critical thing," said Mr. Davey. "I don't think this bill will become law."

Ellen Goldstein, director of health care policy for the Assn. of Private Pension & Welfare Plans in Washington, D.C., was more blunt: "It has a snowball's chance in hell, or slightly less."

Hewitt's Mr. McArdle predicted that the Democratic leadership will be very hesitant about bringing the bill to the Senate floor for a vote until they are sure they have enough votes to gain passage.

Losing a floor vote would be "a real defeat" for the leadership, he said.

The bill, dubbed HealthAmerica, is virtually identical to S. 1227, a play-or-pay plan put forth by the Senate Democratic leadership last year (*BI*, June 10, 1991; June 3, 1991).

S. 1227 is currently stalled in the Finance Committee, whose chairman —Sen. Lloyd Bentsen, D-Texas—has introduced his own, much more modest bill to extend health coverage to uninsured and underinsured workers (*BI*, Nov. 4, 1991).

But HealthAmerica differs from S. 1227 in two key respects. First, the new bill would allow the establishment of state government-run, single-payer insurance programs, similar to the provincial health care plans in Canada.

Second, the new bill would give a Federal Health Expenditure Board, called for in the earlier bill, the power to set binding rates for medical services and procedures. Under S. 1227, the board would have had the power to negotiate mutually acceptable rates with providers and purchasers but, if those negotiations failed, the board could have only issued advisory rates.

Both HealthAmerica and the earlier measure would require employers to provide specified basic coverage to employees and dependents or pay a payroll tax to fund a new federal program called "AmeriCare."

Employers would have to extend coverage for all workers who work more than 17.5 hours a week. However, employers' contribution for workers who work fewer than 25 hours per week would be prorated.

The AmeriCare program would provide coverage for those workers whose employers do not offer coverage and for other uninsureds. The Americare program also would replace Medicaid, the state-operated health care program for the indigent.

The bill defines the basic benefit package that employers would have to offer to avoid the payroll tax. The package would have to include hospital services, physician services, diagnostic tests, limited mental health benefits, prenatal and well-baby care and preventive benefits like mammograms.

Employees could not be required to pay more than 20% of the premium. Annual deductibles could not exceed $250 per individual and $500 per family. Copayments would be limited to 20%, with an annual out-of-pocket expense cap of $3,000 per employee.

In a nod to cost containment, the bill would extend the current ERISA pre-emption of state regulation of self-insured benefit plans to all employment-based health plans. In addition, the bill calls for a grant program to provide states with incentives to experiment with alternatives to the tort system to handle medical malpractice cases.

Hewitt's Mr. McArdle said, though, that the proposed relief from state mandates is illusory because the measure also would allow the creation of the single-payer health-care plans at the state level, which could override ERISA protection for self-insured plans.

Sen. Edward M. Kennedy, D-Mass., chairman of the Labor and Human Resources Committee, opened discussion on the measure last week by praising by name each of his fellow Democratic committee members for their contributions to the bill.

Seeing that a quorum had yet to present itself in the standing-room-only hearing room, he continued by saying, "Anybody who has health care today is just a pink slip away from losing it."

As senators of both parties trickled into the room, Sen. Kennedy said that the measure would save $228 billion in health care costs during its first five years.

He also dismissed Bush administration criticisms of the play-or-pay concept (*BI*, Jan. 13). "They have the nerve to say your program is bad without coming up with an alternative. We've heard what they're against," he said, adding that he hoped to learn what the president supports in the State of the Union address.

The committee's ranking Republican responded to Sen. Kennedy by calling the measure "a badly constructed rehash" of the earlier bill.

"I call it a rehash because it has been stripped of the various taxing and funding provisions and has undergone major cosmetic surgery to somehow make it fit the jurisdiction of this committee," said Sen. Orrin Hatch, R-Utah.

"It is just plain bad public policy. Rate regulation and 'play-or-pay' simply do not work," Sen. Hatch said.

Sen. Dan. Coats, R-Ind., dismissed the play-or-pay concept. "In a political year, it's tempting to come up with sound-bite solutions," he said.

Before the vote, senators of both parties joined to defeat on a voice vote an amendment offered by Sen. Jeff Bingaman, D-N.M. The Bingaman amendment would have tied increases in rates set by the proposed Federal Health Expenditure Board to increases in the gross national product.

Both Health and Human Services Secretary Louis Sullivan and Labor Secretary Lynn Martin weighed in with their objections to the bill via public letters to Sen. Kennedy. Both said they would urge a veto.

Dr. Sullivan described play or pay as "a fatal step down the slippery slope toward nationalized medicine."

Ms. Martin said that the HealthAmerica plan would force workers currently covered under employer-provided plans into the public plan because employers would find it cheaper to pay a tax than pay for benefits. ■

The IRI Difference:

Our Commitment to Your Long-Term Needs Is a Way of Life

When Harry Coor, IRI Vice President-Operations, reflects back on a career that spans more than three decades, he recalls with great satisfaction the long-standing, uninterrupted relationships with many of IRI's insureds.

Mr. Coor observes, "1990 was IRI's one hundredth year in business. Our centennial celebration gave us a unique opportunity to visit with and pay honor to 185 customers who have chosen to do business with us continuously for fifty years or more . . . one, in fact, for ninety-eight years. I imagine that each of these customers has a personal perception of what The IRI Difference has meant to them decade after decade."

Harry Coor, Industrial Risk Insurers

He continued, "In these days of instability, changing values, planned obsolescence and financial turmoil, it is comforting to know how many of these relationships have not only survived but have grown and been strengthened over the years. IRI's dedication to the highest standards of business ethics, fairness, honesty, and quality products and services continues with renewed intensity as we move into our second century.

"At IRI, our commitment to long-term relationships is not a hollow promise—it's an inherent characteristic of The IRI Difference, it's a way of life."

IRI℠

can make a difference

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Disabilities act

Continued from page 1

assuring that disabled people have equal opportunity to participate in all aspects of society," said Jim Gleich, executive director of the Disability Rights Education & Defense Fund in Berkeley, Calif.

"Since the Civil Rights Act of 1964, we've been taught to treat people equally. Now we're changing the way we think—treat people differently for equality—it does require a mind shift," said Missy Davidson, director of human resources and civil service for the city of Baytown, Texas.

While the intent of the ADA is clear, many of its key concepts and terms are not precisely defined.

"My fear is that there will be excessive litigation," said Allyn C. Tatum, president of the International Assn. of Industrial Accident Boards & Commissions, which represents state worker compensation administrators.

The ADA creates "whole new virgin territory for litigation attorneys," said Steven M. Selan, an insurer attorney in Chicago.

The act is designed to protect from discrimination a "qualified" job applicant or employee, who has the necessary educational background and skills to perform the "essential functions" of a job with or without "reasonable accommodation."

Specifically, the act requires that employers not discriminate against an individual:

- With a physical or mental impairment that substantially limits one or more major life activities.
- With a record of such an impairment.
- Who is regarded as having such an impairment, like an able-bodied individual who is disfigured.

For example, the new law emphasizes that an employer should not discuss the nature of a job applicant's disability but rather ask the applicant to describe his or her qualifications and ability to perform the essential functions of the job with or without accommodations.

"Reasonable accommodation" is a modification or an adjustment that an employer makes to a job or to the workplace to enable a disabled person to perform the essential functions of the job. It may include restructuring a job, adopting flexible work schedules, modifying equipment, providing qualified readers or interpreters, or modifying examinations and training programs.

However, the law does not require an employer to make any accommodation that is "an undue hardship," or unduly expensive, extensive or disruptive.

If an accommodation is too expensive for an employer to make, an applicant must be allowed to provide additional funds to make the needed change.

An employer can require a disabled applicant to undergo a physical examination only if all applicants for the job category also must take an examination. The results of the physical exam must be kept confidential and maintained in a separate file, though those results can be used for workers comp claim reporting purposes.

Following a physical exam, an employer can refuse to hire a qualified disabled person only if the applicant poses a direct threat—a significant risk of substantial harm—to the health or safety of himself or herself, or to others, and that threat cannot be reduced to an acceptable level through reasonable accommodation.

But, an employer cannot exclude an applicant because his or her condition is likely to deteriorate in the future or because workers compensation or health insurers are likely to increase premiums because of his or her employment.

Once hired, a disabled employee must be eligible to receive the same health care and workers comp benefits as all other employees. But, health insurers and self-insured employers may continue to impose pre-existing condition exclusions.

The act does not relieve either disabled applicants or disabled employees from most employer-administered agility and drug testing requirements.

The ADA also protects current able-bodied employees who subsequently suffer disabilities, whether or not the disabilities are work-related. Those workers must be reassigned to a vacant position for which the disabled individual is qualified if the employer cannot make reasonable accommodations that would allow the worker to return to his or her former job.

But the ADA does not require employers to create new positions for injured workers, and it prohibits employers from replacing able-bodied employees with recently disabled workers.

The ADA's clear intent, though, does not help clear up many of the law's key concepts and terms that are not precisely defined.

"The act does not give 'bright line' rules," said Jean P. Kamp, supervising trial attorney in the Chicago office of the U.S. Equal Employment Opportunity Commission. The EEOC in July will replace the Justice Department as the primary agency that will enforce the ADA's employment-related provisions for all but the smallest public entities.

Indeed, federal agencies are still drafting detailed guidelines about how the ADA's provisions interact with existing health care plans, workers comp system requirements and collective bargaining arrangements.

And, federal agencies plan to take a case-by-case approach to enforcement of the law.

That makes it difficult for an employer to determine whether it is in compliance, because what constitutes a reasonable accommodation for one company may be a hardship for another, said Nancy Fulco, a human resources attorney with the U.S. Chamber of Commerce in Washington, D.C.

But, case law established under Section 504 of the Rehabilitation Act of 1973—which applies to public entities and contractors that receive federal funds—generally is expected to provide guidance, government attorneys say. Section 504 was the basis for many provisions of the ADA.

However, without clear guidance, observers predict an increase in the number of lawsuits filed by job applicants and disabled workers over public entities' hiring practices.

Indeed, the EEOC expects that the annual number of discrimination complaints filed by disabled job applicants and workers will grow 20% to 72,000 from 60,000.

The federal agency investigating the complaints will emphasize dispute resolution rather than litigation, the EEOC's Ms. Kamp said.

For example, the enforcement scheme for some ADA provisions, including those governing employment practices, requires that claimants obtain a right-to-sue letter from the applicable federal agency before they or the agency can file suit. However, such a requirement provides little protection for employers because the EEOC typically grants such letters upon request, said Robert Tate, special assistant to the EEOC's chairman.

And, plaintiffs' attorneys may be lured by the prospect of being able to ask a jury to provide up to $300,000 in punitive as well as compensatory damages—plus wage compensation—under some of the act's employment-related provisions. The court also may award attorneys' fees.

"Whenever you introduce the aspect of punitive damages, it will hurt employers because now there is more of an attraction for plaintiffs' attorneys to take such cases," said Paul Brown, director of governmental affairs for the Risk & Insurance Management Society Inc. of New York.

"Defense attorneys—the Paul Revere Esquires—are ringing the alarm bell," said Richard Victor, executive director of the Workers Compensation Research Institute in Cambridge, Mass. Mr. Victor is awaiting the results of a WCRI study before he decides whether those alarms are justified.

In addition, some fear that claimants' attorneys will look for a potential ADA claim in every workers comp claim, which violates the aim of having workers comp as the exclusive remedy for worksite injuries and illnesses.

For example, plaintiffs' attorneys point out that injured workers may sue their employers under the ADA if employers do not make reasonable accommodations to return the workers to their former jobs or alternative jobs.

In addition, "I think it will increase work comp costs because of the seeming inability of employers to screen employees for hidden or unnoticeable disabilities," said RIMS' Mr. Brown. Those employees' greater potential for injury will drive up workers comp costs, he said.

The act also prohibits employers from asking a job applicant about, or otherwise investigating, his or her workers comp claims history.

James Ellenberger, assistant director of the AFL-CIO's Department of Occupational Safety and Health, hopes this provision ends the "ugly issue" of rejecting job applicants who have filed previous workers comp claims.

In addition, there is a gray area concerning when an employer can rescind an employment offer if a properly administered examination reveals a "borderline" physical condition that elevates a worker's risk of injury, said Eric Oxfeld, senior counsel with the American Insurance Assn. in Washington, D.C.

Workers comp insurers also disagree over whether they or employers will be responsible for the cost of making reasonable accommodations that would allow an injured employee to handle a job.

Furthermore, the ADA calls into question the rationale for state workers comp second injury funds, the AIA's Mr. Oxfeld said. The funds, established through various methods of employer assessments, were designed to encourage employers to offer employment to an applicant with a known disability by spreading the cost of any subsequent injury he or she may incur.

But, under the ADA, an employer may not know about an applicant's disability until after a post-job offer physical exam.

Some public entities, though, say the ADA could help improve the workers comp system for all parties.

"Workers compensation is going to cost us more, but the ADA is going to help us do a better job, and I'm psyched up about it," said Yvonne Norton Leung, risk manager for the state of Nebraska.

The ADA calls for "all aspects that are intrinsic to a good workers compensation program," like an emphasis on early return-to-work programs, Ms. Leung said.

And, others do not expect that the ADA will lead to higher workers comp costs.

Indeed, the ADA ultimately will reduce employers' workers comp costs because of the new focus on returning injured employees to work, the AIA's Mr. Oxfeld said.

"I think it will cut employers' work comp costs," the AFL-CIO's Mr. Ellenberger agreed. Employers and unions with existing programs emphasizing early return-to-work have netted cost savings, he noted.

However, the ADA likely will require changes in unions' collective bargaining agreements to allow for injured workers to be placed in light-duty jobs, which typically go to union members with more seniority, according to several attorneys.

In addition, some savings may result from a reduction in the need for outside vocational rehabilitation and outplacement services, said Bill Schroeder, vp-claims for the Alliance of American Insurers in Schaumburg, Ill.

And, Robert Maciorowski, an attorney with Seyfarth, Shaw, Fairweather & Geraldson in Chicago, also questioned whether a workers comp insurer still will have to pay temporary total disability benefits when an insured employer fails to make reasonable workplace accommodations so an injured or ill employee may return to work.

"Costs under workers compensation most likely will not increase," said Dennis Jones, workers compensation specialist for Oakland County, Mich. Michigan already has a fairly extensive law on hiring and providing access for disabled persons, he noted.

Job modifications could conceivably create some higher costs, but most modifications are inexpensive, he said.

In addition, the ADA provides for tax credits and tax deductions to help employers offset workplace and other modifications required to satisfy the reasonable accommodations provision of the law.

An EEOC study estimates that the total cost of all changes to satisfy the reasonable accommodations provision will be $261 per accommodation on average.

Another major area of uncertainty for public entities "is how employee benefits will be impacted," said Andy Johnson, executive manager of the risk management consulting services division of Gallagher Bassett Services Inc.

Continued on next page

Steps to manage ADA's impact

By MEG FLETCHER and SARA J. HARTY

Employers can act now to reduce the impact the Americans with Disabilities Act will have on job discrimination and workers compensation claims, experts say.

"There is nothing to do but to stop worrying and shore up defenses," commented David L. Weinstein, an attorney with Rosenthal & Schanfield in Chicago.

Consultants, attorneys and risk managers recommend that employers:

- Understand the law.
- Educate all employees about the ADA, especially supervisory employees.
- Establish policies and procedures that allow "reasonable accommodations" as required by the ADA so disabled job applicants and employees can perform a job.

Employers should document these efforts, said John Hoos, an attorney with Hewitt Associates in Lincolnshire, Ill.

- Analyze the physical and mental demands of all jobs in the workplace. Then, rewrite job descriptions to reflect these demands and establish a list of the essential functions of the job.

Job descriptions "are one way to justify a decision as non-discriminatory," explained Jenny P. Emery, a Hartford, Conn.-based principal with the Tillinghast division of Towers, Perrin, Forster & Crosby Inc.

Up-to-date job descriptions are the only objective basis for an employer to use in deciding who is a qualified applicant and what kind of reasonable accommodation can be made for such an applicant, agreed Luellen Lucid, a consultant with The Wyatt Co. in Los Angeles.

Employers that plan to update their job descriptions may want to use specialized forms available through rehabilitation consultants. Wyatt offers a new software program designed to help an employer prepare job descriptions and performance appraisals, Ms. Lucid said.

The city of Baytown, Texas, determined that it would cost $81,000 to have a consultant write detailed job descriptions for the city's 270 job titles. Instead, the city formed a cooperative with 15 other cities of a similar size in the same region. Each city chipped in $1,500 and worked with Workability, a consultant based in Santa Fe, N.M., to develop descriptions for 43 core jobs. Each city can later fill in more detailed descriptions for the 15 to 20 job titles contained within each core job.

Hewitt's Mr. Hoos cautions that large employers—which typically have good personnel practices already—may want to wait to see what kinds of cases develop rather than undertaking a "very expensive" appraisal of all jobs now.

Tightening job requirements now "can cut the other way" if it allows a claimant's attorney to argue that the employer revised its job descriptions to screen out a disabled person who might otherwise be eligible for the job under the ADA, he said.

Employers also should be "extremely careful" about establishing mandatory educational requirements, like a high school degree, Mr. Weinstein said. It can be perilous to make blanket requirements that have no direct relevance to the job, he said.

- Amend hiring practices so a company's offers of employment are contingent upon an applicant submitting to a relevant physical examination or other tests. The ADA prohibits employers from requiring applicants to undergo an examination prior to a job offer.

However, an employer can require a person to undergo a physical after a job is offered so long as all workers filling such a job must undergo physicals. The job offer can be withdrawn if the person is found unable to perform the essential functions after reasonable accommodations are made.

- Consult medical providers with a specialty in occupational medicine to tailor "post-offer" physical examinations to the physical demands of each job offered.
- Review existing light-duty policy, like how long a disabled employee can remain in a light-duty position, and remove any restrictions that could be interpreted as violating the ADA.
- Designate a person to handle the responsibility of coordinating ADA activities.
- Ensure the company's approach to the ADA is consistent with the policies of its unions and its group health and workers compensation insurers.
- Look at the ADA positively.

"There are a large number of people in this society that are underutilized," said Yvonne Norton Leung, risk manager for the state of Nebraska. Employers whose "emotions are in the wrong place are setting themselves up to be sued." ■

Disabilities act

Continued from previous page
in Itasca, Ill.

The ADA supposedly allows employers to leave their health care plans in place, so "any bona fide plan should not have any trouble," said Diane Lotti, an associate research consultant with Buck Consultants Inc. in Secaucus, N.J.

But, because of the new law, "there are serious questions on insurance caps and limitations" for plan participants with certain illnesses, said Joe Metz, director of governmental legal services for Buck in New York.

For example, Ms. Lotti said the legality of capping benefits for workers with acquired immune deficiency syndrome is a gray area under the ADA.

This issue is unclear, especially in light of a ruling by the 5th U.S. Circuit Court of Appeals last year that upheld the right of an employer to switch from an insured benefit plan with a $1 million lifetime benefit limit to a self-insured plan with a $5,000 cap on AIDS benefits as long as the cap applies equally to all employees (*BI*, Nov. 18, 1991).

But, "under ADA, an employer that is also a self-insurer will likely find it much more difficult to reduce benefits to an employee who is HIV-positive" since the law prohibits discrimination against the disabled, said John Bunker, a consultant with The Wyatt Co. in Washington, D.C.

"I expect that those questions won't be clear until they are litigated," Buck's Ms. Lotti said.

But, Stan Fayne, risk manager of Oakland County, Mich., does not expect the ADA will cause the cost of the county's self-funded health care plan to soar.

"We do not expect it to have a material impact on costs because there are relatively few handicapped folk" and many of those who are disabled—like quadriplegics—may not face huge additional medical expenses.

There is no reason a health care benefit program that accommodates huge medical costs for neonatal problems cannot accommodate claims from disabled employees, Mr. Fayne observed.

"I don't see an adverse effect on overall health costs from a utilization standpoint," said Fred Marshall, risk manager for Winston-Salem, N.C. ■

Peoples Gas blast

Continued from page 2
is necessary. In this case, the spokesman said a report would be issued if they determined the accident was not a "one-time event."

In a prepared statement, Peoples Gas said the investigation "is intended to find out what caused the increase in natural gas pressure that triggered the explosions and fires." A company spokesman said it centers on regulators at two different locations "and/or the possibility of operator error."

While the safety board is taking the lead in this investigation, other parties involved include Peoples Gas, the Illinois Commerce Commission and the city of Chicago.

The commerce commission will wait until after the federal investigation to decide whether penalties would be assessed against the utility, said a commission spokeswoman in Springfield.

As of last week, several lawsuits were planned against the utility.

Philip Corboy, a Chicago lawyer retained by the family of one person killed and seven other people whose property was reportedly damaged, said a negligence action would be filed "as soon as the family gives us permission."

Mr. Corboy, a partner with Corboy & Demetrio, is representing the family of a 19-year-old who, along with two others, was killed when the building he was in collapsed.

Mr. Corboy added that he was unconcerned about the amount of liability coverage Peoples Gas had because "corporate entities do not need insurance except for financial bookkeeping purposes."

The daughter of an elderly couple who sustained serious injuries following the explosions has retained Chicago attorney Michael J. Wagner. Mr. Wagner, who is a partner with Baker & McKenzie, has filed a suit seeking an injunction to require that evidence surrounding the accident be preserved and to enable Mr. Wagner and his associates the right to conduct their own investigation of the site.

Mr. Wagner also filed a negligence lawsuit late last week. Peoples Gas "was in full control of this incident," Mr. Wagner said.

Neither attorney could make an estimate of the damages. Anybody who could provide such an estimate was "prescient" given the extent of injuries and personal and structural property damage, Mr. Corboy said.

Estimates are also hard to make because the area is "experiencing a period of gentrification," said Sylvester Kerwin, president of S.J. Kerwin & Associates, a Chicago real estate appraisal company.

Some homes and other buildings had been substantially rehabilitated. But for those that had not, the land itself is worth more than the buildings, he added.

Because several individuals were left homeless in subfreezing temperatures, the utility established a temporary service center in the area to assist these individuals.

Meanwhile, Peoples Gas instructed individuals who want to make claims related to the accident to contact the claims department at Peoples Energy. ■

Airbus A-320 crash

Continued from page 1
writing. It may mean a better resolve to continue to increase rates."

Last week's loss involved a flight from Lyon, France, that crashed into mountains on its approach to Strasbourg, France, killing 87 of the 96 people on board.

Hull underwriters for Air Inter face 220 million French francs ($40.5 million at current exchange rates) for the loss of the nearly-new hull.

Underwriters also have reserved 77.5 million French francs ($14.3 million) for liability payments, sources agree. The reserve is based on the liability limit printed on Air Inter passenger tickets of 750,000 French francs ($138,000) per person when flying within France, or 100,000 special drawing rights ($141,000) for international travel. Reports say most of the passengers on board were French.

The airline's coverage is part of a hull and liability insurance package for several French airlines—namely Air Inter, Air France, Union de Transports Aerienne, Air Afrique and Aero Postale—that together have a fleet worth $9.8 billion. The coverage was renewed Dec. 1 with a 145% rate increase on the hulls and a 66% increase on the liability.

The coverage is placed in Paris by broker Office Assurance Aerienne de Gerard de Cugnac and led by French insurer Cie. d'Assurances Maritimes Aeriennes & Terrestres S.A. About 65% of the coverage is reinsured in the London market through broker Nicholson, Chamberlain Colls Aviation Ltd. and led by Lloyd's of London underwriter Barry Coleman and The Orion Insurance Co. P.L.C.

The jetliner was manufactured in Toulouse, France, by Airbus Industrie, a European consortium. The company's $1.25 billion of product liability coverage is placed by leading broker Faugere & Jutheau S.A. in Paris and following broker Sedgwick Group P.L.C. in London. The coverage is led by CAMAT in Paris and the Ariel syndicate at Lloyd's of London.

This is the third Airbus A-320 airliner to crash since it was introduced in 1988. In 1990, a $50 million Airbus A-320 owned by Indian Airlines crashed in India, killing 92 of the 146 people on board (*BI*, Feb. 19, 1990). And in 1988, a $45 million Air France Airbus A-320 crashed during a demonstration flight in France, killing 3 of the 136 people on board (*BI*, July 4, 1988).

Reports last week criticized the A-320's new sophisticated flight deck computer system for all three disasters, even though the official cause of the two earlier Airbus disasters was determined to be pilot error.

The A-320's "fly-by-wire" system, which replaces the old joystick with a smaller one to the side of the pilot and information on six screens, is supposed to prevent pilot errors. The system, among other things, allows pilots to preprogram landing, take-off, altitude, speed and direction.

Nonetheless, France's civil aviation authority last week said that preliminary analysis of the flight recorders recovered from the Air Inter crash did not justify grounding all other Airbus A-320s.

"Our thoughts must go to the victims and their families," said Colm Mannin, senior counsel for Airbus in London last week at the Insurance Institute of London.

Mr. Mannin coincidentally was giving a talk at the IIL on his proposal to change liability limitations on European flights, during which he suggested that certain limitations in the European Community are "unpredictable, unfair, costly and confusing."

He said, however, that it was too early and "inappropriate" to speculate on the cause of the Air Inter loss, and he saw no reason why other Airbus jetliners should be grounded. French authorities would by law report on the cause of the accident within 30 days, he added.

Last week, underwriters also were tallying up the impact of losses in January and December.

On Jan. 10, a $10 million Boeing 737 owned by Air Lanka of Sri Lanka suffered a main undercarriage collapse when landing in Madras, India. The hull could be a total loss.

And, on Jan. 16, a $75 million Boeing 767-300 operated by Asiana Airlines Inc. of South Korea made a heavy landing on its nose undercarriage at Cheju International Airport in South Korea, causing substantial structural nose damage. Underwriters believe the hull loss will total $15 million.

These losses follow several at the end of December (*BI*, Jan. 6), namely:

- A $60 million China Airlines Boeing 747-200 freighter crashed into a hillside in Taiwan, losing $15 million in cargo.
- A $35 million Scandinavian Airlines System McDonnell Douglas MD-80 aircraft was torn apart during an emergency landing in Stockholm, Sweden. All 123 passengers and six crew members survived.
- A charter company's Douglas DC-3A crashed into a hill outside Heidelberg, Germany, killing 28 of 32 people on board. The airplane's hull was uninsured. ■

Update

Punitive award cover upheld

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for punitive damages.

Last week, the 9th Circuit affirmed the decision of U.S. District Judge Thelton E. Henderson and ordered that its decision not be published, which means that it cannot be used as precedent (*BI*, Feb. 25, 1991).

Nonetheless, Judge Henderson's decision is one of the only decisions in the nation on this issue, said William R. Irwin, of Brobeck, Phleger & Harrison in San Francisco. His ruling should encourage other California policyholders ordered to pay punitive damages in other states to seek coverage, said Mr. Irwin, who represented Fibreboard Corp. of Concord, Calif., in the litigation.

As a result of the ruling, Chicago-based Continental Casualty Co. must indemnify the former asbestos producer for millions of dollars in punitive damages awarded in massive asbestos bodily injury suits in Texas and West Virginia.

Delaware program draws probe

DOVER, Del.—A special joint committee of the Delaware Legislature plans to examine the operations of the state Insurance Department and its controversial economic development program.

The program, operated by Insurance Commissioner David Levinson, was designed to encourage insurers that are domiciled in Delaware, but operate elsewhere, to locate their headquarters in the state or at least invest in local businesses through funds contributed to the program. However, at least one insurer has alleged that regulatory actions have been linked to participation in the program, said Rep. David H. Ennis, R-Fox Point, co-chairman of the special committee.

Following complaints about the program, Mr. Levinson stopped accepting new applications from Delaware businesses seeking funds from the program.

Mr. Levinson's ban on new applications will not affect the special committee's agenda, Rep. Ennis said. The committee will explore complaints from insurers and legislators about the fairness of the program, and will examine how the department sets rates and conducts insurer examinations. The panel also will examine how the state's insurance code was redrafted.

Mr. Levinson said he banned new applications to prompt action on a bill now stalled in the House. S.B. 230 would require all Delaware-domiciled insurers to establish headquarters in the state, or demonstrate that they have made "quantifiable" contributions to the state's economy or that such contributions would be a financial hardship.

Gooda Walker cash call

LONDON—Four Lloyd's of London syndicates formerly managed by Gooda Walker Ltd. are asking members to pay 101 million pounds ($181.8 million) by March to cover losses stemming from the 1989 and 1990 underwriting years.

This cash call brings to 238.9 million pounds ($430 million) the amount the 3,000 members of syndicates 164, 290, 298 and 299 have been asked to pay since last year for the 1989 and 1990 underwriting years. The syndicates, which specialized in London market excess-of-loss reinsurance, have been hammered by catastrophe claims.

Altogether, seven Gooda Walker syndicates are being runoff, following a decision to liquidate the underwriting agency last October (*BI*, Oct. 14, 1991). There are no cash calls on the other three syndicates.

The seven syndicates have open underwriting years with a total of 640 million pounds ($1.15 billion) in underwriting capacity. None of the syndicates' accounts is expected to close on time.

Briefly noted

The California Medical Assn. intends to introduce a November **ballot initiative** that would require all employers in the state to provide health insurance for their full-time employees. The organization said it is using the initiative as a means to induce state lawmakers to pass health care reform legislation this year. . . .A spokesman for Sweden's **Skandia Insurance Co. Ltd.** said late last week that talks have not broken down between Skandia, Norway's UNI Storebrand A/S, Denmark's Hafnia Insurance Co. Ltd. and Finland's Pohjola Insurance Co. Ltd. Talks about an alliance between the four followed last year's acquisition of Skandia shares by UNI Storebrand, Hafnia and unnamed Finnish and European companies (*BI*, Dec. 2, 1991). . . .California Insurance Commissioner John Garamendi is asking Gov. Pete Wilson to reverse last week's decision by the Office of Administrative Law to reject the department's revised emergency regulations for implementation of **Proposition 103**. That rejection will probably delay rollbacks totaling $438 million. . . .Ronnie C. Moore has been named as **Kentucky's insurance commissioner**. Mr. Moore, whose insurance career spans 34 years, including 17 years as head of his own agency, replaces Elizabeth P. Wright, who resigned. . . .The National Council on Compensation Insurance has requested a 2.5% loss cost rate increase for the voluntary **workers compensation** market in the District of Columbia and a 26.2% increase residual market, effective April 1. . . .**C.R. Driver & Co. Ltd.**, an insolvent underwriting agency partly owned by Ronnie Driver, the former chairman of London United Investments P.L.C., is being investigated by the British Department of Trade and Industry. A department spokesman said an earlier investigation of LUI uncovered links between the two companies (*BI*, Dec. 2, 1991). . . .The Colorado Supreme Court recently upheld the state insurance commissioner's authority to **prohibit reinsurers from offsetting** amounts owed insolvent Aspen Indemnity Corp. by amounts they say they are owed by Aspen. . . .The Pension Benefit Guaranty Corp. last week filed suit in U.S. Bankruptcy Court in Wilmington, Del., seeking to block **Continental Airlines** from selling its share of Air Micronesia Inc. to Pacific Micronesia Corp. The agency wants a court to first determine if Air Micronesia is part of group of companies, controlled by Continental Airlines Holdings, that is liable for $700 million in unfunded Eastern Airline pension liabilities (*BI*, June 24, 1991). . . .Moody's Investor's Service on Friday lowered the financial strength rating of **Prudential Insurance Co. of America** to Aa1, which is the high end of its "excellent" rating, from Aaa, its "exceptional" rating.

Ticker

Linking insurance cycles to GNP

By LEONARD M. WILSON

Special to Business Insurance

WHAT IS REALLY going on in commercial insurance?

Property/casualty insurance, one of the pivotal financial industries, has experienced almost unremitting price competition since 1979. Over a 14-year period, only in 1985 and 1986 have rates advanced in a straightforward manner. Price competition has run against a backdrop of general inflation, and there has been universal hand wringing within and outside the industry about underwriters' pricing behavior.

We have pondered whether the tenacity of competitive pricing attests to structural changes that could have adverse implications for the growth of the publicly held insurance brokers. Commercial insurance is a commodity, it is increasingly argued, written by overcapitalized insurers anxious to book business without proper regard for the tenets of sound underwriting. And chronic price competition means a more difficult earnings environment for insurance brokers.

Too much capital may be a central driver of pricing behavior. But the level and composition of the gross national product is the external determinant of a society's needs for insurance. Society's outlays for property/casualty coverage have to bear a fairly consistent relationship to GNP. That is, spending reflects an equilibrium, expressed as a percentage of GNP.

If too much is being spent on insurance relative to the GNP, then society is either overinsured or the price of insurance coverage is too high. Policyholders will find ways of cutting their insurance costs. Premiums will have to grow more slowly than GNP to bring them into equilibrium. If too little is spent, then society is underinsured. Premiums could then be expected to rise more rapidly than GNP for a period of time.

In most markets, a deviation from equilibrium is corrected through fluctuations in demand, initiated by the product's consumers. In the property/casualty market, equilibrium is restored through competition among underwriters, which drives down premiums.

From 1979 to 1991, commercial premiums advanced at a rate of 6.2% compounded annually. This slower growth in commercial premiums is not surprising, given the absence of price increases except for 1985 and 1986. It is interesting that commercial premiums grew almost as fast as GNP, notwithstanding widespread acceptance of self-insurance and broad price reductions.

From the pricing trough in 1983 to 1991, commercial premiums increased at 10.3% compounded annually against only 6.3% for the GNP. Massive price increases during 1985 and 1986 fueled the outperformance of commercial premiums against GNP, despite price competition that by our calculations has resulted in virtually no growth in commercial premiums from 1987 to 1991.

The relationship between commercial premiums and GNP also can be portrayed by examining how many dollars of commercial premiums are spent per $100 of GNP. This is, as we suggested earlier, the authentic measure of demand for commercial insurance.

In 1978, a cyclical peak in commercial pricing, commercial premiums amounted to $1.98 for each $100 of GNP. In 1987, a year that apparently reflected the momentum in premiums for 1986's price increases, the ratio had reached $2.50 for each $100 of GNP. This peak-to-peak advance presumably can be explained by the rapid expansion in liability premiums.

At the pricing trough in 1974, we calculate that for each $100 of GNP, written premiums were $1.65. By contrast, at the trough in 1984, only $1.59 in commercial premiums were being written per $100 of GNP.

Where does the ratio stand today? We estimate that for 1991, written premiums per $100 of GNP have declined to about $2. This figure is close to the cyclical peak established in 1978, but well below the ratio at the peak of the cycle in 1987. If we could reckon the cost of self-insurance, of course, we might find that the ratio of insurance outlays to GNP is higher than our figures suggest.

It seems to us that price increases in the sellers' market of 1985 and 1986 pushed premiums to a level that society and the underlying cost structure of the typical policyholder could not sustain. The current cycle in depth and amplitude is an adjustment to that unsustainable level. The long cycle of price competition reflects, we believe, a mechanism for the restoration of equilibrium.

This line of analysis does not claim to delineate the precise equilibrium level for commercial premiums relative to GNP. If it could, we would simply forecast GNP growth for several more years and work out how long it would take the ratio of premiums-to-GNP to fall to that postulated equilibrium. Interestingly, if we project 1993's GNP and assume no growth in total commercial premiums, the ratio falls below $2 of written premiums per $100 of GNP.

It could take another four to five years of GNP growth and stagnant commercial premiums to reach the trough ratio of 1984. This would be a particularly painful prospect, since it would imply no price relief until the middle of the decade.

We are not so pessimistic. With increasing exposures from asbestos and the environment and a with society still prone to litigation, it is probable that the proper equilibrium in societal outlays for insurable risk is closer to today's $2 ratio than the substantially lower relationship of the 1970s. Nonetheless, there is certainly room for a year or two more of price competition before society's insurance costs reach some kind of new equilibrium.

The linkage of insurance premiums with GNP implies that in the future, over a full property/casualty cycle, growth in commercial premiums should parallel growth in GNP. This is a view to which we have adhered for many years. The current protracted cycle of price competition and abundance of insurance capital have not, we feel, shattered the linkage.

Since 1987, commercial premiums (excluding workers compensation) have remained static, based on our reading of available data. The public brokers also have experienced a stagnation in revenue growth, with low single-digit advances. Investors have tried to gauge anew the growth potential of the brokers after having suffered through the past five years of little earnings progress.

We believe the longevity of the current cycle can be plausibly explained by the concept of equilibrium. We are, though, doubtful about the possibility of pinpointing a definitive equilibrium that would allow us to forecast the timing of a turn in commercial pricing. Having begged off any predictions about the cycle, we remain convinced that given the sustained correlation between commercial insurance and GNP, the insurance brokers should again enjoy more positive results, perhaps in the not-too-distant future. ■

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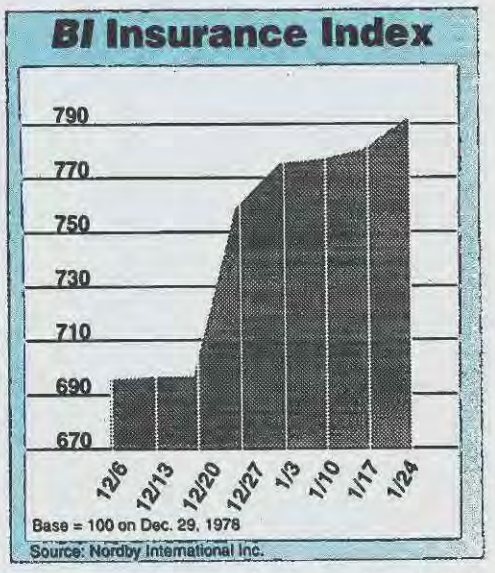

Insurance industry stocks resumed their climb last week as the *Business Insurance* Index rose 15.4 points to 791.6 on Jan. 24 from to 776.2 on Jan. 17. Advancing issues were led by American Indemnity/Financial, up 76.3%; Belvedere Corp., up 24.1%; and HMO America Inc., up 17.8%. Declining issues followed Chandler Insurance, down 7.1%; UNUM Corp., down 6.0%; and Kemper Corp., down 5.5%. The most active issue was U.S. Healthcare, with 4.6 million shares traded. The *BI* Index was up 2.0%; the New York Stock Exchange Composite was down 0.8%; the Standard & Poor's 500 was down 0.8; and the Dow Jones 30 Industrials were down 1.0%.

British Issues

Jan. 23 Companies	Price pence	P/E	Div. pence	Yield %	1 Week High—Low pence	pence
Commi Union	468	N/M	30.7	6.5	483—	468
Genl Accident	447	N/M	35.7	8.0	458—	447
Gdn Royal Exch	126	N/M	15.9	12.6	129—	124
Royal	246	N/M	34.7	14.1	270—	246
Sun Alliance	291	N/M	18.7	6.4	292—	288
Brokers						
Bradstock	167	18.8	6.3	3.8	167—	167
CE Heath	477	16.7	34.5	7.2	477—	472
Hogg Group	180	10.7	10.7	5.9	181—	180
JIB Group	199	16.6	10.0	5.0	N/A	
Lloyd Thompson	257	25.8	6.0	2.3	258—	244
Lowndes Lmbrt	328	16.3	15.3	4.7	328—	321
PWS Holdings	73	8.0	5.3	7.3	77—	73
Sedgwick Grp	224	21.3	16.0	7.1	224—	222
Steel Brrl Jones	321	17.0	16.3	5.1	321—	315
Willis Corroon	252	13.3	17.6	7.0	255—	251

Source: Philip Olsen, Insurance Industry Analyst, London

BI Industry Stock Report

JANUARY 20, 1992 THROUGH JANUARY 24, 1992

BROKERS		Price	Weekly % change	Year to Date % change	Annual High	Annual Low	Vol.(000)	$ Div.	% Yield	P/E	Book value	Mkt/Bk. value
Alexander & Alexander	NYS	22.75	2.82	10.98	27.63	18.00	370	1.00	4.40	21	9.77	2.33
Gallagher Arthur J. & Co.	NYS	24.00	4.35	7.26	28.38	19.00	21	0.64	2.67	21	5.88	4.08
Frank B. Hall	NYS	4.00	-3.03	-5.88	5.50	3.00	44	0.00	0.00	-6	-5.24	-0.76
Hilb, Rogal & Hamilton	OTC	13.25	2.91	0.00	17.50	11.25	148	0.40	3.02	23	3.56	3.72
Marsh & McLennan	NYS	78.38	-0.48	-3.69	87.25	70.00	400	2.60	3.32	19	14.77	5.31
Poe & Associates	OTC	12.25	2.08	2.08	12.50	6.50	5	0.32	2.61	14	2.52	4.86
BROKERS	AVERAGE		1.4	1.8					2.3	13		
CONGLOMERATES & HOLDING COMPANIES												
Berkley W.R. Corp.	OTC	32.13	0.39	5.33	32.25	23.50	350	0.32	1.00	13	23.89	1.34
Berkshire Hathaway Inc.	NYS	8700.00	-1.02	-3.87	8700.00	220.31	1	0.00	0.00	-37	4612.00	1.89
ITT (Hartford Group)	NYS	59.50	0.42	3.03	63.00	50.00	1452	1.72	2.89	9	64.01	0.93
Sears (Allstate)	NYS	40.63	0.00	7.26	43.50	28.13	2645	2.00	4.92	14	37.38	1.09
CONGLOMERATES	AVERAGE		-0.1	2.9					2.2	0		
INSURERS/REINSURERS												
AEGON N.V.	NYS	70.50	0.53	0.71	71.75	54.75	7	2.30	3.26	7	N/A	N/A
Aetna Life & Casualty	NYS	45.25	1.40	2.84	49.13	31.88	976	2.76	6.10	9	64.23	0.70
Allied Group Inc.	OTC	19.00	2.70	11.76	21.50	12.25	11	0.56	2.95	6	11.50	1.65
American General	NYS	42.50	-1.73	-4.49	45.63	32.00	1139	2.00	4.71	11	37.14	1.14
American Indemnity/Fin'l	OTC	8.38	76.32	76.32	8.38	4.50	161	0.08	0.96	25	12.93	0.65
American International	NYS	94.00	-2.46	-4.45	102.00	78.00	926	0.48	0.51	13	45.34	2.07
Aon Corp.	NYS	42.13	-1.17	6.31	43.25	32.00	222	1.60	3.80	12	18.50	2.28
Argonaut Group	OTC	27.00	1.89	13.68	33.38	21.75	96	0.68	2.52	9	48.26	0.56
AVEMCO Corp.	NYS	26.00	0.00	4.00	27.25	16.75	12	0.40	1.54	19	9.55	2.72
Baldwin & Lyons Inc.	OTC	26.75	2.88	3.88	27.50	19.00	2	0.28	1.05	8	24.29	1.10
Belvedere Corp.	ASE	4.50	24.14	38.46	4.50	2.63	6	0.04	0.89	18	7.65	0.59
Chandler Insurance	OTC	4.06	-7.13	25.02	4.75	2.13	119	0.00	0.00	-2	5.95	0.68
Chubb Corp.	NYS	72.13	-0.86	-6.33	78.00	55.25	859	1.48	2.05	11	35.19	2.05
CIGNA Corp.	NYS	57.13	-4.39	-6.54	61.75	41.25	786	3.04	5.32	11	73.15	0.78
CNA Financial Corp.	NYS	94.00	-3.09	-4.08	104.50	73.50	67	0.00	0.00	14	70.23	1.34
Continental Corp.	NYS	28.13	2.27	1.81	30.63	23.25	750	2.60	9.24	13	37.83	0.74
EXEL Ltd.	NYS	35.75	-3.70	-4.67	40.25	27.38	235	0.01	0.03	7	N/A	N/A
Fund American Corp.	NYS	66.75	-0.19	-4.47	70.25	52.38	61	0.68	1.02	11	36.11	1.85
Fremont General Corp.	OTC	24.75	-1.00	1.54	26.00	14.13	103	1.00	4.04	7	19.13	1.29
Frontier Insurance Group	NYS	28.25	-0.88	4.63	29.00	16.38	46	0.00	0.00	11	11.20	2.52
Gainsco Inc.	ASE	14.13	2.73	0.89	14.63	4.75	49	0.04	0.28	18	3.37	4.19
General RE Corp.	NYS	98.38	-0.51	-3.44	104.75	85.00	652	1.68	1.71	14	37.50	2.62
Guaranty National Corp.	NYS	16.25	-1.52	12.07	16.88	12.63	334	0.00	0.00	12	N/A	N/A
Hanover Insurance Co.	OTC	37.00	1.37	3.50	42.75	26.50	20	0.44	1.19	16	37.44	0.99
Harleysville Group	OTC	20.50	2.50	-3.53	23.25	14.00	25	0.64	3.12	10	22.99	0.89
Hartford Steam Boiler	NYS	51.00	-0.97	-11.30	63.75	48.13	112	2.00	3.92	14	17.05	2.99
Kemper Corp.	NYS	43.13	-5.48	13.11	46.13	20.63	348	0.92	2.13	10	34.20	1.26
Lawrence Insurance Group	ASE	9.88	-2.47	-11.24	11.13	6.50	3	0.48	4.86	16	4.71	2.10
Liberty Corp.	NYS	22.25	-1.66	0.56	24.00	19.50	40	0.48	2.16	13	23.86	0.93
Lincoln National	NYS	58.88	-1.26	7.53	58.88	39.88	836	2.92	4.96	11	45.16	1.30
Markel Corp.	OTC	24.25	11.49	10.23	24.25	12.75	156	0.00	0.00	11	3.22	7.53
Mutual Risk Mgmt. Ltd.	NYS	35.13	-3.77	0.00	37.50	17.00	393	0.20	0.57	30	-	-
NAC Re Corp.	OTC	30.75	0.00	-2.38	33.00	21.75	157	0.16	0.52	15	18.90	1.63
Navigators Group	OTC	41.00	-3.53	0.00	42.50	23.00	13	0.00	0.00	22	13.52	3.03
Nobel Insurance LTD.	OTC	4.25	-2.86	6.25	5.25	2.75	53	0.00	0.00	6	7.76	0.55
NWNL Companies	NYS	32.88	-4.71	5.62	38.50	18.63	522	1.40	4.26	9	42.73	0.77
Ohio Casualty Corp.	OTC	55.50	1.83	12.12	55.50	40.00	201	2.48	4.47	10	36.38	1.53
Old Republic Int'l	NYS	35.88	-1.37	1.06	36.88	21.88	143	0.72	2.01	8	33.09	1.08
Orion Capital Corp.	NYS	34.00	0.74	7.51	34.00	18.75	43	0.92	2.71	9	20.42	1.67
Phoenix RE Corp.	OTC	10.75	-2.27	2.38	11.50	7.75	81	0.20	1.86	15	13.30	0.81
Provident Life	OTC	23.25	-2.11	0.00	24.50	16.75	66	1.00	4.30	7	25.88	0.90
Re Capital Corp.	ASE	14.88	0.00	3.48	18.63	13.25	19	0.20	1.34	12	15.05	0.99
Reliance Group Holdings	NYS	4.50	16.13	9.09	7.50	3.50	94	0.32	7.11	3	5.61	0.80
RLI Insurance Corp.	NYS	17.50	3.70	6.06	17.50	11.88	53	0.48	2.74	9	14.41	1.21
St. Paul Companies	NYS	71.63	1.06	-1.72	75.25	57.13	302	2.60	3.63	8	52.00	1.38
SAFECO Corp.	OTC	47.50	3.83	-2.56	50.00	33.75	421	1.48	3.12	11	31.50	1.51
SCOR U.S. Corp.	NYS	17.00	2.26	10.57	17.00	11.63	10	0.24	1.41	10	11.19	1.52
Seibels Bruce Group	OTC	5.88	9.30	6.82	8.88	5.00	54	0.36	6.13	-84	7.35	0.80
Selective Ins. Group	OTC	18.38	-2.00	9.70	19.00	13.25	62	1.04	5.66	9	18.91	0.97
Statesman Group Inc.	OTC	6.00	0.00	4.35	6.75	1.63	598	0.00	0.00	18	2.48	2.42
Tokio Marine & Fire	OTC	47.75	-1.55	-7.28	56.50	40.50	37	0.00	0.00	-	70.93	0.67
Torchmark Corp.	NYS	57.75	-5.13	-0.22	61.50	46.50	245	1.60	2.77	13	16.70	3.46
Transamerica	NYS	41.75	2.77	4.70	41.75	31.25	527	2.00	4.79	16	36.56	1.14
Transatlantic Holdings	NYS	38.63	0.00	-0.64	39.63	27.13	38	0.24	0.62	13	18.38	2.10
Travelers Corp.	NYS	22.75	0.00	5.20	25.38	17.25	1020	1.60	7.03	6	41.44	0.55
Trenwick Group Inc.	OTC	29.38	-2.08	3.07	30.75	22.75	80	0.72	2.45	11	21.71	1.35
United Fire & Casualty	OTC	46.50	0.00	3.33	58.00	35.75	0	1.32	2.84	10	35.39	1.31
USF&G Corp.	NYS	8.00	-1.54	10.34	12.50	5.63	1860	0.20	2.50	-1	11.96	0.67
UNUM Corp.	NYS	75.25	-5.94	-7.10	81.25	47.00	460	1.04	1.38	13	37.25	2.02
USLIFE Corp.	NYS	45.63	0.83	-4.70	47.88	30.63	122	1.64	3.59	10	60.34	0.76
Unitrin	OTC	35.75	0.70	0.00	41.50	31.00	220	1.00	2.80	14	30.70	1.16
Washington National	NYS	19.13	6.25	20.47	19.13	11.50	53	1.08	5.65	-9	26.86	0.71
USLICO Corp.	NYS	19.00	0.00	2.70	21.00	16.88	16	1.00	5.26	-90	29.44	0.65
Zenith National Ins.	NYS	16.00	-1.54	-5.19	18.50	12.25	62	1.00	6.25	133	13.14	1.22
INSURERS/REINSURERS	AVERAGE		1.5	4.3					3.1	11.0		
HEALTH MAINTENANCE ORGANIZATIONS												
FHP International	OTC	16.75	1.52	17.54	29.75	9.88	1236	0.00	0.00	13	5.44	3.08
HMO America Inc.	OTC	22.38	17.76	33.58	22.38	6.63	1855	0.00	0.00	24	0.61	36.68
Pacificare Health Sys.	OTC	42.00	4.35	6.33	42.50	14.50	820	0.00	0.00	19	6.55	6.41
Safeguard Health Enter.	OTC	10.00	-3.61	6.67	10.63	4.25	81	0.00	0.00	23	3.53	2.83
Sierra Health Services	ASE	23.25	5.68	25.68	29.50	12.38	331	0.00	0.00	12	1.78	13.06
United Healthcare Corp.	NYS	88.00	7.65	18.12	88.75	25.50	707	0.06	0.07	42	3.76	23.40
United Medical Corp.	ASE	7.63	-1.61	8.93	10.88	5.88	9	0.20	2.62	13	8.79	0.87
U.S. Healthcare	OTC	54.38	16.62	31.02	54.38	18.38	4573	0.44	0.81	28	3.38	16.09
HMOs	AVERAGE		6.0	18.5					0.4	22		
ALL COMPANIES	AVERAGE		2.2	6.9					2.6	11		

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