

Business Insurance

\$600 million in liability cover available to pay Avianca claims

NEW YORK—Avianca Airlines has up to \$600 million in liability insurance to cover claims from the crash of a jetliner Thursday on Long Island, which killed at least 66 of 149 people on board.

However, Avianca's liability may be limited by the Warsaw Convention as amended by the Montreal Agreement, which generally caps an airline's liability for incidents on international flights to \$75,000 per ticketed passenger.

The Boeing 707 jetliner, which is in-
Continued on next page

Reporting weekly for corporate risk, employee benefit and financial executives / \$2.00 a copy; \$75 a year

© Entire contents copyright 1990 by Crain Communications Inc. All rights reserved

Mutual Fire, Marine rehabilitation plan approved by judge

By DOUGLAS McLEOD

HARRISBURG, Pa.—Hundreds of claims against the defunct Mutual Fire, Marine & Inland Insurance Co. will be paid within the next several weeks following a state judge's order approving a modified rehabilitation plan for the insurer.

After months of legal wrangling by the rehabilitator and various creditor groups, Pennsylvania Commonwealth Court Judge James Crumlish Jr. last week signed off on a plan to rehabilitate Mutual Fire, which was taken over by state regulators in December 1986.

The judge ordered Pennsylvania Insurance Commissioner Constance B. Foster, Mutual Fire's rehabilitator, to begin paying claims of less than \$5,000 by June 1.

Payments will begin immediately for about 1,200 such claims already settled and should be complete within 60 days, according to the Pennsylvania Insurance Department.

The rehabilitator will continue to settle additional outstanding claims of \$5,000 or less and will soon publish a payment schedule for remaining claims.

Judge Crumlish also set a Dec. 1 deadline for the first partial payments on claims of more than \$5,000 under a proportional payment system laid out in the rehabilitation plan.

Claims of more than \$5,000 will be paid in increments. Payments will depend on a variety of factors, including the rehabilitator's success in recovering Mutual Fire assets, like reinsurance recoverables.

The Mutual Fire estate faces about 7,500 claims from direct policyholders and an additional 1,500 claims from other creditors, said
Continued on page 79

European storm loss could hit \$3 billion

Damage could equal 1987 disaster

By STACY SHAPIRO

LONDON—Insured damage from a killer windstorm that ripped through the British Isles and other parts of Europe Thursday could equal the \$3 billion toll from the October 1987 windstorm in Southeast England and northern France, according to some estimates.

Other loss estimates Friday from the storm—dubbed 90A in the London market—were lower than the 1.8 billion pound (\$3 billion) 1987 catastrophe.

Some underwriters said Friday that it was too early to estimate the losses and no one was prepared to predict how the most recent disaster will affect property insurance rates in the United Kingdom or the United States.

"This one will be as bad if not worse" than the 1987 windstorm, which is called 87J in the market, said a spokesman for Alexander & Alexander Europe. "More people were out. There were more companies in operation. The winds were sustained for a longer period of time. And the storm was over a wider area. There was also more water damage because it was still raining after the roofs collapsed."

"It looks like we're getting more severe claims, though not as many, as we did in '87," said Lawrence S. Davis, vp and chief U.K. and Ireland underwriter for CIGNA Insurance Co. of Europe S.A.-N.V. in Lon-

don. "We could be hit as hard as in 1987."

CIGNA's gross losses from the 87J windstorm totaled \$20 million, said Mr. Davis.

One Lloyd's of London underwriter predicted last week that 90A could cost insurers 800 million pounds (\$1.3 billion) to 1.2 billion pounds (\$2 billion).

He added, however, that if the storm severely damaged other parts of Europe, its costs could reach 87J's.

Michael Williams, a leading Lloyd's non-marine underwriter, predicted that last week's storm is likely to cost the British insurance industry more than 1 billion pounds (\$1.66 billion) and that the final total might be in the same league as the 1987 windstorm.

However, a spokesman for Royal Insurance P.L.C., which reported receiving 20,000 claims in the first few hours of business Friday, said "our impression is that it isn't as bad as 1987." He said that most claims are smaller than those in 1987, averaging 400 pounds (\$663) to 500 pounds (\$838) apiece.

"It's on the good side of 1 billion (pounds)," added a London market reinsurer, meaning the loss will be less than 1 billion pounds (\$1.66 billion).

Others, though, said they could not assess the storm's impact last week.

"It's too early to say" what the storm will cost insur-
Continued on page 81

Health plan costs up 16.7% in 1989

By JERRY GEISEL

NEW YORK—Fueled by a more than 20% increase in medical indemnity plan expenses, group health care plan costs are continuing to rise at a torrid pace.

Total health care costs—including medical indemnity plans and health maintenance organizations, as well as dental and vision plans—shot up 16.7% in 1989 to \$2,748 per employee on average from \$2,354 in 1988, according to a new survey by benefit consultant A. Foster Higgins & Co. Inc.

That increase in total health plan costs, which includes employer and employee contributions, is smaller than the 18.6% increase tallied in 1988 but more than double the 7.9% and 7.7% increases in 1987 and 1986, respectively.

The largest employers reported the highest per employee total health plan cost in 1989: Employers with more than 40,000 workers had a per-employee increase of 22.3% to \$3,187 from \$2,605 in 1988.

Employers with fewer than 500 employees had the lowest per employee total health plan cost, with expenses averaging \$2,646 per employee last year, up 17.3% from \$2,256 in 1988.

But last year's increase in total health plan

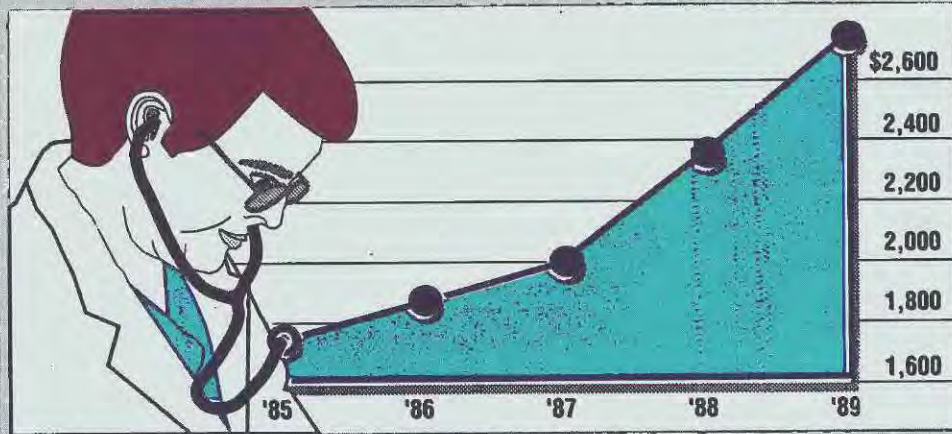
costs is overshadowed by an even larger jump in the cost of medical indemnity plans, which typically are an employer's largest and most expensive benefit offering.

Indemnity plan costs rose 20.4% last year

to \$2,600 per employee on average from \$2,160 in 1988, according to the survey, "Indemnity Plans: Cost, Design and Funding," the largest report of its kind, with results based on the responses of 1,943 employers.

Group health care costs continue to climb

Group health care costs—including medical, dental and vision care—rose 16.7% in 1989 to \$2,748 per employee from \$2,354 per employee in 1988.



Source: A. Foster Higgins & Co. Inc.

By JOHN HALL

The report also tracks the growth of self-funding of health care plans (see story, page 3).

"The medical plan cost increase picture still is grim. The recent surge in costs has not abated, and that is bad news for employers," said John Erb, a managing consultant with Foster Higgins in New York.

Indeed, the tide of rising indemnity plan costs swept over employers of all sizes.

For example, among companies with 500 to 999 employees, indemnity plan costs increased 26.4% last year to \$2,689 per employee on average from \$2,127 in 1988—the biggest percentage hike among employers in eight employee size categories, the survey said.

Per-employee indemnity plan costs for the largest companies—those employing at least 40,000—climbed 24.2% in 1989 to an average of \$3,088 from \$2,486 the previous year.

Increases were somewhat lower for most smaller employers, but even those hikes outstripped the single-digit annual increases to which employers had grown accustomed.

For example, the smallest percentage increase—15.8% among employers with 5,000 to 9,999 employees—hardly could be considered small by historical standards. The sur-

Continued on page 75

Spotlight on self-insurance . . . Page 3

Directory of claims specialists . . . Page 29

Update

Avianca covered for crash

Continued from previous page

sured for \$5 million to \$6 million, was on its last approach to Kennedy International Airport from Bogota, Colombia, when it crashed into a wooded area near Cove Neck, N.Y., and broke into pieces. Reports Friday speculated that the plane, forced by foul weather to abort an earlier landing attempt at Kennedy, may have run out of fuel.

Avianca's hull and liability insurance is placed with La Nacional de Seguros in Colombia for 18 months from June 1, 1989 to Dec. 1, 1990. The coverage is reinsured in world markets through London brokers C.T. Bowring & Co. Ltd. and Sedgwick Group P.L.C. The reinsurance is led by British Aviation Insurance Co. Ltd.

The \$75,000 liability cap per ticketed passenger on flights into or out of the United States is waived only when a plaintiff proves willful misconduct by an airline.

In another aviation liability development, a New York federal judge says the Warsaw Convention allows punitive damage awards to victims of disasters involving international flights, contradicting a ruling last month by another New York federal judge.

If willful misconduct is proven, unlimited damages—including punitive damages—are allowable, ruled Judge John E. Sprizzo of the U.S. District Court of the Southern District of New York. However, he also found the convention's \$75,000 limit valid if willful misconduct is not shown.

The decision affects lawsuits filed by families and passengers of a Bombay, India-to-New York Pan American World Airways Inc. flight that was hijacked in 1986 to Karachi, Pakistan. Twenty passengers were killed and scores more injured (BI, Sept. 15, 1986).

The judgment directly contradicts a December ruling by Judge Thomas C. Platt of the U.S. District Court of the Eastern District of New York that the Warsaw Convention disallows punitive damages even if willful misconduct is proved (BI, Jan. 8). Judge Platt's ruling affects 150 lawsuits filed by families of most of the 259 people killed when Pan Am Flight 103 exploded in December 1988 over Lockerbie, Scotland (BI, Dec. 26, 1988).

Kreindler & Kreindler, a New York law firm representing plaintiffs in both cases, has asked Judge Platt to reconsider his decision or allow it to be appealed.

Worker death case appeal eyed

PONTIAC, Mich.—Oakland County, Mich., prosecutors plan to appeal to the state Supreme Court a lower court's dismissal of an involuntary homicide charge against a cable television company supervisor for the death of a co-worker.

Patrick Hegedus, a supervisor for Jackson Enterprises, a contractor in Clayton, Ohio, was charged with involuntary manslaughter in the 1985 death of William Hatherill, who died of carbon monoxide poisoning while working in a company-owned van.

But an appellate court ruled that because Mr. Hegedus did not own the company, he was not responsible for workplace safety and therefore not criminally liable, said Ken Mogill of Mogill, Posner & Cohen, the Detroit law firm representing Mr. Hegedus.

A trial court earlier dismissed charges against the owners and Mr. Hegedus of conspiring to violate the Michigan Occupational Safety and Health Act, noted Michael J. Modelski, a county assistant prosecutor.

The state's high court earlier in the case overruled two lower courts in deciding that federal workplace safety laws do not preempt local criminal charges in workplace safety cases (BI, July 17, 1989). That decision followed similar rulings in Illinois and Wisconsin (BI, Feb. 6, 1989; May 23, 1988).

City retirees fight premium hike

CHICAGO—The Retired Chicago Police Assn. is suing the city of Chicago, city officials and four pension funds to block increased retiree health plan contributions scheduled to take effect March 1.

The suit was filed Jan. 24 in U.S. District Court in Chicago on behalf of about 2,000 participants in the city's self-insured health care plan who retired between Jan. 1, 1988, and Aug. 22, 1989.

The proposed retiree contribution increase resulted when the state Legislature in August reduced the contribution Chicago must make toward retirees' health care costs, resolving a dispute between Chicago and the pension funds over which would pay retiree health care costs (BI, Dec. 25, 1989; May 23, 1988).

"Our next step will be to go for an injunction to stop the city from making the rate changes until the court has had a chance to decide this case," said plaintiffs' attorney Clinton A. Krislov. City employees hired before March 1, 1986, do not participate in the Medicare program and many of these retirees have no other health care coverage besides the city plan, he said.

City employees who retired prior to 1988 are parties to litigation filed in an Illinois state court in 1987 when the city announced it would stop contributing to retiree health care coverage.

Drug test mandate struck down

WASHINGTON—A Department of Transportation unit lacks authority to require drug testing of local mass transit workers, says the U.S. Court of Appeals for the District of Columbia.

Rules issued in 1988 by the Urban Mass Transportation Administration required local mass transit authorities to establish comprehensive drug testing programs for workers, including random testing and testing before hiring. The UMTA made testing a condition for receiving federal transportation funds and grants.

But the appeals court, in reversing a lower court ruling, said Congress did not give the UMTA sufficient direct regulatory authority over urban mass transit safety to justify requiring such mandatory drug testing programs. By contrast, Congress gave other federal agencies, including the Federal Railroad Administration, broad authority to promulgate rules related to all areas of safety, the court said.

Continued on page 80

TPA, officers indicted
Feds investigating self-funded MET abuses

By DOUGLAS McLEOD

ATLANTA—An Atlanta-based third-party administrator and its two top officers face criminal charges in the wake of the first of several federal investigations into abuses of self-funded multiple employer welfare plans.

A federal grand jury indictment unsealed last week charges the two top officers of Atlanta-based Harbor Medical Administrators of Georgia Inc. with embezzling nearly \$369,000 from Omni Employee Benefit Trust, a multiple employer trust that provided coverage to employees of 296 companies in 16 states.

Omni was ordered into receivership in Georgia in September 1988.

The two officers also are charged with paying kickbacks to a Ten-

nessee labor union president to obtain his group's benefit business. The union official is charged in the indictment with receiving the alleged kickbacks.

In addition, the indictment alleges that Harbor Medical Chief Executive Officer Frank Buccheri received kickbacks for placing Omni business with two insurance companies.

Officials of the Atlanta U.S. Attorney's office and the U.S. Department of Labor described the indictment as the culmination of a year-long investigation by various state and federal agencies.

Labor Department investigators have long targeted benefit plan abuses, but fraud in self-funded METs has become a subject of growing concern over the last year, said Raymond Maria, acting in-

spector general for the department.

The Omni investigation is one of several inquiries into possible abuse of self-funded group health plans formed under the Employee Retirement Income Security Act of 1974, Mr. Maria said.

Authorities in California, Florida, Texas, North Carolina, Pennsylvania and other states also are looking into possible MET fraud, according to Mr. Maria, who would not comment on the other investigations.

"We want to send a strong signal to people who deal with employee benefit plans that we consider these funds to be sacred—inviolable," he said.

He added that if investigations uncover abuse of the funds, "we

Continued on page 80

Panel offers remedies
for industry's ailments

By DOUGLAS McLEOD

NEW YORK—Commercial insurers and their customers face an array of problems in the coming decade, from the threat of insurer insolvencies to the specter of huge pollution liability losses, a diverse panel of experts observes.

The ease with which these problems may be solved also varies widely, panelists said: the damage done by insolvencies, for example, might be limited by more thorough and consistent insurer financial reporting and a mechanism for quickly removing troubled companies from the market.

Panelists found other problems—such as paying for decades of accumulated pollution liabilities—less susceptible to easy answers.

The discussion, sponsored earlier this month by the

Insurance Brokers Assn. of the State of New York, revolved around three things each panelist said he would do to make the insurance industry a more effective partner for business.

Panelists included top officers of Alexander & Alexander Inc. and Corroon & Black Corp., risk management experts from Sun Co. and Morgan Guaranty Trust Co., a reinsurance executive, an insurance professor, an insurance rating service official and New York State's commissioner of economic development.

Reporters from *Business Insurance*, *The Wall Street Journal*, *BusinessWeek*, *Fortune* and *Cable News Network* questioned the experts after their presentations.

Insurer insolvency was paramount for several panelists.

It is the ultimate breach of the partnership between

Continued on page 77

Fights liquidator's IBNR claim

Mission reinsurer balks

By JUDY GREENWALD

LOS ANGELES—A Mission Insurance Group reinsurer is fighting what it says is a first-of-its-kind attempt by Mission's liquidator to force immediate reinsurance payments for incurred-but-not-reported claims.

Underwriters Reinsurance Co. of Woodland Hills, Calif., is asking the state Superior Court in Los Angeles to rule that Mission's liquidator has no right to the immediate payment of \$71 million for IBNR claims.

Mission's liquidator is seeking a total of \$91 million from Underwriters Re, including \$71 million for accelerated payment of IBNR claims and \$20 million the liquidator contends Underwriters

Re owes for paid losses and for accelerated payment of case reserves, for which there have been no final settlements of claims.

But Underwriters Re argues in a Jan. 23 motion that Mission's liquidator has no right to demand immediate payment of IBNR claims under the reinsurance arrangements between Mission and the reinsurer and that the effort to obtain the funds is both contrary to industry practice and unnecessary.

The reinsurer also argues that if the liquidator is successful, reinsurers will increase premiums to account for this new risk.

California Insurance Commissioner Roxani M. Gillespie first sought accelerated IBNR payments in a suit filed against 144 Mission reinsurers in December 1986,

about two months before the insurer was put into liquidation (BI, Dec. 29, 1986). However, Underwriters Re was not named in the complaint until August 1988, according to court papers.

Mission and its units, ordered into liquidation in February 1987, are estimated to be insolvent by more than \$1.5 billion—assuming full collection of reinsurance. But a California appellate court recently ruled that reinsurers may offset amounts they owe defunct Mission units by amounts they are owed (BI, Jan. 8).

The outcome of the Underwriters Re case could affect the liquidator's efforts to collect more than \$1 billion in accelerated IBNR payments from Mission's other rein-

Continued on page 79

Inside

✓ An accident in which damage is compounded by poor maintenance of loss protection equipment is inexcusable, says this week's editorial. **PAGE 8**

✓ Employers that self-fund employee health care plans are being hit with sharp premium hikes for specific stop-loss insurance. **PAGE 14**

✓ TPA performance standards are becoming increasingly important marketing and operating tools as self-insured employers look to rein in soaring health care costs. **PAGE 20**

✓ Employers that self-insure workers comp risks want to use letters of credit to meet state requirements that they guarantee payment of benefits. **PAGE 27**

Departments

British issues	81
Classifieds	76
Directory of third-party administrators	29
Insurance services guide	78
Letters	8
Opinions	8
Reader reply service	62
Ticker	81

Vol. 24, No. 5—*Business Insurance* (ISSN 0007-6864) is published weekly by Crain Communications Inc., 740 N. Rush St., Chicago, Ill. 60611-2590. Second-class postage is paid at Chicago, Ill., and at additional mailing offices. Postmaster: Send address changes to *Business Insurance*, Circulation Department, 965 E. Jefferson Ave., Detroit, Mich. 48207; 800-992-9970 or 313-446-1611. Copyright 1990 by Crain Communications Inc.

Self-insurance

Risk financing options grow

By MICHAEL BRADFORD

Although cheaper commercial insurance has slowed the growth of some alternative risk financing mechanisms, many risk managers continue to turn to these options in anticipation of the next hard market.

In fact, one leading insurance broker estimates that alternative risk financing mechanisms increased their share of the overall property/casualty insurance and risk financing market last year by one-third to 39.8% of the market and could capture 42% of the market by 1993.

However, using a slightly different definition of alternative risk financing vehicles and a higher estimate of

commercial insurance premiums, a securities analyst estimates that alternative markets' share of the overall market only increased 4.1% in 1989 to 28.8% of the overall market.

While risk managers are not "stampeding" toward alternative risk financing, many are doing the legwork in preparation for the next hard market, say brokers and consultants.

And, they report, companies looking to self-fund workers compensation losses continue to drive the movement to alternative risk financing. Alternative funding of other property/casualty losses is not likely to gain momentum until the commercial market turns, which generally is not expected to happen in

1990, experts agree.

Although low insurance costs generally dampen interest in alternatives to commercial insurance, the current soft market has provided savvy risk managers with a window of opportunity to assess insurance needs and plan accordingly, experts say.

Interest in self-insurance "always tends to slow down when the market is as soft as it is now," said Donald J. Krutek, senior vp with Johnson & Higgins in Chicago.

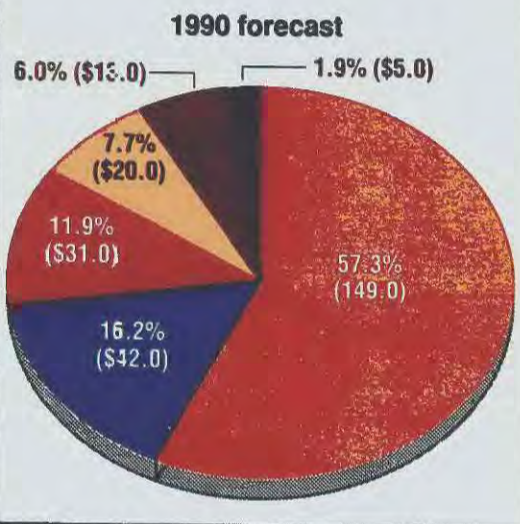
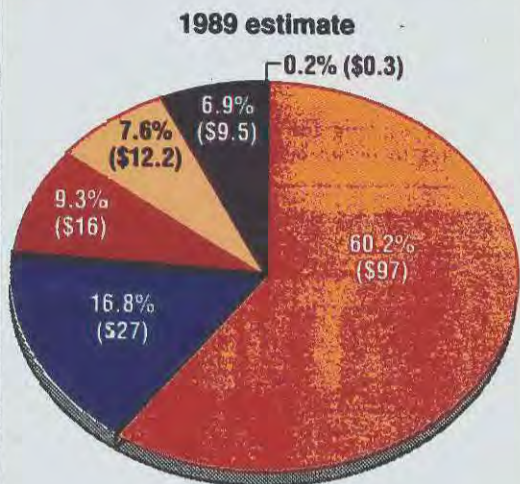
However, "this time around, even with the softening, there has been greater interest in self-insurance...because there is a greater sophistication with the buying public," he said.

Continued on next page

How companies fund property/casualty risks

In billions of dollars

- Commercial insurance
- Qualified self-insurance
- Private retentions
- Captives
- Pools & trusts
- Risk retention groups



Most health plans now self-funded

By CHRISTINE WOOLSEY

For the first time, most U.S. employers are self-funding their group health plans, according to a new study.

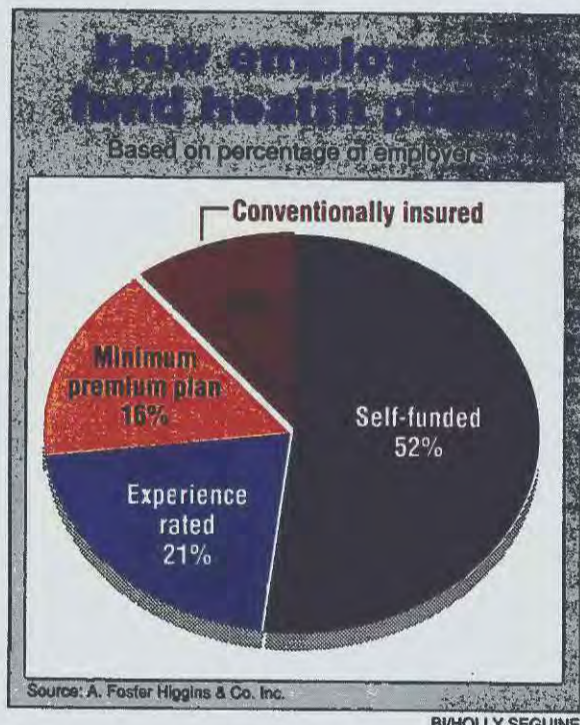
Fifty-two percent of employers surveyed in mid-1989 said they self-insure their group health plans, according to a survey to be released today by benefit consultant A. Foster Higgins & Co. Inc. in New York (see story, page 1).

The new survey also shows that employers are increasingly turning to self-insurance: A Foster Higgins survey conducted in mid-1988 found that 48% of employers self-funded their health care plans, a slight decrease from 49% in 1987.

As self-insuring group health plans becomes more popular, the percentage of employers buying fully insured plans is dropping.

The percentage of employers buying conventional, non-experience-rated group health insurance dropped to 11% in 1989, from 14% in 1988, the survey found. And, 21% purchased experience-rated, fully insured plans in 1989, down from 23% in 1988.

Continued on page 10



By HOLLY SEGUINE

Employers place new demands on TPAs

12 largest claims administrators serving self-insurers

Company (Ownership)	Claims paid for self-insurers (in millions of dollars)	Number of self-insured clients	Types of claims for self-insurers					Staff serving self-insurers	1988 gross revenues (in millions of dollars)	
			Health ¹	Non-health benefits ²	Workers comp	General liability	All other		Total	From claims administration
ALTA Health Strategies Inc. (Privately held)	\$2,100.0	830	94%	6%	0.0	0.0	0.0	1,840	\$115.0	\$92.0
Crawford & Co. (Publicly held)	1,300.0	1,125	0	0	61.0%	19.0%	20.0%	N/A	370.0	120.0
GAB Business Services Inc. (SGS North America Inc.)	859.0	560	7	0	39.0	25.0	29.0	N/A	214.0	55.0
The Travelers Plan Administrators Inc. (The Travelers Corp.)	830.0	537	90	10	0.0	0.0	0.0	440	22.0	21.4
ESIS Inc. (CIGNA Corp.)	800.0 ³	1,100	0	0	18.9	35.5	45.6	N/A	N/A	N/A
Gallagher Bassett Services Inc. (Arthur J. Gallagher & Co.)	788.6	761	15	1	42.0	23.0	19.0	860	53.2	53.2
Administrators Network (Lincoln National Administrative Services Corp.)	736.0	1,822	72	11	15.0	2.0	0.0	1,000	56.0 ³	39.0 ³
Employee Benefit Plans Inc. (Publicly held)	616.0	2,263	99	1	0.0	0.0	0.0	593	74.7	36.0
Alexsis Inc. (Alexander & Alexander Services Inc.)	600.0	2,900	0	0	70.0	15.0	15.0	1,400	79.0	79.0
Adjustco Inc. (Frank B. Hall & Co. Inc.) ⁴	546.0	276	26	2	67.0	2.0	3.0	600	34.5	30.1
Sedgwick James Inc. - Claims Management Services Division (Sedgwick Group P.L.C.)	425.0	1,113	0	1	93.0	3.0	3.0	550	N/A	N/A
Zenith Administrators Inc. (ULLICO Inc.)	412.5	357	75	24.5	0.0	0.0	0.5	600	22.0 ³	13.2 ³

¹ Includes medical, dental, vision and prescription drug plans. ² Includes pensions, flexible compensation, disability and life. ³ Estimate ⁴ Pending N/A-Not available

Source: BI survey

By CYNTHIA WATSON & HOLLY SEGUINE

Skyrocketing health care costs are causing self-insured employers to seek more help from their third-party claims administrators.

Employers that self-insure their workers compensation risks increasingly are asking their TPAs to help control spiraling work comp medical costs, which account for more than half of employers' workers compensation expenditures.

In addition, benefit managers that oversee self-funded health care programs are seeking an array of services from TPAs over and above claims administration, including utilization review, analyzing health care claims data and creating managed health care networks.

But officials of the nation's largest third-party administrators, which *Business Insurance* ranks on the basis of claims paid on behalf of self-insurers, say they are meeting these demands from self-insured employers as well as continuing to develop new, innovative services.

A report on the nation's largest claims administrators specializing in employee benefit claims begins on page 17. In addition, a report on the largest TPAs that specialize in property/casualty claims begins on page 22.

A directory of claims administrators serving self-insured clients, organized by claim specialty, begins on page 29.

Risk financing

Continued from previous page

With more buyers recognizing that they don't need conventional insurance, companies are "looking to the insurance industry to provide catastrophe cover" for them, said Mr. Krutek.

While risk managers realize that in the short-run commercial insurance may be less expensive than the alternatives, those who "want to even out the cost" of their risk financing programs see the long-term benefits of self-insurance, he said.

Jane Rastallis, senior consultant with Betterley Risk Consultants Inc. in Worcester, Mass., also praises buyers' preparedness.

Insurance buyers "are getting more sophisticated, they know more of what they are talking about," she said.

Instead of waiting for the next hard market to occur before put-

ting together an alternative funding program, risk managers today are doing their homework before the next market crunch, she said.

"Before, people were scrambling around" after rates went up, Ms. Rastallis remarked. "But now they are more knowledgeable."

Many buyers were "forced into self-insurance" during the last hard market, but this time they are turning to alternative markets "much more willingly," said Mike R. Levin, a consultant with the Tillinghast division of Towers, Perrin, Forster & Crosby in Stamford, Conn.

"We are seeing a lot of people going to self-insurance not as a consequence of market conditions, but because of the economics of insurance vs. self-insurance," he said.

Some companies with healthy budgets have realized that conventional "insurance can go," said Mr. Levin, "especially if they are going

to pay the claims themselves anyway" through higher premiums.

Experts also note that few companies have abandoned alternative risk financing programs created in the last hard market for less expensive commercial coverage

in New York.

"They've stayed with the self-insurance they were forced into in the hard market to better position themselves for the long-term," said Mr. Scott, who praises such "long-term" and "strategic" thinking.

'We are seeing a lot of people going to self-insurance not as a consequence of market conditions, but because of the economics of insurance vs. self-insurance,' says Mike R. Levin, a Tillinghast consultant.

available in the current market.

"Through the soft market, in general, companies didn't retreat back into heavy levels of insurance," said David Scott, director of strategic industry consulting at Anistics Inc., an Alexander & Alexander Services Inc. subsidiary

"Risk managers are definitely using this time to build up the appropriate position for themselves," he said.

Sedgwick James Inc. estimates support the notion that alternative risk financing has grown during the soft market.

Alternative risk financing mechanisms accounted for \$64 billion—or 39.8%—of the \$161 billion property/casualty risk financing market in 1989, up 33% from \$48 billion—or 29.2%—of the \$167.5 billion market a year earlier, according to Sedgwick James.

Sedgwick James pegs the commercial property/casualty insurance market in 1989 at \$97 billion.

In addition, the broker predicts that the market share of alternative risk financing mechanisms will reach 42.7% by 1993, comprising \$111 billion of a \$260 billion commercial lines market.

Risk retention groups, qualified self-insurance, captives, pools and trusts and private retentions are all considered alternative risk financing markets in the Sedgwick James study.

Conning & Co. estimates alternative markets accounted for \$44 billion—or 28.8%—of a \$152.5 billion risk financing market in 1989, up 4.1% from \$42.2 billion—or 28.3%—of a \$148.9 billion market in 1988.

Conning & Co. defines alternative markets as risk retention groups, self-insurance, policyholder-owned groups and captives.

Conning estimates the commercial property/casualty insurance market generated \$108.5 billion in premiums in 1989.

This year, predicts the Hartford, Conn.-based securities analyst, alternative markets will increase their share by about 7.7% to an estimated \$47.4 billion—or 29.1%—of a \$162.8 billion market.

Brokers and consultants link much of the current interest in self-insurance to the high cost of workers compensation insurance.

Market "loadings" like assigned risk pool assessments and state guaranty fund charges continue to push many employers to self-insure their workers comp exposures, said R. Jane Hill, senior vp at Sedgwick James Inc. in Nashville, Tenn. Workers comp insurers pass those costs on to policyholders in higher premiums, she said.

"I think we're going to see the greatest growth" of self-insurance vehicles in the future in the area of workers comp, she predicted.

Because self-insurance is not subject to such residual market loadings, it is a popular way to avoid high premiums, agreed Mr. Krutek. "It doesn't have to bear the weight of that assessment."

However, "some states are looking at moving that burden to self-insurance also. At the moment, though, there is a window to contain costs" by self-insuring, he said.

"The burden of carrying the assigned risk pools is so expensive for the larger risks that they are looking at options that are more cost-effective," said Charles Tagman Jr., a vp and principal of Tillinghast in Boston.

Mr. Tagman noted that the move toward self-insuring workers compensation exposures is particularly strong in the Northeast, where workers comp costs are among the highest in the country.

In addition, Texas recently passed a law that will allow large corporate employers to self-fund workers comp exposures in the state beginning in 1993 (BI, Dec. 18, 1989).

Consultants and brokers report varying degrees of interest in different types of alternative risk-funding mechanisms.

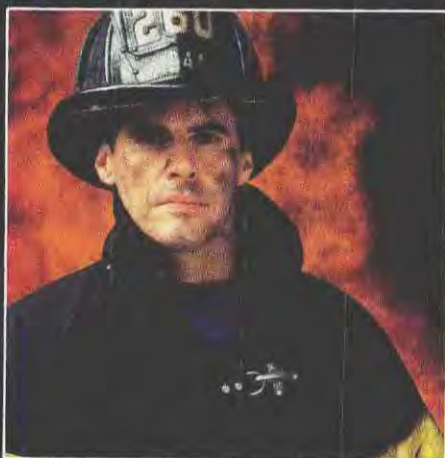
Some say interest in captives is still strong, while others believe demand has waned.

Richard R. Huntington, principal of Advanced Risk Management Techniques in Laguna Hills, Calif., sees continued growth in captives.

"In fact, we're in the process of reviewing an application on behalf of the Hawaii Insurance Department for a captive that wants to

Continued on page 6

TWO SURE-FIRE WAYS TO DETERMINE THE ACCURACY OF YOUR PROPERTY INSURANCE VALUES:



CALL THEM.

CALL US.


You cannot depend on accuracy after the fact without accuracy before the fact. At a very reasonable cost we can eliminate property value doubts — especially where unique assets require unique appraisal skills. Call it a little insurance insurance.

1-800-228-4888

Call today. We'll send information at once, including a new study on "Determining Insurance Values"



American Appraisal Associates



Instead of taking existing paths, Caterpillar chooses to make its own.

Caterpillar Inc., whose equipment shapes the world, relies on Wausau's flexibility to help shape their business insurance program.

At some locations, this Peoria-based company has full workers compensation insurance from Wausau. At others, they self-insure and buy Wausau services. Like expert claims handling. Overall, Caterpillar has excess coverage from us to protect their entire workers comp program.

It's a relationship that's evolved over 40 years, demonstrating Wausau's willingness to tailor coverages and services to meet Caterpillar's changing needs. Because, at Wausau, our goal is helping policyholders achieve their goals.

If your company has special needs — or some things you don't need — Wausau is willing to work with you to help shape your individual program.



Opinions

Inexcusable behavior

THE ENVIRONMENTALLY devastating Exxon oil pipeline leak into a New York estuary earlier this month could have been only a minor mishap—if a leak detection alarm system had been properly maintained and thus heeded by workers.

But Exxon failed to repair the faulty system, which had been signaling false alarms since 1978, and workers ignored the warning. In addition, a backup leak detection system was malfunctioning at the time of the spill (*BI*, Jan. 22).

It was a total failure in proper corporate risk management, which requires vigilant monitoring of loss prevention and control devices.

That failure already has killed 400 birds and caused other, yet unknown damage to the environment.

Every risk manager and every executive in charge of implementing risk management should keep a copy of our report on this deplorable accident as a constant, and grim, reminder of what can happen when alarm systems and their backups are not properly monitored and maintained.

In other circumstances, the failure of protection systems could kill people.

Although we don't know who at Exxon has responsibility for proper maintenance of protection devices, we nonetheless blame Exxon Chief Executive Officer Lawrence G. Rawl and the local manager in charge of that pipeline for allowing a spill detection system to go unrepaired for 12 years.

And, we must say, without knowledge to the contrary, the risk management department could be to blame, too.

Experts have said lack of operating authority could render risk managers powerless to demand proper protection system maintenance. We consider that a poor excuse.

At the very least, risk management departments must review—or be sure that others are reviewing—maintenance of protection equipment and guarantee that inadequate efforts are reported to management.

Ultimately, however, it is only the chief executive who can hold local management accountable for properly maintaining systems necessary to detect leaks of fuels and other materials dangerous to human life, property and the environment. Only if their jobs are at stake will some local managers take risk management responsibilities seriously.



Top management, in turn, can give risk management departments more authority to penalize—through higher insurance premium allocations, for example—divisions or operating units that fail to properly maintain protection equipment.

It's been suggested that financially strapped companies are most likely to skimp on maintenance of protection equipment, but these are the very companies that are most vulnerable to failures of detection equipment. If they are cutting financial corners, they are likely to be underinsured for any damages that may result when a protection system fails. The whole company could be lost if a protection system fails.

Insurance companies, too, should take a harder line on requiring policyholders not only to install, but also properly monitor and maintain, protection equipment. It's probably useless in this premium-competitive marketplace to suggest such a course of action, but we'd like to see more insurers cancel policyholders that are derelict in loss prevention and loss control. That would get their attention.

An accident caused by human error is regrettable. An accident in which damage is compounded by poor maintenance of protection equipment is inexcusable.

Letters

Insurance issues affect all industries

To the editor: I want to applaud the recommendation made in these pages by Kemper Group's Gerald L. Maatman for a national forum to explore reform of this country's insurance system, "Insurer Seeks New Issues Forum" (*BI*, Jan. 15). However, I must take issue with his perhaps inadvertent characterization of the problem as a "single industry" problem.

Last year, when Johnson & Higgins first called for a presidential commission to study the broad array of issues Mr. Maatman alludes to (*BI*, March 6, 1989; Jan. 30, 1989), we made it clear that we saw the problem as one affecting virtually every industry in the United States.

It is well known that the cost of attaining capital is much lower for Japanese companies than it is for their U.S. coun-

terparts. It is less well known that Japan enjoys a similar advantage regarding the cost of protecting capital. When American companies devote as much as 40% of their insurance budgets to liability insurance, while Japanese firms allot as little as 4%, it becomes clear that this is an issue with far-reaching implications.

As competition in all major industries grows even more global, we can ill afford to compound one burden with another; yet that is exactly what we do when we sit back and accept the status quo.

Mr. Maatman is correct when he says it would be difficult to generate White House interest in a single industry issue. The answer is not to find a forum where insurers' concerns are taken seriously; it to create an atmosphere in which the legitimate concerns of all parties are given a fair and open hearing.

The worst thing that could happen to the insurance issue is for it to be perceived as a problem only for insurers. Insurers themselves would be one of the biggest losers if such a myopic view prevailed.

Insurers' complaints that their business is seriously misunderstood by the general public are valid. However, their story is not the only one that needs telling if the reform process is to work.

Our call for a presidential commission was a suggested route. However, we at J&H look forward to joining with underwriters, risk managers, government leaders, consumer advocates, our fellow brokers and others—in any appropriate forum—to search together for solutions to problems that affect us all.

David A. Olsen

President and Chief Operating Officer
Johnson & Higgins
New York

To the editor: Gerald L. Maatman's call for an insurance industry forum to solve from within problems confronting us makes a great deal of sense (*BI*, Jan. 15).

Unless we act swiftly to cure the problems we face, the health insurance industry will be endorsing by default a national health care program.

The talent and experience within our industry make it a better solution than creating another inefficient federal bureaucracy.

I hope the leaders of the health insurance industry will heed Mr. Maatman's call now before momentum behind a national health care act grows any stronger.

Alexander S. Ash
Dallas

Business Insurance welcomes letters from its readers. Please keep your comments as brief as possible. We reserve the right to edit letters for clarity or space. We will not publish unsigned letters. Send your comments to Letters to the Editor, Business Insurance, 740 N. Rush St., Chicago, Ill., 60611.

Business Insurance®

Reporting weekly for corporate risk, employee benefit and financial executives

Publisher: Alfred Malecki (New York)

Associate Publisher/Editor: Kathryn J. McIntyre, A.R.M. (Chicago)

Managing Editor: James M. Burcke (Chicago)

Senior Editor: Jerry Geisel (Washington)

Assistant Managing Editor: Dave Lenckus (Chicago)

CHICAGO: Stacy Adler (Associate Editor)

Jeanne M. Bartels (Graphics Editor)

Karen Brown (Assistant to the Editor)

Linda J. Collins (Agent/Broker Editor)

Meg Fletcher, A.R.M. (Associate Editor)

Sara J. Harty (Editorial Assistant)

Mark A. Hofmann (Associate Editor)

Karen Huelsman (Copy Editor)

Marilou Jones (Directory Editor)

Laura Mazzuca (Agent/Broker Topics Associate Editor)

Roger Schillerstrom (Editorial Cartoonist)

Timothy Stanton (Copy Editor)

Paul Winston (Copy Editor)

Joanne Wojcik (Copy Desk Chief)

Christine Woolsey (Associate Editor)

DALLAS: Michael Bradford (Associate Editor)

LONDON: Stacy Shapiro (International Editor)

Carolyn Aldred (Associate Editor)

LOS ANGELES: Donna DiBlase (Bureau Chief)

Louise Kertesz (Associate Editor)

NEW YORK: Douglas McLeod (Bureau Chief)

Judy Greenwald (Associate Editor)

Collin Nash (Editorial Assistant)

Michael Schachner (Associate Editor)

WASHINGTON: Adrienne C. Locke (Associate Editor)

Advertising Director: Donald A. Walsh (New York)

Midwest Sales Manager: Robert L. Niesse (Chicago)

CHICAGO: Deborah D. Neale (District Manager)

Margaret Hikido (District Manager/ Classified Sales)

Elmer Kerstowski (Production Manager)

Eastern Advertising Manager: Martin J. Ross (New York)

NEW YORK: Charles A. Horvath (District Manager)

Jack Forrest (District Manager)

Kathryn Premetz (District Manager)

Cynthia Bykowski (District Manager)

LOS ANGELES: Michael J. Sharpe (Western Advertising Manager)

Director of Communications: Ronnie I. Drachman

(New York)

EDITORIAL: Chicago: 312-649-5398

Dallas: 214-363-1066

London: 01-404-4228

Los Angeles: 213-651-3710

New York: 212-210-0140

Washington: 202-662-7200

ADVERTISING: New York: 212-210-0133

Chicago: 312-649-5276

Los Angeles: 213-651-3710

COMMUNICATIONS: New York: 212-210-0132

CIRCULATION: Detroit: 313-446-1611

Published by Crain Communications Inc., Chicago

G.D. CRAIN JR.

Founder (1885-1973)

MRS. G.D. CRAIN

Chairman

S.R. BERNSTEIN

Chairman-executive committee

RANCE CRAIN

President

KEITH E. CRAIN

Vice chairman

MARY KAY CRAIN

Treasurer

MERRILEE P. CRAIN

Secretary

WILLIAM A. MORROW

Senior Vp-operations

ROBERT C. ADAMS

Vice president-production

H.L. STEVENSON

Corporate editor

PENELOPE A. GEISMAR

Corporate communications mgr.

Published weekly at 740 Rush St., Chicago, Ill. 60611, Telex 6871241, Fax 312/280-3174, Cable CRAINCOM. Offices: 220 E. 42nd St., New York, N.Y. 10017, Telex 640207, Fax 212/210-0704, CRAIN COM NYK; 1 Northpark, East Suite 114, 8950 N. Central Expressway, Dallas, Texas, 75231, Fax 214/696-1936; Suite 814, National Press Building, Washington, D.C. 20045, Fax 202/638-3155; 6404 Wilshire Blvd., Los Angeles, Calif. 90048, Fax 213/655-8157; 20-22 Bedford Row, London WC1R 4EB, England, Fax 01/430-2176. \$2.00 a copy, \$75 a year in U.S. Canada and all other foreign add \$32 for surface mail. Europe and Middle East only add \$88 for air delivery. First-class mail to U.S. add \$77; to Canada add \$87. Bermuda only, \$157 per year expedited delivery. WILLIAM STRONG, vp-circulation. SHEILA GORMLEY, circulation manager. LISA RIVERS, fulfillment director. Four weeks' notice required for change of address. Send subscription correspondence to Circulation Department, Business Insurance, 965 E. Jefferson Ave., Detroit, Mich., 48207, or phone 800-992-9970 or 313-446-1611, Fax 313/446-1650. Microfilm copies are available from University Microfilms, 300 Zeeb Road, Ann Arbor, Mich. 48103. Microfiche copies available: Bell & Howell, Micro Photo Division, Old Mansfield Road, Wooster, Ohio 44691. Portions of the editorial content of this issue are available for reprint or reproduction in other media. For information and rates to reproduce in general circulation media, contact: ART MERTZ, The Crain Syndicate, 740 Rush St., Chicago, Ill. 60611, 312-649-5303. For reprints or reprint permission contact: Reprint Department, Business Insurance, 220 E. 42nd St., New York, N.Y. 10017, 212-210-0229, Fax 212/210-0704.

BPA

Member of Business Publications Audit of Circulation

ABP

Effective Claims Management is more than a fist full of dollars

It takes dollars to pay claims, but it also requires smart management to run an effective Claims Division. RELIANCE NATIONAL'S professional Claims Division is built on integrity and prudent claims management. Our specialists have years of experience in claims assessments. We follow a special brand of quality in achieving our goals: minimizing allocated expenses and obtaining advantageous settlements.

A quick response to a claim with a fist full of dollars can be impressive, but it's the smart management team that wins the draw.

THE CHOICE

Reliance National

77 Water Street, New York, N.Y. 10005

For further information write us or call (212) 858-3600



Reliance National underwrites through Reliance National Insurance Company, Reliance Insurance Company, Reliance Insurance Company, Reliance Insurance Company, United Pacific Insurance Company, Reliance Insurance Company of Illinois, Reliance Insurance Company of New York, and General Casualty Insurance Company.

Benefits funding

Continued from page 10

benefit consultant for Lincolnshire, Ill.-based Hewitt Associates. "But midsized employers, those with 500 to 2,000 lives, are looking at this now," he said.

"More employers are thinking, 'I'll stick my toe in the water and take a shot'" at self-funding, said Samuel X. Kaplan, founder of Los Angeles-based U.S. Administrators Inc., a third-party administrator acquired last year by ALTA Health Strategies Inc. in Salt Lake City.

"This past year we've seen more small and midsized companies reviewing the potential of self-funding," McDonough Caperton's Mr. Pennington said.

"We're now seeing that size is not the sole criteria for self-funding," said Stephen F. Rasnick, president of Travelers Plan Administrators Inc. in Chicago, the TPA arm of Travelers Corp. "What really drives the decision is the financial health of a company and the nature of their loss experience," he said.

In fact, "if an employer has the guts and the checkbook, anybody can do it at any size," said Richard E. Johnson, managing director in the Chicago office of employee benefit consultant William M. Mercer Meidinger Hansen Inc.

Mr. Pennington said his firm does not recommend self-insurance for employers fewer than 250 lives.

However, it has become clear in conversations with other TPAs that a lot of companies with 100 or 150 lives are considering self-insuring health care programs.

"They think with their loss experience and the nature of the business" they can afford to self-fund, Mr. Pennington said.

Wyatt's Mr. Kelly cautions that "it's not universal that self-funding will save employers money.

"There are some smaller employers who are bad risks and they want to go self-funded, but we'd tell them they are better off in an association plan" or some type of multiple-employer risk pooling arrangement, he said.

While all types of companies are considering self-funding their group health care plans, Mr. Nelson said he is seeing increased interest from "those who have been fiscally conservative in the past and are now trying to save costs any way they can."

Self-funded employers hope to achieve these savings by eliminating administrative and risk charges in insured plans and retaining cash until it is needed to pay claims, rather than pay premiums in advance to an insurer.

"There is a whole laundry list of expenses employers can avoid by being self-funded," said Mercer's Mr. Johnson. "A self-insured employer isn't paying those costs throughout the year and would only pay those costs if it used those services."

Self-insurers can enjoy significant savings because they are exempt—under a provision in the Employee Retirement Income Security Act—from the minimum benefit requirements states impose on commercial insurers' policies.

"State mandates are becoming an increasingly onerous burden for employers," said Foster Higgins' Mr. Erb.

For example, in Texas, mental health and substance abuse cases must be treated as any other illness and covered accordingly, he said. "This ensures virtually unlimited coverage for inpatient psych and substance abuse care" at a time when many employers and insurers are trying to control mental health and substance abuse treatment costs, he pointed out (BI, Feb. 20, 1989).

Self-insuring employers can achieve significant savings by avoiding state mandated mental

health benefits, agreed Wyatt's Mr. Kelly. "If you can be really restrictive in the amount of money you spend in a drug and alcohol plan, you can save a lot of money."

With mental health and substance abuse benefits often overutilized, he said, Wyatt has advised some employers to cap the lifetime amount of coverage an employee can receive.

Coverage mandates in other states require employer plans to cover services rendered by a variety of practitioners who may not necessarily be medical doctors.

For example, a recent law passed in New Mexico, S.B. 88, requires health plans issued or renewed after June 17, 1989, to cover acupuncture treatment.

"Mandated benefits are not bad things," points out Ed Freedman, managing director of the national group practice for Lyndhurst, N.J.-based Alexander Consulting Group Inc., the benefits consulting

arm of Alexander & Alexander Services Inc.

"But whenever you have mandated benefits in one place, multi-location employers find it more difficult to coordinate their health plans. That could provide the impetus to self-fund," Mr. Freedman said.

Exemption from state premium taxes, which generally range from 1% to 2.5% of premium, is another advantage to self-funding.

"We looked at it from a cash-flow and tax status standpoint, and it made a lot of sense to go fully self-insured," says Karen Stral, manager of employee benefits at Square D Cos., which abandoned its minimum premium plan for a self-insured program in 1984. The Palatine, Ill.-based electrical equipment manufacturer now self-funds medical, short- and long-term disability, dental and vision programs for 16,000 employees.

Through considerable mathe-

matical analysis, the company identified the most cost-efficient method of funding its group health program, she said.

"We talked to our auditors, consultants and actuaries about the decision," Ms. Stral explained, adding that "because we were on a minimum premium plan, we'd already taken the first step" toward self-insurance.

It often is easier for a company to switch to self-insurance from a minimum premium plan than it is to switch to a minimum premium arrangement from a fully insured program, Ms. Stral pointed out.

"It's almost psychologically more of a change to go from fully insured to an MPP," she said, explaining that employers accept a major portion of their health care risk when the set up a minimum premium plans.

While Square D's initial analysis indicated the company would save money by switching to self-insur-

ance from the minimum premium plan, Ms. Stral said she cannot now estimate how much the company has saved.

"We've saved some administrative costs and premium taxes, but health care expenses have gone up at the same time," she explained.

Atlanta-based Contel Corp. also has saved money since it began self-insuring medical and dental benefits for its 23,000 employees in 1984, said Sheldon M. Roth, assistant treasurer-risk management at Contel.

"Our benefits budget is approaching \$65 million and when you talk about that kind of money, even a 10% savings justifies" self-insuring, Mr. Roth added.

And, he said, self-funding "gives us more flexibility in our health care plan."

As at Square D, exemption from premium taxes was one consideration in the decision to self-insure. *Continued on next page*

THE RIGHT STUFF.

*The Right Place. The Right Time.
Fueled by dedication to service.*

Continued from previous page
Mr. Roth said. But, he said, that wasn't the only reason for the switch.

"Besides, it is only a matter of time before Congress or the state legislators find a way to tax self-insured plans," he said.

Ms. Stral agreed: "The states have gotten smart. Many of them are saying (tax) laws apply to any policyholder—even self-insured employers," she said. "Employers have to take a stand on this issue and be willing to fight it."

Federal courts have been divided on the attempts of states to impose taxes on self-funded benefit plans.

For example, U.S. District Court Judge James R. Nowlin in Austin, Texas, last year struck down a 1987 state law that levied a 2.5% tax on services and all claims and benefits paid to or on behalf of employers and employees by self-insured employee benefit plans. Judge Nowlin found that the Texas

law violated ERISA's pre-emption provisions (BI, March 6, 1989).

The state of Texas is appealing the ruling to the 5th U.S. Circuit Court of Appeals in New Orleans.

But in 1987, the 9th U.S. Circuit Court of Appeals upheld the right of California to impose premium taxes on minimum premium plans. In March 1988, the Supreme Court declined to review the appellate court decision (BI, March 21, 1988).

Observers say other states are considering similar tax proposals as a way to make up revenue lost when employers abandon commercial insurance.

While more and more employers are switching to self-insurance, most still are not assuming all of the risk: Two-thirds of the employers surveyed last year by Foster Higgins that self-insure their health care benefits purchase some type of stop-loss insurance to cap their liabilities.

And, stop-loss insurance is almost universal among the small employers that have turned to self-insurance.

For example, 90% of self-insured respondents with fewer than 1,000 employees reported buying some

Once self-funding begins, firms ask 'How risk averse am I?' says Paul D. Mead of Foster Higgins.

form of stop-loss insurance in 1989.

Among the self-insured respondents with 1,000 to 5,000 employees, 75% purchased some type of stop-loss protection, as did 50% of the self-insured respondents with 5,000 to 10,000 employees.

There are two different types of stop-loss coverage:

- Specific stop-loss insurance caps a self-insured employer's cost for an individual health care claim at a level chosen by the employer.

- Aggregate stop-loss insurance caps an employer's total annual payout for health care claims, generally at 120% to 125% of the employer's projected annual claims cost.

Ms. Stral said whether or not an employer buys stop-loss insurance "depends on the individual employer's comfort level."

"You have to look at the number of employee lives and your claims experience," she said, adding that the loss experience generated by an employer with 10,000 lives should be credible enough to allow the employer to forgo stop-loss coverage.

And, Hewitt's Mr. Nelson warns, self-insured employers must be careful that the rising cost of stop-

loss coverage is not eating into the savings they expected to reap by self-insuring (see story, page 14).

"Smaller employers a lot of times are just trading an insurance premium for a stop-loss premium," he said, adding that "60% to 80% premium increases are not uncommon" for specific stop-loss insurance.

Stop-loss trigger levels are beginning to rise as well, he continued. "It used to be typical to have a \$50,000 trigger point for specific stop-loss for employers with between 500 and 1,000 lives," said Hewitt's Mr. Nelson. Now the norm is changing to \$75,000. "For employers with more than 1,000 lives, it's clearly \$75,000 or more," he said.

"Employers' rush to self-fund health plans in the 1980s created sharp increases in the demand for stop-loss insurance," according to the Foster Higgins survey. And, "when traditionally insured plans experienced large premium increases in 1989, stop-loss rates inflated even more," the survey authors noted.

However, some employers report that the cost of their stop-loss coverage has not soared with the cost of health care.

Beth Crater, personnel administrator at Oak Brook, Ill.-based Champion Part Rebuilders Inc., which self-funds medical benefits for its 2,600 employees, said the increase in the cost of Champion's specific stop-loss coverage was not significant.

"This year our premiums went up 10 cents per person on average. It wasn't a big increase," she said.

She explained that Champion's specific stop-loss coverage is triggered after an individual's claims hit \$75,000. The policy has a \$500,000 per individual maximum limit.

While smaller employers typically purchase this coverage to guard against the possibility of an unexpected expensive claim, many larger employers say they do not need stop-loss coverage because their loss experience is so predictable.

"With a corporation the size of Contel, we become as predictable as anyone else can make us," said Mr. Roth, explaining why the 23,000-employee company does not need stop-loss coverage.

Other large employers agree.

According to the latest Foster Higgins survey, only about 15% of the self-funded employers with 40,000 or more employees purchased some type of stop-loss insurance, while only 24% of the self-insured employers with 20,000 to 39,999 workers bought stop-loss protection.

However, one consultant says the decision to purchase stop-loss coverage depends upon the personality of the company, not the predictability of its loss experience.

"Once a company self-funds and assumes the risk, the employer has to ask 'How risk averse am I?'—not whether it can predict its claims or not," said Paul D. Mead, national practice leader for health and welfare consulting at Foster Higgins in San Francisco. "A 1,000-life employer can predict as well as a 10,000-life group."

Employers that are thinking about self-funding health care benefits must carefully examine their own unique situations to make sure they are not simply trading premium paid to a group health insurer for premiums paid to a stop-loss insurer, experts contend.

"Get your tax people and actuaries involved to analyze whether it's a good decision" to self-fund," Ms. Stral advised.

Self-funding shouldn't be a rash decision, consultants warn. "You may not save any money when you add up all the pieces," said Wyatt's Mr. Kelly.



Capital

People

Technology

SKANDIA AMERICA RE



STRETCHING THE LEAD.

Rated "A" by A.M. Best & Co.

Specific stop-loss costs zoom

By LOUISE KERTESZ

Premiums for some employers' increase 100%

Employers that self-fund employee health care plans are being hit with sharp premium hikes for specific stop-loss insurance.

Some employers have been socked with 60% to 80% and even 100% premium increases for specific stop-loss coverage, according to insurers and consultants.

In an effort to hold down stop-loss costs, some employers are increasing the amount of risk they retain per employee before buying stop-loss coverage or are establishing separate trigger points for high-risk employees.

But even as stop-loss insurance costs rise, employee benefit consultants recommend that self-insured employers, especially those

with small workforces and limited financial resources, buy the coverage.

And some experts believe that premium increases will moderate or even disappear this year.

Stop-loss coverage is available in two forms:

- Aggregate coverage, typically triggered when a self-insurer's total group total claims reach 125% of the self-insurer's annual estimated health claims costs.

Aggregate stop-loss premiums generally are rising only moderately, and premiums on average still range from 50 cents to \$1.50 per employee per month, unchanged from a year ago, observers said.

- Specific coverage, triggered when an individual's claims reach the retention level chosen by the self-insurer.

Specific stop-loss coverage generally pays up to most medical plans' limit of \$1 million per lifetime per employee.

Premium increases for specific stop-loss coverage have been soaring in the past year, observers say.

Self-insured employers with about 500 lives and that retain about \$100,000 in risk per employee can expect to pay a monthly premium of about \$5 per covered life, observers say. Self-insurers with groups of about 500 lives and that retain about \$40,000 per em-

ployee can expect to pay about \$40 per covered life per month for specific stop-loss coverage.

Rates for specific coverage are "very, very volatile," said Clifford Long, regional managing director of Godwins International Holdings Inc., a benefits consultant subsidiary of Frank B. Hall & Co. Inc. "With insurers moving in and out of the market, increases are all over the board."

Specific rates are "going up radically, with 50% to 60% increases not uncommon, and some are up to doubling," said Jody Feingold, a managing consultant with A. Foster Higgins & Co. Inc. in Los Angeles.

Specific rates are going up "at a phenomenal pace," with increases of 80% "not uncommon," said Mark Nelson, group benefit consultant at Hewitt Associates in Lincolnshire, Ill.

Increases in 1989 ranged up to 75% as the market was playing catch-up from the soft stop-loss market two years ago, said Chris Hutton, president of Intermediary Insurance Services Inc., an underwriting manager owned by London-based Jardine Insurance Brokers Group.

In addition, "specific stop-loss levels readily available a year or so ago are becoming either unavailable or cost-prohibitive," Hewitt's Mr. Nelson said.

"A lot of carriers won't even write stop-loss coverage at a \$50,000 self-insured retention," he said "They might offer coverage above \$75,000, but even that might not be competitive."

Foster Higgins' Mr. Feingold agreed: "I don't think you even see anything below \$50,000 now."

In addition, underwriters now also want "a lot more information" from both renewing and new clients about currently disabled employees and past claims history, among other things, said Patrick Boughey, a consultant with William M. Mercer Meidinger Hansen Inc. in Deerfield, Ill.

The soaring cost of specific stop-loss coverage may discourage some employers from self-funding their medical programs in 1990, asserted Pat S. Campola, vp of Alden Risk Management Services in Miami, a subsidiary of New York-based John Alden Life Insurance Co.

"This is largely due to the competitiveness of fully insured rates, which results in employers having less of an economic incentive to consider self-funding," he said.

However, other observers contend that self-insurers can expect to see more moderate premium increases and perhaps some premiums decreases for specific stop-loss coverage.

For example, Mr. Hutton of Insurance Intermediary Services predicts that future rate increases for specific stop-loss coverage will be lower because "they're at a sensible level now."

Scott Taylor, group vp at SAFECO Life Insurance Co. in Bellevue, Wash., agrees: "In both specific and aggregate, rates will be stable, relatively flat and even maybe reduced, at least during the early part of the year, by 5% to 10%."

Although medical care cost inflation and utilization rates have not dropped, they "have been relatively stable, and so it's more of a case of premium catching up with the claim levels, which are stable. I think that carriers now feel that they can modestly reduce base rates" for specific stop-loss coverage, he said.

And, some consultants and brokers say specific stop-loss coverage still is available above a \$30,000 to \$50,000 retention.

Godwins' Mr. Long said self-insurers with fewer than 100 employees might be able to obtain specific stop-loss coverage above a \$15,000 retention, while very large employers might be able to find stop-loss coverage only above a \$100,000 retention.

Observers agree that specific stop-loss rates are driven by medical care costs.

Most insurers, brokers and consultants said that premature births generate the largest stop-loss claims. Other huge claims are attributable to cancer, transplants, head injuries and childhood leukemia.

Continued on page 16

OUR SERVICES GO BEYOND ADJUSTING CLAIMS.

GAB BUSINESS SERVICES, INC.

Corporate Headquarters
Linden Plaza, 9 Campus Drive
Parsippany, New Jersey 07054

(201) 993-3442 / 800-221-0038
FAX: (201) 993-9579

A Member of the S&S Group
Societe Generale de Surveillance

We stand behind each and every one we sell.

Anyone can promise to absorb the shock of major losses. But what happens if they're more catastrophic than anticipated?

Or one follows on the heels of another? Will your reinsurer be ready to stand behind you? With the kind of support you need when you need it?

At CIGNA

Reinsurance Company, we have the resources to cushion the impact of wide-scale losses.

But we bring a lot more to the table than financial strength.

Namely, over 40 years of reinsurance experience. As a result, we have the ability and the willingness to provide innovative solutions. In everything from underwriting, claims management and

actuarial services to investment counseling and loss control.

No matter what we do, we do it with a responsiveness and commitment you expect from an aggressive reinsurance partner.

Of course, we can't eliminate all the bumps along the way. But we can make sure the ride will never be uncomfortable. CIGNA Reinsurance Company, One Franklin Plaza, Phila., PA 19102.

We get paid for results.SM **CIGNA**

Stop loss market

Continued from page 14

But, costs associated with acquired immune deficiency syndrome cases are not hitting the stop-loss market hard, several observers said. In fact, AIDS claims represents only about 1.2% to 1.3% of premiums, said SAFECO's Mr. Taylor.

"We know there's a threat out there, but we haven't seen it yet, and since we can increase our rates annually, we've been able to rate appropriately for it," he said.

But other stop-loss experts say insurers are beginning to feel an impact from AIDS claims.

"We're starting to see large claims from AIDS cases," including a recent \$325,000 claim, said Godwins' Mr. Long.

"In previous years, people may have said that AIDS has not had an impact on the stop-loss market, but I do believe that's changing," said Ann Wallace, director of self-funded markets for Lincoln National Health Care Insurance Co. in Fort Wayne, Ind.

"We used to put AIDS in a (relatively low-cost) category, with AZT costing \$8,000 a year," she noted.

But now, a growing number of people with AIDS who are too ill to eat are receiving total parenteral nutrition treatment, or intravenous feeding, to maintain their nutrition levels, she said.

"I'm told that can cost \$15,000-\$30,000 a month, and patients typically start at no less than three months of treatment," Ms. Wallace said.

To keep their stop-loss premiums under control, employers most commonly are increasing their retentions.

"We're telling our clients to be prepared for a (premium) increase of 30% to 50% unless they raise their retention," said Leonard Odell, vp and actuary at Hartford Life Insurance Co. in Hartford, Conn.

For example, Talon Inc., a financial holding company in Detroit, chose to keep its monthly stop-loss premium stable by increasing its specific stop-loss retention, said President John Bone.

Talon, which pays \$5 to \$10 in specific stop-loss premiums per month for each of its 2,000 employees, increased its retention to \$100,000 from \$50,000 in 1988, he said.

Self-insurers also can seek stop-loss policies with separate trigger points for employees likely to file large claims to help contain stop-loss coverage costs.

"Medium and small companies need stop-loss, so carriers are trying to be creative" and make the policies flexible enough to fit their needs, said Mercer's Mr. Boughey.

Large individual claims—including severe burns, cancer and AIDS cases—could be isolated, he said.

Mr. Boughey cites a recent arrangement in which an insurer offered to set up separate retentions for five high-risk employees of a company that purchases specific stop-loss coverage.

The employer had \$80,000 retentions for 695 of its 700 employees. The insurer "isolated" two lives at \$100,000 retentions and three lives at \$125,000 retentions.

"That kept the rate reasonable," Mr. Boughey said.

However, some observers discount this idea.

"We're resisting it," said Duane Bromgard, vp at Alexander & Alexander Services Inc. in Costa Mesa, Calif.

Intermediary Insurance Service's Mr. Hutton agreed. If the broker doesn't like the proposed stop-loss contract, "then we would decline the risk," he said.

"It appears some carriers have opted to change their contracts somewhat and put internal limits

on what they will pay for preemie and organ transplant claims. We do not have nor do we intend to put those limitations in our contracts," said Mr. Campola of John Alden.

"There are carriers going in with bells and whistles, trying to carve out individuals and put higher specific deductibles on individuals and maybe shave pricing. We don't think that's group insurance," said one stop-loss insurance company executive.

Meanwhile, some insurers are forcing self-insurers to set up preferred provider networks to help contain medical cost increases.

"Managed care is playing more of a role" as stop-loss insurers enter into arrangements with self-insurers directing them to preferred provider arrangements, said Thomas Lynch, vp of North American Life & Casualty Co. in Minneapolis.

PPOs should help cut costs, which should help contain stop-

loss insurance rate hikes, Mr. Lynch said.

Although rates for stop-loss coverage may continue to rise, brokers and consultants continue to advise medium and small self-insurers to purchase the protection (see story,

rier stop-loss markets at Lincoln National.

However, she also recommends stop-loss coverage for larger companies. "Quite recently, we have seen three claims of \$1 million," so that even a 5,000-life employer

'There are carriers going in with bells and whistles, trying to carve out individuals and put higher specific deductibles on individuals and maybe shave pricing. We don't think that's group insurance,' says one insurer executive.

page 3).

But huge companies, which are better able to predict and handle claims, often go bare, they said.

"If you are a company with 5,000 employees or less, you should have some form of stop-loss coverage," said Diana Hilmer, director of car-

should look to buy stop-loss coverage, Ms. Hilmer said.

Any self-insured employer that purchases stop-loss coverage from SAFECO is required to buy specific stop loss. In addition, SAFECO recommends "that unless you're a really large employer, you

maintain aggregate coverage as well," Mr. Taylor said.

Consultants and brokers also advise self-insured employers to examine stop-loss contracts carefully to ensure there are no coverage gaps.

Stop-loss policies traditionally cover claims incurred during a 12-month period and paid within 12 months after they were filed. But several insurers said a more common policy is now a "12-15" policy that only covers claims incurred in the policy year and paid 90 days beyond that.

However, North American's stop-loss policy is "a pure incurred contract, meaning claims are covered based on when they were incurred, and the insured does not have to worry about a time limit on when claims can be paid," Mr. Lynch said.

"It's very unique, very competitive. We're one of the few companies that do this."

HOW TO REDUCE AND MANAGE WORKERS COMPENSATION MEDICAL COSTS

From One Integrated System

A One-Day Seminar sponsored by CORPORATE SYSTEMS, the recognized leader in systems for risk cost reduction

ORLANDO, FL • MARCH 6

ATLANTA, GA • MARCH 8

COLUMBUS, OH • MARCH 19

CHICAGO, IL • MARCH 21

DETROIT, MI • MARCH 23

BOSTON, MA • APRIL 2

HARTFORD, CT • APRIL 4

NEW YORK, NY • APRIL 6

AUSTIN, TX • MAY 15

HOUSTON, TX • MAY 17

LOS ANGELES, CA • MAY 22

SAN FRANCISCO, CA • MAY 24

SEATTLE, WA • JUNE 15

More Than 23 Ways to Cut Claim Costs and Streamline Your Claims Administration Operation

At this seminar, you'll learn how to:

- Automatically flag bills that fall outside accepted norms for immediate online medical review
- Accurately reprice medical services using up-to-date state fee schedules, PPO schedules and usual, reasonable and customary (URC) fees by zip code
- Accurately and consistently apply specific state rules tables including follow-up days, allowable procedures, etc.
- Verify coding accuracy and proper submission of medical bills, including the prevention of "unbundled" procedure codes
- Automatically update all claimant medical history, patterns of treatment and practice patterns of providers
- Automatically identify duplicate invoices and inappropriate codes in an employee's treatment history, i.e., ensuring payment for only one initial office visit
- Better manage indemnity costs by calculating expected disability duration based upon the injury diagnosis and employee information
- Document and communicate cost savings and utilization effectiveness to management
- Automate payment processing and include a complete explanation of reimbursement and a cover letter to each medical service provider, all without duplicate data entry
- Utilize medical screening criteria to identify cases requiring additional cost management services such as Utilization Review, Hospital Bill Audits, Peer Review, Vocational Rehabilitation Case Management or Disability Duration Review
- Automate accident reporting
- Automatically code line item procedures and diagnoses from a narrative description
- Access online the expertise of medical review teams

Who Should Attend

Claims administrators, risk managers and financial executives of corporations, state and local governments and third party administrators. Insurance company principals, agents and brokers and all persons interested in the reduction of workers compensation medical expense.

Why You and Your Colleagues Should Attend

Organizations are facing intense pressure to control the spiraling increase in workers compensation medical and disability costs. Did you know that:

- Workers compensation medical costs are increasing at three to four times the rate of inflation.
- Nearly 50% of physician charges can be adjusted at a significantly reduced rate or to another level of service.
- More than 30% of all lost work time is medically unnecessary.
- The average U.S. employer spends 2-3% of every payroll dollar on workers compensation medical care.

Yet this alarming drain on profits can be controlled . . . even reversed. This seminar will show you how to use proven tools to dramatically cut workers compensation claim costs while delivering to the injured worker the reasonable and necessary care to expedite his recovery.



TPAs offering host of benefit services

By MICHAEL SCHACHNER

Third-party administrators specializing in employee benefit claims that insist on only paying claims instead of offering a variety of services will be either forced out of business or acquired by larger, more aggressive TPAs, consultants and TPA officials agree.

While there is little shift in TPAs among self-insured clients—which are growing in sophistication—continuing competition among benefit TPAs is forcing all TPAs to expand the range of services they offer to hold onto their clients.

For example, benefit TPAs more frequently offer a variety of cost-containment services to their clients, including performing utilization review, analyzing health care

claim data and creating managed health care networks, observers note.

"1990 will definitely be more competitive. More TPAs will be offering an array of services," predicted Lance W. Feighner, a vp with Fort Wayne, Ind.-based Administrators Network, the third-largest TPA specializing in employee benefits and the seventh-largest overall.

"Employers want help! Their (health care) costs are rising," said Samuel X. Kaplan, an executive consultant in Los Angeles for Salt Lake City-based ALTA Health Strategies Inc., the largest firm in the *Business Insurance* ranking of third-party administrators.

"Simply processing and paying claims does not impact costs," he

said.

For TPAs to flourish in the 1990s, they must emphasize total benefit systems management, which includes performing UR services and even coordinating and overseeing proprietary managed health care networks, according to Mr. Kaplan.

Travelers Plan Administrators Inc., for example, has increased its involvement in managed care, said President Stephen F. Rasnick. "One of our advantages is that the Travelers name, besides lending credibility and capital, also provides a network of managed health care that we have access to."

And Employee Benefit Plans Inc. has "been growing through benefits consultation, utilization review and even underwriting stop-loss

coverage for self-insurers" through two affiliated insurers, said Mark Sorensen, chief financial officer for the Minneapolis-based firm, the fourth-largest benefit TPA and eighth-largest overall.

"We are definitely involved in proactively packaging a bundle of services, which include plan design and cost-containment features, specifically HMOs and PPOs," Mr. Sorensen said.

But, "with the push toward managed care, little TPAs who just pay claims will not be able to compete," predicted Robert B. Shomer, executive vp of ALTA in Salt Lake City.

Pressure to diversify beyond administering and paying claims can force TPAs into financial overextension, said Robert Kelly, a Wyatt

Co. consultant in Boston.

"The TPA industry's biggest problem is overgrowth," Mr. Kelly said. "They just won't turn away clients, even though they don't have enough time or people to service their accounts."

Other consultants agree that rapid expansion and diversification of services has hurt the quality of basic services provided by some TPAs.

Common complaints from clients include inaccurate claims payments and slow turnaround of claims, according to employers and consultants.

In response to these complaints, many TPAs have begun offering performance standards during bids, "especially when an employer says it will choose based on the guarantees," said Michael Taggart, a William M. Mercer Meidinger Hansen Inc. consultant in Houston (see story, page 20).

Most TPAs are receptive to the idea of performance standards, and TPA executives regard performance guarantees as a good marketing tool in an increasingly competitive market.

However, Mr. Taggart estimates that fewer than 25% of all contracts between TPAs and their self-insured clients contain performance guarantees.

That percentage is rising, though, as employers demand more from TPAs, he said.

For example, Zenith Administrators Inc. of Washington, D.C., guarantees a five-day turnaround for all claims, noted President James W. Luce.

"We are not opposed to performance standards," said Administrators Network's Mr. Feighner. "We go about them case by case."

But contracts promising quick claims payment are not always beneficial for the employer, he added. "The best service is better than quick claims processing. It means more to contain costs and examine all claims than to turn them around fast," he said.

In addition, several large TPAs have grown substantially through mergers and acquisitions in the past year.

For example, ALTA last February purchased U.S. Administrators Inc.—which was the fourth-largest TPA and the second-largest specializing in employee benefits in 1988—a move that further entrenched ALTA as the nation's largest TPA (*BI*, Feb. 13, 1989).

"The acquisition increased our book of business by about one-third," Mr. Shomer noted.

In addition, Zenith Administrators moved into *BI*'s top five employee benefit TPAs by acquiring two mid-sized regional TPAs: Kelly Associates of Chicago and Seattle-based United Administrators Inc. in 1989.

Growth of the leading administrators has left few self-insured clients for "mom and pop" firms, say consultants and TPA officials.

And further diversification and expansion among TPAs will make it even harder for small TPAs to start up, they say.

EBPI's Mr. Sorensen said that "clearly, consolidation will occur in the 1990s," continuing a trend that began in the late 1980s.

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

ALTA Health Strategies Inc.

Salt Lake City-based ALTA Health Strategies Inc. nearly doubled the amount of self-insured claims it paid in 1989 compared with 1988, making it the nation's largest TPA for the fourth consecutive year.

Continued on next page

PROGRAM AGENDA

Why are workers compensation medical costs out of control?

What has caused workers compensation medical costs to triple while consumer prices doubled during the past ten years? How has the relationship between medical and indemnity changed? We will explore the fundamental basis for this massive problem which includes medical, legal, moral, ethical and business issues.

How can state governments help?

What have states done to mitigate the problem? What can they do? How are insurers and employers responding to state workers compensation legislation activities? We will explore in depth some of the potential regulatory measures which can be taken to control medical costs.

How can a single systems approach make a dramatic difference?

For the first time there is a completely integrated software solution developed specifically for the control of workers compensation medical expense. The system, CS-Plus Managed Care, was developed by Corporate Systems in association with Republic RSB and six other leading suppliers of cost containment technology. During this session, we will explore the various components of the system and how it can benefit employers, insurers and the medical community.

What do users of this system have to say?

"Seeing is believing!" In this session, we will hear from actual users of CS-Plus Managed Care. We will discuss critical issues including how the system was applied and the actual results which were achieved.

How can the system be implemented to fit your individual needs?

How can you and your organization receive the benefit of CS-Plus Managed Care? This session will explain the various ways the system can be implemented, from direct access to third party interface.

What other services are required to achieve maximum cost savings?

The software is only one component of a totally integrated workers compensation medical cost containment solution. Integrated with this system are personal services available to assist the injured employee, such as Medical Case Management. There are also effective ways for the medical community to participate through Peer and Utilization Reviews. PPO's can be established as a value added service.

Some of the organizations associated with CS-Plus Managed Care will provide reviews of the types of related services and products which will complete this "Single-Source Solution."

Hands-On Demonstrations

For those who want to experience the product personally, you will have an opportunity to visualize a live demonstration of the modules available through this dynamic new system.

A \$500 Value, Yours at No Cost

Normally you would expect to pay \$500 or more for a seminar of this quality, but Corporate Systems is offering it at no charge. Why, you ask? Because we are sure that once you see this powerful system, you will recognize and want the many benefits it has to offer you and your organization. You will not be asked to buy anything, only to view the tools which can promise significant savings to your company. No salesmen will call on you later unless you want them to do so. What better way to become acquainted with this revolutionary technological advancement without cost or commitment on your part.

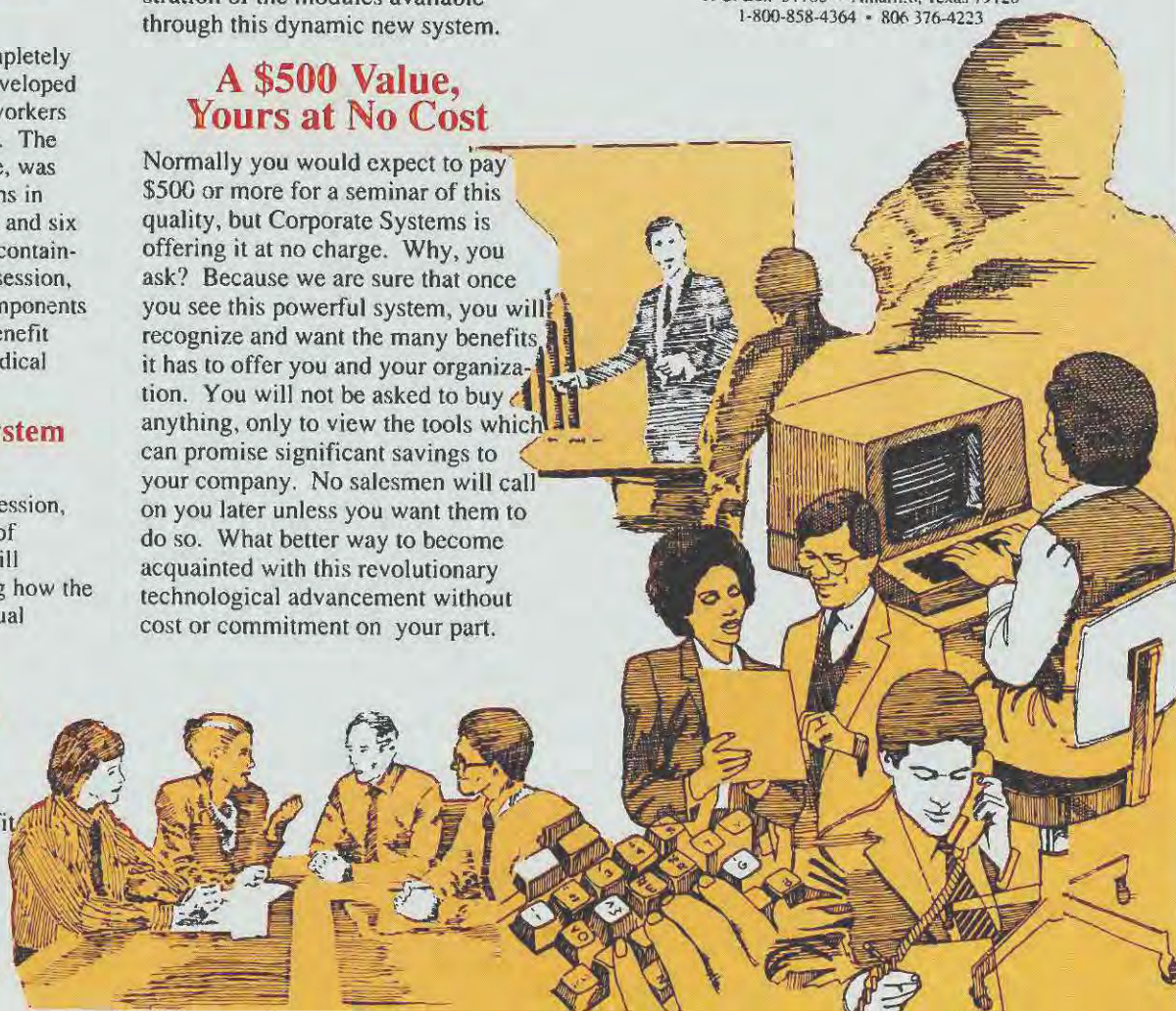
For Reservations, call Scott Gilmour at 1-800-858-4364 or complete and mail the coupon below.

Name _____
 Title _____
 Company _____
 Address _____
 City _____
 State _____
 Zip _____
 Phone _____

Mail to Corporate Systems, P.O. Box 31780, Amarillo, Texas 79120.

corporate systems

P.O. Box 31780 • Amarillo, Texas 79120
 1-800-858-4364 • 806-376-4223



Benefit TPAs

Continued from previous page
tive year.

It paid self-insured claims of \$2.1 billion in 1989, up 90.9% from \$1.1 billion in 1988.

The company's acquisition of U.S. Administrators, whose \$800 million in claims paid made it the second-largest benefits TPA in 1988, was a major factor in boosting the amount of claims paid.

ALTA's 1989 claims paid were 10.5% higher than the combined 1988 amounts for ALTA and U.S. Administrators.

The company reported gross revenues of \$115 million last year, up 103.5% from 1988 revenues of \$56.5 million. The 1989 figure represents a 17.2% increase over the combined 1988 revenues of ALTA and U.S. Administrators.

ALTA derived \$92 million, or 80%, of its 1989 gross revenues from administering claims for self-

insured clients.

The remaining 20% was generated from managed care services provided to clients other than self-insured companies.

Health insurance claims accounted for 94% of all claims paid by ALTA for self-insurers, while flexible compensation and short- and long-term disability claims accounted for 4% and 2%, respectively.

"We'd like to be considered a health care management firm, not just a TPA," Mr. Shomer said.

He added that ALTA will increase its health management services focus in 1990. More attention will be paid to managing claims from outpatient, chiropractic, podiatric, high-risk maternity, psychiatric and substance abuse services, he said.

ALTA's self-insured clients increased by 16.4% to 830 in 1989 from 713 the previous year. Compared with ALTA's and U.S. Ad-

ministrators' combined self-insured clients in 1988, ALTA's self-insured client base increased 11% last year.

The increase in self-insured clients was matched by a sizeable increase last year in employees as-

**'We'd like to be -
considered a health
care management firm,
not just a TPA,' says
ALTA's Mr. Shomer.**

signed solely to self-insured clients. Of the TPA's 2,300 employees in 1989, 1,840 were assigned to serve self-insured clients only. That represents a 75% increase from the 1,050 workers assigned to self-insurers in 1988, but it is only 1.7% greater than the combined

staff of ALTA and U.S. Administrators assigned to serve only self-insured clients.

Travelers Plan Administrators Inc.

Travelers Plan Administrators Inc. exceeded all of its goals in 1989, which translated into record earnings for a second consecutive year, according to Mr. Rasnick.

The Hartford, Conn.-based subsidiary of Travelers Corp., which earned the No. 2 slot in the *BI* rankings of employee benefits TPAs, paid \$830 million in claims on behalf of self-insured clients in 1989, a 36.7% increase over the \$607 million it paid in 1988.

That increase led to a 45.7% increase in gross revenues to \$22 million last year from \$15.1 million in 1988.

And \$21.4 million, or 97.3%, of its gross revenues were derived from claim services for self-insured clients.

Approximately 90% of total claims paid by Travelers Plan Administrators in 1989 were health insurance claims, while 8% were flexible compensation claims and 2% were short- and long-term disability claims.

Travelers Plan Administrators last year serviced 537 self-insured clients with 362,000 covered employees and 906,000 dependents.

The TPA assigned 440 of its 453 employees to serving self-insured clients last year, up 32.5% from a total of 342 employees in 1988.

Mr. Rasnick took over as president in November, succeeding William R. Horne, who left the company's headquarters to open a West Coast Travelers Plan Administrators office in Walnut Creek, Calif.

The Administrators Network

The Administrators Network paid \$736 million in claims for 1,822 self-insured clients last year, placing the TPA in the No. 3 position in the annual *BI* rankings of TPAs specializing in employee benefit claims.

The TPA subsidiary of Fort Wayne, Ind.-based Lincoln National Corp., which was not ranked last year, paid \$650 million in claims for self-insured clients in 1988.

Administrators Network estimates that 1989 gross revenues totaled \$56 million, of which about \$39 million was attributable to services performed for self-insured clients.

The TPA had a "very good sales year," Mr. Feighner said. "Our new business was up."

About 72% of the claims that Administrators Network paid in 1989 were health insurance claims; 15% were workers compensation claims; 6% were short- and long-term disability claims; 5% were flexible compensation plan claims; and 2% were general liability insurance claims.

Of its 1,822 self-insured clients, 1,663, or 89.6%, were corporate clients; 137, or 7.5%, were public/government entities; 13, or 0.7%, were multiple employer trusts; six were Taft-Hartley plans; and three were association plans.

Administrators Network employed 1,182 people last year, 1,000 of whom worked exclusively with self-insured clients.

Mr. Feighner attributed some of last year's success to Administrators Network's ability to offer managed care alternatives to clients through Lincoln National.

In addition, "having a parent like Lincoln National allows us the delivery of more patient information, which in turn leads to better cost analysis," he said.

Employee Benefit Plans Inc.

The highlight of 1989 for Minneapolis-based Employee Benefit Plans Inc. occurred in October, when the firm went public, according to Mr. Sorensen.

"That was a big milestone for us," Mr. Sorensen said, explaining that EBPI had been leveraged since a buyout in 1986.

The company also moved up one spot to No. 4 in *BI*'s ranking of TPAs specializing in benefits.

EBPI paid \$616 million in claims on behalf of self-insured clients in 1989, up 32.5% from \$465 million in 1988.

Ninety-nine percent of all claims paid last year were health care claims, with the remaining 1% flexible compensation claims.

The increase in claims paid translated into gross revenues of \$74.7 million, \$36 million of which were attributable to claims services performed for self-insureds.

Total gross revenues last year in-

Continued on page 20

WE CAN HELP YOU CONTROL THE UPWARD SPIRAL OF HEALTH CARE COSTS.

Everyday you face startling statistics and grim predictions about the spiraling costs of health care. Some companies settle for "quick fixes," such as reduced benefits and increased premiums, leaving management and employees dissatisfied with the results.

Upjohn HealthCare Services® offers you proactive cost containment, which means containing costs without compromising quality. Here's how:

Home Health Care — proven case after case to be a medically effective, cost-efficient alternative to institutionalization. Our special programs are tailored to meet individual needs.

Case Management Support — to determine the most appropriate course of action relative to home care, including projected costs for equipment and services. Our home care assessment experts can help manage catastrophic cases before they become financial calamities.

On-Site Health Care Staffing — a flexible resource for employee health exams, first-aid stations, employee health education, safety programs, and other services.

Let our experience work for you:

- Twenty years' experience as the nation's leader in home health care and staffing services.
- A nationally implemented Quality Assurance Program.
- National coverage through a network of 250 service offices throughout the U.S. and Canada.
- One toll-free phone call will provide you with rapid response to your questions — just call 1-800-345-UHCS.

Now that you know a little about us, we'd like to know about you. We're confident we can meet your specific needs — and help you control health care costs. For more information, please call us or write: Upjohn HealthCare Services, Dept. MS-26, 2605 E. Kilgore Road, Kalamazoo, MI 49002.

Upjohn HealthCare Services



THE FUTURE OF MAJOR MEDICAL DRUG PLANS ...TODAY.

Wouldn't it be convenient to be able to "gaze into a crystal ball" to predict the future of health benefits? With drug costs currently outpacing other major medical coverages, it would be particularly helpful.

No Such Luck!

Therefore...PCS did something even better. We talked with our clients! And listened closely.

What we heard was a need to combine the strengths of the PCS system with major medical plan designs to limit

utilization. Based on that input we didn't predict the future—we created it!

MAJOR_x. An exciting, leading edge innovation to allow you to manage your major medical drug costs like never before.

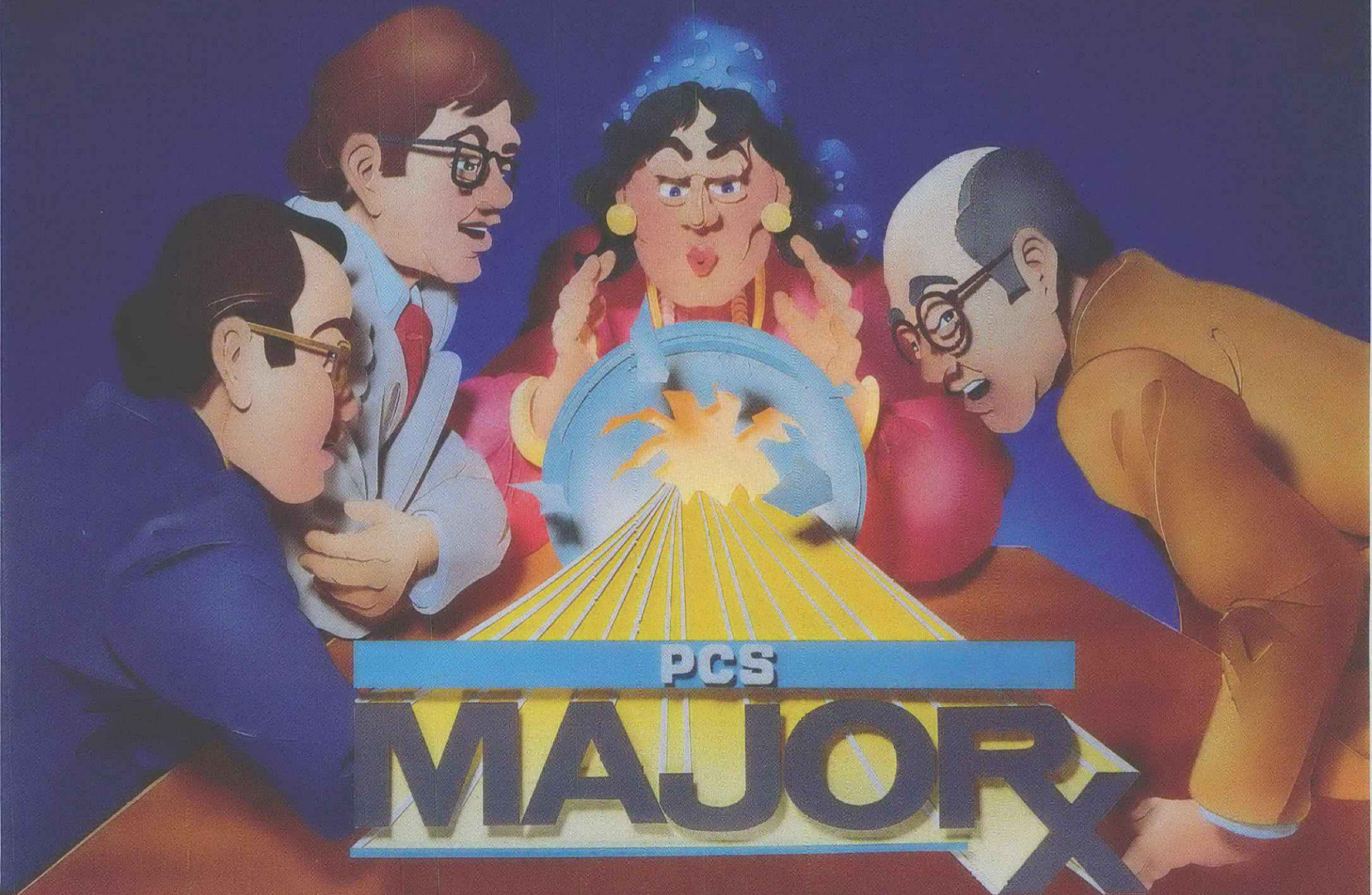
The bottom line? SAVINGS!

For all the details on how MAJOR_x can work for you, please write or call toll-free 1-800-223-7745 or in Arizona 391-4770.

Solutions to Major Medical Drug Management.

PCS, Inc.

Marketing Department
9501 East Shea Blvd.
Scottsdale, Arizona 85260-6719



Continued from previous page
Sorenson, chief financial officer for the Minneapolis-based TPA.

"We haven't paid one cent in the year since we began offering the guarantees," he said, referring to penalties.

Other consultants and administrators, however, are less enthusiastic about performance standards. They either view them as a "crutch" that really is not needed because TPAs have always submitted to audits, or suggest that standards ought to be more of a "two-way street," like the American Airlines program, which offers a reward for good service as well as penalties for poor performance.

Performance standards, suggests Robert B. Shomer, executive vp of Salt Lake City-based ALTA Health Strategies, the nation's largest TPA, "should be a two-way street. I understand that consultants are looking to get what's best for their clients, but it makes sense to have rewards for doing a better-than-average job."

The guarantees "are only a crutch," said Samuel X. Kaplan, an ALTA executive consultant in Los Angeles and chairman of U.S. Administrators Inc. before it was purchased by ALTA last February.

"If as an employer you don't feel you are getting what you want, there are other TPAs. We feel that quality service is No. 1 above everything else. We make sure of our responsiveness," he said.

But some consultants and employers, like Ms. Swaim of American Airlines, say switching TPAs for better service is prohibitively expensive, time consuming and disruptive.

"We were looking for a long-

'If as an employer you don't feel you are getting what you want, there are other TPAs,' Mr. Kaplan says.

term relationship," she said.

Guaranteeing performance is "an idea long past its prime," says Kurt Speed, a consultant with Hewitt Associates in Lincolnshire, Ill. He recommends managed or monitored arrangements between TPAs and employers because "if you (the TPA) know you're being watched, you'll perform in order to retain the business."

Major TPAs, pointed out Michael Taggart, a consultant with William M. Mercer Meidinger Hansen Inc. in Houston, now do a good job of paying claims accurately and promptly. The guarantees are just another way employers can control their health care expenditures, he said.

"Employers are looking into every nook and cranny to tighten up on costs. Performance standards haven't come about because there is an abundance of crummy service out there. TPAs have always submitted to audits, but the problem is what do you do after the audit?" Mr. Taggart asked.

For some employers, in fact, performance standards may have been a turning point in selecting a TPA.

When Chicago-based Arthur Andersen & Co. established a self-insured health and dental program for its 22,000 employees, it chose Aetna over four or five other companies because others "just weren't responsive to the idea (of performance standards) during our initial conversations," said Donald Dupont, managing director-human resources for the accounting giant.

"Maybe had we gotten down to brass tacks they would have been, but Aetna was more willing," he says.

Mr. Dupont said Aetna guarantees that a client's claims will be

turned around within eight days, that 99% of all claims will be paid accurately and that 97% will have proper diagnosis coding.

Should Aetna fail on those counts, it will refund a portion of its fee.

"Our employees are concerned about having claims paid quickly and so are our vendors and providers. We certainly want the right amount paid under the terms of our plan and coding accuracy is important so we can see where we are paying claims," Mr. Dupont explained.

Robert Kelly, a consultant with The Wyatt Co. in Boston, compares performance standards to commercial insurance—something a company buys for protection, but hopes it will never need.

"Self-insured companies want performance standards, but they really only want good quality. They aren't looking to collect penalties," he said. ■

Does Your Benefits Program Benefit Your Bottom Line?

Only one PPO stops hospital costs from rising at a feverish pitch. MedicalControl. Using our proprietary computer system, we pool the purchasing power of employers across the country to freeze rates at hospitals, and negotiate discounts... reducing costs as much as 20-30% annually.

Our NetOne national provider network details line item charges. So you can better control every benefits expenditure, from aspirin to X-ray. Our compensation is derived only from actual savings realized.

MEDICALCONTROLLINC.

For more information, call 214/352-2666 or write MedicalControl at 9649 Webb Chapel, Dallas, TX 75220.



We calmly await your most beastly Medical Stop Loss challenge.

Lockwood, Dipple & Green Incorporated

Woburn, MA, (617) 938-9010 • New York, NY, (212) 921-5689 • Minneapolis, MN, (612) 870-9284 • Roswell, GA, (404) 640-1539



Clients ask more from work comp TPAs

By JUDY GREENWALD

Employers that self-insure their workers compensation risks increasingly are seeking help from third-party administrators in their battle to control spiraling work comp medical costs, officials of major TPA firms report.

Meanwhile, TPAs continue to upgrade automation systems to better serve their self-insured clients, officials say.

Employers, in turn, expect higher quality service from TPAs and thus place additional cost pressures on the administrators.

Rising workers compensation medical costs are gaining increasing attention among self-insurers, observers point out (BI, Jan. 15).

"As the cost of workers compensation in particular continues to increase, more and more organizations and risk managers are increasing their concentration and interest in cost containment-type issues," said David B. Crosby, vp-sales for Adjustco Inc., the sixth-largest TPA specializing in property/casualty claims and the 10th-largest overall.

In seeking to reduce workers comp medical costs, employers want TPAs to identify problems like unnecessary or repetitive treatments, abnormal lengths of time lost because of disabilities and excessive charges for medical treatment, said Robert L. Young, president of Sedgwick James Inc.'s Chicago-based Claims Management Services Division, which is the seventh-largest TPA specializing in property/casualty claims and the 11th-biggest overall.

For instance, employers report that doctors are itemizing bills for medical tests rather than charging an all-inclusive fee, which increases the total cost, he said.

"There's a very growing emphasis" on work comp medical cost containment, said Mr. Young.

Employers also are requesting utilization and hospital bill reviews in an effort to control work comp medical costs, which now account for more than 50% of their work comp expenditures, said Edward P. Holleran, president of Philadelphia-based ESIS Inc., the third-largest TPA specializing in property/casualty claims and the fifth-biggest overall.

Employers also are requesting more claims investigation services from TPAs, both for work comp and general liability claims, said Sedgwick James' Mr. Young. "They're really looking to have a much more thorough investigation of these areas."

Clients are also very concerned with management information systems, officials say.

TPAs are challenged to keep pace with customers' automation needs, said G. Roger Eiler, vp-marketing and sales at GAB Business Services in Parsippany, N.J., the second-largest TPA specializing in property/casualty claims and the third-largest overall.

"They're certainly looking for improved information systems," said Mr. Young, adding: "It continues to be important."

There is an increased demand for sophisticated automation systems, agreed ESIS' Mr. Holleran.

Today's risk managers also want targeted, meaningful reports, "as opposed to voluminous loss runs," said Adjustco's Mr. Crosby.

"Where does this merry-go-round end?" asked C.C. Lefler, executive vp-risk management services for Atlanta-based Crawford & Co., the largest TPA specializing in property/casualty claims and the second-largest overall.

Mr. Lefler said the problem of increasing automation demands

has been likened to building a dog house around a running dog. "That sure epitomizes the problems we're having. Some very large investments have to be made in automation," he said.

Good service could go unrecognized if a TPA's information systems are inadequate, he explained. At the end of the day, he said, the "language of performance is in the management information systems."

But, Mr. Lefler added, upgrading management information systems becomes tough when the TPA is operating on a tight budget.

An industry emphasis on computerization may actually benefit the smaller TPA, said John Kardos, director of contract sales for GAB.

A small administrator, he said,

can operate with personal computers and a larger one cannot. "You have got to have some very sophisticated computer systems," he said, which increases the large TPA's costs.

Overall quality of service is another important element being stressed by self-insurers, TPA officials say.

"There is more of an emphasis on quality than anything new," remarked John A. Malasky, national director of Northville, Mich.-based Alexis Inc., the fifth-largest TPA specializing in property/casualty claims and the ninth-largest overall. "They want to be sure the output is good."

However, while stressing quality, TPAs must also pay attention to price, said Peter J. Durkalski,

president of Gallagher Bassett Services Inc. in Rolling Meadows, Ill., the fourth-largest TPA specializing in property/casualty claims and the sixth-biggest overall.

"It's a very price-competitive business, and TPAs are a very low-margin business. Many do not know how to properly price their business," said Mr. Durkalski.

A TPA that does not properly price its business will "go down the tubes," he said, adding that TPAs have a problem addressing the issue of "reasonable" profit.

Most TPAs are "struggling with knowing the true cost of claims handling and having difficulty pricing it," agreed ESIS' Mr. Holleran.

Clients want a lot of service, but they are not willing to pay for it,

said Mr. Durkalski. "Our industry does not do a good job of explaining these issues," he said.

However, the tug-of-war between price and quality is not an insurmountable problem, he said.

"I define quality as meeting clients' expectations," he said. "You need to define your product," by evaluating client expectations, then pricing services correctly. Customers are satisfied with a fair deal at a fair price once the trouble is taken to explain to them what is offered, Mr. Durkalski said.

"The risk management community overall is being much more demanding" about receiving high-quality services, agreed Adjustco's Mr. Crosby.

These high-quality services are

Continued on next page



Continued from previous page generally going to mean reduced case loads, which translate into increased operating expenses that must be passed on to customers "to appropriately compensate for these services at a reasonable level of profit."

But Mr. Crosby added he believes that with the exception of "some corners of the market," risk managers "are becoming more understanding as to the need for increased fees to offset these increased expenses."

"For the most part, the marketplace is adjusting to that," said Mr. Crosby.

But Sedgwick James' Mr. Young said that too often employers still look for a "cheap price," without realizing the importance of loss control services offered by TPAs.

"The quality of service issue is hard to measure," Mr. Young said. While some TPAs only "go through the motions," others provide top-

flight liability loss control services and charge commensurately for these services.

The wide variety of clients serviced by TPAs must be considered as well, said Mr. Lefler.

"The TPA has a growing responsibility of maintaining uniform high quality and standards, and the ability to respond to the unique service requirements" of each client on an account-by-account basis.

"That's a tough challenge," he said. "It's very difficult satisfying clients' unique needs that don't fit into your procedures," he said.

TPA officials also observe that rather than merely sitting back and demanding more quality work from a TPA, today's risk manager is becoming more actively involved in seeing that his or her own standards are met.

"It's a team approach," said GAB's Mr. Kardos.

Risk managers also are begin-

ning to use a mix of TPAs, he said. Where once a risk manager would buy all required self-insurance services from a single TPA, today—as part of a general unbundling process—he might use more than one.

Finding adjusters and supervisors is a 'significant challenge' to TPAs, says David Crosby.

Finding qualified personnel to administer the claims is also a problem, said Alexis' Mr. Malasky. Training demands are much greater than they used to be, he said. "It's hard to find your street adjusters, and your good, experienced claims supervisors. There

aren't as many of them around as there used to be."

The availability of qualified and experienced personnel is a "significant challenge" to the entire industry, agreed Adjustco's Mr. Crosby. "The marketplace for those kind of folks has increased dramatically, while the supply has not kept pace."

Mr. Crosby said TPAs have responded to this need by introducing their own comprehensive in-house training and development programs.

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

Crawford & Co.

Crawford & Co. paid \$1.3 billion in claims on behalf of self-insured clients in 1989, 30% more than the \$1 billion it paid in 1988.

Many Crawford clients were hit by at least one of the series of ca-

tastrophes last year, including Hurricane Hugo and the California earthquake, said Mr. Lefler, partly explaining the increase in volume.

But because the company's revenues are not directly tied to the amount paid in claims, claims services on behalf of self-insured clients generated only a 4.3% increase in revenues, to \$120 million from \$115 million in 1988.

Increases in losses "do not easily translate" into an increase in revenues, said Mr. Lefler.

Meanwhile, the number of Crawford self-insured clients increased 18.7% in 1989 to 1,125 from 948 in 1988. This included 1,015 corporations, 59 association plans and 51 public entities.

The breakdown of its business among lines remained essentially unchanged, with 61% of claims paid on behalf of self-insurers involving workers compensation, 19% involving general liability, 15% automobile, 3% professional liability and 2% miscellaneous items, including bonds, ocean marine and inland marine.

Overall gross revenues for the publicly held company increased 25.4% to \$370 million from \$295 million in 1988.

Claims administration for self-insured clients generated 32% of its revenues, while 63% was generated by other services, including claims services for insurers, health care management, information services, loss control and education. The remaining 5% is generated by claims adjusting only for self-insured clients.

Crawford adjusted claims for 2,050 self-insured clients for whom it did not administer claims in 1989, up 7.9% from 1,900 in 1988.

The company has 5,662 employees who operate from more than 700 administrative offices throughout the United States, Canada and Puerto Rico.

Crawford offers its clients an "interactive menu of services," including settlement negotiations and vocational and medical rehabilitation, said Mr. Lefler. The value of this support services menu is greater than the sum of its individual pieces, he commented.

Crawford's approach is geared to progressive risk managers, who prefer to select only the support services they need rather than buy a complete package, Mr. Lefler said.

GAB Business Services Inc.

GAB Business Services Inc., a unit of SGS North America Inc., paid \$859 million in claims on behalf of self-insurers in 1989, up 4.8% from \$820 million in 1988.

A total of 39% of those claims in 1989 were workers compensation claims, 25% general liability, 25% for automobile, 7% health insurance and 4% miscellaneous.

GAB serviced 560 self-insured clients in 1989, a 15.9% increase from 483 in 1988. Mr. Kardos noted that because not all the new clients came on board at the beginning of the year, GAB's client count grew quicker than paid claims.

Of its 560 self-insured clients, 485 are corporations, 55 are public entities and 20 are association plans.

The company also adjusted, but did not pay, claims for 50 self-insured corporations in 1989.

Overall gross revenue increased 7% to about \$214 million in 1989, from \$200 million posted in 1988. About \$55 million of the 1989 figure was generated by self-insured clients, up 10% from \$50 million in 1988.

Twenty-four percent of gross revenues were generated by claims administration for self-insured clients, with another 1% attributable to claims adjusting for self-insureds. The remaining 75% of gross revenues were produced through services for insurance companies.

Continued on next page

THE BEST INVESTMENTS TODAY ARE IN BAD BACKS, MENTAL DISORDERS AND HEART ATTACKS.

These days, the smart business investment is in rehabilitation. Because it can help disabled employees become productive once again.

At the same time, rehabilitation helps save a considerable amount of money on disability costs—now a \$140 billion a year expense for American business.*

In fact, according to our recent study, disability costs for companies like yours can be reduced \$30 for every \$1 spent rehabilitating disabled employees.

At NWNL Group, we're looking at the whole disability process differently so we can find new ways to help you control costs.

For example, we make it our business to review every disability claim. And we refer more than 63% of these claims to case management. A percentage we think is the highest in the industry.

And unlike most insurance companies, we get involved in disability

cases early, before costs start piling up. This helps us get to know the people and their situation, and in many cases, enables us to help them reach a successful outcome earlier.

Rehabilitation is paying off, too. A joint effort between NWNL Group and Control Data Corporation is a prime example. After spending \$1 million in NWNL's disability case management, Control Data Corporation's plan saved nearly \$31 million in reduced disability benefits and reserves.

Our special study—*Second Chance: Rehabilitating The American Worker*—will tell you a lot more about rehabilitation. Call or write Rick Naymark, NWNL Group, Box 20, Mpls., MN 55440, (612) 342-7137 for a copy.

Because the best investment you can make is the one that results in a healthy return.

NWNL GROUP

Northwestern National Life Insurance Co.

*"Strategies for Managing Disability Costs," Washington Business Group on Health.

NWNL Group is a division of Northwestern National Life Insurance Company, Minneapolis, MN (not admitted in the state of New York). The North Atlantic Life Insurance Company of America, Jericho, NY (a member of The NWNL Companies, Inc.).

Claims Administration for the future.

Health Economics Corporation's superior Claims Administration services offer:

- Superior, productive and accurate claims processing
- Automated adjudication system
- Turnaround time of 10 days or less
- Online, telecommunications for client access to reports and eligibility status

DATA CAPTURE AND ANALYTICS
TURNING INFORMATION INTO ACTION



For information call:
(214) 905-4400

DALLAS • HOUSTON • TULSA • TAMPA • DUNCAN

P/C claims firms

Continued from previous page
GAB's 3,543 employees operate from 580 offices in the United States and London.

Its medical management and vocational rehabilitation services, which it introduced in 1987, continued to grow last year, said Mr. Kardos.

"It's a very key area," he said, noting rehabilitation services can be tapped in conjunction with general liability and auto liability claims as well as work comp claims.

GAB stresses consistent, quality service, he said. "These are the two things we strive for in the product we bring to the marketplace."

Flexibility is also important, he added. "You've got to have the flexibility, and you've got to listen to your client."

ESIS Inc.

ESIS Inc., a CIGNA Corp. unit,

paid about \$800 million in claims last year on behalf of 1,100 self-insured clients, a 6.8% increase over \$749 million in 1988.

While ESIS' client base remained steady at 1,100, there was a shift in the distribution of claims paid on their behalf, with the share attributable to general liability lines decreasing to 35.5% from 48.2%, and the portion of auto claims rising to 40.2% from 31.1%.

Workers compensation claims comprised 18.9% of the total, compared with 19.5% in 1988, while miscellaneous business, including clients for whom it provides only administration and record-keeping services, increased to 3.9% from 0.7%. Professional liability business increased to 1% from 0.5% of total claims.

ESIS does not release gross revenues, but Mr. HoLeran said revenues rose 8% in 1989, one of the smaller revenue increases among the 12 largest claims administrators.

Lower revenue growth primarily is attributable to the difference in its mix of business, he said.

Seventy-five percent of ESIS' 1989 revenues was generated by claims administration for self-insured clients; 9.3% by claims adjusting for self-insured clients; 10.7% by other services, including loss control and statistical services; and 5% by claims auditing for self-insured clients.

ESIS, which has a 65-person marketing staff, utilizes 3,815 CIGNA claims personnel.

The unit has an administrative and sales office in Philadelphia and sales offices in eight other cities.

The TPA works closely with CIGNA's on-line claims management system, the CIGNA Risk Information System or CRIS, as well as with another CIGNA unit, Loss Control Services Inc. ESIS, CRIS and Loss Control Services are all part of CIGNA's Special Risk Facilities Risk Management Services Group.

In 1990, ESIS plans to introduce its Ompi computer system, which will allow select clients access to their own claims files.

In addition, CRIS is now offering additional advanced functions, which clients can obtain on a "segmented" or individual basis, if they wish, rather than in a complete package.

Meanwhile, CIGNA also continues to work closely with two "sister" CIGNA units: RSI Inc., which is involved in recovery services, and Intracorp, which provides medical cost containment and rehabilitation services.

ESIS' affiliation with CIGNA permits it to offer the most efficient and most modern systems in the industry, as well as the ability to service its customers on a global basis, said Mr. Holleran.

"We have the experience, tradition and track record," he said.

Gallagher Bassett Services Inc.

Gallagher Bassett Services Inc., a unit of Arthur J. Gallagher & Co., paid \$788.6 million in claims on behalf of self-insured clients last year, up 44.5% from \$545.7 million in 1988.

In addition, workers compensation claims accounted for a total of 42% of the claims paid, up from 34% in 1988.

Mr. Durkalski noted that employers increasingly are self-insuring their work comp risk, which has increased the percentage of work comp claims administered by Gallagher Bassett. "I think that's just the nature of the beast," he said.

He also noted the higher percentage of work comp claims payments reflects increased medical costs.

General liability accounted for 23% of claims, up from 19% in 1988; property damage accounted for 10% vs. 8% in 1988; and automobile accounted for 8%, up from 6% in 1988.

Continued on page 26

Finding D&O carriers isn't a problem.



Finding them after filing a claim is a different story.

When it comes to writing policies and collecting premiums, you'll find plenty of companies eager for your business.

But when it comes time to cover a loss, it's surprising how many would like to bury their heads in the sand.

At Great American Insurance, we approach claims handling with the same tenacity as we approach a prospective customer.

We respond quickly. We cooperate with our

customers. And we know how to deal with complex legal issues.

So we can expedite claims without wasting your time and your client's patience.

If you're looking for a D&O carrier who doesn't lie down on the job, then we'd like to talk with you. Call (708) 330-6750, or write Great American Insurance Companies, Executive Liability Division, P.O. Box 66943, Chicago, IL 60666.

We'll help you find your place in the sun.





Special Problems Require Creative Solutions

There's one place you can get all the answers—and coverage—you need to run a successful alternative risk program.

GENESIS.

Beyond unparalleled security and capacity in Excess Workers Compensation, General Liability, Auto Liability and Property Coverage...you'll find creative solutions and assistance in every area to achieve your goals.

For more information, call for our free brochure.

GENESIS
CREATIVE SOLUTIONS

Genesis Underwriting Management Company

Atlanta (404) 365-6800, Chicago (312) 207-8100, New York (212) 770-0270, San Francisco (415) 393-8400, Stamford (203) 328-6660

A member of General Re Group

P/C claims firms

Continued from page 24

Professional liability remained even at 1%, while disability declined to 0.5% from 2% and flex compensation accounted for another 0.5%.

Health insurance claims decreased to 15% of the total from 30% the year before, though total health insurance claims grew in real terms, noted Mr. Durkalski.

Gallagher Bassett administered claims for 761 self-insurers in 1989, up 3.5% from 735 in 1988. They included 382 corporations, 374 public entities and five association plans. The firm also conducted claims auditing projects on behalf of 10 clients last year.

Gallagher Bassett generated \$53.2 million in gross revenues in 1989, up 18.5% from \$44.9 million in 1988. Eighty-five percent of its gross revenues was generated by claims administration for self-insurers; 14% by other services, including risk management consulting, property appraisals and information services; and 1% by claims auditing.

The company employs 860 people and has 78 service offices nationwide and 23 sales offices. It also operates in London and Bermuda.

Last year, Gallagher Bassett "did a lot of unexciting, unsexy changes" in fine-tuning its computer systems, which will help increase productivity and provide a better product, said Mr. Durkalski. "You can't believe how much time and work goes into working with your computer operations."

Self-insurers account for all Gallagher Bassett's business, stressed Mr. Durkalski. "Everything is geared toward working for the alternative marketplace and risk management accounts."

Alexsis Inc.

Alexsis Inc. paid \$600 million in claims last year for self-insured clients, a 20% increase over the \$500 million paid in 1988. However, its client base increased only 2.8% to 2,900 from 2,820.

Paid claims rose more quickly than total clients because "we're writing much larger accounts," said Mr. Malasky.

Although Alexsis, an Alexander & Alexander Inc. unit, continues to service small and medium-sized accounts, "the large accounts have been more of a factor in our new business sales," Mr. Malasky said.

Some 2,500 of Alexsis's clients are corporations, 340 are public entities and 60 are association plans.

Gross revenues increased 16.2% to \$79 million in 1989 from \$68 million in 1988. Eighty percent of gross revenues were attributable to claims administration for self-insured clients, with the remaining 20% generated by other services, including excess coverage marketing and loss control consulting.

The breakdown of claims paid on behalf of self-insurance remains unchanged from a year ago, with 70% workers compensation claims, 15% general liability claims and 5% each automobile, property damage and professional liability claims.

Alexsis increased its workforce 35.7% to 1,400 from 1,032 in 1988. As Alexsis' business grows, it hires new people to handle it, explained Mr. Malasky.

Alexsis operates 56 offices, down from 60 in 1989.

Over the past year, Alexsis has increased its computer capacity, which has enabled it to now distribute reports from five offices around the country, "so clients get reports in a timely manner," said Mr. Malasky.

Flexibility distinguishes Alexsis from its competitors, he said. "We try to determine what the customer needs and supply it and be flexible enough to change our modus operandi in order to accommodate them."

Adjustco Inc.

Big changes have taken place at

Adjustco Inc. in the past year.

Broker Frank B. Hall & Co. Inc., which had sold Adjustco to Leonard J. Russo Insurance Services Inc. in 1987, last year was prepared to take back a 49% minority interest after Russo failed to make agreed-upon installment payments, explained John A. Addeo, Hall's senior vp and treasurer (BI, July 17, 1989).

But instead, under an agreement with Russo, Hall reassumed full control of Adjustco, while Russo retained Adjustco's independent loss adjusting division and Hawaii operations, said Mr. Addeo, who is now serving as Adjustco's chief executive officer (BI, Dec. 25, 1989).

Hall agreed to the transaction, which is expected to be completed at the end of this month pending Federal Trade Commission approval, said Mr. Addeo.

Leonard J. Russo, who had been Adjustco's chief executive officer, is "very much an entrepreneur" and

likes to run his own operations, explained Mr. Addeo. He "felt it would be in his best interests to start over again."

While Hall is reporting Adjustco on its books as a discontinued operation for accounting purposes, "it

'You can't believe how much time' goes into your computer operations, says Mr. Durkalski.

does not indicate the company is insolvent, in Chapter 11 or can't meet its payments," Mr. Addeo said. The operation remains "viable, healthy, profitable."

While Hall will carry Adjustco as a discontinued operation, "the company is not up for sale," added Mr.

Addeo, who noted also he plans to serve as chief executive officer "for the foreseeable future."

Despite the ownership changes, Adjustco increased the amount of claims it paid for self-insured clients 13.8% to \$546 million in 1989, from \$480 million in 1988.

Adjustco's gross revenues, however, dropped 19.2% in 1989 to \$34.5 million from \$42.7 million the previous year. Some \$30.1 million of its 1989 revenues was generated by self-insured clients, down 24.8% from \$40 million in 1988.

Adjustco, which begins its fiscal year in July, posted a \$500,000 profit for the six months ending Dec. 31, compared with a \$1.5 million loss for the comparable period in 1988, said Mr. Addeo.

And when its fiscal year ends June 30, Adjustco is expected to post a \$1 million profit, compared with a \$4 million loss for the comparable period the previous year, Mr. Addeo said.

Adjustco's operations are divided into four areas: loss administration; employee benefits; cost-containment management; and an association and insured products division.

Mr. Addeo noted that Adjustco made several changes in its operations last year. These included either closing selected unprofitable offices or reducing their staffs; correcting underpricing in certain areas; and reducing overhead expense by canceling many unfavorable leases. None of the changes, Mr. Addeo stressed, had an impact on Adjustco's clients.

In 1989, Adjustco's client base increased 15%, to 276 from 240. Its clients included 207 corporations, 64 public entities and five associations.

The breakdown of Adjustco's business remained the same in 1989 as in 1988: 67% was workers compensation claims; 26% health insurance; 2% general liability; 2% automobile; 1% each property damage and flex com-

Continued on next page

YOU SHOULD KNOW WHERE YOUR INSURANCE COMPANY STANDS.



Transamerica Insurance helps customers meet their insurance needs every single day. And even though we've become a very large insurance

company, we still concentrate on the things we do best—like entertainment insurance, workers' compensation and specialized programs for

Continued from previous page
pensation; and 0.5% each for disability and life insurance.

A total of 600 of Adjustco's 700 employees are assigned to self-insured clients.

Last year, Adjustco opened a claims adjusting facility in White Plains, N.Y. on behalf of the Manville Property Damage Settlement Trust. It has a staff of about 80, said Mr. Addeo.

Adjustco's plans for 1990, Mr. Addeo said, include improving the quality of its service, increasing new sales production and improving account retention.

Sedgwick James Inc.

Thanks to a 30% increase in claims paid on behalf of self-insured clients to \$425 million from \$325 million in 1988, Sedgwick James Inc.'s Claims Management Services Division appears for the first time in *Business Insurance's* TPA rankings.

Sedgwick James, a unit of London-based Sedgwick Group P.L.C. (*BI*, Jan. 15), is the seventh-largest property/casualty TPA and the 11th-largest overall.

A total of 93% of the claims administered for self-insurers are work comp claims, with 3% general liability, 2% automobile and 1% professional liability.

The unit did not release gross revenues, but 94% of its revenues came from claims administration for self-insured clients, 2% from auditing for self-insurers and 4% by other services, including claims administration for insured clients and management information, loss control and risk management services.

Sedgwick James worked on behalf of 1,113 self-insured clients last year, up about 4% from the previous year. Of these, 817 are corporations, 265 are public entities and 31 are association plans.

It also conducted claims audits

for 80 self-insurers, including 52 corporations, 26 public entities and two association plans.

The company has 13,500 employees, 550 of whom serve self-insured clients only. It operates from 45 administrative offices and 90 sales offices throughout the United States.

The division is distinguished by the quality of its staff, said Mr. Young. It makes sure its employees have good experience as well as the "proper attitude of service," he said.

Mr. Young also cited Sedgwick's proprietary computer system, the James Unified Risk Information System, as one of the TPA's strengths.

Mr. Young noted the division serves a substantial number of large clients. "I think that record comes from the good services that we've done," he said, adding, "We think our most efficient selling tool is a list of clients." ■

Self-insurers seek permission to use letters of credit

By MEG FLETCHER

Employers that self-insure workers compensation risks want the option of using letters of credit to meet state requirements that they guarantee payment of future benefits.

Some state work comp administrators advocate the use of the bank-issued financial instruments. They point out that New York and Nevada began accepting LOCs last year.

However, workers comp administrators in other states are wary of the problems they may face if a self-

insured employer that guarantees payment of workers comp claims through an LOC goes bankrupt. They question whether they could collect on an LOC as easily as they could on a surety bond.

In addition, they wonder how employers' workers comp claims would be administered.

And, they point out, Georgia and Ohio in the past three years specifically changed regulations to prohibit employers that self-insure for workers comp from guaranteeing claims payment with LOCs.

Utah also stopped accepting letters of credit for new self-insurers last fall, though it is now re-examining that policy.

Currently, about one-third of the states accept LOCs as security, according to a survey by the Jackson, Miss.-based Self-Insurance Committee of the International Assn. of Industrial Accident Boards & Commissions, which represents administrators of state work comp programs.

However, nearly all states that permit work comp self-insurance allow employers to post surety bonds as a guarantee mechanism.

Many states also accept other forms of security, including government or corporate securities or guarantees from an employers' parent company.

Both LOCs and surety bonds are issued for specific face values. Most states require employers to post a minimum guarantee, in the form of an LOC or a surety bond, ranging from \$50,000 to \$2.4 million, the IAIABC survey found. However, the actual amount that an individual employer may be required to post depends upon its claims history.

While the National Council of Self-Insurers, which represents large self-insurers, supports the use of both surety bonds and LOCs, it believes that the latter are more available and "would like to see them used more widely," said Douglas Stevenson, a Chicago attorney and executive director of the NCSI.

Mr. Stevenson said he has heard "mixed reports" about the surety bond market. Employers that have purchased other insurance from companies that write surety bonds probably could obtain a surety bond, but other employers may not be able to buy them, he said.

The market for surety bonds to guarantee a self-insurer's workers comp obligations is "very tight," agreed Lloyd Provost, president of the Iselin, N.J.-based Surety Assn. of America.

Surety companies are reluctant to write these bonds because of the long-term nature of the claims they may have to assume if the employer defaults, Mr. Provost noted.

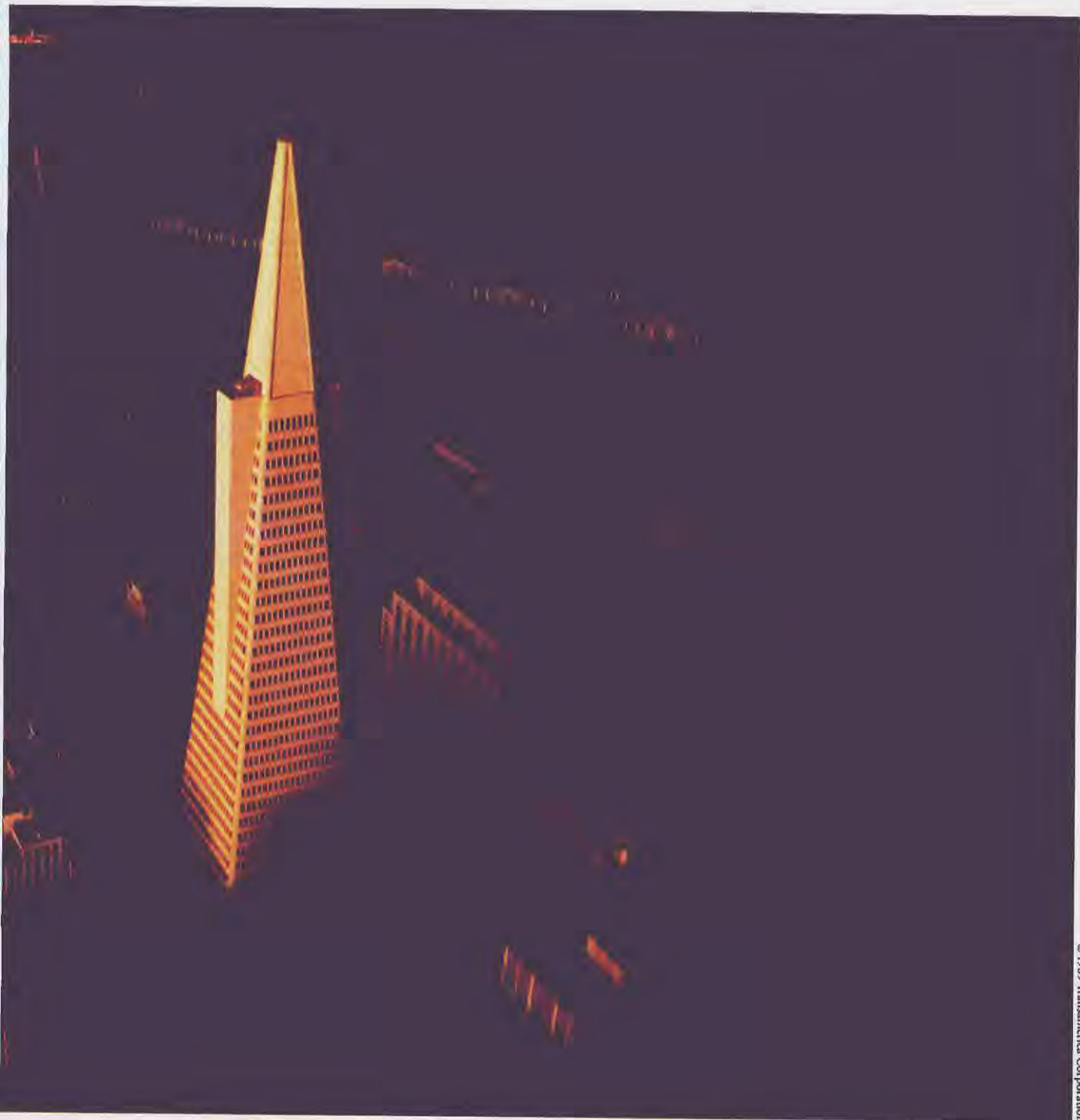
In addition, recent corporate restructuring has made it difficult for surety companies to assess an employer's financial stability to pay claims in the future, he said.

While most state administrators agree the market for surety bonds is tight, others disagree.

For example, Joyce Sewell, administrator of the Utah Industrial Commission's self-insurance program, says some employers in Utah have bought bonds aided by a list of surety insurers her agency provides.

Another argument for allowing self-insurers to use LOCs is that they cost less than surety bonds, especially since some surety companies require that the bonds themselves be collateralized by letters of credit, several observers say.

Continued on next page



© 1989 Transamerica Corporation

groups from veterinarians to theater owners.
We not only want you to know where we stand,
we care where we stand with you.

TRANSAMERICA
INSURANCE GROUP 
THE POWER OF THE PYRAMID IS WORKING FOR YOU.®

Letters of credit

Continued from previous page

"By using the LOC directly themselves, employers eliminate the middleman and place the collateral in one place," said Jack Leicher, director of regulatory services for New York's Workers Compensation Board.

Some administrators prefer LOCs for other reasons.

It is theoretically easier, said Mr. Leicher, to draw on an unconditional LOC than on a surety bond, because the money will be available quickly with no surety company to raise defenses that might delay payment. This could mean faster payments to injured employees, he added.

A "good" LOC from a state administrator's point of view is issued by a bank on an employer's behalf, but is payable only to the state workers comp agency on demand, said Mark Ashcraft, manager of self-insurance plans for the California De-

partment of Industrial Relations.

A state holds the letter and has authority to draw on it only if the employer fails to fulfill its responsibilities to pay claims, files for bankruptcy or fails to renew or substitute acceptable security by a deadline that precedes expiration of the letter, Mr. Ashcraft said.

By contrast, a surety bond is a written agreement sold by insurance companies wherein the surety company obligates itself to the state workers comp agency to answer for the default of a self-insuring employer that fails to pay claims within a stated time.

California's tight surety bond market has made LOCs "the instrument of choice" for employers, and careful drafting to protect administrators' ability to obtain funds makes them effective, according to Mr. Ashcraft.

He has collected on 14 LOCs from employers in bankruptcy, including 11 cases where employers' debts exceeded assets, he said.

Regulators in several other states, including Michigan and Kansas, also say they were able to successfully draw down on LOCs.

The key to making an LOC easily collectible lies in the wording of the financial instrument, Mr. Ashcraft emphasized. States that endorse using letters of credit have similarly worded provisions that make them irrevocable and payable only to the state administrator, he said.

- Mr. Ashcraft also recommended:
- Limiting issuing banks to those that are financially stable and have strong local affiliates.
 - Requiring banks to annually renew LOCs unless they provide proper notice to the state administrator 45 to 60 days before the LOCs expire.
 - Divorcing the bank's obligation from any reimbursement arrangements among banks.
 - Requiring that any legal proceedings resulting from the use of the LOC be subject to the applica-

ble state's law.

However, some workers comp administrators are wary of LOCs and worry about the potential problems that could result if they are accepted and some employers subsequently are unable to meet their workers comp obligations.

For example, these administrators worry about their exclusive rights to LOCs if an employer becomes bankrupt. They fear that a bankruptcy court could rule that the LOC is part of the employer's assets that should be used to pay creditors, as well injured workers, who are represented by the workers comp administrator.

"A bankruptcy court is quite powerful and could call in a certificate of deposit, a Treasury bill or an LOC," said Herman Waits, licensure supervisor with Georgia's State Board of Workers Compensation.

Many "banks say they issue irrevocable letters of credit" to workers comp administrators, "but if a bankruptcy court orders the bank to de-

liver the LOC, it will. They have to. It's a federal judge and he can issue a contempt citation," he said.

Georgia officials never actually had to draw on an LOC, but their concern prompted them in July 1987 to require surety bonds, in lieu of other security, as the sole means by which all self-insurers could guarantee payment of workers compensation claims in the future.

Georgia's policy forced self-insurers in the state to purchase surety bonds despite a tight market, Mr. Waits acknowledged.

However, a bill in the Georgia Legislature would eliminate the need for surety bonds by creating a workers comp self-insurer guaranty fund financed by assessments of self-insurers, Mr. Waits said.

The system would be similar to the guaranty fund program that Ohio began in 1987.

Ohio stopped accepting LOCs from new self-insurers in 1981, after it apparently did not have much success in collecting on them, said Lucy J. Nixon, director of the Self-Insured Department of the Ohio Bureau of Workers Compensation.

"In the early 1980s, bankruptcy courts sometimes issued Draconian orders that made it difficult for states to collect on surety bonds and LOCs," said the NCSI's Mr. Stevenson.

However, he said, since 1985 "bankruptcy courts have become sophisticated enough to recognize that those (letters) are independent security that are payable to the state."

Some state workers comp administrators also are concerned about the administrative burdens use of LOCs may create.

They note that some surety companies would handle workers comp claims if an employer that purchased a bond to guarantee workers comp claims payment went bankrupt, while a bank would not.

Utah, concerned that the bankruptcy of a self-insurer could swamp its small staff with claims-related work, stopped accepting LOCs from new self-insurers last September, said Ms. Sewell.

The state industrial commission is currently reviewing its program with the help of self-insured employers, financial institutions and an accountant, she said. A decision is expected by the end of March.

New York workers comp officials are also concerned about the potential for burdensome claims handling responsibilities. They are considering asking the Legislature in 1991 to establish a guaranty fund that would make payments and defend against claims, Mr. Leicher said.

Several states, including Michigan and California, avoid the administrative headaches by having the staff of the state's workers comp guaranty fund oversee claims handling or by requiring that a defunct employer's third-party administrator handle outstanding claims.

In addition to reducing the administrative burden on workers comp administration officials, this approach eliminates a potential conflict of interest for that agency, which would otherwise have to adjudicate and pay them, sources say.

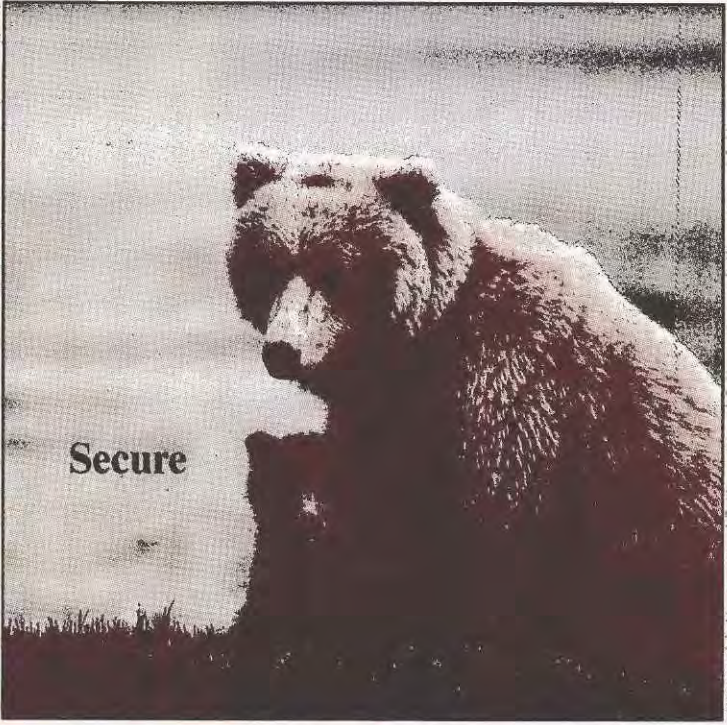
Accepting LOCs also creates the "double burden" of having to check the financial condition of the issuing bank, Ms. Sewell said.

In addition, LOCs are not insured by the Federal Deposit Insurance Corp., other critics point out.

However, supporters of LOCs point out that insurance companies that issue surety bonds should also be carefully scrutinized.

"Many banks issuing LOCs are as financially stable—or unstable—as the insurance companies that issue surety bonds," Mr. Stevenson said.

For example, one of seven self-insurers in Georgia that went bankrupt after the state ceased accepting LOCs purchased its surety bond through a now-insolvent insurer, American Mutual Liability Insurance Co. (BI, July 17, 1989).



Secure
 In today's competitive environment, it's good to know that someone is looking out for you. When you're looking for a maximum risk management service organization, who do you turn to? **Security, stability and commitment** are words you need to hear. You can listen to us.

ADJUSTCO
 2200 Powell Street, Suite 400, Emeryville, CA 94608
 415/547-3110 Fax: 415/547-6157

Benefit claims TPAs listed in directory

A

A&H Administrators Inc.

2514 S. 102nd St., West Allis, Wis. 53227; 414-321-3308

Year founded: 1982.
Business: 100% claims administration.

Region served: Nationwide.
Specialties: 80% health insurance, 10% flex compensation, 10% disability.

Self-insured clients/claims: Administration: 76 clients, including 59 corporations, 11 public/government entities, six Taft-Hartley plans; total claims paid for self-insured clients, \$55 million.

Staff: 43 total, all serving self-insurers.
Charges: Administration: per employee per month, \$3-\$7.

1989 gross revenues: \$1.5 million total; all from claims services.

Principal officers: Jan Yaeger, Kathleen Niles, Ron Groeschl and Scott Boren.

Membership: SPBA.

AVP Vision Plans

155 DuBois St., Santa Cruz, Calif. 95060; 408-425-0989

Year founded: 1985.
Parent company: Optics East Inc.
Business: 35% claims administration, 65% other services.

Region served: California.
Specialties: 100% vision.

Self-insured clients/claims: Administration: 108 clients, including 94 corporations, five public/government entities, six multiemployer plans, three association plans; total claims paid for self-insured clients, \$132,000. Health plans: 3,500 employees, 1,800 dependents.

Staff: 14 total, two serving self-insurers only.
Charges: Administration: per employee per month, 85 cents-\$1.30; percent of claims paid, 8%-15%.

Branch offices: Sales offices in San Jose, Orange County and San Bernardino, Calif.

Principal officers: Stephen Shaw, president; D.K. Kim, chairman; John Curva, vp; James Rankin, secretary.

AccuPlan

5925 Calle Real, Goleta, Calif. 93117; 805-683-3663

Year founded: 1980.
Business: 50% claims administration, 50% other services.

Region served: Nationwide.
Specialties: 90% health insurance, 5% flex compensation, 5% disability.

Self-insured clients/claims: Administration: 30 clients, including nine corporations, 19 public/government entities, one multiemployer plan, one association plan; total claims paid for self-insured clients, \$60 million. Health plans: 40,000 employees, 60,000 dependents.

Staff: 60 total, 50 serving self-insurers only.

Charges: Administration: per employee per month, \$5.50-\$12; percent of claims paid, 3.5%-7%.

1989 gross revenues: \$3.3 million total.

Branch offices: Administrative office in Houston. Sales offices in Seattle; Nashville, Tenn.

Subsidiaries: Health Administration Services Inc., AccuPlan Insurance Administrators.

Principal officers: George J. Bregante, president; Glenn J. Davis, chief financial officer; Stephen E. Gaven, executive vp; Richard D. Hilmyer, chief operating officer.

Membership: Texas Assn. of Professional Benefit Administrators.

Administrative Procedures Inc.

323 Columbia St., P.O. Box 1800, Lafayette, Ind. 47902-1800; 317-423-1577

Year founded: 1963.
Business: 100% claims administration.

Region served: Nationwide.
Specialties: 95% health insurance, 3% disability, 2% life.

Self-insured clients/claims: Ad-

ministration: eight clients, including one corporation, one public/government entity, six Taft-Hartley plans, total claims paid for self-insured clients, \$9 million. Health plans: 8,000 employees.

Staff: 35 total, all serving self-insurers only.

Charges: Administration: per participant, percent of premium.

1989 gross revenues: \$1.5 million total.

Branch offices: Administrative and sales offices in Merrillville, Ind.; Lansing, Mich.

Subsidiaries: Health Care Review.

Principal officers: Stewart C. Miller, president; L. Dow Orrell, chairman.

Continued on next page

COGNAC * PLUS

No Volume Too High • No Budget Too Low

COGNAC * PLUS the right software for Health Benefits Administration & Claims processing of 500-500,000 lives gives you all the features of a mainframe system on a single PC or Local Area Network. Complete automation, complete functionality, completely affordable. Plus a complete service and support team ready to work for you. COGNAC * PLUS is truly unsurpassed. And now our unique pricing allows you to purchase or rent to fit your needs. Why wait?

THE POWER OF A MAINFRAME
THE SIMPLICITY OF A MICRO



APEX DATA SYSTEMS

6464 E. Grant Rd., Tucson, Arizona 85715 (602) 298-1991

Captive and Risk Retention Group Services

Fifty years of underwriting experience is what we offer.

Victor O. Schinnerer & Company, Inc., has been in the insurance business for half a century. But we're not an insurance company. We're not brokers or agents either. Schinnerer is what's known in the insurance industry as an Underwriting Manager.

Our area of expertise is managing and underwriting insurance programs for maximum stability and benefit to both the carrier and its insureds. It's a very complex business. But one in which Schinnerer has become an industry leader.

We've been providing these services to major national and international insurance companies for years. And now, with the passage of the 1986 Risk Retention Act, what we've been doing for them we can do for you.

Whether your organization is already operating a captive or risk retention group or just considering one, give us a call.

Let us show you how 50 years of insurance underwriting and program management experience can help take the risk out of risk retention.

Victor O.

Schinnerer

& Company, Inc.

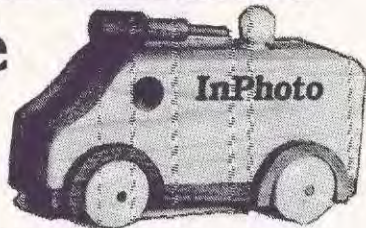
The Company of Experts

UNDERWRITING MANAGERS

Two Wisconsin Circle
Chevy Chase, MD 20815-7003
(301) 961-9800

London • Chicago • Washington, D.C. • New York • San Francisco

Assign a surveillance to InPhoto and receive a new surveillance van or a book—Free



InPhoto's surveillance van, crafted by Northwood's artist Jerry Peters.

During February, if you assign a surveillance to InPhoto Investigations or reopen a previous file, you will receive your choice of either a 1.25 lb., hardwood surveillance van or one of InPhoto's President Bill Kizorek's books: Disability or Deception, Claims Detective, Psychological Claims Investigations.

To receive the van, you must mention this offer at the time of assignment.

The program must not violate any internal regulations of your company.

For more information or for three FREE public service pamphlets on surveillance, call 1-800-822-8220 ext 44 or send your assignment through our toll-free fax 1-800-752-0720.

Continued from previous page

Membership: SPBA, International Foundation of Employee Benefit Plans, National Assn. of Employee Benefit Administrators.

Advantage Benefits Co.

850 Town & Country Road, Orange, Calif. 92702; 714-953-3131

Year founded: 1973.

Parent company: Admar Corp.

Business: 100% claims administration.

Region served: Nationwide.

Specialties: 90% health insurance, 10% life

Self-insured clients/claims: Administration: 21 clients, including 17 corporations, one multiemployer plan, three association plans; total claims paid for self-insured clients, \$6 million. Health plans: 4,000 employees, 2,000 dependents.

Staff: 147 total.

Charges: Administration: per employee per month.

Branch offices: Sales offices in
Continued on page 32

How to use directories

The annual directory of claims specialists lists companies that generate at least 50% or \$500,000 of their gross revenues from handling claims for self-insured clients.

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

Companies are organized according to the type of business in which they specialize. 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 (if any).

Following is information on the percentage of the company's gross revenues generated by:

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

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

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

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

Types of claims the company specializes in servicing are noted. 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.

The geographic region served by the company, the number of self-insured claims administration clients and amount of claims paid for them, number of claims adjusting clients and number of auditing projects conducted in 1989 also are included.

Next, types of self-insured clients serviced, information on staffing and ways in which the company bills are listed.

When reported by the company, total 1989 gross revenues are included. Because *Business Insurance* gathered the information on companies before year-end 1989, revenue figures may be estimated.

Locations of administrative and sales offices and subsidiaries follow. The names and titles of principal officers and membership in claims organizations complete the listings.

The information reported for each company is based on that company's responses to a *BI* questionnaire. There are no public documents available to allow verification of the information provided.

The names of two professional organizations are abbreviated in the listings: SIIA is Self-Insurance Institute of America, SPBA is Society of Professional Benefit Administrators.

In the 1930's we helped light up Tennessee. Today we're even more powerful.

Abe Lincoln would have felt right at home. Children read by kerosene lamps. Homes were heated from kitchen hearths. This was life in the Tennessee Valley in 1930. Then the 20th century arrived.

The Tennessee Valley Authority brought electricity to thousands of rural families for the very first time. And we were part of making it happen.

Swett & Crawford helped to broker the Property coverages necessary to insure the building and operation of hydroelectric generators, the construction of dams, the erection of power grids that were all a part of illuminating the lives of people throughout the Tennessee Valley.

Today, nearly 60 years later, Swett & Crawford, a leading wholesale broker and underwriter of energy industry protection, continues to bring power to the people.

We also provide a broad array of Property and Liability coverages for manufacturers, builders, retailers, bankers and professionals across the nation.



Part of the huge rotor for the waterwheel generator used in the Tennessee Valley Water Plant

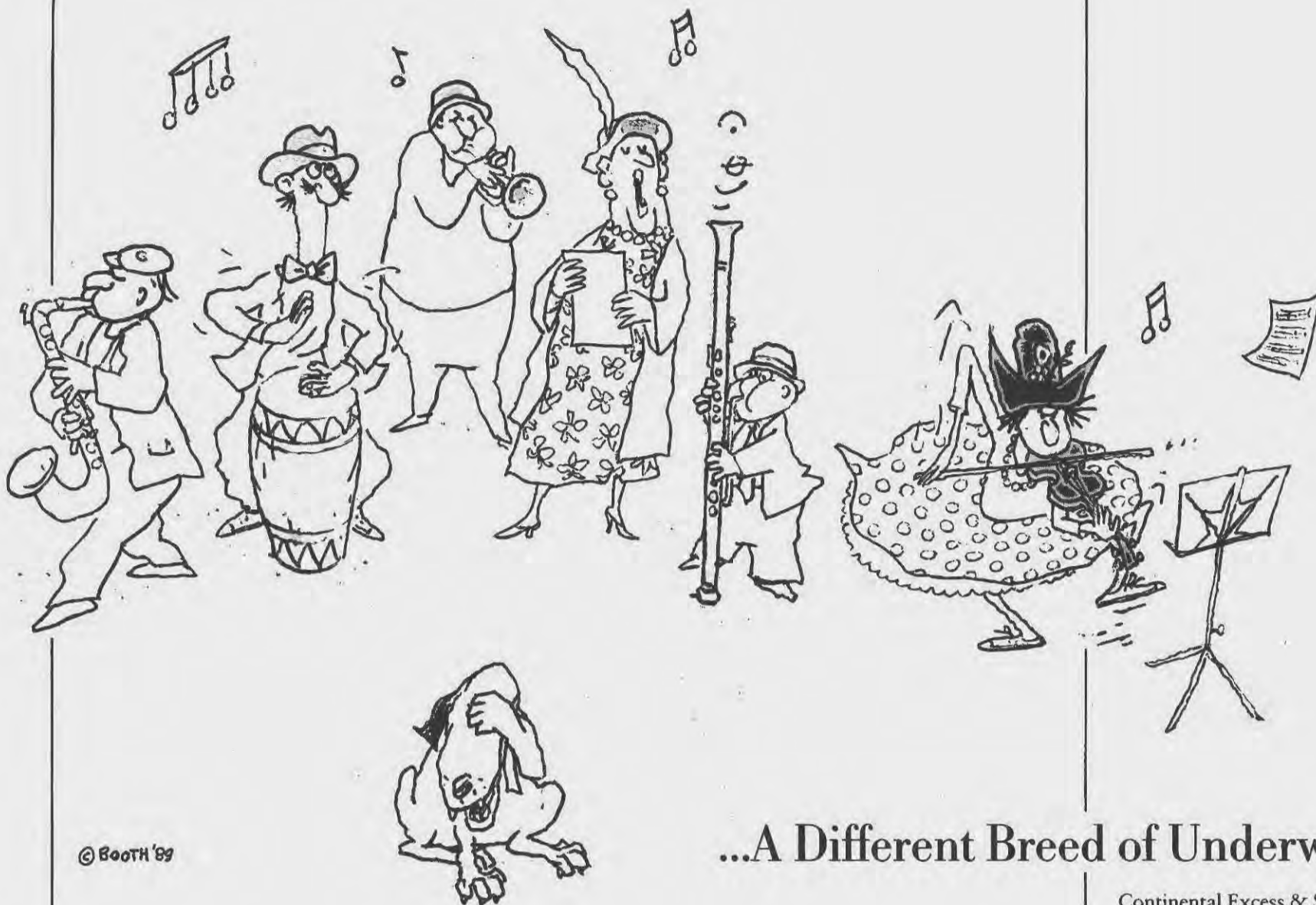
In a business where staying power depends on superior service, we are now celebrating our 75th year. So if you need a wholesale partner who can help you compete more effectively, call Nancy Oblinger at (213) 251-1223. She'll put the power of Swett & Crawford to work for you.

Serving independent agents and brokers nationwide through the 40 offices of: Bowes & Company, John H. Crowther, Inc., Fort Hill Insurance Agency, I West Insurance Managers, Robert S. Martin Corp., Montgomery General Agency, Dana Roehrig & Associates and Swett & Crawford

Swett & Crawford

Seventy-five years of superior service to agents and brokers

Introducing Continental Excess & Select...



© BOOTH '89

...A Different Breed of Underwriter

Continental Excess & Select is the consolidation of Continental Insurance's excess and surplus lines and specialty casualty underwriting operations. It is the proverbial "something old and something new." We write both traditional and non-traditional lines of casualty insurance. While we are a new operation, we hold ourselves and the people we do business with to old-fashioned values and standards. At the same time, we are innovators and creators. We believe that by concentrating our energies on a handful of select producers who share similar beliefs and values that we will build lasting business relationships based on trust and mutual interest. If you'd like to learn more about us, please write to us at:

Continental Excess & Select
180 Maiden Lane—9th Floor
New York, NY 10038



Spotlight report

Continued from previous page

Phoenix, Ariz.; Houston, San Francisco.

Principal officers: Richard Tonal, chief executive officer; Virginia Pascual and P.J. Kehoe, executive vps; Ed Evans, chief financial officer.**Membership:** SIIA.**Allied Administrators**

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

Year founded: 1953.**Business:** 35% claims administration, 10% claim adjusting, 5% claims auditing, 50% other services.**Region served:** Primarily California, Oregon, Washington, Arizona and Nevada.**Specialties:** 70% health insurance, 15% pensions, 5% flex compensation, 5% disability, 5% life.**Self-insured clients/claims:** Administration: 25 clients, including 12 corporations, two public/government entities, 11 Taft-Hartley plans. Health plans: 15,000 employees, 25,000 dependents.**Staff:** 35 total.**Branch offices:** Administrative

office in San Diego, Calif.

Principal officers: David S. Walker, president.**Membership:** SPBA, International Foundation of Employee Benefit Plans.**Allied Benefit Systems Inc.**

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

Year founded: 1980.**Business:** 80% claims administration, 20% other services.**Region served:** Nationwide.**Specialties:** 95% health insurance, 5% disability.**Self-insured clients/claims:** Administration: 90 clients, including 85 corporations, five public/government entities; total claims paid for self-insured clients, \$26 million. Health plans: 19,100 employees, 29,800 dependents.**Staff:** 27 total, 20 serving self-insurers only.**Charges:** Administration: per employee per month.**1989 gross revenues:** \$1.5 million

total; \$1.2 million from claims services.

Principal officers: Laurence Wilneff, president; Ben D. Schenker, executive vp.**Membership:** SPBA, National Assn. of Employee Benefit Administrators.**ALTA Health Strategies Inc.**

2610 Decker Lane, Salt Lake City, Utah 84119; 801-973-7300

Year founded: 1960.**Business:** 80% claims administration, 20% other services.**Region served:** Nationwide.**Specialties:** 94% health insurance, 4% flex compensation, 2% disability.**Self-insured clients/claims:** Administration: 830 clients, including 584 corporations, 230 public/government entities, four multiemployer plans, 12 union-sponsored plans; total claims paid for self-insured clients, \$2.1 billion.**Staff:** 2,300 total, 1,840 serving self-insurers only.**Charges:** Administration: per employee per month, per claim.**1989 gross revenues:** \$115 million total; \$92 million from claims services.**Branch offices:** Administrative offices in Atlanta; Boise, Idaho; Denver; Baltimore; Houston; Santa Ana and Los Angeles, Calif.; Milwaukee, Minneapolis; Phoenix, Ariz.; Pittsburgh, St. Louis. Sales offices in Albuquerque, N.M.; Atlanta; Boise, Idaho; Denver, Houston, Dallas; San Francisco, Santa Ana and Los Angeles, Calif.; St. Louis; Milwaukee; Orlando, Fla.; Boston; Phoenix, Ariz.; Philadelphia, Baltimore.**Principal officers:** W. Terry Nofsinger, president; Robert B. Shomer and Keith F. Kinghorn, executive vps; Lane A. Summerhays, senior vp-finance; Linda M. Gerbig, senior vp-health care management.**Membership:** SPBA, SIIA.**Amalgamated Life Insurance Co.**

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

Year founded: 1943.**Business:** 75% claims administra-

tion, 25% other services.

Region served: Nationwide.**Specialties:** 54% health insurance, 44% pensions, 1% disability, 1% life.**Self-insured clients/claims:** Administration: 45 clients that are multiemployer plans; total claims paid for self-insured clients, \$225 million. Health plans: 110,000 employees, 220,000 dependents, 160,000 retirees.**Staff:** 315 total, all serving self-insurers.**Charges:** Administration: per employee per month, \$4-\$8.**1989 gross revenues:** \$20 million total; \$15 million from claims services.**Subsidiaries:** ALICARE, ALIVEST, ALICOMP, Amalgamated Agency.**Principal officers:** Harvey C. Sigelbaum, president; Richard Burkner and Ronald L. Minikes, senior vps; Arthur Kurek, corporate vp/controller; Ira Schwartz, corporate vp.**Membership:** International Foundation of Employee Benefit Plans, National Coordinating Committee for Multiemployer Plans.**American Insurance Administrators**

3415 S. Sepulveda Blvd., Suite 200, Los Angeles, Calif. 90034; 213-390-7900

Year founded: 1977.**Parent company:** Management Applied Programming Inc.**Business:** 60% claims administration, 5% claim adjusting, 5% claims auditing, 30% other services.**Clients served:** Corporations based in California.**Specialties:** 100% health insurance.**Self-insured clients/claims:** Administration: 15 clients, including 12 corporations, three public/government. Adjusting: three clients that are corporations; types of claims include medical, dental, disability, prescription drugs, vision. Auditing: three projects for corporations. Health plans: 40,000 employees, 100,000 dependents.**Staff:** 40 total, 20 serving self-insurers only.**Charges:** Administration: per employee per month. Adjusting and auditing: by the hour.**1989 gross revenues:** \$2.3 million total.**Branch offices:** Administrative and sales office in Orange, Calif.**Subsidiaries:** Benefit Programs Administration, Management Applied Programming.**Principal officers:** Furrokh N. Dastur, president; Herbert Schaffer, executive vp; Robert Bassin, vp; Phirose H. Dalal, chief financial officer; Rajiv Trivedi, Barbara Rabinowitz and Joanne Hoskins, assistant vps.**Membership:** SPBA, Employee Benefit Planning Assn. of Southern California, Orange County Employee Benefit Council.**American International Healthcare**

30 W. Gude Drive, Fifth Floor, Rockville, Md. 20850; 301-251-8600

Year founded: 1988.**Parent company:** American International Group Inc.**Region served:** Nationwide.**Specialties:** 100% health insurance.**Staff:** 200 total, 20 serving self-insurers only.**Charges:** Administration: per employee per month, \$7-\$9.**Principal officers:** Thomas Ramey, president; Dwight Robertson, senior vp; Al Discepolo, chief financial officer; Dennis Burkhart, vp.**Membership:** SIIA.**American Medical & Life Insurance Co.**

35 Broadway, Hicksville, N.Y. 11801; 516-822-8700

Year founded: 1964.**Business:** 90% claims administration, 10% claim adjusting.**Region served:** Nationwide.**Specialties:** 98% health insurance, 1% disability, 1% life.**Self-insured clients/claims:** Administration: 48 clients, including six corporations, 38 multiemployer, Taft-Hartley and union-sponsored plans, four association plans. Adjusting: two clients that are union sponsored plans.**Staff:** 71 total, all serving self-in-

Continued on next page

When Aultman Hospital asked for help in controlling benefits costs, RIMS told them to do it themselves.

That was three years ago. Now they do it for 50 others.

Aultman Hospital was faced with escalating benefits claims administration costs as well as fiscal business constraints caused by Medicaid and Medicare cuts. They wanted a claims administration software package that would let them control immediate expenses and focus on a business plan for a profitable future. That's when they found Resource Information Management Systems, Inc. (RIMS).

RIMS told Rick Haines, vice president of alternative delivery systems at Aultman Hospital in Canton, Ohio, that the best way to maintain control over benefits costs was to turn to self-administration of those claims.

Then RIMS showed him how the QicClaim® system was designed with the flexibility to allow Aultman Hospital to also manage the claims function

for other corporations — with unlimited growth capabilities.

That's all it took. Aultman bought QicClaim in 1985 to manage their own 3,000 employees' claims benefits. Now they also administer 300 physicians in a PPO that keeps their hospital beds full...and they operate their own TPA — AultCare — to handle claims for nearly 50 other companies. Today, with RIMS' software, Aultman is doing it themselves. Their claims management division is a thriving operational center handling over 30,000 lives. With a goal of 5,000 employee lives a year, they have so far superseded their goals.

RIMS systems are designed to meet the most exacting benefits plan and managed care administration requirements. From pre-admission

certification to provider network management to Section 89 compliance testing, RIMS lets you custom-tailor the system to meet your needs.

And with RIMS' QicClaim/2 product line, you can even choose your own hardware environment...mini-computer, mainframe cooperative or the increasingly favored PC network. Flexibility, simplicity, speed and total control over the claims operation make RIMS the profitable choice — for your corporation, PPO, TPA or HMO.

Keep your health claims administration under control with RIMS. Call toll-free 1-800-999-0009 for more information on QicClaim and new QicClaim/2.

RIMS RESOURCE INFORMATION
MANAGEMENT SYSTEMS, INC.

The Leader in Benefits Administration Software

Continued from previous page
surers only.

Charges: Administration and adjusting: percent of paid claims, 7.5%.

1989 gross revenues: \$16 million total.

Principal officers: Jules V. Lane; Linda Lane, vp; Beverly Munter, vp-administration; Lee Jarmolowsky, executive vp; Peter Norton, senior vp.

Arizona Preferred Provider Claims Services

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

Year founded: 1984.

Business: 40% claims administration, 5% claim adjusting, 15% claims auditing, 40% other services.

Region served: Nationwide.

Specialties: 90% health insurance, 7% disability, 3% life.

Self-insured clients/claims: Administration: nine clients, including seven corporations, one multiemployer plan, one association plan; total claims paid for self-insured clients, \$1.5 million. Auditing: two clients, including one corporation, one public/government entity; types of claims include health, disability and life. Auditing: one project for a corporation, one for a public/government entity. Health plans: 2,000 employees, 3,750 dependents.

Staff: Seven total, three serving self-insurers only.

Charges: Administration: per employee per month. Adjusting and auditing: by the hour.

Principal officers: Dwight W. Babcock, president.

Associated Health Plans Inc. of Louisiana

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

Year founded: 1978.

Business: 100% claims administration.

Region served: Nationwide.

Specialties: 95% health insurance, 5% flex compensation.

Self-insured clients/claims: Administration: 153 clients, including 145 corporations, eight public/government entities; total claims paid for self-insured clients, \$40 million.

Staff: 100 total, all serving self-insurers only.

Charges: Administration: per employee per month.

1989 gross revenues: \$2 million total.

Principal officers: Art Blanchat, chief executive officer; Pamela Chauff, president; Vince Varisco, vp; Dolores Blanchat, treasurer.

Membership: SPBA, SIIA, National Assn. of Employee Benefit Administrators, Employee Benefit Planning Assn.

Associated Plan Administrators Inc.

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

Year founded: 1982.

Business: 100% claims administration.

Region served: New England.

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

Self-insured clients/claims: Administration: 25 clients, including 23 corporations, two public/government entities; total claims paid for self-insured clients, more than \$250,000. Health plans: 1,250 employees, 2,875 dependents.

Staff: Nine total, all serving self-insurers only.

Charges: Administration: monthly retention fee, \$11-\$15.

1989 gross revenues: \$1 million total.

Principal officers: Fred Brown, president; John Cuozzo, vp; Art Giuliatti, vp; Lisa Baker, assistant vp; Michael Zipp, general sales manager.

Membership: SPBA.

August International Corp.

One City Blvd. W., Suite 1000, Orange, Calif. 92668; 714-938-2600

Year founded: 1985.

Business: 85% claims administration, 5% claims auditing, 10% other services.

Region served: Nationwide.

Specialties: 95% health insurance, 5% flex compensation.

Self-insured clients/claims: Administration: 35 clients, including 25 corporations, nine public/govern-

ment entities, one multiemployer plan; total claims paid for self-insured clients, \$325 million. Health plans: 107,000 employees, 224,700 dependents.

Staff: 240 total, 115 serving self-insurers only.

Charges: Administration: per employee per month. Auditing: per case.

Branch offices: Administrative offices in Dallas; Olympia, Wash. Sales offices in Santa Barbara, Calif. Dallas; Bellevue, Wash.; Boston.

Subsidiaries: Coordinated Benefits Services Inc., The August Fund Inc., AUGMED, AUGNET, AUGSTAT.

Principal officers: Mike Lewis, president/chief executive officer.

Kirk Andrews, chief financial officer; Charles Cressman, vp-sales; Lorraine Rye, vp-claims administration; Richard Brown, vp-client service.

Membership: International Assn. of Employee Benefits.

AultCare

P.O. Box 6910, Dueber Station, Canton, Ohio 44706-6910; 216-438-6388

Year founded: 1985.

Business: 90% claims administration, 10% claims auditing.

Region served: Ohio.

Specialties: 100% health insurance.

Self-insured clients/claims: Ad-

ministration: seven clients that are corporations; total claims paid for self-insured clients, \$15.1 million. Health plans: 11,749 employees, 17,749 dependents.

Staff: 38 total, 20 serving self-insurers only.

Charges: Administration: per employee per month.

1989 gross revenues: \$1 million from claims services.

Subsidiaries: McKinley Life Insurance Co.

Principal officers: Rick L. Haines, executive director; Allen Rovner, chairman; John P. Brehany, marketing manager; Raymond Gregory, vice chairman.

Membership: SIIA.

BCA Claim & Benefit Administrators Inc.

P.O. Box 10765, Greenville, S.C. 29603; 803-271-3783

Year founded: 1985.

Business: 75% claims administration, 25% other services.

Region served: Nationwide.

Specialties: 95% health insurance, 5% flex compensation.

Self-insured clients/claims: Administration: 23 clients that are cor-

Continued on next page

HARD WORK, STRONG VALUES



International Museum of Photography at George Eastman House.

Life was tough during the Depression, but so were the spirits of those who struggled against its adversity.

At RLI, we guide our operations today by the tradition of thrift and hard work that grew from our heartland roots.

Our growth has been directed by a business plan that balances exciting

new opportunities with a strict emphasis on conservative underwriting and substantial reserves.

Today RLI subsidiaries offer a broad line of specialty property and casualty coverages. Put a leading insurer's fast turn-around and quality service to work for you and your customers.

Write or call for more information.



Spotlight report

Continued from previous page
 porations; total claims paid for self-insured clients, \$7.5 million. Health plans: more than 8,000 employees, more than 6,500 dependents.

Staff: 10 total, eight serving self-insurers only.

Charges: Administration: per employee per month, \$4.50-\$7.50.

1989 gross revenues: \$250,000 total.

Principal officers: Charles B. Barksdale Jr., president; Greg Moman, vp/secretary/treasurer; James E. Williams, vp.

Membership: SPBA.

Babb Health Services Inc.

850 Ridge Ave., Pittsburgh, Pa. 15212; 412-237-2000

Year founded: 1929.

Parent company: Babb Inc.

Business: 80% claims administration, 5% claim adjusting, 5% claims auditing, 10% other services.

Region served: Nationwide.

Specialties: 90% health insurance, 10% disability.

Self-insured clients/claims: Administration: 150 clients that are corporations; total claims paid for self-insured clients, \$10 million. Health plans: 20,000 employees, 38,000 dependents.

Staff: 110 total, 40 serving self-insurers only.

Charges: Administration: per employee.

1989 gross revenues: \$5 million total.

Branch offices: Sales office in Wayne, Pa.

Principal officers: Ronald B. Livingston, chairman; William M. Steele, vice chairman; Arnold Ruttenberg and Susan Klixbull, vps; Chester Sanderson, treasurer.

Membership: SIIA.

Bankers Risk Management Services Inc.

9887 N. Gandy Blvd., Suite 303, St. Petersburg, Fla. 33702; 813-576-8780

Year founded: 1985.

Parent company: Bankers Insurance Group.

Business: 100% claims administration.

Region served: Florida and Georgia.

Specialties: 100% health insurance.

Self-insured clients/claims: Administration: 50 clients, including 48 corporations, two public/government entities; total claims paid for self-insured clients, \$10 million. Health plans: 6,000 employees, 5,000 dependents.

Staff: 15 total, all serving self-insurers only.

Charges: Administration: per employee per month, \$7-\$12.

Principal officers: Robert F. McBurney, president.

Beacon Corporate Benefits Services Inc.

6 Stamford Forum, Stamford, Conn. 06901; 203-977-6600

Year founded: 1987.

Parent company: Empire Blue Cross & Blue Shield, Blue Cross & Blue Shield of Connecticut Inc.

Business: 70% claims administration, 30% other services.

Region served: Nationwide.

Specialties: 90% health insurance, 5% disability, 5% life.

Self-insured clients/claims: Administration: 10 clients that are corporations; total claims paid for self-insured clients, \$32.8 million. Health plans: 17,450 employees, 40,135 dependents.

Staff: 59 total, 42 serving self-insurers only.

Charges: Administration: percent of claims paid, 3.5%-8.5%.

Branch offices: Administrative office in Shelton, Conn.

Principal officers: Frank X. Fee, president; Jack D. Williams, executive vp; Asha V. Paranjpe, vp-marketing; William A. Hardt, vp-sales; John L. Hellmann, vp-operations.

Benefit**Administration Corp.**

1141 W. Shaw Ave., Fresno, Calif. 93711; 209-225-3030

Year founded: 1953.

Business: 100% claims administration.

Region served: California.

Specialties: 80% health insurance, 20% pensions.

Self-insured clients/claims: Administration: 19 clients, including eight corporations, three public/government entities, eight Taft-Hartley plans; total claims paid for self-insured clients, \$15.8 million.

Staff: 45 total, all serving self-insurers only.

Charges: Administration: per eligible employee per month, \$7-\$9.

1989 gross revenues: \$1.5 million total.

Principal officers: Robert J. Cardinal, president/chief executive officer; Sheldon P. Lewis, chairman; Mirth M. Lundal, vp-pensions; Melba Lumen, vp-administration; Jeanette Holman, controller.

Membership: SPBA, SIIA, International Foundation of Employee Benefit Plans, Insurance Institute of America.

Benefit Administrators of New England Inc.

100 Ledge Wood Place, Rockland, Md. 02370; 617-982-1881

Year founded: 1988.

Business: 100% claims adminis-

tration.

Region served: Nationwide.

Specialties: 80% health insurance, 5% flex compensation, 10% disability, 5% life.

Self-insured clients/claims: Administration: 42 clients that are corporations; total claims paid for self-insured clients, \$11.4 million. Health plans: 5,040 employees, 3,360 dependents.

Staff: 18 total, all serving self-insurers only.

Charges: Administration: per employee.

Principal officers: Neil J. Guerin, chief executive officer.

Membership: SPBA.

Benefit Claims Payors Inc.

8805 N. 23rd Ave., Phoenix, Ariz. 85021; 602-861-6868

Year founded: 1986.

Business: 90% claims administration, 10% other services.

Region served: Nationwide.

Specialties: 100% health insurance.

Self-insured clients/claims: Ad-

ministration: 65 clients that are corporations; total claims paid for self-insured clients, \$15 million. Health plans: 11,000 employees, 8,000 dependents.

Staff: 35 total, 32 serving self-insurers only.

Charges: Administration: per number of insured employees.

1989 gross revenues: \$920,000 total; \$802,000 from claims services.

Subsidiaries: Alternative Group Plans Inc.

Principal officers: Mark V. Mertel, president; Miriam Mertel, vp.

Membership: SPBA.

Benefit Consultant Services

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

Year founded: 1961.

Parent company: Donald F. Smith & Associates.

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

Region served: Nationwide.

Specialties: 95% health insurance,

5% disability.

Self-insured clients/claims: Administration: clients include 29 corporations, nine union-sponsored plans, four association plans; total claims paid for self-insured clients, \$9.8 million. Health plans: 5,540 employees, 2,000 dependents.

Staff: 150 total, 17 serving self-insurers only.

Charges: Administration: per employee per month.

Principal officers: Donald F. Smith, president; Terence J. McDonough, executive vp; Robert M. Neumann, senior vp; Mikael Stadler and Charles Lascola, sales.

Membership: SPBA.

Benefit Consultants Inc.

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

Year founded: 1982.

Business: 35% claims administration, 5% claim adjusting, 12% claims auditing, 48% other services.

Continued on next page

There's our clients unrecov

We pay claims in five days, once damages and coverage are confirmed. So you don't have to worry about the 90-day rule, or the over \$10 billion in uncollectible reinsurance the industry faces today.

Slow paying, or non-paying reinsurers can threaten your surplus. And that affects your ability to write new business. When planning your reinsurance strategy, look to American Re. We're a company that is financially

Continued from previous page

Region served: Midwest.
Specialties: 100% health insurance.

Self-insured clients/claims: Administration: three clients that are corporations; total claims paid for self-insured clients, \$4 million. Adjusting: five clients that are Taft-Hartley plans, types of claims include health. Auditing: four projects for corporations, five for Taft-Hartley plans. Health plans: 10,000 employees, 7,000 dependents.

Staff: Seven total, four serving self-insurers only.

Charges: Administration: per employee. Adjusting: by the hour. Auditing: by the hour or by the project.

Principal officers: Alan N. Lemley, president.

Benefit Coordinators Corp.

1370 Washington Pike, Bridgeville, Pa. 15017; 412-257-8000

Year founded: 1983.

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

Region served: Pennsylvania, West Virginia, New Jersey, Delaware and California.

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

Self-insured clients/claims: Administration: 30 clients, including 29 corporations, one multiemployer plan; total claims paid for self-insured clients, \$25 million. Health plans: 15,000 employees, 20,000 dependents.

Staff: 20 total, 12 serving self-insurers only.

Charges: Administration: per employee per month, \$6-\$7 for medical, \$1.50-\$2 for dental.

1989 gross revenues: \$1.3 million total.

Branch offices: Administrative office in Pittsburgh. Sales offices in Wayne, Pa.; San Diego, Calif.

Affiliate: Coordinated Benefits Corp.

Principal officers: John D. Babb Jr., president; Arlene Sustar, Tim Buzbee and Mike Lawton, vps; James Parsons, treasurer.

Membership: SPBA, SIIA.

Benefit Management of Maine Inc.

901 Washington Ave., Portland, Maine 04104; 207-772-1244

Year founded: 1981.

Business: 85% claims administration, 5% claims adjusting, 5% claims auditing, 5% other services.

Region served: Maine, New Hampshire, Vermont and Massachusetts.

Specialties: 92% health insurance, 3% flex compensation, 5% disability.

Self-insured clients/claims: Administration: 100 clients, including 98 corporations, two multiemployer plans; total claims paid for self-insured clients, \$30 million. Adjusting: three clients; types of claims include medical, dental, disability, flex compensation. Auditing: one project. Health plans: 15,000 employees, 20,000 dependents.

Staff: 55 total, seven serving self-insurers only.

Charges: Administration: per employee per month, \$6-\$14.50.

1989 gross revenues: \$2.5 million total.

Branch offices: Sales office in Bedford, N.H.

Subsidiaries: Group Marketing Services, Health Share Benefits.

Principal officers: Gordon Gray, chairman; Joseph Orefice, president.

Membership: SPBA, SIIA.

Benefit Plan Administrators Inc.

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

Year founded: 1984.

Business: 100% claims administration.

Region served: Nationwide.

Specialties: 95% health insurance, 5% flex compensation.

Self-insured clients/claims: Administration: 50 clients, including 45 corporations, five public/government entities; total claims paid for self-insured clients, \$12 million. Health plans: 12,000 employees, 18,000 dependents.

Staff: 18 total, all serving self-insurers only.

Charges: Administration: per employee per month.

Subsidiaries: Hofgard & Co.

Principal officers: William G. Hofgard, president; Mark W. Hofgard and Linda Anderson, vps; Edna Hofgard, secretary/treasurer; Bruce Becker, controller.

Membership: SPBA, National Assn. of Employee Benefit Administrators.

Benefit Plan Administrators Inc.

2959 N. Rock Road, P.O. Box 781320, Wichita, Kan. 67226; 316-636-1166

Year founded: 1972.

Parent company: EQUICOR.

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

Region served: Kansas, Oklahoma, Texas and Florida.

Specialties: 100% health insurance.

Self-insured clients/claims: Administration: three clients, including one corporation, two public/government entities; total claims paid for self-insured clients, \$6 million.

Staff: 14 total.

Charges: Administration: flat fee. **1989 gross revenues:** \$155,199 total.

Principal officers: Larry Armfield, president; Robert Vohs and Kurt A. Weimer, vps; Dale Holmer, treasurer; Sharon Parker, assistant secretary.

Membership: SPBA.

Benefit Plan Services Inc.

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

Year founded: 1977.

Business: 100% claims administration.

Region served: North Carolina.

Specialties: 98% health insurance, 2% disability.

Self-insured clients/claims: Administration: 13 clients, including 11 corporations, two public/government entities. Health plans: 6,700 employees, 6,900 dependents.

Staff: Four total, all serving self-insurers only.

Charges: Administration: per employee, \$4-\$7.

1989 gross revenues: \$200,000 total.

Principal officers: J. Larry Peters, president; Alan O. Peters, vp; Sandra A. Peters, secretary.

Membership: SPBA.

Benefit Plans Northeast

P.O. Box 629, Avon, Conn. 06001; 203-678-0700; 800-445-1931 outside Connecticut; 800-822-7627 in Connecticut

Year founded: 1974.

Business: 100% claims administration.

Region served: Nationwide.

Specialties: 100% health insurance.

Self-insured clients/claims: Administration: 55 clients that are corporations; total claims paid for self-insured clients, \$7.5 million. Health plans: 10,000 employees, 15,000 dependents.

Staff: 19 total, all serving self-insurers only.

Charges: Administration: per employee per month, \$12.

1989 gross revenues: \$650,000 total.

Principal officers: Leonard Cutler, president; Arlene Cutler, vp.

Membership: SPBA, Connecticut Assn. of Third Party Administrators.

Bene-Flex Inc.

4801 W. Peterson Ave., Suite 302, Chicago, Ill. 60646

Year founded: 1987.

Business: 90% claims administration, 10% other services.

Region served: Nationwide.

Specialties: 80% health insurance, 15% flex compensation, 5% disability.

Self-insured clients/claims: Administration: 40 clients that are corporations; total claims paid for self-insured clients, \$5 million. Health plans: 5,000 employees, 1,900 dependents.

Staff: Seven total, six serving self-insurers only.

Charges: Administration: per employee per month.

Principal officers: Karen L. Andalman, president.

Membership: SPBA, SIIA, International Foundation of Employee Benefit Plans.

Continued on next page

a reason don't have erables.

PAID
5 DAYS

stable and committed to prompt claims payment. That lets you spend time managing your business, instead of your recoverables. Five day claims payment. Another very good reason to talk to American Re.

American Re-Insurance Company

American Re Plaza, 555 College Road East, Princeton, NJ 08543-5241 609-243-4200

Atlanta, Bogota, Boston, Cairo, Chicago, Columbus, Dallas, Hartford, Kansas City, London, Los Angeles, Melbourne, Minneapolis, Montreal, New York, Philadelphia, Princeton, San Francisco, Santiago, Singapore, Sydney, Tokyo, Toronto



ZENITH ADMINISTRATORS



Close to the Customer

The Nation's Largest TPA Serving Jointly Managed Trusts • (202) 682-4920

Continued from previous page

Benefit Systems & Services Inc.

760 Pasquinelli Drive, Suite 320,
Westmont, Ill. 60559;
708-990-2082

Year founded: 1986.

Business: 55% claims administration, 45% other services.

Region served: Illinois, Indiana, Iowa, Michigan and Wisconsin.

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

Self-insured clients/claims: Administration: 35 clients, including 16 corporations, 17 public/government entities, one multiemployer plan, one Taft-Hartley plan; total claims paid for self-insured clients, \$26.3 million. Health plans: 15,000 employees, 22,500 dependents.

Staff: 35 total, 22 serving self-insurers only.

Charges: Administration: per employee per month, \$2-\$9.50.

1989 gross revenues: \$1.8 million total; \$990,000 from claims services.

Principal officers: David H. Lloyd, president; Carmen J. Mor-

reale, executive vp; Roy Wappienik, vp.

Membership: SPBA, SIIA.

BenePlan Strategies Inc.

333 W. First St., P.O. Box 1391,
Dayton, Ohio 45401; 513-226-8643

Year founded: 1982.

Parent company: The M.A. Hanna Co.

Business: 91.7% claims administration, 3.5% claim adjusting, 4.8% other services.

Region served: Nationwide.

Specialties: 75% health insurance, 5% flex compensation, 5% disability, 10% life, 5% 401(k) plans.

Self-insured clients/claims: Administration: 56 clients, including 40 corporations, 16 public/government entities. Health plans: 30,000 employees, 73,279 dependents.

Staff: 57 total, 54 serving self-insurers only.

Charges: Administration: per employee, \$5-\$6.50.

1989 gross revenues: \$2.8 million total; \$2.6 million from claims services.

Branch offices: Sales office in Cleveland.

Principal officers: Ralph Zimmerman, president; William C. Bligh, vp-marketing; Lee Peffly and Barbara Fulkerson, directors; Kay Trombino, staff accountant.

Membership: SPBA, SIIA.

Booke & Co.

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

Year founded: 1941.

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

Region served: Southeast, Midwest and mid-Atlantic states.

Specialties: 75% health insurance, 20% flex compensation, 5% disability.

Self-insured clients/claims: Administration: 35 clients that are corporations; total claims paid for self-insured clients, \$24 million. Adjusting: two clients that are corporations; types of claims include disability. Auditing: two projects for corporations. Health plans: 24,000 employees, 14,000 dependents.

Staff: 330 total, 27 serving self-insurers only.

Charges: Administration: per participant per month. Adjusting and auditing: by the hour.

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

Principal officers: Sam L. Booke Jr., chairman; Henry M. Booke, vice chairman; Donald C. Ingram, president; Roger L. Vaughn, executive vp.

Membership: SPBA.

Brookfield Inc.

1030 Higgins, Suite 200, Park
Ridge, Ill. 60068; 708-692-7020

Year founded: 1971.

Parent company: Aon Corp.

Business: 100% claims administration.

Region served: Nationwide.

Specialties: 98% health insurance, 1% flex compensation, 1% disability.

Self-insured clients/claims: Administration: 102 clients, including 94 corporations, seven public/government entities, one association plan; total claims paid for self-insured clients, \$131.1 million. Health plans: 138,000 employees, 367,000 dependents.

Staff: 115 total, all serving self-insurers only.

Charges: Administration: per employee, percent of claims, flat fee.

Principal officers: Charles Lo-henry, president; Patricia Reger, vp-claims; Agnes Kenton, director-client services.

Membership: Self-Insurance Assn. of Illinois, National Assn. of Employee Benefit Administrators.

Brookfield West

2650 E. Bayshore Blvd., Palo Alto,
Calif. 94303; 415-856-7126

Year founded: 1960.

Parent company: Aon Corp.

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

Region served: Nationwide.

Specialties: 80% health insurance, 20% flex compensation.

Self-insured clients/claims: Administration: 30 clients, including 25 corporations, two public/government entities, two multiemployer plans, one association plan; total claims paid for self-insured clients, \$3.5

Continued on page 39

EIGHT reasons why self-funded employers turn to John Alden Life for H.E.L.P.

Craig Conwell

Northwest

Regional Representative

Kathy English

Northeast

Regional Representative

Chuck Jagers

South Central

Representative

Jerry Jordan

Midwest

Regional Representative

Kathy Ellis

Great Lakes

Regional Representative

Eric Hicks

Florida

Representative

Sandee Katz

Southeast

Regional Representative

Jim Smidt

Southwest

Regional Representative

For more information, call
Pat Campola, Vice President — 1-800-344-0516



High
Excess
Loss
Protection

Continued from page 36
million. Health plans: 4,500 employees, 2,000 dependents.

Staff: 16 total, nine serving self-insurers only.

Charges: Administration: per employee.

1989 gross revenues: \$1.2 million total; \$500,000 from claims services.

Principal officers: Dan Cox, chief executive officer; Cindy Adams, treasurer; Jerry Kleinberg, president; Bob Jarvi, vp; Mark Barauck, secretary.

Membership: Independent Administrators Assn.



CAM Administrative Services

1351 E. Jefferson Ave., Detroit, Mich. 48207; 313-567-3200

Year founded: 1983.

Business: 100% claims administration.

Region served: Michigan.

Specialties: 100% health insurance.

Self-insured clients/claims: Administration: one client that is an association plan; total claims paid for self-insured clients, \$8 million. Health plans: 5,300 employees, 6,900 dependents.

Staff: 17 total, all serving self-insurers only.

Charges: Administration: per employee per month, \$9-\$12.50.

1989 gross revenues: \$900,000 total, all from claims services.

Principal officers: William B. Lichtig, president; William B. Meyers, exec vp; Sharon A. Maviri, senior vp; Constance A. Boucher, vp-claims; Michael Kirchner, secretary-treasurer.

CBAI Administrators Inc.

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

Year founded: 1983.

Parent company: Group-Tech Systems Inc.

Business: 100% claims administration.

Region served: Nationwide, Caribbean, South America.

Specialties: 90% health insurance, 5% disability, 5% life.

Self-insured clients/claims: Administration: 602 clients, including 598 corporations, three public/government entities, one multiemployer plan; total claims paid for self-insured clients, \$7.7 million. Health plans: 7,000 employees, 16,100 dependents.

Staff: 46 total, 35 serving self-insurers only.

Charges: Administration: per employee per month, \$6.50-\$12.

Branch offices: Sales offices in Tampa, Fla.; New Orleans.

Subsidiaries: Fergus St. George & Associates Marketing.

Principal officers: Michael B. Fernandez, chairman/chief executive officer; Richard P. Shea, executive vp; Albert Arca, chief financial officer.

Membership: SPBA.

CCI Administrators Inc.

2751 Tuller Parkway Drive, Dublin Ohio 43017; 614-674-7600

Year founded: 1981.

Business: 100% claims administration.

Region served: Nationwide.

Specialties: 100% health insurance.

Self-insured clients/claims: Administration: 42 clients that are corporations. Health plans: 9,000 employees, 21,000 dependents.

Staff: 16 total, all serving self-insurers only.

Charges: Administration: per employee per month, \$5-\$8.

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

Chandler & Associates Inc.

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

Year founded: 1961.

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

Region served: Ohio, Michigan and western Pennsylvania.

Specialties: 93% health insurance, 5% flex compensation, 1% disability, 1% life.

Self-insured clients/claims: Administration: 418 clients, including

410 corporations, three multiemployer plans, two Taft-Hartley plans, one union-sponsored plan, two association plans; total claims paid for self-insured clients, \$15.2 million. Health plans: 8,000 employees, 15,000 dependents.

Staff: 23 total, 20 serving self-insurers only.

Charges: Administration: per employee per month.

1989 gross revenues: \$1.1 million total; \$1 million from claims services.

Principal officers: Arthur W. Chandler, president.

Membership: SPBA, SIIA.

Comprehensive Benefits Service Co. Inc.

740 E. Lancaster Pike, Suite 200, Whiteland Business Park, Exton, Pa. 19341; 215-540-9500

Year founded: 1976.

Business: 100% claims administration.

Region served: Nationwide.

Specialties: 80% health insurance, 10% flex compensation, 10% disability.

ity.

Self-insured clients/claims: Administration: 250 clients, including 240 corporations, eight public/government entities, one Taft-Hartley plan, one association plan. Health plans: 97,000 employees, 194,000 dependents.

Staff: 200 total, 190 serving self-insurers only.

Charges: Administration: per employee per month.

1989 gross revenues: \$8 million total.

Branch offices: Administrative offices in Carle Place, N.Y.; Easton, Pa.; Hartford, Conn. Sales offices in Carle Place and New York, N.Y.; Bethesda, Md.

Principal officers: Richard Fleder, president; Dennis Ryan, executive vp; Mark Sorenson, treasurer.

Membership: SPBA.

Concept Administrators

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

Year founded: 1974.

Parent company: Lincoln National Life Insurance Co.

Business: 100% claims administration.

Region served: Washington, Oregon, Alaska, California, Nevada, Idaho, Montana.

Specialties: 90% health insurance, 5% flex compensation, 3% disability, 2% life.

Self-insured clients/claims: Administration: 105 clients, including 94 corporations, six public/government entities, five multiemployer plans; total claims paid for self-insured clients, \$29 million. Health plans: 17,000 employees, 18,000 dependents.

Staff: 50 total, all serving self-insurers only.

Charges: Administration: per employee per month, \$6.50-\$8.

1989 gross revenues: \$1.5 million total.

Principal officers: Scott Shute, vp-Lincoln National Life.

Membership: SPBA, SIIA, National Association of Employee Benefit Administrators.

Confed Admin Services Inc.

260 Interstate N. Circle, Atlanta, Ga. 30339; 404-953-5100

Year founded: 1976.

Parent company: Confederation Life Insurance Co.

Business: 100% claims administration.

Region served: Nationwide.

Specialties: 90% health insurance, 10% flex compensation.

Self-insured clients/claims: Administration: 103 clients, including 78 corporations, 15 public/government entities, six multiemployer plans, one association plan; total claims paid for self-insured clients, \$173.5 million. Health plans: 91,000 employees, 53,700 dependents.

Staff: 225 total, all serving self-insurers only.

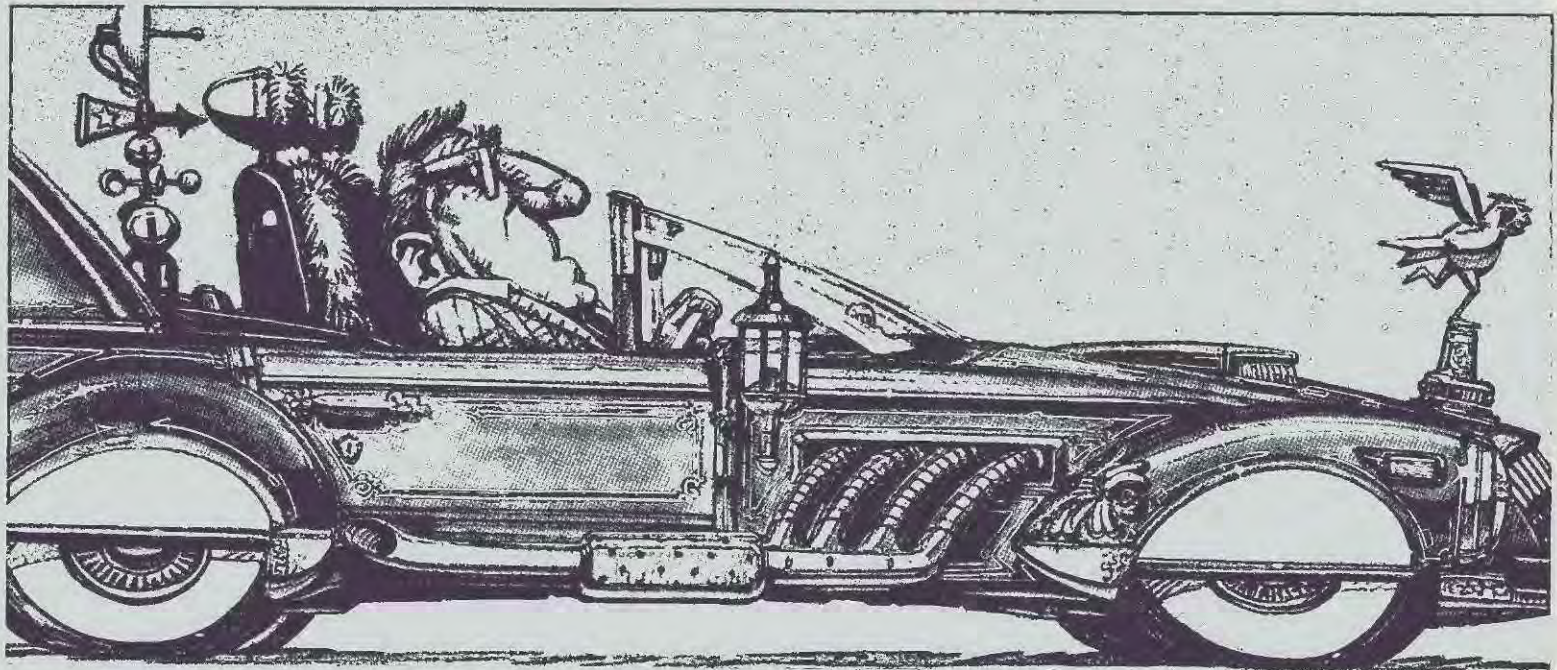
Charges: Administration: fee per employee, \$6-\$11.

1989 gross revenues: \$6.5 million total.

Branch offices: Administrative offices in Charleston, S.C.; Tucson, Ariz.; San Juan, Puerto Rico. Sales

Continued on next page

Designing customized workers' comp cost containment isn't as simple as some people think.



There's no shortage of medical cost management services on the market today. Unfortunately, most of them are designed for "standard" performance. Underneath all the model names and superficial trim, you'll usually find the same pat solutions.

At ConServCo, we don't believe that effective medical cost management can be achieved through mass production. Our account team customizes services—from the basic framework to special features—to satisfy your specific needs.

Now these customized services include an innovative approach to medical cost control for workers' compensation claims.

Introducing Workers' Comp Medical Management

Workers' Comp Medical Management was designed to track the necessity of health care. It starts fast with intervention that puts you in control of a powerful braking system. ConServCo account specialists work with you to develop medical cost and quality control measures.

Our registered nurses and consulting physicians work with attending physicians, offering recommendations from pre-admission utilization review to overall case management. And our team conducts regular evaluations, to make sure your objectives are being met.

It's the kind of performance you get only from cost management professionals who've seen the course from the claims payer's and employer's points of view.

Free: A Newsletter on Workers' Comp Claim Management

For more information on ConServCo's complete line of medical cost saving products, call us toll free or complete and mail the enclosed, postage-paid reply card. In return, we'll send you a free subscription to COM-PEN'TARY, our quarterly newsletter covering the hot topics in workers' comp claim management. Send for it today!



Disability Management and Medical Cost Management Services

Home Office, 3903 Northdale Blvd., Suite 200, Tampa, FL 33624

813-969-0701

800-525-5590

National

ONE-CALL 215-254-9890

FOR LONG-TERM AUTO LEASING INSURANCE



- Lessors Excess Liability
- Primary Physical Damage
- Lessors Contingent Liability
- Primary Liability Coverages
- Residual Value Insurance
- Contingent Physical Damage
- Interim Car Coverages • \$5 MILLION CSL LIMIT AVAILABLE

Be sure. Take advantage of our extensive experience with this difficult-to-place business. Designed specifically for the automobile leasing/rental industry our program saves you time, cuts your costs, satisfies your customers. We do the work, you get the credit!

We invite your inquiry and your business.
Write or call Ron Ruane.



PAIGE-RUANE, INC.
Suite 616 - The Woods
P.O. Box 6745 • Wayne, PA 19087
(215) 254-9890 • FAX # (215) 254-9893

Reliance Specialty Programs, Inc.

Continued from previous page
offices in Boston; Chicago; Columbus, Ohio; Houston; Los Angeles, Newport Beach and San Francisco, Calif.; Philadelphia.

Principal officers: W.A. Alison, president; K.R. Jacobsen, executive vp; F.P. DiPaolo, treasurer; S.A. Crawford, secretary; J.T. MacDonald, vp-claims.

Membership: SIAA.

Consolidated Benefits Inc.

P.O. Box 23581, Columbia, S.C.
29223; 800-243-3110

Year founded: 1988.

Business: 100% claims administration.

Region served: East Coast

Specialties: 30% health insurance, 20% flex compensation.

Self-insured clients/claims: Administration: 25 clients including 22 corporations one public/government entity, two union-sponsored plans; total claims paid for self-insured clients, \$2.6 million. Health plans: 4,000 employees, 11,000 dependents.

Staff: Ten total, all serving self-insurers only.

urers only.

Charges: Administration: per employee per month, \$5-\$10.

1989 gross revenues: \$2.3 million total.

Branch offices: Sales offices in Lake Wylie, S.C.; Mars, Pa.

Principal officers: Fred Navarra, chief executive officer; Jeffrey Miller, president; Richard Navarra, vp; Stuart Brinkley, vp-marketing; Phil Collier, vp-sales.

Membership: SPBA, Carolina Claims Assn.

Control Data

Benefit Services

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

Year founded: 1980.

Parent company: Control Data Corp.

Business: 100% claims administration.

Region served: Nationwide.

Specialties: 99% health insurance, 1% dental.

Self-insured clients/claims: Administration: 20 clients, including 15

corporations, one public/government entity, one multiemployer plan, one Taft-Hartley plan, two union-sponsored plans; total claims paid for self-insured clients, \$345 million. Health plans: 286,000 employees, 344,000 dependents.

Staff: 393 total, all serving self-insurers only.

Charges: Administration: per employee per month, per claim, percent of submitted claims.

Branch offices: Administrative and sales office in Minneapolis. Additional administrative office in Lynnwood, Wash.

Principal officers: Harry Benjamin, president/general manager; Carl Dvorak, vp-data processing; Dave Evert, vp-sales; Priscilla Looten, vp-finance; Dan Maier, vp-Northwest operations; Margie McGovern, vp-human resources; Diane Rodgers, vp-marketing; Mike Walton, vp-quality assurance.

Membership: International Foundation of Employee Benefit Plans.

Thomas P. Corcoran, Consultant-Administrator

P.O. Box 4026, Concord, Calif.
94524; 415-798-2550

Year founded: 1968.

Business: 50% claims administration, 50% other services.

Region served: California, Oregon, Washington, Nevada, Arizona, Colorado, Utah and Montana.

Specialties: 95% health insurance, 5% pensions.

Self-insured clients/claims: Administration: four clients including three Taft-Hartley plans, one union sponsored plan.

Staff: 28 total, five serving self-insurers only.

Charges: Administration: per employee per month, \$8-\$20.

1989 gross revenues: \$1.5 million total; \$745,360 from claims services.

Branch offices: Administrative offices in Oakland and San Francisco, Calif.

Principal officers: Thomas P. Corcoran, president; Lynn Monday, vp-general administration; Dennis Monday, vp-data processing services; Gino Roth, vp-claims administration; Kathy Slavonia, vp-accounting services.

Membership: SPBA.

Corporate Claims Services Inc. (CSSI)

1397 Dublin Road, Columbus, Ohio
43215; 614-488-1666

Year founded: 1875.

Parent company: The McElroy-Minister Co.

Business: 86% claims administration, 14% other services.

Region served: Nationwide.

Specialties: 95% health insurance, 2% flex compensation, 3% disability.

Self-insured clients/claims: Administration: 79 clients, including 75 corporations, four public/government entities; total claims paid for self-insured clients, \$60 million. Health plans: 27,000 employees.

Staff: 60 total, 52 serving self-insurers only.

Charges: Administration: per employee per month, \$5-\$9.50.

1989 gross revenues: \$2.2 million total; \$1.9 million from claims services.

Branch offices: Sales office in Dayton, Ohio.

Principal officers: Monna Burns, president; William Gillam, chairman; James Creek, secretary; Keith Pierce, treasurer.

Membership: SPBA, Columbus Claims Assn.

Corporate Diversified Services Inc.

8805 Indian Hills Drive, Suite 100,
Omaha, Neb. 68114;
402-393-3133

Year founded: 1974.

Parent company: Blue Cross & Blue Shield of Nebraska.

Business: 90% claims administration, 10% other services.

Region served: Nebraska, Iowa, California and New Mexico.

Specialties: 94% health insurance, 5% flex compensation, 1% disability.

Self-insured clients/claims: Administration: 157 clients, including 156 corporations, one union-sponsored plan; total claims paid for self-insured clients, \$16.2 million. Health plans: 13,260 employees.

Staff: 58 total, 30 serving self-insurers only.

Continued on page 44

Our World is Growing...

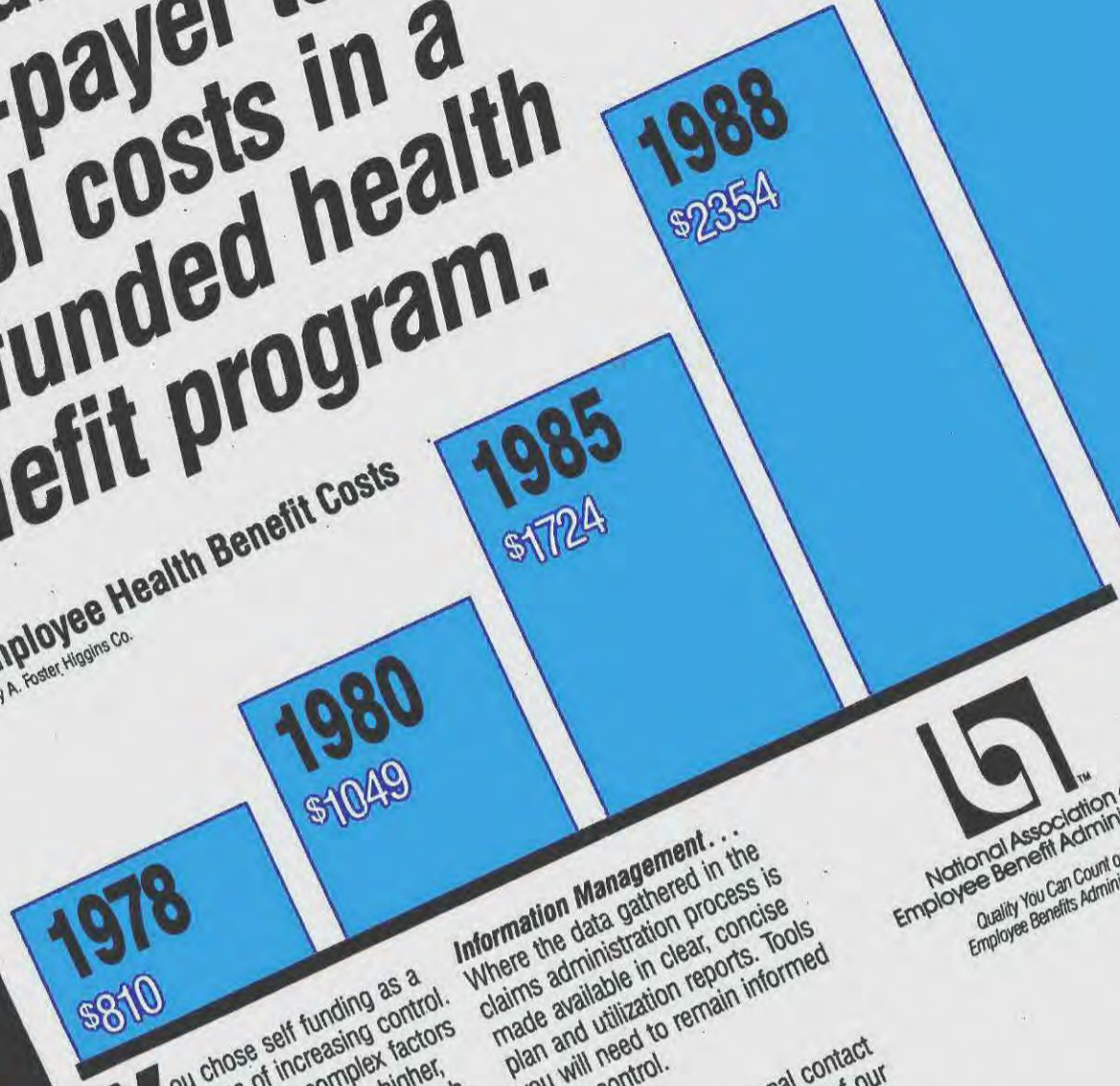
AON *reinsurance exclusively*
Reinsurance Agency, Inc.
a subsidiary of AON Corporation
Service beyond the treaty

123 North Wacker Drive Chicago, Illinois 60606
Phone (312) 781-7900 Fax: 781-7901

Los Angeles New York New Jersey
San Francisco Seattle

It takes more than a claims-payer to control costs in a self-funded health benefit program.

Per Employee Health Benefit Costs
 *Projected by A. Foster Higgins Co.



You chose self funding as a means of increasing control. Today, with complex factors driving health care costs higher, you need "Cost Control Through Claims Management" . . . our comprehensive range of services specifically geared to the self-funded employer.

Plan design . . .
 Where our experience will help you establish responsible levels of coverage, cost sharing and utilization controls . . . keys to reducing claim abuse and increasing employee awareness.

Claims administration . . .
 Where the flexibility of our QicClaim® systems will meet your specific regulatory and billing requirements. And our knowledge of your plan, quality control and personal service will add value to your benefit program.

Information Management . . .
 Where the data gathered in the claims administration process is made available in clear, concise plan and utilization reports. Tools you will need to remain informed and in control.

And more . . .
 Prompt service, personal contact and a thorough knowledge of our local insurance and health care marketplace . . . valuable resources which set us apart from the crowd.

Find out why all TPAs are not alike.
 Return the coupon to the NAEBA member nearest you and receive a FREE 10-minute video "Cost Control Through Claims Management." See for yourself why growing companies from coast to coast depend on an independent NAEBA member to self-fund their employee health benefit program.

QicClaim is a registered trademark of Resource Information Management Systems. Neither the NAEBA or any of its members is representative or agent of RIMS. Members use the QicClaim line of health claims processing software developed by RIMS. © 1990 National Association of Employee Benefit Administrators. All rights reserved.

- ALABAMA**
 MCEB-Genetic Management Service, Inc.
 700 South Road, Suite 100, Birmingham, AL 35215
 Wanda McClave 205/856-7525
- EMPLOYERS LIFE INSURANCE COMPANY**
 One Chase Corporate Dr., Suite 100
 Birmingham, AL 35244
 Philip L. Bostler 205/987-9065
- ARIZONA**
 Mutual Administrators
 P.O. Box 5201, Phoenix, AZ 85076-0200
 Robert King 602/433-8851
- CALIFORNIA**
 HealthCare Management Services
 3711 Long Beach Blvd., Suite 202
 Long Beach, CA 90807
 James J. Jovic 714/595-7085
- ELDER ASSOCIATES**
 2742 Bristol St., Costa Mesa, CA 92626
 Frank Jelle 714/549-7052
- GORDON JONES ADMINISTRATORS**
 P.O. Box 10122, Sacramento, CA 95818
 Danice Epler 916/442-3071
- JACOBI'S AUTO MUTUAL CORP.**
 1816 W. Del Mar Street, Suite 303
 Stockton, CA 95204
 Mary Ellen Williams 209/466-6664
- CONCEPT ADMINISTRATORS**
 9342 Tech Center Dr., Suite 600
 Sacramento, CA 95826
 William Chikening 916/364-7026
- F.B.A. & M. CORPORATION**
 P.O. Box 5093, Westlake Village, CA 91359
 Vera Atstein 818/497-4581
- I.B.P. INSURANCE SERVICES**
 1681 W. Shaw Ave., Fresno, CA 93741
 Barbara Dowd 209/431-4838
- COLORADO**
 The Travelers Plan Administrators of Colorado, Inc.
 5420 S. D. 60th Street, Suite 230
 Englewood, CO 80111
 Pauline S. Soper 303/721-7216
- BENEFIT PLAN ADMINISTRATORS, INC.**
 1877 Foxglove Street, Boulder, CO 80502
 Bill Holman 303/442-1000
- HEALTH CARE BENEFIT SYSTEMS**
 5500 Greenwood Plaza Blvd., Suite 105
 Englewood, CO 80111
 Roxanne Marston 303/770-5710
- MOUNTAIN STATES ADMINISTRATION CO.**
 2530 S. Parker St., Suite 606, Denver, CO 80014
 Clarence Gray 303/468-4500
- NATIONAL BENEFIT ADMINISTRATORS, INC.**
 P.O. Box 1240, Colorado Springs, CO 80904-1270
 Erik Hestek 719/536-3382
- CONNECTICUT**
 Diversified Group Insurance Corp.
 369 N. Main Street, Marlborough, CT 06047
 Robert H. Salek 203/295-9583
- HEALTH PLAN ADMINISTRATORS, INC.**
 P.O. Box 918
 303 State Park Road, (06810)
 Danbury, CT 06813
 Roy Atchuck 203/794-1703
- TRIPOLI**
 P.O. Box 5518, New Haven, CT 06510
 Mary Stakes 203/426-8161
- ASSOCIATED PLAN ADMINISTRATORS, INC.**
 4133 Whitney Avenue, Hamden, CT 06518
 Fred R. Brown 203/287-1272
- FLORIDA**
 Sea Funding Administrators, Inc.
 P.O. Box 340689, Miami, FL 32794-0689
 Jessica Higgins 407/831-2511
 3004 SE 35th St., (Free FL)
 30072-3136 (Orlando FL)
- BROWN AND BROWN, INC.**
 201 Draper, 710, Daytona Beach, FL 32015
 Greg Brown 904/251-9501
- GEORGIA**
 Jones, Hill & Moore, Employee Benefits, Inc.
 P.O. Box 3986, Savannah, GA 31412
 James R. Dennis 912/236-1551
- IDAHO**
 MESA Benefits Corporation
 703 South Adams Parkway, Idaho Falls, ID 83401
 Jerry Mitchell 208/529-4060
- ILLINOIS**
 Financial Insurance Services Consultants, Inc.
 400 E. DuSable, 2nd Floor
 Naperville, IL 60563-1358
 Douglas Bolter 708/505-8000
- INSURANCE ADMINISTRATION CENTER, INC.**
 480 Renaissance Drive, Park Ridge, IL 60068
 Robert L. Larsen 708/297-2020
- KRUPP & COMPANY, INC.**
 P.O. Box 497, Peoria, IL 61610-0971
 Michael D. Krupp 309/692-7330
- MANAGEMENT SERVICES, INC.**
 15 N. Neil St., Suite 409, Champaign, IL 61820
 Dick Wickert 217/251-3233
- SWAN ADMINISTRATIVE SERVICES, INC.**
 P.O. Box 227, Elmwood Park, IL 60022
 Anthony J. Orsini 708/291-1230
- THE TRAVELERS PLAN ADMINISTRATORS OF ILLINOIS, INC.**
 250 W. Wacker Drive, Suite 600
 Palatine, IL 60067-1805
 Stephen L. Rosen 708/934-7772
- ALLIED BENEFIT SYSTEMS, INC.**
 222 S. Riverside Plaza, Suite 1500
 Chicago, IL 60606-6001
 Ben D. Schermer 312/906-8080
- B.M.S. SERVICES, INC.**
 2555 W. Higgins Road, Chicago, IL 60631
 William J. Jolley 312/843-5410
- Blockhead**
 1030 Higgins Rd., Suite 200, Park Ridge, IL 60068
 James P. Lowery 708/692-7020
- INDIANA**
 Health Care Administrators, Inc.
 Suite 200, Three Zenith Plaza
 13333 N. Wabasha Street, Indianapolis, IN 46290
 Edmund W. Frates 317/845-2092
- KAR BENEFIT ADMINISTRATORS, INC.**
 P.O. Box 5210, Indianapolis, IN 46205
 Bill Moutrey 317/255-3822
- RYLAND BENEFIT SERVICES, INC.**
 P.O. Box 617, 650 Elm Blvd., IN 46624
 Don Cargaret 219/232-2993
- ADMINISTRATIVE PROCEDURES, INC.**
 P.O. Box 1300, Ellettsville, IN 47902-1800
 Thomas F. Conter 317/423-1577
- BENEFIT SYSTEMS, INC.**
 9102 N. Meridian, Suite 200, Indianapolis, IN 46260
 Ronald C. Sander 317/579-2084
- FIRST BENEFIT CORPORATION**
 6061 St. Rd., IN 46015-0379
 Greg Bell 317/542-1199
- IOWA**
 Self-Insured Services Company
 P.O. Box 389, Du Quoin, IA 52001
 Ms. V. L. Schuller 319/536-1456
- THE ADMINISTRATORS**
 202 Francis Building, Sioux City, IA 51101
 Mark Hester 712/772-1241
- LOUISIANA**
 Association of Health Plans, Inc. of LA
 4915-B Greig Drive, Metairie, LA 70006
 Arthur L. Michard 504/885-9365
- Gulf South Health Plans**
 P.O. Box 80339, Baton Rouge, LA 70899
 Charles D. Calvo 504/927-7212
- Total Benefit Services, Inc.**
 210 D'Arbonne, Suite 300, New Orleans, LA 70112
 Peggy Williams 504/936-3150
- MAINE**
 Benefit Management of Maine, Inc.
 P.O. Box 3859, Portland, ME 04109
 Patricia Kelley-Stelmack 207/772-1244
- MASSACHUSETTS**
 Benefit Administrators of New England
 100 Leverage Place, Suite 302, Rockland, MA 02370
 Neil Guehn 617/982-1881 or 800/533-0990
- MICHIGAN**
 Administrative Systems Research Corporation
 2449 Cardinal Court S.E., Grand Rapids, MI 49508
 Todd A. Stuy 616/257-1751
- Midwest Benefit Corporation**
 25505 174th Ave., Suite 1000
 Southfield, MI 48034-1846
 Ronald A. Klein 313/351-0200
- New World Claims Services, Ltd.**
 P.O. Box 1030, Miles J.M. 48120
 Ruth Hanson 616/684-6700
- MINNESOTA**
 Employee Benefit Plans, Inc.
 435 Ford Bld., St. Paul, MN 55426
 Judy Finley 612/546-4353
- MISSISSIPPI**
 MHA Insurance Services, Inc.
 P.O. Box 1074, Jackson, MS 39230
 Bill Sain 601/922-3332
- Benefit Administration Services, Ltd.**
 101 E. Capitol St., Suite 413, Jackson, MS 39201
 Tom Brown 601/989-4286
- MISSOURI**
 DBL Services, Inc.
 515 Olive St., Suite 200, St. Louis, MO 63101-3833
 H. Stephen Landis 314/241-8655
- Spectrum Benefit, Inc.**
 745 Olive Parkway, Suite 148, St. Louis, MO 63107
 Mary D. Lewis 314/941-0878
- WOODSMAN BENEFIT SERVICES, INC.**
 2480 Pershing Rd., Two Crown Center
 Kansas City, MO 64116
 Mike Weaver 316/421-7788
- MONTANA**
 Northwest Administrators
 P.O. Box 105, Great Falls, MT 59403
 H.C. Jay Johnson 406/761-5000
- Computer Claims Administration, Inc.**
 P.O. Box 21367, Billings, MT 59104
 Fredrick H. Larson 406/245-3575
- NEW HAMPSHIRE**
 Kendall Benefit Services
 P.O. Box 840, Rochester, NH 03867
 Everett W. Page 603/432-5800
- NEW JERSEY**
 Rasmussen Agency, Inc.
 101 Evergreen Place, East Orange, NJ 07018
 Nicholas P. Sylvester 201/675-3940
- NEW YORK**
 Atlantic Administrators, Inc.
 3874 Hecht Rd., B'ham NY 14215
 David Blazer 516/537-4281
- OHIO**
 GLEBA BENEFITS
 General Insurance Exchange Agency, Inc.
 P.O. Box 1395, Steubenville, OH 44224
 James M. Tebrault 216/688-4322
- The P. Farley Corporation**
 P.O. Box 1502, Cleveland, OH 44145
 James P. Farley 216/991-6800
- Professional Claims Management**
 P.O. Box 45276, Cincinnati, OH 45245-2726
 Robert L. Archbold 216/494-7278
- Professional Case Management, Inc.**
 P.O. Box 649, Youngstown, OH 44501
 Jim White 216/726-5800
- Benefit Claims Administrators, Inc.**
 313 10th Street, Toledo, OH 43603
 Russell L. Sutton 419/255-1400
- Employee Benefit Management Corp.**
 4789 Rines Rd., Columbus, OH 43017-0756
 Paul Simon 614/768-5200
- OKLAHOMA**
 Taber Brokerage Services, Inc.
 519 NW 5th Street, Oklahoma City, OK 73102
 Kristen Green 405/235-4610
- Mutual Assurance Administrators, Inc.**
 P.O. Box 2096, Oklahoma City, OK 73123
 Rich Carlson 405/722-3444
- PENNSYLVANIA**
 Babbitt
 850 Ridge Avenue, Pittsburgh, PA 15212
 Ronald B. Livingston 412/237-2020
- Benefit Coordinators Group**
 Corporate One West
 1195 Washington Ave., Bridgeville, PA 15017
 Aileen Sostar 412/257-8000
- Diversified Group Administrators**
 P.O. Box 330, Pittsburgh, PA 15317
 Sharon Lavey 412/746-8700
- SOUTH CAROLINA**
 Planned Administrators, Inc.
 P.O. Box 8927, Columbia, SC 29223
 William F. Shelton 803/741-0467
- TENNESSEE**
 Pittman & Associates, Inc.
 One Prescott South, Memphis, TN 38111
 Arnold H. Pittman 901/323-2140
- Corporate Systems Administration, Inc.**
 Collier Service, 1995, Johnson City, TN 37607
 Tom Repass 615/282-3420
- TEXAS**
 The Travelers Plan Administrators of Texas, Inc.
 2020 McEwen Dr., Suite 200, Dallas, TX 75244
 Dawn Chabonhead 214/788-2555
- Boon Chapman**
 P.O. Box 9201, Austin, TX 78766
 T.J. Chapman 512/454-2681
- Insurance Benefit Services, Inc.**
 P.O. Box 218969, Houston, TX 77218-8969
 Mark Toole 713/578-0250
- Third Party Administrators**
 P.O. Box 4582, Houston, TX 77210-4582
 Keith Oehlschlager 713/690-0044
- UTAH**
 JAS Inc.
 1885 South 900 East, Suite 202
 Salt Lake City, UT 84117
 Scott N. Shelton 801/266-3271
- VIRGINIA**
 Benefit Plan Administrators, Inc.
 701 South Jefferson St., Chesapeake, VA 24001
 Arnold P. Masinter 703/345-2721
- WASHINGTON**
 Concept Administrators
 10627 AVE 38th Place, Kirkland, WA 98033
 Scott Shute 206/822-9843
- WISCONSIN**
 Employee Benefit Claims of WI, Inc.
 P.O. Box 12200, Milwaukee, WI 53217
 John Feith 414/962-1266
- National Benefit Consultants, Inc.**
 P.O. Box 19035, Green Bay, WI 54307-9035
 Bob Hergenroder 414/496-2500
- Preferred Administrative Services, Inc.**
 3 Semple Centre
 5940 Semple Centre Ct., Madison, WI 53711
 Gene Jensen 608/273-1776

FREE VIDEO

Company _____
 Your Name _____
 Title _____
 Address _____
 City _____ State _____ Zip _____

"Cost Control Through Claims Management"

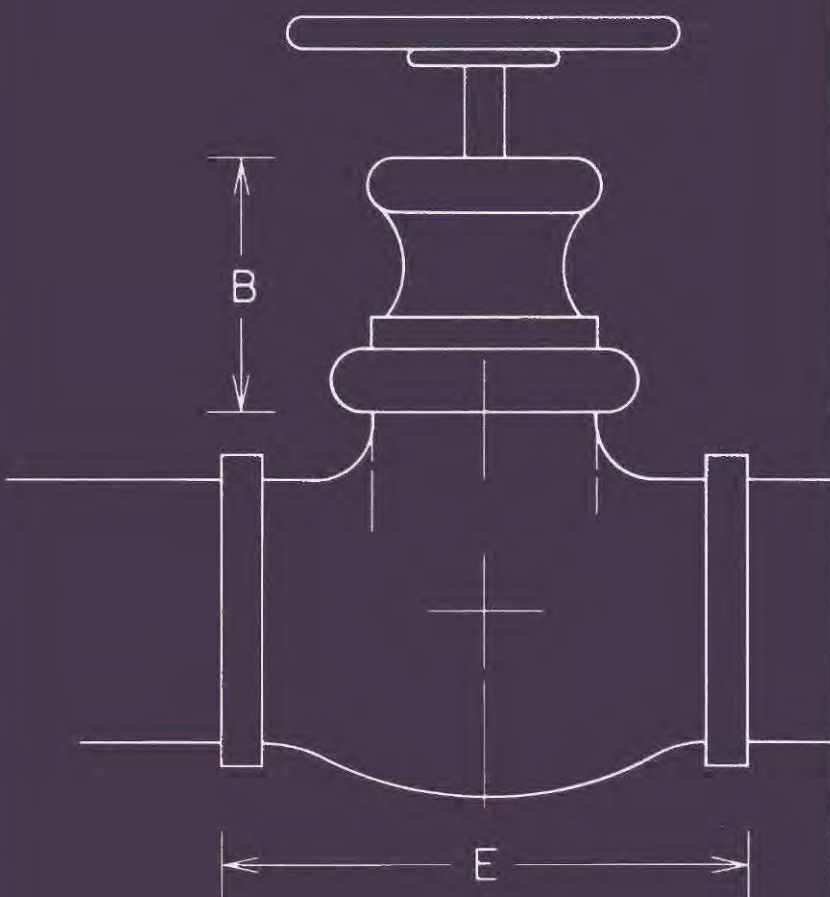
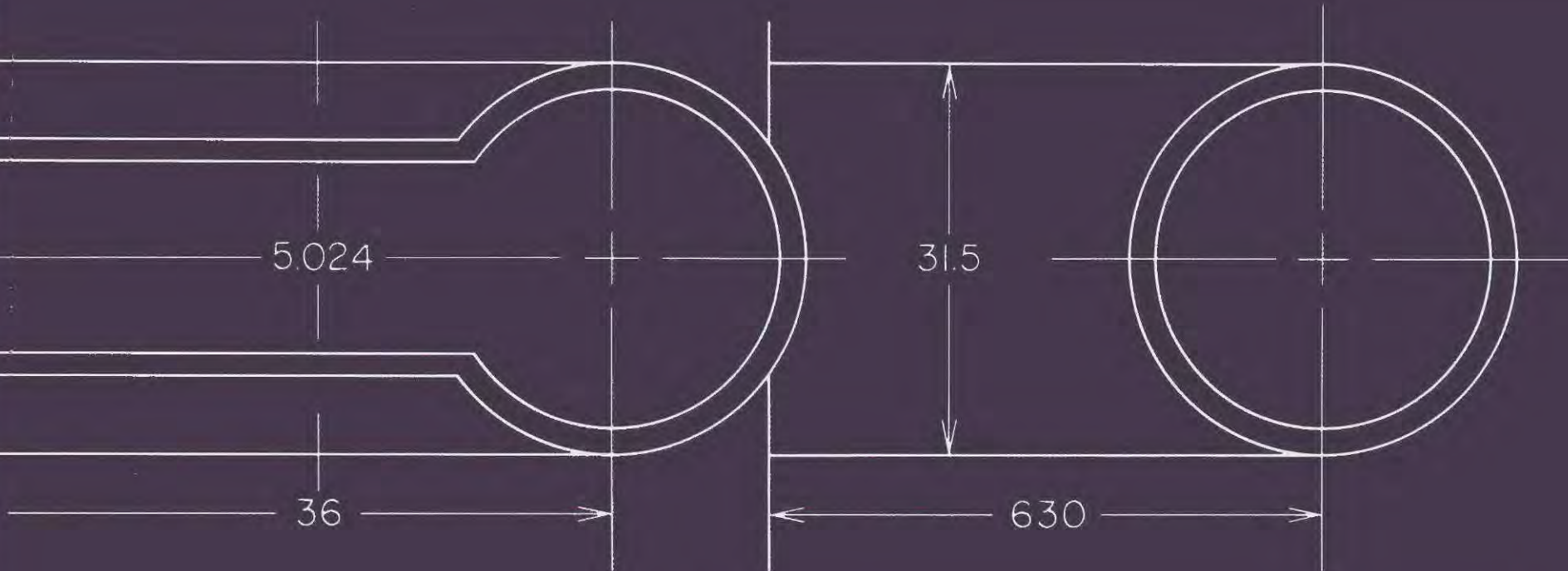


THE HOM



OLD PROS ON

E T O D A Y



She earned her stripes in pipes.

When we made Jan Noll the head of our Jackson, Mississippi branch, it didn't catch anybody by surprise, exactly.

Trained to be a schoolteacher (in Latin and English, no less), she'd proven herself exceptionally good with people.

Indeed, Jan acquired a small army of admiring colleagues during her 15 years at The Home. And meantime, she managed to underwrite everything from pipelines to the world's largest catfish processor.

At The Home, we're building our entire business around people like Jan Noll. Whether they're Home veterans or newly recruited, they have talents and experience well beyond the ordinary.

You see, we've made a decision to concentrate on *larger, more complex risks*. To provide consistent, reliable coverage on such risks, for you and your policyholders.

And the only way we can guarantee you coverage like that is to have people like Jan.

The Home underwrites Commercial Lines, Major Accounts, Specialty Lines and upscale Personal Lines.

Home Insurance

A subsidiary of ANBASE CORPORATION

A N E W T E A M

CELEBRATING

50

YEARS OF
SERVICE
TO THE
INSURANCE
INDUSTRY

Schirmer

SCHIRMER ENGINEERING CORPORATION

Offering Loss Control &
Fire Protection Engineering Services

- Underwriting & Loss Control Reports
- Safety & Health Engineering
- Building & Fire Code Consultation
- Fire Suppression System Design
- Alarm System Design
- Litigation Support Services

707 LAKE COOK ROAD
DEERFIELD, IL 60015-4997
PHONE 708/272-8340

Dallas, TX - San Francisco, CA - Washington, DC

Continued from page 44

Charges: Administration: per employee per month, \$2-\$8.

1989 gross revenues: \$794,408 total; \$720,228 from claims services.

Principal officers: Richard Guffey, president; Cheri Kowal, executive vp/chief operating officer; Jerry Herbel, vp/treasurer; Robert Henrichsen, vp-marketing; Sue Schneiderwind, corporate secretary.

Membership: SIIA, International Foundation of Employee Benefit Plans.

Corporate Group Systems Inc.

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

Year founded: 1938.

Parent company: Alexander & Alexander Inc.

Business: 100% claims administration.

Region served: Nationwide.

Specialties: 80% health insurance, 10% flex compensation, 10% disability.

Self-insured clients/claims: Administration: 75 clients, including 55 corporations, 15 public/government entities, five multiemployer plans; total claims paid for self-insured clients, \$17.5 million. Health plans: 28,000 employees, 34,000 dependents.

Staff: 40 total, all serving self-insured clients only.

Charges: Administration: per enrolled employee.

Branch offices: Sales offices in Grand Rapids and Saginaw, Mich.; Cleveland; Bentonville, Ark.

Principal officers: Pete Proffer, president; Don Fisher, executive vp; Bill Wallace, secretary/treasurer; Darwin Daniel, senior vp/sales manager.

Corporate Health Administrators

300 Harper Drive, Building One, Moorestown, N.J. 08057; 800-343-5723

Year founded: 1988.

Parent company: U.S. Health-care.

Business: 100% claims administration.

Region served: Nationwide.

Specialties: 97% health insurance, 1% flex compensation, 2% disability.

Self-insured clients/claims: Administration: 22 clients, including 21 corporations, one public/government entity; total claims paid for self-insured clients, \$11.5 million. Health plans: 9,000 employees, 13,000 dependents.

Staff: 22 total, all serving self-insurers only.

Charges: Administration: per employee per month.

1989 gross revenues: \$800,000 total, \$600,000 from self-insurers.

Branch offices: Sales offices in Waltham, Mass.; Shelton, Conn.; Paramus, N.J.; Lake Success, N.Y.; Blue Bell and Pittsburgh, Pa.

Principal officers: Allen Wise, president; Angelc Devita, senior vp-sales/marketing; Daniel Hoffmann, senior vp-customer service; Nancy Coccozza, vp-finance.

Membership: SPBA.

Corporate Systems Administration Inc.

3201 Bristol Highway, Caller Service 4985 CRS, Johnson City, Tenn. 37602-4985

Year founded: 1980.

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

Region served: Southern and eastern states.

Specialties: 80% health insurance, 10% flex compensation, 5% disability, 5% life.

Self-insured clients/claims: Administration: 24 clients, including 17 corporations, seven public/government entities; total claims paid for self-insured clients, \$21.5 million. Health plans: 22,000 employees, 25,000 dependents.

Staff: 21 total, 11 serving self-insurers only.

Charges: Administration: per covered employee per month, \$4.50-\$8.50.

Principal officers: Thomas H. Re-pass, president; David H. Grazier, vp; Douglas Sizemore, secretary/treasurer.

Membership: SPBA, SIIA, National Assn. of Employee Benefit Administrators.

Cost Management Technologies Inc.

One Main Plaza, 4435 Main, Suite 810, Kansas City, Mo. 64111; 816-531-6300

Year founded: 1985.

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

Region served: Nationwide.

Specialties: 95% health insurance, 5% disability.

Self-insured clients/claims: Administration clients include corporations, union-sponsored plans and association plans. Health plans: 14,000 employees, 17,000 dependents.

Staff: 35 total.

Charges: Administration: per employee per month.

Branch offices: Administrative office in St. Louis.

Subsidiaries: Cost Management Technologies Inc.

Principal officers: Patrick A. Thompson, president; Scott K. Johnson, managing principal; John L. Laird, vp-health plan risk management.

Membership: SPBA.

D

DBL Services Inc.

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

Year founded: 1982.

Business: 90% claims administration, 2% claims auditing, 8% other services.

Region served: Missouri, Illinois, Arkansas, Kansas, Louisiana, Michigan, Alabama and Texas.

Specialties: 90% health insurance, 5% flex compensation, 5% disability.

Self-insured clients/claims: Administration: 18 clients, including eight corporations, six public/government entities, two multiemployer plans, one Taft-Hartley plan, one union-sponsored plan; total claims paid for self-insured clients, \$60 million. Health plans: 43,000 employees, 61,000 dependents.

Continued on page 46

ILLINOIS INSURANCE EXCHANGE

"Thanks a Billion!"



We currently have 145 broker members nationwide and are approved to write business in 42 states.

We just topped the \$1,000,000,000 mark in total gross written premium!

Reaching this important milestone highlights the dedicated efforts of our broker members, syndicate investors and Exchange employees. They have not only participated in our success but have enabled us to become the fifth largest market for surplus lines insurance in the country.

Our recently released nine-month results, shown below, reflect a continuing trend of profitability and growth, tempered by fiscal responsibility and underwriting discipline.

NINE-MONTH FINANCIAL RESULTS

September 30,	1989
Gross Written Premium	\$145,452,697
Direct Written Premium	120,500,012
Net Operating Income	13,317,337
Admitted Assets	478,679,991
Policyholders' Surplus	114,083,373
Combined Ratio	0.99
NWP/PHS (Annualized)	1.20
GWP/PHS (Annualized)	1.70

Get all the facts on our expanding role in the marketplace and the financial opportunities available to investors by contacting James M. Skelton, President and CEO.



Illinois Insurance Exchange

175 W. Jackson Boulevard, Suite 1234 • Chicago, IL 60604
Toll-Free 1-800/525-8471 (In Ill. 312/939-2400) • Fax 312/939-2927

When The Claims Come In, Will Your Reinsurer Disappear?



Why have so many reinsurers vanished, leaving behind billions of dollars in unrecoverables?

In the past 8 years, 27 of the top 100 reinsurers have closed.

If you have any doubt that your reinsurer will be there when

the big claims roll in, call us.

North American Re has an outstanding reputation for paying verified claims in four working days. North American Re.

In times of trouble we never become unravelled.

NORTH AMERICAN



**Choosing A Reinsurer
Shouldn't Be A Risk**



Since 1967

Industrial Insurance Management Corporation

Insurance specialists that give you impartial professional advice to protect the assets of your corporation or institution.

Consultants for Casualty • Property • Employee Benefit Programs

"WE SELL NO INSURANCE"

Charlotte: 5222 Monroe Road, P.O. Box 18308, Charlotte, N.C. 28218 (704) 535-1123
 Birmingham: P.O. Box 7684-A, Birmingham, Ala. 35253 (205) 871-0155
 Richmond: P.O. Box 6812, Richmond, Va. 23230 (804) 346-2077
 Tampa: Suite 205B, 3300 Henderson Blvd., Tampa, FL 33609 (813) 877-3360

Continued from page 44

Staff: 98 total, 94 serving self-insurers only.

Charges: Administration: flat fee per employee.

1989 gross revenues: \$2.4 million total.

Branch offices: Administrative and sales offices in Jefferson City, Mo.; New Orleans.

Principal officers: H. Stephen Landau Jr., chief executive officer; Anne Landau, president; Donald R. Boniface, senior vp; Marvin L. Meyer and Byron Gorman, vps.

Membership: SPBA, National Assn. of Employee Benefit Administrators.

Diversified Group Administrators Inc.

P.O. Box 330, Canonsburg, Pa. 75317; 412-745-8700

Year founded: 1982.

Business: 90% claims administration, 10% other services.

Region served: Nationwide.

Specialties: 90% health insurance, 5% flex compensation, 5% disability.

Self-insured clients/claims: Administration: 210 clients, including 202 corporations, six public/government entities, two union-sponsored plans; total claims paid for self-insured clients, approximately \$20 million. Health plans: 24,000 employees, 35,000 dependents.

Staff: 45 total, all serving self-insurers only.

Charges: Administration: per employee per month, \$5.-\$15.

1989 gross revenues: \$1.8 million total; \$1.6 million from claims services.

Branch offices: Administrative and sales offices in Knoxville, Tenn.; Pittsburgh. Sales office only in Dallas.

Principal officers: David Bramer, president; Michele Peinol and Sharon Lavery, vps; Daniel Reston, secretary/treasurer.

Membership: SBPA, SIIA, Self Funded Assn. of Pennsylvania.

Diversified Group Brokerage Corp.

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

Year founded: 1967.

Business: 35% claims administration, 65% other services.

Region served: Connecticut, Maine, Massachusetts, New Hampshire, Vermont, Pennsylvania, Ohio, West Virginia.

Specialties: 90% health insurance, 5% flex compensation, 5% disability.

Self-insured clients/claims: Administration: 404 clients that are corporations; total claims paid for self-insured clients, \$50 million. Health plans: 35,000 employees, 84,000 dependents.

Staff: 145 total, 108 serving self-insurers only.

Charges: Administration: per employee per month, \$13-\$16.

1989 gross revenues: \$7 million total, \$2.5 million from self-insurers.

Branch offices: Sales offices in Mystic and Danbury, Conn.; Norwell and West Springfield, Mass.; Pittsburgh; Hampton, N.H.

Subsidiaries: Diversified Group Administration.

Principal officers: Robert H. So-leau, president; Duane Briskey, secretary/treasurer; Edward J. O'Brien, executive vp-operations; Mary Armstrong, vp-claims/administration; Katherine Shea, vp-underwriting.

Membership: SPBA, National Assn. of Benefit Administrators; Connecticut Assn. of Third Party Administrators.

Donovan Benefit Systems Inc.

440 Louisiana St., Suite 2120, Houston, Texas 77002; 713-224-5551

Year founded: 1984.

Business: 100% claims administration.

Region served: Nationwide.

Specialties: 90% health insurance, 3% flex compensation, 2% disability.

Self-insured clients/claims: Administration: 33 clients, including 28 corporations, four public/government entities, one union-sponsored plan.

Staff: 30 total, all serving self-insurers only.

Charges: Administration: per employee per month.

1989 gross revenues: \$1.3 million total.

Principal officers: James D. Baker, president; Kathleen J. Ross, executive vp; Karen V. Hawa, vp-marketing.

E

Eagles' Administrators Ltd.

3191 Nicholas IIe Road, Lexington, Ky. 40503; 606-272-7600

Year founded: 1972.

Parent company: Professional Administrators Ltd. and Bradford National Life Insurance Co.

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

Region served: Nationwide.

Specialties: 90% health insurance, 10% disability.

Self-insured clients/claims: Administration: 95 clients that are corporations; total claims paid for self-insured clients, \$25 million. Health plans: 15,000 employees, 30,000 dependents.

Continued on page 48



COUNT ON MET RE TO STAY AFLOAT.

With the latest wave of potential liabilities, will your reinsurers leave you up the creek without a paddle? Not Met Re.

You can depend on our sizeable surplus and our expert Treaty and Facultative teams to keep you above water. We're also affiliated with Met Life

an armada of financial wisdom and resources.

Our sound reinsurance is oceans apart from the competition.

GET MET. IT PAYS.



METROPOLITAN REINSURANCE COMPANY

©1989 Metropolitan Reinsurance Company N.M.V. PEANUTS Characters ©1958, 1965 United Feature Syndicate, Inc.

A CLEAR CHANNEL THROUGH HEALTH CARE'S MURKY WATERS.



The diagnosis and treatment of mental health and substance abuse problems is seldom simple. Experimentation can be risky. "Customary practice," while convenient, can be ineffective. And both approaches are often unnecessarily expensive. That's why decisions in these "grey areas" are rarely clear. MCC can help clarify the process. Since 1974 we have been developing and prescribing mental health and substance abuse treatment programs that are results oriented, not driven by simple expediency. The documented results: consistently high user satisfaction and effective cost control.

MCC offers a comprehensive range of health care management products for employers, including our Utilization Management and Exclusive and Preferred Provider Programs, Employee Assistance Programs, and capitated "at risk" arrangements for HMOs and PPOs.

We'll answer all your questions and help you evaluate and choose according to your firm's specific needs. Please call 612-861-9500 or 1-800-433-5768 today.

Let's still the troubled waters together.

©1989 MCC Companies, Inc.



Spotlight report

Continued from page 46

Staff: 30 total, 28 serving self-insurers only.

Charges: Administration: per employee per month, \$3.50-\$17.

1989 gross revenues: \$1.5 million total.

Branch offices: Administrative and sales office in Cincinnati.

Principal officers: Thomas Colvin, president; David Gubbay, vp/secretary; Richard Stump, vp/treasurer; Jean George, vp.

Membership: SPBA, SIIA, Health Insurance Assn. of America.

Eastern Benefit Systems Inc.

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

Year founded: 1980.

Parent company: Centennial Financial Group.

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

Region served: Nationwide.

Specialties: 95% health insurance, 3% flex compensation, 2% disability.

Self-insured clients/claims: Ad-

ministration: 47 clients, including 45 corporations, two public/government entities; total claims paid for self-insured clients, \$70 million. Health plans: 48,000 employees, 100,000 dependents.

Staff: 72 total, all serving self-insurers only.

Charges: Administration: per employee per month.

1989 gross revenues: \$3.5 million total.

Branch offices: Sales office in West Orange, N.J.

Principal officers: William E. Vogel, chief executive officer; Antonio Lim, president; Dominick Fanuele, vp-marketing.

Membership: SPBA.

Employee Benefits America

17360 Brookhurst St., Fountain Valley, Calif. 92708; 714-760-4734

Year founded: 1988.

Parent company: PM Group Life Insurance Co.

Business: 33% claims administration, 67% other services.

Region served: Nationwide.

Specialties: 95% health insurance, 1% flex compensation, 1% disability, 3% life.

Self-insured clients/claims: Administration: 83 clients, including 67 corporations, eight public/government entities, five Taft-Hartley plans, three association plans; total claims paid for self-insured clients, \$181 million. Health plans: 108,000 employees.

Staff: 515 total, 170 serving self-insurers only.

Charges: Administration: per employee.

1989 gross revenues: \$33 million total; \$11 million from claims services.

Branch offices: Administrative offices in Federal Way, Wash.; Burbank, Calif.; Phoenix, Ariz.; Dallas; Atlanta; Fort Wright, Ky.

Principal officers: William L. Ferris, president; Roger Beck, senior vp; Joseph San Filippo, vp-field benefits; Diane Dailacis, second vp-administration/home office benefits; Susan Lech-Negele, vp/medical director.

Membership: SIIA.

Employee Benefit Claims Inc.

E20 Parish St., Pittsburgh, Pa. 15220 412-922-2803

Year founded: 1977.

Business: 100% claims administration.

Region served: Nationwide.

Specialties: 94% health insurance, 5% flex compensation, 1% disability.

Self-insured clients/claims: Administration: 330 clients, including 314 corporations, 13 public/government entities, one multiemployer plan, two association plans; total claims paid for self-insured clients, \$45 million. Health plans: 26,000 employees, 52,000 dependents.

Staff: 92 total, all serving self-insurers only.

Charges: Administration: per employee, \$6.50-\$8.50 or percent of claims plus fees.

1989 gross revenues: \$5.5 million total.

Branch offices: Administrative and sales office in Cleveland. Additional sales office in Atlanta.

Subsidiaries: EBCares, EBRx,

Benefit Planners & Associates, BP Agency.

Principal officers: Paul R. Hughes, chairman; Dennis Casey, vp; Donald Matz, president-Cleveland office; Charles Petrovic, president-Atlanta office.

Membership: SPBA, SIIA.

Employee Benefit Claims of Wisconsin Inc.

5235 N. Ironwood Road, P.O. Box 17200, Milwaukee, Wis. 53217; 414-962-1766

Year founded: 1977.

Parent company: SAFECO Life Insurance Co.

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

Region served: Nationwide.

Specialties: 95% health insurance, 5% disability.

Self-insured clients/claims: Administration: 300 clients, including 290 corporations, 10 public/government entities. Health plans: 45,000 employees, 100,000 dependents.

Staff: 87 total, all serving self-insured clients only.

Charges: Administration: flat fee.

Branch offices: Administrative and sales office in Appleton, Wis.

Principal officers: John Feith Sr., president; John A. Feith vp/manager; Joy Schulz, vp.

Membership: SPBA, SIIA.

Employee Benefit Management Corp.

4789 Rings Road, Dublin, Ohio 43017-1599; 614-766-5800

Year founded: 1979.

Business: 70% claims administration, 30% other services.

Region served: Nationwide.

Specialties: 97.9% health insurance, 0.2% flex compensation, 1.9% disability.

Self-insured clients/claims: Administration: 105 clients, including 98 corporations, one public/government entity, three Taft-Hartley plans, three association plans; total claims paid for self-insured clients, \$90.4 million. Health plans: 64,168 employees, 115,532 dependents.

Staff: 108 total, 106 serving self-insurers only.

Charges: Administration: per employee per month, \$4.50-\$9.

1989 gross revenues: \$5 million total; \$3.5 million from claims services.

Principal officers: T.C. Jack, president; R.G. Means, chairman; Molly White, C.J. Wintersteller, Don Wallick and J.O. Micha, vps.

Membership: SPBA, SIIA.

Employee Benefit Management Services

P.O. Box 21367, Billings, Mont. 59104; 406-245-3575

Year founded: 1979.

Business: 90% claims administration, 10% other services.

Region served: Nationwide.

Specialties: 78% health insurance, 5% pensions, 15% flex compensation, 1% disability, 1% life.

Self-insured clients/claims: Administration: 65 clients, including 40 corporations, 21 public/government entities, four multiemployer plans; total claims paid for self-insured clients, \$12 million. Health plans: 10,000 employees, 25,000 dependents.

Staff: 25 total, 24 serving self-insurers only.

Charges: Administration: fixed fee per employee.

1989 gross revenues: \$800,000 total; \$750,000 from claims services.

Branch offices: Administrative and sales offices in Missoula, Mont. Additional sales office in Miles City, Mont.

Principal officers: Fredrick Larson, president; Nicki Larson, secretary/treasurer.

Membership: SPBA.

Employee Benefit Plans Inc.

435 Ford Road, Suite 500, Minneapolis, Minn. 55426; 612-546-4353

Year founded: 1974.

Business: 47% claims administration, 1% claim adjusting, 52% other services.

Region served: Nationwide.

Specialties: 99% health insurance, 1% flex compensation.

Continued on page 50

Free advice for the benefits pros who charge for theirs.

Concept DR[®]

We're the American Association of Orthodontists. And we help benefits consultants/TPA's design and implement this cost-effective, self-funded, direct reimbursement dental/orthodontic benefits program for their clients.

And, while it's a free public service from the AAO, it can also be a low-overhead moneymaker and door-opener for you.

Concept DR[®] is worth a lot more than the usual free advice. More than 200 very happy employers nationwide will vouch for that, as will their employees and many of your professional colleagues.

The AAO has the expertise, actuarial data, support materials, and commitment to help you enhance the service you provide your clients.

Some of the best things in life are free. For more information on Concept DR, return the coupon or give us a call.

(314) 993-1700

Concept DR[®]
An advisory service of the
American Association of Orthodontists



YES, I am interested in finding out more about Concept DR[®].

Name _____ Title _____

Company _____

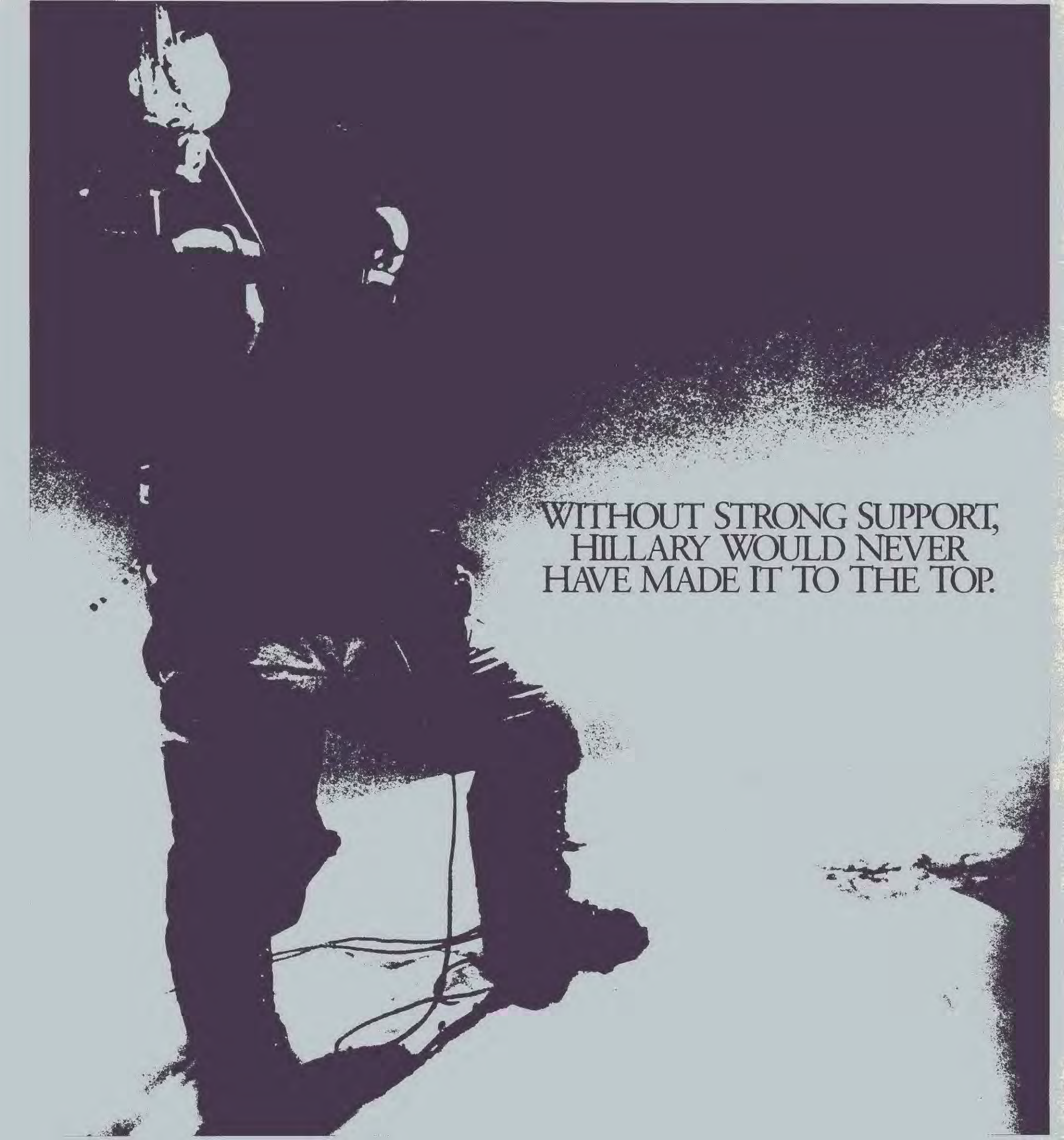
Address _____

City _____ State _____ ZIP _____

Telephone (____) _____

I am a () benefits consultant () TPA () both.

Mail to: CONCEPT DR[®] TPA11
American Association of Orthodontists
460 N. Lindbergh Blvd., St. Louis, MO 63141 (314) 993-1700



WITHOUT STRONG SUPPORT,
HILLARY WOULD NEVER
HAVE MADE IT TO THE TOP.

When Sir Edmund Hillary stood at mountaineering's ultimate destination on the morning of May 29, 1953, he wasn't alone. Sherpa guide Tenzing Norgay crested the summit with him. Without the assistance of the "Tiger of the Himalayas" and other Sherpa porters, Hillary wouldn't have had a snowball's chance.

And so it is with business.

Your management has the skills. But without the guidance of others, you may overlook the pitfalls.

Scott Wetzel Services has provided

third-party risk management planning and support to companies for nearly fifty years. Our longevity is tempered in experience that makes it possible to provide counsel of greater depth and flexibility than others. With Scott Wetzel, your risk management picture is melded into one comprehensive, coordinated program. Overseen with instant and thorough communications.

Your company will be able to reap the benefits of self-insurance support, from improved cash flow to a safer working envi-

ronment through loss control programs.

Start now by calling our local representative. Or contact our home office at 1-800-426-5990. (In Washington, call 206-479-0200.) Ask for our president, John Harrold. He'll show you how to make it all the way to the top.

EXPERIENCE WITH VISION.

SCOTT WETZEL
SERVICES, INC.

Risk Management Planning and Support

Spotlight report

Continued from page 48

Self-insured clients/claims: Administration: 2,261 clients, including 864 corporations, 733 public/government entities, 619 multiemployer plans, eight union-sponsored plans, 39 association plans; \$616 million total claims paid for self-insured clients. Adjusting: types of claims include medical, dental, vision, prescription drug, flex compensation.

Staff: 593 total, 593 serving self-insurers only.

Charges: Administration: fee per employee, percent of paid claims. Adjusting: fee per employee.

1989 gross revenues: \$74.7 million total; \$36 million from claims services.

Branch offices: 23 administrative and sales offices nationwide.

Subsidiaries: Comprehensive Benefit Services Co. Inc.

Principal officers: William E. Sagan, president/chief executive officer; Robert P. Brook, vp-marketing; Mark A. Sorenson, chief financial officer; Henry Helgen, vp-general counsel; Kevin G. Nagel, vp-reinsurance.

Membership: SPBA.

Employee Group Services Ltd.

888 10th St., Marion, Iowa 52302; 319-373-1401

Year founded: 1979.

Business: 100% claims administration.

Region served: Midwest.

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

Self-insured clients/claims: Administration: 59 clients, including 42 corporations, 13 public/government entities, one union-sponsored plan; total claims paid for self-insured clients, \$6 million. Health plans: 5,000 employees, 6,000 dependents.

Staff: 10 total, all serving self-insurers only.

Charges: Administration: per employee per month.

Principal officers: John Ver Hulst, president; Jerald Ver Hulst, vp.

Membership: SPBA.

Employee Services Inc.

120 S. Indiana Ave., P.O. Box

1610, Sioux Falls, S.D.
57101-1610; 605-332-4400

Year founded: 1966.

Parent company: Lincoln National Administrative Services Corp.

Business: 100% claims administration.

Region served: South Dakota, Iowa and Minnesota.

Specialties: 100% health insurance.

Self-insured clients/claims: Administration: 55 clients, including 50 corporations, five public/government entities; total claims paid for self-insured clients, \$12 million. Health plans: 13,736 employees, 8,436 dependents.

Staff: 28 total, all serving self-insurers only.

Charges: Administration: per employee per month.

1989 gross revenues: \$875,000 total.

Principal officers: John Timmer, president; Marvin E. Jensen, vp/comptroller; Deborah K. Hinde, vp-claims administration; Philip N. Hegg, vp-marketing.

Membership: SPBA.

Erin Group Administrators Inc.

Box 7777, 2260 Erin Court,
Lancaster, Pa. 17604;
717-299-1201

Year founded: 1977.

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

Region served: Pennsylvania, Ohio, Maryland.

Specialties: 90% health insurance, 5% flex compensation, 5% disability.

Self-insured clients/claims: Administration: 115 clients, including 110 corporations, five public/government entities; total claims paid for self-insured clients, \$10 million. Health plans: 8,000 employees, 10,000 dependents.

Staff: 46 total, nine serving self-insurers only.

Charges: Administration: Fixed annual fee, \$3,000-\$60,000.

1989 gross revenues: \$4.2 million total, \$1.7 million from claims services.

Principal officers: Carl Reigle, president; Lucille Wertz, vp; Jean Fletcher, secretary/treasurer.

Membership: SPBA, SIIA, Self-Funded Assn. of Pennsylvania.

F**Farnell & Smith Inc.**

110 S. Shipley St., P.O. Box 650,
Seaford, Del. 19973; 302-629-3518

Year founded: 1971.

Business: 100% claims administration.

Region served: Delaware and Maryland.

Specialties: 100% health insurance.

Self-insured clients/claims: Administration: 58 clients, including 56 corporations, two public/government entities; total claims paid for self-insured clients, \$6.5 million. Health plans: 3,875 employees, 5,775 dependents.

Staff: 11 total, all serving self-insurers only.

Charges: Administration: per employee per month, \$15.

1989 gross revenues: \$516,000 total.

Principal officers: David W. Smith, president; George H. Farnell, vp; Patricia C. Batchelor, secretary/treasurer.

Membership: SPBA.

Financial Insurance Service Consultants Inc.

400 E. Diehl Road, Naperville, Ill.
60563-1358; 708-505-8000

Year founded: 1977.

Parent company: Delta Financial Corp.

Business: 100% claims administration.

Region served: Nationwide.

Specialties: 98% health insurance, 2% flex compensation.

Self-insured clients/claims: Administration: 740 clients, including 20 corporations, 720 multiemployer plans; total claims paid for self-insured clients, \$41.1 million. Health plans: 25,000 employees, 62,500 dependents.

Staff: 40 total, all serving self-insurers only.

Charges: Administration: per employee, \$4.65-\$9.50; per dependent, \$1-\$2.50.

1989 gross revenues: \$2 million total.

Branch offices: Sales office in Marion, Ill.

Principal officers: Joseph T. Ambrose, chairman; Douglas M. Rothby, president; Ronald Anderson, treasurer; Shirley Pych, vp.

Membership: SPBA, SIIA.

First American Administrators

529 Kansas City St., P.O. Box
8150, Rapid City, S.D. 57709;
605-343-2509

Year founded: 1983.

Business: 100% claims administration.

Region served: South Dakota, North Dakota, Wyoming, Colorado and Nebraska.

Specialties: 95% health insurance, 5% flex compensation.

Self-insured clients/claims: Administration: clients include 13 corporations, 11 public/government entities, 21 multiemployer plans; total claims paid for self-insured clients, \$14 million. Health plans: 6,500 employees, 12,000 dependents.

Staff: 13 total, all serving self-insurers only.

Charges: Administration: per employee per month, \$4.75-\$8.50.

1989 gross revenues: \$490,000 total.

Branch offices: Administrative office in Cheyenne, Wyo.

Principal officers: Joe Dobbs, president/owner.

Membership: SPBA.

First Benefits Agency Inc.

3636 Copley Road, Suite 201, P.O.
Box 4138, Akron, Ohio 44321;
216-666-0337

Year founded: 1980.

Business: 75% claims administration, 10% claim adjusting, 10% claims auditing, 5% other services.

Region served: Nationwide.

Specialties: 60% health insurance, 18% pensions, 15% life, 5% disability, 2% flex compensation.

Self-insured clients/claims: Administration: 271 clients, including

Continued on page 52

J&H INFOLINE

INFORMATION AND IDEAS ON RISK MANAGEMENT AND EMPLOYEE BENEFITS FROM JOHNSON & HIGGINS

NO. 36

Trend Toward Self-insured Programs To Strengthen.

J&H introduces new J&H*STARSSM management system.

With a "hard market" in the wind, more companies, large and small, are looking to self-insurance. High residual market charges are giving further impetus to this movement.

Many organizations consider self-insurance to be the most effective way to save premium dollars and to foster risk management consciousness.

A successful self-insurance program requires close supervision. In today's business environment, many self-insurers have found that it is more efficient to retain specialists to perform these functions than to use in-house staff.

J&H*STARSSM (Johnson & Higgins Self-Insurance Technology and Resource System) is a complete management system that combines computer technology with the J&H network of risk management and insurance specialists.

J&H*STARS uses a matrix approach that combines consulting expertise with specialized technical services to provide the spectrum of services necessary to properly monitor a self-insured program.

The thrust of the J&H*STARS approach is to give organizations the consulting analysis they need to design the optimal risk funding program while providing the necessary services to keep costs under control.

For more information on J&H*STARS, call a Johnson & Higgins office to arrange for a representative to discuss the program. Or, call Don Krutek, Senior Vice President, at (312) 648-3120.

IS YOUR MONEY



National Reinsurance Corporation
Responsive Reinsurance

■ **Claims paid in three business days or less.**

■ **Fast response improves cash flow;
protects your surplus.**

■ **Dedicated professionals to answer your needs
quickly and reliably.**

Rated "A" by A.M. Best Company.

Spotlight report

Continued from page 50

91 corporations, 54 public/government entities, 14 multiemployer plans and Taft-Hartley plans, 10 union-sponsored plans, two association plans; total claims paid for self-insured clients, \$55 million. Health plans: 105,000 employees, 85,000 dependents.

Staff: 128 total, 112 serving self-insurers only.

Charges: Administration: per employee per month.

1989 gross revenues: \$4.5 million total.

Branch offices: Administrative offices in: Cantor, Columbus, Copley, Mansfield and Youngstown, Ohio; Southfield, Mich.; Tallahassee, Tampa and Miami, Fla.; Chicago; Dallas. Sales offices in Columbus and Youngstown, Ohio; Southfield, Mich.; Tallahassee and Tampa, Fla.; Chicago; Dallas.

Subsidiaries: First Benefits Inc. of Florida, First Ohio Preferred.

Principal officers: Robert C. Frazier, president; Richard B. Linn, vp/treasurer; Charles Mozingo, Albert Goetz, Edward Dunlavy, Edward Tolley and Rick Evans, vps.

Membership: SPBA, SIIA, International Foundation of Employee Benefit Plans.

Fox-Everett Inc.-Employee Benefit Division

P.O. Box 188, Jackson, Miss. 39205; 601-981-6000

Year founded: 1945.

Business: 100% claims administration.

Region served: Nationwide.

Specialties: 95% health insurance, 3% flex compensation, 2% disability.

Self-insured clients/claims: Administration: 32 clients, including 23 corporations, five public/government entities, one multiemployer plan, three union-sponsored plans; total claims paid for self-insured clients, \$25 million. Health plans: 15,500 employees, 17,900 dependents.

Staff: 65 total.

Charges: Administration: per employee per month, \$5-\$7.

1989 gross revenues: \$1 million total.

Branch offices: Sales office in Gulfport, Miss.

Subsidiaries: Fox-Everett Portland Inc.

Principal officers: Carl J. Bush, president; John F. Anderson Jr., executive vp; W. E. Kinchen, secretary; W.H. Mathison, vp; C. Larry Vance, vp-finance.

Membership: SIIA.

G

Genelco Inc.

1600 S. Brentwood Blvd., Suite 500, St. Louis, Mo. 63144; 314-962-2040

Year founded: 1973.

Parent company: General American Life Insurance Co.

Business: 70% claims administration, 5% claim adjusting, 5% claims auditing, 20% other services.

Region served: Nationwide.

Specialties: 90% health insurance, 1% pensions, 4% flex compensation, 5% disability.

Self-insured clients/claims: Administration: 30 clients, including 73 corporations, two public/government

entities, one multiemployer plan, one Taft-Hartley plan, three association plans; total claims paid for self-insured clients, \$115.2 million. Adjusting: five clients. Auditing: six projects. Health plans: 112,100 employees, 278,000 dependents.

Staff: 130 total, 76 serving self-insurers only.

Charges: Administration: per employee per month. Adjusting and auditing: by the project.

1989 gross revenues: \$12.1 million total; \$9.7 million from claims services.

Branch offices: Administrative and sales office in Dallas.

Subsidiaries: Genelco/INSCOR.

Principal officers: David B. Johnson, president; Russell E. Korte, executive vp; Ben C. Allen Jr., senior vp; David Barton, vp; David Garver, vp-marketing/sales.

Membership: SPBA, SIIA.

General Administrators Inc.

P.O. Box 5430, Greenville, S.C. 29606; 803-242-3363

Year founded: 1979.

Business: 100% claims adminis-

tration.

Region served: Nationwide.

Specialties: 100% health insurance.

Self-insured clients/claims: Administration: 200 clients, including 179 corporations, 20 public/government entities, one association plan; total claims paid for self-insured clients, \$42 million. Health plans: 47,000 employees, 60,220 dependents.

Staff: 90 total, all serving self-insurers only.

Charges: Administration: per employee per month.

1989 gross revenues: \$5.5 million total.

Branch offices: Administrative and sales office in Charlotte, N.C.

Principal officers: J.F. Brunson Jr., president; J.F. Brunson III, senior vp; Daniel L. Brunson, Dorothy A. Tucker and William E. Allison, vps.

Membership: SPBA.

Group Service Administrators Inc.

30 Montgomery St., Jersey City, N.J. 07302; 201-433-7360; 212-349-2699

Year founded: 1966.

Business: 100% claims administration.

Region served: New York, New Jersey, Connecticut and Pennsylvania.

Specialties: 95% health insurance, 3% disability, 2% life.

Self-insured clients/claims: Administration: 20 clients, including one corporation, 18 Taft-Hartley plans, one association plan; total claims paid for self-insured clients, \$20 million. Health plans: 20,000 employees, 45,000 dependents.

Staff: 14 total, all serving self-insurers only.

Charges: Administration: per employee per month.

1989 gross revenues: \$800,000 total.

Principal officers: Robert C. Gerald, president; Edward F. Comerford, vp.

Membership: SPBA.

Group Services & Administration Inc.

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

Year founded: 1980.

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

Region served: Nationwide.

Specialties: 95% health insurance, 5% disability.

Self-insured clients/claims: Administration: 34 clients, including 30 corporations, four public/government entities; total claims paid for self-insured clients, \$5.5 million. Health plans: 5,460 employees, 11,200 dependents.

Staff: Nine total, all serving self-insurers only.

Charges: Administration: per employee.

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

H

Harden & Co. Insurance Services Inc.

2552 Stanwell Drive, Suite 105, Concord, Calif. 94520; 415-682-7707

Year founded: 1974.

Parent company: Anchor Pacific Underwriters Inc.

Business: 50% claims administration, 50% other services.

Region served: Nationwide.

Specialties: 100% health insurance.

Self-insured clients/claims: Administration: 75 clients, including 72 corporations, three public/government entities; total claims paid for self-insured clients, \$25.4 million. Health plans: 12,000 employees, 27,500 dependents.

Staff: 58 total, 21 serving self-insurers only.

Charges: Administration: per enrolled employee, \$10-\$12.

1989 gross revenues: \$5.5 million total; \$2.6 million from claims services.

Branch offices: Sales office in Simi Valley, Calif.

Subsidiaries: BD&M Insurance Associates.

Continued on next page

"When a self-insured business doesn't fit the mold, you'd better talk innovation."

—Jon Felmet, Vice President-Marketing, on medical excess coverage.

Setting up the right medical excess coverage for a self-funded benefits program can seem an awful lot like fitting a square peg in a round hole.

If you seek a more flexible approach to Stop Loss coverage look to Guarantee Insurance Resources. We specialize in designing custom plans that fit the unique requirements of each and every self-insured business.

Our personal approach guarantees that an experienced professional will listen and work with you in establishing issue limits that satisfy your needs. Plus you'll find outstanding service, supported by one of the most sophisticated computerized claim processing capabilities currently available. Our carriers are also licensed nationally and Best's A+ rated.

So don't force fit your clients when an innovative approach is available. Call or write me for an application-to-quote or to further discuss the advantages of our innovative coverage plans.

Let's see what we can do for you.

1 (404) 973-9851



**GUARANTEE
INSURANCE
RESOURCES**

4865 Olde Towne Parkway, Marietta GA 30068
FAX (404) 973-9854



Continued from previous page

Principal officers: James R. Dunathan, president/chief executive officer; Earl Wiklund, senior vp/financial officer; Bette Brent, senior vp-marketing/field support services; Cora Pening, assistant vp/claims; Arlene Hewatt, assistant vp-administration.

Membership: SPBA, Independent Administrators Assn.

Health Care Management Inc.

3300 Edinborough Way, Minneapolis, Minn. 55435; 612-631-5500

Year founded: 1984.

Business: 100% claims administration.

Region served: Nationwide.

Specialties: 100% health insurance.

Self-insured clients/claims: Administration: 20 clients that are corporations; total claims paid for self-insured clients, \$5.2 million. Health plans: 16,000 employees, 24,000 dependents.

Staff: 30 total, all serving self-insurers only.

Charges: Administration: per employee per month, \$5-\$9.

1989 gross revenues: \$1.6 million total.

Principal officers: A. Charles Bredesen, president/chief executive officer; Michael J. Bronk, vp.

Health Claims Administrations

20 E. Cass St., Joliet, Ill. 60431; 815-740-4251

Year founded: 1976.

Business: 100% claims administration.

Region served: Nationwide.

Specialties: 95% health insurance, 5% flex compensation.

Self-insured clients/claims: Administration: 129 clients, including 12 corporations, 116 public/government entities, one association plan; total claims paid for self-insurers, \$40 million. Health plans: 19,000 employees, 38,000 dependents.

Staff: 43 total, all serving self-insurers only.

Charges: Administration: per employee per month.

1989 gross revenues: \$1.2 million total.

Subsidiaries: Metabasis Group.

Principal officers: G.T. Relyea, president; James E. Relyea, vp; Rita M. Garbin, vp-underwriting; Cliff Johnson, director-marketing; John Horrigan-financial consultant.

Health Claims Administrations

2787 Bristol St., Costa Mesa, Calif. 92626; 714-549-7052

Year founded: 1980.

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

Region served: California, Nevada, Arizona, Oregon, Washington.

Specialties: 80% health insurance, 2% pensions, 10% flex compensation, 1% disability, 2% life, 5% trust and COBRA administration.

Self-insured clients/claims: Administration: 83 clients, including 62 corporations, five public/government entities, three multiemployer plans, five Taft-Hartley plans, seven union-sponsored plans, one association plan. Health plans: 40,000 employees, 108,000 dependents.

Staff: 55 total, 50 serving self-insurers only.

Charges: Administration: per employee per month.

Branch offices: Administrative and sales office in Las Vegas, Nev. Additional administrative office in Carson City, Nev.

Subsidiaries: Preferred Plans Inc.

Principal officers: Frank Heller, president; Phillip Steffensen, executive vp; Glen Ogden and Reiko Tsu, senior vps; Virginia Close, vp.

Membership: SPBA, SIIA, International Foundation of Employee Benefit Plans, National Assn. of Employee Benefit Administrators.

Heller Associates Inc.

Hospital Benefits Inc.

P.O. Box 16989, Jackson, Miss. 39236-6989; 601-981-5741

Year founded: 1978.

Business: 100% claims administration.

Region served: Mississippi, Louisiana, Alabama, Georgia and Florida.

Specialties: 94% health insurance, 1% flex compensation, 5% disability.

Self-insured clients/claims: Administration: 82 clients, including 60 corporations, 21 public/government entities, one association plan; total claims paid for self-insured clients, \$44.9 million. Health plans: 27,000 employees, 61,000 dependents.

Staff: 36 total, all serving self-insurers only.

Charges: Administration: per employee per month, \$3.20-\$9.

1989 gross revenues: \$1.2 million total.

Branch offices: Administrative and sales office in Orlando, Fla. Additional sales office in Birmingham, Ala.

Subsidiaries: Hospital Benefits Inc. of Florida.

Principal officers: Ralph Brewster, chief executive officer/president; Barbara Williams, Pamela Smant and Betty Brewster, vps; Vern Boothe, secretary/treasurer.

Membership: SPBA.

Health Economics Corp.

1300 W. Mockingbird Lane, Dallas, Texas 75247; 214-905-4419

Year founded: 1984.

Parent company: Halliburton Co.

Business: 57% claims administration, 43% other services.

Region served: Nationwide.

Specialties: 99% health insurance, 1% flex compensation.

Self-insured clients/claims: Administration: 68 clients, including 64 corporations, one public/government entity, three association plans; total claims paid for self-insured clients, \$160 million. Health plans: 81,000 employees, 200,000 dependents.

Staff: 219 total, 108 serving self-insurers only.

Charges: Administration: per employee, \$5-\$10.

1989 gross revenues: \$5.9 million total.

Branch offices: Administrative offices in Houston; Tulsa, Okla. Sales office in Tampa, Fla.

Subsidiaries: Highlands Insurance.

Principal officers: Stephen F. Coady, president/chief executive officer; Jane L. Loring, vp/controller; Terry Taylor, vp/general counsel/secretary; Nancy Coleman, vp-claims

administration; James McPhail, vp-managed health care; James Leap, vp-analytical services.

Membership: SPBA, SIIA, Southwest Insurance Assn., Dallas Society of Claimsmen.



Illinois Health Services Inc.

1630 S. Sixth St., Springfield, Ill. 62703; 800-343-6204

Year founded: 1989.

Parent company: CB Marketing and Illinois Health Plans.

Business: 100% claims administration.

Region served: Illinois and Missouri.

Specialties: 100% health insurance.

Self-insured clients/claims: Administration: seven clients that are corporations; total claims paid for self-insured clients, \$5.7 million. Health plans: 6,801 employees,

17,500 dependents.

Staff: Nine total, all serving self-insurers only.

Charges: Administration: per employee per month, \$5.50-\$15.

1989 gross revenues: \$385,000 total.

Principal officers: John G. Miller III, president/chief executive officer; Karen Erbland, director-operations.

Membership: SPBA, SIIA.

INDECS of Ebasco Inc.

160 Chubb Ave., Lyndhurst, N.J. 07071; 201-460-6161

Year founded: 1982.

Parent company: Ebasco Services Inc.

Business: 90% claims administration and adjusting, 10% other services.

Region served: Nationwide.

Specialties: 92% health insurance, 2% disability, 6% life.

Self-insured clients/claims: Administration: 14 clients, including 10 corporations, two public/government entities, two Taft-Hartley plans; total claims paid for self-insured clients

Continued on next page

PUT YOUR MONEY WHERE THEIR MOUTH IS!

Due to the unique nature of dental disease and dental treatment, the design of a good dental benefit plan differs from that of a medical plan:

- Dental disease is preventable.
- Dental disease does not heal without therapeutic intervention.
- The need for dental care is universal and ongoing, not episodic.
- The need for dental care for a given population is highly predictable and does not constitute a risk to be insured.
- The dental needs of individuals within a given population vary considerably.

To assist you in making an informed decision regarding your dental benefit plan, the American Dental Association will send you information on a simplified method of structuring a self-funded dental benefit plan, as well as guidelines for coverage under a conventional design.

The ADA will also review your dental benefit plan for benefit language as well as scope and level of coverage.

Please contact the Association's Purchaser Information Service by returning the coupon or by calling 312/440-2746.

It pays to provide a quality dental benefit plan for your employees.



Yes! I want information on quality dental benefit plans. **K**

Name _____

Title _____

Company _____

Address _____


City _____ State _____ Zip _____

Do you presently have a dental plan? yes no

No. of employees _____

Send to:

American Dental Association
Council on Dental Care Programs
211 East Chicago Avenue
Chicago, Illinois 60611-2678
Attention: Rita Hoffmann



Continued from previous page
ents, \$26.8 million. Adjusting: one client. Health plans: 18,251 employees, 40,627 dependents.

Staff: 36 total, all serving self-insurers only.

Charges: Administration: per employee, \$2.50-\$9.

1989 gross revenues: \$1.4 million total.

Branch offices: Administrative office in New York.

Principal officers: Bruce E. Buchanan, president; Lee H. Cohen vp; Herbert M. Blum, secretary; James W. Diamond, treasurer; James L. Lippari, director.

Membership: SPBA, International Foundation of Employee Benefit Plans.

Insurance Claims

Auditing Inc.

6311 Wayzata Blvd., Suite 315, Minneapolis, Minn. 55416; 612-545-5888

Year founded: 1988.

Business: 20% claims administration, 60% claims auditing, 20% other services.

Region served: Nationwide.

Specialties: 100% health insurance.

Self-insured clients/claims: Auditing: 59 projects for corporations, two for public/government entities, one for a multiemployer plan, one for a union-sponsored plan.

Staff: Six total, five serving self-insurers only.

Charges: Auditing: by the hour, \$50-\$75.

1989 gross revenues: \$210,000 total; \$160,000 from claims services.

Principal officers: Betty C. Clark, president; Helen Fears, treasurer.

Membership: SIIA, Twin Cities Claim Assn.

Insurance Design Administrators

3 Post Road, Oakland, N.J. 07436; 201-337-0555

Year founded: 1982.

Business: 90% claims administration, 10% other services.

Region served: Nationwide.

Specialties: 90% health insurance,

2% flex compensation, 8% life.

Self-insured clients/claims: Administration: 70 clients, including 64 corporations, six public/government entities; total claims paid for self-insured clients, \$6 million. Health plans: 16,240 employees, 40,600 dependents.

Staff: 21 total, all serving self-insurers only.

Charges: Administration: per employee, \$6-\$10.

1989 gross revenues: \$1 million total; \$900,000 from claims services.

Branch offices: Sales office in Springfield, Pa.

Principal officers: Russell P. Minetti, president; Robert Ventrella, vp-sales; Frank Pipari, director-marketing.

Membership: SPBA, SIIA.

Insurdata Inc.

5215 N. O'Connor Blvd., 800 Central Tower, Irving, Texas 75039; 214-869-2553

Business: 90% claims administra-

tion, 10% other services.

Region served: Nationwide.

Specialties: 99% health insurance, 1% flex compensation.

Self-insured clients/claims: Administration: More than 400 clients, including 390 corporations, 10 public/government entities; total claims paid for self-insured clients, \$275 million. Health plans: 200,000 employees, more than 220,000 dependents.

Staff: 250 total, all serving self-insurers only.

Charges: Administration: per employee.

Branch offices: Administrative and sales offices nationwide.

Subsidiaries: Insurnational Inc. of Arkansas, U.S. Information Systems Inc.

Principal officers: Raymond C. Morrison Jr., president; Doug Freeman, vp-data processing; Jim Taylor, vp-finance/administration.

Membership: SIIA.

Insurex Benefits Administrators Inc.

2158 Union Ave., P.O. Box 41779, Memphis, Tenn. 38174-1779; 901-725-6435

Year founded: 1989.

Parent company: TPI Restaurants Inc.

Business: 100% claims administration.

Region served: Nationwide.

Specialties: 100% health insurance.

Self-insured clients/claims: Administration: total claims paid for self-insured clients, \$2.5 million. Health plans: 1,500 employees, 1,750 dependents.

Staff: Seven total, all serving self-insurers only.

Charges: Administration: fee for service.

Principal officers: Bruce R. Osborne, president; Sharon A. Lewis, director; Sherry L. Luibel, systems coordinator.

J

Don't let it end...

Health insurance coverage for employees leaving your group plan

...let Celtic keep it going

with

TRANSITION

or

CONVERSION

For more information about these products, send your business card to Celtic Life today!



Underwritten by: Celtic Life Insurance Company
208 South LaSalle Street
Chicago, Illinois 60604 (312) 332-5401

Celtic is A rated by A.M. Best Company

Jackson, Long & Associates Inc.

4801 Southwick Drive, Matteson, Ill. 60461; 708-747-7400

Year founded: 1979.

Parent company: Lincoln National Corp.

Business: 90% claims administration and auditing, 10% other services.

Region served: Nationwide.

Specialties: 95% health insurance, 2% flex compensation, 3% disability.

Self-insured clients/claims: Administration: 112 clients, including 102 corporations, eight public/government entities, two association plans; total claims paid for self-insured clients, \$58 million. Auditing: one project for a corporation. Health plans: 58,000 employees.

Staff: 56 total, 54 serving self-insurers only.

Charges: Administration: per employee per month, \$3.50-\$7.50.

1989 gross revenues: \$2.7 million total.

Principal officers: Jane Bergman, president/treasurer; Lance Feighner and Pat Wallace, vps; Debra Singleton, assistant secretary; Patti Stilwell, secretary.

Membership: SPBA, SIIA.

Jardine Group Services Corp.

433 State St., Schenectady, N.Y. 12305; 518-381-1600

Year founded: 1982.

Business: 29% claims administration, 71% other services.

Region served: Nationwide.

Specialties: 90% health insurance, 10% disability.

Self-insured clients/claims: Administration: 23 clients, including two corporations, 10 Taft-Hartley plans, eight union-sponsored plans, three association plans; total claims paid for self-insured clients, \$55 million. Health plans: 318,000 employees, 7,000 dependents.

Staff: 160 total, 42 serving self-insurers only.

Charges: Administration: per employee.

1989 gross revenues: \$17 million total; \$5 million from claims services.

Branch offices: Sales offices in New York; Washington, D.C.; Los Angeles.

Subsidiaries: Professional Dental Reviews Inc., PDRI.

Principal officers: W. Michael Carroll, chairman/managing director; Thomas P. McDonough, president; Nels Carlson, executive vp; Gary P. Hickey and Willis Griffith, vps.

Membership: SIIA.

William N. Jenkins & Associates Inc.

200 Atlanta Technology Center, Suite 100, 1575 Northside Drive, N., Atlanta, Ga. 30318; 404-352-5535

Year founded: 1984.

Parent company: United Health Care Inc.

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

Region served: Georgia, Alabama, South Carolina and Tennessee.

Continued on next page

Continued from previous page

Specialties: 95% health insurance, 1% pensions, 1% disability, 3% life.**Self-insured clients/claims:** Administration: four clients, including one corporation, one public/government entity, two Taft-Hartley plans; total claims paid for self-insured clients, \$4.3 million. Health plans: 3,000 employees, 6,900 dependents.**Staff:** Seven total, six serving self-insurers only.**Charges:** Administration: per employee per month.**1989 gross revenues:** \$240,000 total; \$230,000 from claims services.**Principal officers:** Larry N. Jenkins, president/treasurer; Sheila J. Lister, vp/secretary; C. Nathan Stewart, general manager.**Membership:** SPBA, International Foundation of Employee Benefit Plans.**Johnson Administrators**P.O. Box 248, Newtown, Pa.
18940; 215-968-7700**Year founded:** 1980.**Business:** 100% claims administration.**Region served:** Nationwide.**Specialties:** 90% health insurance, 10% disability.**Self-insured clients/claims:** Administration: 190 clients, including 170 corporations, 20 public/government entities; total claims paid for self-insured clients, \$140 million. Health plans: 55,000 employees, 150,000 dependents.**Staff:** 110 total, all serving self-insurers only.**Charges:** Administration: per employee, \$7-\$14.**Branch offices:** Sales offices in Boston; Washington, D.C.**Principal officers:** Edwin T. Johnson, chairman; Donald L. Gallie, chief executive officer; David O. Oberkircher, Elizabeth Burns and J. Lawrence Hager, vps.**Membership:** SPBA.**Jones, Hill & Mercer
Employee Benefits Inc.**P.O. Box 9888, Savannah, Ga.
31412; 912-236-1551**Year founded:** 1885.**Parent company:** Hilb, Rogal & Hamilton Co.**Business:** 100% claims administration.**Region served:** Nationwide.**Specialties:** 92% health insurance, 2% flex compensation, 3% disability.**Self-insured clients/claims:** Administration: 49 clients, including 46 corporations, three public/government entities; total claims paid for self-insured clients, \$133 million. Health plans: 82,000 employees, 108,000 dependents.**Staff:** 63 total.**Charges:** Administration: fee schedule.**1989 gross revenues:** \$3 million total.**Principal officers:** W. Roger Holden, president; Barrie H. Ruland, Terri A. Godfrey, James R. Garrison and Marlene Y. Sharp, vps.**Membership:** SPBA, SIIA, National Assn. of Employers on Health Care Alternatives.**W.J. Jones Administrative
Services Inc.**2001 Marcus Ave., Lake Success,
N.Y. 11042; 516-775-5420**Year founded:** 1971.**Business:** 60% claims administration, 10% claim adjusting, 10% claims auditing, 20% other services.**Region served:** Nationwide.**Specialties:** 70% health insurance, 10% pensions, 10% flex compensation, 10% disability.**Self-insured clients/claims:** Administration: 75 clients, including 73 corporations, two association plans; total claims paid for self-insured clients, \$40 million. Health plans: 75,000 employees, 37,000 dependents.**Staff:** 40 total, 20 serving self-insurers only.**Charges:** Administration: per employee per month, \$3-\$15.**1989 gross revenues:** \$3.5 million total, \$2.8 million from self-insured clients only.**Principal officers:** John P. Sherlock, president; Robert F. Sherlock and Kevin J. Sherlock, vps.**Membership:** SIIA, Health Insurance Assn. of America.**K****Kepple & Co. Inc.**P.O. Box 3971, Peoria, Ill.
61614-0971; 309-692-7330**Year founded:** 1982.**Business:** 55% claims administration, 45% other services.**Region served:** Nationwide.**Specialties:** 90% health insurance, 9% flex compensation, 1% disability.**Self-insured clients/claims:** Administration: 49 clients, including 35 corporations, 10 public/government entities, three Taft-Hartley plans, one union-sponsored plan; total claims paid for self-insured clients, \$32 million. Health plans: 16,500 employees, 21,500 dependents.**Staff:** 64 total, 61 serving self-insurers only.**Charges:** Administration: per employee per month, \$2.50-\$12.**1989 gross revenues:** \$2.3 million total; \$1.4 million from claims services.**Principal officers:** Michael D. Kepple, president; Norm Laconte, chairman; Kevin Roberts vp/secretary/treasurer.**Membership:** SPBA, SIIA, International Foundation of Employee Benefit Plans, Employers Council on Flexible Compensation, Self Insurance Assn. of Illinois, National Assn. of Quality Assurance.**Klais & Co. Inc.**1867 W. Market St., Akron, Ohio
44313; 216-867-8443**Year founded:** 1979.**Business:** 90% claims administration, 10% other services.**Region served:** Ohio, Pennsylvania and Georgia.**Specialties:** 99% health insurance, 10% flex compensation.**Self-insured clients/claims:** Administration: 118 clients, including 77 corporations, 40 public/government entities, one association plan. Health plans: 21,000 employees, 48,000 dependents.**Staff:** 52 total.**Charges:** Administration: per em-

ployee per month, \$5-\$8.

1989 gross revenues: \$3 million total; \$2.6 million from claims services.**Branch offices:** Sales offices in Dayton, Ohio; Atlanta.**Principal officers:** Daniel V. Klais, president; Nancy K. Hinebaugh vp.**Membership:** SIIA.**L****LaHood & Associates Inc.**6717 W. Shawnee Mission Parkway,
Overland Park, Kan. 66204;
913-362-0040**Year founded:** 1974.**Parent company:** Blue Cross & Blue Shield of Kansas City.**Business:** 100% claims administration.**Region served:** Nationwide.**Specialties:** 90% health insurance, 6% flex compensation, 4% disability.**Self-insured clients/claims:** Administration: 236 clients, including 219 corporations, eight public/government entities, nine Taft-Hartley plans; total claims paid for self-insured clients, \$205,000.**Staff:** 146 total, all serving self-insurers only.**Charges:** Administration: per employee, \$2-\$10.**1989 gross revenues:** \$8.6 million total.**Branch offices:** Sales office in Waterloo, Iowa.**Principal officers:** George LaHood, president; Zona Bauer and Joel Frisch, vps.**Membership:** SPBA, SIIA.**Lipman Insurance
Administrators Inc.**39420 Liberty St., Suite 265,
Fremont, Calif. 94538;
415-795-0103**Year founded:** 1976.**Business:** 93% claims administration, 7% other services.

Continued on next page



"As a self-insured company we gained greater financial advantages, especially in conserving cash and maintaining reserves ... but with these benefits came a whole new set of problems."

Gregory W. Durrett, corporate manager of the Safety and Workers' Compensation departments at Freightliner Corp., Portland, Ore.

"For every medical bill we covered under workers' compensation, our people faced a nightmare ... reviewing procedure codes, checking for state fees and 'reasonable and customary charges,' making sure the bill hadn't already been paid, referring to state laws and more.

"In 1988, McDonnell Douglas' Automated Claims System and Medical Bill Review became a pivotal part of Freightliner's plan to control workers' compensation claims, significantly reducing our clerical burdens and paperwork backlog.

"Now we monitor medical payments and catch errors before payments are made. And we've realized a 15 percent savings in medical costs.

"We know how to build trucks and run an efficient organization ... but when we moved on to the rough road of a self-insured, self-administered firm, we were glad we had McDonnell Douglas to help smooth the way to continued success."

For more information on automated solutions for self-insureds, call toll free:

1-800-325-1551

MCDONNELL DOUGLAS

Continued from previous page

Region served: Western states.**Specialties:** 95% health insurance, 5% flex compensation.**Self-insured clients/claims:** Administration: 10 clients, including eight Taft-Hartley plans, two association plans; total claims paid for self-insured clients, \$72 million. Health plans: 20,000 employees, 46,000 dependents.**Staff:** 88 total, 80 serving self-insurers only.**Charges:** Administration: per employee, \$12-\$15.**1989 gross revenues:** \$3 million total, \$2.8 million from self-insurance.**Branch offices:** Administrative office in Santa Maria, Calif. Sales offices in Los Angeles and Pleasanton, Calif.**Principal officers:** Fred Lipman, president; Danny Costa, Larry Lipman, Martin Lowy and Carol Napier, vps.**Membership:** SPBA, SIIA.**Lytle Associates Inc.**

101 Lang Blvd., Grand Island, N.Y. 14072; 716-773-6626

Year founded: 1956.**Business:** 94% claims administration, 6% other services.**Region served:** Nationwide.**Specialties:** 94% health insurance, 5% flex compensation, 1% disability.**Self-insured clients/claims:** Administration: 45 clients, including 34 corporations, 10 public/government entities, one Taft-Hartley plan; total claims paid for self-insured clients, \$50 million. Health plans: 25,000 employees, 50,000 dependents.**Staff:** 40 total, 20 serving self-insurers only.**Charges:** Administration: per employee per month, \$3-\$7.**Principal officers:** Thomas A. Lytle, Paul D. Lytle and Robert L. Dotton.**Membership:** SIIA.**M****MICA Benefits Corp.**

703 John Adams Parkway, Idaho Falls, Idaho 83401; 208-529-4060

Year founded: 1970.**Business:** 100% claims administration.**Region served:** Utah, Idaho, Nevada and Wyoming.**Specialties:** 84% health insurance, 1% pensions, 14% flex compensation, 1% life.**Self-insured clients/claims:** Administration: 12 clients that are corporations; total claims paid for self-insured clients, \$1.7 million. Health plans: 1,500 employees, 4,800 dependents.**Staff:** Five total, all serving self-insurers only.**Charges:** Administration: per employee per month, \$5.20-\$12.40.**1989 gross revenues:** \$253,000 total.**Branch offices:** Sales offices in Salt Lake City.**Principal officers:** Jerry Mitchell, president; Lisa A. Woods, vp; Jean Robert Babilis, secretary/treasurer.**Membership:** National Assn. of Employee Benefit Administrators.**The MacKinnon Co. Inc.**

53-A Dwight Place, Fairfield, N.J. 07006; 201-808-9090

Year founded: 1969.**Parent company:** Meeker Sharkey Financial Group Inc.**Business:** 77% claims administration, 23% other services.**Region served:** Nationwide.**Specialties:** 95% health insurance, 5% life.**Self-insured clients/claims:** Administration: 23 clients, including 21 corporations, one Taft-Hartley plan, one association plan; total claims paid for self-insured clients, \$30 million. Health plans: 13,000 employees, 22,000 dependents.**Staff:** 22 total, seven serving self-insurers only.**Charges:** Administration: per employee per month, \$6.50-\$15.**1989 gross revenues:** \$1.4 million

total; \$1.1 million from claims services.

Branch offices: Sales office in Cranford, N.J.**Principal officers:** Thomas J. Sharkey, chairman; Walter A. MacKinnon, president; James A. Payton, vp-operations; Margaret L. Struble, vp-administration; Steve Demas, vp-marketing.**Membership:** SPBA, SIIA.**Charles Maher & Co. Ltd.**

7125 W. 4th Ave., Wheat Ridge, Colo. 80033; 303-467-9177; 205-942-2577

Year founded: 1978.**Business:** 70% claims administration, 30% other services.**Region served:** Mountain states, southeast states.**Specialties:** 100% health insurance.**Self-insured clients/claims:** Administration: six clients, including two corporations, one public/government entity, two multiemployer plans, one association plan; total claims paid for self-insured clients, \$3 million. Health plans: 2,500 employees, 4,500 dependents.**Staff:** Eight total, four serving self-insurers only.**Charges:** Administration: percent of anticipated claims costs, 6.5%-12%.**1989 gross revenues:** \$270,000 total; \$100,000 from claims services.**Branch offices:** Administrative office in Birmingham, Ala.**Subsidiaries:** CMC Ltd., Alps Groups Programs.**Principal officers:** Charles Maher, president; Sondra Maher, vp/general manager; Miriam Reogam, vp-claims administration.**Membership:** SPBA.**McConachie Financial Services Inc.**

1420 Renaissance Drive, Park Ridge, Ill. 60068; 708-297-3640

Year founded: 1982.**Business:** 60% claims administration, 40% other services.**Region served:** Nationwide.**Specialties:** 100% health insurance.**Self-insured clients/claims:** Administration: 10 clients that are corporations; total claims paid for self-insured clients, \$5.1 million. Health plans: 6,000 employees, 4,200 dependents.**Staff:** Eight total, five serving self-insurers only.**Charges:** Administration: per employee per month, \$5-\$8.**1989 gross revenues:** \$300,000 total.**Principal officers:** Scot McConachie, president.**Membership:** SPBA.**Medical Claims Service Inc.**

300 Congress St., Quincy, Mass. 02169; 617-471-4100

Year founded: 1975.**Business:** 100% claims administration.**Region served:** Nationwide.**Specialties:** 90% health insurance, 7% flex compensation, 3% disability.**Self-insured clients/claims:** Administration: 175 clients that are corporations; total claims paid for self-insured clients, \$35 million. Health plans: 14,000 employees, 17,000 dependents.**Staff:** 65 total, all serving self-insurers only.**Charges:** Administration: per employee per month.**1989 gross revenues:** \$3 million total.**Branch offices:** Administrative office in Ravenswood, W. Va.**Subsidiaries:** A.M. Franklin Insurance Agency Inc.**Principal officers:** William G. McKelvey, president.**Membership:** SPBA.**Med-Pay Inc.**

1650 E. Battlefield, Springfield, Mo. 65804; 417-886-6886

Year founded: 1981.**Business:** 100% claims administration.**Region served:** Nationwide.**Specialties:** 90% health insurance, 2% flex compensation, 8% disability.**Self-insured clients/claims:** Administration: 110 clients, including 100 corporations, six public/government entities, four association plans; total claims paid for self-insured clients.

Continued on next page

Soaring to new heights...

American Re-Insurance Company

is pleased to announce

the acquisition of

Becher + Carlson

Risk Management, Inc.

and its affiliated companies.

American Re-Insurance Company welcomes Becher+Carlson, an integrated provider of risk management, captive management, and brokerage services to large corporations and groups.

"Soaring to new heights" describes the combination of two companies dedicated to providing client-driven, state-of-the-art services in risk analysis, funding, insurance, and reinsurance.

Becher + Carlson Risk Management, Inc.

21600 Oxnard Street, Suite 900, Woodland Hills, CA 91367 818-715-0800

Offices in Bermuda, California, Georgia, and Vermont



AMERICAN

RE-INSURANCE COMPANY

American Re Plaza, 555 College Road East, Princeton, NJ 08543-5241 609-243-4200

Atlanta, Bogota, Boston, Cairo, Chicago, Columbus, Dallas, Hartford, Kansas City, London, Los Angeles, Melbourne, Minneapolis, Montreal, New York, Philadelphia, Princeton, San Francisco, Santiago, Singapore, Sydney, Tokyo, Toronto

Continued from previous page
ents, \$15 million. Health plans:
20,000 employees, 30,000 dependents.

Staff: 30 total, 28 serving self-insurers only.

Charges: Administration: per employee per month, \$2.50-\$10.

1989 gross revenues: \$1.1 million total.

Principal officers: Gordon L. Kinne, president.

Membership: SPBA, SIIA.

Member Service Administrators

2727 E. 21st, Tulsa, Okla. 74114;
918-586-7700

Year founded: 1982.

Parent company: Member Service Life Insurance Co.

Business: 100% claims administration.

Region served: Oklahoma.

Specialties: 98% health insurance, 1% disability, 1% life.

Self-insured clients/claims: Administration: 29 clients, including 22 corporations, seven public/government entities; total claims paid for self-insured clients, \$20 million. Health plans: 16,495 employees, 24,742 dependents.

Staff: 18 total, all serving self-insurers only.

Charges: Administration: per employee, per month, per service.

1989 gross revenues: \$1.2 million total.

Principal officers: Ralph S. Rhoades, president; Richard D. McCutchen, executive vp; Eugene M. Ross, vp-administration.

Midwest Benefits Corp.

25505 W. 12 Mile Road, Suite
3000, Southfield, Mich.
48034-1846; 313-351-0200

Year founded: 1972.

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

Region served: Nationwide.

Specialties: 91% health insurance, 3% flex compensation, 3% disability, 3% life.

Self-insured clients/claims: Administration: 440 clients, including 429 corporations, 10 public/government entities, one union-sponsored plan; total claims paid for self-insured clients, \$200 million. Health plans: 80,000 employees, 180,000 dependents.

Staff: 202 total, 200 serving self-insurers only.

Charges: Administration: per employee per month.

1989 gross revenues: \$9 million total.

Branch offices: Sales office in Grand Rapids, Mich.

Principal officers: Ronald Klein, executive vp; Frank Spadafore, president; Mike Zuzenak, secretary/treasurer.

Membership: SPBA, SIIA, National Assn. of Employee Benefit Administrators, International Foundation of Employee Benefit Plans.

Mountain States Administration Co.

2530 S. Parker Road, Suite 606,
Aurora, Colo. 80014;
303-368-4500

Year founded: 1980.

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

Region served: Nationwide.

Specialties: 90% health insurance, 5% flex compensation, 5% disability.

Self-insured clients/claims: Administration: 45 clients, including 34 corporations, 10 public/government entities, one multiemployer plan; total claims paid for self-insured clients, \$35 million. Health plans: 20,000 employees, 30,000 dependents.

Staff: 22 total, all serving self-insurers only.

Charges: Administration: per employee per month, \$4-\$8.

1989 gross revenues: \$1.3 million total.

Branch offices: Administrative and sales office in Denver.

Subsidiaries: Cost Effective Medical Management.

Principal officers: Clarence F. Gray, president.

Membership: National Assn. of Employee Benefit Administrators.

N

NCAS

3702 Pender Drive, Fairfax, Va.
22030; 703-934-6200

Year founded: 1983.

Parent company: GHMSI Cos. Inc.

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

Region served: Nationwide.

Specialties: 94% health insurance, 5% flex compensation, 1% disability.

Self-insured clients/claims: Administration: 250 clients, including 149 corporations, 87 public/government entities, four multiemployer plans, two union-sponsored plans, eight association plans; total claims paid for self-insured clients, \$92 million. Health plans: 83,000 employees, 90,000 dependents.

Staff: 150 total, 120 serving self-

insurers only.

Charges: Administration: per employee per month, \$5-\$15.

1989 gross revenues: \$10 million total; \$8.5 million from claims services.

Branch offices: Administrative office in Bloomfield Hills, Mich. Sales offices in Bloomfield Hills, Mich.; Charlotte, N.C. Affiliated offices located in Seattle; Phoenix, Ariz.; Portland, Maine; Providence, R.I.; Concord, N.H.; Harrisburg, Pa.; Cheyenne, Wyo.; Wheeling, W.Va.

Affiliates: Employer Plan Services, CSA Benefits, NCAS Insurance Agency Inc.

Principal officers: Joseph P. Gamble, chairman; William G. Hendren, president; Joseph A. Crowley, vp-corporate operations; David A. Kreager, vp-marketing; Judith L. Middleton, assistant vp-client services.

Membership: SPBA, SIIA, Employers Council for Flexible Compensation.

NEP Administrators & Consultants

P.O. Box 152, Sybertsville, Pa.
18251; 717-788-4123

Year founded: 1977.

Parent company: NEP Insurance Services Inc.

Business: 93% claims administration, 2% claim adjusting, 5% other services.

Region served: Mid-Atlantic states and Florida.

Specialties: 99% health insurance, 1% disability.

Self-insured clients/claims: Administration: 73 clients, including six corporations, 66 public/government entities, one Taft-Hartley plans; total claims paid for self-insured clients, \$33.4 million. Health plans: 23,000 employees, 55,000 dependents.

Staff: 54 total.

Charges: Administration: per employee per month, \$4.90-\$7.50.

1989 gross revenues: \$1.5 million

total.

Principal officers: Edward Beishline, president/treasurer; Edwin Kosteva, vp-marketing/secretary; Andrew Magill, chairman; Thomas Stark, vp-customer service.

Membership: SPBA, International Foundation of Employee Benefit Plans.

NGS American Inc.

27572 Harper, Saint Clair Shores,
Mich. 48081; 313-527-0069

Year founded: 1979.

Business: 100% claims administration.

Region served: Nationwide.

Specialties: 100% health insurance.

Self-insured clients/claims: Administration: 57 clients, including 55 corporations, two public/government entities; total claims paid for self-insured clients, \$76.5 million. Health plans: 43,600 employees, 63,000 dependents.

Staff: 190 total, all serving self-insurers only.

Continued on next page



Are You Losing Your Grip on Mental Health Costs and Services?

You're not alone. Many corporate benefits managers and insurance company executives feel the costs of mental health and substance abuse services are getting out of hand. What's more, there's a growing suspicion that many of the services provided are as lacking in effectiveness as they are in cost control.

That's where Benesys can help. We've specialized in managed mental health and substance abuse programs for over 11 years. Currently, we're reducing the costs for major insurance companies and an impressive number of employers at a rate of \$25 saved for every \$1 invested. And we offer a full

spectrum of services nationwide that can be customized to meet your specific requirements.

Whether it's specialty Utilization Review/Case Management services, Network Development, PPOs, Claims Administration, Employee Assistance

Programs or full-risk carve-outs, Benesys has experienced professionals who realize the quality of the services provided is just as important as the price.

If you'd like more information on how Benesys can help you get a grip on lowering the costs and improving the quality of mental health and substance abuse services, call or write today.



Benesys

Managed Mental Health Services

A Division of Group Plan Clinic, Inc.

1175 St. James Place Suite 200
Houston, TX 77056
Phone: (713) 871-0821
Fax: (713) 871-6301

Continued from previous page

Charges: Administration: per employee per month.

1989 gross revenues: \$11 million total.

Subsidiaries: Mongoose Administrators, American Healthcare, Equation Inc.

Principal officers: William D. Alcott, president; Findley Doyle, senior vp-data processing; William C. Ellwood, vp-marketing; James G. Blashill, senior vp-sales; Kimberly A. Gunter, senior vp-administration; Michael J. Verlinden, chief financial officer.

Membership: SPBA, SIIA, Michigan Third Party Administrators Assn.

National Benefit Administrators Inc.

8 S. Nevada, P.O. Box 1270, Colorado Springs, Colo. 80901; 719-636-3382

Year founded: 1985.

Parent company: Price & Mac-Donald Inc.

Business: 100% claims administration.

Region served: Nationwide.

Specialties: 90% health insurance, 5% flex compensation, 5% disability.

Self-insured clients/claims: Administration: 30 clients, including 35 corporations, 27 public/government entities, six association plans, 12 other. Health plans: 18,000 employees, 8,000 dependents.

Staff: 12 total.

Charges: Administration: per employee per month, \$4.50-\$6.50.

1989 gross revenues: \$600,000 total.

Principal officers: Erik D. Nebeker, chief operating officer/executive vp; Dennis A. Weber, president; Richard C. Anderson, vp.

Membership: SPBA.

National Benefit Plans Inc.

P.O. Box 14070, 1600 E. Little Creek Road, Suite 115, Norfolk, Va. 23513; 804-588-7020

Year founded: 1972.

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

Region served: Nationwide.

Specialties: 93% health insurance, 4% flex compensation, 3% disability.

Self-insured clients/claims: Administration: 12 clients, including seven corporations, five Taft-Hartley plans; total claims paid for self-insured clients, \$7.5 million. Health plans: 12,298 employees, 14,741 dependents.

Staff: 15 total, 13 serving self-insurers only.

Charges: Administration: per employee per month, \$2-\$14.75.

1989 gross revenues: More than \$500,000 total.

Branch offices: Administrative office in Richmond, Va.

Principal officers: Benjamin E. Herrmann, president; Robert Jones, executive vp.

Membership: SPBA, International Foundation of Employee Benefit Plans.

National Health Plan Corp.

500 Eighth Ave., New York, N.Y. 10018; 212-279-3232

Year founded: 1953.

Business: 80% claims administration, 20% claim adjusting.

Region served: Nationwide.

Specialties: 100% health insurance.

Self-insured clients/claims: Administration: 100 clients, including 10 corporations, 25 public/government entities, 64 Taft-Hartley plans, one union-sponsored plan; total claims paid for self-insured clients, \$15 million. Adjusting: two clients; types of claims include health. Health plans: 150,000 employees, 400,000 dependents.

Staff: 60 total, all serving self-insurers only.

Charges: Administration and adjusting: percent of claims; per employee per month, \$5-\$12.50.

1989 gross revenues: \$1.5 million total.

Branch offices: Administrative office in Lauderhill, Fla.

Subsidiaries: Universal Prescription Administrators, Prescription Plan Service, Prescription Plan Corp., Mail Med, Universal Data Services.

Principal officers: A.S. Konigsberg, chairman; D.H. Konigsberg, president; D.H. Zaback and T. Miranda-Visaya, vps.

Membership: SPBA, American Medical Care Review Assn., National Confederation of Unions & Employee Benefit Funds.

National Prescription Administrators Inc.

1200 Route 46, Clifton, N.J. 07013; 201-471-6030

Year founded: 1978.

Business: 90% claims administration, 10% other services.

Region served: Nationwide.

Specialties: 100% health insurance.

Self-insured clients/claims: Administration: 650 clients, including 79 corporations, 59 public/government entities, 68 multi-employer plans, 139 Taft-Hartley plans, 305 union-sponsored plans.

Staff: 306 total, all serving self-insurers only.

Charges: Administration: per claim, per employee.

Branch offices: Administrative and sales offices in Harrisburg and Philadelphia, Pa. Additional sales offices in Hillsboro, N.C.; Dallas; San Francisco.

Subsidiaries: National Vision Administrators, National Dental Administrators, NPA Data Services.

Principal officers: Richard O. Ullman, president; Arthur A. Ullman Jr. and Albert M. Hosier, executive vps; David S. Karlin, senior vp; Stacey Tabor, vp-customer service.

Membership: SIIA, International Foundation of Employee Benefit Plans.

New World Services Ltd.

423 Sycamore St., Niles, Mich. 49120; 616-684-6700

Year founded: 1981.

Business: 100% claims administration.

Region served: Nationwide.

Specialties: 85% health insurance, 10% disability, 5% life.

Self-insured clients/claims: Administration: 120 clients that are corporations; total claims paid for self-insured clients, \$20 million. Health plans: 6,200 employees, 11,750 dependents.

Staff: Seven total, all serving self-insurers only.

Charges: Administration: per employee.

Branch offices: Sales offices in Chicago and Los Angeles.

Principal officers: Robert D. Cravens, president; Ruth A. Halvorsen, administrative manager.

Membership: SPBA, SIIA.

North American Administrators Inc.

455 Commerce Drive, Amherst, N.Y. 14150; 716-691-8556

Year founded: 1983.

Business: 95% claims administration, 5% claim adjusting.

Region served: Nationwide.

Specialties: 95% health insurance, 5% disability.

Self-insured clients/claims: Administration: 44 clients, including 26 corporations, 15 public/government entities, one Taft-Hartley plan; total claims paid for self-insured clients, \$70 million. Adjusting: two clients, including one corporation, one public/government entity; types of claims include health. Health plans: 45,000 employees, 60,000 dependents.

Staff: 41 total, all serving self-insurers only.

Charges: Administration: per employee per month, \$4.50-\$5.50.

1989 gross revenues: \$2.1 million total.

Branch offices: Administrative and sales office in Buffalo, N.Y.

Subsidiaries: CareNet.

Principal officers: Ronald K. Zoeller, president; E. Timothy Danahy, executive vp; David W. Miller, secretary/treasurer.

Membership: SPBA.

North American Benefits Network

19800 Detroit Road, Cleveland, Ohio 44116; 216-356-8215

Year founded: 1962.

Parent company: Swiss Reinsurance Co.

Business: 65% claims administration, 35% other services.

Region served: Nationwide.

Specialties: 90% health insurance, 5% flex compensation, 5% disability.

Self-insured clients/claims: Administration: 44 clients, including 42 corporations, two public/government entities; total claims paid for self-insured clients, \$129.5 million. Health plans: 92,532 employees, 231,330 dependents.

Staff: 74 total.

Charges: Administration: per employee per month, \$4.50-\$9.50.

1989 gross revenues: \$4.3 million total, 2.8 million from claims services.

Subsidiaries: North American Case Managers Inc.

Principal officers: Donald T. Baker, president; William P. Coleman, vp-marketing/sales; Anthony Manley, vp-operations; Mary Morgan, controller; B. Anthony Wirkus, vp-underwriting.

Membership: SPBA, SIIA.



Oliver & Larkin Inc.

710 Lakeway, Suite 270, Sunnyvale, Calif. 94086; 408-735-9975

Year founded: 1986.

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

Region served: Nationwide.

Specialties: 100% disability.

Self-insured clients/claims: Administration: 46 clients, including 43 corporations, three other entities; total claims paid for self-insured clients, \$6 million.

Staff: 12 total, all serving self-insurers only.

Charges: Administration: percent of covered wages.

Principal officers: Michael L. Oliver, president; Thomas H. Larkin Jr., executive vp; Nancy W. Cantley, claims manager.



Pavidan Benefit Services Inc.*

2550 University Ave. W., Suite 170 S., St. Paul, Minn. 55114; 612-646-2355

* Information reflects estimates for 1990.

Year founded: 1989.

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

Region served: Nationwide.

Self-insured clients/claims: Auditing: one project for a corporation.

Staff: One staff member serving self-insurers only.

Charges: Auditing: by the hour.

1989 gross revenues: \$80,000 total; \$64,000 from claims services.

Principal officers: Patrick Brophy, president.

Continued on next page

UMBRELLA & BUFFER LIABILITY

covering:

❖ HOSPITALS & NURSING HOMES

Including Malpractice

(Excess of Insurance or Self-Insurance)

❖ CONTRACTORS

❖ MANUFACTURERS

❖ O.L.T. RISKS

❖ LIQUOR LIABILITY

❖ AUTOMOBILE LIABILITY

ERRORS & OMISSIONS LIABILITY

for:

❖ PROPERTY/CASUALTY INSURANCE

Agents & Brokers

MGA's, Wholesalers, Surplus Lines

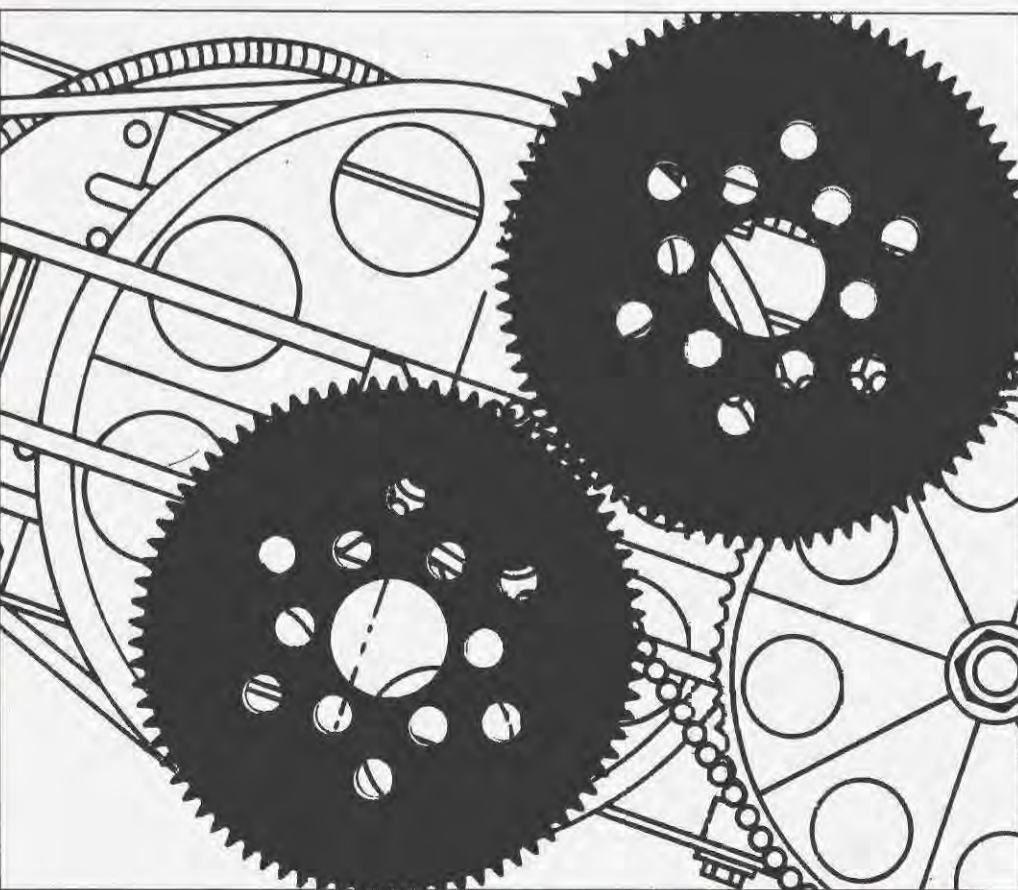
Agents and Brokers



Doran Excess Underwriters, Inc.
P.O. BOX 1417
Mechanicsburg, PA 17055
717-697-4626

Philadelphia: 215-925-0265
TELEX: 342-546
FAX: 717-697-7506

CALL US TOLL FREE
800-55-DOREX



Details Count

Your self-insurance program, like a complex machine, depends upon the smallest details. The smallest technical detail that you neglect could cost you extra in claims payments, or worse yet, could turn into a nasty lawsuit.

So just like a precision machine, your self-insurance program needs expert attention. The kind of detailed analysis and supervision only a specialist can provide.

Call Inservco today for a free initial consultation. There's no obligation.

1-800-356-0438



Because Details Count

Continued from previous page

Pioneer Administrators Inc.

101 Sunnyside Road, Suite 212,
Castlebury, Fla. 32707;
407-260-8822; 800-544-2638

Year founded: 1988.

Business: 100% claims administration.

Region served: Florida.

Specialties: 100% health insurance.

Self-insured clients/claims: Administration: 10 clients, including nine corporations, one multiemployer plan; total claims paid for self-insured clients, \$10 million. Health plans: 7,000 employees, 14,000 dependents.

Staff: 20 total, all serving self-insurers only.

Charges: Administration: fee for service.

1989 gross revenues: \$550,000 total.

Branch offices: Sales office in Orlando, Fla.

Principal officers: W. Randall Tyre, vp-marketing.

Membership: SIIA.

162 corporations, 24 public/government entities; total claims paid for self-insured clients, \$25.7 million. Health plans: 18,000 employees, 19,720 dependents.

Staff: 41 total, all serving self-insurers only.

Charges: Administration: per employee per month, \$3.25-\$7.05.

1989 gross revenues: \$921,900 total.

Principal officers: Gene F. Jenson, Barbara M. Jenson, Heidi J. Jenson, Thomas O'Meara and Robert Hardyman.

Membership: Wisconsin Assn. of Health Underwriters.

Preferred Administrators Insurance Services

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

Year founded: 1986.

Parent: El Camino Hospital District.

Business: 100% claims administration.

Region served: California.

Specialties: 98% health insurance, 2% flex compensation.

Self-insured clients/claims: Administration: 15 clients, including 13 corporations, two public/government entities; total claims paid for self-insured clients, \$25 million. Health plans: 18,550 employees, 19,900 dependents.

Staff: 27 total.

Charges: Administration: initial fee and per employee per month.

1989 gross revenues: \$3 million total; \$1.5 million from claims services.

Principal officers: Denise L. Shull, president/chief executive officer; Randall D. Frakes, vp-operations; I. William Weinberg, vp-sales/marketing; Armando Bautista, chief financial officer; Lawrence A. William, medical director.

Membership: SPBA.

Professional Benefit Administrators Inc.

201 E. Ogden Ave., Suite 120,
Hinsdale, Ill. 60521; 708-655-3755

Year founded: 1985.

Business: 100% claims administration.

Region served: Primarily Illinois.

Specialties: 100% health insurance.

Self-insured clients/claims: Administration: 60 clients that are corporations. Health plans: 7,654 employees, 19,899 dependents.

Staff: 21 total, all serving self-insurers only.

Charges: Administration: annual fee and monthly claims fee.

Principal officers: Ronald Walter, president; David W. Plumb, vp.

Membership: SPBA, SIIA.

Professional Claims Management Inc.

4580 Stephen Circle N.W., P.O.
Box 35276, Canton, Ohio 44735;
216-494-7278

Year founded: 1983.

Business: 100% claims administration.

Region served: Ohio and surrounding states.

Specialties: 100% health insurance.

Self-insured clients/claims: Administration: 90 clients, including 87 corporations, two public/government entities, one association plan; total claims paid for self-insured clients, \$8.4 million. Health plans: 8,000 employees, 16,240 dependents.

Staff: 19 total, all serving self-insurers only.

Charges: Administration: per employee, \$4.50-\$10.

1989 gross revenues: \$700,000 total.

Principal officers: J. David Bratton, president; Robert J. Archibald, vp; Rita Forchione, vp-claims.

Membership: SPBA, SIIA, Ohio Self-Funded Institute.

Pyramid Benefit Services

P.O. Box 1017, South Bend, Ind.
46624; 219-232-2993

Year founded: 1984.

Parent company: Midwest Commerce Banking Co.

Business: 100% claims administration.

Specialties: 100% health insurance.

Continued on next page

Pittman & Associates Inc.

1 Prescott S., Memphis, Tenn.
38111; 901-323-2140

Year founded: 1981.

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

Region served: Tennessee, Arkansas, Mississippi, Kentucky and Texas.

Specialties: 90% health insurance, 5% disability, 5% life.

Self-insured clients/claims: Administration: 18 clients, including 16 corporations, two public/government entities; total claims paid for self-insured clients, \$3.5 million. Auditing: eight projects, six for corporations, two for public/government entities. Health plans: 5,140 employees, 2,378 dependents.

Staff: 48 total, five serving self-insurers only.

Charges: Administration: per employee per month.

Branch offices: Administrative and sales office in Nashville, Tenn.

Principal officers: A.H. Pittman president; Jane E. Hogan, vp/secretary/treasurer.

Poe & Associates/Poe Benefit Services

702 N. Franklin St., Tampa, Fla.
33601; 813-222-4380

Year founded: 1950.

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

Region served: Nationwide.

Specialties: 90% health insurance, 5% flex compensation, 2.5% disability, 2.5% life.

Self-insured clients/claims: Administration: 15 clients, including 13 corporations, one public/government entity, one multiemployer plan. Health plans: 15,000 employees, 37,000 dependents.

Staff: 15 total.

Charges: Administration: per employee.

1989 gross revenues: \$700,000 total, \$560,000 from self-insurers.

Branch offices: Administrative office in Orlando, Fla. Agent offices in Fort Lauderdale, Fort Myers, Jacksonville, Lakeland, Miami, Orlando, Tallahassee, Venice, West Palm Beach and Winter Haven, Fla. Phoenix, Ariz.; Atlanta; New Brunswick, N.J.; Charlotte, N.C.; Houston Park Ridge, Ill.

Principal officers: William F. Poe, chairman; V.C. Jordan Jr., president; Martin L. Vaughan III and Bruce G. Geer, executive vps; Edward J. Miller, assistant vp.

Membership: SIIA.

Preferred Administrative Services Inc.

5904 Seminole Center Court,
Madison, Wis. 53711;
608-273-1776

Year founded: 1981.

Business: 90% claims administration, 10% other services.

Region served: Wisconsin, Illinois and Iowa.

Specialties: 90% health insurance, 5% flex compensation, 5% hospital precertification.

Self-insured clients/claims: Administration: 186 clients, including

At Erisco, when it comes to serving our customers, there is no limit.

Erisco, a company of The Dun & Bradstreet Corporation, has been providing innovative benefit administration systems and services for over twenty years.

By maintaining our focus on the needs of the benefits marketplace, we have become an industry leader.

No one has more experience than Erisco in defined contribution recordkeeping, group life and health administration, utilization review, claims processing and health care information services.

That's why major companies depend on Erisco. In fact, one in five of the nation's leading corporations has turned to us. And as customers they continue to look to Erisco for additional systems and services.

The point is, we develop long-term business relationships by providing solutions and ongoing planning in partnership with our customers. We also develop people. Experienced professionals who know the business. After all, our customers' success is our top priority.

For more information, call or write:
Erisco, 1700 Broadway, New York, N.Y.
10019-5905; (212) 765-8500.

Because when it comes to serving our customers, there is no limit.

ERISCO

DB a company of
The Dun & Bradstreet Corporation

Spotlight report

Continued from previous page

Self-insured clients/claims: Administration: 23 clients, including 21 corporations, two public/government entities; total claims paid for self-insured clients, \$10.2 million.

Staff: 10 total, five serving self-insurers only.

Charges: Administration: per employee per month, \$6-\$8.50.

1989 gross revenues: \$375,000 total.

Principal officers: James Stringfellow, general manager; Rosemary Barnes, operations manager; Carole Watson, underwriting manager.

Membership: SIA, National Assn of Employee Benefit Administrators.

R

Risk Management Resources Inc.

500 Sansome St., Suite 205, San Francisco, Calif. 94111; 415-392-1680

Year founded: 1979.

Business: 75% claims administration, 25% other services.

Region served: Nationwide.

Specialties: 93% health insurance, 7% flex compensation.

Self-insured clients/claims: Administration: 56 clients, including 46 corporations, seven public/government entities, two Taft-Hartley plans, one association plan; total claims paid for self-insured clients, \$140 million. Health plans: 70,000 employees.

Staff: 100 total, all serving self-insured clients only.

Charges: Administration: per month, 75 cents-\$10.

1989 gross revenues: \$5.5 million total.

Branch offices: Administrative offices in Anaheim, San Diego and Fresno, Calif.; Reno, Nev.

Principal officers: James H. Gardner, president; Terrence E. Devereaux, vp; Rodger Brunk, chief financial officer.

Membership: SPBA, SIA.

Robey-Barber Insurance Services Corp.

3965 Henderson Blvd., Tampa, Fla. 33629; 813-875-1130

Year founded: 1982.

Business: 25% claims administration, 75% other services.

Region served: Florida, Georgia, Alabama, Tennessee, North Carolina, South Carolina, Louisiana and Mississippi.

Specialties: 98% health insurance, 1% flex compensation, 1% disability.

Self-insured clients/claims: Administration: 200 clients, including 190 corporations, five public/government entities, five multiemployer plans; total claims paid for self-insured clients, \$24 million. Health plans: 13,000 employees, 25,000 dependents.

Staff: 80 total, 40 serving self-insurers only.

Charges: Administration: per employee per month, \$5-\$7.50.

1989 gross revenues: \$6.7 million total; \$1.4 million from claims services.

Branch offices: Administrative office in Knoxville, Tenn.

Subsidiaries: Southern Employee Benefit Services Inc., Flex Benefits.

Principal officers: James B. Robey, Timothy R. Barber and Garrett N. Mangin.

Membership: SIA.

S

SIEBA Ltd.

3206 Vestal Parkway E., Vestal, N.Y. 13850; 607-770-0120

Year founded: 1983.

Business: 98% claims administration, 2% other services.

Region served: Nationwide.

Specialties: 100% health insurance.

Self-insured clients/claims: Administration: 16 clients, including 11 corporations, three public/government entities, one union-sponsored plan, one association plan; total claims paid for self-insured clients, \$700,000. Health plans: 9,090 employees, 10,859 dependents.

Staff: 13 total, all serving self-insurers only.

Charges: Administration: per participant per month.

1989 gross revenues: \$500,000 total.

Principal officers: Richard G. DoBell, president.

Membership: SPBA.

Self Assurance Co. Inc.

100 Yordy Road, Morton, Ill. 61550; 309-263-7722

Year founded: 1981.

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

Region served: Illinois, Wisconsin, Iowa, Missouri, Kansas, North Dakota, South Dakota and Nebraska.

Specialties: 85% health insurance, 5% life, 10% dental.

Self-insured clients/claims: Administration: 65 clients, including 53 corporations, eight public/government entities, two multiemployer trusts, one union-sponsored plan, one association plan; total claims paid for self-insured clients, \$12.3 million. Health plans: 15,199 employees, 16,628 dependents.

Staff: 40 total, six serving self-insurers only.

Charges: Administration: per employee per month.

1989 gross revenues: \$1 million total.

Principal officers: Matthew A. Schafer, president; Mark A. Pfeifferkorn, secretary; Lance Feighner, director.

Membership: SPBA.

Self-Funded Plans Inc.

1432 Hamilton Ave., Cleveland, Ohio 44114; 216-566-1455

Year founded: 1980.

Business: 100% claims administration.

Region served: Nationwide.

Specialties: 93% health insurance, 1% flex compensation, 1% disability.

Self-insured clients/claims: Administration: 193 clients, including 185 corporations, eight public/government entities; total claims paid for self-insured clients, \$46 million. Health plans: 33,000 employees, 47,000 dependents.

Staff: 70 total, all serving self-insurers only.

Charges: Administration: per employee, per claim.

1989 gross revenues: \$3.8 million total.

Branch offices: Claims offices in Pittsburgh and Chicago.

Principal officers: Donna B. Luby, president; Richard C. Sheldon, executive vp; Bonnie Bletcher Krauss, vp-administration; Marsha Phillips, vp-client service.

Membership: SPBA, SIA.

Sheffield, Olson & McQueen Inc.

7400 Metro Blvd., Suite 250, Edina, Minn. 55435; 612-831-5574

Year founded: 1983.

Business: 72% claims administration, 28% other services.

Region served: Minnesota, North Dakota and South Dakota.

Specialties: 36% health insurance, 60% flex compensation, 4% disability.

Self-insured clients/claims: Administration: 125 clients that are corporations; total claims paid for self-insured clients, \$3.1 million.

Staff: 17 total, all serving self-insured clients only.

Charges: Administration: per employee per month, \$3.50-\$12.

1989 gross revenues: \$720,000 total; \$516,000 from claims services.

Principal officers: Cindy Sheffield, president; Kim Olson, vp.

W.H. Shepherd Cos. Inc. Benefit Consultants & Administrators

300 Cahaba Park Circle, Suite 206, Birmingham, Ala. 35242; 205-991-2815

Year founded: 1969.

Business: 100% claims administration.

Region served: Nationwide.

Specialties: 80% health insurance, 10% flex compensation, 10% disability.

Self-insured clients/claims: Administration: 80 clients, including 71 corporations, five public/government entities, one Taft-Hartley plan, one union-sponsored plan, two association plans; total claims paid for self-insured clients, \$25 million.

Continued on next page

This little symbol could spell big trouble.



The copyright symbol has been getting a lot of attention lately. From lawyers, judges and juries. In today's world of hot new movies, celebrity authors, cable TV and a magazine for every interest, ideas are selling at a premium. And due to the elusive quality of the creative process, copyright infringement can be a difficult risk to control. So no matter how careful your client is, innocent imitation can easily become the source of expensive litigation.

For businesses involved in publishing, broadcasting, printing, and advertising, copyright infringement coverage is essential. It is a standard feature in all of our specialized media policies. What's more, our in-house claim attorneys have the state-of-the-art expertise to work with insureds and their counsel to properly defend any claims alleging infringement of intellectual property rights.

If your client isn't adequately protected against copyright infringement claims, it's time to brainstorm the idea. Together with SAFECO, an A+ "Superior" rated insurance company, and our combined years of experience, Media/Professional can be a big help in keeping that little symbol from creating a costly scenario.



Media/Professional Insurance, Inc.
Two Pershing Square, Suite 800 • 2300 Main Street
Kansas City, Missouri 64108 • 816-471-6118

America's E & O Authority

Continued from previous page

Staff: 28 total, 26 serving self-insurers only.

Charges: Administration: per employee per month, \$5-\$25.

1989 gross revenues: \$1.2 million total.

Branch offices: Sales offices in Atlanta and Macon, Ga.; Memphis, Tenn.

Principal officers: W. Hal Shepherd, president/chief executive officer.

Membership: SPBA.

Shield Benefit Administrators Inc.

3900 Sparks Drive S.E., P.O. Box 8128, Grand Rapids, Mich. 49518; 616-940-9300

Year founded: 1988.

Parent company: Shield Insurance Services Inc.

Business: 75% claims administration, 25% other services.

Region served: Michigan, Ohio and Indiana.

Specialties: 100% health insurance.

Self-insured clients/claims: Administration: seven clients, including six corporations, one multiemployer plan; total claims paid for self-insured clients, \$12.3 million. Health plans: 14,850 employees, 33,100 dependents.

Staff: 18 total, 15 serving self-insurers only.

Charges: Administration: per participant per month.

Principal officers: Douglas S. Kuiper, president.

Membership: SPBA, SIIA.

Stirling & Stirling Inc.

51 Locust Ave., New Canaan, Conn. 06840; 203-966-8738

Year founded: 1971.

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

Region served: Nationwide.

Specialties: 95% health insurance, 1% disability, 4% life.

Self-insured clients/claims: Administration: 60 clients, including 55 corporations, four public/government entities, one Taft-Hartley plan; total claims paid for self-insured clients, \$20 million. Health plans: 16,000 employees, 19,000 dependents.

Staff: 45 total.

Charges: Administration: per employee per month, \$3-\$10.

Branch offices: Administrative office in Milford, Conn.

Principal officers: George S. Stirling Jr., president; Catherine M. Wemett, secretary/treasurer; Denise Welby, vp.

Membership: SPBA.

TXEN Inc.

5001 Spring Valley Road, Suite 710E, Dallas, Texas 75244; 214-934-4160

Year founded: 1989.

Business: 50% claims administration, 50% other services.

Region served: Nationwide.

Specialties: 100% health insurance.

Self-insured clients/claims: Administration: two clients, including one corporation, one association plan. Health plans: 83,000 employees, 232,800 dependents.

Charges: Administration: per employee per month.

Branch offices: Sales office in Birmingham, Ala.

Principal officers: Thomas L. Patterson, president.

Membership: American Medical Care & Review Assn.

Third Party Administrators

13105 N.W. Freeway, Suite 580, Houston, Texas 77040; 713-690-0044

Year founded: 1980.

Business: 83% claims administration, 17% other services.

Region served: Nationwide.

Specialties: 92% health insurance, 4% flex compensation, 2% disability, 2% life.

Self-insured clients/claims: Administration: 126 clients, including 113 corporations, 12 public/government entities, one multiemployer plan; total claims paid for self-in-

sured clients, \$68 million. Health plans: 36,800 employees, 72,850 dependents.

Staff: 74 total, 69 serving self-insurers only.

Charges: Administration: per employee per month, \$4-\$8.

1989 gross revenues: \$4.1 million total.

Branch offices: Administrative offices in Laredo and McAllen, Texas.

Principal officers: W. Keith Oehlschlager, president/owner; Valerie Bagwell, marketing manager; Rose A. Davis, manager-claims services.

Membership: SPBA, SIIA.

Total Group Services of Ohio Inc.

503 Windsor Park Drive, Dayton, Ohio 45459; 513-433-1010

Year founded: 1983.

Business: 100% claims administration.

Region served: Nationwide.

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

ity.

Self-insured clients/claims: Administration: 55 clients that are corporations. Health plans: 12,000 employees, 21,000 dependents.

Staff: 24 total, 22 serving self-insurers only.

Charges: Administration: per employee per month, \$5-\$12.

Subsidiaries: Grand Benefits Inc. **Principal officers:** Michael R. Gale, president; David K. Silliven, vp; Gail Wallace, secretary.

Membership: SPBA, SIIA, Self Insurance Institute of Ohio.

Total Plan Administrators Inc.

14 Commerce Drive, Cranford, N.J. 07016; 201-272-1616

Year founded: 1989.

Parent company: Blue Cross & Blue Shield of New Jersey.

Business: 100% claims administration.

Region served: Nationwide.

Specialties: 100% health insurance.

Self-insured clients/claims: Administration: one client that is a cor-

poration; total claims paid for self-insured clients, \$145 million. Health plans: 113 employees, 115 dependents.

Staff: Seven total, all serving self-insurers only.

Charges: Administration: per employee.

1989 gross revenues: \$69,201 total.

Principal officers: Donald LaGuardia, president/chief executive officer; Terence L. Byrd, executive vp/chief operating officer; Emmett A. King, director-marketing/sales.

Membership: SIIA, International Foundation of Employee Benefit Plans, Risk & Insurance Management Society Inc.

Total Program Administrators Inc.

4914 W. Marshall St., Richmond, Va. 23230; 804-342-4070

Year founded: 1984.

Parent company: Blue Cross & Blue Shield of Virginia.

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

Region served: Nationwide.

Specialties: 85% health insurance, 15% flex compensation.

Self-insured clients/claims: Administration: 70 clients, including 66 corporations, two public/government entities, two union-sponsored plans; total claims paid for self-insured clients, \$72 million. Health plans: 45,000 employees, 98,000 dependents.

Staff: 90 total, 80 serving self-insurers only.

Charges: Administration: per employee per month.

1989 gross revenues: \$5.5 million total; \$4.8 million from claims services.

Principal officers: Harvey Jackson, president; Hubert Register, director-operations; James LePrelle, director-marketing; Stephen R. Hall, business manager.

Membership: SPBA, SIIA.

Tower Administrative Services Ltd.

901-2 Lansing Square, Willowdale, Ontario, Canada; 416-492-2501

Year founded: 1986.

Continued on next page

T

TXEN Inc.

5001 Spring Valley Road, Suite 710E, Dallas, Texas 75244; 214-934-4160

Year founded: 1989.

Business: 50% claims administration, 50% other services.

Region served: Nationwide.

Specialties: 100% health insurance.

Self-insured clients/claims: Administration: two clients, including one corporation, one association plan. Health plans: 83,000 employees, 232,800 dependents.

Charges: Administration: per employee per month.

Branch offices: Sales office in Birmingham, Ala.

Principal officers: Thomas L. Patterson, president.

Membership: American Medical Care & Review Assn.

Third Party Administrators

13105 N.W. Freeway, Suite 580, Houston, Texas 77040; 713-690-0044

Year founded: 1980.

Business: 83% claims administration, 17% other services.

Region served: Nationwide.

Specialties: 92% health insurance, 4% flex compensation, 2% disability, 2% life.

Self-insured clients/claims: Administration: 126 clients, including 113 corporations, 12 public/government entities, one multiemployer plan; total claims paid for self-in-

The best players use every possible resource to achieve success. Even resources that feel a little uncomfortable.

Self insurance, for instance. It may feel uncomfortable at first, but it's becoming more and more important in business all the time. So we'd like to help you put it to use.

Safety Mutual has specialized in writing excess workers' compensation for self-insured customers since 1942, and we've provided coverage for a wide range of employers and associations. Our long-term commitment means stability, consistency and expertise—everything you expect from a professional.

Ask your broker to call Safety Mutual. We'll help put an effective new club in your bag.

Safety Mutual
The University Club Tower
1034 So. Brentwood Blvd.
St. Louis, Missouri 63117

314-862-4500



Safety Mutual
Casualty Corporation

You may be overlooking a tremendous opportunity.



Spotlight report

Continued from previous page

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

Region served: Canada.

Specialties: 80% health insurance, 20% disability.

Self-insured clients/claims: Administration: 24 clients, including 19 corporations, two multiemployer plans, three association plans; total claims paid for self-insured clients, \$1.8 million Canadian (\$1.6 million). Health plans: 4,200 employees, 11,900 dependents.

Staff: Five total, three serving self-insurers only.

Charges: Administration: percent of assumed cash flow or per employee, \$4-\$9.

1989 gross revenues: \$410,000 Canadian total (\$354,240).

Principal officers: K. Reid, president; M. Gilleece, vp.

The Travelers Plan Administrators Inc.

1 Tower Square, Hartford, Conn. 06183; 203-277-7675

Year founded: 1985.

Business: 95% claims administration, 2% claim adjusting, 3% claims auditing.

Region served: Nationwide.

Specialties: 90% health insurance, 8% flex compensation, 2% disability.

Self-insured clients/claims: Administration: 537 clients, including 472 corporations, 60 public/government entities, five association plans; \$830 million total claims paid for self-insured clients. Adjusting: 14 clients, including 10 corporations, two public/government entities, two association plans; types of claims include health, disability, flex compensation. Health plans: 362,200 employees, 905,500 dependents.

Staff: 453 total, 440 serving self-insurers only.

Charges: Administration and adjusting: monthly fee per employee.

1989 gross revenues: \$22 million total; \$21.4 million from claims services.

Subsidiaries: The TPA of Florida Inc., The TPA of Pennsylvania Inc., The TPA of California Inc., The TPA of Illinois Inc., The TPA of Michigan Inc., The TPA of Arizona Inc., The TPA of Tennessee Inc., The TPA of Minnesota Inc., The TPA of Texas Inc., The TPA of Colorado Inc., The TPA of Washington Inc., The TPA of Ohio Inc.

Principal officers: Barbara Corbett, Mark Kleppinger, Fred Allen, Steve Rasnick, Tom McArdle, Bruce Thompson, Doris Miller, Jim Cox, Paulette Porter, Marilyn Kelley and John Bertosa.

Membership: SIIA, National Assn. of Employee Benefit Administrators.

U

U.S. Plan Administrators Inc.

2534 Walnut Bend, Houston, Texas 77042; 800-888-0332

Year founded: 1987.

Business: 100% claims administration.

Region served: Nationwide.

Specialties: 100% health insurance.

Self-insured clients/claims: Administration: two clients that are corporations; total claims paid for self-insured clients, \$1.8 million. Health plans: 8,100 employees, 7,000 dependents.

Staff: Five total, all serving self-insurers only.

Charges: Administration: per employee per month.

1989 gross revenues: \$175,000 total.

Principal officers: Fred P. Massey, president/secretary; Glenn R. Massey, vp/treasurer; Pinkard A. Brand, director-operations.

Underwriters & Administrators

6345 Flank Drive, Gateway Corporate Center, Harrisburg, Pa. 17112; 717-652-8040

Year founded: 1977.

Business: 70% claims administration, 30% other services.

Region served: Mid-Atlantic states.

Specialties: 55% health insurance, 20% pensions, 15% flex compensation, 5% disability, 5% life.

Self-insured clients/claims: Administration: 77 clients, including 10 corporations, six public/government entities, three multiemployer plans, 57 Taft-Hartley plans, one association plan. Health plans: 65,600 em-

ployees, 98,400 dependents.

Staff: More than 40 total.

Charges: Administration: per employee.

1989 gross revenues: \$1.7 million total, \$1.2 million from claims services.

Principal officers: Stanford F. Golin, president; Donald Evans Jr. and Steven F. Golin, vps; David Shatto, comptroller.

Membership: SPBA, SIIA, International Foundation of Employee Benefit Plans.

United Medical Resources Inc.

2343 Auburn Ave., Cincinnati, Ohio 45219; 513-651-3737

Year founded: 1983.

Business: 72% claims administration, 28% other services.

Region served: Nationwide.

Specialties: 71% health insurance, 6% flex compensation, 1% disability, 22% miscellaneous.

Self-insured clients/claims: Administration: 71 clients, including 66 corporations, five public/government entities; total claims paid for self-insured clients, \$74.2 million. Health plans: 91,000 employees, 120,000 dependents.

Staff: 70 total, 61 serving self-insurers only.

Charges: Administration: initial fee and per employee per month.

1989 gross revenues: \$4 million total.

Principal officers: Victoria Buyniski, president; Daniel Prickel, finance manager; Julie Mueller, installation/support manager; Rebecca Terretti, claims manager; Anne Rogers, flexible benefits manager.

Membership: SPBA, SIIA, Employers Council on Flexible Compensation, International Foundation of Employee Benefit Plans.

V

Variable Protection Administrators Inc.

16035 Industrial Parkway, Cleveland, Ohio 44135; 216-676-8585

Year founded: 1968.

Business: 59% claims administration, 2% claims adjusting, 39% other services.

Region served: Nationwide.

Specialties: 94% health insurance, 3% disability, 3% life.

Self-insured clients/claims: Administration: clients include six corporations. Health plans: 900 employees, 1,750 dependents.

Staff: 34 total, four serving self-insurers only.

Charges: Administration: per covered employee, \$5-\$35.

Principal officers: David Manley, president; Timothy Eisenmann, vp-operations; Kurt Rakovec, vp-claims; Susan Maddock, vp-underwriting; David Campbell, vp-marketing.

Membership: SPBA, Northeast Ohio Claims Assn.

Vista Administrators Inc.

444 W. Galena, P.O. Box 10, Aurora, Ill. 60506; 708-844-2151

Year founded: 1981.

Business: 100% claims administration.

Region served: Midwest.

Specialties: 100% health insurance.

Self-insured clients/claims: Administration: Six clients, including four corporations, one public/government entity, one union-sponsored plan. Health plans: 1,638 employees, 2,082 dependents.

Staff: Four total, all serving self-insurers only.

Charges: Administration: per employee per month.

Principal officers: Nicholas Viola, president/chief executive officer; Marilee Viola, secretary/legal counsel.

Membership: SIIA, Self Insurance Assn. of Illinois, International Foundation of Employee Benefit Plans.

Voluntary Plan Administrators Inc.

23586 Calabasas Road, Suite 101, Calabasas, Calif. 91302; 818-593-2500

Year founded: 1979.

Business: 90% claims administration, 5% claim adjusting, 5% claims auditing.

Region served: Nationwide.

Specialties: 95% health insurance,

5% miscellaneous.

Self-insured clients/claims: Administration: 266 clients, including 265 corporations, one public/government entity; total claims paid for self-insured clients, \$39 million. Adjusting: three clients; types of claims include long- and short-term disabil-

ity, sick pay and salary continuation plans. Auditing: four projects.

Staff: 57 total, all serving self-insurers only.

Charges: Administration: percent of covered payroll, 0.03%-0.1%. Adjusting and auditing: by the hour, \$75-\$250.

1989 gross revenues: \$3.2 million total.

Branch offices: Administrative office in Santa Clara, Calif.

Principal officers: Jack H. Bredehorn, president.

Membership: SPBA, SIIA.

Continued on next page

Reader Reply Service

Products & Services Listing

Issue of January 29

READER SERVICE #	ADVERTISER	PAGE #	READER SERVICE #	ADVERTISER	PAGE #
1	Adjustco	28	—	Liberty Mutual	7
2	John Alden Risk Mgmt.	36	27	Lindsey & Newsom	20
3	American Appraisal Assoc.	4	28	Lockwood Dipple & Green Inc.	21
4	American Assoc. of Orthodon.	48	29	Mayer Hoffman McCann	71
5	American Dental Association	53	30	MCC Companies	47
6	American Reinsurance	34-35	31	McDonnell Douglas	55
7	American Reinsurance	56	32	Media/Professional Ins.	60
—	AON Reinsurance Agency Inc.	40	33	Medical Control Inc.	21
8	Apex Data Systems	29	34	Metropolitan Life Ins. Co.	46
9	Associated Claims Enterprises	10	35	Mutual of Omaha	82
10	Benesys Managed Mental Health	57	—	NAPSI	72
11	Caronia Corporation	69	36	National Reinsurance	51
—	Casualty Insurance Co.	28A-28B	37	Nat'l Assn. of Emp. Ben Adm.	41
12	Celtic Life Insurance	54	38	North American Reinsurance	45
—	CIGNA	15	—	Northern States Management	69
13	Corporate Systems	16-17	—	Northwestern National Life	22-23
—	Conserveco	37, 38	—	Paige—Ruane, Inc.	40
14	Conserveco	39	39	Pharmaceutical Card System	19
—	Continental Select & Excess	31	40	Reliance National	9
—	Control Data Corp.	68	41	Resource Inform Mgmt. Systems	32
15	Doran Excess Underwriters	58	42	F.A. Richard & Associates	6
—	Erisco	59	43	Risk & Ins. Mgmt. Society	64
—	Excess & Stop—Loss Underwrts.	64	44	RLI Corp.	33
16	Facts Services Inc.	71	45	Safety Mutual Casualty Corp.	61
17	FEISCO Risk Management	67	46	SBPA Systems, Inc.	74
18	GAB Business Services	14	—	Schirmer Engineering	44
—	Gay & Taylor	65	47	Scott Wetzel Services	49
—	Genesis Underwriting	25	48	Victor Schinnerer	29
19	Great American Insurance Co.	24	49	Skandia America Group	12-13
20	Guarantee Insurance Resources	52	50	Swett & Crawford	30
21	Health Economics Corporation	24	51	Third Party Administrators	66
—	Home Insurance Company	42-43	52	Total Plan Administrators	63
22	Illinois Insurance Exchange	44	53	Transamerica Ins. Group	26-27
—	Industrial Insurance Mgmt.	46	54	Underwriters Safety & Claims	66
23	Inphoto Inc.	30	55	Upjohn Healthcare Services	18
—	Inservco Insurance Services	58	—	Vermont Insurance Management	74
24	Int'l Found. of Empl. Ben.	70	56	Wausau Insurance Company	5
25	Intra Corp. Management	11	57	Zenith Administrators	36
26	Johnson & Higgins	50			



To obtain free information on the products and services advertised, turn to our post-paid Reader Service Reply Card bound in this issue, or complete the coupon below and mail to:

BUSINESS INSURANCE
P.O. BOX 1649
RIVERTON, NJ 08077-7249

Business Insurance

FREE LITERATURE FOR READERS

Issue Date: **JANUARY 29, 1990**
Card Expiration: **MARCH 23, 1990**

All questions must be answered to process inquiries. PLEASE CHECK ONE ITEM FOR EACH CATEGORY:

1. My organization is best described as:

A Mfg/Svcs F Ins Agent K Adj/Apprs
 B Association G Ins Broker L TPA
 C Union H Ins/Reins Co M Healthcare Inst
 D Government I Actry/Const N Other _____
 E Educational Inst J Attorney

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 O Benefits Mgt
 B Financial Mgt E Loss prevention Mgt
 C Risk 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 29, 1990** issue. Cards with more than 20 items circled will not be processed. This card expires **MARCH 23, 1990**.

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
31	32	33	34	35	36	37	38	39	40	41	42	43	44	45
46	47	48	49	50	51	52	53	54	55	56	57	58	59	60
61	62	63	64	65	66	67	68	69	70	71	72	73	74	75
76	77	78	79	80	81	82	83	84	85	86	87	88	89	90
91	92	93	94	95	96	97	98	99	100	101	102	103	104	105
106	107	108	109	110	111	112	113	114	115	116	117	118	119	120
121	122	123	124	125	126	127	128	129	130	131	132	133	134	135
136	137	138	139	140	141	142	143	144	145	146	147	148	149	150

Please print clearly

Name _____

Title _____

Company _____

Address _____

City _____ State _____ Zip _____

Phone () _____

Continued from previous page

W

Western General Services

39 S. LaSalle St., Suite 425,
Chicago, Ill. 60603; 312-855-0785

Year founded: 1987.

Business: 85% claims administration, 5% claims auditing, 10% other services.

Region served: Nationwide.

Specialties: 95% health insurance, 5% independent physician association contract management.

Self-insured clients/claims: Administration: 67 clients that are corporations; total claims paid for self-insured clients, \$20 million. Health plans: 15,000 employees, 60,000 dependents.

Staff: 32 total, all serving self-insurers only.

Charges: Administration: per employee per month.

1989 gross revenues: \$1.2 million total.

Principal officers: John Marion, president; Stephen Baniecki, vp/general manager; Susan Clark, director-operations; Ronald Kemp, controller; Terry Martin, data processing manager.

Membership: SPBA, SIIA.

Western States Administrators

P.O. Box 55010, Fresno, Calif.
93747; 209-251-4861

Year founded: 1972.

Parent company: NAC Corp.

Business: 12% claims administration, 88% other services.

Region served: Nationwide.

Specialties: 90% health insurance, 5% pensions, 5% flex compensation.

Self-insured clients/claims: Administration: 120 clients, including 110 corporations, eight public/government entities, two association plans; total claims paid for self-insured clients, \$16 million. Health plans: 17,650 employees, 28,240 dependents.

Staff: 286 total, 47 serving self-insurers only.

Charges: Administration: per employee per month, \$7.50-\$13.50.

1989 gross revenues: \$1.6 million from claims services.

Branch offices: Sales office in Sacramento, Calif.

Subsidiaries: Quality Care Medical Assurance Program Inc.

Principal officers: Donald J. Peracchi, chairman; Robert H. Rath, president; Mel Hamel, executive vp; Frank Shanahan, vp.

Membership: SPBA, SIIA, Independent Administrators Assn. of California.

Z

Zenith Administrators Inc.

111 Massachusetts Ave. N.W.,
Washington D.C. 20001;
202-682-7900

Year founded: 1988.

Parent company: ULLICO Inc.

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

Region served: Nationwide.

Specialties: 75% health insurance, 24.5% pensions, 0.5% vacation and training funds.

Self-insured clients/claims: Administration: 357 clients, including 36 corporations, 12 multiemployer plans, 305 Taft-Hartley plans, four union-sponsored plans; total claims paid for self-insured clients, \$412.5 million. Health plans: 470,000 employees, 1.1 million dependents.

Staff: 810 total, 600 serving self-insurers only.

Charges: Administration: flat fee, per employee per month.

1989 gross revenues: Approximately \$22 million total; approximately \$13.2 million from claims services.

Branch offices: 30 administrative and sales offices nationwide.

Principal officers: Daniel O'Sullivan, chairman/chief executive officer; James Luce, president; Jerome Pollock and Richard Reese, executive vps; William Dunlap, senior vp.

Membership: SPBA, International Foundation of Employee Benefit Plans.

Directory of P/C claims specialists

A

Adjusting Services Unlimited Inc./Michigan Claim Service Inc.

2120 University Park Drive,
Okemos, Mich. 48864; P.O. Box 77,
Okemos, Mich. 48805-0077;
517-349-2212

Year founded: 1952.

Business: 30% claims administration, 15% claims adjusting, 5% claims auditing, 50% other services.

Region served: Nationwide.

Continued on next page

S E T Y O U R D A T E S

issue: February 19 — Reader Service
closing: February 6
editorial feature: Benefits: Health Care Cost Control — Directory: Utilization Review Providers
demographic section: Insurer Topics: Forging Coalitions

issue: February 26
closing: February 13

issue: March 5
closing: February 20
demographic section: Agent/Broker Topics: Agency-Insurer Relations/Errors & Omissions

issue: March 12 — Reader Service Bonus Distribution: International Captive & Reinsurance Forum
closing: February 27
editorial feature: Risk Management Services — Directory: Risk Management Consultants

New York: 212-210-0228 Chicago: 312-649-5276 Los Angeles: 213-651-3710
Fax: 212-210-0704 Fax: 312-280-3189 Fax: 213-655-8157

Business Insurance
a publication of Crain Communications Inc

WHEN YOU WANT LESS RISK AND MORE MANAGEMENT IN YOUR SELF-FUNDED HEALTH PROGRAMS, TALK TO TPA.*

*TOTAL PLAN ADMINISTRATORS offers you the expert claims and management control to provide SUPERIOR SERVICES for all Self-Funded Health Programs Including:

UNIQUE ADVANTAGES

- Enjoy the flexibility and cost-effectiveness of unbundled services... NEVER AN UNNECESSARY EXPENSE.
- More prompt and accurate claims payment through an aggressive quality control program.
- Assistance in protecting required reserves through accurate statistical reporting and aggressive claims administrative procedures for coordination of benefits (COB).

EXCELLENT SERVICES

- Comprehensive claims administration, including periodic management reports, such as stop loss, recap, claims lag and COB savings.
- Coordination with cost containment services such as utilization review and managed care.
- The availability of COBRA administration, placement of stop loss coverage.
- Employee communications.
- Recognized by major reinsurers as an approved TPA.

UNPARALLELED EXPERIENCE

- Senior management staff offers more than 36 years in employee benefits.
- 16 years in the administration of self-funded health programs.
- A professional group with a special understanding of the unique needs of self-funded programs.



TOTAL PLAN ADMINISTRATORS, INC.

14 Commerce Drive
Cranford, NJ 07016
1-800-545-9891

Find out more about how TOTAL PLAN ADMINISTRATORS can help your Self-Funded Health Benefits Program... TODAY!

CALL: EMMETT A. KING, Director of Marketing: 1-800-545-9891

Excess & Stop-Loss Underwriters, Inc.*
International Assurance of Tennessee, Inc.*
Have Opportunities for T.P.A.s

We are managing underwriters for several *Best's* rated stop-loss insurance companies and we offer our services to T.P.A.s

If your T.P.A. is looking for . . .

- ✓ Quality Service
- ✓ Fast Response
- ✓ The "Personal Touch"

Call us at . . .

800/260-1340

* Members of United Excess Group

Continued from previous page

Specialties: 25% workers compensation, 35% general liability, 10% automobile, 10% property damage, 10% professional liability, 5% bonds, 5% miscellaneous.

Self-insured clients/claims: Administration: 150 clients, including 125 corporations, 25 public/government entities; total claims paid for self-insured clients, \$20 million. Adjusting: 125 clients; types of claims include product liability, workers compensation, general liability, automobile, property damage, errors and omissions, pollution, toxic tort. Auditing: seven projects.

Staff: 270 total, 40 serving self-insurers only.

Charges: Administration, adjusting and auditing: time and expense, flat fee, per file.

1989 gross revenues: \$11 million total.

Branch offices: Alpena, Ann Arbor, Battle Creek, Cadillac, Southfield, Escanaba, Flint, Gaylord, Grand Rapids, Houghton, Jackson, Kalamazoo, Lansing, Marquette, Menominee, Mount Pleasant, Muskegon, Petoskey, Saginaw, Sault St. Marie, Stevensville, Traverse City and Detroit, Mich.; Akron, Cincinnati, Cleveland, Columbus, Marion and Toledo, Ohio; Fort Myers, Fla.; St. Paul and Minneapolis, Minn.; New Orleans.

Subsidiaries: Recovery Unlimited.

Principal officers: James Matthews, president/chief executive officer; Scott Brooks, secretary/general counsel; T.W. Stambaugh, treasurer; Don Overton, executive vp; Larry Musser, vp-casualty operations; Edward Rochon, chairman; Mike Csom, vp-Michigan operations.

Membership: Public Risk Management Assn., National Panel of Select Adjusting Cos., International Institute of Loss Adjusters, Michigan Self-Insurers Assn., Professional Agents of Michigan, National Assn. of Independent Insurance Adjusters, Florida Self Insurers Assn., Ohio State Claims Assn., Minnesota Assn. of Self-Insurers.

Alexsis Inc.

41000 W. Seven Mile Road,
Northville, Mich. 48167;
313-348-2202

Year founded: 1932.

Parent company: Alexander & Alexander Inc.

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

Region served: Nationwide.

Specialties: 70% workers compensation, 15% general liability, 5% automobile, 5% property damage, 5% professional liability.

Self-insured clients/claims: Administration: 2,900 clients, including 2,500 corporations, 340 public/government entities, 60 association plans; total claims paid for self-insured clients, \$600 million.

Staff: 1,400 total, all serving self-insurers only.

Charges: Administration: percent of premium, per claim.

1989 gross revenues: \$79 million total.

Branch offices: 56 administrative and sales offices nationwide.

Subsidiaries: Corporate Service Inc., Summit Consulting Inc.

Principal officers: John A. Malasky, national director; Joseph A. Giampetro, executive vp-eastern division; R.F. Proffer, president-corporate service division; Ernest C. Fackler III, executive vp-western division; William B. Bull, president-Summit Consulting Inc.

Membership: SIIA.

Allied Claim Services Inc.

372 Ellen Drive, P.O. Box 488,
Buffalo, N.Y. 14225-0488;
716-631-9505

Year founded: 1959.

Business: 46% claims administration, 53% claim adjusting, 1% claims auditing.

Region served: New York, Ohio, Pennsylvania and Southern Ontario.

Specialties: 41% workers compensation, 29% general liability, 17% automobile, 11% property damage, 2% professional liability.

Self-insured clients/claims: Administration: 24 clients, including 21 corporations, three public/government entities; total claims paid for self-insured clients, \$1.7 million. Adjusting: 27 clients.

Staff: 29 total.

Charges: Administration: per claim, flat rate, by contract. Adjusting: time and expense. Auditing: by contract plus expenses.

Principal officers: Henry E.B. Dendler, chairman; Gregory J. Dendler, president; Paul J. Nowak and Patrick H. Dendler, vps; Edward E. Gress, assistant vp.

Membership: National Council of Self Insureds, New York State Self Insureds Assn., International Assn. of Industrial Accident Boards & Commissions.

Associated Claims

Enterprises Inc.

10 S. LaSalle St., 12th Floor,
Chicago, Ill. 60603; 312-263-1620

Year founded: 1985.

Parent company: Cameron General Corp.

Business: 50% claims administration, 40% claim adjusting, 10% claims auditing.

Region served: Nationwide.

Specialties: 10% general liability, 5% automobile, 70% professional liability, 15% specialty risks.

Self-insured clients/claims: Administration: 10 clients, including four corporations, six association plans. Adjusting: 11 clients, including six corporations, five association plans; types of claims include professional liability, specialty risks, general liability, automobile. Auditing: 10 projects for five corporations, five association plans.

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

Charges: Administration: flat fee, per claim, time and expense, percent of premium. Adjusting: flat fee, per claim, time and expense. Auditing: flat fee, time and expense.

Principal officers: John Hendrickson, president; William D. Yurek, vp; Kathie Wyatt-Vit and John O'Brien, assistant vps; Kenneth C. Heyman, secretary/treasurer.

Membership: SIIA.

Associated Claims Management Inc.

390 N. Widget Lane, P.O. Box
31077, Walnut Creek, Calif. 94598;
415-930-9883

Year founded: 1982.

Business: 85% claims administration, 5% claims adjusting, 5% claims auditing, 5% other services.

Region served: California, Arizona and Nevada.

Specialties: 65% workers compensation, 25% general liability, 5% automobile, 5% property damage.

Self-insured clients/claims: Administration: 148 clients, including 84 corporations, 64 public/government entities; total claims paid for self-insured clients, \$171 million. Adjusting: 37 clients, including 25 corporations, 12 public/government entities; types of claims include workers compensation, general liability, automobile, property damage. Auditing: five projects for four corporations, one public/government entity.

Staff: 205 total, 189 serving self-insurers only.

Charges: Administration: annual fee. Adjusting: time and expense. Auditing: fee for service, time and expense.

1989 gross revenues: \$10 million total.

Branch offices: Administrative and sales offices in Brea and Santa Clara, Calif.; Phoenix, Ariz.

Subsidiaries: Advanced Loss Services Inc.

Principal officers: Thomas R. Leonard, president/chief executive officer; Roberta Penarelli, senior vp; David F. Nolan, president-Santa Clara division; Virginia L. Porter, vp-finance/treasurer.

Membership: California Administrative Services Organization, Diablo Valley Industrial Claims Assn., Arizona Workers Compensation Claims Assn.

Axia Services Inc.

45 Glastonbury Blvd., Glastonbury,
Conn. 06033; 203-659-6700

Year founded: 1972.

Parent company: Aetna Life & Casualty Co.

Business: 10% claims administration, adjusting and auditing; 90% other services.

Region served: Nationwide.

Specialties: 93% workers compensation, 3% general liability, 2% automobile, 2% miscellaneous.

Self-insured clients/claims: Administration: 90 clients, including 84 corporations, six public/government entities. Auditing: three projects.

Charges: Administration: per claim, per project, time and expense.

1989 gross revenues: \$65 million total.

Branch offices: More than 100 administrative offices throughout the United States. Sales offices in Atlanta; Dallas; Charlotte, N.C.; Chicago; St. Louis; Los Angeles; San Francisco; Seattle; Boston; Hartford, Conn.; New York; Cleveland; Philadelphia.

Principal officers: Robert V. Toppi, president; Herrick A. Drake Jr., vp-marketing; F.M. Giuffrida, vp-administration; Thomsas M. Bendoraitis, vp-finance; J. White Idings, vp.

Membership: National Council of Self-Insurers.

B



April 29-May 4

BOSTON
Bound 1990

Don't miss the boat!

Capture the bounty of a week with RIMS—the organization that keeps its sights on you.

Set sail to new solutions for today's P/C market and employee benefits environment... hone professional skills... debate and dialogue with colleagues... establish profitable new relationships... meet leading suppliers of services you need.

- 90-plus working seminars
- Industry Sessions and Common Interest Groups
- Speakers from government and industry
- Special Session: A Look at the 21st Century —with futurist Daniel Burrus

28th Annual Risk Management and Employee Benefits Conference
 (Detailed Conference and Exhibitors' brochures (212) 286-9292)



Risk and Insurance Management Society, Inc.

Continued from previous page total.

Branch offices: Administrative offices in Glendale, Chico, Fairfield, Orange, Redding, San Bernardino, Santa Barbara, San Diego and Stockton, Calif. Sales office in Glendale, Calif.

Affiliates: Gregory B. Bragg & Associates Inc., David Morse & Associates Inc.

Principal officers: Gregory B. Bragg and David Morse, managing partners; Lee Collins and Tom Reitze, regional managers; Jamie Christensen, client relations manager.

Membership: California Assn. of Independent Insurance Adjusters.



CDS of Nevada Inc.

575 E. Plumb Lane, Reno, Nev. 89502; 702-323-0555

Year founded: 1980.
Business: 100% claims administration.

Region served: Nevada.
Specialties: 100% workers compensation.

Self-insured clients/claims: Administration: 20 clients, including 17 corporations, three public/government entities; total claims paid for self-insured clients, \$6.9 million.

Staff: 11 total, all serving self-insurers only.

Charges: Administration: flat fee.
Branch offices: Administrative office in Las Vegas.

Principal officers: L.R. Zimmerman, president; C.J. Verre, vp; R.L. Gresham, secretary.

CHD Development Corp.

417 Montgomery St., San Francisco, Calif. 94104; 415-986-3999

Year founded: 1987.
Business: 100% claims administration.

Region served: California and Nevada.

Specialties: 100% professional liability.

Self-insured clients/claims: Administration: 72 clients that are public/government entities; total claims paid for self-insured clients, \$3 million.

Staff: 25 total, all serving self-insurers only.

Charges: Administration: by contract.

1989 gross revenues: \$2 million total.

Branch offices: Administrative and sales offices in San Diego; Reno, Nev.

Subsidiaries: CHD Insurance Services.

Principal officers: Aaron Richard, president/chief executive officer; Connie Weisman, Sandy Mahon and Emily Davis Clark, vps.

Campos & Stratis

55 John St., Suite 1418, New York, N.Y. 10038; 212-295-1010

Year founded: 1969.
Business: 20% claims auditing, 80% other services.

Region served: Nationwide.
Specialties: 70% property damage, 10% professional liability, 10% bonds, 5% ocean marine, 5% inland marine.

Self-insured clients/claims: Auditing: more than 120 projects for 15 corporations.

Staff: 145 total.

Charges: Auditing: per diem.

Branch offices: Administrative offices in Atlanta; Boston; Chicago; Dallas; Denver; Houston; Milwaukee; Minneapolis; Orlando, Fla.; Philadelphia; Pittsburgh; San Francisco; San Juan, Puerto Rico; Los Angeles and Orange, Calif.; Seattle; Toronto; Vancouver, British Columbia; Montreal; London.

Principal officers: Chris Campos, Steve Rosenthal, Mark Gallagher, Jeffrey Baliban, Emile Bassila.

Cardinal Claim Service Inc.

100 Stewart Ave., C.S. 9013, Hicksville, N.Y. 11802-9013; 516-931-7585

Year founded: 1954.
Business: 10% claims administration, 15% claim adjusting, 75% other services.

Region served: Nationwide.

Specialties: 80% general liability, 20% automobile.

Self-insured clients/claims: Ad-

ministration: 25 clients, including 25 corporations.

Staff: 56 total, 12 serving self-insurers only.

Charges: Administration and adjusting: time and expense, by contract, flat rate. Auditing: by contract.

Branch offices: Administrative offices in Brooklyn and Syracuse, N.Y.

Principal officers: John E. Tynan, chief executive officer; Charles J. Umbach, president; Erik T. Himelein, vp-casualty operations; William R. Steele, vp-property operations.

Membership: National Assn. of Independent Insurance Adjusters, New York Assn. of Independent Insurance Adjusters, Loss Executives Assn.

Caronia Corp.

395 N. Service Road, Melville, New York 11747; 516-433-1200; 800-227-6642

Year founded: 1969.
Business: 50% claims administration.
Continued on next page

1989 / 1990

Business Insurance DIRECTORY
of Corporate Buyers of Insurance,
Benefit Plans & Risk Management Services

Updated and expanded, the 1989/90 Directory includes information on more than 13,700 executives from over 2,100 companies of all sizes located throughout the U.S. Plus, vital statistics on all companies listed include:

- primary type of business
- sales or assets
- number of employees
- name and title of chief financial officer
- names and titles of executives directly responsible for:
 - employee benefits — pension/retirement plans — personnel — risk & insurance management — property/casualty insurance — international employee benefits and/or risk management

Order the 1989/90 Business Insurance Directory of Corporate Buyers today — gain access to the executives who are directly responsible for the purchase of commercial insurance, employee benefits and risk management.

To order your copy complete the coupon or phone 313/446-0477. For tape sales or information call 313/446-0476.

• Reserve _____ copies

• \$85 each (15% discount when you order 5 or more).

• All orders must be prepaid.

• Make check payable to:

• Business Insurance Directory

• Total enclosed: \$ _____

• or charge my Visa Mastercard American Express Optima

• Account # _____

• Exp. Date _____

• Signature _____

• print name _____

• title _____

• company _____

• address _____

• city _____ state _____ zip _____

• phone _____

• Mail to:

• Business Insurance Directory

• Single Copy Sales

• 965 East Jefferson Avenue

• Detroit, MI 48207

Our 24-Hour Line Is Staffed By People,



Not Machines.

Claims occur 24-hours-a-day so the last thing you need is an adjusting company that quits at 5 pm, leaving an answering machine to mind the shop. Our AnyTime Line is a nationwide toll-free number staffed by real people at our home office in Winston-Salem, North Carolina. So whether you call between 9 and 5, or any other hour of the night or day, our specially trained staff is standing by to take immediate action on your claim. And that sure beats talking to a machine.

1-800-331-2154 (Outside NC) • 1-800-733-9628 (Within NC)

GAY & TAYLOR
INSURANCE ADJUSTERS & RISK SERVICES
P.O. Box 25626 • Winston-Salem, NC 27114-5626 • FAX: (919) 760-4446

Spotlight report

Continued from previous page
tion, 15% claims adjusting, 25%
claims auditing, 10% other services.

Region served: Nationwide.

Specialties: 3% workers compensation, 10% general liability, 2% automobile, 70% professional liability, 15% product liability, environmental claims.

Self-insured clients/claims: Administration: 108 clients, including 99 corporations, nine public/government entities. Auditing: 15 clients. Auditing: 44 projects for 39 corporations, five public/government entities.

Staff: 167 total, 65 serving self-insurers only.

Charges: Administration and adjusting: time and expense, on retainer, flat fee. Auditing: time and expense, per file.

Branch offices: Administrative offices in Albany, N.Y.; Atlanta; Boston; Chicago; Dallas; Denver; Houston; Los Angeles; Louisville, Ky.; Miami; Nashville, Tenn.; New Orleans, La. Sales offices in New York; Phoenix, Ariz.; Providence, R.I.; San Francisco; St. Louis; Tampa, Fla.; Washington, D.C.

Principal officers: Charles A. Caronia, president; Carl Ferdenzi, Randal Brent and Joseph Constantino, executive vps.

Membership: Assn. of Independent Insurance Adjusters.

CLAIMCO Inc.

P.O. Box 729, Long Valley, N.J.
07853; 201-832-7752

Year founded: 1982.

Business: 20% claims administration, 15% claim adjusting, 40% claims auditing, 25% other services.

Region served: Nationwide; ad-

justing services offered in New Jersey, Pennsylvania and New York.

Specialties: 10% workers compensation, 30% general liability, 15% automobile, 20% professional liability, 15% reinsurance.

Self-insured clients/claims: Administration: 10 clients, including 10 corporations. Auditing: nine clients, including nine corporations; types of claims include general liability, liquor liability, commercial automobile, professional liability, reinsurance. Auditing: 27 projects for three public/government entities.

Staff: 13 total, five serving self-insurers only.

Charges: Administration: time and expense, per file. Auditing: time and expense, per diem, by contract plus expenses.

Branch offices: Administrative office in Long Valley, N. J. Sales office in Long Valley and Cherry Hill, N.J.; Philadelphia.

Principal officers: John M. Monahan, president; Bill Holt and G. Dianuzzo, vps; P.A. Monahan, secretary; John Kevin Monahan, treasurer.

Claim Indemnity Services Inc.

P.O. Box 26227, Oklahoma City,
Okla. 73126; 405-947-7660

Year founded: 1981.

Business: 55% claims administration, 25% claim adjusting, 5% claims auditing, 5% other services.

Region served: Nationwide.

Specialties: 19% workers compensation, 5% general liability, 70% automobile, 5% inland marine, 1% miscellaneous.

Self-insured clients/claims: Administration: 12 clients, including 11

corporations, one public/government entities; total claims paid for self-insured clients, \$3.5 million. Auditing: four projects.

Staff: Six total.

Charges: Administration: monthly fee, \$250-\$4,000. Auditing and auditing: by the hour plus expenses, \$50 per hour.

1989 gross revenues: \$223,609 total.

Principal officers: Wayne M. Osmond, president; John G. Sullivan, vp; Fioretta Sullivan, secretary; Brian G. Sullivan, treasurer.

Membership: Oklahoma Claim Assn., Oklahoma City Claim Assn.

Claims Management Services Inc.

360 Market Place, P.O. Box 1447,
Roswell, Ga. 30077; 404-998-7411

Year founded: 1984.

Business: 75% claims administration, 25% claims auditing.

Region served: Nationwide.

Specialties: 50% workers compensation, 15% general liability, 10% automobile, 25% professional liability.

Self-insured clients/claims: Administration: 56 clients, including 51 corporations, three public/government entities, one multiemployer plan, one union-sponsored plan; total claims paid for self-insured clients, \$6 million. Auditing: 21 clients that are corporations; types of claims include workers compensation, medical malpractice, automobile physical damage, product liability. Auditing: 12 projects for 10 corporations.

Staff: 16 total, all serving self-insurers only.

Charges: Administration: time and expense. Auditing: flat rate, time and expense. Auditing: by the hour.

Principal officers: Gene L. Jones, president; Neill G. Stevens, vp/secretary/treasurer.

Claims Management Services Inc.

2604 Third Ave., Seattle, Wash.
98121; 206-441-5110

Year founded: 1986.

Business: 20% claims administration, 20% claim adjusting, 40% claims auditing, 20% other services.

Region served: Nationwide.

Specialties: 55% workers compensation, 25% general liability, 15% professional liability, 5% ocean marine.

Self-insured clients/claims: Administration: three clients that are corporations; total claims paid for self-insured clients, \$350,000. Auditing: 12 clients that are corporations; types of claims include workers compensation, general liability, professional liability, ocean marine. Auditing: 13 projects for eight corporations, five public/government entities.

Staff: Four total, two serving self-insurers only.

Charges: Administration: annual fee; by the hour, \$60. Auditing: annual fee; by the hour, \$45-60. Auditing: by the hour, \$65-\$120.

Principal officers: Paul Valdems, president/managing consultant; Denise Taylor, treasurer.

Membership: SIIA.

Claims Management Services Inc. of Pennsylvania

P.O. Box 230, Lemoyne, Pa.
17043; 717-763-7727

Year founded: 1984.

Business: 100% claims administration.

Region served: Pennsylvania.

Specialties: 100% workers compensation.

Self-insured clients/claims: Administration: five clients, including four corporations, one association plan; total claims paid for self-insured clients, \$6 million.

Staff: Nine total, all serving self-insurers only.

Charges: Administration: per claim.

1989 gross revenues: \$450,000 total.

Branch offices: Administrative offices in Wormleysburg and Pitts-

burgh, Pa.

Principal officers: Edward L. Gallagher Jr., president; Cynthia L. Gallagher, vp.

Constitution State Service Co.

One Tower Square, Hartford,
Conn. 06183; 203-277-3429

Year founded: 1980.

Business: 80% claims administration, 10% claim adjusting, 5% claims auditing, 5% other services.

Region served: Nationwide.

Specialties: 40% workers compensation, 30% general liability, 15% automobile, 5% property damage, 5% ocean marine, 5% environmental claims.

Self-insured clients/claims: Administration: 300 clients, including 270 corporations, 30 public/government entities; total claims paid for self-insured clients, \$335 million. Auditing: 15 clients. Auditing: five projects.

Staff: 5,015 total.

Charges: Administration: per claim, percent of losses, by the hour. Auditing: flat fee.

1989 gross revenues: \$50 million total.

Branch offices: Administrative offices throughout the United States. Sales offices in New York, Atlanta.

Principal officers: Jim Nothem, chairman; Mike Ignatowicz, president; Robert D. Greenberg, executive vp; Bob McGinnis, treasurer.

Corporate Service Inc.

29500 W. Five Mile Road, Livonia,
Mich. 48150; 313-525-4540

Year founded: 1932.

Parent company: Alexander & Alexander Inc.

Business: 90% claims administration, 5% claims auditing, 5% other services.

Region served: Nationwide.

Specialties: 70% workers compensation, 25% general liability, 5% au-

Continued on next page



ON THE FACE OF IT, THERE APPEARS TO BE A SEA OF EXCESS WORKERS' COMP PROVIDERS.

Now look closer. Look at Underwriters Safety & Claims. We're specialists in writing Excess Workers' Compensation.

We currently write for several major companies. We have built a fine reputation for our quick response and knowledge of the product.

Our experience sets us apart from the others. So now that you've looked at us, there's no need to look further.

Call Doug Donaldson
(502) 244-1343 Telex 204-111



**Underwriters Safety
& Claims, Inc.**

Post Office Box 23790
Louisville, Kentucky 40223



It's To Your Benefit

Does the service you are receiving through your group insurance administrator have your employees singing the "Blues?" Third Party Administrators, Incorporated has been providing quality service in claims administration for over 10 years.

TPA's function is to design and implement cost-effective employee benefit programs. Our specialty is guiding our customers through the intricate procedures of group insurance administration.

Whether you are a fortune 500 corporation or a small privately-held company, we know we can meet your needs. We offer services through our own consultants and through brokers.

Get to know TPA . . . it's to your benefit.



Third Party Administrators, Inc.
1733 Park Street, Suite 300
Naperville, Illinois 60563
Corporate Consulting Department
(708) 416-1111 (800) 631-5917

Member of SPBA • SIAI • International Foundation Employee Benefit Plans

Continued from previous page
tomobile.

Self-insured clients/claims: Administration: 300 clients; total claims paid for self-insured clients, \$110 million.

Staff: 300 total, all serving self-insurers only.

Charges: Administration: per claim, percent of premium, flat fee, time and expense. Adjusting: time and expense, per claim, flat fee. Auditing: time and expense, per file, flat fee.

Branch offices: Administrative offices in Cleveland; Bentonville, Ark.; Grand Rapids, Mich. Sales offices in Cleveland; Bentonville, Ark.; Grand Rapids and Saginaw, Mich.

Principal officers: Pete Proffer, president; J. Darwin Daniel and Donald K. Fisher, senior vps; Daniel Burkland, senior vp-claims; William C. Wallace, senior vp-finance/secretary/treasurer.

Membership: Detroit Workers Compensation Council, Michigan Self Insurance Assn., Detroit Adjusters Organization.

Crawford & Co.

5620 Glenridge Drive, P.O. Box 5047, Atlanta, Ga. 30302; 404-256-0830

Year founded: 1941.

Business: 32% claims administration, 5% claim adjusting, 63% other services.

Region served: Nationwide.

Specialties: 61% workers compensation; 19% general liability; 15% automobile; 3% professional liability; 2% property damage, bonds, ocean marine and inland marine.

Self-insured clients/claims: Administration: 1,125 clients, including 1,015 corporations, 51 public/government entities, 59 association plans; total claims paid for self-insured clients, \$1.3 billion. Adjusting: 2,050 clients, including 1,850 corporations, 160 public/government entities, 56 association plans; types of claims include workers compensation, liability, property, vehicle appraisal.

Staff: 5,662 total.

Charges: Administration: time and expense, flat rate per claim. Adjusting: time and expense.

1989 gross revenues: \$370 million total; \$120 million from claims services.

Branch offices: More than 700 administrative offices in the United States, Canada and Puerto Rico. Sales offices in Chicago; Dallas; Los Angeles; New York; Orlando, Fla.; San Francisco; Washington, D.C.; Atlanta; Toronto; Montreal; Edmonton, Alberta.

Subsidiaries: Crawford & Co. Insurance Adjusters Ltd. (Canada).

Principal officers: F.L. Minix, chairman/chief executive officer; P.A. Bollinger, executive vp-health care management; D.R. Chapman, executive vp-finance; C.C. Lefler, executive vp-risk management services; Frank Semancik, executive vp-claims services.

Membership: SIIA.

E

ESIS Inc.

1600 Arch St., Philadelphia, Pa. 19103; 215-523-2100

Year founded: 1955.

Parent company: CIGNA Corp.

Business: 75% claims administration, 9.3% claim adjusting, 5% claims auditing, 10.7% other services.

Region served: Nationwide.

Specialties: 18.9% workers compensation, 35.5% general liability, 40.2% automobile, .5% property damage, 1% professional liability, 3.9% miscellaneous.

Self-insured clients/claims: Administration: 1,110 clients; total claims paid for self-insured clients, approximately \$800 million. Auditing: 35 projects.

Staff: 3,880 total staff members.

Charges: Administration and adjusting: per claim. Auditing: flat fee.

Continued on next page

Do you have to return it?

If you're racing through this issue of Business Insurance because you have to return it soon,

why not have your own personal subscription?

Use the card in this issue or the coupon to

SUBSCRIBE TODAY.

Business Insurance

Circulation Dept. 965 E. Jefferson Detroit, MI 48207



Business Insurance gives you total news coverage of loss prevention, risk financing and benefit management. Every week. Annual subscription (52 issues) in U.S. dollars.

(Check here:)

- | | | |
|---------------------------------------------|--------------------------------------------|----------------------------------------|
| <input type="checkbox"/> USA | <input type="checkbox"/> Surface Mail \$75 | <input type="checkbox"/> By Air \$152 |
| <input type="checkbox"/> Canada | <input type="checkbox"/> \$107 | <input type="checkbox"/> \$162 |
| <input type="checkbox"/> Bermuda (air only) | | <input type="checkbox"/> \$157 |
| <input type="checkbox"/> United Kingdom | | <input type="checkbox"/> \$163 or £105 |
| <input type="checkbox"/> Europe/Middle East | | <input type="checkbox"/> \$163 |
| <input type="checkbox"/> All other foreign | <input type="checkbox"/> \$107 | Rates on request |

new subscription. renewal. payment enclosed.

bill me. bill company.

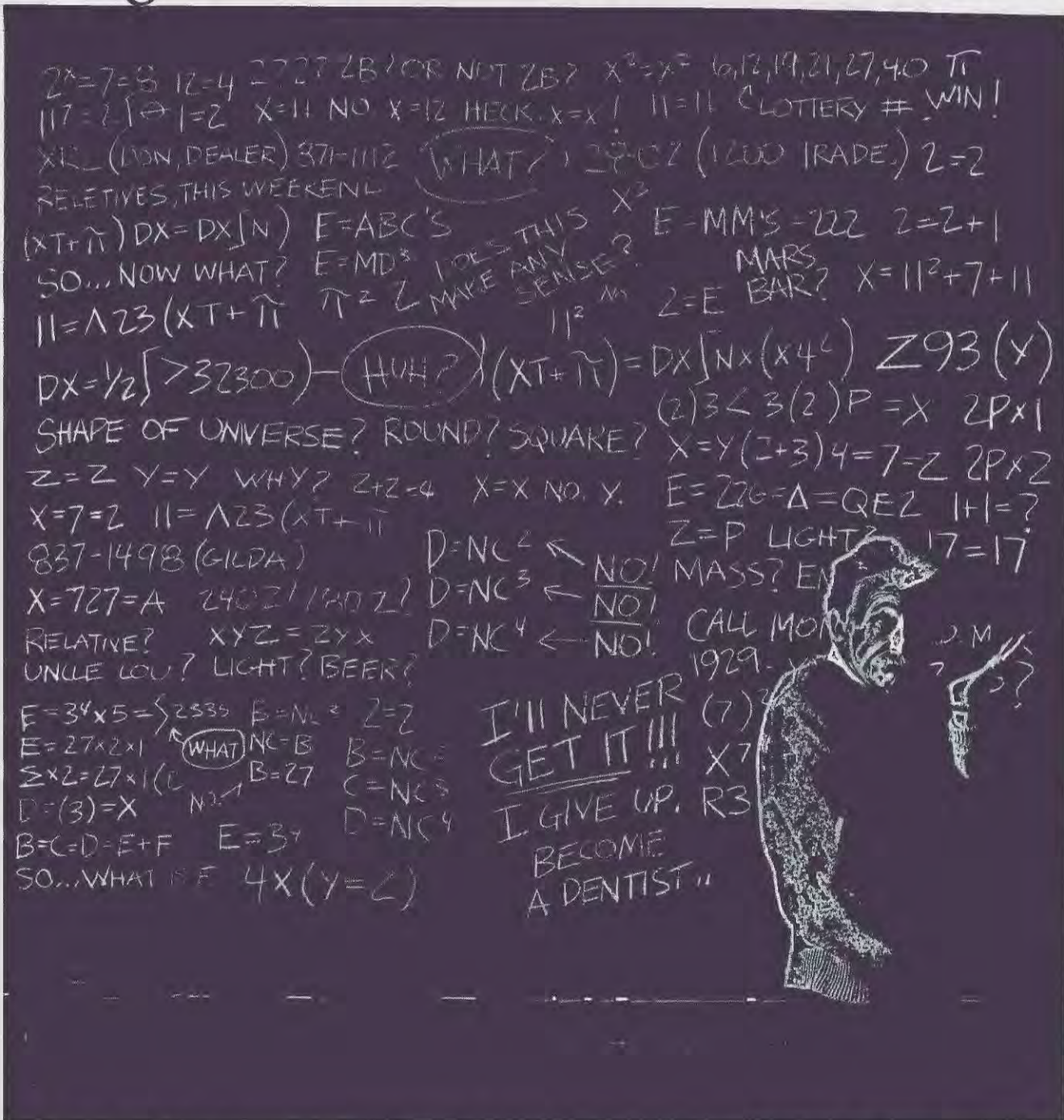
Please send information on your special 20%-off group rate for five or more subscriptions.

Mail to: Business Insurance, Circulation Dept., 965 E. Jefferson Ave., Detroit, MI 48207

name (please print) _____
 title _____ telephone _____
 company _____
 nature of business _____
 business or home address
 city _____ state/country _____ zip/postal code _____
 I prefer not to receive information or advertising by mail from companies not affiliated with Crain Communications.

4COUX

Imagine a world without innovators.



If Albert Einstein hadn't been an innovator, he might have been a failure. Relatively speaking.

Of course, Al succeeded because he knew the importance of innovation, and today many smart businessmen are following Al's formula for success by choosing FEISCO, the most innovative risk management company in Florida, to provide their insurance needs.

FEISCO has been developing inno-

vative approaches to risk management since we first opened our Sarasota headquarters in 1959. Over the years, our energetic search for new solutions has resulted in the FCCI Fund, the leading workers' compensation fund in Florida, and new approaches in the massively important fields of property, casualty, life and health insurance.

To discover how FEISCO can help your new Florida venture take off

at the speed of light, call Lisa today at 1-800-226-7148 (in FL) or (813) 951-3774 or write the FEISCO Marketing Department, 2601 Cattlemen Road, Sarasota, Florida 34232.

FEISCO
 RISK MANAGEMENT SERVICES
The difference is our attitude.

D

Diversified Insurance Services

University Club Building, Suite 2300, 136 S. Temple, Salt Lake City, Utah 84111; 801-532-6387

Year founded: 1968.

Business: 90% claims administration, 10% other services.

Region served: Idaho, Colorado, Texas, Utah, Nevada, New Mexico, California, Wyoming, Arizona, Oregon and Washington.

Specialties: 40% workers compensation, 40% general liability, 20% automobile.

Self-insured clients/claims: Administration: three clients, that are corporations; total claims paid for self-insured clients, \$4 million.

Staff: 14 total, all serving self-insurers only.

Charges: Administration: per file, \$150-\$300.

1989 gross revenues: \$1 million total; \$900,000 from claims services.

Branch offices: Administrative offices in Boise, Idaho; Albuquerque, N.M.; Phoenix, Ariz.

Principal officers: Kenneth F. Palmer Jr., president; Max McCormick and Jack D. Barrett, vps; Rebecca Palmer, secretary/treasurer; Gordon Holiday, chief financial officer.

Spotlight report

Continued from previous page

Branch offices: Sales offices in Atlanta, Boston, Chicago, Dallas, Houston, Los Angeles, New York and San Francisco.

Affiliates: Simco Inc., RSI Inc., Intracorp.

Principal officers: Edward P. Holleran, president; George W. Punnam, vp; Dennis G. McGowan, administrator; Brian P. O'Hara, product director; Robert F. Bruce, loss control manager.

Membership: SIIA, National Council of Self-Insurers.

Employee Benefit Administration Co.

8441 Wayzata Blvd., Suite 200, Minneapolis, Minn. 55426; 612-544-0311

Year founded: 1979.

Parent company: W.R. Berkley Corp.

Business: 35% claims administration, 65% other services.

Region served: Minnesota, Oklahoma and Texas.

Specialties: 97% workers compensation, 1% general liability, 1% automobile, 1% property damage.

Self-insured clients/claims: Administration: 1,455 clients, including 70 corporations, 1,380 public/government entities, five multiemployer plans.

Staff: 215 total, 80 serving self-insurers only.

Charges: Administration: percent of premium, percent of payroll.

Branch offices: Administrative offices in Tulsa, Okla.; Dallas.

Subsidiaries: Texas EBA Inc.

Principal officers: Ernest Kallgren, president; Ronald M. Holbach and Stephen P. Letak, vps.

F

Fleming & Associates

1150 Foothill Blvd., Suite E, La Canada, Calif. 91011; 818-790-8714

Year founded: 1976.

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

Region served: California, Arizona and Nevada.

Specialties: 95% workers compensation, 2.5% general liability, 2.5% long term disability.

Self-insured clients/claims: Administration: 42 clients, including 11 corporations, 29 public/government entities, two multiemployer plans, total claims paid for self-insured clients, \$16.2 million.

Staff: 21 total, 13 serving self-insurers only.

Charges: Administration: per claim.

Branch offices: Administrative office in Salinas, Calif.

Principal officers: William Edward Fleming, president; William A. Lange, computer services; Jeff Seabrook, operations; Robert N. Hoyle, resident.

Membership: California Administrative Services Organization.

J.H. Frank & Associates

P.O. Box 116, Madison, N.J. 07940-0116; 201-822-2992

Year founded: 1985.

Business: 30% claims administration, 40% claims auditing, 30% other services.

Region served: Nationwide.

Specialties: 5% workers compensation, 40% general liability, 10% automobile, 5% property damage, 35% professional liability, 5% bonds.

Self-insured clients/claims: Administration: 11 clients, including nine corporations, two public/government entities; total claims paid for self-insured clients, more than \$4.5 million. Auditing: 16 projects.

Staff: Five total full-time employees, three serving self-insurers only.

Charges: Administration: by contract, per diem, by the hour. Auditing: by contract, by the month, by the day, per employee.

Branch offices: Administrative offices in New York; Jacksonville, Fla.; Los Angeles; San Francisco.

Sales office in New York.

Principal officers: J.H. Frank, principal; M.E. Avroch, C. Simmons, J.T. Frank, P.S. Buck and P. Majchrowicz, associates.

Richard B. Frank & Associates

P.O. Box 19730-118, Portland, Ore. 97219; 503-526-1232

Year founded: 1984.

Business: 75% claims auditing, 25% other services.

Region served: Oregon and Washington.

Specialties: 100% workers compensation.

Self-insured clients/claims: Auditing: 14 projects for 10 corporations, two public/government entities, two association plans.

Staff: One full-time staff member.

Charges: Auditing: by the project, \$60 per hour.

Principal officers: Richard B. Frank, president.

Frontier Adjusters Inc

45 E. Monterey Way, Phoenix, Ariz. 85012; 602-264-1061

Year founded: 1957.

Business: 7% claims administration, 28% claim adjusting, 1% claims auditing, 64% other services.

Region served: Nationwide.

Specialties: 21% workers compensation, 50% general liability, 17% automobile, 8% property damage, 4% professional liability.

Self-insured clients/claims: Administration: 43 clients, including 26 corporations, 14 public/government entities, three association plans; total claims paid for self-insured clients, \$21.2 million. Auditing: 257 clients, including 204 corporations, 48 public/government entities, five association plans; types of claims include general liability, workers compensation, automobile liability. Auditing: two projects.

Staff: 1,234 total.

Charges: Administration: flat fee; time and expense, \$32-\$40 per hour. Auditing: time and expense, \$32-\$40 per hour. Auditing: time and expense, \$45-\$55 per hour.

1989 gross revenues: \$28.2 million total; \$8.7 million from claims services.

Branch offices: Administrative offices in more than 400 locations.

Principal officers: William J. Roche, chief executive officer/president; Jean Ryberg, secretary/treasurer; Mike Soltau, executive vp.

G

Gates McDonald

3 Nationwide Plaza, P.O. Box 1944, Columbus, Ohio 43216; 614-249-7211

Year founded: 1929.

Parent company: Nationwide Group.

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

Region served: Nationwide.

Specialties: 90% workers compensation, 5% general liability, 5% automobile.

Self-insured clients/claims: Administration: 700 clients, including 600 corporations, 100 public/government entities; total claims paid for self-insured clients, \$312 million.

Staff: 900 total, 500 serving self-insurers only.

Charges: Administration: per claim, \$65-\$600.

1989 gross revenues: \$41 million total; \$24.6 million from claims services.

Branch offices: Administrative offices in 40 cities. Sales offices in 14 cities.

Principal officers: Donald J. Sternisha, president; William B. Shelton, vp-finance; David M. Parker, vp-sales/marketing; Richard H. Hoyt, vp-operations; Homer Beard, vp-administrative services.

Membership: SBPA, SIIA.

W.R. Gibbens Inc.

P.O. Box 15335, Las Vegas, Nev. 89114; 702-737-0345

Year founded: 1966.

Business: 70% claims administration, 30% other services.

Region served: Nevada, Colorado, Washington and Wyoming.

Specialties: 100% workers compensation.

Self-insured clients/claims: Administration: clients include 38 corporations, two public/government entities; total claims paid for self-insured clients, \$30 million.

Staff: 36 total, 28 serving self-insurers only.

Charges: Administration and adjusting: percent of payroll.

Branch offices: Sales offices in Reno, Nev.; Olympia, Wash.

Principal officers: David E. Addison, president; Russell Pascoe, vp; Douglas Todd, secretary/treasurer.

Gow Management Services Inc.

344 Delaware Ave., Buffalo, N.Y. 14202; 716-856-6148

Year 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% workers compensation, 15% general liability, 10% automobile, 5% property damage, 5% professional liability.

Self-insured clients/claims: Administration: 18 clients, including 12 corporations, six public/government entities; total claims paid for self-insured clients, \$2.1 million. Auditing: five clients, types of claims include workers compensation, general liability, automobile liability, property damage, professional liability. Auditing: six projects.

Staff: 110 total, 10 serving self-insurers only.

Charges: Administration: by contract, by the hour. Adjusting: by the hour, by contract. Auditing: by contract.

1989 gross revenues: \$6 million total.

Branch offices: Administrative and sales offices in Rochester, Syracuse and Albany, N.Y.

Principal officers: Jeffrey J. Gow, Michael Gow, Richard K. Mason and Stephen H. Gow.

Greenfield-Thompson Associates Inc.

1645 McCandless Drive, Milpitas, Calif. 95035; 408-262-4333

Year founded: 1985.

Business: 90% claims administration, 10% other services.

Region served: California.

Specialties: 100% workers compensation.

Self-insured clients/claims: Administration: 125 clients, including 54 corporations, 71 public/government entities; total claims paid for self-insured clients, \$30 million.

Staff: 47 total, all serving self-insurers only.

Charges: Administration: annual fee, per claim.

Branch offices: Administrative and sales office in Irvine, Calif.

Principal officers: James L. Thompson, chairman; Deborah S. Greenfield, president.

H

HCM Claim Management Corp.

225 Brae Blvd., Park Ridge, N.J. 07656-0719; 201-307-2777

Year founded: 1981.

Parent company: The Hertz Corp.

Business: 45% claims administration, 5% claim adjusting, 5% claims auditing, 45% other services.

Region served: Nationwide; workers compensation in California and Arizona.

Specialties: 40% workers compensation, 5% general liability, 45% automobile, 5% property damage, 5% inland marine.

Self-insured clients/claims: Administration: 257 clients, including 212 corporations, 45 public/government entities; total claims paid for self-insured clients, \$250 million. Auditing: 20 clients, including 18 corporations, two public/government entities; types of claims include auto, workers compensation, general liability, inland marine, property damage. Auditing: 36 projects for corporations.

Staff: 755 total, 500 serving self-insurers only.

Charges: Administration: flat fee, per claim, per case. Adjusting: time and expense. Auditing: flat fee.

1989 gross revenues: \$50 million total.

Branch offices: Administrative offices in Schiller Park, Ill.; Dallas; Braintree, Mass.; Miami; Pittsburgh; Glendale, Calif. Sales office in Pasadena, Calif.

Subsidiaries: Bierly & Associates, Paige One Adjusters, Best Impressions Copying Service.

Principal officers: Thomas J. Santorelli, president/chief executive officer; Howard Rexak, vp; Richard McEvily, managing attorney; William Gavin, vp-workers compensation; Peter Hamann, director-national sales.

Hartford Specialty Co.

Hartford Plaza, Hartford, Conn. 06103; 203-547-5000

Year founded: 1975.

Parent company: Hartford Insurance Group.

Business: 80% claims administration, 5% claim adjusting, 5% claims auditing, 10% other services.

Region served: Nationwide.

Specialties: 60% workers compensation, 20% general liability, 10% automobile, 10% professional liability.

Self-insured clients/claims: Administration: 218 clients, including 180 corporations, 32 public/government entities, six association plans; total claims paid for self-insured clients, \$228 million. Auditing: 10 clients; types of claims include workers compensation, general liability, professional liability. Auditing: 30 projects.

Staff: 470 total, 380 serving self-insurers only.

Charges: Administration: per claim, annual fee, time and expense. Auditing: flat fee, time and expense. Auditing: time and expense.

1989 gross revenues: \$25 million total; \$23 million from claims services.

Branch offices: 100 administrative offices in the United States. Sales offices in New York; Los Angeles; Chicago; Dallas; Orlando, Fla.; Detroit.

Principal officers: Ramani Ayer, president; Phil Griffin Jr., senior executive vp; Don Walker, executive vp; Don Eldridge and John A. MacDonald, senior vps.

Helmsman Management Services Inc.

175 Berkeley St., Boston, Mass. 02117; 617-574-5557

Year founded: 1983.

Parent company: Liberty Mutual Insurance Group.

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

Region served: Nationwide.

Specialties: 100% workers compensation.

Self-insured clients/claims: Administration: 20 clients, including 15 corporations; \$12.5 million total claims paid for self-insured clients.

Staff: Seven total, additional staff provided by parent company.

Charges: Administration: per claim.

1989 gross revenues: \$8 million total; \$1.6 million from claims services.

Branch offices: Administrative and sales offices throughout the United States.

Principal officers: William E. Commack, president; Robert Barrese, senior vp; Scott Goodby, treasurer; Bobby J. Litke and Milan C. Dahlquist, vps.

Membership: SIIA.

Heyenrath & Associates

1142 Manhattan Ave., Suite 240, Manhattan Beach, Calif. 90266; 213-546-1108

Year founded: 1980.

Business: 70% claims auditing, 30% other services.

Region served: Nationwide.

Specialties: 50% workers compensation, 30% general liability, 20% automobile.

Self-insured clients/claims: Auditing: 36 projects for six corporations, six pools, 24 public/government entities.

Staff: Five total, two serving self-insurers only.

Charges: Auditing: flat fee, time and expense, \$75-\$125 per hour.


Continued on next page



Timeless partnerships committed to Excellence

Benefit Services, a premier medical and dental claims administrator.

Benefit Services

A Division of  CONTROL DATA

For additional information,

call (214) 516-2622

Continued from previous page
Branch offices: Administrative office in Spokane, Wash.
Principal officers: Leo Heyenrath, senior partner.

Insurance Consulting Associates Inc.

1125 N. McDowell Blvd., Petaluma, Calif. 94954-1110; 707-778-1118

Year founded: 1978.
Business: 60% claims administration, 10% claims auditing, 30% other services.

Region served: Nationwide.
Specialties: 10% workers compensation, 49% general liability, 20% automobile, 10% property damage, 10% professional liability, 1% bonds.

Self-insured clients/claims: Administration: 70 clients that are public/government entities. Auditing: 10 clients; including eight corporations, two public/government entities. Auditing: one project for one 102-member city pooling arrangement.

Staff: 22 total, 18 serving self-insurers only.

Charges: Administration: time and expense, \$50-\$60 per hour; fixed fee. Auditing: time and expense, \$35-\$50 per hour; fixed fee; per claim. Auditing: time and expense, \$75-\$150 per hour with project maximum.

1989 gross revenues: \$1.3 million total; \$850,000 from claims services.

Principal officers: Ron Blanquie, president/chief executive officer; Michael Patterson, executive vp; Dan Blanquie, vp-operations; Richard Ruben, vp-corporate communications.

Membership: National Assn. of Independent Insurance Adjusters, California Assn. of Independent Insurance Adjusters, Casualty Claims Assn. of San Francisco.

International Loss Control Services Ltd.

Irish Farm Centre, Bluebell, Dublin 12, Ireland; 01-504-800; 01-503-266

Year founded: 1983.
Parent company: FBD Holdings P.L.C.

Business: 100% claims administration.

Region served: Ireland.
Specialties: 35% workers compensation, 25% general liability, 40% automobile.

Self-insured clients/claims: Administration: four clients which are corporations; total claims paid for self-insured clients, \$2.5 million.

Staff: Eight total, two serving self-insurers only.

Charges: Administration: percent claims, 8%-10%.

1989 gross revenues: \$400,000 total.

Principal officers: Patrick J. O'Reilly, senior executive director, Eamonn Bergin, executive director, John Walsh, claims administrator; Martin Carr, engineering/technical services.

International Surplus Adjusting Services

3700 Wilshire Blvd., Suite 520, Los Angeles, Calif. 90010; 213-480-4639

Year founded: 1979.
Parent company: CIGNA Corp.

Business: 50% claims administration, 5% claim adjusting, 5% claims auditing, 40% other services.

Region served: Nationwide.
Specialties: 5% workers compensation, 60% general liability, 5% property damage, 10% professional liability, 5% ocean marine, 15% miscellaneous.

Self-insured clients/claims: Administration: 15 clients which are corporations; approximately \$1.8 million total claims paid for self-insured clients. Auditing: eight clients which are corporations. Auditing: 23 projects for five corporations.

Staff: 37 total, 12 serving self-insurers only.

Charges: Administration: by the hour. Auditing: by the hour, annual contract, per day. Auditing: per day.

1989 gross revenues: \$4.1 million total.

Principal officers: Richard B. Piccinini, president; James F. Lee, vp.

J

Johns Eastern Co.

P.O. Box 4175, Sarasota, Fla. 34230; 813-957-3041

Year founded: 1946.
Business: 20% claims administration, 74% claim adjusting, 1% claims auditing, 5% other services.

Region served: Florida; Virginia; Maryland; Delaware; Pennsylvania; New Jersey; Washington, D.C.

Specialties: 65% workers compensation, 15% general liability, 10% automobile, 5% property damage, 5% professional liability.

Self-insured clients/claims: Administration: 41 clients, including 25 corporations, 16 public/government entities; total claims paid for self-insured clients, \$14.7 million. Auditing: clients include seven corporations, four public/government entities; types of claims include workers compensation, automobile liability, general liability, professional liability. Auditing: three projects for corporations.

Staff: 171 total.
Charges: Administration: percent of premium. Auditing: percent of premium, time and expense. Auditing: by the hour.

1989 gross revenues: \$10 million total.

Branch offices: Administrative and sales offices in Clearwater, Fort Lauderdale, Jacksonville, Lakeland, Miami, West Palm Beach, Orlando and Tampa, Fla.; Baltimore; Philadelphia.

Subsidiaries: West Coast Auto Appraisal, JECO Excess Agency Inc.

Principal officers: Donald L. Johns, chairman/president; K.M. Johns III, executive vp; Allen L. Ladd and Norman A. Sensinger, vps/regional managers.

Membership: SIIA, National Assn. of Independent Insurance Adjusters.

tion, 15% claims auditing, 10% other services.

Region served: Midwest.

Specialties: 50% workers compensation, 10% general liability, 10% automobile, 10% property damage, 10% professional liability, 10% inland marine.

Self-insured clients/claims: Administration: 44 clients, including four corporations, 38 public/government entities, two association plans; total claims paid for self-insured clients, \$1.1 million. Auditing: three projects for a public/government entity and two association plans.

Staff: 73 total, eight serving self-insurers only.

Charges: Administration: flat fee, by the hour, per claim. Auditing: by the hour. Auditing: flat fee, by the hour.

Principal officers: Jerome Reardon, John Wolff, Larry Kaminsky, Charles Kaufmann and Kevin McGreevy.

N

NATLSCO (National Loss Control Service Corp.)

Kemper Center, Route 22, Long Grove, Ill. 60049-0075; 708-540-2400

Year founded: 1968.

Parent company: Kemper Group.
Business: 84% claims administration, 16% other services.

Region served: Nationwide.
Specialties: 65% workers compensation, 20% general liability, 9% automobile, 6% property damage.

Self-insured clients/claims: Ad-

ministration: clients include 189 corporations, one public/government entity.

Staff: 255 total.

Charges: Administration: percent of incurred claims, percent of payroll, percent of annual premium/deposits, per claim.

Branch offices: Administrative offices in Akron, Ohio; Fairfax, Va.; 94 branch offices of parent company. Sales offices in North Quincy, Mass.; North Haven, Conn.; Summit, N.J.; New York and Syracuse, N.Y.; Philadelphia; Richmond, Va.; Charlotte, N.C.; Atlanta; Orlando, Fla.; Jackson, Miss.; Mansfield, Ohio; Chicago; St. Louis; Houston; Denver; Phoenix, Ariz.; Los Angeles; San Francisco; Seattle; Edina, Minn.

Principal officers: R.W. Satterfield, president; F.G. Minchik, G.J. Krafcisin, A.D. Odom and D.F. Benevich, vps.

National Fleet Service Inc.

55 Jericho Turnpike, Jericho, N.Y. 11753; 516-334-5665; 800-428-0003

Year founded: 1984.
Business: 98% claim adjusting, 2% other services.

Region served: Nationwide.

Specialties: 100% automobile.
Self-insured clients/claims: Adjusting: 45 clients that are corporations; types of claims include automobile.

Staff: 17 total, 16 serving self-insurers only.

Charges: Adjusting: contingent fee.

1989 gross revenues: \$6 million total; \$5.6 million from claims services.

Principal officers: Michael Kar-

Continued on next page

Experience in Captive Management



NORTHERN STATES MANAGEMENT, INC.
 P.O. Box 160
 Waterbury Center, Vermont
 05677-0160

We've managed captives in three different domiciles! Professional Captive Insurance Company management with in-house Reinsurance and Consulting capabilities.

Contact
 John J. Middleton,
 President
 (802) 244-8607

When the answer to risk placement is

SELF-INSURANCE

The answer to claims management is

CARONIA CORPORATION

A professional organization, providing Claims and Risk Management consulting services through our offices nationwide since 1969.

Call us toll-free—1 (800) CARONIA
 In New York call—1 (516) 433-1200

K

Keenan & Associates

2355 Crenshaw Blvd., Suite 200, P.O. Box 4328, Torrance, Calif. 90510

Year founded: 1972.
Business: 33% claims administration, 3% claim adjusting, 64% other services.

Region served: California.
Specialties: 88% workers compensation, 3% general liability, 5% automobile, 4% property damage.

Self-insured clients/claims: Administration: 778 clients, including 11 corporations, 767 public/government entities; total claims paid for self-insured clients, \$56.1 million. Auditing: 129 clients, including 21 corporations, 108 public/government entities; types of claims include automobile liability, general liability, workers compensation.

Staff: 260 total, 113 serving self-insurers only.

Charges: Administration: flat rate. Auditing: by the hour.

1989 gross revenues: Approximately \$17.8 million total; approximately \$6.3 million from claims services.

Branch offices: Administrative offices in Chico, Riverside, Fresno, Emeryville, Sacramento, Campbell and Santa Ana, Calif. Sales offices in Chico, Riverside, Fresno, Emeryville, Sacramento, Campbell, Santa Ana, San Diego and Westlake Village, Calif.

Principal officers: John R. Keenan, chief executive officer; Frederick A. Johnson, president; David De Wenter, executive vp; Murton L. Munson, senior vp; Mark Schulte, vp.

Membership: California Administrative Service Organization.

M

McGee Risk Management Services

600 Rivergate Center, 600 Broadway, Kansas City, Mo. 64105; 816-842-4800

Year founded: 1910.
Business: 75% claims administra-

Continued from previous page
 poff, co-chairman/president; Barry Siegel, co-chairman; Martin Wierzbicki, vp-operations; Richard Siegel, vp-marketing.

North American Claim Management Co.
 P.O. Box 6030, Tyler, Texas 75711; 214-561-6700

Parent company: Lindsey & Newsum Claim Services.

Business: 35% claims administration and adjusting, 5% claims auditing, 60% other services.

Region served: Nationwide.

Specialties: 25% workers compensation, 10% general liability, 35% automobile, 20% property damage, 10% professional liability.

Self-insured clients/claims: Administration: more than 50 clients, including corporations, public/government entities and association plans; total claims paid for self-insured clients, more than \$25 million. Auditing: 100 clients, including 80 corporations, 20 public/government entities; types of claims include truck liability and physical damage, workers compensation, general liability. Auditing: five projects for corporations.

Staff: 700 total, 100 serving self-insurers only.

Charges: Administration: time and expense, per claim file, percent of premium. Auditing: time and expense. Auditing: per day, time and expense, flat fee.

Branch offices: Administrative and sales offices in Richmond, Va.; Greensboro, S.C.; Dallas; Los Angeles. Additional sales offices in Atlanta; Charlotte, N.C.; Shreveport, La.; St. Louis; Boston.

Subsidiaries: North American Health & Rehabilitation, North American Livestock, Lindsey & Newsum Claims Services Inc., Vale National Training Center Inc.

Principal officers: Robert B. Irwin, president; Terry A. Grant, executive vp; Pat O'Neal, senior vp.

North Bay Associates

P.O. Box 984, Cameron Park, Calif. 95682; 916-677-0875

Year founded: 1981.

Business: 100% claims auditing.

Region served: California.

Specialties: 100% workers compensation.

Self-insured clients/claims: Auditing: 40 projects for five corporations, 35 public/government entities.

Staff: Four total, all serving self-insurers only.

Charges: Auditing: by the hour.

Branch offices: Administrative office in Vallejo, Calif.

Principal officers: Robert E. Denison and John Hennessy.



RISC

11111 Carmel Commons Blvd., Charlotte, N.C. 28226; 704-542-2523

Year founded: 1979.

Parent company: Royal Group Inc.

Business: 80% claims administration, 15% claims auditing, 5% other services.

Region served: Nationwide.

Specialties: 40% workers compensation, 50% general liability, 10% automobile.

Self-insured clients/claims: Administration: 65 clients, including 63 corporations, two public/government entities; total claims paid for self-insured clients, \$32 million. Auditing: 25 projects for 18 corporations, seven association plans.

Staff: 40 total, 10 serving self-insurers only.

Charges: Administration: per claim. Auditing: time and expense.

Branch offices: Administrative and sales offices in Ronkonkoma and New York, N.Y.; Chicago.

Principal officers: Richard Lier-

saph, president; Vickie Gron, Barbara Spinelli, Lawrence Ely and Robert Bieber, vps.

Membership: SIIA.

Richard & Associates Inc.

4641 Fairfield St., Metairie, La. 70006; 504-888-8672

Year founded: 1978.

Business: 50% claims administration, 5% claims auditing, 45% other services.

Region served: Nationwide.

Specialties: 65% workers compensation, 15% general liability, 10% automobile, 4% property damage, 4% professional liability, 2% ocean marine.

Self-insured clients/claims: Administration: 60 clients, including 47 corporations, eight public/government entities, five association plans; total claims paid for self-insured clients, \$3 million. Auditing: 10 projects.

Staff: 165 total, 82 serving self-insurers only.

Charges: Administration: flat fee, percent of premium, annual fee, monthly fee. Auditing: time and expense, \$40 per hour. Auditing: flat fee, time and expense.

1989 gross revenues: \$7 million total.

Branch offices: Administrative offices in Alexandria, Baton Rouge, Houma, Lafayette, Lake Charles, Monroe and Shreveport, La.; Houston; Huntington Beach, Calif.

Subsidiaries: Loss Control Services Inc.

Principal officers: Francis A. Richard, president/chief executive officer; Lolly J. Leger, executive vp; Todd Richard, secretary/treasurer; Dan Clark and Eddie Pettur, vps.

Riley & Fleming Adjusters Ltd.

Fourth Floor, Irwin Building, 460 N. Gulph Road, King of Prussia, Pa. 19406; 215-265-1800; 800-521-5059

Year founded: 1962.

Parent company: Warren & Welsh Co.

Business: 10% claims administration, 25% claim adjusting, 10% claims auditing, 55% other services.

Region served: Pennsylvania, New Jersey, Delaware, Maryland, Connecticut and Massachusetts.

Specialties: 5% workers compensation, 90% general liability, 5% professional liability.

Self-insured clients/claims: Administration: 10 clients that are corporations; total claims paid for self-insured clients, more than \$5.5 million. Auditing: 50 clients; types of claims include general liability, workers compensation, professional liability. Auditing: five projects.

Staff: 56 total, 25 serving self-insurers only.

Charges: Administration: per hour. Auditing: per hour. Auditing: per project with minimum fee of \$1,000.

1989 gross revenues: \$3.6 million total.

Branch offices: Administrative offices in Philadelphia; Atlantic City, N.J.

Principal officers: John J. Fleming III, president; Thomas M. Grubb, corporate secretary; Peter Massantino and Warren N. Holt, vps.

Risk Management Services

7919 Folsom Blvd., Suite 240, Sacramento, Calif. 95826; 916-381-5858

Year founded: 1987.

Business: 100% claims administration.

Region served: California.

Specialties: 100% workers compensation.

Self-insured clients/claims: Administration: 21 clients, including 17 corporations, four public/government entities; total claims paid for self-insured clients, \$10 million. Auditing: types of claims include workers compensation.

Staff: 24 total, all serving self-insurers only.

Charges: Administration: by contract.

1989 gross revenues: \$1.5 million total.

Principal officers: Dan Henke, president.

Risk Services of California

4126 Ransom St., Long Beach, Calif. 90804; 213-597-8084

Year founded: 1979.

Business: 10% claims adjusting, 75% claims auditing, 15% other services.

Region served: Nationwide.

Self-insured clients/claims: Auditing: four clients, including two corporations, two association plans; types of claims include professional liability, general liability, automobile liability. Auditing: 19 projects for three corporations, 11 public/government entities, five association plans.

Staff: Two total.

Charges: Adjusting: time and expense, \$75-\$120 per hour. Auditing: time and expense, \$110-\$150 per hour; by the project.

Principal officers: Terry Coleman, president; Suzanne Coleman, vp.

Membership: California Assn. of Independent Insurance Adjusters.

Patricia K. Rotchford, J.D. & Associates

P.O. Box 4254, Northbrook, Ill. 60062; 708-498-2938

Year founded: 1986.

Business: 90% claims administration, 10% other services.

Region served: Nationwide.

Specialties: 5% workers compensation, 10% general liability, 5% automobile, 5% property damage, 70% professional liability, 5% inland marine.

Self-insured clients/claims: Administration: clients include two corporations, 10 association plans. Auditing: clients include two corporations.

Staff: Four total, all serving self-insurers only.

Charges: Administration: by the project, negotiated fee. Auditing: by the project.

Branch offices: Administrative office in Saugatuck, Mich.

Principal officers: Patricia Rotchford, principal.



SIR Insurance Agency Inc.

12222 Merit Drive, Suite 1200, Dallas, Texas 75251; 214-770-4665

Year founded: 1983.

Business: 50% claims administration, 30% claim adjusting, 10% claims auditing, 10% other services.

Region served: Texas.

Specialties: 70% workers compensation, 30% automobile.

Self-insured clients/claims: Administration: 25 clients, including 22 corporations, three public/government entities; total claims paid for self-insured clients, \$10 million. Auditing: 15 clients; types of claims include workers compensation. Auditing: 10 projects for eight corporations, one public/government entity, one association plan.

Staff: 50 total, 10 serving self-insurers only.

Charges: Administration: percent of estimated losses. Auditing: percent of estimated losses, per claim. Auditing: negotiated fee, by the hour.

1989 gross revenues: \$5 million total.

Subsidiaries: Self-Insurance Resource Inc., SIR Lloyd's Insurance Co., Standard Financial Indemnity Corp., SIR Financial Group.

Principal officers: Keith C. Kackec, Paul McVeary, Gerald Bruner, John Catanzano and Gerald Dorsey II.

Scott Wetzel Services Inc.

500 Pacific Ave., Seventh Floor, P.O. Box 418, Bremerton, Wash. 98310; 206-479-0200

Year founded: 1941.

Business: 65% claims administration, 5% claim adjusting, 1% claims auditing, 29% other services.

Region served: Nationwide.

Specialties: 70% workers compensation, 22% general liability, 7% automobile, 1% professional liability.

Self-insured clients/claims: Administration: 415 clients, including 382 corporations, 28 public/government entities, five association plans; \$336 million total claims paid for

self-insured clients.

Staff: 345 total, all serving self-insurers only.

Charges: Administration: per claim, \$65-\$750. Adjusting: time and expense, \$40-\$75 per hour. Auditing: time and expense, \$55-\$100 per hour.

Branch offices: 23 administrative offices in the United States; 33 sales offices in the United States.

Principal officers: John R. Harold, president; Terry Neal, executive vp; Vic Teti, president-information services; Warren Zimmerman, vp-corporate services; Doug Alsop, vp-client services/marketing.

Membership: SIIA.

Self Insured Management Services

9320 S.W. Barbur Blvd., P.O. Box 19730-171, Portland, Ore. 97219; 503-245-9756; 800-345-0811

Year founded: 1980.

Business: 90% claims administration, 10% other services.

Region served: California, Washington, Oregon, Alaska, Nevada, Utah, Arizona, New Mexico, Colorado, Montana and Idaho.

Specialties: 40% workers compensation, 50% general liability, 5% automobile, 5% professional liability.

Self-insured clients/claims: Administration: 10 clients, including five corporations; total claims paid for self-insured clients, \$2 million. Auditing: five clients that are corporations; types of claims include general liability, workers compensation.

Staff: 15 total, 14 serving self-insurers only.

Charges: Administration and adjusting: per claim; time and expense, \$35 per hour. Auditing: per hour, flat fee.

Principal officers: James Broyles, president, Steve Griffels.

Membership: SIIA, Oregon Self-Insureds Assn., Casualty Adjusters of Oregon.

Self Insured Risk Services

24370 Northwestern Highway, Southfield, Mich. 48075-2581; 313-354-9580

Year founded: 1980.

Parent company: Meadowbrook Insurance Group.

Business: 88% claims administration, 2% claims auditing, 10% other services.

Region served: Nationwide.

Specialties: 21% workers compensation, 44% general liability, 5% automobile, 20% professional liability, 10% property.

Self-insured clients/claims: Administration: 28 clients, including 17 corporations, five public/government entities, three association plans; total claims paid for self-insured clients, \$17.8 million for 11 months of 1989.

Staff: 33 total, all serving self-insurers only.

Charges: Administration: annual fee. Auditing: per hour, per claim, percent of premium. Auditing: by the hour, per day.

1989 gross revenues: \$2.1 million total; \$1.6 million from claims services.

Branch offices: Administrative offices in Grand Rapids, Mich.; Minneapolis; Columbus, Ohio. Sales offices in Minneapolis; Columbus, Ohio.

Subsidiaries: Star Insurance Co., M.I.N.T., Corporate Risk Consultants, MRM, Meadowbrook Agency Insurance Brokers.

Principal officers: James A. Kammerer, president; Robert Engle, vp; Thomas Tucker, vp-claims; Mike Cascone, vp-loss control.

Self Insurers Service

111 E. Wacker, Suite 2900, Chicago, Ill. 60601; 312-616-2100

Year founded: 1956.

Parent company: Aon Corp. **Business:** 75% claims administration, 5% claim adjusting, 10% claims auditing, 10% other services.

Region served: Nationwide.

Specialties: 70% workers compensation, 10% general liability, 10% automobile, 10% property damage.

Self-insured clients/claims: Administration: 250 clients, including 225 corporations, 22 public/government entities, three association plans. Auditing: three clients, including one corporation, one union-sponsored plan, one association plan; types of claims include workers com-

Continued on next page

The Standard of Excellence in Employee Benefits

Managing benefit resources has become a tremendous responsibility and many employers are looking for CEBS graduates for their benefit departments. Why? Because CEBS is the standard of excellence in the benefits field.

Certified Employee Benefit Specialist (CEBS) is awarded to individuals who successfully complete a series of ten college level courses and examinations covering the design and operation of employee benefit plans. The program is cosponsored by the International Foundation of Employee Benefit Plans and the Wharton School of the University of Pennsylvania.

For more information, contact the CEBS Department at the International Foundation headquarters.



Certified Employee Benefit Specialist
 Post Office Box 69, Brookfield, WI 53008-0069, (414) 786-6700

Continued from previous page
pensation, general liability, automobile liability, property. Auditing: five projects for corporations.

Staff: 150 total, all serving self-insurers only.

Charges: Administration and adjusting: per claim. Auditing: time and expense.

1989 gross revenues: \$7 million total.

Branch offices: Administrative offices in Detroit; Santa Clara and Irvine, Calif.; Las Vegas and Reno, Nev.; Denver; Milwaukee; Toledo, Ohio; Philadelphia; New York; Atlanta; Jacksonville, Fla. Sales offices in Atlanta; Philadelphia; Santa Clara, Calif.

Principal officers: Jane Stapleton, managing director; Helen Brickfield, vp-operations; Lucretia Marcus, vp-western region; Mark Cafaro, vp-eastern region; Dick Hill, vp-central region.

Membership: SIIA.

Self Insurers Service Bureau Inc.

P.O. Box 12928, Oklahoma City, Okla. 73157; 405-942-0501

Year founded: 1987.

Business: 100% claims administration.

Region served: Kansas, Louisiana, Mississippi, Missouri, Oklahoma and Texas.

Specialties: 100% workers compensation.

Self-insured clients/claims: Administration: 19 clients, including four corporations, 15 association plans.

Staff: 50 total, all serving self-insurers only.

Charges: Administration: percent of premium, per claim.

1989 gross revenues: \$1.4 million total.

Branch offices: Administrative office in Metairie, La. Sales office in Wichita, Kan.

Principal officers: W. Gerald Fiser, president; Donna Marr, vp-finance; Martha Opp, vp-claims; John Lemons, vp-safety services; James Marr, vp-marketing; David Fain, vp-operations.

Membership: SIIA.

Southern Risk Services Inc.

P.O. Box 10265, Birmingham, Ala. 35202; 205-252-9870

Year founded: 1966.

Parent company: McGriff, Seibels

& Williams Inc.

Business: 93% claims administration, 2% claims auditing, 5% other services.

Region served: Southeast.

Specialties: 75% workers compensation, 20% general liability, 5% automobile.

Self-insured clients/claims: Administration: 33 clients, including 17 corporations, 11 public/government entities, five association plans; total claims paid for self-insured clients, \$20 million. Auditing: two projects for corporations.

Staff: 40 total, all serving self-insurers only.

Charges: Administration: percent of premium, 6%-8%. Auditing: per day, \$300 plus expenses.

1989 gross revenues: \$2 million total.

Branch offices: Sales offices in Florence and Mobile, Ala.; New Orleans; Atlanta; Orlando and Pensacola, Fla.

Principal officers: L.B. Feemster, president; Michael Pritchett, William Muir, Frank Wear and Howard Haskell, vps.

Summit Consulting Inc.

P.O. Drawer 988, Lakeland, Fla. 33802; 813-665-6060

Year founded: 1979.

Parent company: Alexander & Alexander Services Inc.

Business: 100% claims administration.

Region served: Florida, Louisiana and Oklahoma.

Specialties: 100% workers compensation.

Self-insured clients/claims: Administration: six client groups that are multiemployer plans or association plans; total claims paid for self-insured clients, \$104 million.

Staff: 350 total, all serving self-insurers only.

Branch offices: Administrative and sales offices in Lakeland and Fort Lauderdale, Fla.; Baton Rouge, La.; Oklahoma City.

Subsidiaries: Summit Claims Management Inc., Summit Loss Control Services Inc.

Principal officers: William B. Bull, president; Russell Wall, vp-finance; Mitchell J. Weinstein, vp-Summit Claims Management Inc.; Allen Bennett, vp-Summit Loss Control Services Inc.

Control Services Inc.: Georga Collis, vp-administration.

Membership: SIIA, Florida Assn. of Self Insurance, Group Risk Administrators.

Toplis & Harding Inc.

195 Broadway, New York, N.Y. 10007; 212-267-2700

Year founded: 1918.

Business: 10% claims administration, 80% claim adjusting, 7% claims auditing, 3% other services.

Region served: Nationwide and Canada.

Specialties: General liability, professional liability, products liability, automobile, specialty risks, commercial property.

Self-insured clients/claims: Administration: 100 clients. Auditing: 26 projects conducted.

Staff: 300 total.

Charges: Administration: annual fee, per claim, time and expense. Adjusting: percent of incurred claims, per claim, time and expense. Auditing: time and expense.

1989 gross revenues: \$20 million total.

Branch offices: Located throughout the United States and Canada.

Subsidiaries: Lee McAndrews Inc., William A. Volpe Corp., Charles T. Theus Inc., Albert R. Lee Southern Inc.

Principal officers: Ian M. Winchester, president; John E. O'Connell, F. Drake Ratcliff and Robert K. Tisdale, executive vps.

Membership: National Assn. of Independent Insurance Adjusters, Loss Executives Assn. of New York, Excess & Surplus Lines Claims Assn.

J.S. Ward & Co.

17621 Irvine Blvd., Suite 201, Tustin, Calif. 92680; 714-544-0980

Year founded: 1988.

Business: 94% claims administration, 1% claim adjusting, 4% claims auditing, 1% other services.

Region served: California, Texas and New York.

Firms handling benefit, property/casualty claims

A

Adjustco Inc.

2200 Powell St., Suite 400, Emeryville, Calif. 94608; 415-547-3110

Year founded: 1973.

Business: 87% claims administration, 13% other services.

Region served: Nationwide.

Specialties: 67% workers compensation, 2% general liability, 2% automobile, 1% property damage, 26% health insurance, 1% flex compensation, 0.5% disability, 0.5% life.

Self-insured clients/claims: Administration: 276 clients, including 207 corporations, 64 public/government entities, five association plans; total claims paid for self-insured clients, \$546 million.

Staff: 700 total, 600 serving self-insurers only.

Charges: Administration: flat fee, per claim, time and expense.

1989 gross revenues: \$34.5 million total; \$30.1 million from claims services.

Branch offices: 39 administrative offices. Sales offices throughout the United States.

Subsidiaries: Cost Containment Management (CCM).

Principal officers: John A. Addeo, chief executive officer; Arthur M. Yoss, chief operating officer; Anthony G. Todd, vp/chief financial officer; David B. Crosby, vp-sales; Rebecca J. Decker, vp-customer services.

Membership: SIIA, Public Agency Risk Management Assn., National Council of Self Insurers, California Self-Insurers Assn.

Administrators Network

1300 S. Clinton St., Fort Wayne, Ind. 46801; 219-427-5079

Year founded: 1984.

Parent company: Lincoln National Administrative Services Corp.

Business: 70% claims administration, 30% other services.

Region served: Nationwide.

Specialties: 15% workers compensation, 2% general liability, 72% health insurance, 5% flex compensation, 6% disability.

Self-insured clients/claims: Administration: 1,822 clients, including 1,663 corporations, 137 public/government entities, 13 multiemployer plans, six Taft-Hartley plans, three association plans; total claims paid for self-insured clients, \$736 million. Health plans: 742,615 employees, 1.7 million dependents.

Staff: 1,182 total, 1,000 serving self-insurers only.

Charges: Administration: per employee per month.

Branch offices: Administrative and sales offices in 24 U.S. locations.

Subsidiaries: Concept Administrators Inc., Creative Risk Management, Didion & Associates, Employee Services Inc., Fringe Benefit Review Inc., Municipal Administrators Corp., Independent Benefit Plans, Jackson, Long & Associates, Mutual Administrators Inc., 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., Bruce Wadsworth Inc., WHP/First in Employee Benefits Inc.

Principal officers: Lance W.

Continued on next page



CAFETERIA PLANS ARE NOW A PIECE OF CAKE.

Introducing the First Portable System for Cafeteria Plan Communications, Design and Administration.

Now there's a complete series of packages that take the hassle out of Section 125 Cafeteria Plans. It's a system developed by Mayer Hoffman McCann, one of the most progressive CPA firms in the country (ask your CPA about us).

Cafeteria Plan Seminar System™

Features complete speaker's script and 35mm slides communicating the benefits of Section 125 plans to employers and their employees —

- Marketing Slide Presentation to the Employer
- Communication Slide Presentation to Employees
- Seminar Planning Checklist
- 30-Day Money Back Guarantee

Cafeteria Plan Proposal System™

Microcomputer-based software* for assessing the feasibility of Section 125 flexible benefits plans —

- Statement of Before/After Savings for Each Employee
- Company Statement of Employer Savings
- Discrimination Reporting Based on Projected Enrollment
- Confirmation Letters and Mailing Labels
- Interfaced with Cafeteria Plan Management System™
- 30-Day Money Back Guarantee

Guide to Cafeteria Plans™

Features practiced techniques for designing and implementing Section 125 flexible benefits plans —

- Sample Cafeteria Plan, including insurance premium conversions, medical reimbursement and dependent care assistance
- Sample Summary Plan Description
- Sample Administrative Forms
- Camera-Ready Employee Brochure
- Camera-Ready Employee Brochure
- Administration Guidelines
- How to Enroll Employees
- How to Test for Discrimination
- Checklists, Forms, and Procedures
- Sample Tax Returns
- 30-Day Money Back Guarantee

Cafeteria Plan Management System

Microcomputer-based software* for administering Section 125 flexible benefits plans —

- Employee Statements by Plan
- Company Statements by Plan
- Discrimination Reports
- Checks and Check Register
- Customized Employee Messages
- Re-enrollment Letters
- Unlimited Number of Companies and Employees can be Administered
- Batch Claim Processing
- Complete Audit Trail with Forms and Procedures
- Easy to Use Menu Format
- \$50 Test Package Available

MAYER HOFFMAN McCANN
CERTIFIED PUBLIC ACCOUNTANTS
420 Nichols Road, Kansas City, MO 64112
© 1989 Mayer Hoffman McCann

For Fastest Service, Call 800-433-2292 or 816-768-2655

SAMPLE KIT RESERVATION FORM

Please send me a FREE Sample Kit of all four Cafeteria Plan products.
Your kit will be shipped within 48 hours.

NAME _____
FIRM _____
ADDRESS _____
CITY _____ STATE _____ ZIP _____
TELEPHONE (____) _____
Mayer Hoffman McCann 420 Nichols Road Kansas City, MO 64112

Today more than ever, for Claims Administration, Workers Compensation Administration and Flex 125 —

FACTS products offer money-saving solutions.

FACTS

- Medical, Dental, Vision and Short-term and Long-term disability claim processing.
- Hundreds of standard reports plus full feature relational data base reporting.
- Multiple fee schedules, discounts, per-diems, alternate deductibles, and co-pays for PPO claims.
- Age rated premium billing with open receivables tracking and producer commission payments.
- Integrated pre-admission certification and utilization review record-keeping.

FACTS 125

- Take-home pay illustrations on-line in the enrollment module.
- Enrollment and confirmation form printing.
- Automatic accruals and credit tracking.
- Discrimination testing.
- Comprehensive periodic enrollee statement printing.
- Integration with claims.

FACTS COMP

- Multiple level payment and reserve categories for tracking medical, legal, indemnity and other types of claim payments.
- Automatic diary payments for all types of partial and full disability.
- Complete body part, injury source and accident cause record-keeping and reporting.
- Integrated state payroll and medical payment fee schedules.

In partnership with ADDS (a subsidiary of the multibillion dollar industry leader NCR) FACTS products combine the current technology of the NCR Tevler with state-of-the-art software to provide automated solutions for all areas of employee benefits administration and risk management. Call for more information or complete and return the coupon below today.

FACTS SERVICES INC.

1575 San Ignacio
Coral Gables, FL 33146
Phone: 305-284-7400
FAX: 305/665-0598

Please send me more information on the following FACTS products:

FACTS FACTS 125 FACTS COMP

Company _____
Attention _____
City _____
State _____
Zip _____
Phone _____

Spotlight report

Continued from previous page

Feighner, vp.

Membership: SIIA.**American Claims Evaluation Inc.**375 N. Broadway, Jericho, N. Y.
11753; 516-938-8000**Year founded:** 1981.**Business:** 30% claims auditing, 70% other services.**Region served:** Nationwide.**Specialties:** 10% workers compensation, 90% health insurance.**Charges:** Auditing services: contingency fee based on savings.**Branch offices:** Administrative offices in New York, Chicago, Dallas and Los Angeles. Sales offices in New York; Chicago; Dallas; Atlanta; Columbus, Ohio; Los Angeles; San Francisco.**Principal officers:** Gary Gelmar, president; Robert E. Lindberg, executive vp.**American International Adjustment Co.**P.O. Box 1178, East Orange, N.J.
07019; 201-414-2700**Year founded:** 1978.**Parent company:** American International Group Inc.**Business:** 5% claims administration and adjusting, 95% other services.**Region served:** Nationwide.**Specialties:** 55% workers compensation, 25% general liability, 10% automobile, 5% property damage, 5% miscellaneous.**Self-insured clients/claims:** Administration: 125 clients. Adjusting: more than 250 clients; types of claims include workers compensation, general liability, automobile liability.**Staff:** 2,600 total.**Charges:** Auditing: time and expense.**1989 gross revenues:** \$160 million total; \$3.5 million from claims services.**Branch offices:** Administrative offices nationwide. Sales offices in Boston, New York, Philadelphia, Atlanta, Dallas, Chicago, Los Angeles, San Francisco.**Subsidiaries:** American International Health and Rehabilitation Services, American International Recovery.**Principal officers:** Lawrence Dorman, chief executive officer; Alexander Biel, vp-finance; David Brown, assistant vp-marketing.**Associated Risk Services Corp.**4501 Circle 75 Parkway, Suite B-2190, Atlanta, Ga. 30339;
800-888-8003**Year founded:** 1984.**Business:** 80% claims administration, 5% claims auditing, 15% other services.**Region served:** Nationwide.**Specialties:** 60% workers compensation, 20% general liability, 7% automobile, 3% property damage, 1% professional liability, 5% health insurance, 1% pensions, 2% flex compensations, 1% disability.**Self-insured clients/claims:** Administration: 30 clients, including 19 corporations, six public/government entities, five association plans. Total claims paid for self insured clients, \$46.9 million. Auditing: two corporations.**Staff:** 150 total, 115 serving self-insured clients only.**Charges:** Administration: per claim, flat annual fee, percent of premium. Auditing services: monthly fee.**1989 gross revenues:** \$5.6 million total; \$4.8 million from claims services.**Branch offices:** Administrative offices in Orlando, Fla.; New Orleans, La.; Dallas; Columbus, Ohio; Burbank, Calif.**Subsidiaries:** ARS Underwriters Inc., ARS Financial Services Inc.**Principal officers:** Richard L. Maloney, president/chief executive officer; James C. Pullin, executive vp; Donald G. Walraven, senior vp-finance; Kathleen Oliver, senior vp-operations; R. Scott King, marketing manager.**Assured Risk Management Services**3375 Park Ave., Suite 2000A,
Wantagh, N.Y. 11793;
800-624-2965**Year founded:** 1988.**Business:** 50% claims adjusting, 25% claims auditing, 25% other services.**Region served:** Nationwide.**Specialties:** 15% workers compensation, 15% general liability, 40% automobile, 10% property damage, 10% health insurance, 10% disability.**Self-insured clients/claims:** Adjusting: nine clients, including seven corporations, two public/government entities; types of claims include automobile, workers compensation, general liability, property damage, disability, health. Auditing: three projects for corporations.**Staff:** 25 total, 20 serving self-insured clients only.**Charges:** Adjusting services: time and expense. Auditing services: time and expense, by the project.**Branch offices:** Administrative offices in New York, Boston, Philadelphia and Dallas.**Subsidiaries:** Assured Recoveries Ltd.**Principal officers:** John J. Wenz,

president; John B. Wenz, executive vp/secretary.

B**Brown & Brown Inc.**220 S. Ridgewood Ave., Daytona
Beach, Fla. 32114; 904-252-9601**Year founded:** 1939.**Business:** 17% claims administration, 83% other services.**Region served:** Nationwide.**Specialties:** 51% workers compensation, 47% health insurance, 2% disability.**Self-insured clients/claims:** Administration: 22 clients, including 14 corporations, four public/government entities, three multiemployer plans, one Taft-Hartley plan; total claims paid for self-insured clients, \$42 million.**Staff:** 390 total, 65 serving self-insurers only.**Charges:** Administration: per employee per month, \$3.60-\$12. Adjusting: per claim. Auditing: by the hour.**1989 gross revenues:** \$26 million total; \$4.5 million from claims services.**Branch offices:** Administrative office in Orlando, Fla. Sales offices in Boynton Beach, Delray Beach, West Palm Beach, Brooksville, Fort Myers, Port Charlotte, Sanibel, Sarasota, DeLand, Eustis, Kissimmee, Orlando, Fern Park, St. Cloud and Melbourne, Fla.**Subsidiaries:** United Self-Insured Services.**Principal officers:** J. Hyatt Brown, president/chief executive officer; Kenneth E. Hill, executive vp; E.G. Brewer, Robert Thomas III and Jim Henderson, senior vps; Richard Valdez, executive vp.**Membership:** National Assn. of Employee Benefit Administrators.**The Business Specialist Group of Financial Services Inc.**1847 Dock St., Suite 205, River
Ridge, La. 70123; 504-734-8267**Year founded:** 1986.**Business:** 56% claims administration, adjusting and auditing; 44% other services.**Region served:** Louisiana, Mississippi.**Specialties:** 10% workers compensation, 10% general liability, 50% automobile, 10% professional liability, 10% health insurance, 10% life.**Self-insured clients/claims:** Adjusting: four projects for corporations. Auditing: 250 projects for corporations.**Staff:** Five total, one serving self-insurers only.**Charges:** Administration: per member per month, \$3.75-\$5. Adjusting and auditing: per case; by the hour, \$10-\$20.**1989 gross revenues:** \$375,000 total; \$210,000 from claims services.**Branch offices:** Administrative offices in New Orleans and Baton Rouge, La. Sales office in Biloxi, Miss.**Principal officers:** Margaret K. Walter, president; Bryan B. Korney and Josie Ramsey, vps; W.S. Walter, secretary/treasurer; Olga Walter, vice chairman.**C****Claim Administrators Inc.**P.O. Box 36054, Richmond, Va.
23235; 804-745-9441**Year founded:** 1985.**Business:** 100% claims auditing.**Region served:** Nationwide.**Specialties:** 40% workers compensation, 20% general liability, 20% automobile, 20% health insurance.**Self-insured clients/claims:** Auditing: approximately 12 projects for four corporations, four public/government entities, four association plans.**Staff:** Two total, one serving self-insurers only.**Charges:** Auditing: per audit, \$400-\$1,000 per day.**Principal officers:** D.E. Oliver, president; C.F. Oliver, secretary.**Computer Sciences Corp.-Health & Administrative Services Division**4601 Presidents Drive, Suite 130,
Lanham, Md. 20706; 301-306-9100**Year founded:** 1959.**Business:** 100% claims administration.**Region served:** Nationwide.**Specialties:** 54% automobile, 16% property damage, 30% health insurance.**Self-insured clients/claims:** Administration: 19 clients, including 15 corporations, four public/government entities.**Staff:** 1,800 total, all serving self-insurers only.**Charges:** Administration: flat rate, per claim, per member, per exposure.**1989 gross revenues:** \$100 million total for Computer Sciences Corp.**Branch offices:** 30 administrative offices throughout the United States. Sales offices in Sacramento, Calif.; Mount Laurel, N.J.; Albany, N.Y.**Principal officers:** William R. Hoover, chief executive officer/president; L.J. Level, vp/chief financial officer; V.B. Honeycutt, group president; K.H. Hangnau, division president; K. Van Wagner, senior vp.**Consolidated Administrators**3300 Drake Circle, Suite 100,
Raleigh, N.C. 27607;
919-783-5640**Year founded:** 1985.**Business:** 100% claims administration.**Region served:** Nationwide.**Specialties:** 40% workers compensation, 55% health insurance, 3% pensions, 2% disability.**Self-insured clients/claims:** administration: three clients that are multiemployer plans; total claims paid for self-insured clients, \$27.4 million. Health plans: 13,066 employees, 14,165 dependents.**Staff:** 101 total, 91 serving self-insurers only.**Charges:** Administration: percent of premium, per employee. Auditing and adjusting services included in administration charge.**Branch offices:** Administrative and sales office in Columbia, S.C.**Subsidiaries:** CGT Administrators Inc.**Principal officers:** Guy Hill, president; Joseph Brzuska, vp.**Membership:** SPBA.**Consolidated Risk Management Services Inc.**1602 Rolling Hills Drive, Richmond,
Va. 23229; 804-285-8000**Year founded:** 1968.**Parent company:** Consolidated Healthcare Inc.**Business:** 95% claims administration, 5% claims adjusting.**Region served:** Colorado, Maryland, Michigan, Pennsylvania and Virginia.**Specialties:** 80% workers compensation, 5% general liability, 5% automobile, 3% property damage, 3% professional liability, 5% health insurance.**Self-insured clients/claims:** Administration: 78 clients, including 20 corporations, 50 public/government entities, one Taft-Hartley plan, seven association plans.**Staff:** 150 total, all serving self-insurers only.**Charges:** Administration and adjusting: per claim, percent of premium, per employee per month.**Branch offices:** Administrative and sales offices in Denver; Farmington Hills, Saginaw and Grand Rapids, Mich.; Pittsburgh; Fairfax, Va.**Principal officers:** William D. Monday Jr., president; Darrell D. Jarvis and Michael P. Murawski, executive vps.**Membership:** SIIA.**Corroon & Black Administrative Services Inc.**301 Plus Park Blvd, Nashville,
Tenn. 37217; 615-399-0177**Year founded:** 1905.**Parent company:** Corroon & Black Corp.; company is the result of the Jan. 1 merger of Corroon & Black Management Inc. and CBBI Benefits Inc.**Business:** 90% claims administration, 5% claim adjusting, 5% claims auditing.**Region served:** Nationwide.**Specialties:** 8% workers compensation, 3% general liability, 2% automobile, 1% property damage, 1% professional liability, 75% health insurance, 5% flex compensation, 5% disability.**Self-insured clients/claims:** Administration: 193 clients, including 74 corporations, 90 public/government entities, 12 multiemployer plans, 17 association plans; total claims paid for self-insured clients, \$360 million. Adjusting: types of claims include medical, dental, disability. Health plans: 151,000 employees, 193,000 dependents.**Staff:** 4,000 total, 220 serving self-insurers only.**Charges:** Administration: per employee per month, \$3-\$6. Adjusting: by the hour, by the project, by volume. Auditing: per audit or by type of audit.**1989 gross revenues:** \$10 million total.**Branch offices:** Administrative offices in Mobile, Ala.; North Hollywood, San Diego, San Jose and Stockton, Calif.; Denver; Orlando, Fla.; Roswell, Ga.; Boise, Idaho; Springfield, Ill.; Indianapolis; Bettendorf, Iowa; Wichita, Kan.; Louisville and Pikeville, Ky.; Jackson, Miss.; St. Louis; Helena, Mont.; Parsippany, N.J.; Columbus, Ohio; Oklahoma City; Harrisburg, Pa.; Nashville, Tenn.; Fairfax, Va.; Kent, Wash.; Lake Geneva, Wis. Sales offices in North Hollywood, Calif.; Wichita, Kan.; Lexington, Louisville and Owensboro, Ky.; Raleigh, N.C.; Chattanooga, Johnson City, Knoxville, Memphis and Nashville, Tenn.**Subsidiaries:** California Institutional Insurance Administrators; C & B of Michigan-Risk Control Division; Dorth Coombs Insurance Inc.**Principal officers:** Frank White, chairman; Robert J. Jennings, president; Louis Kinney, Randall H. Cook and Louis E. Midden, senior vps.**Membership:** SBPA, SIIA.**Corroon & Black Management Inc.**BNA Corporate Center, P.O. Box
78, Nashville, Tenn. 37202;
615-360-2290**Year founded:** 1978.**Parent company:** Corroon & Black Corp.**Business:** 95% claims administration, 2.5% claim auditing, 2.5% other services.**Region served:** Nationwide.**Specialties:** 32% workers compensation, 15% general liability, 7% automobile, 1% property damage, 25% health insurance.**Self-insured clients/claims:** Administration: 206 clients, including 92 corporations, 89 public/government entities, eight multiemployer plans, 17 association plans; total claims paid for self-insured clients, \$240 million. Auditing: eight projects. Health plans: 32,000 employees.**Staff:** 182 total, all serving self-insurers only.**Charges:** Administration: per claim, flat fee, percent of premium, per employee per month. Auditing: time and expense, flat fee.**Branch offices:** Administrative and sales offices in Bettendorf, Iowa; Harrisburg, Pa.; Helena, Mont.; Louisville, Ky.; San Jose, Calif. Additional administrative offices in Atlanta; Bethesda, Md.; Boise, Idaho; Columbus, Ohio; Charlotte, N.C.; Denver; Fairfax, Va.; Indianapolis, Ind.; Jackson, Miss.; Pikeville, Ky.; Los Angeles, San Diego and Stockton, Calif.; Lake Geneva, Wis.; Minneapolis; Mobile, Ala.; Oklahoma City; Orlando, Fla.; Parsippany, N.J.; St. Louis; Seattle; Springfield, Ill.**Subsidiaries:** Medtrac.**Principal officers:** Robert J. Jennings, president; James R. McMasters, executive vp; Louis E. Midden and Randall H. Cook, senior vps; Penn Gaines, vp.**Membership:** SBPA, SIIA.**Creative Risk Management Corp.**34820 Harper, Mount Clemens,
Mich. 48043; 313-792-6355**Year founded:** 1971.**Parent company:** Lincoln National Corp.**Business:** 65% claims administration, 2% claim adjusting, 1% claims auditing, 32% other services.**Region served:** Nationwide.**Specialties:** 37% workers compensation, 20% general liability, 10% automobile, 3% property damage, 3% inland marine, 23% health insurance, 2% flex compensation, 2% disability.**Self-insured clients/claims:** Administration: 1,633 clients, including

Continued on next page

NAPSI GIVES YOU AN

NAPSI is proud to announce that we have selected Homestead Insurance Company as the new carrier for our General Liability Insurance program, now available for Security Guard, Alarm and Private Investigation firms:

- ★ Rated 'A' by A.M. Best
- ★ Premium Financing
- ★ Errors and Omissions
- ★ National Coverage
- ★ Responsive Service

NAPSI invites interested Brokers and Agents to call or write for further details:

1-800-777-0830**NAPSI**The National Association of
Private Security Industries, Inc.
P.O. Box 59349
Dallas, Texas 75229-1349

Continued from previous page
 125 corporations, 12 public/government entities with multiple members, 10 association plans with multiple members; total claims paid for self-insured clients, \$44.1 million. Auditing: three projects for two public/government entities, two association plans.
Staff: 83 total, 77 serving self-insurers only.
Charges: Administration: percent of premium, flat fee, time and expense. Auditing and auditing: time and expense.
Branch offices: Administrative offices in Grand Rapids and Flint, Mich.
Principal officers: James W. Duff, president; Thomas D. Mather and W.T. Platt Jr., senior vps; Lisabeth Vernier, vp; F. Victor Warren, vp-claims.
Membership: SIIA.

Custard Claims Management Services Inc./Custard Insurance Adjusters Inc.

960 Rand Road, Suite 201, Des Plaines, Ill. 60016; 800-237-7993; 708-803-6200
Year founded: 1962.
Business: 18% claims administration, adjusting and auditing; 82% other services.
Region served: Nationwide.
Specialties: 15% workers compensation, 20% general liability, 35% automobile, 8% property damage, 10% professional liability, 1% ocean marine, 10% inland marine, 1% health insurance.
Self-insured clients/claims: Administration: \$500,000 total claims paid for self-insured clients. Auditing: approximately 120 clients; types of claims include long-haul trucking. Auditing: 63 projects.
Staff: 437 total, 15 serving self-insurers only.
Charges: Adjusting: time and expense, \$32-\$60 per hour.
1989 gross revenues: \$19.5 million total; \$3.5 million from claims services.
Branch offices: Administrative offices in Atlanta; Chicago; Fort Wayne, Ind. 83 sales offices in 35 states.
Subsidiaries: Commercial Casualty Insurance Co.
Principal officers: A.R. Custard, chairman; Dan Huggins, president-Custard Claims Management Services Inc.; Cindy Custard, president-Custard Insurance Adjusters Inc.; Don Steffoff, executive vp; Marianne Veltri, vp.

G

GAB Business Services Inc.
 9 Campus Drive, Linden Plaza, Parsippany, N.J. 07054; 201-993-3400
Year founded: 1885.
Parent company: SGS North America Inc.
Business: 24% claims administration, 1% claims adjusting, 75% other services.
Region served: Nationwide.
Specialties: 39% workers compensation, 25% general liability, 25% automobile, 7% health insurance, 4% miscellaneous.
Self-insured clients/claims: Administration: 560 clients, including 485 corporations, 55 public/government entities, 20 association plans; total claims paid for self-insured clients, \$859 million. Adjusting: 50 clients that are corporations, types of claims include workers compensation, general liability, automobile liability, health, rehabilitation, value appraisal, investigative services.
Staff: 3,543 total staff members.
Charges: Administration and adjusting: per claim, time and expense. Auditing: time and expense, flat fee.
1989 gross revenues: \$214 million total; \$55 million from claims services.
Branch offices: 580 administrative offices in the United States. Sales offices in New York; Philadelphia; Atlanta; Houston; Chicago; Los Angeles; San Francisco; Minneapolis; Kansas City, Mo.; Phoenix, Ariz.; Orlando, Fla.
Subsidiaries: ITS Inc., INS Investigations.
Principal officers: Richard Simon, chairman; William Bergs and Joseph Rizzo, executive vps; John Darden, chief financial officer, G. Roger Eiler, vp-marketing/sales.
Membership: SIIA.

D

H.L. Duke & Co. Inc.
 P.O. Box 12225, Roanoke, Va. 24023; 703-345-4767
Year founded: 1987.
Business: 90% claims administration, 10% other services.
Region served: Nationwide.
Specialties: 30% workers compensation, 70% health insurance.
Self-insured clients/claims: Administration: 30 clients, including 29 corporations, one association plan; total claims paid for self-insured clients, \$7.2 million. Health plans: 7,500 employees, 4,000 dependents.
Staff: 14 total, 12 serving self-insurers only.
Charges: Administration: percent of claims, per employee.
Branch offices: Administrative office in Richmond, Va.
Principal officers: Henry L. Duke Jr., president; George A. Steadman III and Thomas R. Brown, vps.
Membership: SBPA, SIIA.

F

Florida Employers Insurance Service Co.
 2601 Cattlemen Road, Sarasota, Fla. 34232; 813-951-3774
Year founded: 1979.
Parent company: Feico Agency Inc.
Business: 89% claims administration, 2% claims auditing, 9% other services.
Region served: Florida.
Specialties: 93% workers compensation, 1% general liability, 1% automobile, 1% property damage, 4% health insurance.
Self-insured clients/claims: Administration: 20 clients, including 16 corporations, two public/government entities, two association plans; total claims paid for self-insured clients, more than \$100 million. Adjusting: types of claims include workers compensation, health and life, auto liability and general liability. Auditing: three projects for one corporation.
Staff: 350 total, 335 serving self-insurers only.
Charges: Administration: percent of premium. Auditing: hourly.
1989 gross revenues: \$18.9 million total; \$17.2 million from claims services.
Branch offices: Administrative offices in Fort Lauderdale, Fla.
Principal officers: Raymond Neff, president; John Dubreuil, senior vp-claims/medical/vocational services; James Bos, senior vp-marketing; David Webber, senior vp-finance; Robert McManus, senior vp-loss control.
Membership: SIIA.

F

Florida Employers Insurance Service Co.
 2601 Cattlemen Road, Sarasota, Fla. 34232; 813-951-3774
Year founded: 1979.
Parent company: Feico Agency Inc.
Business: 89% claims administration, 2% claims auditing, 9% other services.
Region served: Florida.
Specialties: 93% workers compensation, 1% general liability, 1% automobile, 1% property damage, 4% health insurance.
Self-insured clients/claims: Administration: 20 clients, including 16 corporations, two public/government entities, two association plans; total claims paid for self-insured clients, more than \$100 million. Adjusting: types of claims include workers compensation, health and life, auto liability and general liability. Auditing: three projects for one corporation.
Staff: 350 total, 335 serving self-insurers only.
Charges: Administration: percent of premium. Auditing: hourly.
1989 gross revenues: \$18.9 million total; \$17.2 million from claims services.
Branch offices: Administrative offices in Fort Lauderdale, Fla.
Principal officers: Raymond Neff, president; John Dubreuil, senior vp-claims/medical/vocational services; James Bos, senior vp-marketing; David Webber, senior vp-finance; Robert McManus, senior vp-loss control.
Membership: SIIA.

Gallagher Basset Services Inc.
 2550 W. Golf Road, Rolling Meadows, Ill. 60008; 708-640-8555
Year founded: 1962.
Parent company: Arthur J. Gallagher & Co.
Business: 85% claims administration, 1% claims auditing, 14% other services.
Region served: Nationwide.
Specialties: 42% workers compensation, 23% general liability, 8% automobile, 10% property damage, 1% professional liability, 15% health insurance, 0.5% flex compensation, 0.5% disability.
Self-insured clients/claims: Administration: 761 clients, including 382 corporations, 374 public/government entities, five association plans; total claims paid for self-insured clients, \$788.6 million. Auditing: 10 projects for nine corporations, one public/government entity.
Staff: 860 total, all serving self-insurers only.
Charges: Administration: per claim, per employee, time and expense, annual fee. Auditing: time and expense, per project.
1989 gross revenues: \$53.2 million total.
Branch offices: 78 administrative offices nationwide; 23 sales offices in the United States, two foreign.
Subsidiaries: Pacific-Atlantic Administrators.
Principal officers: Robert E. Gallagher, chief executive officer; J. Patrick Gallagher, vp; John G. Campbell, chairman; Peter J. Durkalski, president; James W. Durkin, vp-employee benefits.
Membership: SPBA, SIIA, National Council of Self-Insurers.

G

Harrington Benefits Services Group
 811 Greencrest Drive, Westerville, Ohio 43081; 614-891-3480
Year founded: 1954; name changed to Harrington Benefit Services Group Jan. 1, 1990.
Business: 95% claims administration, 5% other services.
Region served: Nationwide.
Specialties: 10% workers compensation, 5% professional liability, 80% health insurance, 2% flex compensation, 3% disability.
Self-insured clients/claims: Administration: 175 clients, including 135 corporations, 15 public/government entities, 25 association plans; total claims paid for self-insured clients, \$300 million. Health plans: 130,000 employees, 325,000 dependents.
Staff: 250 total, all serving self-insurers only.
Charges: Administration: per employee per month, \$4-\$10.
1989 gross revenues: \$11.7 million total.
Branch offices: Administrative offices in Chicago and Lombard, Ill.; Austin, Texas. Sales office in Chicago.
Principal officers: Robert Parker, president; Robert Covert, vp/treasurer; Warren Blue, senior vp/corporate counsel; Steven Weber, chief operating officer; Mark Nufer, group controller.
Membership: SPBA.

H

Health Management Services of ISAC
 P.O. Box 25457, Miami, Fla. 33102-5457; 305-591-2500
Year founded: 1956.
Business: 30% claims administration, 10% claim adjusting, 5% claims auditing, 55% other services.
Region served: Florida.
Specialties: 65% workers compensation, 15% general liability, 10% automobile, 10% property damage.
Self-insured clients/claims: Administration: 405 clients, including five corporations, 400 public/government entities; total claims paid for self-insured clients, \$20 million. Auditing: five clients; types of claims include workers compensation. Auditing: two projects. Health plans: 5,000 employees, 1,000 dependents.
Staff: 90 total, 30 serving self-insurers only.
Charges: Administration: hourly. Auditing: percent of premium. Auditing: hourly.
1989 gross revenues: \$5.8 million total.

G.C.G. Risk Management Inc.

85 Worth St., New York, N.Y. 10013; 212-431-3000
Year founded: 1977.
Business: 60% claims administration, 40% other services.
Region served: Nationwide for health benefits; New York only for workers compensation.
Specialties: 20% workers compensation, 80% health insurance.
Self-insured clients/claims: Administration: 14 clients, including one corporation, 13 public/government entities; total claims paid for self-insured clients, \$8 million. Health plans: 5,000 employees, 15,000 dependents.
Staff: 24 total, six serving self-insurers only.
Charges: Administration: flat fee for workers compensation, per employee per month for health benefits.
1989 gross revenues: \$1.2 million total; \$715,000 from claims services.
Branch offices: Administrative offices in Westbury and Schenectady, N.Y.
Principal officers: Joseph M. Gnesin, president; Charles S. Cates, executive vp; Alan D. Kaplan, vp-marketing; Ross L. Gnesin, treasurer; Lawrence E. Grimm, secretary.
Membership: SBPA.

G.C.G. Risk Management Inc.

85 Worth St., New York, N.Y. 10013; 212-431-3000
Year founded: 1977.
Business: 60% claims administration, 40% other services.
Region served: Nationwide for health benefits; New York only for workers compensation.
Specialties: 20% workers compensation, 80% health insurance.
Self-insured clients/claims: Administration: 14 clients, including one corporation, 13 public/government entities; total claims paid for self-insured clients, \$8 million. Health plans: 5,000 employees, 15,000 dependents.
Staff: 24 total, six serving self-insurers only.
Charges: Administration: flat fee for workers compensation, per employee per month for health benefits.
1989 gross revenues: \$1.2 million total; \$715,000 from claims services.
Branch offices: Administrative offices in Westbury and Schenectady, N.Y.
Principal officers: Joseph M. Gnesin, president; Charles S. Cates, executive vp; Alan D. Kaplan, vp-marketing; Ross L. Gnesin, treasurer; Lawrence E. Grimm, secretary.
Membership: SBPA.

Health Risk Management Inc.
 8000 W. 78th St., Minneapolis, Minn. 55435; 612-829-3719
Year founded: 1977.
Business: 10% claims administration, 5% claim adjusting, 1% claims auditing, 84% other services.
Region served: Nationwide.
Specialties: 10% workers compensation, 87% health insurance, 3% disability.
Self-insured clients/claims: Administration: clients include 85 corporations, five Taft-Hartley plans, 10 union-sponsored plans.
Charges: Administration: per employee. Auditing: fixed fee. Auditing: fixed fee.
Branch offices: Administrative and sales offices in Shrewsbury, N.J.; Glendale, Calif.
Principal officers: Gary McIlroy, chief executive officer; Marlene Travis, president; Steven Osterkamp, senior vp-sales/marketing; Al Pertuz, vp-operations.

Hewitt, Coleman & Associates Inc.

P.O. Box 3665, Greenville, S.C. 29608; 803-242-4350
Year founded: 1923.
Business: 65% claims administration, 35% other services.
Region served: Nationwide.
Specialties: 69% workers compensation, 10% general liability, 1% automobile, 15% health insurance, 5% flex compensation.
Self-insured clients/claims: Administration: 100 clients, including 59 corporations, 27 public/government entities, 14 association plans; total claims paid for self-insured clients, \$50 million.
Staff: 90 total.
Charges: Administration: percentage of modified premium, per claim, flat fee.
Branch offices: Administrative offices in Orlando, Fla.; Atlanta; Birmingham, Ala.; Denver; Raleigh, N.C.
Principal officers: Charles R. Warne, president; Willard L. Quinn Jr., senior vp; Bennie H. Attaway, vp-administration.
Membership: SIIA, National Assn. of Safety & Claims Organizations.

I

Inservco Insurance Services Inc.
 3461 Market St., Camp Hill, Pa. 17011; 800-356-0438
Year founded: 1980.
Parent company: Pennsylvania National Mutual Casualty Insurance Co.
Business: 30% claims administration, 19% claim adjusting, 1% claims auditing, 50% other services.
Region served: Pennsylvania, New Jersey, Maryland, Virginia, North Carolina, South Carolina, Tennessee and Alabama.
Specialties: 75% workers compensation, 5% general liability, 5% automobile, 5% professional liability, 10% disability.
Self-insured clients/claims: Administration: 16 clients, including four corporations, five public/government entities, one multiemployer plan, five association plans. Auditing: one client, including one public/government entity; types of claims include workers compensation, automobile, professional liability, general liability, disability. Auditing: two projects.
Staff: 190 total, 85 serving self-insurers only.
Charges: Administration: time and expense, \$35-\$70 per hour; flat rate. Auditing: time and expense, \$35-\$45 per hour; Auditing: time and expense, \$50-\$75 per hour.
1989 gross revenues: \$4 million total.
Branch offices: Administrative offices in Erie, Pittsburgh, Philadelphia, Altoona and Wilkes-Barre, Pa.; Trenton, N.J.; Hunt Valley, Md.; Greensboro, N.C.; Nashville, Tenn.; Greer, S.C.; Chesapeake, Va.

MRM/Multi-Risk Management Inc.

820 N. Orleans, Suite 320, Chicago, Ill. 60610; 312-670-2100
Year founded: 1977.
Business: 75% claims administration, 10% claims auditing, 15% other services.
Region served: Nationwide.
Specialties: 30% workers compensation, 40% professional liability, 28% health insurance, 1% flex compensation, 1% disability.
Self-insured clients/claims: Administration: 127 clients, including 120 corporations, three public/government entities, one multiemployer plan, three association plans. Auditing: 18 projects for 15 corporations and three association plans. Health plans: 7,500 employees, 13,000 dependents.
Staff: 25 total, all serving self-insurers only.
Charges: Administration and auditing: by the hour, annual fee.
Principal officers: Michael E. Burack, president; James M. Franklin, executive vp; Sandra Hobbs, director-claims services; Victoria Engelhardt, director-professional liability claims.
Membership: American Society of Hospital Risk Managers, Hospital Risk Management Society of Metropolitan Chicago.

Mass Insurance Consultants & Administrators Inc.

811 Greencrest Drive, Westerville, Ohio 43081; 614-891-3480
 See Harrington Benefits Services Group.

Management Services Inc.

2 E. Main, Suite 208, Danville, Ill. 61832; 217-446-0450
Year founded: 1860.
Business: 95% claims administration, 1% claims auditing, 4% other services.
Region served: Nationwide.
Specialties: 50% workers compensation, 5% general liability, 5% automobile, 5% property damage, 35% health insurance.
Self-insured clients/claims: Administration: 1,026 clients, including 380 corporations, 650 public/government entities, eight association plans; total claims paid for self-insured clients, \$38.9 million. Health plans: 17,000 employees, 31,000 dependents.
Staff: 180 total, 160 serving self-insurers only.
Charges: Administration: per employee per month for health benefits, per claim or by contract for property/casualty. Auditing: by the hour, per claim. Auditing: by the hour.
Branch offices: Administrative offices in Oak Brook and Champaign, Ill.; St. Louis; Indianapolis. Sales offices in Oak Brook and Champaign, Ill.; St. Louis; Indianapolis; Tampa, Fla.
Subsidiaries: Cannon & Cochran Inc.
Principal officers: Sam P. Cannon, chief executive officer; Gary J. Schirmer, president; Robert L. Cowgill, Jerry Kats and Dick Wickert, vps.
Membership: SIIA, National Assn. of Employee Benefits Administrators, Self Insurance Assn. of Illinois.

McDonough Caperton Insurance Group-Benefit Services

1 Hillcrest Drive, Charleston, W.Va. 25326; 304-346-0611
Year founded: 1976.
Business: 89% claims administration, 2% claims auditing, 9% other services.
Region served: Florida.
Specialties: 93% workers compensation, 1% general liability, 1% automobile, 1% property damage, 4% health insurance.
Self-insured clients/claims: Administration: 20 clients, including 16 corporations, two public/government entities, two association plans; total claims paid for self-insured clients, more than \$100 million. Adjusting: types of claims include workers compensation, health and life, auto liability and general liability. Auditing: three projects for one corporation.
Staff: 350 total, 335 serving self-insurers only.
Charges: Administration: percent of premium. Auditing: hourly.
1989 gross revenues: \$18.9 million total.
Branch offices: Administrative offices in Erie, Pittsburgh, Philadelphia, Altoona and Wilkes-Barre, Pa.; Trenton, N.J.; Hunt Valley, Md.; Greensboro, N.C.; Nashville, Tenn.; Greer, S.C.; Chesapeake, Va.
Subsidiaries: Penn National Communications.
Principal officers: Marlin T. Wilbert, president; Robert L. Conrad, executive vp; S.G. McDowson, vp; Kenneth L. Shaffer, treasurer; Kenneth R. Shuttles, secretary/general counsel.
Membership: SIIA, National Council of Self Insurers, Pennsylvania Claims Assn.

Branch offices: Administrative offices in Miami, Fort Lauderdale, West Palm Beach, Altamonte Springs, Fort Myers, Tampa and Tallahassee, Fla. Sales offices in Orlando, Fla.
Principal officers: Thomas B. Hogan, Malcolm G. MacNeill, Joseph P. McCurdy.
Membership: Florida Assn. of Self Insurers.

Health Risk Management Inc.

8000 W. 78th St., Minneapolis, Minn. 55435; 612-829-3719
Year founded: 1977.
Business: 10% claims administration, 5% claim adjusting, 1% claims auditing, 84% other services.
Region served: Nationwide.
Specialties: 10% workers compensation, 87% health insurance, 3% disability.
Self-insured clients/claims: Administration: clients include 85 corporations, five Taft-Hartley plans, 10 union-sponsored plans.
Charges: Administration: per employee. Auditing: fixed fee. Auditing: fixed fee.
Branch offices: Administrative and sales offices in Shrewsbury, N.J.; Glendale, Calif.
Principal officers: Gary McIlroy, chief executive officer; Marlene Travis, president; Steven Osterkamp, senior vp-sales/marketing; Al Pertuz, vp-operations.

Hewitt, Coleman & Associates Inc.

P.O. Box 3665, Greenville, S.C. 29608; 803-242-4350
Year founded: 1923.
Business: 65% claims administration, 35% other services.
Region served: Nationwide.
Specialties: 69% workers compensation, 10% general liability, 1% automobile, 15% health insurance, 5% flex compensation.
Self-insured clients/claims: Administration: 100 clients, including 59 corporations, 27 public/government entities, 14 association plans; total claims paid for self-insured clients, \$50 million.
Staff: 90 total.
Charges: Administration: percentage of modified premium, per claim, flat fee.
Branch offices: Administrative offices in Orlando, Fla.; Atlanta; Birmingham, Ala.; Denver; Raleigh, N.C.
Principal officers: Charles R. Warne, president; Willard L. Quinn Jr., senior vp; Bennie H. Attaway, vp-administration.
Membership: SIIA, National Assn. of Safety & Claims Organizations.

MRM/Multi-Risk Management Inc.

820 N. Orleans, Suite 320, Chicago, Ill. 60610; 312-670-2100
Year founded: 1977.
Business: 75% claims administration, 10% claims auditing, 15% other services.
Region served: Nationwide.
Specialties: 30% workers compensation, 40% professional liability, 28% health insurance, 1% flex compensation, 1% disability.
Self-insured clients/claims: Administration: 127 clients, including 120 corporations, three public/government entities, one multiemployer plan, three association plans. Auditing: 18 projects for 15 corporations and three association plans. Health plans: 7,500 employees, 13,000 dependents.
Staff: 25 total, all serving self-insurers only.
Charges: Administration and auditing: by the hour, annual fee.
Principal officers: Michael E. Burack, president; James M. Franklin, executive vp; Sandra Hobbs, director-claims services; Victoria Engelhardt, director-professional liability claims.
Membership: American Society of Hospital Risk Managers, Hospital Risk Management Society of Metropolitan Chicago.

Mass Insurance Consultants & Administrators Inc.

811 Greencrest Drive, Westerville, Ohio 43081; 614-891-3480
 See Harrington Benefits Services Group.

Management Services Inc.

2 E. Main, Suite 208, Danville, Ill. 61832; 217-446-0450
Year founded: 1860.
Business: 95% claims administration, 1% claims auditing, 4% other services.
Region served: Nationwide.
Specialties: 50% workers compensation, 5% general liability, 5% automobile, 5% property damage, 35% health insurance.
Self-insured clients/claims: Administration: 1,026 clients, including 380 corporations, 650 public/government entities, eight association plans; total claims paid for self-insured clients, \$38.9 million. Health plans: 17,000 employees, 31,000 dependents.
Staff: 180 total, 160 serving self-insurers only.
Charges: Administration: per employee per month for health benefits, per claim or by contract for property/casualty. Auditing: by the hour, per claim. Auditing: by the hour.
Branch offices: Administrative offices in Oak Brook and Champaign, Ill.; St. Louis; Indianapolis. Sales offices in Oak Brook and Champaign, Ill.; St. Louis; Indianapolis; Tampa, Fla.
Subsidiaries: Cannon & Cochran Inc.
Principal officers: Sam P. Cannon, chief executive officer; Gary J. Schirmer, president; Robert L. Cowgill, Jerry Kats and Dick Wickert, vps.
Membership: SIIA, National Assn. of Employee Benefits Administrators, Self Insurance Assn. of Illinois.

McDonough Caperton Insurance Group-Benefit Services

1 Hillcrest Drive, Charleston, W.Va. 25326; 304-346-0611
Year founded: 1976.
Business: 89% claims administration, 2% claims auditing, 9% other services.
Region served: Florida.
Specialties: 93% workers compensation, 1% general liability, 1% automobile, 1% property damage, 4% health insurance.
Self-insured clients/claims: Administration: 20 clients, including 16 corporations, two public/government entities, two association plans; total claims paid for self-insured clients, more than \$100 million. Adjusting: types of claims include workers compensation, health and life, auto liability and general liability. Auditing: three projects for one corporation.
Staff: 350 total, 335 serving self-insurers only.
Charges: Administration: percent of premium. Auditing: hourly.
1989 gross revenues: \$18.9 million total.
Branch offices: Administrative offices in Erie, Pittsburgh, Philadelphia, Altoona and Wilkes-Barre, Pa.; Trenton, N.J.; Hunt Valley, Md.; Greensboro, N.C.; Nashville, Tenn.; Greer, S.C.; Chesapeake, Va.
Subsidiaries: Penn National Communications.
Principal officers: Marlin T. Wilbert, president; Robert L. Conrad, executive vp; S.G. McDowson, vp; Kenneth L. Shaffer, treasurer; Kenneth R. Shuttles, secretary/general counsel.
Membership: SIIA, National Council of Self Insurers, Pennsylvania Claims Assn.

offices in Erie, Pittsburgh, Philadelphia, Altoona and Wilkes-Barre, Pa.; Trenton, N.J.; Hunt Valley, Md.; Greensboro, N.C.; Nashville, Tenn.; Greer, S.C.; Chesapeake, Va.
Subsidiaries: Penn National Communications.
Principal officers: Marlin T. Wilbert, president; Robert L. Conrad, executive vp; S.G. McDowson, vp; Kenneth L. Shaffer, treasurer; Kenneth R. Shuttles, secretary/general counsel.
Membership: SIIA, National Council of Self Insurers, Pennsylvania Claims Assn.

M

MRM/Multi-Risk Management Inc.

820 N. Orleans, Suite 320, Chicago, Ill. 60610; 312-670-2100
Year founded: 1977.
Business: 75% claims administration, 10% claims auditing, 15% other services.
Region served: Nationwide.
Specialties: 30% workers compensation, 40% professional liability, 28% health insurance, 1% flex compensation, 1% disability.
Self-insured clients/claims: Administration: 127 clients, including 120 corporations, three public/government entities, one multiemployer plan, three association plans. Auditing: 18 projects for 15 corporations and three association plans. Health plans: 7,500 employees, 13,000 dependents.
Staff: 25 total, all serving self-insurers only.
Charges: Administration and auditing: by the hour, annual fee.
Principal officers: Michael E. Burack, president; James M. Franklin, executive vp; Sandra Hobbs, director-claims services; Victoria Engelhardt, director-professional liability claims.
Membership: American Society of Hospital Risk Managers, Hospital Risk Management Society of Metropolitan Chicago.

Mass Insurance Consultants & Administrators Inc.

811 Greencrest Drive, Westerville, Ohio 43081; 614-891-3480
 See Harrington Benefits Services Group.

Management Services Inc.

2 E. Main, Suite 208, Danville, Ill. 61832; 217-446-0450
Year founded: 1860.
Business: 95% claims administration, 1% claims auditing, 4% other services.
Region served: Nationwide.
Specialties: 50% workers compensation, 5% general liability, 5% automobile, 5% property damage, 35% health insurance.
Self-insured clients/claims: Administration: 1,026 clients, including 380 corporations, 650 public/government entities, eight association plans; total claims paid for self-insured clients, \$38.9 million. Health plans: 17,000 employees, 31,000 dependents.
Staff: 180 total, 160 serving self-insurers only.
Charges: Administration: per employee per month for health benefits, per claim or by contract for property/casualty. Auditing: by the hour, per claim. Auditing: by the hour.
Branch offices: Administrative offices in Oak Brook and Champaign, Ill.; St. Louis; Indianapolis. Sales offices in Oak Brook and Champaign, Ill.; St. Louis; Indianapolis; Tampa, Fla.
Subsidiaries: Cannon & Cochran Inc.
Principal officers: Sam P. Cannon, chief executive officer; Gary J. Schirmer, president; Robert L. Cowgill, Jerry Kats and Dick Wickert, vps.
Membership: SIIA, National Assn. of Employee Benefits Administrators, Self Insurance Assn. of Illinois.

McDonough Caperton Insurance Group-Benefit Services

1 Hillcrest Drive, Charleston, W.Va. 25326; 304-346-0611
Year founded: 1976.
Business: 89% claims administration, 2% claims auditing, 9% other services.
Region served: Florida.
Specialties: 93% workers compensation, 1% general liability, 1% automobile, 1% property damage, 4% health insurance.
Self-insured clients/claims: Administration: 20 clients, including 16 corporations, two public/government entities, two association plans; total claims paid for self-insured clients, more than \$100 million. Adjusting: types of claims include workers compensation, health and life, auto liability and general liability. Auditing: three projects for one corporation.
Staff: 350 total, 335 serving self-insurers only.
Charges: Administration: percent of premium. Auditing: hourly.
1989 gross revenues: \$18.9 million total.
Branch offices: Administrative offices in Erie, Pittsburgh, Philadelphia, Altoona and Wilkes-Barre, Pa.; Trenton, N.J.; Hunt Valley, Md.; Greensboro, N.C.; Nashville, Tenn.; Greer, S.C.; Chesapeake, Va.
Subsidiaries: Penn National Communications.
Principal officers: Marlin T. Wilbert, president; Robert L. Conrad, executive vp; S.G. McDowson, vp; Kenneth L. Shaffer, treasurer; Kenneth R. Shuttles, secretary/general counsel.
Membership: SIIA, National Council of Self Insurers, Pennsylvania Claims Assn.

McDonough Caperton Insurance Group-Benefit Services

1 Hillcrest Drive, Charleston, W.Va. 25326; 304-346-0611
Year founded: 1976.
Business: 89% claims administration, 2% claims auditing, 9% other services.
Region served: Florida.
Specialties: 93% workers compensation, 1% general liability, 1% automobile, 1% property damage, 4% health insurance.
Self-insured clients/claims: Administration: 20 clients, including 16 corporations, two public/government entities, two association plans; total claims paid for self-insured clients, more than \$100 million. Adjusting: types of claims include workers compensation, health and life, auto liability and general liability. Auditing: three projects for one corporation.
Staff: 350 total, 335 serving self-insurers only.
Charges: Administration

Spotlight report

Continued from previous page

Business: 91% claims administration, 2% claim adjusting, 2% claims auditing, 5% other services.

Region served: Nationwide.

Specialties: 6% workers compensation, 2% professional liability, 88% health insurance, 1% pensions, 2% flex compensation, 1% disability.

Self-insured clients/claims: Administration: 350 clients, including 302 corporations, 22 public/government entities, eight multiemployer plans, four Taft-Hartley plans, two union-sponsored plans, 12 association plans; total claims paid for self-insured clients, \$357 million. Adjusting: 32 clients which are corporations; types of claims include health insurance, workers compensation, professional liability, flex compensations. Auditing: clients include 27 corporations, two Taft-Hartley plans, one association plan. Health plans: 288,000 employees, 375,000 dependents.

Staff: 575 total, 285 serving self-insurers only.

Charges: Administration: per employee per month, 90 cents-\$18.50.

1989 gross revenues: \$13.1 million total; \$12.5 million from claims services.

Branch offices: Administrative offices in Charleston, W.Va.; Big Stone Gap, Va.; Miami; Atlanta and Savannah, Ga.; Cleveland. Sales offices in Cleveland; Pittsburgh; Lexington, Ky.; Roanoke, Va.; Atlanta; Wheeling, Morgantown, Parkersburg, Huntington and Beckley, W.Va.

Subsidiaries: McDonough Caperton Benefit Services.

Principal officers: W. Marston Becker, president-McDonough Caperton Insurance Group; Andrew J. Paterno, president-McDonough Caperton Employee Benefits; James M. Pennington, president-McDonough Caperton Benefit Services.

Membership: SBPA, SIIA, International Foundation of Employee Benefit Plans.

Medical Management Services

2345 Weymouth Drive, Baton Rouge, La. 70809; 504-924-4697

Year founded: 1984.

Business: 100% claims administration.

Region served: Louisiana.

Specialties: 42% workers compensation, 8% general liability, 47% professional liability, 3% health insurance.

Self-insured clients/claims: Administration: three clients that are association plans; total claims paid for self-insured clients, \$5 million.

Staff: 13 total, all serving self-insurers only.

Charges: Administration: flat fee,

percent of earned premium.

1989 gross revenues: \$850,000 total.

Branch offices: Administrative and sales office in Shreveport, La.

Subsidiaries: Hospital Services of Louisiana Inc.

Principal officers: David R. Pitts, president; Donald D. Buckholz, vp/general manager; Douglas Sarbach, secretary/treasurer.

N**NCSI (National ConServ Inc.)**

451 Hungerford Drive, Rockville, Md. 20850; 301-251-1880

Year founded: 1971.

Business: 30% claims administration, 20% claim adjusting, 30% claims auditing, 20% other services.

Region served: Nationwide.

Specialties: 80% property damage, 20% flex compensation.

Self-insured clients/claims: Administration: 10 clients, including six corporations, three public/government entities, one association plan; total claims paid for self-insured clients, \$10 million. Adjusting: five clients, including three corporations, two public/government entities; types of claims include property, flex compensation.

Staff: Approximately 135 total, 35 serving self-insurers only.

Charges: Administration: time and expense. Adjusting: flat fee, 70-\$1,700.

1989 gross revenues: \$300,000 total.

Subsidiaries: NCS Puerto Rico.

Principal officers: August Wittenborn, Larry Bucklew, George Mann and W.L. Kennedy.

Membership: SIIA, Washington Claims Assn.

Northshore International Insurance Services Inc.

140 Washington St. Salem, Mass. 01970; 508-745-6655

Year founded: 1988.

Business: 30% claims auditing, 70% other services.

Region served: Nationwide.

Specialties: 20% workers compensation, 20% general liability, 10% automobile, 50% excess claim administration.

Self-insured clients/claims: Administration: clients include six corporations. Auditing: 75 projects for 14 corporations, 12 public/government entities, five multiemployer plans, three association plans.

Staff: 14 total.

Charges: Administration: time and

expense against a monthly retainer, \$85/hour. Auditing: time and expense, \$90-\$125/hour.

1989 gross revenues: \$1.8 million total; \$600,000 from claims services.

Branch offices: Administrative offices in Austin, Texas.

Principal officers: David W. Ives, president; Mark E. Scerra, Joseph J. Yablonski and Norman C. Tardif, vps.

Membership: SIIA; Boston Assn. of Claims Executives; Insurance Library Assn. of Boston.

P**POMCO**

2425 James St., Syracuse, N.Y. 13206; 315-432-9171

Year founded: 1979.

Business: 90% claims administration, 10% other services.

Region served: Nationwide.

Specialties: 5% workers compensation, 4% health insurance, 1% disability.

Self-insured clients/claims: Administration: 17 clients, including two corporations, 11 public/government entities, three multiemployer plans, one association plan; total claims paid for self-insured clients, \$110 million. Health plans: 87,400 employees, 170,700 dependents.

Staff: 150 total, 145 serving self-insurers only.

Charges: Administration: per employee per month.

1989 gross revenues: \$5.5 million total; \$4.9 million from claims services.

Branch offices: Administrative and sales office in Elmsford, N.Y.

Principal officers: Maurice W. Pomfrey, chief executive officer; Robert W. Pomfrey, president; George Shermer, vp-management information systems; Tom Jastemski, vp-claims; Terrence C. Dowd, vp-finance/administration.

Membership: SBPA.

Penn General Service Corp.

400 Galleria Offcentre, Suite 500, P.O. Box 5007, Southfield, Mich. 48086-5007; 313-353-5800

Year founded: 1972.

Parent company: Republic Hogg Robinson Inc.

Business: 100% claims administration.

Region served: Nationwide.

Specialties: 25% workers compensation, 75% health insurance, pensions, flex compensation, disability and life.

Self-insured clients/claims: Administration: 568 clients, including 550 corporations, eight public/government entities, 10 association plans; total claims paid for self-insured clients, \$111 million. Health plans: 117,500 employees, 293,850 dependents.

Staff: 288 total, all serving self-insurers only.

Charges: Administration: per employee per month for health benefits, percent of premium for workers compensation.

Branch offices: Administrative and sales offices in Minneapolis; Chicago; Springfield and Marshfield, Mass.; Los Angeles; Miami Beach, Fla.; Atlanta; Cadillac, Mich.; Irving,

Austin and Lubbock, Texas.

Subsidiaries: Penn General Services of California Inc., Penn General Services of Florida Inc., Penn General Services of Georgia Inc., Penn General Services of New England Inc., Penn General Services of Michigan Inc., Penn General Services of the Southwest Inc.; Group Insurance Service Center.

Principal officers: Charles E. Keller, president; Donald A. Benyas, executive vp; William J. Nietschmann, Ann Kolanowski, Cindy Howard, Richard Wos and Larry Wheeler, senior vps.

Membership: SPBA, SIIA.

Professional Risk Management Inc.

7260 West Blvd., Building H, Boardman, Ohio 44512; 216-726-5800

Year founded: 1981.

Business: 87% claims administration, 13% other services.

Region served: Nationwide.

Specialties: 13% workers compensation, 80% health insurance, 2% disability, 5% life.

Self-insured clients/claims: Administration: 57 clients, including 49 corporations, three public/government entities, one union-sponsored plan, four association plans; total claims paid for self-insured clients, \$22.1 million. Health plans: 9,312 employees, 15,325 dependents.

Staff: 27 total, all serving self-insurers only.

Charges: Administration: per employee per month.

1989 gross revenues: \$1 million total.

Principal officers: James B. White, president; Ronald G. Blasko, vp-operations.

Membership: SBPA.

R**RMSCO Inc.**

731 James St., Syracuse, N.Y. 13203; 315-474-8200

Year founded: 1981.

Business: 90% claims administration, 5% claims auditing, 5% other services.

Region served: Nationwide.

Specialties: 45% workers compensation, 50% health insurance, 0.5% flex compensation, 4.5% disability.

Self-insured clients/claims: Administration: 97 clients, including 75 corporations, 22 public/government entities; total claims paid for self-insured clients, \$90 million. Auditing: 20 projects for 12 corporations, eight public/government entities. Health plans: 40,000 employees, 22,000 dependents.

Staff: 84 total, 49 serving self-insurers only.

Charges: Administration: per employee per month for health benefits; per claim or flat fee for workers compensation. Auditing: flat fee.

1989 gross revenues: \$4 million total; \$3.8 million from claims services.

Branch offices: Administrative office in Rochester, N.Y. Sales offices in Rochester, N.Y.; Tampa, Fla.

Principal officers: James Heitzhaus, president; Richard H. Sykes and Mike Hotaling, vps.

Membership: SIIA.

RMSCO Management Services Inc.

651 W. Washington Blvd., Chicago, Ill. 60606; 312-707-9000

Year founded: 1981.

Business: 100% claims administration.

Region served: Nationwide.

Specialties: 1% workers compensation, 97% health insurance, 1% flex compensation, 1% disability.

Self-insured clients/claims: Administration: 45 clients, including 44 corporations, one public/government entity. Health plans: 21,740 employees, 24,699 dependents.

Staff: 25 total, all serving self-insurers only.

Charges: Administration: per capita.

1989 gross revenues: \$1.2 million total.

Branch offices: Administrative and sales office in Newport Beach, Calif.

Principal officers: Robert M. Schraye, president; Karen Z. Vacko, executive vp, Max Robert Schraye II and Richard Allan Freeman, senior vps.

Membership: SPBA, SIIA.

Rasmussen Agency Inc.

60 Evergreen Place, East Orange, N.J. 07018; 201-675-3940

Year founded: 1975.

Business: 88% claims administration, 2% claims auditing, 10% other services.

Region served: New Jersey, Pennsylvania, Delaware, Maryland, Virginia and North Carolina.

Specialties: 74% workers compensation, 12% general liability, 10% automobile, 4% health insurance.

Self-insured clients/claims: Administration: 260 clients, including two corporations, 258 public/government entities; total claims paid for self-insured clients, \$63.5 million. Auditing: five projects.

Staff: 157 total, 142 serving self-insurers only.

Charges: Administration: charged on predetermined annual cost basis.

1989 gross revenues: \$7.3 million total.

Branch offices: Administrative and sales offices in Mays Landing, N.J., Broomall, Pa.; Wilmington, Del.; Richmond, Va.; Raleigh, N.C.

Subsidiaries: Rasmussen Administrators.

Principal officers: Richard H. Rasmussen, president; Robert F. Hughes Sr., senior vp/treasurer; C. David Martin, senior vp/secretary; Lawrence E. Small Sr., senior vp; Robert J. McDonnell, vp-claims.

Membership: SIIA, National Assn. of Safety & Claims Organization.

B.G. Redmon & Associates Inc.

P.O. Box 7248, Phoenix, Ariz. 85011; 602-264-6900

Year founded: 1971.

Business: 100% claims administration.

Region served: Nationwide.

Specialties: 25% workers compensation, 20% general liability, 5% automobile, 50% health insurance.

Self-insured clients/claims: Administration: three clients that are corporations. Health plans: 2,000 employees, 5,000 dependents.

Staff: Seven total, three serving self-insurers only.

1989 gross revenues: \$500,000 total; \$300,000 from claims services.

Branch offices: Administrative office in Mesa, Ariz.

Subsidiaries: SW Benefit Center.

Principal officers: B.G. Redmon, president/secretary; Mike Goldberg, vp/treasurer.

Membership: SPBA, SIIA.

Russell Insurance Services Consulting Inc.

1380-156th Ave. N.E., Suite C-2, Bellevue, Wash. 98007; 206-644-1658

Year founded: 1986.

Business: 10% claim adjusting, 60% claims auditing, 30% other services.

Region served: Nationwide.

Specialties: 65% workers compensation, 10% general liability, 10% automobile, 10% professional liability, 5% health insurance.

Self-insured clients/claims: Administration: clients include one cor-

Continued on next page

HOW TO CHOOSE A BENEFITS ADMINISTRATION SYSTEM FOR TODAY AND BEYOND



Look for a system that cuts costs, is easy to use, and is continually up-graded to meet changing industry needs. A fully integrated, on-line system that operates on two-user systems, to systems supporting hundreds of users.

For over 10 years, we've built a national reputation for providing the quality systems and service needed to administer employee benefits smoothly and cost-effectively. For more information or a free demonstration, call or write SBPA SYSTEMS, INC. 14925-A Memorial Drive, Houston, Texas 77079 (713) 496-0800.

SBPA
SYSTEMS

1-800-444-1189

Excellence In Full Service Management for Captives/Risk Retention Groups

TOLL FREE 800-USA-RISK
State's Largest Independent



H. Lincoln Miller, CEO Michael T. Rogers, COO
Experts in a turn-of-market mechanisms. Prime Movers of Law.

Vermont Insurance Management

P.O. Box 306, Montpelier, Vermont 05601

Get the advantages of Vermont's largest and most experienced independent captive manager. Full service from formation to operation, regulatory reporting, accounting, reinsurance, investment. Exclusive providers of the most comprehensive and timely financial reporting available. Plus the choices and cost savings available only through an independent.

Continued from previous page
 poration and one association plan. Adjusting: two clients that are corporations; Auditing: 15 projects for 15 corporations, two association plans.
Staff: Two total, both serving self-insurers only.
Charges: Administration and auditing: by the hour, \$125; flat fee. Adjusting: by the hour.
Principal officers: A. Dan Russell, president; Agnes M. Russell, vp.

S

**Sedgwick James Inc.-
 Claims Management
 Services Division**
 230 W. Monroe St., Chicago, Ill.
 60606; 312-346-3000

Year founded: 1858.
Parent company: Sedgwick Group P.L.C.
Business: 94% claims administration, 2% claims auditing, 4% other services.
Region served: Nationwide.
Specialties: 93% workers compensation, 3% general liability, 2% automobile, 1% professional liability.
Self-insured clients/claims: Administration: 1,113 clients, including 817 corporations, 265 public/government entities, 31 association plans; total claims paid for self-insured clients, \$425 million. Auditing: 80 projects for 52 corporations, 26 public/government entities, two association plans.
Staff: 13,500 total, 550 serving self-insurers only.
Branch offices: 45 administrative offices and 90 sales offices in the United States.
Principal officers: Robert L. Young, president; M. Susan Coble, senior vp; John C. Oliver, Richard E. Disher and Ivars Zvirbulis, regional directors.
Membership: International Assn. of Industrial Accident Boards & Commissions, National Council of Self-Insurers, Workers Compensation Research Institute.

Self Insured Services Co.
 300 Security Building, Dubuque, Iowa 52001; 319-556-1456
Business: 100% claims administration.
Region served: Nationwide.
Specialties: 20% workers compensation, 5% automobile, 70% health insurance, 2% flex compensation, 3% disability.
Self-insured clients/claims: Administration: 100 clients that are corporations; total claims paid for self-insured clients, \$45 million. Health plans: 22,000 employees, 70,000 dependents.
Staff: 45 total, 40 serving self-insurers only.
Charges: Administration: per employee per month.
Branch offices: Administrative office in Minneapolis. Sales office in Davenport, Iowa.
Principal officers: John E. Butler, president.
Membership: SPBA.

The Sheakley Group
 4750 Ashwood Drive, Cincinnati, Ohio 45241; 513-530-5522
Year founded: 1963.
Business: Revenues generated by claims administration, claim adjusting, claims auditing and other services.
Region served: Nationwide.
Specialties: 20% workers compensation, 50% health insurance, 12% pensions, 15% flex compensation, 2% disability, 1% life.
Self-insured clients/claims: Administration: 270 clients, including 243 corporations, 22 public/government entities, five multiemployer plans. Health plans: 60,000 employees.
Staff: 170 total, 125 serving self-insurers only.
Branch offices: Administrative offices in Phoenix, Ariz.; Sacramento and Los Angeles, Calif. Sales offices in Cleveland and Youngstown, Ohio; Chicago; Phoenix, Ariz.; Los Angeles, San Francisco, Sacramento, Calif.
Subsidiaries: Group Plans Inc., Sheakley-Pension Administration, Sheakley Administrators Inc.
Principal officers: Larry A. Sheakley, Larry Willett.

U

Underwriters Safety & Claims Inc.
 11405 Park Road, Louisville, Ky. 40223; 502-244-1343
Year founded: 1941.
Business: 65% claims administration, 5% claims auditing, 30% other services.
Region served: Midwest and Southeast.
Specialties: 40% workers compensation, 40% health insurance, 10% flex compensation, 10% disability.
Self-insured clients/claims: Administration: 52 clients, including 50 corporations, two public/government entities; total claims paid for self-insured clients, \$55 million. Auditing: three projects for two corporations, one public/government entity. Health plans: 8,732 employees, 20,650 dependents.
Staff: 148 total, 68 serving self-insurers only.
Charges: Administration: per claim, \$45-\$350; percent of premium. Auditing: time and expense.
1989 gross revenues: \$8.2 million total; \$2.7 million from claims services.
Branch offices: Administrative offices in Pittsburgh; Chicago and Marion, Ill.; Memphis and Knoxville, Tenn.; Painsville, Ky.; Norton, Va. Sales office in Nashville, Tenn.
Principal officers: Bruce L. Ferguson, president; Bruce W. Ferguson, senior vp; Jack D. Stewart, vp-employee benefits; Scott C. Ferguson, vp-finance/administration; Gary Gilmour, vp-claims.
Membership: SIIA.

Wausau Insurance Cos.
 2000 Westwood Drive, Wausau, Wis. 54401; 715-845-5211
Year founded: 1911.
Parent company: Nationwide Group.
Business: 80% claims administration, 15% claim adjusting, 5% claims auditing.
Region served: Nationwide.
Specialties: 14% workers compensation, 3% general liability, 2% automobile, 12% professional liability, 69% health insurance.
Self-insured clients/claims: Administration: 139 clients, including 126 corporations, 10 public/government entities, one multiemployer plan, two association plans; total claims paid for self-insured clients, \$160 million. Adjusting: six clients, including five corporations, one public/government entity; types of claims include general liability. Auditing: three projects for one corporation and two public/government entities. Health plans: 800,000 employees, 1.7 million dependents.
Staff: 6,000 total, 125 serving self-insurers only.
Charges: Administration: per claim, percent of incurred or paid losses, percent of payroll, percent of premium. Adjusting and auditing: time and expense, \$30-\$58.
1989 gross revenues: \$9 million from claims services.
Branch offices: 27 administrative and 150 sales offices in United States.
Subsidiaries: Countrywide Services Corp.
Principal officers: John Fisher, chairman; Lee J. Weinberger, president/chief executive officer; Carl J. Santillo, executive vp-operations; Thomas Kryshak, executive vp-finance; Bill D. Wymore, executive vp-insurance services.

W

Woods & Grooms Inc.
 P.O. Box 1567, Columbus, Ind. 47202; 812-372-9955
Year founded: 1969.
Business: 45% claims administration, 55% other services.
Region served: Nationwide.
Specialties: 28% workers compensation, 10% general liability, 1% automobile, 14% property damage, 2% ocean marine, 40% health insurance, 5% flex compensation.
Self-insured clients/claims: Administration: 50 clients, including 44 corporations, six public/government

entities; total claims paid for self-insurers, \$31 million. Health plans: 10,618 employees, 25,110 dependents.
Staff: 23 total, 16 serving self-insurers only.
Charges: Administration: per employee per month, \$5.50-\$11.
1989 gross revenues: \$1.7 million total; \$760,000 from claims services.
Principal officers: Phillip Woods, chairman; Kenneth O. Dunn, vice chairman; Michael W. Willett, president.
Membership: SIIA, Indiana Life & Health Assn., Employers Council on Flexible Compensation.

The Woodsmall Cos.
 Five Crown Center, Kansas City, Mo. 64108; 816-421-7788

Year founded: 1974.
Business: 33% claims administration, 67% other services.
Region served: Nationwide.
Specialties: 4% workers compensation, 95% health insurance, 1% flex compensation.
Self-insured clients/claims: Administration: 64 clients, including 56 corporations, four public/government entities, two multiemployer plans, two association plans; total claims paid for self-insured clients, \$61.6 million. Health plans: 28,000 employees, 69,000 dependents.
Staff: 122 total, 56 serving self-insurers only.
Charges: Administration: percent of premium for property/casualty, 5%-8%; per employee per month for health benefits, \$5.50-\$12.
1989 gross revenues: \$7.7 million total; \$2.4 million from claims services.
Branch offices: Administrative and sales office in Des Moines, Iowa.
Subsidiaries: Woodsmall Public Risk Services Inc., Woodsmall Benefit Services Inc., Woodsmall Financial Services Inc.
Principal officers: Warren O. Woodsmall, chairman; Peter L. Woodsmall, president; Thomas E. Klug, J. Michael Brewer and Roger E. Coenon, senior vps.
Membership: SBPA, National Assn. of Employee Benefit Administrators, Employers Council on Flexible Compensation.

Health care costs

Continued from page 1
 vey found average per-employee costs rose to \$2,509 from \$2,166 for this group.
 And, indemnity plan costs among companies with 20,000 to 39,999 employees rose 15.9% in 1989 to an average of \$2,758 per employee from \$2,380 during the previous year.
 While the latest Foster Higgins survey presents what Mr. Erb calls a grim picture of unchecked medical care inflation, some employers will find pockets of good news in the report.
 For example, Foster Higgins found that health maintenance organization cost increases were sharply lower than indemnity plan increases in 1989: Employers reported that HMO costs increased 16.5% last year to \$2,319 per employee on average from \$1,991 in 1988.
 And, employers that self-insured their indemnity plans reported much smaller cost increases than employers that purchased indemnity plans from commercial insurers.
 Indemnity plan costs for self-funded employers rose 17.6% in 1989 to an average of \$2,587 per employee from \$2,200 in 1988. By contrast, costs for insured medical indemnity plans leaped 22.7% last year to an average of \$2,608 per employee from \$2,125 in 1988.
 Foster Higgins' Mr. Erb notes that the disparity between cost increases in self-insured and insured plans may be the result of several years of big rate hikes from insurers to make up for earlier underwriting losses when medical care inflation was underestimated (BI, Dec. 18, 1989).
 Now that insurers have largely caught up with past losses, increases in insured indemnity plan rates could ease somewhat this

year, Mr. Erb said.
 However, he also cautioned that it still remains to be seen whether this holds true.
 Meanwhile, employers in South Central and Mountain states saw their indemnity plan costs rise much less than their counterparts in New England or on the West Coast, the survey found.
 Indemnity plan costs among employers in the Mountain states increased 10.3% in 1989 to an average of \$2,352 per employee from \$2,133 in 1988.
 In the South Central states, per-employee costs rose 10.8% last year to an average of \$2,396 from \$2,163 in 1988.
 The highest per-employee indemnity plan cost hikes by region in 1989 include: 35.8% in New England to an average of \$2,801 from \$2,062 in 1988; 29.3% in the Pacific states to \$2,748 from \$2,125; and 27.9% in the Mid-Atlantic states to \$2,729 from \$2,133.
 Part of the large cost increases among employers in New England, the Pacific and Mid-Atlantic states is attributable to a higher percentage of employers with insured plans in those regions, the survey notes.
 "High regional per-employee costs may be influenced by certain plan design features common in a particular area—for example, a preponderance of first-dollar coverage plans in New England," the survey said.
 By region, the highest overall health care plan costs were racked up by employers in the Mid-Atlantic. Those employers' health care plans last year cost an average of \$2,972 per employee, up 28.8% from \$2,307 in 1988.
 Health care plan costs were lowest in the South Atlantic states, where employers spent an average of \$2,408 per employee in 1989, up

14.2% from \$2,108 the previous year.
 Employers were nearly unanimous on what they believe is a key culprit in the rising cost of their indemnity plans: medical care inflation.
 Ninety-three percent of employers blamed increased plan costs on doctors and hospitals charging more for their services.
 In addition, about one-third of employers said large, catastrophic claims contributed to cost increases.
 "Catastrophic claims have become larger and more frequent

'The medical plan cost increase picture still is grim,' remarks John Erb of Foster Higgins.

throughout the 1980s, primarily due to the growing availability of advanced medical technology," such as organ transplant facilities, sophisticated neonatal care and diagnostic imaging systems, among others, Foster Higgins says.
 Faced with these rising medical indemnity plan costs, more employers are asking employees to pick up a greater share of their health care expenses.
 For example, 45% of employers said they require employees to pay a portion of the premium for individual coverage in their medical indemnity plan, up from 39% in 1988.
 And, 75% of employers required employees to pay part of the premium for family coverage last year, up from 69% in 1988.
 In addition, 28% of employers

said they would increase employee premium contributions for indemnity plan coverage this year, while another 28% were not sure and 44% would said they would not boost premium contributions.
 The survey also found that employers have increased indemnity plan deductibles. About half of the employers last year had imposed an annual indemnity plan deductible of more than \$300 for family coverage, up from 42% of employers in 1988.
 Similarly, the percentage of employers that require employees to pay coinsurance of 20% for inpatient hospital services increased to 58% last year from 55% in 1988, the survey found.
 At the same time, the percentage of employers that did not require employees to pay coinsurance for hospital inpatient services fell to 28% in 1989 from 34% the previous year.
 Coinsurance levels for inpatient and outpatient surgical treatment also are increasing, the survey found.
 Last year, 62% of employers required employees to pay for at least 20% of the cost of inpatient surgical care, up from 59% in 1988. Only 23% of employers last year did not require employees to pay coinsurance for inpatient surgical care in 1989, down from 29% in 1988.
 And 45% of employers had imposed a 20% coinsurance requirement for outpatient surgical treatment in 1989, up from only 38% in 1988.
 Forty-one percent of employers last year did not require employees to pay coinsurance for outpatient surgical care, down from 50% in 1988.
 While most plans cap the amount of annual out-of-pocket expenses employees must pay, those limits

are going up, the Foster Higgins survey found.
 For example, the percentage of indemnity plans with an individual out-of-pocket limit of less than \$1,000 dropped to 35% of plans in 1989 from 41% in 1988. The percentage of indemnity plans with a limit of \$1,500 or more increased to 27% from 21% during the same period.
 Other survey findings include:
 • The incidence of AIDS continues to increase in the workforce.
 For example, the percentage of employers with at least one case of acquired immune deficiency syndrome among their health care plan beneficiaries rose to 40% last year from 34% in 1988.
 And, the average number of AIDS cases per employer increased to five in 1989 from three the previous year.
 Employers with at least 40,000 employees reported the highest number of AIDS cases last year: an average of 45 per company, which was a threefold increase over 1988.
 • Dental plan costs in 1989 increased 11.2% to \$309 per employee on average from \$278 in 1988.
 And 83% of employers offered a dental benefits program last year, up from 79% in 1988.
 • The percentage of employers offering home health care benefits climbed to 88% last year from 83% in 1988.
 • Eighty percent of the surveyed employers said they offered coverage for hospice care in 1989, up from 73% in 1988.

Copies of "Indemnity Plans: Cost, Design and Funding" are available from Joan Lemeshow, A. Foster Higgins & Co. Inc., 212 Carnegie Center, Princeton, N.J. 08540; 609-520-2275. The cost is \$100 and prepayment is requested.

The professional marketplace

RATES AND CLOSING TIME:

Rates: Display classified is \$108.50 per column inch, minimum of one inch. Straight classified is \$9.00 per line, minimum of 5 lines. Count 34 characters per line (include each space and punctuation as a character). Additional \$17.50 charge for all blind box ads. Only those responses which fit into a business size envelope will be forwarded. Responses are forwarded daily.

Closing: Published every Monday. Copy must be in typewritten form by noon Tuesday, 6 days preceding publishing date. No verbal phone copy accepted. Prepayment required for straight advertisements. Mail ads to Margaret Hikido, Classified Advertising, 740 N. Rush St. Chicago, IL 60611. For more information call 312-649-5340. FAX 312-280-3189.

VICE PRESIDENT UNDERWRITING

Houston based insurance company/agency group specializing in Medical Professional Liability programs seeks experienced underwriter for senior management position. Individual will be responsible for establishing underwriting policy and management of all underwriting functions including pricing, risk selection and placement of reinsurance. Opportunity to have significant impact on a profitable and growing company. Excellent benefit package and salary potential commensurate with experience. Send complete resume to:



President
Western Indemnity Insurance Company
P.O. Box 79519
Houston, Texas 77279-9519

LOGIC ASSOCIATES, INC.

Risk Management Executive Search Consultants

Celebrating Our 12th Year Of National Service
To The Risk Management Community

Telephone 212-227-8000 170 Broadway Suite 1208
Fax 212-766-0188 New York, New York 10038

"The Original and #1 Choice in Risk Management Recruiting"

T.P.A.

PRINCIPAL DESIRES TO ACQUIRE SMALL TO MEDIUM SIZE TPA IN BOSTON, ATLANTA, ST. LOUIS AND LOS ANGELES AREAS. MUST BE WELL ESTABLISHED AND HAVE GOOD REPUTATION. PREFER COMPANY WITH SELF-FUNDING AND/OR MET BUSINESS. REPLY TO:

BOX 2579
BUSINESS INSURANCE
740 RUSH ST.
CHICAGO, IL 60611-2590

FOR SALE

TEXAS GENERAL CORPORATE INSURANCE AGENCY San Antonio, Texas. \$7 million annual premiums; 81% commercial, 19% personal. Predominately property and casualty. Annual commission income \$630,000. Sold thru bid process. Send letters of interest by 2/2/90 to:

J. Spelman
PO Box 17770
San Antonio, Texas 78217

JOINT VENTURE OPPORTUNITY

Large, nationwide specialty PPO interested in growth opportunities through joint venture arrangements with Insurers, TPA's or METS with existing blocks of major medical and/or medicare supplement business. Exceptionally high rate of return. No risk exposure. Administrative and revenue sharing arrangements make this a most attractive opportunity. Send a brief description of your product lines and parameters for joint arrangements to: Box 2580, Business Insurance, 740 Rush St., Chicago, IL 60611-2590

STRUCTURED SETTLEMENT SPECIALISTS \$100K+

If you have experience as a settlement specialist or background in property & casualty claims, we have a place for you at Creative Capital, Inc., a dynamic, rapidly expanding, national firm. Special consideration to South Florida, Atlanta, Denver, and Seattle.

Reply to: Creative Capital Inc., 580 White Plains Rd., Tarrytown, N.Y. 10591

Insurance

DIRECTOR RISK & INSURANCE

National organization seeks Director to manage the development and implementation of its corporate risk and insurance functions and health/welfare and pension plans. Responsibilities include the sound financial administration of all property/casualty insurance; ensuring protection of the corporation and its' affiliated out-based units through loss prevention and control activities; providing direction to the insurance team on contract interpretation, claims processing, consultation and negotiation with insurance companies, brokers and attorneys. The individual must have extensive risk management education and ten (10) years of professional experience; must be able to resolve complex risk management issues; plus a proven ability to manage staff. Salary commensurate with experience. New York Area. Please send resume with salary history and/or requirement to:

Employment Manager
P.O. Box 1686
New York, NY 10150-1686
EOE/M/F/H/V

HELP WANTED

P&C ACCOUNT EXECUTIVE
Atlanta independent broker seeks experienced P&C account executive to service existing book of clients whose individual premiums range from \$100,000 - \$200,000. Heavy casualty orientation necessary. CPCU or ARM desired. Excellent remuneration. Contact Fran Millar, Group Vice President, Hamilton Dorsey Alston Co., Riverwood, 100 Cumberland Circle, Atlanta, GA 30339 (404-850-0500).

CONFIGURATION MANAGEMENT ANALYST

\$29,000 per year
8:30 am to 5:30 pm
40 hours per week
Overtime as required

Supervise and oversee the development and refining of the electronic data processing systems utilized to administer the company's Latin American universal life/interest sensitive insurance portfolio. Confer with home office and field personnel involved to ascertain specific output requirements, such as types of breakouts, degree of data summarization, and format for management reports, as well as instruct field personnel in the operation of epd systems (40-50% of successful applicant's time will be spent in travel to Latin America.) Study existing data handling systems to evaluate effectiveness and develop new systems to improve production or workflow as required. Specify in detail logical and/or mathematical operations to be performed by various equipment units and/or comprehensive computer programs, and operations to be performed by personnel in system. Conduct special studies and investigations pertaining to development of new information systems to meet current and projected needs. Plan and prepare in Spanish and English technical reports, memoranda, and instructional manuals relative to the establishment and functioning of complete operational systems. Bachelor of Science, Industrial Engineering, Two (2) years of experience required in job offered or three (3) years as Systems Analyst. Experience must be in computer related systems and procedures for universal life insurance policy administration. The applicant must also have experience in the use of the IBM—System 36 with IBM ANSI COBOL and BASIC programming languages, and the development of personal Computer applications in the context of Integrated Software packages. Applicant must be fully bilingual (English and Spanish) in both written and oral communication. He/She must also be able to work alone, with minimal support from other data processing personnel. Contact LA Office of Employment Security, Job Order 681171, 617 St. Charles Ave., New Orleans, LA.

LEGAL NOTICE

ANNOUNCEMENT OF INTENT INSURANCE BROKERAGE SERVICES CENTRAL ARTERY/TUNNEL PROJECT BOSTON BECHTEL/PARSONS BRINCKERHOFF

Bechtel/Parsons Brinckerhoff, Management Consultant to the Massachusetts Department of Public Works, is considering the use of a coordinated insurance program for the Central Artery (I-93)/Tunnel (I-90) Project in Boston, Massachusetts, and is soliciting expressions of interest from qualified insurance brokers for marketing this coordinated program should it be adopted. This notice is a solicitation of interest only, and is not a request for proposal. If the program is adopted, the scope of services would include without limitation: developing and marketing insurance policies to protect the Department of Public Works, the Management Consultant, Section Design Consultants, construction contractors and subcontractors, workers and the public; administering and maintaining all insurance policies once placed; coordination of and managing all claims; providing periodic reports to the Management Consultant; and other related duties as may be specified in the formal Request For Proposal when issued. It is the intention of the Management Consultant at this time that the services be provided on a fee-for-service rather than a commission basis. The broker will be required to comply with State and Federal Affirmation Action and Disadvantaged Business Enterprise regulations. Any firm or joint venture interested in providing the described services will be required to submit a full qualifications and technical proposal package. Those interested in participating in the RFQ/P process should submit a letter requesting a copy of the "Insurance Broker Services Request for Qualifications and Proposal Package". The letter must be received by February 14, 1990, and addressed to:

Bechtel/Parsons Brinckerhoff
One South Station, 5th Floor
Boston, MA 02110
ATTN: Procurement Department
Insurance Brokerage Services
Questions may be addressed in writing to the above address.

NOTICES

IN THE CIRCUIT COURT OF COOK COUNTY, ILLINOIS
COUNTY DEPARTMENT, CHANCERY DIVISION

IN THE MATTER OF THE LIQUIDATION OF EQUITY GENERAL INSURANCE COMPANY NO. 89 CH 9915

NOTICE OF CLAIMS DATE AND PROCEDURES

PLEASE TAKE NOTICE, that on November 20, 1989 and Order of Liquidation with a Finding of Insolvency was entered against Equity General Insurance Company ("Equity General") by the Circuit Court of Cook County, Illinois. Zack Stamp, the Director of Insurance of the State of Illinois is the statutory and court affirmed Liquidator of Equity General.

TAKE FURTHER NOTICE, that on November 21, 1989 the Circuit Court of Cook County, Illinois entered and order Fixing the Time and Procedure for Filing of Claims, which said Order was amended by the Court on November 27, 1989 (the "Fixing Order"). Pursuant to the terms of the Fixing Order, all policies of Insurance of Equity General are cancelled as of 12:01 a.m. on December 21, 1989, and all rights and liabilities of Equity General and its creditors, policyholders, and stockholders, and all other persons interested in its assets are fixed as of December 20, 1989, unless otherwise provided by a later Order of the Court.

TAKE FURTHER NOTICE, that all insured and all persons who have a cause of action against an insured of Equity General under a liability insurance policy, shall have the right to present and file with the Liquidator proper proofs of claims on or before 4:30 p.m. C.S.T., on:

- January 19, 1990, for claims arising under "claims-made" forms of liability insurance policies contemplating coverage for the "error and omissions" of the insured;
- February 18, 1990, for claims arising under "claims-made" forms of liability insurance policies contemplating coverage other than that of the "errors and omissions" of the insured;
- November 20, 1990 for claims arising under "occurrence" forms of liability insurance policies,

and all contingent claims filed by insureds, and persons having a cause of action against such insureds, must be fully liquidated, on or before November 20, 1991. Such claims by insured may be allowed if such claim is liquidated and the insured presents evidence of the payment of such claim to the Liquidator on or before such final date, and such claims by persons claiming against such insureds may be allowed if such persons demonstrate to the Liquidator that the proof submitted to the Liquidator upon such claims satisfies the requirements of ILL. REV. STAT., 1987, ch. 73, Par. 821 by such final date.

TAKE FURTHER NOTICE, that all other persons, other than those contemplated in the paragraph above, having, or claiming to have, any accounts, debts, claim or demands against Equity General are required to present and file such claim with the Liquidator on or before 4:30 p.m., C.S.T., on November 20, 1990.

TAKE FURTHER NOTICE, that the form of, and required contents of, all proofs of claim are described in the Illinois Revised Statutes, 1987, Chapter 73, Paragraph 821. Proofs of claim, together with supporting documents, if any are to be filed with, and may be secured from, the Special Deputy Liquidator, Equity General Insurance Company, In Liquidation, 446 East Ontario Street, Suite 700, Chicago, Illinois 60611. Filing shall occur upon the receipt of Proof of Claim by the Liquidator. The information with respect to any claims as he may deem necessary. The Liquidator further reserves any and all defenses available to the company upon all claims. All proofs of Claim must be duly sworn to before an Officer authorized to take oaths.

THE LAST DATES FOR THE FILING OF PROOFS OF CLAIMS WITH THE LIQUIDATOR AT HIS ABOVE MENTIONED OFFICE IS SET FORTH ABOVE. NO PERSON HAVING OR CLAIMING TO HAVE ANY CLAIMS AGAINST EQUITY GENERAL INSURANCE COMPANY, SHALL PARTICIPATE IN ANY DISTRIBUTION OF THE ASSETS OF THE COMPANY UNLESS SUCH CLAIMS ARE FILED WITH THE LIQUIDATOR ON OR BEFORE THE ABOVE RESPECTIVE DATES.

James W. Schacht,
Special Deputy Liquidator.

GET RESULTS!
ADVERTISE IN THE
PROFESSIONAL MARKETPLACE

INSURANCE

CLAIMS AND SAFETY SUPERVISOR

VF CORPORATION, largest publicly held apparel manufacturer in the USA has an excellent opportunity in the Risk Management Department at its Executive Offices situated in attractive Wyomissing, Pennsylvania.

Responsibility includes developing and implementing effective workman's compensation claims-handling procedures. Secondly, implementing loss control measures to reduce/eliminate occupation injuries. Approximately 40% travel.

The successful candidate will have 3-5 years of Claims Handling and Safety experience, and a bachelor's degree in Business Administration or related field. Individual must have excellent communication skills and a demonstrated ability to work as a member of a professional risk management group.

We offer attractive benefits and a competitive compensation package. Please submit your resume with salary requirements in confidence to:

Human Resources Dept.

VF Corporation

P.O. Box 1022, Reading, PA 19603
Equal Opportunity Employer, M/F/H/V

Risk Manager



Cracker Barrel Old Country Store, Inc. is one of America's most respected and financially sound restaurant/retail companies. Due to a continued 20% annual growth rate, this Tennessee-based company will grow from a current 79 units to over 106 by mid-1991. This positive growth of a company that has never had to close a unit, makes it necessary to now employ an individual specializing in Risk Management. The position is based out of our corporate headquarters in Nashville.

As a Risk Manager, you will deal with all business insurance (excluding benefits insurance) for Cracker Barrel. This will include workers' compensation, general liability, property coverages and special coverages (ie: aviation, automobile fleet, etc.). Other responsibilities will include the development of and adherence to insurance budgets, cost controls, design of coverage plans, negotiation with insurers, audits and reconciliation, and preparation of summaries.

To qualify for this opportunity, you should have a minimum of 5 years' Risk Management experience in a multi-state restaurant or retail operation. In addition, an ARM or CPCU and an undergraduate degree are preferred. Excellent analytical skills, and experience in dealing with brokers, agents and underwriters are also essential.

If you are looking for a professional atmosphere of strong values, continued growth, superior compensation and paid relocation, please respond with resume and salary history to: G. Maggart, Cracker Barrel Old Country Store, Inc., Dept. BI/0129, P.O. Box 787, Lebanon, TN 37088-0787. Or FAX 615-449-8234. We are an equal opportunity employer.



Traditional Values That Work

Insurance forum

Continued from page 2
insurers and commercial policyholders, and "now is the time to ensure that we address the insurer solvency issue," said Jack M. Nelson, a professor at The College of Insurance in New York.

A financial fiasco in insurance similar to that afflicting the savings and loan industry would severely damage the insurer-buyer relationship, Mr. Nelson observed. Though the industries differ significantly, he said, there are enough similarities to make the threat of a similar financial crisis real.

Mr. Nelson cited several symptoms of trouble in the insurance business: annual insolvencies doubling since the 1970s; a dramatic increase in the size and scope of insolvencies; and a dramatic increase in insurers flagged for regulatory attention by the National Assn. of Insurance Commissioners during the same period.

To avert a crisis, regulators and auditors must demand financial reports with "more disclosure and less smoke," including more thorough confirmation of assets and reinsurance balances and stricter auditing of reserve levels, Mr. Nelson said.

State insurance departments

must also get more financial support, he said, noting that many have neither the personnel nor the equipment to adequately monitor solvency.

Regulators should also develop a mechanism to remove failing insurers from the market more quickly than current insolvency proceedings allow, and to stop those involved in insurance frauds and failures from becoming repeat offenders.

People who "grossly mismanage" insurance companies should not be allowed to re-enter the industry after a failure, Mr. Nelson advised.

"Today is the time to act," he said. "Today is the time to take steps to stem the flood while it is still just a trickle."

As the 1990s bring greater global consolidation and competition in the insurance marketplace, the risk of insolvency will rise and insolvencies will become harder to detect, warns Steven J. Dreyer, vp with Insurance Solvency International of America Inc. in Hartford, Conn.

Consolidation will bring increased use of foreign reinsurers and greater difficulty in judging reinsurers' financial strength, Mr. Dreyer observed.

Consolidation can also allow a weak insurance subsidiary to mask

its financial condition with the stronger results of a conglomerate parent, he noted.

Buyers and their brokers must become more adept at judging insurer security, and it may be only a matter of time before brokers' longstanding immunity from liability for insurer insolvencies is overcome, the analyst of insurers' financial security said.

He noted four future newspaper headlines he said would indicate the insurance industry was safer for buyers in the 1990s:

- "Broker found negligent in insurance insolvency case."

While Mr. Dreyer suggested this would encourage greater solvency monitoring, the panel's two risk management experts—William J. Kelly, a senior vp of Morgan Guaranty in New York, and Douglas A. Kline, director of insurance for Radnor, Pa.-based Sun Co. Inc.—doubted that large companies could make such a case against their brokers.

"It would be difficult for sophisticated insureds in the financial services industry to claim lack of sophistication overnight," Mr. Kelly observed during questioning after the panel's presentations.

- "Risk managers boycott tight-lipped insurer."

Risk managers, Mr. Dreyer said,

should encourage better financial reporting—especially from foreign insurers—by refusing to deal with those who will not provide detailed information.

- "Unscrupulous insurance executive banned for life."

Mr. Dreyer called for the identification and prosecution of insurance officials involved in fraud.

- "Guaranty funds abolished."

Such a move, Mr. Dreyer noted, might actually reduce insolvencies by removing the burden poorly managed companies place on their well-run counterparts.

James Stannard, executive vp with F&G Re Inc., the Baltimore-based reinsurance unit of United States Fidelity & Guaranty Co., agreed that insurers must strengthen their balance sheets to avert the risk of insolvency.

"There is no room for junk financial institutions," Mr. Stannard said.

To make insurance distribution more efficient, he also advocated cutting legal costs related to claims.

And, Mr. Stannard suggested that reinsurers cut their use of retrocessions, since each new retrocession introduces a new set of transaction costs, reducing the amount of premium available to pay losses.

"The buck gets passed around until it disappears," he observed.

Meanwhile, Richard M. Miller, chairman of New York-based Corroon & Black, pointed to several steps insurers and brokers must take to remain effective in the coming decade.

"I would start by attempting to improve the image of the industry," which has been battered recently by consumer revolts in several states, Mr. Miller said. He added, though, "we were talking about image 35 years ago and very little has been done in the interim."

The industry missed a big opportunity to capitalize on the "tremendous job" it did handling claims from Hurricane Hugo and the California earthquake, he maintained.

Mr. Miller also suggested that irresponsible market competition—and its impact on insurer solvency—could be curtailed if insurance company managers took bigger personal stakes in their companies' performance.

In questioning after his presentation, Mr. Miller called it "amazing" and "dreadful" that many top insurance executives invest only a meager portion of their substantial salaries in their own companies'.

Continued on next page

The professional marketplace

CARRIERS NEEDED!

Administrative manager of several associations seeks front/participating carrier(s) for large, profitable blocks of commercial casualty business. Please respond to:
Box 2564, Business Insurance, 740 Rush St., Chicago, IL 60611-2590
All responses will be contacted.

SALES

A rewarding opportunity for a Commercial Lines Property and Casualty Sales person. Must be Licensed and possess good product knowledge. This is a unique opportunity for those interested in a high potential six-figure income. Send resume to **SCHERR P.O. Box 549 La Grange, IL 60525.**

RETAIL PRODUCERS WANTED SPECIALTY PROGRAMS ARE NOW AVAILABLE

Target States

AL. DE. GA. ID. IL. IN. KS. MI. MO. MS.
NE. OH. OK. SD. TX. WA. WI. WV. WY.

Target classes for Liability Coverage

Campgrounds	Riding Academies & Stables
Contractors' Bonds	Roofers
Day Care Centers	Service Stations (Pollution)
Go Kart Tracks	Rental Car Agencies
Insurance Agents	Special Events
Limousines	Strategy Games
Mini Golf Courses	Taxi Cabs
Real Estate Agents	Trade Contractors
Refuse Haulers	Water Parks & Water Slides
Restaurants & Bars (Liquors)	

For more information regarding these Programs call:

Toll Free 1-800-272-7230
In Missouri 1-314-997-3666

Or Write To:
A. B. Carter Inc.

10420 Old Olive Rd., P.O. Box 66842
St Louis, MO 63166

CAROLYN DAVIS ASSOCIATES, INC.

STAFFING CONSULTANTS TO THE INSURANCE INDUSTRY

701 Westchester Avenue
Suite 317W
White Plains, NY 10604
914-682-7040

GET RESULTS!

Advertise in the **PROFESSIONAL MARKETPLACE**

RMA RICHARD MEYERS & ASSOCIATES, INC.

Executive Recruiters,
Servicing Clients Nationwide, In The Areas Of:

- Risk Management
- Claims Management
- Safety & Fire Protection
- Benefits & Pensions
- Property & Casualty

NOW AT TWO LOCATIONS

CORPORATE HQ
15 James Street
Florham Park, NJ 07932
201 765-9000
Fax 201 765-9009

NYC BRANCH
9 East 53rd Street
New York, NY 10022
212 758-8077
Fax 212 753-7858

"Where Professionals Insure Their Careers"

Business Insurance

Circulation Breakdown*

Commercial Consumers

Administrative:
CEO's Presidents and Owners 2,659
Vice-Presidents, General Managers and Other Administrative Personnel 4,006

Financial:
Chief Financial Officers and Vice-presidents of Finance 2,795
Secretaries, Treasurers, controllers and other Financial Personnel 3,842

Risk/Employee Benefits:
Vice-presidents, directors, managers, and other related department personnel of: insurance, risk, employee benefits, personnel, compensation, pension, safety, security, industrial relations, human resources and employee/labor relations 10,719
Sub-total 24,021

Associations 554
Government, Unions and Educational Institutions 1,417
Commercial Consumers
Sub-total 25,992

Insurance Agents and Brokers 10,515
Insurance Companies 7,673
Actuaries, Consultants, Attorneys, Adjusters, Appraisers and Third Party Administrators 3,800
Others Allied to the Field 2,771
TOTAL 50,751

* Source Business/Occupational breakdown of qualified circulation, May 29, 1989 issue, as submitted to BPA for June 1989 BPA Publisher's Statement.

Want to move into international insurance?

U.S. representative of large European life insurance company is seeking bright, articulate person with 2-5 years experience in insurance. Unique opportunity to move into marketing and serve large international accounts. Excellent salary and benefits. Please send resume to:

SWISS LIFE N.A. SERVICES, INC.
1200 E. Ridgewood Avenue
East Wing
Ridgewood, NJ 07450

STRUCTURED SETTLEMENT CAREERS

Respected national firm seeks to expand operations in existing and new markets.

- established clientele and territories
- all major annuity markets
- training development and support services
- attractive compensation and benefits

Respond in confidence to:

Joseph M. Costello,
President
(800) 354-4096
(800) 759-3557

Kenneth H. Wells & Associates, Inc.
3300 South Parker Road
Suite 200
Aurora, Colorado 80014

GET RESULTS! Advertise in the PROFESSIONAL MARKETPLACE

Compliance Officer

MULTI-STATE PROPERTY CASUALTY INSURER

Company growth necessitates this new position. Duties encompass maintaining accurate, updated records of the regulatory, reporting and rate and form filing requirements of the 35 states where we operate and assuring compliance with these requirements by all Company operating elements.

The successful candidate will be a law school graduate with 5+ years experience in an insurance regulatory environment -- with an insurer, insurance department or both. Rate/form filing experience required and exposure to underwriting and claims handling highly desirable. Outstanding verbal and written communication skills essential for interaction with Company staff and regulators at all levels. Advanced insurance education (CPCU, CIC) a plus factor.

We offer an exciting challenge with an innovative specialty insurer, a future limited only by your goals and abilities, attractive salary and benefits, relocation assistance and a desirable location in one of America's most livable small cities.

Please send a letter about yourself with resume to:

PERSONNEL
UNIVERSAL SECURITY INSURANCE COMPANY
2295 CORPORATE BLVD., N.W., SUITE 117
BOCA RATON, FL 33431

RN RISK COORDINATOR

Baystate Medical Center, a level I Trauma Center and one of the largest hospitals in New England is an 800-bed regional referral center for Western New England located in Springfield, Massachusetts.

We can offer the chance to take on a broad and challenging range of clinical risk management responsibilities. Your qualifications must include 4-5 years of risk management or malpractice liability claims experience. Our progressive management style and high degree of professionalism will give you every opportunity to increase your knowledge and responsibilities with a growth-oriented organization.

You'll receive an excellent salary and benefits package. For immediate consideration, please send your resume to Diane Dubreuil, Director of Employment, Employment Office, Baystate Medical Center, Suite 30, 780 Chestnut Street, Springfield MA 01199. An equal opportunity employer.



Baystate Medical Center

THE WESTERN CAMPUS OF TUFTS UNIVERSITY SCHOOL OF MEDICINE

Insurance forum

Continued from previous page stock.

Insurers and brokers must also do more to attract and train high-quality personnel, since expertise will be the key to brokers' survival in coming years, he said.

Responding to a question, Mr. Miller observed that "there are very few good senior executives in the insurance companies," in part because top brokers, including

Corroon & Black, have "picked off all the talent."

Tinsley H. Irvin, chairman of New York-based Alexander & Alexander, agreed with Mr. Miller that brokers must bring added value to their client relationships by coming up with new products and hiring and training top quality staff.

At the same time, squeezed profit margins for brokers in coming years will prompt greater operating efficiencies and negotiated fees

for services, he said.

An increasingly global market, however, presents a "spectacular opportunity" for brokers positioned to take advantage of it, Mr. Irvin suggested.

Sun's Mr. Kline noted three areas where brokers can help:

- Identifying insurable exposures, pinpointing where those exposures exist and assessing the dollar amount of the exposures.

- Developing long-term relationships with underwriters who

understand the large losses to which oil companies like Sun are prone.

Mr. Kline noted that the oil industry has generated about \$4.5 billion in "unusual losses" over the last two years, while paying underwriters roughly \$1 billion in premiums over the same period.

Protecting against losses large enough to threaten companies or the value of their shares is the oil company risk manager's primary function, Mr. Kline explained, not-

ing that Sun typically maintains a \$10 million self-insured retention on property risks and a \$3 million SIR on casualty risks.

- Environmental issues, where problems include the burden imposed by joint and several liability for cleaning up polluted sites, defining appropriate remedial action in a cleanup and coverage disputes between policyholders and their insurers.

Mr. Kline challenged brokers to help policyholders and insurers work together.

"We are spending far too much money on the lawyers and far too little cleaning up," Mr. Kline complained, adding that "private industry will continue to resist paying a disproportionate share of the clean-up costs."

While divisions of both A&A and Corroon & Black specialize in pollution matters, executives of the brokerages expressed doubts about their ability to line up pollution coverage for clients.

Responding to a reporter's question about what brokers can do to solve the pollution liability insurance problem, Mr. Miller said it is "very, very difficult" to get underwriters and buyers to agree on the scope and terms of such coverage.

Noting that underwriters have no loss history and no data on which to base underwriting decisions, Mr. Miller observed that insurers are "understandably reluctant" to provide such coverage.

"I do not think brokers are the catalyst to solving this problem," Mr. Irvin added.

Meanwhile, Morgan Guaranty's Mr. Kelly noted several difficulties inherent in current relationships among policyholders, brokers and insurers.

One arises from a "structural" problem in insurance companies: the "time-honored and sacrosanct" separation of underwriting and claims functions.

This division requires policyholders to deal with completely separate groups of people, and service from claims personnel is not always as friendly and efficient as that on the underwriting side, said Mr. Kelly, who also suggested combining claims and underwriting.

"The distinction between underwriting and claims is irrelevant to the insured who must deal with both," he observed.

Another problem arises from brokers focusing on producing new business.

"At the heart of this problem is the fact that there isn't really any new business," he said, explaining brokers can only generate new business by taking it away from other brokers.

This competition for accounts undermines development of long-term broker-client relationships, he said.

Mr. Kelly predicted that brokerage services may develop along the same lines banking and stock brokerage services have, with clients "unbundling" their business and getting specific, essential services from various brokers.

Thus, only brokers offering essential services in the most efficient way will attract business in the future, he observed.

"It will be interesting to see who among the present suppliers and intermediaries will remain among that group," Mr. Kelly said.

New York Economic Development Commissioner Vincent Tese told panelists how he thinks state governments can help insurers and other businesses: making sure the workforce is educated well-enough to help companies compete; equipping regulators to do an effective monitoring job; and making sure the state government itself is solvent and that economic development agencies recognize and adjust to changing business conditions. ■

Insurance services guide

ENVIRONMENTAL CLAIM AUDITS & RISK ASSESSMENTS
ACTUARIAL CONSULTING
Financial Evaluation of Environmental Losses
TILLER CONSULTING GROUP, INC.
2833 N. Geyer Road / St. Louis, MO 63131-3320 314/567-7480

InPhoto Surveillance USA
 800-822-8220
FAX: 800-752-0720

CASUALTY ACTUARIES, INC.
• Loss Reserve and Rate Evaluations for Insurance Companies and Self-Insureds.
• Statutory letters of opinion on loss and loss expense reserves.
77 West Port Plaza, Suite 550
St. Louis, Missouri 63146-3107
(314) 878-5002

Advertise in
The Insurance Services Guide
FAX your advertisement for the next issue
FAX: 312/280-3189
PHONE: 312/649-5340
Contact Margaret Hikido to reserve space.

RISKMASTER™ Software

by **Tillinghast**
a Towers Perrin company

- GENERAL CLAIMS
- WORKERS' COMP
- VEHICLE ACCIDENTS
- CHECK WRITING
- EXP. MODIFICATION FACTORS
- ACTUARIAL REPORTING
- NEW WC FEE SCHEDULING SYSTEM FOR ALL STATES

ONSITE TRAINING
ONGOING SUPPORT

Installed in Over 45 States & Canada

FOR PC/LAN/MINI/MAIN

For Marketing Questions or to Attend a Free Seminar, Call (313) 567-6616



CLAIMS MANAGEMENT SOFTWARE FOR CITIES, COUNTIES AND SELF INSURED ENTITIES

Call our Toll Free Number or Write for a Free Demo Disk

Self Insured Management Systems, Inc.
9320 S.W. Barbur Blvd. • P.O. Box 19730-171 • Portland, OR 97219-9898
Toll Free 1-800-345-0811 • (503) 245-9756



TEMPORARY CLAIMS EXAMINERS

Qualified, experienced medical & dental claims examiners are available nationwide to assist you with claims processing.

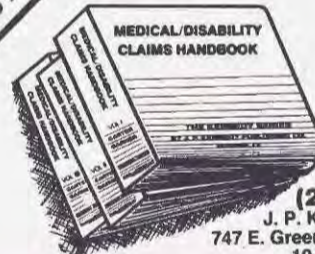
Staff is available during regular hours, after hours and on weekends. Examiner skills are exactly matched to your requirements on manual or on-line systems.

As the leading national firm devoted exclusively to temporary assistance in claims processing, we have been the proven answer to claim backlog problems for over 600 companies. Call us to find out about how we can be a part of your solution.

CLAIM SERVICES RESOURCE GROUP • 800-331-5039

NEW! SPECIAL Introductory Offer LIMITED TIME ONLY

The Medical/Disability Claims Handbook A CLAIMS PAYING LIBRARY IN 3-VOLUMES



- SPEED UP CLAIMS HANDLING
- IMPROVE ACCURACY
- MAINTAIN CONSISTENCY
- DEVELOP GUIDELINES

Special Topics include
AIDS •
CHIROPRACTIC CARE •
CHEMICAL DEPENDENCY •

(213) 681-3300
J. P. Kennedy Publishing Co.
747 E. Green Street, Pasadena, CA 91101
10-DAY FULL REFUND



Leading, Innovative, Cost Containment Software for Workers' Compensation

Flexible, effective bill auditing systems:

- Physician Bill Auditing System
- Hospital Bill Auditing System

Management Reporting modules:

- Provider Analysis reporting
- Claim/Claimant Analysis reporting
- Treatment Pattern Analysis

For Insurers, Self-Insured, TPA's, PPO's and HMO's
CALL NOW!

1-800-829-1841

Compatible with most claims management systems



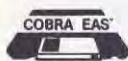
Software of Florida, Inc.

- Insurance Software Specialists**
- SOPHISTICATED SOFTWARE
 - QUALITY SERVICE
 - AFFORDABLE PRICING

- HEALTH CLAIMS ADMINISTRATION AND BILLING
- WORKERS' COMPENSATION CLAIMS ADMINISTRATION
- FLEXIBLE BENEFITS ADMINISTRATION
- COBRA ADMINISTRATION

MINI, MICRO AND NETWORK BASED SOFTWARE
CALL FOR MORE INFORMATION OR A FREE DEMONSTRATION
(813) 797-7814

2087 U.S. 19 NORTH / SUITE D, CLEARWATER, FLORIDA 34623



ADMINISTRATOR

Cost Effective COBRA Administration Software Specifically Designed For T.P.A.'s and Insurance Companies

- * Handles upto 9999 employer groups with 999 divisions each.
- * Automatic processing of all COBRA functions.
- * Provides complete claim eligibility including age tracking.
- * Produces customized reports, billings, & correspondence for each employer.
- * Easy to use, menu driven.
- * P-C Based, full upload/download capability.
- * 100% user satisfaction warranty

* INCLUDES LEGISLATIVE CHANGES EFFECTIVE 1/1/90!

BENEFIT PLAN SYSTEMS CORPORATION

Quality Software
Exceptional Service

15012 Red Hill Ave, Ste. H
Tustin, CA 92680-6524

*** FREE DEMO 1-800-523-8047**



INSURANCE SOFTWARE PACKAGES, INC.

Value Leaders In Risk Management Software

Full Function Claims Management Systems Ideal For Self Insureds, TPA's, Associations & Carriers

- WORKERS' COMPENSATION
- EMPLOYEE HEALTH BENEFITS
- MEDICAL FEE SCHEDULE & BILL REVIEW
- MULTI-LINE LIABILITY
- GENERAL LIABILITY
- COMMERCIAL AUTO
- COBRA

Installations **Coast To Coast** Call For A Free Demo Diskette
Micro & Network Versions Available



INSURANCE SOFTWARE PACKAGES, INC.
5118 N. 56th Street, Tampa, FL 33610
US (800) 237-8133 FL (813) 621-6069



Mutual Fire

Continued from page 1

Alexander Bratic, special deputy rehabilitator.

Richard A. Brown, a lawyer representing a Mutual Fire policyholders committee, said that roughly 90% of the direct policyholder claims are for less than \$10,000. About 100 claims are for \$300,000 or more, said Mr. Brown of Spiegel & McDiarmid in Washington, D.C.

Mutual Fire was the fifth largest surplus lines insurer in the United States in 1984. Since most of its business involved surplus lines, reinsurance or surety bonds, most of its policyholders do not have the right to collect from guaranty funds.

While the plan approved by Judge Crumlish generally follows the rehabilitation proposal Ms. Foster filed with the court in January 1989, the judge made several modifications, including changes in offset provisions for reinsurers and changes in the priorities of distributing Mutual Fire assets.

The rehabilitator and numerous Mutual Fire creditors say they are pleased with the judge's order.

"It's a balanced order," Mr. Bratic said. "I think the judge weighed what he thought was best for policyholders."

"Generally, I'm pleased with a number of things that were done in the order," said David M. Raim a lawyer with Chadbourne & Parke in Washington, D.C., representing companies that both ceded reinsur-

ance to Mutual Fire and assumed business from the insurer.

Among other things, Mr. Raim pointed to the judge's elimination of a \$25 million limit on reinsurer offsets contained in the rehabilitator's January 1989 plan.

Marcy D. Tanker, a lawyer with Fitzpatrick & Tanker in Media, Pa., representing numerous Mutual Fire ceding insurers, also expressed satisfaction with several of the modified plan's provisions.

Mr. Raim and Ms. Tanker said their clients have not yet decided whether to appeal provisions they may dispute to the Pennsylvania Supreme Court.

Mr. Brown, though, expressed several reservations about the plan. However, he added that he does not know whether the policyholders committee will be able to appeal the order.

Judge Crumlish in November ordered the policyholders committee dissolved, finding that it was an unnecessary drain on the estate's assets (BI, Dec. 4, 1989). The committee last month asked the state Supreme Court for a stay of this order, but the high court has not yet ruled on the application.

If the Pennsylvania Supreme Court does not grant a stay of the dissolution order before Feb. 22, when the period for appealing the rehabilitation plan expires, the policyholders committee may be left without recourse, Mr. Brown explained.

"If the stay is not granted, it is uncertain whether the committee

will be able to appeal the plan at all," he said.

Mutual Fire was ordered into rehabilitation Dec. 8, 1986, though it was not officially declared insolvent until Feb. 3, 1989. Mutual Fire's estimated surplus deficit is \$450 million, making it the fourth-largest insurer insolvency in U.S. history.

The rehabilitator's January 1989 plan—a revision of a 1987 plan that was later found to be unworkable—created 10 classes of Mutual Fire creditors (BI, March 6, 1989).

These classes, in the order in which they would recover from the estate, include:

- Secured creditors, including insurers that ceded business to Mutual Fire and hold letters of credit or trust funds posted by the insurer.

- Direct insurance policyholders.

- Surety bond lenders, consisting of financial institutions that held Mutual Fire surety bonds as part of financing packages for failed oil, gas and real estate tax shelter partnerships.

- General unsecured creditors, including ceding insurers without LOCs or trust funds. While these ceding companies will be paid only after direct policyholders and surety bond lenders, Judge Crumlish approved a provision in the plan to create a special fund for the ceding insurers consisting of 25% of all recoveries from retrocessionaires on its assumed reinsurance book.

The rehabilitation plan also al-

lowed ceding insurers that were also retrocessionaires of Mutual Fire to offset mutual credits and debts under two offset options.

While affirming the reinsurers' right of offset, Judge Crumlish threw out the plan's provision for a \$25 million cap on total allowable offsets, finding no legal justification for the restriction.

The judge also struck the plan's provision that Mutual Fire's books and records would be conclusive in calculating offsets, ordering that reinsurers be allowed to contest the rehabilitator's offset calculations through the plan's dispute resolution procedures.

Offset claims currently due and owed to reinsurers total about \$24 million, compared with about \$150 million the reinsurers currently owe Mutual Fire, not including case reserves and incurred-but-not-reported loss reserves, according to Mr. Bratic.

If these reserves were included, reinsurance recoverable by Mutual Fire would amount to \$380 million to \$400 million, according to Mr. Bratic. He said the estate collected about \$45 million from reinsurers last year and probably will collect about the same amount this year.

Judge Crumlish also dealt with several issues relating to the plan's provisions setting priorities for distribution of Mutual Fire assets. Among other things, the judge:

- Ordered the rehabilitator to set aside funds to pay claims from U.S. government agencies, which

the plan puts in a class behind general unsecured creditors.

The government had argued that the Federal Priority Act requires that it be paid before other creditors, while the rehabilitator argued that the McCarran-Ferguson Act precludes such federal intervention.

While not ruling on the issue, Judge Crumlish observed that McCarran-Ferguson "would appear to preclude the application of the Federal Priority Act."

- Rejected an argument by six of the 91 surety bond lenders that they be considered part of the direct policyholder class.

- Affirmed the plan's June 30, 1991, cut-off date for claims. The policyholders committee had objected to the cut-off date, arguing that it did not recognize the long-tail nature of many Mutual Fire risks.

Judge Crumlish also affirmed the plan's directive that loss adjustment expenses—including defense costs—be shared equally by Mutual Fire and its policyholders.

This last provision was to take effect April 1, 1989. However, the judge modified the plan to make it effective 90 days after the date of his order, or April 23.

"We are painfully aware of the magnitude of this—the largest current expense of the estate—and of the drain it causes on Mutual Fire's resources," the judge wrote. He added, though, that he extended the date "to minimize any adverse consequences on the defense of claims." ■

Mission reinsurer

Continued from page 2

urers, said M. Sean Laane of Arnold & Porter, the Washington, D.C., law firm representing the reinsurer.

While other reinsurers are aware of the motion, they are not joining Underwriters Re because the "unique factual posture" of each company would make a joint motion unfeasible, Mr. Laane said.

A liquidator attorney—Karl Rubinstein of Rubinstein & Perry in Los Angeles—notes that the court denied a motion to dismiss the case filed by about 70 reinsurers in February 1987 that raised this issue, among others.

At that time, the reinsurers filed a "demurer," which is a motion to dismiss based on the inadequacy of the pleading, not on particular facts of the case. The basis of the

Mr. Rubinstein also downplayed the significance of Underwriters Re's motion. "We view it as a long trip to get nowhere," he said.

The underlying Mission litigation includes a pleading by the liquidator for a declaratory judgment ordering one of two alternatives: either that the reinsurers are liable for all further claims as they become due, or that they must immediately pay the net present value of the IBNR claims, Mr. Rubinstein said.

Either would be acceptable, he said. "It's all the same to us."

The only drawback to letting reinsurers wait until the claims come due is the risk the reinsurers would become insolvent in the meantime, Mr. Rubinstein said. "We don't think the policyholder should rely on the management

skills or good will of reinsurers any more," he said.

A hearing on Underwriters Re's motion is set for Feb. 28 in Los Angeles before Judge Kurt J. Lewin, who presides over the case.

The reinsurer's attorney, Mr. Laane, claims that the Mission liquidator's action marks the first time a liquidator has sought IBNR funds through judicial means. He said reinsurers have paid IBNR claims in advance in the past under the terms of commutation agreements, but the agreements were executed on a voluntary basis.

Under such voluntary commutation agreements, a reinsurer typically is relieved of all future liabilities in exchange for a lump sum payment that usually includes a discounted IBNR factor.

The establishment of an IBNR reserve is merely an insurance industry accounting practice, not a legal liability, Underwriters Re's motion says. Estimates of IBNR

Continued on next page

The only drawback to letting reinsurers wait until the claims come due is the risk that they could become insolvent in the meantime, Mr. Rubinstein says. 'We don't think the policyholder should rely on the management skills or good will of reinsurers.'

demurer was uncertainty created by the liquidator for not attaching copies of relevant reinsurance treaties to the complaint, said an attorney for one reinsurer. The court denied the demurer, saying the number of treaties would have made attaching them all unduly cumbersome.

However, an Underwriters Re motion for summary judgment asks the court to consider the facts of the case as well as the legal arguments involved.

"We believe that this is the first time that this issue, as framed, has been fully briefed before the court in the form of a motion for summary adjudication of issues," said Gary P. Poon of Arnold & Porter.

Dana Brooks, another Rubinstein & Perry attorney, acknowledged that the IBNR issue was presented differently in 1987, but added that the then-presiding judge who denied the demurer "generally has blessed what we are trying to do."



The need to control costs for group health plans is forcing corporate insurance buyers to re-think their employee benefits programs. Some companies are turning to alternative health care delivery systems to lower their benefits costs, but many are still concerned with the health care trends that may drastically affect cost containment.

On February 19th Business Insurance will explore this timely topic and examine the causes of skyrocketing employee benefits costs. Reporting on health care delivery systems, this issue will reveal ways to deal with the surge of rising costs and the overall health care issues in today's marketplace.

BI's Directory of Utilization Review Providers gives executives responsible for benefits cost control a direct link to these specialists.

Cost containment requires creative management techniques, and understanding market conditions and changes. Confronted with such challenges, corporate executives responsible for employee benefits turn to Business Insurance each week as the one newsmagazine that provides in-depth, up-to-the-minute coverage of news and trends.

Call a sales office today and place your ad reservation.

Issue date: February 19

Ad Closing: February 6

**Business
Insurance**
a publication of Crain Communications Inc

Fraud at METs

Continued from page 2

will take the sternest measures possible, including arrest."

The Jan. 18 indictment names:

- Harbor Medical, Omni's third-party administrator.

- Mr. Buccheri, 48, of Roswell, Ga., chief executive of Harbor Medical and president of Omni.

- Catherine Steele, 28, of Lawrenceville, Ga., secretary and chief financial officer of Harbor Medical and secretary of Omni.

- James Craighead, 61, of White House, Tenn., president of the Drivers, Warehousemen, Maintenance and Allied Workers of America Local 1, which is based in White House.

- Richard Rowe, 43, of South Windsor, Conn., a founder of Omni.

- Southeast Group Inc., a Georgia corporation formed by Mr. Buccheri.

Messrs. Buccheri and Rowe and Ms. Steele were arrested last week, and Mr. Craighead was expected to surrender last Friday, when all defendants were to be arraigned.

None of the defendants could be reached for comment.

Atlanta-based Omni provided benefits to 9,000 employees and dependents of 296 companies, the U.S. Attorney's office estimates.

The trust received about \$2.1 million in premiums between November 1987 and August 1988, but was \$625,000 short of being able to pay outstanding claims as of November 1988 when it was ordered into receivership, said Don Holland, assistant director-administrative law section of the Georgia Insurance Department.

Omni did not hold a certificate of authority to operate in Georgia. State regulators learned of its existence only when they received a complaint about an unpaid claim.

Omni officials later claimed that ERISA exempted them from state regulation, but the Georgia department took the position that Omni was operating as an unauthorized insurer. Because Omni was unauthorized, Georgia insurance law requires agents who placed business with the trust to cover claims the trust fails to pay, Mr. Holland said.

Mr. Buccheri surrendered his

Georgia insurance agent's license in January 1989.

According to the indictment, Mr. Buccheri, Ms. Steele, Mr. Rowe and Harbor Medical embezzled \$368,788.45 from Omni between November 1987 and August 1988 in the form of "commissions" to which they were not entitled.

Mr. Buccheri and Ms. Steele also embezzled \$7,513.10 from the trust to pay their own medical claims, even though they paid no premiums to the trust and were not entitled to coverage, the indictment charges.

In addition, the indictment alleges that Mr. Buccheri solicited and received \$19,068.06 in kickbacks for placing Omni business with Minneapolis, Minn.-based Security Life Insurance Co. of America and United National Insurance Co. of Philadelphia.

If convicted on embezzlement and kickback counts, two indicted TPA executives would face, respectively, 19 years in prison and \$1.25 million in fines and 13 years and \$750,000 in fines, says the U.S. Attorney's office.

Security Life provided life and accidental death and dismemberment coverage to trust participants, while United National provided stop-loss reinsurance.

Omni's stop-loss coverage attached excess of \$40,000 of each loss, with no provision for aggregate reinsurance protection, Mr. Holland said.

Security Life and United National are not named in the indictment, though Mr. Maria said authorities continue to investigate the alleged kickbacks to Mr. Buccheri.

The Labor Department will also continue to examine what Mr. Maria described as a general insurance industry practice of paying commissions to trust fiduciaries.

Officials of both Security Life and United National deny paying kickbacks or commissions to any of the defendants. While confirming that they wrote coverage for Omni, officials for both insurers say the business came to them through Atlanta-based broker American Insurance Managers.

vide that payments are due from Underwriters only after an actual claim has been reported to Mission and the amount of the loss has been finally determined, verified and allowed. There is no provision of the present payment of future claims, such as IBNR claims."

The insolvency clauses in the reinsurance contracts between Mission and Underwriters Re are not intended to create a right to accelerated payment based on IBNR

claims, the reinsurer argues. Instead, they clearly establish that Underwriters must pay Mission only after its liability is "fixed and finally ascertained."

To pay sooner would alter the "fundamental bargain" between Mission and Underwriters Re and "be absolutely contrary to the accepted principles of insurance, which predicate payment upon the occurrence of actual reported losses, not a person's prediction of what may be reported in the future."

Ms. Gillespie has no rationale for ignoring the terms of the reinsur-

American Insurance Managers may have received commissions on the placements, the insurers' officials said. But, they added that they did not know what commission arrangement the broker may have had with its own producer.

Officials of American Insurance Managers could not be reached for comment.

According to the indictment, Mr. Buccheri also paid kickbacks to Mr. Craighead, the union president, to obtain the business of a welfare plan maintained by the union and Sherman Dixie Concrete Industries Inc. pursuant to a collective bargaining agreement.

The alleged kickbacks totaled \$4,670.37 and took the form of payments that Mr. Buccheri, Ms. Steele and Harbor Medical made to Ford Motor Credit Co. on Mr. Craighead's 1988 Lincoln Town

Car, the indictment charges.

Mr. Buccheri also is charged with paying—and Mr. Craighead with receiving—a separate \$500 kickback.

If convicted on the embezzlement and kickback counts, Mr. Buccheri would face up to 19 years in prison and \$1.25 million in fines, says the U.S. Attorney's office.

Ms. Steele would face a 13-year term and \$750,000 in fines if convicted on embezzlement and kickback charges; Mr. Craighead faces six years and \$500,000 in fines if convicted on two kickback charges; and Mr. Rowe faces five years imprisonment and a \$250,000 fine if convicted on an embezzlement charge.

Harbor Medical could be fined \$1.5 million if convicted on kickback and embezzlement charges.

And, Southeast Group—which Mr. Buccheri allegedly formed to receive funds for his benefit—faces a \$500,000 fine if convicted on one count of assisting in the receipt of kickbacks. ■

The California commissioner 'concedes her claim is entirely novel,' says Underwriters Re.

claims, the reinsurer argues. Instead, they clearly establish that Underwriters must pay Mission only after its liability is "fixed and finally ascertained."

To pay sooner would alter the "fundamental bargain" between Mission and Underwriters Re and "be absolutely contrary to the accepted principles of insurance, which predicate payment upon the occurrence of actual reported losses, not a person's prediction of what may be reported in the future."

Ms. Gillespie has no rationale for ignoring the terms of the reinsur-

Update

Insurer's 'retraction' disputed

DETROIT—Four Michigan policyholders facing potential liability for pollution cleanups in that state are trying to stop First State Insurance Co. from retracting pro-policyholder positions it took in separate coverage litigation.

In an amicus curiae brief filed last week, the policyholders ask the Michigan Supreme Court to prevent First State from retracting statements that its parent, Hartford Accident & Indemnity Co., has called "an embarrassment" (*BI*, Sept. 11, 1989).

Policyholders nationwide cite First State's argument in a pollution coverage dispute with the liability insurers of The Upjohn Co. that the pollution exclusion in comprehensive general liability insurance policies does not bar coverage for gradual pollution. First State wrote property insurance for Upjohn.

If the insurer can "contradict itself on issues of insurance coverage, buyers of comprehensive general liability insurance... may be deprived of insurance coverage for which they paid substantial premiums," the four companies argue.

Having argued "that the standard-form CGL policies were intended to provide policyholders with insurance coverage in many cases of environmental damage, First State should be estopped from 'retracting' these representations now," policyholders said.

The doctrine of judicial estoppel allows a judge to bar a party from making arguments in court that contradict positions it has taken previously in court.

Exxon takes third spill charge

NEW YORK—Exxon Corp. is taking a \$500 million aftertax loss in the fourth-quarter for cleanup costs resulting from the March Exxon Valdez oil spill in Alaska's pristine Prince William Sound.

The fourth-quarter charge brings Exxon's total aftertax losses in 1989 related to the cleanup to \$1.35 billion. Exxon took an \$850 million aftertax loss in the second quarter (*BI*, July 31, 1989).

Exxon also took a \$30 million loss in the first quarter to account for the cost of salvaging and repairing the Exxon Valdez and the value of the oil lost (*BI*, May 1, 1989).

Those losses, though, do not include any potential liability from more than 140 spill-related lawsuits, a spokesman says.

At the time of the spill, Exxon had \$400 million in pollution liability insurance from the International Tanker Indemnity Assn., a Bermuda protection and indemnity club. Exxon then buys \$100 million of general liability coverage in the Scandinavian market. This coverage is subject to a \$200 million deductible. London market insurers then write \$200 million of general liability coverage excess of \$700 million (*BI*, June 26, 1989; April 3, 1989). However, sources say the Scandinavian and London policies may exclude coverage for third-party claims and pollution resulting from collisions.

The spokesman would only say that Exxon has "in excess of \$400 million" in coverage to respond to spill costs.

Court affirms cleanup ruling

NEW YORK—The 2nd U.S. Circuit Court of Appeals has refused to reconsider its ruling that the costs of responding to a government order to clean polluted property are insurable.

The court will not reconsider its decision that New Orleans-based Avondale Industries Inc. is entitled to tap liability policies written by Travelers Indemnity Co. from 1975 to 1984 to pay for the costs of a multimillion-dollar cleanup (*BI*, Oct. 23, 1989).

Insurers challenging that ruling hoped the appellate court would be swayed by two New York Court of Appeals rulings in which the state's highest court found cleanup costs are not insurable. In particular, insurers pointed to the New York court's ruling in *Powers Chemco Inc. vs. Federal Insurance Co.* (*BI*, Nov. 27, 1989).

But, the 2nd Circuit said that the cases were not comparable because the policyholder in the Powers Chemco litigation conceded that intentional conduct caused pollution.

Court nixes pension forfeiture

WASHINGTON—An employee's pension benefits cannot be forfeited to pay back embezzled funds, the U.S. Supreme Court has ruled in striking down two lower court decisions.

The 10th U.S. Circuit Court of Appeals in 1988 upheld a lower court decision establishing a trust into which the pension benefits of a former union officer convicted of embezzling union funds would be deposited. The Colorado U.S. District Court set up the account in 1986 after ordering the officer, Curtis Guidry, to pay \$275,000 to the Sheet Metal Workers National Pension Fund.

Mr. Guidry pleaded guilty in 1982 to embezzling \$377,000. But the Supreme Court unanimously ruled that federal labor law allows the union to implement "appropriate relief" measures to recover missing money from Mr. Guidry, but does not allow overriding the Employee Retirement Income Safety Act's prohibition on pension benefit forfeiture. "If exceptions to this policy are to be made, it is for Congress to undertake that task," the court said.

Under ERISA, the right to retirement benefits cannot be forfeited if an employee meets age and service requirements.

Briefly noted

Liability insurers of The Boeing Co. filed a motion late last week asking the Washington Supreme Court to reconsider its Jan. 4 ruling that the costs of a government-ordered pollution cleanup are insurable (*BI*, Jan. 15). . . . The New Jersey Legislature introduced legislation that would impose taxes and fees on auto and property/casualty insurers and professionals in the state to generate \$1.4 billion to help finance the state's insolvent joint underwriting association for private passenger auto risks. The legislation also calls for shutting down the JUA, which is insolvent by \$3 billion. . . . London's marine underwriters last week reinstated war risk coverage in hull insurance policies for ships sailing to Panama. The coverage was excluded after the U.S. invasion (*BI*, Dec. 25, 1989). But, the underwriters excluded war risk coverage for ships sailing to Ethiopia following several attacks on ships.

Windstorm damage

Continued from page 1

ers, summed up one London market excess-of-loss reinsurer broker. "It is a significant loss and will have an impact on the London market, no question. But hours after the loss, it is difficult to quantify."

"There is just no way I can have a view" on the impact or the size of the loss, said John Bishop, managing director of Sun Alliance Insurance U.K. Ltd.

"Claims are coming in and the notifications are at least as fast as October 1987. We are treating it as if it is as serious as 1987, although it may not be," he said.

With gusts up to 110 mph, the storm swept in from the Atlantic across Ireland, Wales, England and Scotland before heading toward Continental Europe. At least 39 people were killed in the British Isles, and 21 others died in France, The Netherlands, Belgium and West Germany.

The death toll was at least double that of the 1987 catastrophe, largely because this storm hit at mid-morning and lasted throughout the day, while the 1987 storm struck in the early morning when most people were asleep.

Last week's storm disrupted air travel and ferry schedules. Suspended train service stranded London commuters during rush hour. Many southern England counties were without electricity for much of the day.

Businesses reporting damage last week included hotels, pubs, breweries, vacation camps and fast-food chains, said CIGNA's Mr. Davis.

In Britain, many businesses lost electric supplies as power lines, particularly in rural areas, were pulled down by falling trees or flying debris, reported three state-owned electric utilities. More than 1 million customers were without power at one point, according to the companies.

"The storm was much more widespread than the 1987 windstorm, although it is too early yet to estimate the extent of damage to the distribution network," said a spokesman for the Maidenhead-based Southern Electricity Board, which serves south central England.

This windstorm hit many more farmers than its predecessor, confirmed a spokeswoman for The National Farmers Union Mutual Insurance Society Ltd. in Stratford-upon-Avon.

"The damage is much more widespread than the '87 hurricane, although much of the damage is not so heavy," she said, adding that it was too early to estimate the damage.

"The southwest was the worst hit area, with roofs blown off, ventilators (for livestock housing) broken and greenhouses brought down," she added.

Many farmers buy "consequential loss insurance" to cover business interruption and dam-

age caused by the loss of electricity, she noted.

Government ministers met Thursday—the day of the storm—and agreed to help local authorities pay for storm damage through a mechanism known as the Bellwin Rule.

Under the rule, local authorities must cover their initial costs of storm damage—up to 1 cent per pound of local taxes collected. The central government then picks up 75% of the remaining cost, said a government spokesman.

However, the government will not cover damage that is considered insurable, he noted.

Since its 1983 introduction, the Bellwin Rule has been used only once before: October 1987.

Some 90% of Britain's local public entities purchase property insurance from London-based Municipal Mutual Insurance Ltd., confirmed John Payne, Municipal Mutual's assistant general manager.

"Our switchboard is extremely busy. . . However, we are a long way from putting a figure on the amount of damage," he said.

But, he added, "I would be surprised if the cost exceeds the October 1987 windstorm loss," because the 1987 storm "was the first major storm for many years" and property was therefore more vulnerable to strong winds. With so much property repaired about two years ago, structures could withstand stronger winds, he said.

Many of the larger, more prosperous counties, including those in southern England, self-insure property damage exposures, though "several" amended their programs after the 1987 windstorm, noted Mr. Payne.

Major claims reported to Municipal Mutual last week included damage to many schools, town halls and libraries, he said.

Meanwhile, British commercial insurers say they were more prepared for last week's storm than they were for the 1987 windstorm, which at that time was called a once-in-a-lifetime event.

Many insurers, for example, on Friday published advertisements in newspapers and gave instructions on television and radio concerning how to file commercial and homeowners claims.

And, primary insurers now purchase more reinsurance for storm losses than they did in 1987.

"We weren't without a plan in 1987, but we learned some lessons," said Mr. Bishop of Sun Alliance. "Now we have a well-oiled emergency procedure."

Sun Alliance—which had no catastrophe reinsurance in 1987 to cover windstorm losses—now has 110 million pounds (\$182.3 million) in reinsurance to cover aggregate losses in excess of 110 million pounds, said Mr. Bishop.

Sun Alliance paid 100 million pounds (\$165.7 million) in 1987 windstorm losses, including 50 million pounds (\$82.9 million) to 60 million

pounds (\$99.4 million) in commercial claims, said Mr. Bishop.

General Accident Group of Perth, Scotland, must pay 30 million pounds (\$49.7 million) in storm losses before its catastrophe reinsurance is triggered, said a spokesman.

The 1987 windstorm cost General Accident 60 million pounds in gross losses and 30 million pounds net, he said.

Eagle Star Insurance Co. P.L.C. is liable for the first 15 million pounds (\$24.9 million) of claims "with adequate reinsurance above that," said a spokesman. "In 1987, we paid for the first 8 million pounds" (\$13.3 million).

And Royal, which paid a total of 125 million pounds (\$207.1 million) in claims from the 1987 windstorm, bought 165 million pounds (\$273.4 million) of reinsurance excess of 35 million pounds (\$58 million), which will cover last week's storm, said a spokesman. Royal had no reinsurance to cover the 1987 storm.

Some insurers may have been caught by the storm before fully renewing their reinsurance programs for 1990, said a Lloyd's underwriter. At least one company was trying to complete its program the day of the storm, he said.

In addition, some insurers may have to reinstate their reinsurance to protect them from any other disasters during the remainder of the policy period.

Catastrophe reinsurance usually protects a ceding company for one disaster, plus one reinstatement for another disaster, though many companies negotiated two or three reinstatements for the coming year.

But the cost to reinstate reinsurance may be two or three times higher than prices quoted at renewals a month ago, said a Lloyd's underwriter.

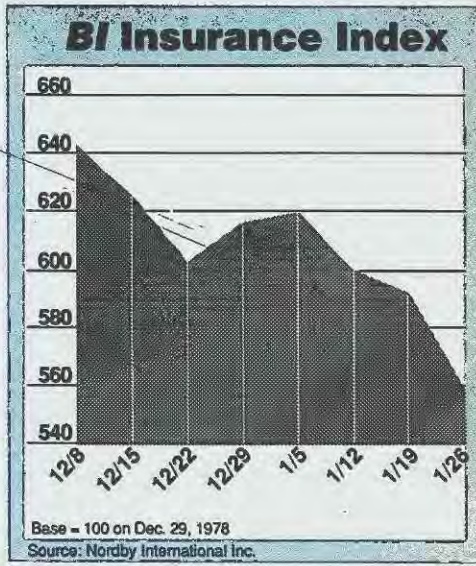
"We are debating whether to write the (new) reinstatements or not," he said. "We're getting edgy about these (disasters). There will be a sort of vague panic now with the size of these disasters."

Meanwhile, Belgian observers said Thursday's storm was the worst to hit their nation in 20 years, with winds of up to 170 kilometers per hour (105.6 mph).

Belgian homeowners and commercial property insurance policies, however, only pay storm damage if gusts exceed 100 to 120 kilometers per hour (62 to 74.5 mph). Even then, insurers only pay 10% of a policyholder's windstorm damage.

However, the Belgium government could pay private property damage from the State Disaster Fund if total damage from the storm exceeds 50 million Belgian francs (\$1.4 million).

Associate Editor Carolyn Aldred and freelance reporter Denise Claveloux contributed to this report.



Insurance industry stocks fell sharply last week, as the *Business Insurance Index* plunged 31.8 points to 559.2 on Jan. 26, from 591.0 on Jan. 19. Advancing issues were led by SAFECO Corp., up 2.1%; Navigators Group, up 1.8%; and American Heritage Corp., down 1.6%. Decliners followed AmBase Corp., down 20.2%; Safeguard Health Enterprises, down 17.0%; and Pacificare Health Systems, down 16.8%. The most active issue during the period was Sears, Roebuck & Co. (Allstate), 4.1 million shares traded. The *BI Index* lost 5.4% last week; the Dow Jones 30 Industrials fell 4.4%; the Standard & Poor's 500 and the New York Stock Exchange composite each dropped 3.9%.

British Issues

Jan. 25 Companies	Price	P/E	Div. %	Yield	High-Low
Comml Union	490	28.2	29.3	6.0	497-486
Genl Accident	1105	16.7	68.0	6.2	1129-1105
Gdn Royal Exch	230	19.2	15.7	6.7	239-230
Royal	515	27.5	34.0	6.6	525-513
Sun Alliance	309	27.1	17.0	5.5	323-309
Brokers					
Bradstock	232	16.3	10.0	4.3	232-228
CE Heath	525	14.8	34.5	6.6	533-525
Hogg Robinson	173	12.1	9.7	5.5	175-173
Lloyd Thompson	277	18.5	9.3	3.4	279-276
PWS Holdings	66	10.3	3.3	5.1	71-66
Sedgwick Grp	294	21.8	16.0	5.4	294-285
Steel Bnt Jones	285	17.8	15.3	5.4	286-284
Willis Faber	282	19.2	15.3	5.6	277-272

Source: Philip Olsen/Alan Clifton, Insurance Industry Specialists Kiteat & Aitken Stockbrokers, London

BI Industry Stock Report

JANUARY 22, 1990 THROUGH JANUARY 26, 1990

		Price	Weekly	Year to Date	Annual		Vol.(000)	\$ Div.	% Yield	P/E	Book value	Mkt/Bk. value	Price	Weekly	Year to Date	Annual		Vol.(000)	\$ Div.	% Yield	P/E	Book value	Mkt/Bk. value		
			% change	% change	High	Low								High	Low	High	Low								
BROKERS																									
Alexander & Alexander	NYS	25.50	-9.73	-19.05	34.00	22.88	532	1.00	3.92	16	9.18	2.78	Kemper Corp.	NYS	38.63	-13.20	-18.25	51.88	27.50	459	0.92	2.38	9	29.97	1.29
Corroon & Black	NYS	33.63	-0.37	-12.09	41.00	31.00	167	1.24	3.69	15	12.73	2.64	Lawrence Insurance Group	ASE	7.13	-1.72	0.00	8.13	6.50	1	0.28	3.93	15	3.29	2.17
Gallagher Arthur J. & Co.	NYS	23.00	-2.13	-7.07	26.50	17.13	36	0.52	2.26	16	5.33	4.32	Liberty Corp.	NYS	44.25	-1.12	4.12	45.00	32.50	6	0.80	1.81	18	31.82	1.39
Frank B. Hall	NYS	2.88	0.00	-4.17	4.63	2.50	48	0.00	0.00	-1	-2.80	-1.03	Lincoln National	NYS	54.50	-4.80	-10.66	62.88	46.75	177	2.60	4.77	10	49.19	1.11
Hibb, Rogal & Hamilton	OTC	15.00	-10.45	-19.46	20.63	11.00	72	0.28	1.87	16	4.60	3.26	NAC Re Corp.	OTC	32.75	-5.07	-9.66	41.00	21.25	209	0.20	0.61	14	22.81	1.44
Marsh & McLennan	NYS	75.00	-1.96	-3.85	89.75	56.50	601	2.48	3.31	19	10.56	7.10	Navigators Group	OTC	28.25	1.80	2.73	28.75	21.00	33	0.00	0.00	10	15.22	1.86
Poe & Associates	OTC	12.50	-1.96	-5.66	12.75	8.00	12	0.40	3.20	12	1.89	6.61	Nobel Insurance LTD.	OTC	1.75	0.00	-12.50	5.00	1.50	55	0.00	0.00	0	7.76	0.23
BROKERS AVERAGE																									
-3.8																									
CONGLOMERATES & HOLDING COMPANIES																									
Berkley W.R. Corp.	OTC	37.50	-5.96	-9.91	46.50	29.25	185	0.40	1.07	8	25.06	1.50	NWNL Companies	OTC	35.75	-10.90	-9.49	44.13	26.88	1069	1.20	3.36	8	37.50	0.95
Berkshire Hathaway Inc.	NYS	7450.00	-8.87	-13.62	8900.00	4625.00	2	0.00	0.00	-26	2869.00	2.60	Ohio Casualty Corp.	OTC	43.25	-4.95	-9.42	52.50	38.50	428	2.08	4.81	6	33.30	1.30
ITT (Hartford Group)	NYS	53.88	-2.93	-10.02	64.50	51.00	1458	1.60	2.97	9	56.33	0.96	Old Republic Int'l	OTC	23.50	-2.08	-8.29	30.38	23.13	154	0.72	3.06	12	30.70	0.77
Sears (Allstate)	NYS	37.75	-0.66	-2.58	48.13	36.50	4137	2.00	5.30	13	37.75	1.00	Orion Capital Corp.	NYS	21.25	-2.86	-8.60	28.50	19.00	74	0.84	3.95	6	19.72	1.08
CONGLOMERATES AVERAGE																									
-4.6																									
INSURERS/REINSURERS																									
Aetna Life & Casualty	NYS	49.25	-7.73	-15.09	62.50	48.50	947	2.76	5.60	8	58.11	0.85	Phoenix RE Corp.	OTC	12.50	-1.96	-3.85	15.50	8.75	7	0.20	1.60	10	12.99	0.96
AmBase Corp.	NYS	8.38	-20.24	-33.66	16.38	8.38	399	0.20	2.39	3	29.08	0.29	Protective Life Corp.	OTC	11.88	-13.64	-16.67	16.25	11.88	43	0.68	5.73	22	14.54	0.82
American General	NYS	29.13	-4.90	-11.07	38.50	29.00	662	1.48	5.08	9	34.88	0.84	Provident Life	OTC	22.38	-5.29	-13.53	30.13	21.38	887	0.80	3.58	7	23.24	0.96
American Heritage	NYS	31.75	1.60	11.40	32.00	25.13	1	1.20	3.78	12	22.60	1.40	Re Capital Corp.	ASE	12.88	-2.83	-11.21	15.25	9.13	31	0.00	0.00	11	12.60	1.02
American Indemnity/Fin'l	OTC	7.00	-12.50	-12.50	13.00	7.00	11	0.56	8.00	-2	17.38	0.40	RLI Insurance Corp.	NYS	8.50	-2.86	-4.23	9.50	6.88	10	0.40	4.71	8	10.71	0.79
American International	NYS	93.50	-3.48	-11.37	112.00	69.38	1604	0.48	0.51	11	41.92	2.23	St. Paul Companies	OTC	55.50	-3.90	-7.50	63.50	46.00	1087	2.20	3.96	8	43.47	1.28
Aon Corp.	NYS	37.50	-3.54	-11.50	43.25	27.63	268	1.40	3.73	11	19.62	1.91	SAFECO Corp.	OTC	37.38	2.05	-5.97	42.38	25.63	1046	1.20	3.21	9	24.87	1.50
Argonaut Group	OTC	66.00	-0.38	-4.17	71.50	48.75	154	1.00	1.52	8	36.83	1.79	SCOR U.S. Corp.	NYS	11.63	-7.00	-18.42	14.50	7.50	20	0.40	3.44	12	10.61	1.10
AVEMCO Corp.	NYS	23.75	0.00	-2.56	27.50	20.38	19	0.40	1.68	14	9.52	2.49	Seibels Bruce Group	OTC	10.38	0.00	-4.60	13.63	10.00	37	0.80	7.71	-49	13.75	0.75
Baldwin & Lyons Inc.	OTC	21.25	-6.59	-1.16	24.00	14.63	32	0.28	1.32	7	20.80	1.02	Selective Ins. Group	OTC	18.25	-2.67	-4.58	20.25	14.50	215	0.96	5.26	6	15.72	1.16
Belvedere Corp.	ASE	4.50	-7.69	-18.18	6.50	4.25	2	0.04	0.89	14	8.03	0.56	Statesman Group Inc.	OTC	2.38	-5.00	-13.64	3.63	1.88	71	0.16	6.74	6	4.19	0.57
Chandler Insurance	OTC	10.75	-4.44	-8.51	13.25	7.00	119	0.00	0.00	6	9.53	1.13	Tokio Marine & Fire	OTC	68.50	-1.44	-9.12	95.50	66.00	24	0.92	1.34	29	70.93	0.97
Chubb Corp.	NYS	88.25	-6.61	-7.95	99.50	60.38	935	2.32	2.63	9	55.49	1.59	Torchmark Corp.	NYS	50.13	-3.61	-12.45	58.75	31.50	384	1.40	2.79	13	13.23	3.79
CIGNA Corp.	NYS	49.63	-7.89	-17.63	66.75	49.25	1199	2.96	5.96	11	66.84	0.74	Transamerica	NYS	38.75	-8.55	-13.17	48.00	32.75	474	1.92	4.95	9	34.63	1.12
CNA Financial Corp.	NYS	78.13	-8.09	-21.88	108.75	57.88	202	0.00	0.00	7	54.87														

Our group
claims service
is good enough
to be guaranteed.

And it is.

How many group insurance companies are confident enough about the quality of their claims service to **guarantee** it?

We are. We put our high standards in writing and guarantee a reduction in plan administration costs if we fail to meet them.

We routinely exceed industry standards in turnaround time of claims processing and in benefit accuracy. Our resources include the most advanced cost-management technology

in processing systems – a Personalized Claim Administration system which provides flexible, adaptable administration of your benefits program.

Our claims service guarantee is proof of our commitment, and gives us even stronger motivation to meet your performance standards. For further details, call your insurance adviser or Tom McKellar, Director of National Accounts, (402) 978-2973.

Mutual
of Omaha 
Companies
Group Operation

The Managed-Cost Professionals.