NEWSPAPER

JULY 18, 1994

Business Insurance ®

Reporting Weekly For Corporate Risk, Employee Benefit and Financial Executives/ $10

23rd ANNUAL AGENT/ BROKER PROFILE ISSUE

World's 20 largest brokers

COMPANY	Ranking 1993	Ranking 1992	Gross revenues (000) 1993	Gross revenues (000) 1992	Gross revenues % Change	Employees 1993	Employees 1992	Employees % Change	Rev./employee 1993	Rev./employee 1992
Marsh & McLennan Cos. Inc.	1	1	$3,175,300	$2,953,600	7.5 %	25,600	25,800	-0.8%	$124,035	$114,481
Alexander & Alexander Services Inc.	2	2	1,341,600	1,369,500	-2.0	14,517	14,891	-2.5	92,416	91,968
Sedgwick Group P.L.C.	3	3	1,216,169[1]	1,208,849[1,2]	0.6	15,509	12,798	21.2	78,417	94,456
Rollins Hudig Hall Group Inc.	4	4	1,215,000	1,102,000	10.3	10,650	9,800	8.7	114,085	112,449
Willis Corroon Group P.L.C.	5	5	1,057,000[1]	1,094,000[1,2]	-3.4	11,183	11,335	-1.3	94,518	96,515
Johnson & Higgins	6	6	962,000	921,000[2]	4.5	8,642	8,684	-0.5	111,317	106,057
Bain Hogg Group	7	-	397,097[1,3]	462,757[1,3]	-14.2	5,914[3]	5,831[3]	1.4	67,145	79,361
Acordia Inc.	8	13	364,779[3]	332,769[3]	9.6	4,234[3]	4,000[3]	5.9	86,155	83,192
JIB Group P.L.C.	9	7	346,962[1]	360,060[1]	-3.6	3,763	3,637	3.5	92,204	98,999
Minet Group P.L.C.	10	8	325,080	325,836	-0.2	3,784	3,780	0.1	85,909	86,200
Arthur J. Gallagher & Co.	11	10	317,663	288,918[2]	9.9	2,975	2,849	4.4	106,777	101,410
C.E. Heath P.L.C.	12	9	289,357[4]	243,325[4]	-1.4	3,295	3,353	-1.7	87,817	87,481
Jauch & Huebener KGaA	13	14	183,315[5]	177,280[5]	3.4	1,400	1,180	18.6	130,939	150,237
Gras Savoye S.A.	14	16	144,740[6]	147,440[6]	-1.8	1,374	1,342	2.4	105,342	109,866
Hilb, Rogal & Hamilton Co.	15	18	134,954	134,429[2]	0.4	1,640	1,550	5.8	82,289	86,728
Lowndes Lambert Group Holdings P.L.C.	16	19	125,311[4]	120,669[4]	3.8	1,668	1,496	11.5	75,126	80,661
ABN-AMRO Verzekeringen B.V.	17	15	123,686[7]	170,813[7]	-27.6	1,400	1,500	-6.7	88,347	113,875
CECAR	18	-	98,880[6]	94,520[6]	4.6	583	550	6.0	169,605	171,855
Poe & Brown Inc.	19	-	95,570	89,310	7.0	1,000	1,100	-9.1	95,570	81,191
Groupe Le Blanc de Nicolay	20	-	90,761[6]	89,020[6]	2.0	500	500	0.0	181,522	178,040
TOTAL/AVERAGES			$12,005,225	$11,736,093	2.3%	119,631	115,976	3.2%	$100,352	$101,194

[1] British pound = $1.502 (1993), $1.765 (1992) [2] Restated [3] BI estimate, figures include 1993/1994 acquisitions on a pro forma basis [4] Fiscal year ends 3/31; British pound = $1.505 (1994), $1.693 (1993) [5] German mark = $0.605 (1993), $0.64 (1992) [6] French franc = $0.177 (1993), $0.189 (1992) [7] Dutch guilder = $0.538 (1993), $0.659 (1992)

Source: BI Survey

GRAPHIC BY KIM ROME

Brokers' growth engine stalls

1993 gains hampered by competition, currency conversion

Revenue growth in 1993 was barely visible for the vorld's 20 largest insurance brokerages.

The combined revenues of the 20 companies in- creased only 2.3% last year, by far the lowest growth rate in the five years that *Business Insurance* has ranked the world's 20 largest brokers. That compares with the previous low of 4.5% revenue growth in 1992, which had been down from 6.4% n 1991, 15.9% in 1990 and 4.8% in 1989.

The ongoing soft market in the United States con- inued to hold down premiums—and commis- ions—for most U.S. brokers in 1993.

Although insurance rates began firming outside he United States last year, the stronger U.S. dollar lampened 1993 revenue gains when converted to lollars for all foreign brokers. *Business Insurance* ises average annual exchange rates to convert for- ign currencies into dollars. The average 1993 value of the British pound, for example, is 15% lower han its 1992 value. The lower exchange rate is artly responsible for the disappearance of London-based Steel Burrill Jones Group P.L.C., which had debuted in the rankings in 1992 at No. 20.

However, revenue gains in a broker's home country currency are shown in a chart on page 4.

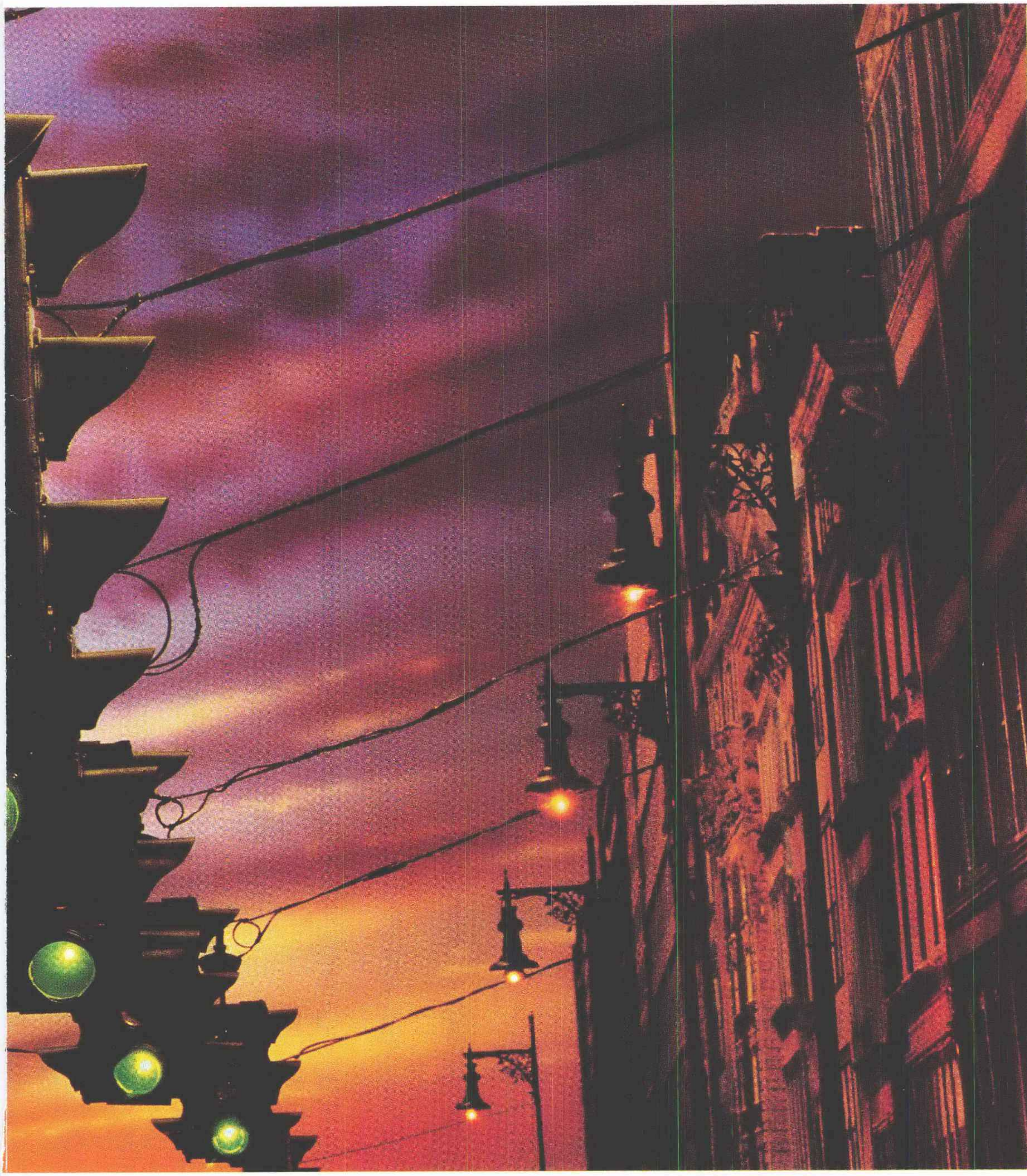
There are three new brokers in this year's rankings: No. 7 Bain Hogg Group, which was formed earlier this year by Bain Clarkson Ltd.'s acquisition of Hogg Group P.L.C.; No. 18 CECAR, a Paris-based broker new to the rankings; No. 19 Poe & Brown Inc., which was formed by the merger of Poe & Associates Inc. and Brown & Brown Inc.; and No. 20, Groupe Le Blanc de Nicolay, another Paris-based broker.

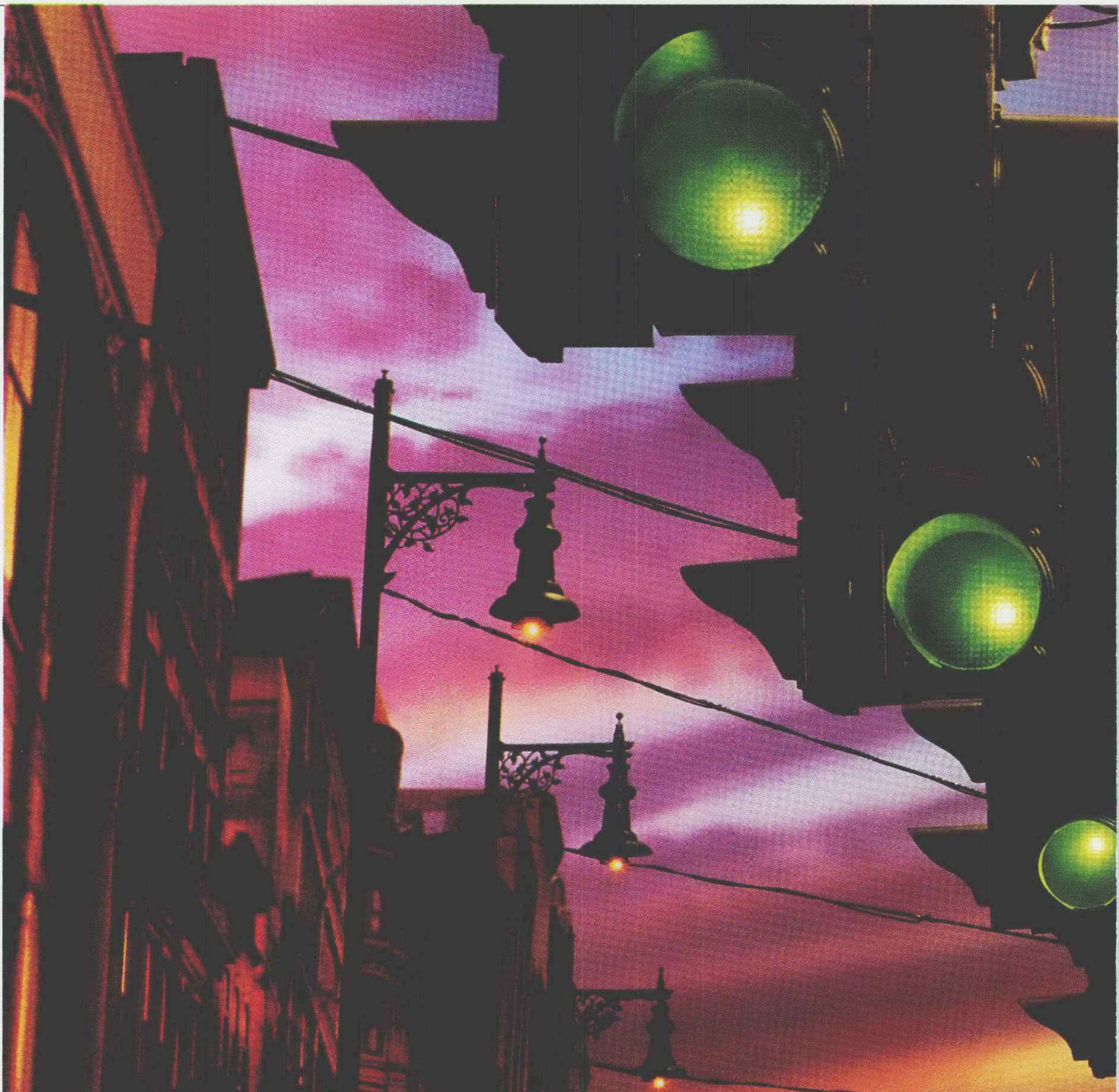
This year's report on commercial insurance brokerages includes 257 companies that reported gross revenues for both years, for a total of $14.13 billion in 1993, up 2.7% from $13.76 billion in 1992.

The 23rd annual Agent/Broker Profiles report, which begins on page 3, also includes:

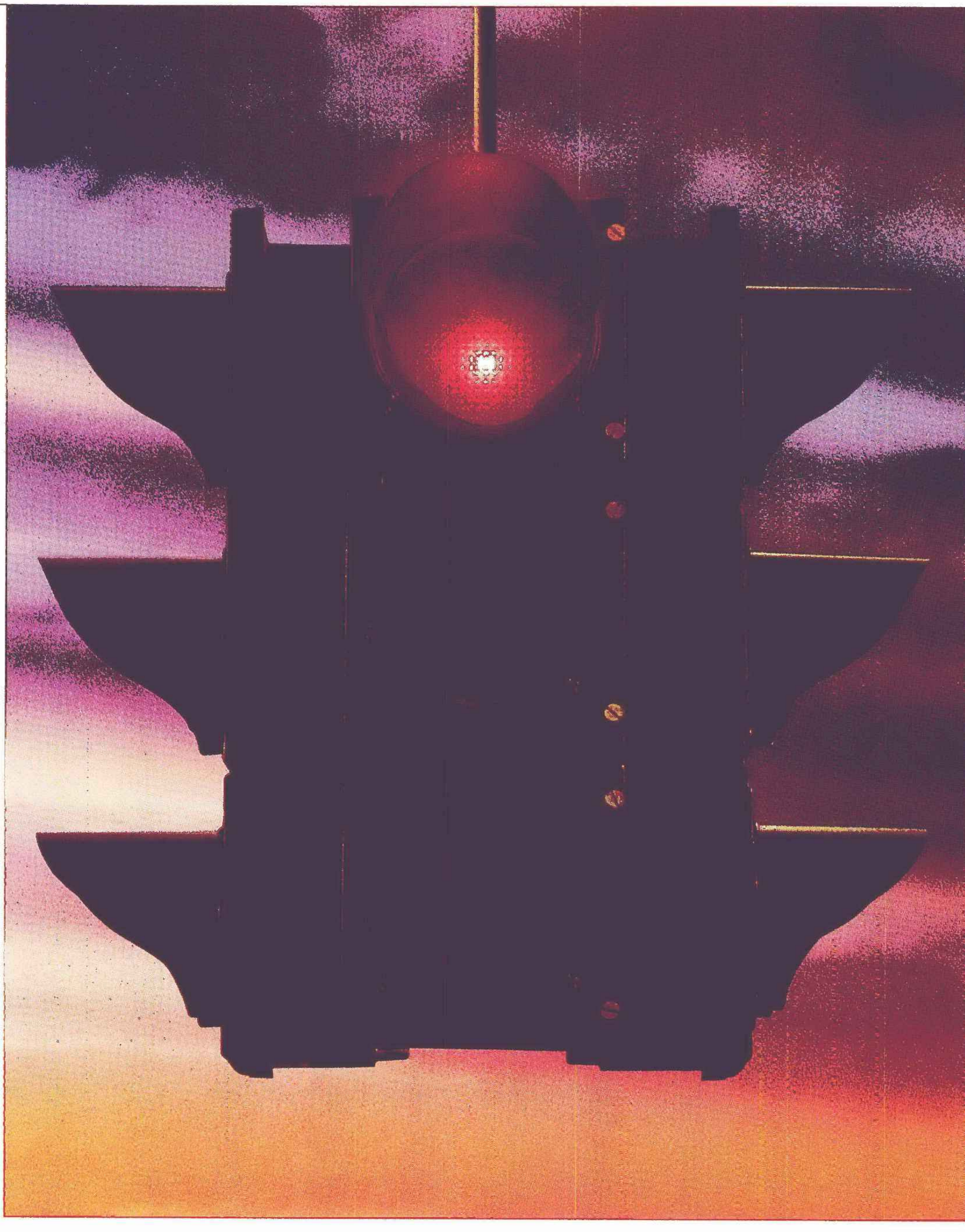
- Charts of the 100 largest brokers doing business in the United States and the leading U.S. retail brokers.
- An overview of the commercial insurance brokerage business in 1993.
- A report on what the top officials of publicly held U.S. brokerages earned in 1993.
- Profiles of the world's 20 largest brokers.
- A directory of commercial insurance brokers, followed by a geographical index.

The 100 largest U.S. brokers Page 3





OUR INSURANCE AND FINANCIAL SKILLS SET A CAR RENTAL FIRM ON A FASTER ROUTE. *While helping a multinational car rental firm manage its complex U.S. insurance needs, the AIG Companies were asked to develop a cost-effective plan for coverage throughout Europe. Our captive management experts showed the company a new direction. They established a self-insured retention program and a claims-management system for the firm, while our*



IT TOOK MORE THAN TRADITIONAL

INSURANCE CAPABILITIES TO GET ONE

COMPANY MOVING AHEAD.

JULY 18, 1994

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Updates

Michigan orders defense cover for companies named as PRPs

LANSING, Mich.—Insurers must provide defense cost coverage to policyholders that have received "potentially responsible party" letters, the Michigan Supreme Court has ruled.

In *Michigan Millers Insurance Co. vs. Bronson Plating Co.*, the insurer had argued that defense cost coverage under comprehensive general liability policies can only be triggered when a lawsuit is filed.

However, in a 4-3 ruling, Michigan's highest court extended the definition of lawsuit

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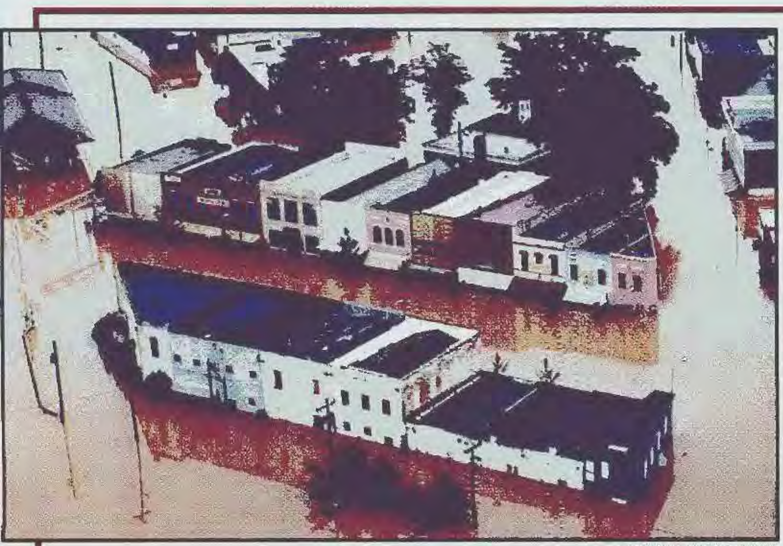

AP/Wide World photo

Floodwaters cover the streets of downtown Montezuma, Ga.

Insurers expect Southeast flood losses to be low

By SARA MARLEY and MICHAEL SCHACHNER

Insurers are expecting light losses from the flooding that has plagued Georgia, Alabama and the Florida panhandle for two weeks.

The Property Claim Services division of the American Insurance Services Group expects at least $5 million in insured damages from the flooding, but has not issued a damage estimate.

Georgia officials are predicting between $100 million and $200 million in total damages (*BI*, July 11).

Jim Ketcham, property claims manager with Great Central Insurance Co. in Peoria, Ill., said virtually none of its commercial policyholders in the flood-ravaged area had flood coverage. "We insure a restaurant there that has water up to its roof, but without flood insurance we're only responsible for $1,000 in food spoilage."

"It's a lot like the situation in the Midwest last year," Mr. Ketcham said (see related story). "Very little flood coverage was taken by people in the area because they never expected anything like this. But last summer, some people without flood insurance actually did better than those who had it. Between the government, voluntary donations and the Salvation Army, many people made out better than what their flood insurance paid."

The National Flood Insurance Program has a less than 10% market penetration in the af-

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Many victims of '93 floods find coverage has dried up

By SARA MARLEY

One year after flood waters devastated many communities in the Midwest—and as floodwaters now ravage parts of the Southeast—many businesses still lack adequate flood insurance.

Already limited capacity for flood risks in the commercial insurance marketplace has receded, leaving many businesses with only the low limits—and no business interruption coverage—available from the National Flood Insurance Program.

The number of policies written by the federal program in the nine states affected by last year's Mississippi River flooding increased 35% to 119,682 policies in force as of year end from 88,357 last May, said Don Collins, deputy administrator for the Federal Insurance Administration, which oversees the NFIP.

However, those figures still represent only a fraction of the policyholders eligible to purchase the limited flood protection, government officials say.

Continued on page 93

Employers disturbed by reform proposals

Four bills contain new benefit taxes, less cost control and higher liability

By JERRY GEISEL

WASHINGTON—Employers that once embraced the objectives of health care system reform now warn of a potential disaster for companies if certain provisions in four bills awaiting congressional action become law.

Through a combination of caving in to special interest groups, bad policymaking and just plain ignorance, legislators have put together bills that vary only in the degree of problems they could cause employers.

"The bills would destroy so much good that is going on in the market. We will lose the ability to control costs and ensure quality care. At this point, I would rather have no bill than any of the committee-passed bills," said Sean Sullivan, president of the National Business Coalition on Health in Washington.

In numerous ways, all the bills would begin to undo strategies employers have deployed in recent years to bring health care costs under control. Consider a few examples:

- Employers that have shifted all of their employees to managed care plans, like health maintenance organizations, would be forced under the measures to add indemnity plans, the highest-cost type of health care program.
- Under several of the proposals, employers, even small firms, no longer could only offer one health care plan. In some cases, they would have to offer at least three different types of health care plans, including a traditional indemnity plan.
- All the proposals, in different ways, would force insurers and employers that have established managed care networks to include medical providers that may have poor records in controlling costs or providing quality care.
- The bills also would expose employers to the full force—some would say horrors—of the tort litigation system: All the proposals would allow huge awards, including punitive damages, against employers that mishandle health care claims.

Continued on page 84

Any adverse effects?

Drug industry mergers invite more scrutiny of plan costs

By CHRISTINE WOOLSEY

With the pharmaceutical industry's rapid march toward vertical integration, savvy employers will begin examining their prescription drug plan claims data now to keep track of any changes in prescription drug formularies, discounts and utilization patterns.

That's the advice from employee benefit professionals assessing last week's announcement that Eli Lilly & Co. will buy McKesson Corp. subsidiary PCS Health Systems Inc. for $4 billion.

The deal is the latest in a string of drug company buyouts of prescription cost management firms.

Employers are not likely to see any significant increases in prescription drug program costs over the next year since current contracts typically contain fixed discounts and rebates.

However, some consultants predict employers will see drug formularies change as prescription drug plan managers now owned by drug makers begin to give their parent company's drugs preferred spots on those lists.

And that could lead to an erosion in prescription drug discounts and rebates, they warn.

Intense price competition in the pharmaceutical market and rapid movement toward managed care have resulted in more tightly controlled distribution channels and increasing pressure on drug companies to provide discounts. Because managed care organizations control an increasingly large percentage of all prescriptions dispensed, they represent a significant channel for drug makers' products.

To guarantee access to a significant slice of that lucrative market, several large drug makers have

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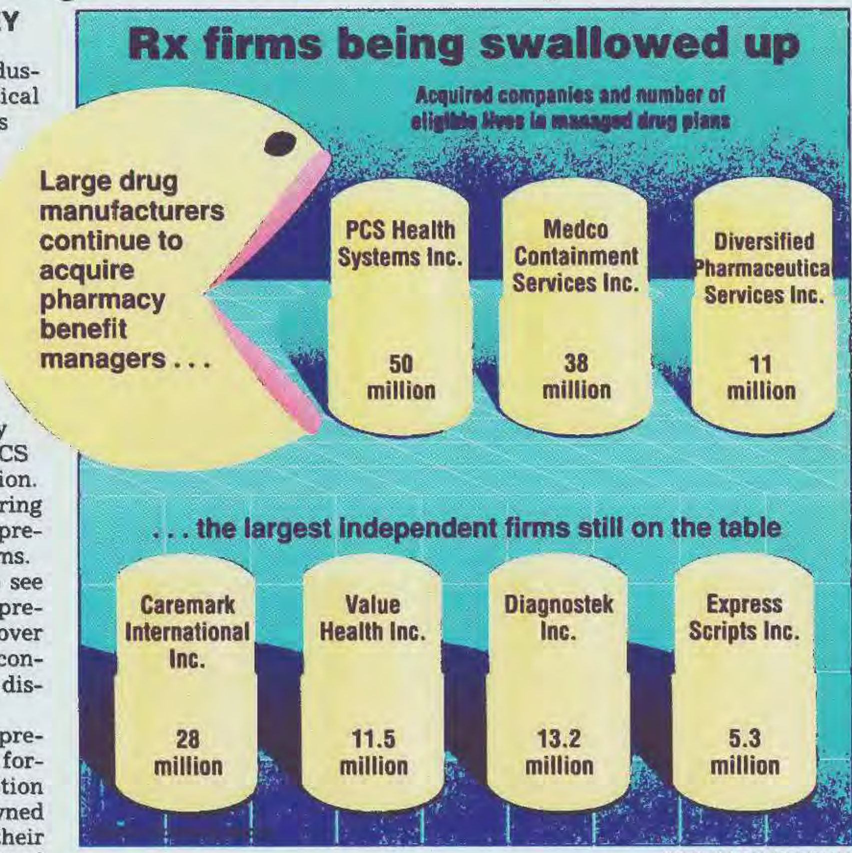

GRAPHIC BY JOHN HALL

Updates

Legal services owed to PRPs

Continued from previous page

to include "the functional equivalent of a suit."

The majority found that expanding the limitation of the insurer's obligation reflects "the modern realities of our legal system," citing increased reliance on administrative agencies, arbitration and alternative dispute resolution to resolve legal controversies.

However, the three dissenting justices refused to depart from the plain language of the insurance contract, noting that "the insurance policy language delineates the risk assumed and makes clear that the parties contracted for a defense by the insurer against a lawsuit brought in court, and not for something else that might be regarded as 'the functional equivalent' thereof."

The July 12 decision stemmed from a declaratory judgment action filed after Michigan Millers provided a defense under protest to Bronson Plating Co. when it received notice from the Environmental Protection Agency that it might be liable for contamination at a metal electroplating facility.

EMF cancer patient gets comp

TACOMA, Wash.—The controversy over whether a person can develop cancer from exposure to electromagnetic fields is being fueled by a workers comp award to a former employee of Kaiser Aluminum Co.

Kaiser is appealing the June 29 ruling by Washington's Department of Labor and Industries, which is apparently the first time a government body has acknowledged a link between EMF exposure and cancer. Although several recent lawsuits have charged that exposure to electromagnetic fields causes cancer, overall scientific evidence of such a link is not conclusive (*BI*, May 30; April 11).

In this case, Washington state workers comp officials awarded medical benefits to James Brewer, 50, who developed non-Hodgkin's lymphoma, a form of cancer, after working in the "pot room" of Kaiser's Tacoma smelter from 1969 to 1986. Electricity, and resulting electromagnetic fields, are a key component in aluminum production.

However, the state department's decision was based only on limited medical data supporting Mr. Brewer's claim, which was the only medical evidence submitted in the case, a department spokesman said. Dr. Samuel Milham, whose research has linked EMF exposure and cancer, indicated it was "more probable than not" that the worker's cancer was due to EMF exposure and other toxic substances, the spokesman said.

Kaiser, which is self-insured, did not submit any opposing medical information at the time of the decision, but plans to do so soon.

"We are fairly confident the ruling will be reversed once all the evidence is presented," said a spokeswoman for Kaiser, a unit of Houston-based Maxxam Inc.

Campus insured for fire loss

FORT COLLINS, Colo.—Colorado State University has replacement cost coverage for the 11 destroyed and two damaged buildings at its Pingree Park Mountain campus and conference center that were hit by a forest fire July 1.

CSU Risk Manager Sandy Trussle said the policy, issued by National Union Fire Insurance Co. of Pittsburgh, Pa., an American International Group Inc. unit, has a $100,000 deductible. Despite fire officials' estimate of $3 million to $4 million in damage, "we haven't arrived at a total estimate yet," she said (*BI*, July 11).

"Right now, we're trying to get the remaining structures back in operation so we can accommodate our academic program next Monday," she said last week.

As of Friday, firefighters were still battling 14 fires involving 72,085 acres in seven Western states: Arizona, New Mexico, Colorado, Oregon, Texas, Nevada and California, a spokeswoman at the National Fire Information Center in Boise, Idaho, said.

Don King charged with fraud

NEW YORK—Don King, the flamboyant boxing promoter, defrauded Lloyd's of London underwriters of $350,000 through a bogus insurance claim, a U.S. attorney alleges.

If convicted, he could face $2 million in fines and a prison term.

The alleged scam centered on a scheduled 1991 Las Vegas bout between Julio Cesar Chavez, who was the World Boxing Council Super Lightweight Champion, and Harold Brazier, court papers say. The bout was canceled after Mr. Chavez cut his nose on June 20, 1991, while sparring in preparation for the fight.

Mr. King then filed a claim on a non-appearance and/or cancellation insurance policy led by syndicates in Lloyd's, seeking $350,000 in training fees for Mr. Chavez, court documents say.

The claim was based on a fraudulent document purporting to be a contract for training fees between Mr. King and Mr. Chavez, but the money was never paid to Mr. Chavez, court papers say.

The coverage was handled in the United States by Gagliardi Brothers Insurance of Campbell, Calif., and was placed in Lloyd's by Crawley Warren & Co. Ltd. in London.

The maximum penalty for the alleged crime is five years' imprisonment and fines of $250,000 for each of the nine counts in the indictment, said Sarah N. Chapman, assistant U.S. attorney in the Southern District of New York. Arraignment is scheduled for July 21.

Mr. King denied the charges in a statement: "I am completely innocent. I have done nothing to warrant this action."

Updates continued on page 94

Errors & omissions

• Due to a typographical error, the 1992 gross revenues in the front page chart for C.E. Heath P.L.C. are incorrect. The correct figure is $293,325,000. All averages and totals are correct.

Saving lives at less cost

The value of an ounce of prevention varies widely: Study

By MICHAEL SCHACHNER

Society may benefit more from allocating its limited resources to life-saving procedures that are most cost-effective rather than to expensive measures that save relatively few lives, a new study argues.

The cost of saving lives varies enormously by the type of intervention, but the most cost-effective preventive measures tend to be quite simple, the study shows.

For example, relatively inexpensive procedures—such as childhood immunization, drug and alcohol treatment and prenatal care—are far more cost-effective in terms of saving lives than expensive and overly broad programs like safety regulations and high-tech pollution control systems.

Employers say that finding backs up the importance of wellness and preventive care programs, though they stress it will not lead them to downplay safety programs and other measures not found as cost-effective.

The new study is part of an ongoing four-year research project by the Center for Risk Analysis at Harvard University's School of Public Health in Cambridge, Mass.

The researchers for the Harvard study, which was supported in part by a grant from the National Science Foundations, determined a procedure's cost effectiveness by estimating the annual cost of an intervention and how many years of life it would save.

Flu vaccinations, cholesterol screening and smoking cessation

Continued on page 95

Coordination of auto, health coverage touted

By RODD ZOLKOS

Employers could save billions of dollars in health care costs if automobile insurers had to directly reimburse health plans for automobile injury treatment, a new study suggests.

The variance in state laws coupled with inconsistency in the way auto insurers and health plans pay benefits and how they relate to one another frequently result in duplicate and even triplicate payments for the same injury, according to a study prepared for State Farm Group by Lewin-VHI Inc., a consulting firm based in Fairfax, Va.

Bloomington, Ill.-based State Farm proposes that federal health care reform legislation include a provision that would require auto insurers to reimburse health plans for the costs of treating injuries stemming from automobile accidents.

Such a measure would reduce costs to both public and private sector health plans, the study suggests, in an amount equal to the extent that health plans don't currently recover costs from auto insurers.

The study indicates that within the context of Pres-

Continued on page 96

Breast implant settlement shaky with withdrawal of 12,000 women

By JOANNE WOJCIK

The revelation that more than 12,000 women have chosen to opt out of a proposed global settlement of breast implant litigation raises questions about the future of the deal.

Manufacturers of silicone breast implants—already paying out $4.75 billion over 30 years to fund the settlement—would face substantial additional liabilities if 12,300 women who opted out of the deal pursue their cases individually.

"It is a possibility" that the global settlement could unravel because of the number of opt-outs, according to Ed Rich, treasurer of defendant Dow Corning Corp. of Midland, Mich.

To ensure that doesn't happen, U.S. District Judge Sam J. Pointer is sending letters to the women opting out asking them to reconsider.

"The judge has some frustration about the number dropping out," said Dean Hansel, an

Continued on page 96

Medical lien holder rights

By JUDY GREENWALD

LOS ANGELES—A recent California court decision guaranteeing medical lien holders in workers compensation cases due process is likely to make an already unwieldy system even slower and more expensive.

The ruling in effect gives medical lien holders a voice equal to employers and employees in workers comp disputes.

In a July 7 decision, the state appellate court found that the Beverly Hills Multispecialty Group Inc. was denied due process by a workers comp judge. The judge had denied the group's request for a $157,900 lien for unreimbursed medical expenses and medical-legal costs in connection with treatment of 10 former employees of El Segundo, Calif.-based International Rectifier Corp. The judge had also denied the workers' claims.

The denial of the lien was subsequently upheld by the state's Workers' Compensation Appeals Board, which found that the workers' claims were fraudulent and that the medical group's evaluation procedures and methodologies "were so inadequate as to be unreasonable" and its doctors' conclusions "completely lacking in credibility."

The doctors appealed that decision to the California Court of Appeal in Los Angeles.

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Inside

• A proposal to do away with annual renewals has merit, this week's editorial says. **PAGE 8**

• Long-awaited rules implementing parts of the Oil Pollution Act have been published. **PAGE 89**

Top 20 world broker profiles

Departments

Vol. 28, No. 29—*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. Canadian Post International Publications Mail Product (Canadian Distribution) Sales Agreement No. 0293512, GST No. 136760444. Printed in U.S.A. Postmaster: Send address changes to *Business Insurance*, Circulation Department, 965 E. Jefferson Ave., Detroit, Mich. 48207-3185; 800-678-9595 or 313-446-1611.

Lilly/PCS

Continued from page 1

decided to take over, rather than fight, pharmacy benefit managers.

"Drug companies are being caught up in the health care paradigm shift," said Bill Danish, health and welfare practice leader for Alexander Consulting Group Inc. in Atlanta. Sellers of health care services desire a more direct link with payers.

Merck & Co. started the run of drug company acquisitions of pharmacy benefit managers last August, with its $6.6 billion purchase of Medco Containment Services Inc. (*BI*, Aug. 9, 1993). SmithKline Beecham Corp. followed by acquiring Diversified Pharmaceutical Services Inc., a unit of United HealthCare Corp., for $2.3 billion in May (*BI*, May 16).

Industry observers expect the buying trend to continue. Of the remaining independent pharmacy benefit management firms, only a handful are of significant size (see chart, page 1).

Some of them, like Value Health Inc. and Caremark International Inc., already have established alliances and joint ventures with major drug companies while remaining independent.

But, consultants and analysts say drug makers may eventually become interested in buying wholesalers, generic drug manufacturers and some of the 100 or so mail order and retail drug store outlets across the country.

For now, ownership of pharmacy benefit managers means drug manufacturers have direct access to payers, their formularies and covered lives. Drug industry analysts say that should play a big part in increasing drug manufacturers' market share and profits.

But, it might eventually decrease employers' ability to control overall prescription drug plan costs through formulary-based rebates, consultants warn.

"A lot of employers with pharmacy benefit managers have fixed-discount arrangements, so they aren't likely to see much change in prescription drug prices during the year," said Jim Norton, managing consultant with A. Foster Higgins & Co. Inc. in Stamford, Conn. Employers may see alterations in the prescription drug formularies used by pharmacy benefit managers, though, he said.

Formularies are comprehensive, professionally agreed-upon lists of drugs used by physicians and pharmacists. Pharmacy benefit managers achieve cost savings by negotiating volume-based rebates and preferred pricing for certain products on the formulary.

Competition for placement on a pharmacy benefit manager's drug formulary is likely to decrease for drug makers that own such firms, some consultants say.

As a result, the discounts or rebates independent pharmacy benefit managers used to get from those drug makers may deteriorate.

Large employers can't do much about that, Mr. Norton said, since the size of their employee and retiree populations makes it necessary to contract with the larger pharmacy benefit managers. Smaller employers, however, may be able to continue to contract with smaller, independent firms.

"Employers have to be diligent in watching for overt interventions by the manufacturer/owner" of a prescription benefit manager, said Bill Jenison, chairman, chief executive and president of Pharmacy Gold Inc., a for-profit managed prescription drug subsidiary of Blue Cross & Blue Shield of Minnesota. "They should make sure they aren't at a disadvantage by losing formulary access to other products of competing drug manufacturers."

"Employers need to be as educated as possible about what they are purchasing," agreed Kim Babbin, a consultant in the Houston office of Towers Perrin. Among the questions they should routinely ask pharmacy benefit managers are: "How does this merger affect your formulary?" and "How can you guarantee those products on the formulary will be less expensive to me as an employer?"

Employers want to know whether pharmacy benefit managers owned by drug makers will remain competitive and negotiate discounts and whether they will remain objective and continue to work with rival drug makers.

Foster Higgins' Mr. Norton suspects there will be pressure for all drug makers to reduce the level of discounts currently offered to employers by their pharmacy benefit managers.

"Eli Lilly knows that up to now it had to compete for a slot on the PCS formulary. Now that it owns PCS, it knows it doesn't have to compete for that slot anymore," he explained. "If I know my drug will be the preferred drug in each category for which I have a product, why should I continue to give an employer an 50% discount when I can give a 40% discount, keep the employer happy and increase my profits?"

'Employers need to be as educated as possible about what they are purchasing,' says Kim Babbin.

In addition, Mr. Norton said, if Merck officials know Lilly is getting preferential treatment from PCS, they know they will be selling a lower volume of Merck products through PCS. "Why should Merck give the same discount to employers if they know the company isn't going to get the same market share? It just doesn't make economic sense to do business as usual."

The new drug company/pharmacy benefit manager conglomerates are not likely to make immediate changes to their drug formularies, Mr. Norton said. "They won't go in with a sledgehammer and knock out all their competitors' products. The drug companies are too sophisticated for that."

"PCS has been very successful in the past by providing formularies and working with customers to use drugs that are the most cost effective and clinically efficient," said a spokesman for Eli Lilly. "That will be the case as we move forward."

"The marketplace is demanding that the most cost effective and clinically efficient are provided to patients," he said, noting that the new drug industry alliances will not succeed unless they continue to meet those demands.

Still, it would be wise for employers to audit prescription drug formularies every year to track any changes, Mr. Norton said. And, employers should request that their pharmacy benefit manager notify them in writing when they replace products.

"Employers should keep track of what was being prescribed prior to the acquisition, what is being prescribed now, and if it's different, check to see whether the price is higher or lower," said ACG's Mr. Danish. "Don't depend on the (drug plan manager) to manage the program. We've seen from experience that the involved employer is the employer with the lowest costs."

Other consultants are more optimistic about the impact drug market integration will have on employee benefit plans.

"I haven't seen anything to prevent employers from contracting with pharmacy benefit managers owned by drug makers," Towers Perrin's Ms. Babbin said. "Like any managed care situation, the employer has to become a savvy consumer. Employers have to realize what they are buying is a preferred product."

And, she noted, "It's not a situation where the drug companies are trying to pass off deficient products; all of them have high-quality products."

That doesn't mean employers shouldn't carefully examine each company's services, though. "Up to now, employers chose a prescription drug manager on blind faith. Now they are going to have to get pharmacy benefit managers to prove their value," Ms. Babbin said.

Consultants say they have not been inundated with calls from employers voicing concern over the recent mergers.

"The hue and cry we felt might come from the Merck and Medco deal didn't really materialize," Mr. Danish said. "There is still a strong feeling Medco will deliver on its cost containment promises."

Most clients simply want to know how the mergers will affect their health plans and their employees in the short term and whether they will be forced to begin using one drug makers' products over others'.

When Merck bought Medco, there was a concern that Merck would monopolize the whole market because they have so many products, said Beth Bird, a consultant with Hewitt Associates in Bedminster, N.J. "But I don't think they can become a monopoly. There are 4,000 to 5,000 different pharmaceutical products out there, only 400 or 500 of which are used routinely on a national basis. Merck doesn't offer them all now, so it really has to maintain relationships with other pharmaceutical companies."

The trend toward vertical integration in the pharmaceutical industry "isn't much of an issue for us," said Robert Dankmyer, vp of corporate benefits at Marriott Corp. in Washington.

Prescription drugs don't represent a major portion of the hotel chain's benefit costs, and because 80% of Marriott employees are enrolled in managed care plans, costs are kept under control, he explained.

"I was a little bit concerned" when drug makers began to purchase pharmacy benefit management firms, he acknowledged. "But when you step back, I just think employers will have to come together and put the different drug manufacturers in bidding situations themselves, rather than going through a third party."

Meanwhile, independent pharmacy management firms expect the recent spate of acquisitions to boost their business.

"This is likely to be good for our business," Pharmacy Gold's Mr. Jenison said. "We have strong relationships with more than 40 manufacturers. We've talked to them about strategic alliances or partnerships, but we are not now in any particular dialogues. We think we can leverage more enrollment because of our clinical objectivity and independence." BI

Updates

Breyer on track for approval

WASHINGTON—Questions about how federal appellate court Judge Stephen Breyer's membership in Lloyd's of London affected his rulings in two pollution liability cases appear unlikely to jeopardize his nomination to the Supreme Court.

Judge Breyer attempted to defuse the issue before the Senate Judiciary Committee last week, promising to divest himself of all insurance holdings as soon as possible. The judge, whose net worth is estimated in excess of $6 million, in 1985 participated in Lloyd's syndicate 418 managed by Merrett Underwriting Agency Management Ltd., an account that remains open with reported total losses of $245 million through last year (*BI*, July 4). The losses stemmed primarily from U.S. asbestos and pollution claims. The extent of Judge Breyer's personal losses is unknown.

During the early 1990s, he took part in two rulings against the Environmental Protection Agency that favored landowners.

He came under fire from Sen. Howard Metzenbaum, D-Ohio, for participating in those decisions while maintaining insurance investments. Judge Breyer replied he had no investments in any of the parties in the cases. Sen. Metzenbaum continued to interrogate him on whether his Lloyd's connection might have influenced the ruling and whether it was "imprudent" for him to participate in the ruling.

Sens. Edward Kennedy, D-Mass., and Orrin Hatch, R-Utah, defended the nominee and accused Sen. Metzenbaum of distorting the record. The Ohio lawmaker backed down a bit, saying "I'm pretty well satisfied that when and if matters come up before you, you will be aware of some of the questions that have been discussed with you here, and I wish you well."

PBGC acts on three plans

WASHINGTON—The Pension Benefit Guaranty Corp. is taking over two underfunded pension plans and intends to terminate a third, larger underfunded plan.

The PBGC last week terminated pension plans by Washington Industries and Spaulding Composites Co. Inc.

Washington Industries, a former Nashville, Tenn., clothing manufacturer, filed for bankruptcy in 1988 and its assets now are being liquidated. Its pension plan has about 4,300 participants and $15 million in unfunded liabilities.

Spaulding, a manufacturer of non-metallic components for automobiles, machinery and household items, filed a bankruptcy petition last year. The pension plan the PBGC is taking over covered workers and retirees at a Spaulding facility in Tonawanda, N.Y., which ceased operations in late 1992. The plan has about 850 participants and $7 million in unfunded liabilities.

Meanwhile, the PBGC says it intends to terminate a pension program sponsored by Heintz Corp., a Philadelphia-based aeronautical parts manufacturer, which filed for bankruptcy last year and is now liquidating its assets.

The Heintz plan has 1,153 participants and $21 million in unfunded liabilities.

The PBGC says it intends to file claims against several Heintz affiliates to recoup some of the pension underfunding.

N.Y. law on limited liability

ALBANY, N.Y.—New York Gov. Mario Cuomo is expected to sign legislation permitting a wide range of New York-based professional partnerships to register as limited liability companies.

In a limited liability company, partners cannot be held personally liable beyond their interest in the company if they were not individually at fault. Under partnerships, all partners can be held personally liable for the full amount of a judgment or settlement.

The new law also preserves the pass-through tax status that partnerships enjoy.

The long-awaited change, adopted already by 45 other states, is welcome news to the state's accountants, lawyers, physicians, architects and engineers. Thomas R. Manisero, a partner with New York law firm Wilson, Elser, Moskowitz, Edelman & Dicker, said most professional partnerships will quickly reincorporate as limited liability companies when the legislation goes into effect "because it makes no sense not to."

The Legislature passed the bill earlier this month.

Briefly noted

House Public Works and Transportation Committee Chairman Norman Mineta, D-Calif., told a subcommittee that he hopes to have H.R. 3800, the **Superfund reauthorization bill**, to the House floor before Congress' recess early next month. . . .The House of Representatives is expected to begin debate Wednesday on H.R. 1188, **the Federal Anti-Redlining and Disclosure Act**, which would subject insurers to new data reporting requirements. . . **Lloyd's of London's Regulatory Board** is reviewing the loss-making 1990 underwriting year of defunct syndicates 210 and 428, the first syndicates managed by Sturge Holdings P.L.C. to be investigated. . . Most of the more than $40 million Chevron Corp. will pay to Northern California customers to repair or replace engines that were fueled with **contaminated aviation gasoline** is covered by insurance, said a spokesman for the oil company. A leaky valve at Chevron's Richmond, Calif., refinery allowed jet fuel to mix with the aviation gas used by smaller planes. About 2,000 aircraft were fueled with the contaminated gas, which damaged engines. . . The 54,000 **UAL Corp.** employees who have agreed to participate in an employee stock ownership plan did not give up any employee benefits in exchange for a 55% ownership stake in the parent company of United Airlines Inc. On average, the employees gave up 14% of wages for a nearly six-year period. If the airlines' flight attendants participate in the plan, wages would be cut over a five-year period.

Floods

Continued from page 1

Insurers paid $655 million for claims from last year's floods, according to the Property Claim Services division of the American Insurance Services Group.

But, the U.S. Chamber of Commerce estimates the overall economic toll from the flooding at $15 billion to $20 billion.

The Federal Crop Insurance Corp., which reinsurers crop insurance written by insurers for farmers, paid just over $1 billion in flood related losses.

The NFIP, which underwrites homeowners and commercial flood insurance in designated flood-prone areas directly or through servicing insurers, paid about $240 million to victims of last year's flood, Mr. Collins said.

"It's beyond me why people don't buy flood insurance," he said.

"People tend to rely on disaster assistance" loans from the Federal Emergency Management Agency, he said. However, FEMA's maximum loan or grant was $12,000, less than half of the average claim paid by the flood program.

Among the reasons more businesses are uninsured for flood losses is the limited coverage available under NFIP: $400,000 for most businesses covering property and contents only.

In addition, commercial insurers offer limited flood coverage, and only by endorsements.

The Insurance Services Office Inc.'s standard commercial property policy excludes coverage for damage caused directly or indirectly by flooding.

And policyholders typically cannot collect for business interruption losses unless they also are covered for the underlying physical loss that interrupts operations.

Insurers write flood coverage via specific endorsements and difference-in-conditions contracts that supplement property coverage.

However, buyers and brokers say the coverage has become more expensive and more difficult to obtain in the commercial insurance marketplace.

"In the commercial marketplace, access is very limited," said Jim Swift, president of broker Holmes-Murphy & Associates in Des Moines, Iowa. "Markets will change their attitude, probably within six months. There will be more capacity. Right now, it's an overreaction to what happened last year."

About 30% to 50% of commercial policyholders offered flood coverage are purchasing it, which is a significantly higher level than in previous years, Mr. Swift said.

Several insurers wanted to bid on the property insurance program for Polk County, Iowa, but excluded flood coverage, said Michael Wieck, risk manager for the state's largest county.

That list included the incumbent insurer, which paid the county's $1 million claim for flood damage to county buildings last year. The $100,000 deductible for the coverage was paid by a grant from FEMA, Mr. Wieck said.

After recalculating its probable maximum loss, the county chose to buy only $15 million in flood limits instead of the $50 million it had before. The deductible rose to $250,000 and the rate increased about 30%. However, that rise may be attributed to general hardening in the property insurance market and an increase in values, as well as to the flood, Mr. Wieck said.

"I expected to pay an increase. I have no problem with that amount," he said.

Officials at Midwest Power Systems Inc., a Des Moines-based utility that provides electricity and gas to two-thirds of Iowa, are pleased with their recovery from last year's flood.

Two major substations serving Des Moines were shut down and suffered between $5 million and $7 million in flood damage last year, which was insured, said Steve Verbeski, manager of corporate insurance.

"We had service restored to everyone in Des Moines who was in a position to take it within 48 to 72 hours," he said. "The creativity and innovation of company people was key to restoring service. We sent in scuba divers in substations to throw switches."

Mr. Verbeski received competitive quotes for a March 1 property insurance renewal but with some restrictions in flood coverage. The utility is staying with its incumbent insurer and paying a "moderate rate increase."

"Last year's flood was theoretically a 500-year event," Mr. Verbeski said. "We had a good, long-term relationship with our insurer and they chose not to take a knee-jerk reaction."

IBP Inc. now has an aggregate deductible for flood damage that means the company assumes a greater portion of the first few flood losses in a given year, said Craig Manker, risk manager for the Dakota City, Neb.-based meatpacker.

The company suffered more than $3 million in damages when a flash flood hit its Denison, Iowa, slaughterhouse about 100 miles west of Des Moines. Most of the cattle at the plant swam to higher ground and the water did not reach the upper-level meat processing and storage areas. But, boiler equipment and other machinery in the lower level was damaged.

IBP is planning to install flood doors and windows on the lower levels.

In the aftermath of the flooding, more insurers are looking for flood prevention measures like that, as well as a company's location in relation to flood plains.

"Companies are underwriting a lot closer," said Tom Etling, executive vp and chief operating officer of broker Welsch, Flatness & Lutz Inc. in St. Louis. "They are charging more for it and they are not getting into areas that are really flood-prone."

"We are looking at things differently," agreed Jim Black, vp and director of regional operations for Protection Mutual Insurance Co. in Park Ridge, Ill. "We are re-evaluating whether exposures are flood-exposed or not. Some areas that were previously considered non-flood zones, we are looking at those as if they are flood exposures."

Protection Mutual, a member of the Factory Mutual System, also is taking a closer look at flood protection systems that could affect the insured risk.

"The variance among the levees was greater than we previously thought," Mr. Black said. "We are doing an in-depth analysis of levee protection."

Other insurers say their underwriting stance has not changed, though they avoid properties in known flood plains.

"We have not changed our underwriting position at all, because it was a 500-year flood," said J.F. Scherer, vp-sales and marketing for Cincinnati Insurance Co. in Cincinnati. "It was an unusual event, not one that necessitates drastic changes."

However, "we are asking more questions," he said. "Does it flood every year or every time it rains hard?"

Engineers for Arkwright Mutual Insurance Co., another Factory Mutual insurer, fill out separate reports on flood exposure when inspecting property, said Harry Merrow, assistant vp for the Waltham, Mass.-based company. The information is fed into a data base on insured locations in 100- and 500-year flood plains.

Because field representatives can use the data to identify and contact policyholders before a disaster hits, "we came out very well in the Midwestern floods," Mr. Merrow said.

Arkwright may begin using the data base to control its aggregate flood exposure in the future, he added.

Generally, a lack of statistical information has prevented insurers from tracking floods the way earthquake and windstorm risks are examined.

"There is no industry mechanism to do that," in contrast with several software programs for analyzing wind and earthquake exposures, said Terry Van Gilder, chief underwriting officer for Chubb & Son Inc. in Warren, N.J.

Another reason flooding is not tracked is because many commercial insurers do not offer the coverage, he said. Chubb & Son will pay out about $15 million in claims from the 1993 floods.

"We are operating in the same areas and underwriting risks the same," he said. "We do not write anything that comes in the door. That's not our style."

"We always underwrite flood carefully," said Michael Ehlers, assistant vp for HPR and property special risk operations for Wausau Insurance Co. in Wausau, Wis., which paid out $12.5 million in the 1993 flood. "If a property's in an 'A' flood zone, we won't write flood coverage."

"We look at flood exposure, earthquake and hurricane in similar fashion," said Jim Abraham, senior underwriting officer for The St. Paul Cos. Inc. in St. Paul, Minn. "Spread of risk is a key piece in properly managing exposure."

And, "earthquake and windstorm tend to be bigger concerns" in terms of aggregate exposure, said Carol Chavers, commercial property underwriting officer for Kemper National Insurance Cos. in Long Grove, Ill. BI

Losses

Continued from page 1

fected areas, said Don Collins, deputy administrator of the Federal Insurance Administration.

The federal flood insurance program writes 31,000 policies in Georgia, though fewer than 2,000 are in the counties hardest hit by the flood, Mr. Collins said.

Farmers are likely to fare better than average businesses and homeowners. Between 50% and 80% of flooded acres are insured by the Federal Crop Insurance Corp., a spokesman said. The program's total liability in Georgia is $410 million.

Gary Shertenlieb, manager and president of Poe & Brown Inc.'s Atlanta office, said insured damage estimates being kicked around the Georgia insurance community are wide-ranging. "I've heard totals of $30 million all the way up to $200 million. At this point we don't know the validity of these estimates."

Homeowners insurers will pay more flood losses than commercial property insurers, he said. "There won't be any of the large $100 million commercial losses. There's very little heavy industry down there. But the large personal lines insurers will get clipped pretty good by this."

In addition, he noted that "fortunately for insurers, most of the municipalities affected are part of pools or funds" that will cover flood losses.

However, underwriters of commercial package polices that specifically cover extra expenses and business interruption following named perils could pay big losses.

"You could have a dentist who can't work for two weeks because he has no water. That could be $10,000 in business interruption," said Mr. Shertenlieb.

A spokesman for Travelers Corp. in Hartford, Conn., said the insurer's Georgia exposure is "zero to minimal. . . .This is clearly flooding, and our policies aren't covering that. Even business interruption caused by water shutoffs would be flood-related and wouldn't be covered."

Chubb Corp. had received about 60 claims as of late last week. Although most were on homeowners' policies, a few commercial claims were shaping up to be substantial.

"It could be several million dollars," said Terry Van Gilder, chief underwriting officer for Chubb & Son Inc. in Warren, N.J.

Lou Jalovec, claims manager with American States Insurance Co. in Indianapolis, said the company is expecting no property damage claims other than some inland marine damage to farm equipment. "Generally speaking, we're not expecting much. The only thing that could come in would be some farm equipment or contractors' equipment covered under an all-risk floater. There also could be a few commercial auto losses," he said.

Meanwhile, policyholders were assessing their insurance to find out what was and wasn't covered.

A Vigoro Corp. plant that manufactures chemicals and fertilizers in Bainbridge, Ga., escaped the floodwaters when the Flint River crested six feet lower than originally expected. But that news came after the company took extraordinary precautions to protect a tank holding 4,800 tons of anhydrous ammonia, said David A. Prichard, vp of corporate and investor relations for the Chicago-based company.

If compressors next to the tank lost power, the ammonia could turn from its liquid state to gas, increasing the chance of a leak.

Vigoro built a 12-foot earthen berm around the tank and compressors, brought in an overhead power line direct from the power company, moved a giant generator in, and installed a flare to slowly burn off any gas that might have escaped if power was lost. Now the company doesn't know if insurance will cover the efforts, because the plant never incurred physical damage.

Winn-Dixie Stores Inc. lost one 35,000-square-foot grocery store in Albany, Ga., which appears to be a total loss, said Bill Pezzutti, director of risk management for the Jacksonville, Fla.-based chain.

The loss may not exceed Winn-Dixie's large deductible, he added.

Service along railways operated by CSX Transportation Inc. was interrupted in the three states hit by the flood due to damages that totaled about $3.5 million, according to a spokeswoman. CSX is self-insured.

The railroad closed six bridges in the Florida panhandle, loading them instead with freight cars filled with coal or ballast to protect the bridges during the flood. CSX had a "major washout" near Newton, Ala., and other washouts near Montezuma, Ga., as well as a trestle closed near Bainbridge, Ga. The washouts were repaired and the bridges in Florida reopened last week. The trestle in southern Georgia remained closed.

Freight service was interrupted due to all three incidents, and Amtrak service had to be rerouted through Florida. BI

Comp liens

Continued from page 2

The appellate court found that the medical group had not been provided with the defense's medical reports criticizing its evaluations, medical reports and treatment before the trials, nor had it been informed in most of the cases that it was being accused of fraud.

In addition, the appellate court found in one case that the medical group's attorney had not been allowed to cross-examine a witness, while in another case the attorney was forbidden to make any further objections.

The court held that the medical group was entitled to a new trial. "At the hearings, BHMG must be allowed to present relevant evidence, cross-examine witnesses and make reasonable objections," said the decision by the three-judge appellate panel.

The decision is "unfortunate" and will "seriously undermine the California work comp system" and the effectiveness of 1993 system reforms, said Michael Nolan, general counsel to Menlo Park, Calif.-based Argonaut Insurance Co., the insurer in the case.

Mr. Nolan said no decision has been made on whether to ask for a rehearing, to appeal or to seek decertification of the ruling so that it cannot be used as a precedent.

The court's finding is "astounding to me," said Edward C. Woodward, president of the industry-backed California Workers' Compensation Institute in San Francisco.

The decision gives medical lien holders the same rights as an employer or an injured worker in a workers comp dispute, said Mr. Woodward. "This could tremendously delay litigation and the provision of benefits to injured workers," he said.

"It's got a lot of thorny issues associated with it, most of which don't bode well for expeditious handling of cases before the (workers comp) appeals board."

Thomas McBirnie, attorney for the California Workers' Compensation Appeals Board, agreed. "I think that it's pretty clear that the due process requirements that are in the opinion are going to increase the costs and the amount of litigation in workers comp cases."

However, Nancy Roberts, an attorney for Boehm & Associates in Alameda, Calif., a lien company, said she does not believe the decision will slow down the workers comp process.

"In my experience, if the injured worker's attorney is doing a thorough job, we don't have a big involvement in the trial aspects," she said. But if there are aspects not adequately covered by the attorney, 'then we do get involved," said Ms. Roberts, adding that in reality, only about 10% of workers comp cases go to trial anyway, with the remainder settled.

Dan Lipsi, general counsel to American Lien Services Inc. in Beverly Hills, the attorney for the medical group in this case, said he is happy with the decision. "The case is basically a road map for lien claimant litigation," he said.

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Beverly Hills Multispecialty Group Inc. vs. Workers' Compensation Appeals Board, International Rectifier et al., California Courts of Appeal for the 2nd District; 94C.D.O.S.5291.

N.Y. rules to let IIE write surplus lines

By MEG FLETCHER

NEW YORK—Several Illinois Insurance Exchange syndicates likely will become eligible for the first time to write insurance on a surplus lines basis in New York under pending new state rules.

New York Insurance Department regulators and the Chicago-based IIE this month reached an agreement that relaxes the state's regulatory resistance to the exchange concept. That resistance stemmed in part from the failures in the late 1980s of unrelated New York and Florida insurance exchanges.

The IIE's entry into the New York market is expected to help businesses that need the wide variety of surplus lines coverages written by the exchange's syndicates.

If the agreement is enacted as expected, the IIE "will view it as a definite breakthrough," said Gerald F. Murray, the IIE's vp and general counsel.

The IIE has 11 active syndicates that write excess insurance and reinsurance on a non-admitted basis in 43 states. It wrote a record $266 million in gross premiums in 1993. It had $173 million in policyholder surplus at year end.

From New York's point of view, "syndicate capacity may help in niche markets," said Stewart Keir, assistant deputy superintendent of insurance and chief examiner.

Niche markets where coverage currently is hard to find in the admitted market include liability coverage for underground storage tank owners and lead abatement contractors, as well as homeowners' coverage for coastal areas.

"We always are looking for secure capacity," said Dick Smith, executive director of the Excess Lines Assn. of New York, which is the state-recognized overseer of the surplus lines marketplace.

As part of the approval process, the New York Insurance Department has formally approved amendments to its Regulation 41, "Excess Line Placement Governing Standards," to allow well-capitalized insurance exchange syndicates to become eligible to write coverage in the state, Mr. Keir said.

Key changes to the regulation include essentially a recognition of the IIE's security fund, though it is still subject to terms acceptable to the superintendent.

The new wording requires that the exchange maintain at least $75 million in trust or custodial accounts, "provided that an amount at least equal to the greater of $30 million or one-third of the aggregate is maintained on a joint-and-several basis for the protection of all insurance exchange policyholders."

The state had previously required a $100 million security fund. The IIE's security fund now exceeds $30 million.

The new rules also stipulate that each syndicate writing coverage in the state must maintain minimum capital and surplus of "not less than $15 million."

"We wouldn't budge on that," Mr. Keir said.

The previous wording required each syndicate in the exchange to have $15 million in capital and surplus or, if each syndicate did not meet that requirement, any syndicate writing the risk was required to have $25 million in capital and surplus.

The IIE acquiesced to the New York regulators' demand, though it would have preferred the state to adopt the $5 million syndicate capital and surplus requirement that is contained in a proposed Non-Admitted Insurance Model Act. That proposed model law is expected to be adopted by the National Assn. of Insurance Commissioners in September (*BI*, June 27). New York's Mr. Keir oversaw the drafting of that NAIC model.

The New York Insurance Department recently submitted the Regulation 41 amendments to the secretary of state, who is expected to publish them in the state register and ask for comments.

"I would be very surprised if we received any comments," Mr. Keir said last week. "I expect it to sail through smoothly," which means it could be in effect as early as Oct. 1, he added.

Once the regulation is formally amended, a syndicate wishing to write coverage in New York essentially must seek ELANY's approval of its eligibility.

The IIE's Mr. Murray said he plans to recommend that four IIE syndicates with more than $15 million in capital and surplus apply—Britamco Underwriters Inc., Classic Syndicate Inc., First Mercury Syndicate Inc. and Transco Syndicate #1 Ltd.

ELANY will review each syndicate according to objective criteria, such as a syndicate's financial information, as well as subjective criteria, such as the quality of its management and claims-handling procedures, said Mr. Smith.

The IIE hopes that its breakthrough in New York will encourage neighboring states also to accept the insurance exchange, Mr. Murray said.

The IIE has applications now pending in New Jersey and Massachusetts, he said. BI

Firm settles suit for $10.75 million

IRVINE, Calif.—Shiley Inc., an Irvine, Calif.-based medical device manufacturer, agreed to pay $10.75 million to settle federal civil charges that it lied to win government approval of its convex/concave heart valve, which was later found to be defective.

Shiley also agreed to provide up to $10 million for valve replacement surgery for patients who received the device and are on government medical programs.

However, neither Shiley nor its New York-based parent company, Pfizer Inc., admitted to any wrongdoing under the settlement with the U.S. Justice Department, which was announced June 30.

An earlier settlement with some 51,000 heart valve recipients will cost Pfizer and Shiley between $165 million and $215 million to fund 10 years of research, medical consultation and compensation. At the time, a company spokesman said some of the cost likely will be covered by insurance, though he would not give coverage details.

—By Joanne Wojcik

Insurance Services Guide

Business Insurance Circulation Breakdown

Commercial Consumers

Administrative:	
CEO's, Presidents, and Owners	2,657
Vice Presidents, General Managers and Other Administrative Personnel	4,005
Financial:	
Chief Financial Officers and Vice Presidents of Finance	2,359
Secretaries, Treasurers, controllers and other Financial Personnel	3,700
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	15,138
Sub-total	**27,859**
Associations	371
Government, Unions and Educational Institutions	986
Commercial Consumers Sub-total	**29,216**
Insurance Agents and Brokers	8,607
Insurance Companies	8,258
Accountants, Actuaries, Attorneys & Consultants	3,576
Managers & Health Care Providers	1,941
Others Allied to the Field	1,351
TOTAL	**52,949**

★ Source Business/Occupational breakdown of qualified circulation, November 29, 1993 Issue, as submitted to BPA for December 1993 BPA Publisher's Statement

Anti-fraud groups praise Senate report

By MARK A. HOFMANN

WASHINGTON—Anti-fraud groups are lauding a recent Senate report that calls for stricter measures to prevent health care fraud and makes it easier for private industry to get involved in a coordinated approach to fighting abuses.

The report, prepared by the Republican staff of the Senate Special Committee on Aging at the behest of Sen. William Cohen, R-Maine, calls for a specific federal criminal law against health care fraud and for greater coordination among federal, state and local authorities in combating fraud.

"A lot of lip service has been given to fraud and abuse on the Hill, and it sounds like Sen. Cohen is truly committed to doing something concrete about this," said Dennis Jay, executive director of the Coalition Against Insurance Fraud in Washington. The coalition is a property/casualty insurance support group that focuses on all types of fraud.

"In general, anything like this is obviously welcome," said Bill Mahon, executive director of the National Health-Care Anti-Fraud Assn. in Washington, which is supported by health insurers.

Enacting a specific health care fraud law would be "helpful," added Faith Williams, vp-federal affairs for the Health Insurance Assn. of America. Current reliance on general statutes means that law enforcement officials must depend on "more tangential connections" to prosecute fraud than a specific law would provide.

If Sen. Cohen or other lawmakers were to introduce a bill aimed specifically at health care fraud, "we would endorse the effort," she said.

Sen. Cohen, the Special Committee on Aging's ranking GOP member, projected that health care fraud costs private insurers, Medicare and Medicaid about $100 billion a year.

He warned in his introduction to the report, titled "Gaming the Health Care System," that health care reform is no guarantee that fraud will diminish. In fact, he said, reform could lead to a more serious fraud problem if safeguards are not bolstered.

"As our health care system moves toward a managed care model, opportunities for fraud and abuse will increase unless enforcement efforts and tools are strengthened. The structure and incentives of a managed care system will result in a concentration of particular types of schemes, such as the failure to provide services and quality of care deficiencies in order to cut costs.

"In addition, while efforts toward simplification and electronic filing of health care claims offer tremendous savings, they also pose particular opportunities for abuse. Thus, it is crucial that any such system be designed with safeguards built in to detect and deter fraud and abuse," Sen. Cohen wrote.

The GOP investigators cited two shortcomings in current law and law enforcement that they said hamper efforts to prosecute health care fraud effectively.

The first is the lack of a specific federal criminal statute on health care fraud. Federal prosecutors must instead rely on "traditional fraud statutes, such as the mail and wire fraud statutes, the False Claims Act, false statement statutes" and similar non-health care-specific laws.

"Inordinate time and resources are lost in pursuing these cases under indirect federal statutes," said the report.

"This cumbersome federal response to health care fraud has resulted in a system whereby the mouse has outsmarted the mousetrap," wrote the authors of the 40-page document.

Poor fraud response has allowed 'the mouse to outsmart the mousetrap,' the report says.

The report is "absolutely right that we need separate federal criminal statutes. Law enforcement doesn't have all the tools that we need," agreed the Coalition's Mr. Jay.

The other major problem cited by the report's authors is "fragmentation" of health care fraud enforcement efforts.

"Despite the multiplicity of federal, state and local law enforcement agencies and private health insurers and health plans involved in the investigation and prosecution of health care fraud, these enforcement efforts are inadequately coordinated, allowing health care fraud to permeate the system," according to the report.

Coordination should not be viewed in vacuum, said Mr. Jay. Effective anti-fraud efforts must include private industry. He also called for greater emphasis on the state role in combating fraud. "It's amazing what can happen when people talk to each other."

The report is peppered with specific examples of health care fraud, though the names of the perpetrators are not revealed.

For example, the report cites a supplier of durable medical equipment—also known as DME—in Texas who defrauded Medicare of more than $1 million by charging for "body jackets" rather than the wheelchair pads he actually provided. Body jackets are custom-fit orthopedic devices to treat spine injuries. A wheelchair pad covers the wheelchair seat. The supplier billed Medicare for about $1,300 per pad, which cost no more than $100 to manufacture.

Kickbacks also cost health care financing programs a considerable amount of money. For example, the report notes that "a cardiologist has been charged with receiving $125,000 in kickbacks from a DME company for referrals that enabled the company, which supplied oxygen and respiratory aids, to bill government programs for hundreds of thousands of dollars." The alleged payoff consisted of cash, jewelry and other gifts.

The report also found "a growing area of health care fraud exists in the delivery of psychiatric and psychotherapy services, including those provided by hospitals, clinics and private practitioners."

In many cases, health care payers have been billed for sessions that never even occurred, the report said.

The report offered eight recommendations for dealing with fraud:

- Establish a fraud and abuse program to coordinate the functions of the Justice Department, the Health and Human Services Department and other organizations "to prevent, detect and control fraud and abuse, to coordinate investigations and to share data and resources" with law enforcement as well as health plans.
- Create a fund to pay for anti-fraud efforts.
- Toughen federal criminal laws against intentional health care fraud.
- Bolster the federal anti-kickback statute and extend prohibitions against Medicare and Medicaid fraud in such cases to private payers.
- Provide a greater range of enforcement remedies to private plans, including civil penalties.
- Create a national health care fraud data base.
- Design a simplified, uniform claims form and an electronic billing system, with "tough anti-fraud controls incorporated into these designs."
- Protect Medicare better against "fraudulent and abusive provider billing practices."

The NHCAA's Mr. Mahon said of particular importance is the acknowledgement of the need to strengthen the private sector's ability to fight fraud by extending to all health care financing systems the kind of anti-kickback provisions that are available to Medicare and Medicaid. BI

The Professional Marketplace

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U.S. issues oil spill guidelines

But P&I clubs resist financial responsibility requirements

By GAVIN SOUTER

ARLINGTON, Va.—Protection and indemnity clubs are refusing to support new financial responsibility requirements for the risk of oil spills in U.S. waters.

But, at least two new insurers are expected to offer supplementary pollution liability coverage that will help shipowners meet the long-awaited Certificate of Financial Responsibility requirements issued earlier this month by the U.S. Coast Guard.

And, several foreign shipowner associations are pressing for a U.S. government-run insurance program that would provide up to $2 billion in pollution coverage and meet the COFR rules.

The COFR rules, which will take effect for some ships later this year, implement part of the Oil Pollution Act of 1990 and the Comprehensive Environmental Response, Compensation and Liability Act, better known as Superfund.

The rules require ships of more than 300 gross tons involved in trade with the United States to have evidence of financial responsibility for potential oil pollution costs.

Oil tanker owners must prove their ability to meet liabilities up to $1,200 per gross ton, with a maximum liability cap of $2 million for vessels of 3,000 gross tons or less and a $10 million cap for vessels greater than 3,000 gross tons.

Non-tankers must be able to meet liabilities of $600 per gross ton or $500,000, whichever is greater.

P&I clubs currently provide up to $500 million in pollution coverage to their members. However, the International Group of P&I Clubs, a consortium of 14 large insurers, has refused to issue the financial responsibility guarantees that are required under OPA '90. The clubs say they fear that U.S. courts could unreasonably extend their liabilities.

Two new insurers expect to fill that coverage gap: Shoreline Mutual (Bermuda) Ltd., a new P&I club in Bermuda (*BI*, May 30), and First Line, an insurer being developed by Johnson & Higgins in New York and Bankassure, an Aon Corp. unit in London.

Shoreline Mutual will provide coverage limits of up to $300 million to meet the law's requirements. The insurer's underwriting will be based on a schedule of rates set by the club, rather than individually negotiated.

As an alternative to pollution liability insurance tanker owners also may use surety bonds to meet the requirements.

Surety bonds would typically cost between 0.5% and 1% of the requirements in the COFR rules, said Ed Armstrong, assistant chief of the vessel certification division at the National Pollution Funds Center, a unit of the U.S. Coast Guard in Arlington, Va.

"The surety bond option would probably be more expensive than insurance," he said.

The rules will be implemented on a transitional schedule. Self-propelled tank vessels and non-tank vessels will be required to comply by Dec. 28, 1994, and tank barges by July 1, 1995.

Meanwhile, four groups of foreign shipowners have proposed a U.S. government-run program that would meet the COFR requirements and provide an additional $1.5 billion in pollution coverage.

The Mandatory Excess Insurance Facility was first suggested in 1992 by: The Greek Shipping Cooperation Committee; the Union of Greek Shipowners; the Norwegian Shipowners Assn.; and the Swedish Shipowners Assn.

The associations claim to represent owners who transport 30% of the oil imported to the United States.

Under the MEIF, Congress would create a non-profit, government-sponsored entity that would raise $2 billion through a bond issue. The MEIF would then offer coverage for oil pollution liability up to $2 billion and charge tankers coming into the United States a premium of $1 per ton of cargo.

While the proposal would meet the COFR rules, the main stimulus behind the MEIF plan is the lack of pollution insurance capacity available in the world markets, said Duncan C. Smith, an associate at Dyer, Ellis, Joseph & Mills, a Washington law firm that represents the shipowners.

"The over-arching problem is the lack of high-value insurance to cover the worst-case discharge," he said.

The MEIF proposal was considered by the Coast Guard as a means of meeting the COFR requirements but was rejected because it would require congressional action.

"The MEIF cannot be considered a prompt solution to the issue in the COFR rulemaking because legislative action would be required," the Coast Guard said in a statement.

However, the Coast Guard said it will continue to consider the MEIF as a possible method of meeting shipowners' concerns about the availability of adequate pollution insurance. BI

Texas court rejects claims denial

AUSTIN, Texas—Health insurers must prove that policyholders intended to deceive them before they can cancel coverage due to misrepresentations on applications, the Texas Supreme Court has ruled.

Dallas-based Union Bankers Insurance Co. and 13 other insurers argued that Texas law allowed them to cancel policies within two years of issuance due to misstatements, even if unintentional.

Union Bankers canceled Thomas Shelton's health insurance in November 1988, seven months after it went into effect and after Mr. Shelton had surgery for a hip condition which he had failed to disclose on his application.

The Supreme Court remanded the case to Wood County District Court late last month to determine whether Union Bankers breached its duty of good faith and fair dealing when it canceled Mr. Shelton's policy.

—*By Sara Marley*

Korea

Continued from previous page

heart attack.

Press reports last week said that North Korean officials had proposed resuming talks with South Korea.

Bain Hogg's Mr. Parker said that the risks foremost in insurers' minds concerned non-payment of letters of credit and contract frustration due to the non-delivery of goods, in the event that the North blockaded any South Korean ports.

In addition, the foreign insurance market covers much heavy industry in South Korea, such as shipbuilding, according to Mr. Parker.

A Lloyd's of London political risk underwriter said he was watching Korean events with concern but as yet was not drawing any conclusions.

State agencies last week remained calm about development in Korea since their exposure there is minuscule.

A spokeswoman for the Overseas Private Investment Corp. in Washington said that OPIC had no current projects underway in South Korea.

This was also the case for the Canada's Ottawa-based state-run Export Development Corp. The last project covered in South Korea was a nuclear power plant "a few years ago," according to a spokesman for the EDC.

Most state insurers are not highly exposed in South Korea because that economy is capable of finding its own investment financing and does not rely on support from state agencies.

A spokeswoman for the Export Credit Guarantee Department in London said plenty of capacity is available for cover in South Korea and that the crisis in North Korea would not alter any of ECGD's terms and conditions for South Korea.

All of the agencies contacted said they do not write business in North Korea. BI

KWELM

Continued from previous page

Hughes said.

The KWELM companies so far have collected $340 million from reinsurers. Munich Reinsurance Co. was the largest reinsurer for the insolvent insurers. The administrators expect to collect $200 million from reinsurers this year.

KWELM's 1993-1994 annual report won't be published until next spring, Mr. Hughes said. But, he estimated expenses at $35 million this year, including the cost of professional advice and salaries for just under 200 people working at Runoff company KWELM Management Services Ltd. Expenses are expected to be smaller in subsequent years.

One of the largest potential creditors of the KWELM companies is the Policyholders Protection Board, which by law must pay 90% of all valid claims from individual policyholders, including North American doctors, lawyers and accountants.

When the PPB pays the claim, it takes the assignment of any recoveries from the schemes of arrangement. So far, it has made $7 million in payments to policyholders of the insurers, said a spokesman.

To finance the claims, the PPB has imposed an annual levy on U.K. insurers since 1992 and has so far collected 288 million pounds ($446.4 million), he said. BI

Lloyd's

Continued from previous page

the market from its unprecedented losses, he said.

Along the way, though, because of the pace of change, some mistakes have been made, he acknowledged.

For example, Mr. Rowland said Lloyd's "got itself in a muddle" by setting a timetable for implementing changes proposed in a recent report, "Value at Lloyd's." The report proposed introducing risk-based capital requirements and allowing syndicates to become independent insurance companies, among other things (*BI*, May 9).

Partly in anticipation of the "Value" report, at least four managing agents canceled their syndicate members' participation for 1995, creating an outcry from some quarters of the market (*BI*, April 25).

It's also difficult to get the right balance among the Council, the Market Board and the Regulatory Board in governing the market, said Mr. Rowland. Sometimes the Council feels it doesn't receive enough data from the Market Board before decisions are made; at other times, Council members are overwhelmed with information, he said.

Lloyd's attempt to settle all members' litigation in a 900 million pound ($1.35 billion) deal also failed earlier this year (*BI*, Feb. 21). "I'm sad that we were unable to resolve litigation with a jumbo offer," said Mr. Rowland. "But when we started we had no knowledge at all of the merit of various cases of the (members) action groups. . .or that the relationship between E&O underwriters and members was not good. . . .If we knew then what we know now, maybe we wouldn't have started on a single jumbo offer."

Regardless of the outcome, Lloyd's did benefit from the settlement negotiations, according to Mr. Rowland. Relations between members and errors and omissions underwriters have improved, he said.

Litigation continues, "but I don't care who wins," he said. If members win their cases against members agents, E&O underwriters will pay the judgments. And those E&O underwriters are supported by other Lloyd's members, who will be damaged by the awards.

"I care only that fair judgments are made because my duty is to all names. And I do believe that as we progress with the litigation and we see some of the judgments coming forward, I would be amazed if there weren't some opportunities for us to use our good offices to aid in bringing about some conclusion to the litigation.

"I just don't believe that five years stretch ahead of us where huge sums of money go into the pockets of lawyers and not into the pockets of names, where it actually belongs in recompense for losses made," Mr. Rowland said.

Lloyd's is being "tough" in its debt collection from members who can afford to pay but refuse, he said. "I cannot have a situation where members who honorably pay their debts. . .look at other members who are not discharging their duties though they are able to do so."

One Lloyd's member at the ALM conference asked Mr. Rowland whether it was a "mistake in the long term" to introduce corporate capital into the market this year. It is anticipated that up to 60% of Lloyd's capacity will be made up of corporate capital by 1998.

From a show of hands, the vast majority of members in the audience plan to continue underwriting as individual members through 1996, rather than join corporate capital vehicles or members agency pooling arrangements, known as MAPAs.

"I don't think we would be here today in the form that we are unless we had a vote of confidence from corporate capital," Mr. Rowland replied.

"If you're drowning and the lifeboat is going past, it may not be painted the right color, but for goodness sake, we must climb into it and paint it a different color afterwards." BI

Liquidate

Continued from previous page

prior to liquidation," he said.

There are penalties for doing this in British corporate law, he warned.

A number of suggestions have been made to Lloyd's Regulatory Board—some "impractical"—to tackle this problem, said Sir Alan.

One, for example, is for Lloyd's to require agencies to make payments before they go into liquidation, which would be "impractical" and probably illegal, he said.

"Our approach has to be that we must satisfy ourselves that where any business gives rise to future stream of income by transferring business from one members agency to another, a proper value must be paid" for that business, Sir Alan said.

But, Sir Alan added, Lloyd's Regulatory Board cannot insist on new capital being put into an insolvent business to pay for its past losses, including members' claims of negligence.

In the meantime, 1,676 members have applied to Lloyd's Hardship Committee to reschedule their debt rather than go into bankruptcy, the committee's chairwoman, Mary Archer, said at the ALM meeting. Among them are 60 U.S. members.

Only 400 members have accepted Lloyd's rescheduled terms out of 885 proposals that have been sent to financially strapped members, she said.

—*By Stacy Shapiro*

Japan

Continued from previous page

700,000 in the United States and 61,400 in the United Kingdom," he said. Out-of-court settlements are "the norm" in Japan, he added.

Japanese people are not, by nature, confrontational, and Mr. Ingle said he did not expect there to be a flood of product liability claims as a result of the new law. Many people may not be able to afford to bring expensive legal action, he added.

In addition, it may be hard to convince some Japanese corporations that they need to buy product liability insurance, even with passage of the new law. "It's still a learning curve for corporations," Mr. Ingle said.

Some Japanese corporations, though, already buy the coverage and the law may encourage others to do so, he said.

The law will generate a lot of interest in the coverage, though Japanese corporations are generally naive about their product liability exposures, said Ross E. Matthews, regional vp for American International Group Inc. in Tokyo. They believe the only serious product liability exposure is overseas, he said.

Mr. Matthews also does not expect a big influx of claims, even though consumers will be more aware of their rights now.

He said the law is "softer" than proposals originally put forward by Japanese consumer groups.

For instance, he said, unlike earlier proposals, a manufacturer can avoid liability under the law if:

• "It was impossible to detect the presence of a defect in the product by means of the scientific or technical knowledge available" when the product was shipped.

• The product was used as a part for another product and the "defect was due solely to compliance with the design instructions issued by the manufacturer" of the other product.

Japan had been one of the few industrialized nations without product liability legislation, though the concept had been discussed since the 1960s when some food poisoning victims sued the manufacturers involved, according to Sedgwick's Mr. Ingle. The country's previous law required the victim to prove that the manufacturer was negligent to recover any compensation.

The new law states that if defects in products cause injury or damage, the manufacturer, processor or importer of the product can be held strictly liable, Mr. Ingle said.

He said under the new law:

• Consumers do not have to prove a manufacturer was negligent; merely that a product was defective and caused injury.

• Victims of defective products can seek compensation from manufacturers within three years of injury or damage, or up to 10 years after the product was supplied.

• An impartial organization will be created by the government to help settle disputes before they reach the courtroom.

Mr. Ingle said this mechanism will be important in a culture that is reluctant to seek litigation, preferring instead out-of-court settlements.

The law has received mixed reactions.

Japanese business groups think it may hurt small and medium-sized companies more than large industrial organizations, Mr. Ingle said. Defects are often due to the failure of a component part, and most parts manufacturers are small or medium-sized companies.

Japan is not a litigious society, says Mike Ingle, of Sedgwick Far East Ltd. 'There are at present about 14,600 (lawyers), compared with 700,000 in the United States and 61,400 in the United Kingdom.' Out-of-court settlements are 'the norm,' he says.

Regardless, Japanese insurers are expected to market the coverage more actively.

"Unlike some countries, it is not a coverage that's automatically sought when exporting," Mr. Ingle said.

He said he would advise Sedgwick clients—particularly manufacturers, suppliers or importers—to have adequate product liability coverage to cover their exposure.

"All our foreign clients buy it, without exception," he said. However Japanese executives are harder to convince, even those in high-risk industries, like chemical production.

Mr. Matthews noted that AIG offers product liability endorsements on its comprehensive general liability policies in Japan. But, the endorsement is modeled on U.S. policies and may need to be amended since the Japanese law follows a different model, he said.

CIGNA Insurance Co. of Japan clients will be advised to buy product liability cover, said Theresa T. Carney, the insurer's regional vp of business development in Tokyo.

But Ms. Carney, who chairs the insurance subcommittee of the American Chamber of Commerce in Japan, said most Japanese corporations have in-house insurance agents and place their business with Japanese insurers connected to the corporations.

Although some observers question whether Japanese companies will buy the coverage, a recent court case indicates that the law could make a difference.

In late March, the Matsushita Electrical Industrial Co. was ordered by a Japanese District Court in Osaka to pay 4.4 million yen ($45,183) in damages to a construction company for a 1988 fire caused by a defective Matsushita television set.

Although the case took seven years to resolve, that the case went to court "reflected a trend toward and anticipation of the new product liability law," according to Mr. Ingle. It is one of the few cases to go to a court in Japan, and it received widespread publicity.

After the case was publicized, though, Matsushita reversed its decision to appeal the court's finding.

According to the American Chamber of Commerce, Matsushita "decided against appealing the case because it believed it should heed the public's increasing interest in consumer protection and because the TV in question went up in smoke," making it difficult to investigate the claim.

Meanwhile, Japan's Health & Welfare Ministry had requested that blood products be exempt from the new product liability law. That request was rejected by the government's Social Policy Council, which recommended in December that a product liability law be passed. The new law does not exempt blood products. BI

INTERNATIONAL

KWELM to pay $563 million to creditors this fall

By STACY SHAPIRO

LONDON—Thousands of policyholders that bought liability insurance through the H.S. Weavers (Underwriting) Agencies Ltd. line slip will receive a first partial payment on their claims on Sept. 30.

The administrators of schemes of arrangement for the so-called KWELM companies expect to pay more than $563 million to their mostly U.S. creditors on that date, when the first dividend is paid.

Four years after Walbrook Insurance Co. Ltd. ceased underwriting and its four sister insurers stopped paying claims, KWELM's scheme administrators this month announced the first dividend payments to their estimated 100,000 creditors.

The companies, which primarily wrote liability insurance for U.S.-based policyholders through the Weavers line slip, are: Kingscroft Insurance Co. Ltd., Walbrook, El Paso Insurance Co. Ltd., Lime Street Insurance Co. Ltd. and Mutual Reinsurance Co. Ltd. All five insurers were subsidiaries of defunct London United Investments P.L.C.

Kingscroft claimants will be paid 8% of their established claims; Walbrook claimants, 4%; El Paso claimants, 8%; Lime Street claimants, 9%; and Mutual Reinsurance claimants, 5%.

Although payments will begin on Sept. 30, there is no deadline for creditors to submit established claims to be eligible for the initial payment, stressed Chris Hughes, partner for Coopers & Lybrand and one of the KWELM liquidators.

Creditors can expect to be paid 40% of their claims over a 40-year period, which reflects the long-tail nature of the liability insurance underwritten by the companies, he noted.

The timing and size of the first payout is about what the administrators estimated last year when they launched the schemes. The administrators then estimated initial payments by the insurers of between 3% and 12% of claims by June 30 (*BI*, Sept. 13, 1993).

Estimated total liabilities for the KWELM companies—which together represent the largest insurance insolvency in the world—have grown since last autumn to $10.8 billion from $9 billion. This includes: $6.2 billion in estimated liabilities, including incurred-but-not-reported claims; plus a $4.6 billion "special margin" for long-tail claims that might emerge over the next 10 to 20 years.

These would include claims for such liabilities as injuries from breast implants, which only emerged after the KWELM companies stopped underwriting, Mr.

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Political risk insurers eye Korea

Death of North Korean leader unlikely to heighten exposure in South Korea

By MARIA KIELMAS

Political risk insurers are adopting a watchful but calm attitude toward events in North Korea following the death of that country's longtime leader, Kim Il Sung.

Government-run and private political risk insurers in London and North America offered contrasting views on how North Korea's political situation would affect their clients in South Korea.

State export credit insurance agencies said that the South Korean economy is buoyant and that foreign trade and investment in the country does not need their support. As a result, the agencies said their exposure in South Korea is small or non-existent.

Private-sector insurers, however, do have some exposure.

Private-sector political risk insurers "have been looking at their exposure in South Korea for the last two months and some have decided not to take on new exposure," said Dennis Parker, director at London broker Bain Hogg Group. "This has all been politically driven."

Mr. Parker explained that the insurers' unease began when the U.S. government threatened to impose sanctions on North Korea over a dispute over its nuclear programs. The North Korean government said any such sanctions would be interpreted as an act of war.

The possibility of sanctions against North Korea, first proposed in November 1993 by U.S. Secretary of State Warren Christopher at the Asia Pacific Economic Community meeting in Seattle, arose once more in late March as North Korea threatened to withdraw from the nuclear non-proliferation treaty.

AP/Wide World photo

North Koreans mourn the death of their leader, Kim Il Sung. Insurers are monitoring how the turmoil may increase their exposure in South Korea.

The situation was defused following mediation efforts by former U.S. President Jimmy Carter and plans were made to hold a North-South Korean summit this month.

These plans were thrown into uncertainty with the July 8 death of North Korea's Kim Il Sung of a

Continued on next page

Japan enacts product liability law

Observers are divided whether law will increase exposures

By KATE McILWAINE

TOKYO—Japan has passed a product liability law a year earlier than expected, but any public attention the law might have received has been diverted by recent upheaval in the country's leadership.

The Diet, Japan's parliament, passed the law on June 22, only three days before then-Prime Minister Tsutomu Hata stepped down from office and was replaced by Socialist leader Tomiichi Murayama. The vote to replace Mr. Hata, who had only been prime minister since April, came hours before the Diet was scheduled to adjourn for its summer break.

Although proposals for product liability laws have been debated in Japan for years, a law was not expected to be passed by the Diet any earlier than next spring, despite support for the legislation from former Prime Minister Morihiro Hosokawa (*BI*, Feb. 7).

Mike E. Ingle, chief executive of broker Sedgwick Far East Ltd. in Tokyo, said it was "a quiet announcement. . .after nearly two decades of government study" that a bill was passed unanimously to establish a law to protect consumers who purchase defective products.

The law is expected to become effective on July 1, 1995.

Insurers already sell product liability coverage in Japan but will have to review their current policies to ensure that they meet any new liability exposures created by the law, said Yoshiki Amamoto, manager of the international department for Marine & Fire Insurance Assn. of Japan in Tokyo.

"I expect a lot of companies would now ask for the policies, but insurance companies need to review the covers first," Mr. Amamoto said. He predicted that more product liability policies will be sold as corporations become more aware of their exposures under the law.

But not all observers agree that demand will increase.

Mr. Ingle noted that Japan is not a litigious society, citing the small number of lawyers in the country. "There are at present about 14,600, compared with

Continued on next page

Lloyd's outlook brighter: Rowland

But he still sees obstacles to overcome

by STACY SHAPIRO

LONDON—Lloyd's of London's effort to return to profitability is like trying to cross a "great gaping chasm on a very, very wobbly plank," says Chairman David Rowland.

"On the other side of the chasm is a green field full of profits and prosperity and probity," he said. "And on the other side is a great darkness from where we've actually come from. And the chasm is not filled with lions and tigers but with rambling lawyers, so if you fall in, you would be in a terrible mess."

This image—presented to about 450 delegates at the Assn. of Lloyd's Members' fourth annual national conference on July 7—was first dreamed up by Mr. Rowland when he became chairman of Lloyd's nearly two years ago, he said.

Currently, Lloyd's is about halfway across this wobbly plank, "which gives me great confidence that we will get to the other side," he said.

The plank wobbles because of the "enormous complexity" that the market must deal with to reach the other side, said Mr. Rowland. Lloyd's has suffered billions of pounds in losses in the past four years and is in the process of reinventing itself.

Changes must be made quickly, he said, but progress is slowed by the Lloyd's Act 1982. Under that act, Lloyd's is governed by the Council of Lloyd's, to which the Regulatory Board and Market Board report. The three-tiered structure makes it difficult to reform the market quickly.

These changes also must be made without damaging the characteristics that the 306-year-old institution still possesses, he added. This includes Lloyd's quality, security and competitiveness.

At the same time, however, Lloyd's needs to rid itself of "arrogance, greed and narrowness of outlook," the chairman added.

There also are other facets of the market that must go, he said. For example, the old Lloyd's seemed to benefit from "mystery" by not revealing any market information. But those days are gone forever as the market becomes more open and discloses more information to its investors, Mr. Rowland said.

Lloyd's executives over the past 18 months have been running "a marathon, not a sprint," to save

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Defunct agencies a concern

LONDON—Lloyd's of London officials are concerned by the liquidation of members agencies, which could leave members uncompensated if the agents are found negligent in court.

The number of Lloyd's members agencies dropped to 36 this year—of which at least seven are in liquidation—from a high of 106 in 1982, according to Lloyd's.

Meanwhile, more than 22,000 members are suing members agencies—including those in liquidation—to recover their losses from members agents' errors and omissions insurance coverage.

At least one of the 69 members agents being sued by more than 3,000 members over losses at Gooda Walker Ltd. syndicates has gone into liquidation. The members are suing to recover more than 629 million pounds ($975 million) in losses from syndicates managed by Gooda Walker (*BI*, May 2).

The consequences of members agents' liquidation are "quite obvious," said Sir Alan Hardcastle, chairman of Lloyd's Regulatory Board.

"It is of particular concern when members agents faced with substantial negligence claims go into liquidation, transfer their ongoing business to another agent, leaving insufficient assets to meet those negligence claims as well as those from normal business creditors," he said.

In this situation, the Lloyd's regulator has very "limited rules" on what it can do to help distressed members, said Sir Alan at the fourth annual Assn. of Lloyd's Members national conference.

Company insolvencies are governed by British law, not by the Lloyd's Act of 1982. So if a members agency's directors believe the agency is insolvent, they are required to wind up the company, Sir Alan said.

"When that happens, part of the responsibility of the liquidator would be to consider whether any of the assets—including goodwill—have been transferred to another company at a low value

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Discharge

Continued from previous page

laws prohibiting a company from firing an employee who has pressed a workers compensation claim.

Wrongful discharge claims based on fixed-term contracts or proscriptive and retaliatory statutes typically involve demands for reinstatement and back pay. When they include claims under civil rights laws, they may also include demands for punitive damages.

Employment at will can also be limited by the courts in cases where discharged workers protest their dismissal on the basis of tort law or on a contractual basis, even if that contract isn't written or for a fixed term, Mr. Gaffin said.

"Where we get into trouble with wrongful discharges is in the implied contract area," said Mr. Gaffin. With that in mind, employers should review their application process and employee handbooks regularly to make sure they don't suggest a contract, he said.

In an application, for example, the company shouldn't say an employee is "permanent" after a "probationary" period. Meanwhile, disclaimers in the handbook suggesting that it is not to be construed as a contract may offer the employer some advantages in court.

"In many states, if you have a disclaimer, then the disclaimer may be the first bar that the employee has to get over," Mr. Gaffin said. "If you don't, then the court may say the handbook is a contract."

Development of the current laws pertaining to employee/employer relations started in 1930s, arising from the question, "What do we want to be as a society?" Mr. Gaffin said. The growth of labor unions pushed it further, with workers having to vote to get rights associated with collective bargaining.

Then, in the 1960s, social legislation against discrimination helped shape employer/employee relations. The final step was the passage of laws such as the Family and Medical Leave Act that established rights of the individual worker in the workplace.

A variety of factors could help shape the employer/employee relationship in the future, Mr. Gaffin said, including a possible resurgence of unions.

It's possible that unions could help reduce wrongful discharge claims, because terminations go through union grievance procedures, he said. He cautioned his audience of human resources professionals, though, "If you go back and tell your boss, 'We can reduce our exposure to wrongful discharges if we get a union in here,' you'll probably get fired."

The increased use of peer review techniques for addressing employee terminations could also help reduce wrongful discharge exposures, as could the use of alternative dispute resolution, such as mediation and arbitration.

Significant legislative proposals could shape future employer/employee relations. Among them is the Model Employment Termination Act, developed in 1991 by the National Conference of Commissioners on Uniform State Laws, a Chicago-based non-profit organization comprising about 300 commissioners appointed by state governors.

The model act specifies that termination requires good cause and that it should go through arbitration or a state court system. Remedies are limited, with the act providing for compensatory damages but not for pain and suffering.

The model act would, however, allow an employee claiming wrongful discharge to recover legal fees to help encourage attorneys to take wrongful discharge cases under the act.

So far, Montana has been the only state to implement legislation similar to the Model Employee Termination Act. The model act has been introduced in Maine, New Hampshire, Nevada and Oklahoma legislatures, but none of those states has enacted it, Mr. Gaffin said. "One of the reasons is that there has been no real strong advocate yet." BI

Markets

AIG forms subsidiary

NEW YORK—American International Group Inc. has formed a new U.K. subsidiary to provide risk financing for large corporate and institutional clients worldwide through a combination of corporate finance, reinsurance and financial derivative instruments.

AIG Combined Risks Ltd. is focusing on financial and insurance risks that can be hedged with financial derivatives and traditional insurance, as well as self-insurance programs. It also will provide corporate financing advice on various other transactions, including start-up insurers.

The new company is worldwide in scope, operating from a base in London. Its president, Diego Wauters, joined AIG from J.P. Morgan, where he was managing director of the bank's London office and was responsible for financial institutions in Europe and for financial reinsurance activities.

Mr. Wauters reports to Petros Sabatacakis, AIG's senior vp-financial services in New York.

Value Health, CCN deal

AVON, Conn.—Value Health Inc. has completed its acquisition of Community Care Network of San Diego, a major provider of managed health care services to workers compensation and group health markets.

The transaction is expected to add about $30 million to Avon, Conn.-based Value Health's revenues during the remainder of calendar-year 1994. In the coming months, the workers comp activities of Preferred Works, which Value Health purchased when it acquired Preferred Health Care Ltd. last year, will be integrated into CCN.

CCN and Preferred Works together will have major office locations in: San Diego, Santa Clara, Pasadena and Long Beach, Calif.; Phoenix; Minneapolis; Milwaukee; Chicago; Reston, Va.; Wilton, Conn.; Jackson, Miss.; Hawthorne, N.Y.; and Orlando, Fla.

GENEX acquired

ATLANTA—First Financial Management Corp. of Atlanta will acquire GENEX Services Inc., a cost containment and disability management firm based in Wayne, Pa.

Founded in 1978, GENEX has more than 160 service centers across the United States, Canada and Puerto Rico; manages more than 39,000 new cases; and reviews more than two million medical bills for more than 850 clients annually. The company's 1993 revenues exceeded $90 million.

In exchange for about 1.3 million First Financial shares, FFMC will acquire all the outstanding shares and stock options of GENEX, subject to approval under federal antitrust law.

As part of the deal, FFMC will also acquire GENEX Services of Canada Ltd.

FFMC, a national leader in information services, also provides a full range of integrated health care management services through its subsidiaries FIRST HEALTH Services, FIRST HEALTH strategies and MicroBilt.

Those services include Medicaid and pharmaceutical claims processing, third-party administration, psychiatric and chemical dependency services, managed care, utilization review, provider networks, data analysis and information processing systems.

Meanwhile, GENEX recently bought Unified Care Inc. of Exton, Pa.

Unified Care is a managed care firm specializing in the provision of pre-certification and utilization review services to the casualty, life and health insurance markets. BI

Health care

Continued from previous page

tees. House Majority Leader Richard Gephardt, D-Mo., is doing the same with proposals passed by the Ways and Means and Education and Labor Committees.

Once the committee proposals are melded into single House and Senate bills, the proposals will be debated and voted on by the full House and Senate.

Legislative developments last week included some members of Congress discussing reducing the premium contribution that employers would make under a mandate to 50% from the 80% level contained in three of the four bills passed by committees.

Congressional leaders hope debate begins by the end of the month, with a House floor vote in early August and a Senate floor vote taking place just before the mid-August congressional recess.

Meanwhile, the details that have emerged on the different congressional committee-approved health care reform bills deeply disturb employers.

Under the Ways and Means Committee bill, employers—except certain small firms purchasing coverage through a new federal program dubbed Medicare Part C—would have to provide a traditional indemnity plan with unlimited choice of providers and a managed care plan.

While the Senate Finance Committee proposal would not mandate that employers provide and pay for health care plans, it would require employers that voluntarily offer plans to offer at least three health care plans, including an indemnity and point-of-service plan.

Benefit lobbyists say the last thing Congress should do is to mandate that employers offer indemnity plans. "It truly is a step backwards. Employers, as a cost containment strategy, have been dropping indemnity plans," said Richard Smith, the APPWP's director of health care policy.

Similarly, benefit managers say a related provision—contained in the Ways and Means bill—that would require employers to pay at least 80% of the premium for both a traditional indemnity plan and a managed care plan, is a poor health care cost control strategy.

"Why should your premium contribution be tied to the health care plan—traditional indemnity plans—whose costs have been most out of control?" asks Helen Darling, manager of health care strategy and programs at Xerox Corp. in Stamford, Conn. Xerox bases its health care premium contributions on the lowest-cost health plan available, which typically are HMOs, in specific geographic areas (*BI*, June 27).

By equalizing the percentage of the premium paid for indemnity and managed care plans, benefit experts worry that employees will have less of an economic incentive to select managed care programs, whose enrollment levels have been surging.

Benefit managers also are strongly opposed to the Finance Committee provision that employers with health care plans offer at least three types of health care plans, including an indemnity and point-of-service plan.

They question why an employer should be required to offer multiple plans if its current health care plan meets certain basic standards and controls costs.

"All you are doing is imposing additional administrative costs on employers," says Kathy Ann Dupree, director of employee benefits at MetroVision Inc. in Atlanta. MetroVision offers a single indemnity plan, whose costs have been flat over the last year because of a variety of cost management techniques. And mandating that employers offer multiple plans may not be practical in certain areas of the country where managed care plans are not yet offered, Ms. Dupree said.

Except for the Finance Committee-approved bill, the committee-passed measures all contain provisions that would force health plans, like managed care networks, to contract with so-called essential community providers, like public hospitals serving the poor, that may have a poor record in managing costs or providing quality care.

"Some hospitals have not done a very good job at delivering care. Why should we keep these dinosaurs in business?" said the National Business Coalition on Health's Mr. Sullivan.

The Ways and Means Committee bill also contains a provision—inserted at the behest of physician groups—which would require many HMOs and other types of managed care programs to accept all physicians that agree to the plan's terms and conditions.

If HMOs had to take on all providers, the plans would lose their ability to negotiate with health care providers, said Xerox's Ms. Darling.

Benefit experts say other provisions in the reform bills may prove impossible to administer. As an example, they point to a Finance Committee provision that would impose a 25% tax on high-cost health care plans.

To date, there is no detailed legislative language on the provision. But a summary prepared by Republican staff members of the Finance Committee says the tax would be imposed on plans with premiums in the top 40% of premium costs in a plan's geographical area.

The provision, proposed by Sen. Bill Bradley, D-N.J., would pose a slew of problems. To take one example, benefit experts ask how the tax provision would be implemented for national employers offering a single health care plan throughout the country.

In some areas of the country, where health care costs are high, the cost of the multistate employer's health plan might be well below those of other plans, while in other areas the cost might be well above the average.

"How do you break down costs for multistate employers?" asks Edward Hancock, a technical consultant with Towers Perrin in Valhalla, N.Y.

"This could be very difficult to implement and administer," said Chip Kerby, a principal at William M. Mercer Inc. in Washington.

The so-called non-discrimination rules in the Finance Committee bill also would pose problems for employers with different operating divisions.

The legislation says employers would either have to pay the same percentage of premium or the actual amount of the premium for all full-time non-union employees—those working at least 24 hours a week—covered by a health plan.

That requirement would pose big problems for employers that—because of varying competitive reasons—pay different premium percentages for different lines of business.

If employers had to pay the same percentage of premium for all employees, workers could be the losers. "I think there would be cases where employers would cut back to the lowest amount of the premium they now pay," said Tom Butterworth, a consultant with Hewitt Associates in Rowayton, Conn. BI

Avoiding charges of bias

Comp claim can become ADA suit without attention: Expert

By RODD ZOLKOS

ST. LOUIS—Better communication and effective return-to-work programs can help prevent a workers compensation claim from turning into a discrimination lawsuit, a human resources consultant says.

An awareness of how workers comp claims can give rise to liability under the Americans with Disabilities Act is a first step toward reducing litigation and workers comp costs, according to Richard K. Pimentel, senior partner with human resource consultant Milt Wright & Associates Inc. in Chatsworth, Calif.

Mr. Pimentel made his remarks during the Society for Human Resource Management's recent annual conference in St. Louis.

Employees who are permanently injured as a result of a job-related injury can fall under the ADA's provisions, he explained.

The act requires that the company must see if a "reasonable accommodation can be made" for the injured worker, making adjustments that would allow the worker to do the essential functions of his job.

But in cases where the employer refuses to make reasonable accommodations, workers who lose their jobs because of job-related disabilities can file a claim with the Equality Employment Opportunity Commission and sue the employer for discrimination under the ADA, Mr. Pimentel explained.

However, employers can avoid that entire litigation scenario by dealing with injured workers more effectively from the start, he said.

"There's been this theory that the less you tell your workers about workers comp the better," Mr. Pimentel said. "Wrong. Informed choices are good choices."

Employers should view workers comp in the same context as other employee benefits, Mr. Pimentel said.

Typically, a worker is scared in the first two weeks after an injury, Mr. Pimentel said. Too often during that period doors at the company slam shut, and a rift forms between the worker and the employer, with the injured worker becoming a "claimant" rather than an employee.

"Comp, too, is a benefit," he said. He compared workers comp to dental insurance, noting that a worker who returns to the office after getting his teeth cleaned isn't suddenly referred to as "a claimant."

Mr. Pimentel suggested that the biggest failing in the current workers compensation system is a lack of communication. Communication gets a worker back to work sooner, he said, and can help keep the worker from hiring an attorney.

One of the most important things an employer can do, then, is to initiate a dialogue with the injured worker, Mr. Pimentel said.

Poor communication often also manifests itself in poor workers comp claims management, another factor Mr. Pimentel believes sends injured workers to attorneys.

Mr. Pimentel said he believes 50% of workers compensation litigation is valid. "You know what the other 50% is?" he asked. "Phone calls that aren't returned, questions that are answered in an unknown language, forms that are sent to them in an unknown language."

He described a scenario in which an injured worker sits at home, distanced from his or her employer, unable to get adequate answers to questions about workers comp coverage. Over time, the injured worker becomes increasingly angry. Then they see the advertisement for a workers comp attorney.

"Every injured worker in the country watches Wheel of Fortune," Mr. Pimentel said, adding his opinion that the program is popular with that particular segment of the television audience because "it's the only game show you can play on pain killers."

"And you know who advertises on Wheel of Fortune?" Mr. Pimentel asked. "Workers comp claims attorneys."

Once an injured worker has come in contact with an attorney, the lawyer may well suggest that the worker has grounds for an ADA claim as well.

Mr. Pimentel said that when a workers comp claimant sues, claims costs immediately go up 30%. In total, about 10% of a typical company's total workers compensation bill goes to lawyers, he estimated.

And the financial consequences of an ADA claim can include punitive damages exceeding $300,000 plus back pay, reinstatement and benefits. Even a successful court defense can cost more than $75,000.

"We've got to have some quality control going on in workers compensation claims managing," Mr. Pimentel said, recommending that companies employ someone as an employee ombudsman on workers comp matters.

Ultimately, instead of asking "When can a worker come back?" employers should get in the habit of asking,"Why is the worker at home?" Mr. Pimentel said.

He suggested that as another aspect of their return-to-work policies, companies should make more use of "light-duty" opportunities to ease injured workers back into their jobs, bringing back workers who would otherwise be at home.

"Light duty is not a warehouse," Mr. Pimentel said. "You are not warehousing these workers. It is a part of physical and work therapy."

But, he noted there are several problems with creating specific light-duty spots, among them that it limits the number of light-duty positions, that the company doesn't know how long an injured employee will remain on light-duty and that if specific positions are established, ultimately they could be subject to union bargaining.

Instead of identifying specific positions as light-duty, a company should be flexible, working with an individual worker's situation to create light-duty opportunities, Mr. Pimentel said.

He also acknowledged that co-workers may resent a worker on light-duty, but suggested employers deal with that problem by explaining to their employees why they're making light-duty available to injured workers.

In any employment-related decision involving injured workers, it's critical for the employer to make decisions on a case-by-case basis using factual and objective criteria, Mr. Pimentel said, because assumptions and attitudes toward injured workers can create ADA liabilities.

"In the end, if we keep from discriminating against (injured workers) in the first place, a lot of the ADA problems will go away," Mr. Pimentel said. BI

'Be fair' one rule to live by

Wrongful discharge claims not inevitable, consultant says

By RODD ZOLKOS

ST. LOUIS—The laws governing companies' discharge of employees vary from state to state, but companies anywhere can take some basic steps to reduce their exposure to wrongful discharge litigation.

Among the key preventive practices are what John R. Gaffin, president of Miami-based HR Associates, refers to as "ABCDEF": Always Be Consistent, Document Everything and be Fair.

That guideline would include accurately appraising employee performance, making sure that company rules are known and published, and following progressive disciplinary steps consistently, Mr. Gaffin said.

"Put yourself in the eyes of a juror," he said during a presentation at the recent Society for Human Resource Management's annual conference in St. Louis. "Get yourself out of being an advocate for the management position."

Mr. Gaffin noted that the employment-at-will rule, also known as the "American Rule," is the basic principle underlying employer/employee relationships in the United States.

Employment at will and termination at will are two sides of the same coin, he said, noting that employment at will suggests that employers may dismiss employees at will for good cause, no cause or even for a cause that's morally wrong.

Limitations to employment at will can include fixed-term contracts. Those contracts are used mostly in executive agreements and involve a one-on-one relationship between employer and employee, not a labor group agreement.

Proscriptive and retaliatory statutory limitations also apply. The proscriptive limitations generally prohibit discharge based on employee characteristics, such as laws barring discrimination on the basis of age, race or disability.

Retaliatory statutes bar discharge in response to something an employee has done, such as whistle-blower protections or

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Jeddah
Alexander & Alexander Services
Arab Commercial Enterprises (Sedgwick)
Jubail
Arab Commercial Enterprises (Sedgwick)
Mecca
Arab Commercial Enterprises (Sedgwick)
Riyadh
Alexander & Alexander Services
Arab Commercial Enterprises (Sedgwick)
INTERSERVE (Johnson & Higgins/UNISON)
Yanbu al Sinaiyah
Arab Commercial Enterprises (Sedgwick)

St. Kitts & Nevis

Alexander & Alexander Services

St. Lucia

Bain Hogg Group
Castries
Alexander & Alexander Services

St. Vincent & the Grenadines

Alexander & Alexander Services

Scotland

Aberdeen
Alexander & Alexander Services
Godwins (Rollins Hudig Hall Group)
Heath (C.E. Heath)
Marsh & McLennan
Sedgwick
Willis Corroon
Brechin
Heath (C.E. Heath)
Dundee
Alexander & Alexander Services
Godwins (Rollins Hudig Hall Group)
Heath (C.E. Heath)
Marsh & McLennan
Rollins Hudig Hall Group
Willis Corroon
Edinburgh
Alexander & Alexander Services
Bain Hogg Group
Godwins (Rollins Hudig Hall Group)
Heath (C.E. Heath)
Jardine Insurance Brokers (JIB Group)
Marsh & McLennan
Sedgwick
Willis Corroon
Glasgow
Alexander & Alexander Services
Bain Hogg Group
Godwins (Rollins Hudig Hall Group)
Heath (C.E. Heath)
Johnson & Higgins/UNISON
Lowndes Lambert Group
Marsh & McLennan
Rollins Hudig Hall Group
Sedgwick
Willis Corroon
Gloucester
Jardine Insurance Brokers (JIB Group)
Inverness
Heath (C.E. Heath)
Oban
Architects & Professional Indemnity Agencies (Lowndes Lambert Group)
Peterhead
Heath (C.E. Heath)

Senegal

Dakar
Gras Savoye/UNISON

Singapore

Alexander & Alexander Services
Bain Hogg Group
Arthur J. Gallagher
Gras Savoye/UNISON
Heath Hudig Langeveldt (C.E. Heath)
Jardine Insurance Brokers (JIB Group)
Johnson & Higgins/UNISON
LBN Asia (Le Blanc de Nicolay)
Marsh & McLennan
Nicholson Leslie Group (Rollins Hudig Hall Group)
Rollins Hudig Hall Group
Sedgwick
Willis Faber (Willis Corroon)
Southpoint
Minet Group

South Korea

Seoul
Alexander & Alexander Services
Bain Hogg Group
HHL (Korea) (C.E. Heath)
Jardine Insurance Brokers International (JIB Group)
Johnson & Higgins/UNISON
Marsh & McLennan
Rollins Hudig Hall Group
Sedgwick

Spain

Barcelona
Alexander & Alexander Services
Le Blanc de Nicolay
Gras Savoye/UNISON
IBERCECAR (CECAR)
Interbroker Correduria de Reaseguros (Lowndes Lambert Group)
Marsh & McLennan
Rollins Hudig Hall Group
S&C Correduria de Seguros (Willis Corroon)
Sedgwick
Bilbao
AB-IBERCECAR (CECAR)
Alexander & Alexander Services
Bain Hogg Group
Rollins Hudig Hall Group
S&C Correduria de Seguros (Willis Corroon)
Sedgwick
Madrid
Alexander & Alexander Services
Bain Hogg Group
Le Blanc de Nicolay
CECAResp. (CECAR)
Gras Savoye/UNISON
Heath Y Associados (C.E. Heath)
IBERCECAR (CECAR)
Interbroker Correduria de Reaseguros (Lowndes Lambert Group)
Marsh & McLennan
Rollins Hudig Hall Group
S&C Correduria de Seguros (Willis Corroon)
Sedgwick
San Sebastian
AB-IBERCECAR (CECAR)
Bain Hogg Group
Gras Savoye/UNISON
Santander
S&C Correduria de Seguros (Willis Corroon)
Seville
S&C Correduria de Seguros (Willis Corroon)
Valencia
S&C Correduria de Seguros (Willis Corroon)
Valladolid
Gras Savoye/UNISON
Vigo
Alexander & Alexander Services
Vitoria
AB-IBERCECAR (CECAR)
Bain Hogg Group

Sri Lanka

Colombo
Insurance Services International (Willis Corroon)

Suriname

Paramaribo
Alexander & Alexander Services

Swaziland

Manzini
Bowring & Minet (Minet Group)
Mbabane
Alexander & Alexander Services
Bain Hogg Group
Bowring & Minet (Minet Group)

Sweden

Gothenburg
Bain Hogg Group
Marsh & McLennan
Willis Faber (Willis Corroon)
Helsingborg
Minet Group
Malmo
Rollins Hudig Hall Group
Stockholm
Alexander & Alexander Services
Bain Hogg Group
Le Blanc de Nicolay
Marsh & McLennan
Minet Group
Rollins Hudig Hall Group
Sedgwick
Willis Faber (Willis Corroon)
Vaxjo
Bain Hogg Group

Switzerland

Feldmeilen
Jauch & Huebener KGaA/UNISON
Geneva
Alexander & Alexander Services
Marsh & McLennan
St. Gallen
MVM Versicherungsmakler (Sedgwick)
Zurich
Alexander & Alexander Services
Bain Hogg Group
Le Blanc de Nicolay
Marsh & McLennan
Minet Group
Sedgwick
C. Wuppensahl & Co. (Willis Corroon)

Taiwan

Taipei
Alexander & Alexander Services
Bain Hogg Group
Essar International Insurance Brokers (Minet Group)
Heath Hudig Langeveldt (C.E. Heath)
Jardine Insurance Brokers (JIB Group)
Johnson & Higgins/UNISON
Sedgwick

Thailand

Bangkok
Alexander & Alexander Services
Bain Hogg Group
Essar International Insurance Brokers (Minet Group)
Heath Hudig Langeveldt (C.E. Heath)
Jardine Services (JIB Group)
Johnson & Higgins/UNISON
Multi-Risk Consultants (Willis Corroon)
Sedgwick
Chon Buri
Jardine Services (JIB Group)

Togo

Lome
Sicar Gras Savoye (Gras Savoye/UNISON)

Trinidad & Tobago

San Fernando
Bain Hogg Group
Port of Spain
Alexander & Alexander Services
Bain Hogg Group

Turkey

Ankara
Alexander & Alexander Services
Istanbul
Alexander & Alexander Services
Nicholson Leslie Group (Rollins Hudig Hall Group)
Rollins Hudig Hall Group
San Sigorta (Gras Savoye/UNISON)
Sedgwick

Turks & Caicos Islands

Providenciales
Alexander & Alexander Services

Uganda

Kampala
Bain Hogg Group

Ukraine

Kiev
Bain Hogg Group

United Arab Emirates

Abu Dhabi
Arab Commercial Enterprises (Saudi Arabia) (Sedgwick)
Dubai
Al-Futtaim Willis Faber (Willis Corroon)
Alexander & Alexander Services
Arab Commercial Enterprises (Sedgwick)
C.E. Heath
Nicholson Leslie Group (Rollins Hudig Hall Group)
Rollins Hudig Hall Group
Sedgwick
Sharjah
Nicholson Leslie Group (Rollins Hudig Hall Group)
Rollins Hudig Hall Group

Uruguay

Alexander & Alexander Services
Montevideo
Johnson & Higgins/UNISON

U.S. Virgin Islands

St. Croix
Alexander & Alexander Services
Marshall & Sterling
St. Thomas
Alexander & Alexander Services
Theodore Tunick & Co. (Marshall & Sterling)

Venezuela

Barquisimeto
Johnson & Higgins/UNISON
Caracas
Alexander & Alexander Services
Bain Hogg Group
EX-TRA Excesos Y Tratados(Jauch & Huebener KGaA/UNISON)
Heath de Venezuela (C.E. Heath)
Johnson & Higgins/UNISON
Maracaibo
Johnson & Higgins/UNISON
Puerto La Cruz
Johnson & Higgins/UNISON
Valencia
Alexander & Alexander Services
Johnson & Higgins/UNISON

Vietnam

Hanoi
Bain Hogg Group
Gras Savoye/UNISON
HHL (Holdings) (C.E. Heath)
Ho Chi Minh City
Bain Hogg Group
Gras Savoye/UNISON
HHL (Holdings) (C.E. Heath)

Wales

Cardiff
Alexander & Alexander Services
Bain Hogg Group
C.E. Heath
Godwins (Rollins Hudig Hall Group)
Marsh & McLennan
Sedgwick
Willis Corroon
Haverfordwest
Willis Corroon
Pontypridd
Willis Corroon
Swansea
C.E. Heath
Willis Corroon

Zaire

Kinshasa
Alexander & Alexander Services

Zimbabwe

Bulawayo
Bain Hogg Group
Minet Group
Sedgwick
Willis Corroon
Harare
Bain Hogg Group
Minet Group
Sedgwick
Willis Corroon
Mutare
Minet Group

BI

The methodology for geographical listings is explained on page 74.

Health care

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In general, employers would lose much control over their health care plans.

For example, under the Senate Finance Committee proposal—considered the most "moderate" of the bills approved by the four congressional committees—employers with health care plans no longer could vary the percentage of health care premiums they pay for employees in different lines of business, even if competitive pressures were vastly different in their operating units.

Other provisions may simply be unworkable. Benefit experts say a proposed 25% tax on employers and insurers offering "high-cost" health care plans would lead to a maze of rules that could rival or exceed in complexity those of Section 89. That former Tax Code section, which set non-discrimination standards for health care plans, was repealed in 1989 amid employer outrage over its complexity and absurdity.

Some provisions would promote health care inequities based on employer size.

Under the Senate Labor and Human Resources Committee proposal, for example, employers with more than 1,000 workers would be slapped with a 1% payroll tax over and above the basic requirement of paying 80% of health insurance premiums for their employees. But low-wage employers with fewer than 11 employees—regardless of their profitability—would be exempt from paying health insurance premiums and instead only would be liable for a payroll tax of between 1% and 2%.

And one of employers' biggest fears—especially for the Senate Finance Committee reform proposal, for which costs have not been estimated—is that the proposals are all significantly short of the revenues that would be needed to subsidize coverage for the lower-income uninsured.

"It is phantom financing. It is not real," said Mr. Sullivan of the National Business Coalition.

Business groups say a major way that several of the proposals envision financing expanded coverage is by cutting projected increases in government spending for the public Medicare and Medicaid programs. That approach raises the specter of even more cost-shifting to employers—something health care reform was supposed to reduce—as providers try to recoup revenue losses from public programs by increasing charges for privately insured patients.

Assessing the damage to employer-provided health care plans from these and other provisions, business groups that once led the charge for health care reform now warn of the dangers if any of the current proposals are enacted.

"This is very disconcerting. We may end up with a worse system than what we now have. It is hard to see what has emerged as a positive for employers now offering health care plans," said James Klein, executive director of the Assn. of Private Pension & Welfare Plans in Washington.

Others say they would rather see Congress put off any action on health care reform legislation than pass the pending proposals.

"Employers could be worse off under halfway reform than the current system," added Roland McDevitt, a consultant with The Wyatt Co.'s Research and Information Center in Washington.

Whether Congress will pass health care reform legislation this year and, if so, what kind of bill it will be, remains to be seen.

In the Senate, Majority Leader George Mitchell, D-Maine, is beginning to stitch together a proposal from measures passed separately by the Finance and Labor and Human Resources commit

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Malaysia

Ipoh
Alexander & Alexander Services
Johor Baharu
Alexander & Alexander Services
Antah Sedgwick Chartered Insurance Brokers (Sedgwick)
Bain Hogg Group
Kota Kinabalu
Bain Hogg Group
Kuala Lumpur
Alexander & Alexander Services
Amanah Lowndes Lambert (Lowndes Lambert Group)
Antah Sedgwick Chartered Insurance Brokers (Sedgwick)
Asli-Jardine Insurance Brokers (JIB Group)
Bain Hogg Group
Johnson & Higgins/UNISON
Marsh & McLennan
PERNAS HHL Insurance Brokers (C.E. Heath)
Willis Faber (Willis Corroon)
Kuching
Antah Sedgwick Chartered Insurance Brokers (Sedgwick)
Bain Hogg Group
Penang
Alexander & Alexander Services
Antah Sedgwick Chartered Insurance Brokers (Sedgwick)
Johnson & Higgins/UNISON
Selangor
Bain Hogg Group

Malta

Valletta
Bain Hogg Group

Martinique

Fort de France
Gras Savoye/UNISON

Mexico

Cancun
Rollins Hudig Hall Group
Chihuahua
Alexander & Alexander Services
Guadalajara
Alexander & Alexander Services
Rollins Hudig Hall Group
Juarez
Rollins Hudig Hall Group
Matamoros
Alexander & Alexander Services
Mexico City
Agencia Interoceanica Assesores E Intermediarios (C.E. Heath)
Alexander & Alexander Services
Bain Hogg Group
Rollins Hudig Hall Group
Monterrey
Alexander & Alexander Services
Rollins Hudig Hall Group
Puebla
Alexander & Alexander Services
San Luis Potosi
Alexander & Alexander Services
Tehuacan
Alexander & Alexander Services
Tijuana
Alexander & Alexander Services
Rollins Hudig Hall Group

Monaco

Monte Carlo
Faugere & Jutheau (Marsh & McLennan)
Minet Group

Montserrat

Alexander & Alexander Services

Morocco

Alexander & Alexander Services
Casablanca
Bain Hogg Group
Gras Savoye/UNISON

Netherlands

Alkmaar
Verzekerings Advies Kantoor (ABN-AMRO)
Amersfoort
Verzekerings Advies Kantoor (ABN-AMRO)
Amsterdam
Alexander & Alexander Services
Minet Group
Nicholson Leslie Group (Rollins Hudig Hall Group)
Rollins Hudig Hall Group
Scheuer Insurance Brokers (Willis Corroon)
Sedgwick
Verzekerings Advies Kantoor (ABN-AMRO)
Apeldoorn
Verzekerings Advies Kantoor (ABN-AMRO)
Arnhem
Verzekerings Advies Kantoor (ABN-AMRO)
Assen
Verzekerings Advies Kantoor (ABN-AMRO)
Beek
Verzekerings Advies Kantoor (ABN-AMRO)
Breda
Verzekerings Advies Kantoor (ABN-AMRO)
Delft
Verzekerings Advies Kantoor (ABN-AMRO)
Den Bosch
Verzekerings Advies Kantoor (ABN-AMRO)
Den Haag
Verzekerings Advies Kantoor (ABN-AMRO)
Dordrecht
Verzekerings Advies Kantoor (ABN-AMRO)
Eindhoven
Verzekerings Advies Kantoor (ABN-AMRO)
Groningen
Rollins Hudig Hall Group
Verzekerings Advies Kantoor (ABN-AMRO)
Haarlem
Verzekerings Advies Kantoor (ABN-AMRO)
The Hague
Alexander & Alexander Services
Rollins Hudig Hall Group
Hengelo
Rollins Hudig Hall Group
Verzekerings Advies Kantoor (ABN-AMRO)
Hilversum
Rollins Hudig Hall Group
Verzekerings Advies Kantoor (ABN-AMRO)
Leeuwarden
Verzekerings Advies Kantoor (ABN-AMRO)
Leiden
Verzekerings Advies Kantoor (ABN-AMRO)
Maastricht
Rollins Hudig Hall Group
Middelburg
Verzekerings Advies Kantoor (ABN-AMRO)
Nijmegen
Rollins Hudig Hall Group
Verzekerings Advies Kantoor (ABN-AMRO)
Noordwijk
Rollins Hudig Hall Group
Rotterdam
Alexander & Alexander Services
Marsh & McLennan
Pointer & Karreman (Sedgwick)
Rollins Hudig Hall Group
O.W.J. Schlencker Assuradeuren (Sedgwick)
Sedgwick
Verzekerings Advies Kantoor (ABN-AMRO)
Terneuzen
Verzekerings Advies Kantoor (ABN-AMRO)
Tilburg
Rollins Hudig Hall Group
Verzekerings Advies Kantoor (ABN-AMRO)
Utrecht
Verzekerings Advies Kantoor (ABN-AMRO)
Velsen-Noord
Scheuer Insurance Brokers (Willis Corroon)
Venlo
Rollins Hudig Hall Group
Verzekerings Advies Kantoor (ABN-AMRO)
Zaandam
Verzekerings Advies Kantoor (ABN-AMRO)
Zwolle
Verzekerings Advies Kantoor (ABN-AMRO)

New Zealand

Auckland
Alexander & Alexander Services
Bain Hogg Group
Heath Fielding (C.E. Heath)
Jardine Insurance Brokers (JIB Group)
Marsh & McLennan
Minet Group
Sedgwick
Willis Corroon
Christchurch
Alexander & Alexander Services
Jardine Insurance Brokers (JIB Group)
Marsh & McLennan
Sedgwick
Willis Corroon
Dunedin
Alexander & Alexander Services
Jardine Insurance Brokers (JIB Group)
Marsh & McLennan
Sedgwick
Hamilton
Alexander & Alexander Services
Jardine Insurance Brokers (JIB Group)
Marsh & McLennan
Napier
Marsh & McLennan
New Plymouth
Alexander & Alexander Services
Sedgwick
Tauranga
Marsh & McLennan
Wellington
Alexander & Alexander Services
Jardine Insurance Brokers (JIB Group)
Marsh & McLennan
Minet Group
Sedgwick
Willis Corroon

Nicaragua

Managua
Alexander & Alexander Services

Nigeria

Abuja
Bain Hogg Group
Dugbe Ibadan
Alexander & Alexander Services
Ibadan
Bain Hogg Group
FIM Consultants (Sedgwick)
Scib Nigeria & Co. (Sedgwick)
Kaduna
Alexander & Alexander Services
Bain Hogg Group
FIM Consultants (Sedgwick)
Scib Nigeria & Co. (Sedgwick)
Kano
Bain Hogg Group
Lagos
Alexander & Alexander Services
Bain Hogg Group
FIM Consultants (Sedgwick)
Glanvill Enthoven & Co. (JIB Group)
Minet Group
Scib Nigeria & Co. (Sedgwick)
Port Harcourt
Bain Hogg Group
Warri
Bain Hogg Group

Northern Ireland

Belfast
Alexander & Alexander Services
Bain Hogg Group
Godwins (Rollins Hudig Hall Group)
Marsh & McLennan
Sedgwick
Willis Corroon

Norway

Floro
Lowndes Lambert Group
Forus
Minet Group
Moss
Lowndes Lambert Group
Oslo
Alexander & Alexander Services
Lowndes Lambert Group
Minet Group
Rollins Hudig Hall Group
Sandvika
Nilsen Brokers (C.E. Heath)

Oman

Alexander & Alexander Services
Muscat
Sedgwick

Pakistan

Alexander & Alexander Services

Panama

Panama City
Alexander & Alexander Services
Grupo Panamena De Comercio

Papua New Guinea

Lae
Alexander & Alexander Services
Port Moresby
Alexander & Alexander Services
Lowndes Lambert Group
Sedgwick

Paraguay

Alexander & Alexander Services

Peru

Lima
Alexander & Alexander Services
Johnson & Higgins/UNISON
Sedgwick

Philippines

Cebu City
H.I. Group (Johnson & Higgins/UNISON)
Manila
Alexander & Alexander Services
Gotuaco, del Rosario & Associates (C.E. Heath)
H.I. Group (Johnson & Higgins/UNISON)
Jardine Davis Insurance Brokers (JIB Group)
Sedgwick

Poland

Gdansk
Polbrokers-Interbrokers (Gras Savoye/UNISON)
Krakow
Polbrokers-Interbrokers (Gras Savoye/UNISON)
Poznan
Polbrokers-Interbrokers (Gras Savoye/UNISON)
Warsaw
Alexander & Alexander Services
Bain Hogg Group
CISCO (Willis Corroon)
Marsh & McLennan
Polbrokers-Interbrokers (Gras Savoye/UNISON)
Rollins Hudig Hall Group
Sedgwick

Portugal

Coimbra
Jardine Insurance Brokers International (JIB Group)
Leiria
Marsh & McLennan
Lisbon
Alexander & Alexander Services
Bain Hogg Group
CREDITE (CECAR)
Gil Y Carvajal (Gras Savoye/UNISON)
Heath Y Amorim re Sociedade Corretora de Resseguros (C.E. Heath)
Jardine Insurance Brokers International (JIB Group)
Marsh & McLennan
Sedgwick
Willis Faber (Willis Corroon)
Oporto
Marsh & McLennan
Sedgwick
Willis Faber (Willis Corroon)
Portimao
Jardine Insurance Brokers International (JIB Group)
Willis Faber (Willis Corroon)
Porto
Jardine Insurance Brokers International (JIB Group)
S.M.S. Corretores de Seguros (C.E. Heath)

Puerto Rico

Hato Rey
Alexander & Alexander Services
Sedgwick
Vidal & Rodriguez
Ponce
Saldana & Associates
San Juan
A.W. Lawrence & Co. (Lawrence Agency)
Santurce
Saldana & Associates

Qatar

Alexander & Alexander Services
Doha
Arab Commercial Enterprises (Qatar) (Sedgwick)

Russia

Moscow
Sedgwick
Willis Corroon
St. Petersburg
Rollins Hudig Hall Group

Saipan

Bain Hogg Group

Saudi Arabia

Al Khubar
Arab Commercial Enterprises (Sedgwick)
Dammam
Alexander & Alexander Services
Arab Commercial Enterprises (Sedgwick)

Continued on next page

Spotlight report

Continued from previous page

York
Minet Group

Estonia

Tallinn
Lowndes Lambert Group
Rollins Hudig Hall Group

Fiji

Lautoka
Marsh & McLennan
Sedgwick
Nadi
Alexander & Alexander Services
Suva
Alexander & Alexander Services
Bain Hogg Group
Marsh & McLennan
Sedgwick

Finland

Alexander & Alexander Services
Helsinki
Lowndes Lambert Group
Minet Group
Rollins Hudig Hall Group
Tampere
Lowndes Lambert Group

France

Aix-en-Provence
Sedgwick
Antibes
Gras Savoye/UNISON
Besancon
Rollins Hudig Hall Group
Bologne
Andrea Scagliarini Assicurazioni (Le Blanc de Nicolay)
Bordeaux
Gras Savoye/UNISON
La Securite Nouvelle (Lowndes Lambert Group)
Brest
Rollins Hudig Hall Group
Caen
Gras Savoye/UNISON
Clermont-Ferrand
Rollins Hudig Hall Group
Douai
Gras Savoye/UNISON
Grenoble
Gras Savoye/UNISON
Levallois-Perret
Le Blanc de Nicolay
Lille
Gras Savoye/UNISON
La Securite Nouvelle (Lowndes Lambert Group)
Groupe Triangle Assurances (Sedgwick)
Lyon
Alexander & Alexander Services
Bain Hogg Group
Cabinet Loire (Sedgwick)
Gras Savoye/UNISON
Marsh & McLennan
Office Des Assures (CECAR)
Rollins Hudig Hall Group
La Securite Nouvelle (Lowndes Lambert Group)
Marseille
Gras Savoye/UNISON
Rollins Hudig Hall Group
La Securite Nouvelle (Lowndes Lambert Group)
Tarrazi Recoing (Le Blanc de Nicolay)
Metz
Gras Savoye/UNISON
Montpellier
Gras Savoye/UNISON
Rollins Hudig Hall Group
Nancy
Gras Savoye/UNISON
Nantes
Gras Savoye/UNISON
Neuilly Sur Seine
Gras Savoye/UNISON
Noisy Le Grand
Gras Savoye/UNISON
Orleans
Gras Savoye/UNISON
Paris
A Morel et Cie (Minet Group)
Alexander & Alexander Services
Bain Hogg Group
Cabinet Billet et Cie (Sedgwick)
CECAR
Diot Minet France (Minet Group)
Arthur J. Gallagher
Marsh & McLennan
Rollins Hudig Hall Group
Sagitere (CECAR)
La Securite Nouvelle (Lowndes Lambert Group)
Sedgwick
Societe Intercontinental d'Assurances pour le Commerce et l'Industrie (JIB Group)
Willis Corroon
Rouen
Gras Savoye/UNISON
Saint Dizier
Rollins Hudig Hall Group
Saint Etienne
CFA-Moulin et Cie (Gras Savoye/UNISON)
Strasbourg
Alexander & Alexander Services
Gras Savoye/UNISON
Rollins Hudig Hall Group
Toulouse
Faugere & Jutheau (Marsh & McLennan)
Gras Savoye/UNISON

Gabon

Franceville
Gras Savoye/UNISON
Libreville
Faugere & Jutheau (Marsh & McLennan)
Gras Savoye/UNISON
Port Gentil
Gras Savoye/UNISON

Germany

Baden Baden
Jauch & Huebener KGaA/UNISON
Beckum
Rollins Hudig Hall Group
Berlin
Alexander & Alexander Services
Jauch & Huebener KGaA/UNISON
MVM Munchener Versicherungsmakler (Sedgwick)
Marsh & McLennan
Rollins Hudig Hall Group
C. Wuppensahl & Co. (Willis Corroon)
Bielefeld
Alexander & Alexander Services
Jauch & Huebener KGaA/UNISON
Bremen
Gebruder Krose (C.E. Heath)
C. Wuppensahl & Co. (Willis Corroon)
Chemnitz
C. Wuppensahl & Co. (Willis Corroon)
Cologne
Alexander & Alexander Services
Interassekuranz, Sitt, Overlack (Sedgwick)
Sedgwick
Dresden
Jauch & Huebener KGaA/UNISON
Duesseldorf
Jauch & Huebener KGaA/UNISON
Marsh & McLennan
Rollins Hudig Hall Group
C. Wuppensahl & Co. (Willis Corroon)
Frankfurt
Alexander & Alexander Services
Marsh & McLennan
Rollins Hudig Hall Group
C. Wuppensahl & Co. (Willis Corroon)
Frankfurt am Main
Jauch & Huebener KGaA/UNISON
Hamburg
Alexander & Alexander Services
Bain Hogg Group
CECAR
Jauch & Huebener KGaA/UNISON
Marsh & McLennan
Rollins Hudig Hall Group
Sedgwick
Hannover
Alexander & Alexander Services
Karlsruhe
Inter-Assekuranz-Heger (Sedgwick)
Leipzig
Alexander & Alexander Services
Jauch & Huebener KGaA/UNISON
Lowndes Lambert Group
MVM Munchener Versicherungsmakler (Sedgwick)
Marsh & McLennan
Rollins Hudig Hall Group
C. Wuppensahl & Co. (Willis Corroon)
Monheim
Rollins Hudig Hall Group
Mulheim an der Ruhr
Jauch & Huebener KGaA/UNISON
Munich
Alexander & Alexander Services
Jauch & Huebener KGaA/UNISON
MVM Lebensversicherungsmakler (Sedgwick)
MVM Munchener Versicherungsmakler (Sedgwick)
Marsh & McLennan
Rollins Hudig Hall Group
C. Wuppensahl & Co. (Willis Corroon)
Nurnberg
Jauch & Huebener KGaA/UNISON
Saarbrucken
Rollins Hudig Hall Group
Stuttgart
Alexander & Alexander Services
Jauch & Huebener KGaA/UNISON
MVM Munchener Versicherungsmakler (Sedgwick)
Marsh & McLennan
Rollins Hudig Hall Group
Wiesbaden
Sedgwick

Greece

Athens
ACE Europe (Sedgwick)
ACE Insurance (Sedgwick)
Alexander & Alexander Services
Bain Hogg Group
Marsh & McLennan
Mercury Insurance
Gras Savoye/UNISON)
Willis Faber (Willis Corroon)
Piraeus
Bain Hogg Group
Lowndes Lambert Group

Grenada

St. George's
Alexander & Alexander Services

Guadaloupe

Mahault
Alexander & Alexander Services
Point a Pitre
Gras Savoye/UNISON

Guam

Bain Hogg Group

Guatemala

Guatemala City
Alexander & Alexander Services

Guernsey

Alexander & Alexander Services
Eastwood Insurance Co. (Lowndes Lambert Group)
Lowndes Lambert Group
Willis Corroon
St. Peter Port
Bain Hogg Group
Jardine Risk Services (JIB Group)
Marsh & McLennan
Sedgwick

Guyana

Georgetown
Alexander & Alexander Services

Haiti

Alexander & Alexander Services

Hong Kong

Alexander & Alexander Services
Bain Hogg Group
CECAR
Gras Savoye/UNISON
HHL (Holdings) (C.E. Heath)
HMH Insurance Brokers (C.E. Heath)
Jardine Insurance Brokers (JIB Group)
Johnson & Higgins/UNISON
Marsh & McLennan
Minet Group
Rollins Hudig Hall Group
Sedgwick
Willis Faber (Willis Corroon)
Kowloon
Bain Hogg Group
Sedgwick
Wanchai
HHL Reinsurance Brokers (C.E. Heath)
Lambert Brothers (Lowndes Lambert Group)

Honiara

Bain Hogg Group

Hungary

Budapest
Alexander & Alexander Services
Jauch & Huebener KGaA/UNISON
Marsh & McLennan
Rollins Hudig Hall Group
Sedgwick

India

Bombay
Alexander & Alexander Services
Kesha Insurance Consultants (JIB Group)
Sedgwick
Tower Insurance & Reinsurance Services (Willis Corroon)
Madras
Tower Insurance & Reinsurance Services (Willis Corroon)
New Dehli
Kesha Insurance Consultants (JIB Group)
Tower Insurance & Reinsurance Services (Willis Corroon)

Indonesia

Jakarta
Alexander & Alexander Services
P.T. Jardine Insurance Brokers (JIB Group)
P.T. Peranas Agung (Johnson & Higgins/UNISON)
P.T. Sedgwick Dharmala
Surabaya
Alexander & Alexander Services

Iran

Tehran
Assureurs Conseils Irano Francais (Gras Savoye/UNISON)
Rollins Hudig Hall Group

Ireland

Cork
Jardine Insurance Brokers (JIB Group)
Marsh & McLennan
Sedgwick
Dublin
Alexander & Alexander Services
Jardine Insurance Brokers (JIB Group)
Johnson & Higgins/UNISON
Legal & Commercial Insurances (Sedgwick)
Marsh & McLennan
Minet Group
Rollins Hudig Hall Group
Sedgwick
Willis Corroon
Galway
Sedgwick
Limerick
Marsh & McLennan

Isle of Man

Lowndes Lambert Group
Douglas
Alexander & Alexander Services
Bain Hogg Group
Jardine Risk Services (JIB Group)
Marsh & McLennan
Sedgwick
Willis Corroon

Israel

Tel Aviv
Alexander & Alexander Services

Italy

Bassano
Bain Hogg Group
Bologna
Johnson & Higgins/UNISON
Bolzano/Bozen
MVM Italia (Sedgwick)
Brescia
Marsh & McLennan
Cremona
Bain Hogg Group
Florence
Minet Group
UTA SpA (Willis Corroon)
Genoa
Sedgwick
UTA SpA (Willis Corroon)
Milan
A&B Reinsurance (C.E. Heath)
Alexander & Alexander Services
Bain Hogg Group
ITALCECAR (CECAR)
Jardine Insurance Brokers (JIB Group)
Johnson & Higgins/UNISON
Marsh & McLennan
Minet Group
Nicholson Leslie Group (Rollins Hudig Hall Group)
Rollins Hudig Hall Group
La Securite Nouvelle (Lowndes Lambert Group)
Sedgwick
UTA SpA (Willis Corroon)
Padua
Johnson & Higgins/UNISON
Marsh & McLennan
Parma
Bain Hogg Group
Rome
Alexander & Alexander Services
Johnson & Higgins/UNISON
Marsh & McLennan
Rollins Hudig Hall Group
Sedgwick
Summit-Pasanisi-C.E. Riassicurazioni (C.E. Heath)
Turin
Alexander & Alexander Services
Johnson & Higgins/UNISON
Sedgwick
UTA SpA (Willis Corroon)
Verona
Bain Hogg Group
Sedgwick
Vincenza
Bain Hogg Group
UTA SpA (Willis Corroon)

Jamaica

Bain Hogg Group
Kingston
Alexander & Alexander Services
Crawford Insurance Brokers (C.E. Heath)
Montego Bay
Alexander & Alexander Services
St. Ann
Bain Hogg Group

Japan

Osaka
Johnson & Higgins/UNISON
Marsh & McLennan
Tokyo
Alexander & Alexander Services
Bain Hogg Group
Le Blanc de Nicolay
HHL (Japan) (C.E. Heath)
Jardine Insurance Agency (JIB Group)
Johnson & Higgins/UNISON
Marsh & McLennan
Minet Group
Nicholson Leslie Group (Rollins Hudig Hall Group)
Sedgwick
Willis Corroon

Kazakhstan

Gogolya
Alexander & Alexander Services

Kenya

Mombasa
Alexander & Alexander Services
Bain Hogg Group
Minet Group
Nairobi
Alexander & Alexander Services
Bain Hogg Group
Minet Group
Sedgwick

Kuwait

Alexander & Alexander Services
Kuwait
Arab Commercial Enterprises (Sedgwick)
Intercontinental Insurance Brokers (Sedgwick)
Safat
Al Mulla Insurance & Reinsurance Broking (C.E. Heath)

Le Reunion

St. Dennis
Gras Savoye/UNISON

Lebanon

Beirut
Arab Commercial Enterprises (Sedgwick)
Gras Savoye/UNISON

Lesotho

Maseru
Minet Group

Luxembourg

Bain Hogg Group
Gras Savoye/UNISON
Marsh & McLennan
Luxembourg
Le Blanc de Nicolay
Sedgwick
SOGECORE (CECAR)
Willis Corroon

Macau

Bain Hogg Group

Malawi

Blantyre
Bain Hogg Group
Lilongwe
Bain Hogg Group

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Selebi Phikwe
Associated Insurance Brokers
(Minet Group)

Brazil

Belo Horizonte
Johnson & Higgins/UNISON
York (Willis Corroon)
Blumenau
York (Willis Corroon)
Campinas
Alexander & Alexander Services
Johnson & Higgins/UNISON
York (Willis Corroon)
Curitiba
Johnson & Higgins/UNISON
Porto Alegre
Johnson & Higgins/UNISON
Recife
York (Willis Corroon)
Rio de Janeiro
Alexander & Alexander Services
Heath do Brasil (C.E. Heath)
Jardine Corretagem de Seguros
(JIB Group)
Johnson & Higgins/UNISON
Rollins Hudig Hall Group
Sedgwick
York (Willis Corroon)
Salvador
Johnson & Higgins/UNISON
York (Willis Corroon)
Sao Jose dos Campos
York (Willis Corroon)
Sao Paulo
Alexander & Alexander Services
Bain Hogg Group
Jardine Corretagem de Seguros
(JIB Group)
Jauch & Huebener KGaA/UNISON
Johnson & Higgins/UNISON
Rollins Hudig Hall Group
SABRAMAR (CECAR)
Sedgwick
York (Willis Corroon)
Vitoria
York (Willis Corroon)

British Virgin Islands

Tortola
Alexander & Alexander Services

Brunei

Bandar Seri Begawan
Willis Faber (Willis Corroon)
Kuala Belait
Shariffuddin Sedgwick (Sedgwick)

Cameroon

Douala
Faugere & Jutheau
(Marsh & McLennan)
Gras Savoye/UNISON
Garoua
Faugere & Jutheau
(Marsh & McLennan)
Yaounde
Faugere & Jutheau
(Marsh & McLennan)
Gras Savoye/UNISON

Cayman Islands

Grand Cayman
Alexander & Alexander Services
Marsh & McLennan

Central African Republic

Bangui
Faugere & Jutheau
(Marsh & McLennan)

Chad

Ndjamena
Faugere & Jutheau
(Marsh & McLennan)

Chile

Santiago
Alexander & Alexander Services
Andueza Y Compania (Sedgwick)
Bain Hogg Group
Johnson & Higgins/UNISON
Marsh & McLennan
Vorbeza Corredores de Seguros
(Willis Corroon)
Valparaiso
Alexander & Alexander Services

China

Beijing
Alexander & Alexander Services
Bain Hogg Group
Johnson & Higgins/UNISON
Marsh & McLennan
Sedgwick
Shanghai
Sedgwick
Shenzhen
Sedgwick

Colombia

Armenia
Companias DeLima
Barranquilla
Companias DeLima
Bogota
Alexander & Alexander Services
Companias DeLima
Heath de Colombia (C.E. Heath)
Johnson & Higgins/UNISON
Bucaramanga
Companias DeLima
Cali
Companias DeLima
Johnson & Higgins/UNISON
Cartagena
Companias DeLima
Ibague
Companias DeLima
Manizales
Companias DeLima
Medellin
Companias DeLima
Johnson & Higgins/UNISON
Pereira
Companias DeLima
Santa Fe de Bogota
Bain Hogg Group

Costa Rica

San Jose
Alexander & Alexander Services

Cote d'Ivoire

Abidjan
Faugere & Jutheau
(Marsh & McLennan)
Gras Savoye/UNISON

Croatia

Zagreb
Kininmonth Lambert
(Lowndes Lambert Group)

Curacao

Rollins Hudig Hall Group
Sedgwick
Willemstad
Alexander & Alexander Services

Cyprus

Alexander & Alexander Services

Czech Republic

Ostrava
Minet Group
Prague
Alexander & Alexander Services
Ceska Sedgwick Risk Services
(Sedgwick)
Jauch & Huebener KGaA/UNISON
Marsh & McLennan
Minet Group
Rollins Hudig Hall Group
Willis Corroon

Denmark

Alexander & Alexander Services
Bjerringbro
Rollins Hudig Hall Group
Copenhagen
Marsh & McLennan
Rollins Hudig Hall Group
Sedgwick
Willis Corroon
Hjorring
Rollins Hudig Hall Group
Holbrebro
Rollins Hudig Hall Group
Kolding
Rollins Hudig Hall Group
Pori
Rollins Hudig Hall Group
Ry
Rollins Hudig Hall Group

Djibouti

Alexander & Alexander Services

Dominica

Alexander & Alexander Services

Dominican Republic

Santo Domingo
Alexander & Alexander Services

Ecuador

Guayagil
Alexander & Alexander Services

Egypt

Alexander & Alexander Services

El Salvador

San Salvador
Alexander & Alexander Services

England

Abingdon
Willis Corroon
Banbury
Lowndes Lambert Group
Barking
Roger Lark (Sedgwick)
Billericay
Willis Corroon
Birmingham
Alexander & Alexander Services
Bain Hogg Group
Godwins (Rollins Hudig Hall Group)
C.E. Heath
Jardine Insurance Brokers
(JIB Group)
Johnson & Higgins/UNISON
London Insurance Brokers
(Minet Group)
Lowndes Lambert Group
Marsh & McLennan
Minet Group
Rollins Hudig Hall Group
Sedgwick
Steel Burrill Jones
Willis Corroon
Blackburn
Willis Corroon
Bolton
C.E. Heath
Bournemouth
Alexander & Alexander Services
Bradford
Jardine Insurance Brokers
(JIB Group)
Willis Corroon
Bristol
Alexander & Alexander Services
Bain Hogg Group
Godwins (Rollins Hudig Hall Group)
C.E. Heath
London Insurance Brokers
(Minet Group)
Lowndes Lambert Group
Marsh & McLennan
Minet Group
Sedgwick
Steel Burrill Jones
Willis Corroon
Cambridge
Bain Hogg Group
Canterbury
Bain Hogg Group
Carlisle
Alexander & Alexander Services
Marsh & McLennan
Caterham
Bain Hogg Group
Lowndes Lambert Group
Cheadle
Bain Hogg Group
Chelford
Lowndes Lambert Group
Chelmsford
Alexander & Alexander Services
Godwins (Rollins Hudig Hall Group)
Jardine Insurance Brokers
(JIB Group)
Cheltenham
Willis Corroon
Cheshunt
Anthony Kidd Agencies (C.E. Heath)
Colchester
Bain Hogg Group
Coventry
Steel Burrill Jones
Croydon
Alexander & Alexander Services
Dudley
Bain Hogg Group
Dursley
Lowndes Lambert Group
Exeter
Godwins (Rollins Hudig Hall Group)
Marsh & McLennan
Fareham
Bain Hogg Group
Minet Group
Farnborough
Godwins (Rollins Hudig Hall Group)
Rollins Hudig Hall Group
Folkestone
Bain Hogg Group
Forest Row
Rollins Hudig Hall Group
Gravesend
Steel Burrill Jones
Grimsby
Alexander & Alexander Services
Guildford
Bain Hogg Group
Harlow
Godwins (Rollins Hudig Hall Group)
Harrogate
Godwins (Rollins Hudig Hall Group)
Harrow
Alexander & Alexander Services
Haywards Heath
Bain Hogg Group
Heathrow
Air Crew Underwriting Agencies
(Minet Group)
Hemel Hempstead
Willis Corroon
Hertford
C.E. Heath
Hinckley
Willis Corroon
Hitchin
Marsh & McLennan
Horsham
C.E. Heath
Huddersfield
Bain Hogg Group
Hull
C.E. Heath
Minet Group
Ilford
C.E. Heath
Ipswich
Godwins (Rollins Hudig Hall Group)
Willis Corroon
Iver
Rollins Hudig Hall Group
Kendal
Godwins (Rollins Hudig Hall Group)
King's Lynn
Bain Hogg Group
Kingston upon Thames
Minet Group
Willis Corroon
Leatherhead
Steel Burrill Jones
Leeds
Alexander & Alexander Services
Bain Hogg Group
Godwins (Rollins Hudig Hall Group)
C.E. Heath
London Insurance Brokers
(Minet Group)
Lowndes Lambert Group
Marsh & McLennan
Rollins Hudig Hall Group
Sedgwick
Willis Corroon
Leicester
Bain Hogg Group
Sedgwick
Willis Corroon
Leigh
C.E. Heath
Liverpool
Alexander & Alexander Services
Marsh & McLennan
Willis Corroon
London
Alexander & Alexander Services
Aon Risk Services
(Rollins Hudig Hall Group)
Bain Hogg Group
Cork, Bays & Fisher (Minet Group)
Fielding Smeaton Jones (C.E. Heath)
Arthur J. Gallagher
Godwins (Rollins Hudig Hall Group)
C.E. Heath
Jardine Insurance Brokers
(JIB Group)
Jauch & Huebener KGaA/UNISON
Johnson & Higgins/UNISON
London Insurance Brokers
(Minet Group)
Lowndes Lambert Group
Marsh & McLennan
Minet Group
Rollins Hudig Hall Group
Sedgwick
Steel Burrill Jones
WFT Insurance Services
Willis Corroon
Maidstone
C.E. Heath
Willis Corroon
Manchester
Alexander & Alexander Services
Bain Hogg Group
Godwins (Rollins Hudig Hall Group)
Jardine Insurance Brokers
(JIB Group)
Johnson & Higgins/UNISON
Lowndes Lambert Group
Marsh & McLennan
Rollins Hudig Hall Group
Sedgwick
Willis Corroon
Milton Keynes
Marsh & McLennan
New Malden
Steel Burrill Jones
Newcastle
Alexander & Alexander Services
Godwins (Rollins Hudig Hall Group)
C.E. Heath
Johnson & Higgins/UNISON
Marsh & McLennan
Willis Corroon
Newcastle upon Tyne
Bain Hogg Group
Sedgwick
Newmarket
Willis Corroon
Northampton
Godwins (Rollins Hudig Hall Group)
Rollins Hudig Hall Group
Sedgwick
Willis Corroon
Norwich
Bain Hogg Group
C.E. Heath
Lowndes Lambert Group
Rollins Hudig Hall Group
Sedgwick
Nottingham
Bain Hogg Group
Godwins (Rollins Hudig Hall Group)
Lowndes Lambert Group
Minet Group
Willis Corroon
Orpington
C.E. Heath
Paignton
Lowndes Lambert Group
Peterborough
C.E. Heath
Plymouth
Bain Hogg Group
Godwins (Rollins Hudig Hall Group)
Rollins Hudig Hall Group
Portsmouth
Godwins (Rollins Hudig Hall Group)
Potters Bar
Alexander & Alexander Services
Preston
Willis Corroon
Reading
Alexander & Alexander Services
Bain Hogg Group
C.E. Heath
Johnson & Higgins/UNISON
Sedgwick
Steel Burrill Jones
Willis Corroon
Redditch
Sedgwick
Redhill
Alexander & Alexander Services
Minet Group
Sedgwick
Reigate
Bain Hogg Group
Richmond
Bain Hogg Group
Romford
Alexander & Alexander Services
St. Albans
Godwins (Rollins Hudig Hall Group)
Sevenoaks
Godwins (Rollins Hudig Hall Group)
Sheffield
Alexander & Alexander Services
Bain Hogg Group
Lowndes Lambert Group
Sedgwick
Willis Corroon
Shrewsbury
Bain Hogg Group
Sidcup
Marsh & McLennan
Southampton
Alexander & Alexander Services
Jardine Insurance Brokers
(JIB Group)
Marsh & McLennan
Rollins Hudig Hall Group
Willis Corroon
Southend
C.E. Heath
Southend on Sea
Alexander & Alexander Services
Stockport
Steel Burrill Jones
Stockton
C.E. Heath
Swindon
Godwins (Rollins Hudig Hall Group)
Lowndes Lambert Group
Tonbridge
C.E. Heath
Marsh & McLennan
Torquay
Godwins (Rollins Hudig Hall Group)
Lowndes Lambert Group
Truro
Godwins (Rollins Hudig Hall Group)
Wakefield
C.E. Heath
Waltham Cross
Minet Group
Warrington
Minet Group
Watford
Sedgwick
Wickford
ABS Consultancy Services
(Minet Group)
ABS Professional Services
(Minet Group)
Witham
Sedgwick
Woking
Alexander & Alexander Services
Jardine Insurance Brokers
(JIB Group)
Wolverhampton
Willis Corroon

Continued on next page

Directory of agents and brokers located in Canada

Alberta

Calgary
Alexander & Alexander Services
Jardine Rolfe (JIB Group)
Johnson & Higgins/UNISON
Marsh & McLennan
Minet Group
Morris & MacKenzie
Sedgwick
Edmonton
Alexander & Alexander Services
Jardine Rolfe (JIB Group)
Johnson & Higgins/UNISON
Lowndes Lambert Group
Marsh & McLennan
Mones & Associates Insurance Brokers
Sedgwick
Willis Corroon
Grande Prairie
Alexander & Alexander Services

British Columbia

Cloverdale
Willis Corroon
Cranbrook
Falkins Insurance Group
Elkford
Falkins Insurance Group
Fernie
Falkins Insurance Group
Kamloops
Sedgwick
Langley
Willis Corroon
Prince George
Alexander & Alexander Services
Sedgwick
Sparwood
Falkins Insurance Group
Vancouver
Alexander & Alexander Services
Dale Intermediaries (Sodarcan)
Jardine Rolfe (JIB Group)
Johnson & Higgins/UNISON
Lowndes Lambert Group
Marsh & McLennan
Morris & MacKenzie
Sedgwick
Willis Corroon
White Rock
Willis Corroon

Manitoba

Winnipeg
Alexander & Alexander Services
Johnson & Higgins/UNISON
Lowndes Lambert Group
Marsh & McLennan

Newfoundland

St. George's
Park Insurance Division (Sedgwick)
St. John's
Alexander & Alexander Services
Johnson & Higgins/UNISON
Marsh & McLennan
Victoria
Alexander & Alexander Services
Jardine Rolfe (JIB Group)

Northwest Territories

Yellowknife
Alexander & Alexander Services
Mones & Associates Insurance Brokers

Nova Scotia

Halifax
Alexander & Alexander Services
Dale Intermediaries (Sodarcan)
Johnson & Higgins/UNISON
Marsh & McLennan
Sedgwick

Ontario

Brampton
Holman Insurance Brokers
Etobicoke
Canadian Actuarial & Consulting Group (C.E. Heath)
Hamilton
Dale Intermediaries (Sodarcan)
Sedgwick
London
Alexander & Alexander Services
Dale Intermediaries (Sodarcan)
Johnson & Higgins/UNISON
Sedgwick
Niagara Falls
Dale Intermediaries (Sodarcan)
North Bay
Knox Insurance Brokers
Ottawa
Alexander & Alexander Services
Canadian Actuarial & Consulting Group (C.E. Heath)
Dale Intermediaries (Sodarcan)
Johnson & Higgins/UNISON
Marsh & McLennan
Sedgwick
Willis Corroon
Richmond Hill
Holman Insurance Brokers
Sarnia
Dale Intermediaries (Sodarcan)
Scarboro
Breckles Insurance Brokers
Sudbury
Sedgwick
Thunder Bay
Alexander & Alexander Services
Toronto
Alexander & Alexander Services
Crump Euings (Sedgwick)
Dale Intermediaries (Sodarcan)
Hobbs Group
Johnson & Higgins/UNISON
K&K Insurance Group
Lee & Hawthorne
Lowndes Lambert Group
Marsh & McLennan
Minet Group
Morris & MacKenzie
Rollins Hudig Hall Group
Sedgwick
Willis Corroon
Waterloo
Alexander & Alexander Services
Willowdale
Benoit & Borg (Sodarcan)
Tower Chisholm Ferguson
Windsor
Dale Intermediaries (Sodarcan)

Quebec

Hull
Dale-Parizeau (Sodarcan)
Jonquiere
Dale-Parizeau (Sodarcan)
Laval
Parizeau-Brunet (Sodarcan)
Montreal
Alexander & Alexander Services
Aon Risk Services (Rollins Hudig Hall Group)
Dale-Parizeau (Sodarcan)
Hobbs Group
Johnson & Higgins/UNISON
Lamarre, Caty, Houle (Sedgwick)
Lee & Hawthorne
Lowndes Lambert Group
Marsh & McLennan
Minet Group
Morris & MacKenzie
Sedgwick
Sodarcan
Willis Corroon
Sainte Foy
Willis Corroon
Sherbrooke
Dunn-Parizeau (Sodarcan)
Quebec City
Johnson & Higgins/UNISON
Lamarre, Caty, Houle (Sedgwick)
Marsh & McLennan
Poitras, Lavigueur Inc. (Sodarcan)
Sedgwick
Willis Corroon

Saskatchewan

Regina
Alexander & Alexander Services
Saskatoon
Alexander & Alexander Services
Johnson & Higgins/UNISON
Marsh & McLennan
Mones & Associates Insurance Brokers
Sedgwick

Yukon Territory

Whitehorse
Alexander & Alexander Services

International agents and brokers listed by nation

Anguilla

Alexander & Alexander Services

Antigua & Barbuda

St. John's
Alexander & Alexander Services

Argentina

Buenos Aires
Alexander & Alexander Services
C.E. Heath
Jardine (JIB Group)
Johnson & Higgins/UNISON
Marsh & McLennan
Sedgwick

Aruba

Alexander & Alexander Services
Oranjestad
Rollins Hudig Hall Group

Australia

Adelaide
Alexander & Alexander Services
Bain Hogg Group
Jardine Australian Insurance Brokers (JIB Group)
Lowndes Lambert Group
Marsh & McLennan
Minet Group
Sedgwick
Willis Corroon
Albury
Jardine Australian Insurance Brokers (JIB Group)
Willis Corroon
Banksdown Aerodrome
Fielding Aviation Insurance Broking (C.E. Heath)
Brisbane
Alexander & Alexander Services
Bain Hogg Group
Heath Fielding (C.E. Heath)
Jardine Australian Insurance Brokers (JIB Group)
Lowndes Lambert Group
Marsh & McLennan
Minet Group
Rollins Hudig Hall Group
Sedgwick
Willis Corroon
Bundaberg
Alexander & Alexander Services
Cairns
Alexander & Alexander Services
Bain Hogg Group
Canberra
Alexander & Alexander Services
Marsh & McLennan
Sedgwick
Darwin
Alexander & Alexander Services
Lowndes Lambert Group
Gold Coast
Alexander & Alexander Services
Hobart
Alexander & Alexander Services
Marsh & McLennan
Sedgwick
Willis Corroon
Lowndes Lambert Group
Launceston
Lowndes Lambert Group
Maroochydore
Fielding Aviation Insurance Broking (C.E. Heath)
Melbourne
Alexander & Alexander Services
Bain Hogg Group
Godwins (Rollins Hudig Hall Group)
Jardine Australian Insurance Brokers (JIB Group)
Lowndes Lambert Group
Marsh & McLennan
Minet Group
Nicholson Leslie Group (Rollins Hudig Hall Group)
Rollins Hudig Hall Group
Sedgwick
Willis Corroon
New South Wales
Jardine Australian Insurance Brokers (JIB Group)
Newcastle
Alexander & Alexander Services
Sedgwick
North Sydney
Marsh & McLennan
Minet Group
Parramatta
Alexander & Alexander Services
Peregian
Aviation Office of Australia (C.E. Heath)
Perth
Alexander & Alexander Services
Bain Hogg Group
Heath Fielding (C.E. Heath)
Jardine Australian Insurance Brokers (JIB Group)
Lowndes Lambert Group
Marsh & McLennan
Minet Group
Sedgwick
Willis Corroon
Queensland
Jardine Australian Insurance Brokers (JIB Group)
Rockhampton
Alexander & Alexander Services
Bain Hogg Group
South Melbourne
Alexander & Alexander Services
South Yarra
Heath Fielding (C.E. Heath)
Sydney
Alexander & Alexander Services
Bain Hogg Group
Godwins (Rollins Hudig Hall Group)
Heath Fielding (C.E. Heath)
Jardine Australian Insurance Brokers (JIB Group)
Lowndes Lambert Group
Minet Group
Nicholson Leslie Group (Rollins Hudig Hall Group)
Rollins Hudig Hall Group
Sedgwick
Willis Corroon
Tamworth
Alexander & Alexander Services
Toowoomba
Alexander & Alexander Services
Sedgwick
Townsville
Alexander & Alexander Services
Bain Hogg Group
Unley
Heath Fielding (C.E. Heath)
Wagga Wagga
Alexander & Alexander Services
Willetton
Fielding Aviation Insurance Broking (C.E. Heath)
Wollongong
Alexander & Alexander Services

Austria

Graz
Jauch & Huebener KGaA/UNISON
Hohenems
Jauch & Huebener KGaA/UNISON
Linz
Jauch & Huebener KGaA/UNISON
Salzburg
Jauch & Huebener KGaA/UNISON
Vienna
Alexander & Alexander Services
Jauch & Huebener KGaA/UNISON
MVM Versicherungsmakler GES M.B.H. (Sedgwick)
Marsh & McLennan
Rollins Hudig Hall Group
Sedgwick
C. Wuppensahl & Co. (Willis Corroon)

Bahamas

Abaco Island
Alexander & Alexander Services
Freeport
Alexander & Alexander Services
Bain Hogg Group
Marsh Harbour
Bain Hogg Group
Nassau
Alexander & Alexander Services
Bain Hogg Group

Bahrain

Alexander & Alexander Services
Manama
Arab Commercial Enterprises (Bahrain) WLL (Sedgwick)
Jardine Insurance Brokers (JIB Group)
Sedgwick
Willis Corroon

Barbados

Bridgetown
Marsh & McLennan
Sedgwick
St. Michael
Alexander & Alexander Services

Belgium

Antwerp
Alexander & Alexander Services
Assaubra (Willis Corroon)
Bain Hogg Group
Marsh & McLennan
Rollins Hudig Hall Group
Thibaut Colson de Nef (Lowndes Lambert Group)
Thilly Van Eessel (Sedgwick)
Brussels
Alexander & Alexander Services
Assaubra (Willis Corroon)
Bain Hogg Group
CECAR
Continental Insurance & Reinsurance Agency (Sedgwick)
Gras Savoye/UNISON
Jardine SIACI & Partners (JIB Group)
Marsh & McLennan
Rollins Hudig Hall Group
Suys & Janssens (Le Blanc de Nicolay)
Thibaut Colson de Nef (Lowndes Lambert Group)
Thilly Van Eessel (Sedgwick)
Charleroi
Bain Hogg Group
Ch. Vander Elst & Cie (Sedgwick)
Thibaut Colson de Nef (Lowndes Lambert Group)
Ghent
Bain Hogg Group
Rollins Hudig Hall Group
Thibaut Colson de Nef (Lowndes Lambert Group)
Kortrijk
Assaubra (Willis Corroon)
Bain Hogg Group
Liege
Bain Hogg Group
Marsh & McLennan
Thibaut Colson de Nef (Lowndes Lambert Group)
Thilly Van Eessel Liege (Sedgwick)
Roeselare
Fritz Devos (Sedgwick)

Benin

Gras Savoye/UNISON

Bermuda

Hamilton
Alexander & Alexander Services
Aon Risk Services (Rollins Hudig Hall Group)
Bain Hogg Group
Arthur J. Gallagher
Jardine Pinehurst (JIB Group)
Johnson & Higgins/UNISON
Marsh & McLennan
Minet Group
Rollins Hudig Hall Group
Sedgwick
Willis Corroon

Bolivia

La Paz
Alexander & Alexander Services

Botswana

Francistown
Associated Insurance Brokers (Minet Group)
Sedgwick
Gaborone
Associated Insurance Brokers (Minet Group)
Sedgwick

Continued on next page

Continued from previous page

Tennessee

Brentwood
Aon Specialty Group
(Rollins Hudig Hall Group)
Arthur J. Gallagher
Van Meter Insurance
Chattanooga
Willis Corroon
Hendersonville
Robinson-Connor (Acordia)
Knoxville
Rollins Hudig Hall Group
Sedgwick
Willis Corroon
Memphis
Arthur J. Gallagher
Hilb, Rogal & Hamilton
Johnson & Higgins/UNISON
Sedgwick
Transportation Insurance Managers
Nashville
Acordia
Alexander & Alexander Services
AmBrit International Insurance
(Lowndes Lambert Group)
Arthur J. Gallagher
Johnson & Higgins/UNISON
Marsh & McLennan
Sedgwick
Willis Corroon

Texas

Abilene
B. Crawford & Associates
Insurance Services
Amarillo
Hilb, Rogal & Hamilton
Arlington
Anco Metroplex
(Anco Insurance Managers)
Austin
Acordia
Alexander & Alexander Services
Anco Capitol City
(Anco Insurance Managers)
Aon Risk Services
(Rollins Hudig Hall Group)
Arthur J. Gallagher
Hobbs Group
Hogg Robinson (Bain Hogg Group)
Texas Insurance Agency
Timberline Insurance Managers
Baytown
The First Agency
(Timberline Insurance Managers)
Beaumont
Anco Beaumont
(Anco Insurance Managers)
Financial Guardian of Texas
Timberline Insurance Managers
Belton
Anco Belton
(Anco Insurance Managers)
Bryan
Anco Insurance Managers
Norwest Insurance
Corpus Christi
Acordia
Alexander & Alexander Services
Anco Corpus Christi
(Anco Insurance Managers)
Hilb, Rogal & Hamilton
National Insurance Agency
Shelton Insurance Agency
Cuero
Hilb, Rogal & Hamilton
Dallas
Acordia
Alexander & Alexander Services
Anco Dallas-Fort Worth
(Anco Insurance Managers)
Andreini & Co.
Aon Risk Services/Aon Specialty
Group (Rollins Hudig Hall Group)
Bowles, Troy, Donahue, Johnson
B. Crawford & Associates
Insurance Services
Arthur J. Gallagher
Heath Holdings (C.E. Heath)
Hilb, Rogal & Hamilton
Hobbs Group
Hogg Robinson (Bain Hogg Group)
Holmes, Murphy & Associates
IMS of Texas
(Palmer & Cay/Carswell)
Johnson & Higgins/UNISON
KMC Insurance Services
Marsh & McLennan
Rollins Hudig Hall Group
Sedgwick
Settlement Planning Associates
(Near North Insurance Brokerage)
Transportation Insurance Managers
Wallace & Skiles
(Hilb, Rogal & Hamilton)
Willis Corroon
El Paso
Anco El Paso
(Anco Insurance Managers)
Arthur J. Gallagher
Timberline Insurance Managers
Fort Worth
Alexander & Alexander Services
Insurance Risk Managers (WRIMS)
Rollins Hudig Hall Group
Willis Corroon
Houston
Acordia
Alexander & Alexander Services
AmBrit International Insurance
(Lowndes Lambert Group)
American E&S Insurance Brokers
(Acordia)
Anco Corp.
Aon Specialty Group
(Rollins Hudig Hall Group)
Frank Crystal & Co.
Financial Guardian of Texas
Arthur J. Gallagher
Godwins Booke & Dickenson
(Rollins Hudig Hall Group)
Gow & Hanna
Healthcare Insurance Services
Heath Insurance Brokers (C.E. Heath)
Hilb, Rogal & Hamilton
Hobbs Group
Insurance Services of America
(Anco Insurance Managers)
Jardine Insurance Brokers
(JIB Group)
Johnson & Higgins/UNISON
Lockton Cos.
Marsh & McLennan
McGriff, Seibels & Williams
Minet Group
Poe & Brown
Roanoke Brokerage Services
Rollins Hudig Hall Group
Sedgwick
Texas Insurance Agency
Transportation Insurance Managers
Willis Corroon
Wisenberg Insurance
& Risk Management
John L. Wortham & Son
Irving
Penn General Service
(Bain Hogg Group)
Livingston
Anco Jernigan-Dabney
(Anco Insurance Managers)
Longview
Hibbs-Hallmark & Co.
Lubbock
Arthur J. Gallagher
Hogg Robinson (Bain Hogg Group)
Penn General Service
(Bain Hogg Group)
Mart
Anco Pioneer
(Anco Insurance Managers)
McAllen
Alexander & Alexander Services
Insurance Brokers
(Hilb, Rogal & Hamilton)
Midland
Alexander & Alexander Services
Port Lavaca
Anco Port Lavaca
(Anco Insurance Managers)
Rockport
Anco-GSM
(Anco Insurance Managers)
San Antonio
Alexander & Alexander Services
Anco Alamo City
(Anco Insurance Managers)
Aon Specialty Group
(Rollins Hudig Hall Group)
Arthur J. Gallagher
Marsh & McLennan
Rollins Hudig Hall Group
Texas Insurance Agency
Timberline Insurance Managers
Temple
Anco Insurance of Temple
(Anco Insurance Managers)
Tyler
Acordia
Anco Tyler
(Anco Insurance Managers)
Aon Risk Services
(Rollins Hudig Hall Group)
Hibbs-Hallmark & Co.
Uvalde
Texas Insurance Agency
Victoria
Hilb, Rogal & Hamilton
Waco
Anco Waco
(Anco Insurance Managers)
The Woodlands
Anco Insurance of The Woodlands
(Anco Insurance Managers)

Utah

Salt Lake City
Acordia
Aon Risk Services
(Rollins Hudig Hall Group)
Aviation Insurance Services
Diversified Insurance Brokers
Johnson & Higgins/UNISON
Fred A. Moreton & Co.
Rollins Hudig Hall Group
The Talbert Corp.
(Hilb, Rogal & Hamilton)
Willis Corroon

Vermont

Burlington
Alexander & Alexander Services
Aon Risk Services
(Rollins Hudig Hall Group)
Arthur J. Gallagher
Marsh & McLennan
Sedgwick
Willis Corroon
South Burlington
Hackett, Valine & MacDonald

Virginia

Alexandria
Hogg Robinson (Bain Hogg Group)
Smith-Field Insurance Agency
Big Stone Gap
Acordia
Blacksburg
Rollins Hudig Hall Group
Charlottesville
Hilb, Rogal & Hamilton
Chesapeake
Hilb, Rogal & Hamilton
Fredericksburg
Hilb, Rogal & Hamilton
Glen Allen
Governmental Entities Management
Services (Hastings-Tapley
Insurance Agency)
Hilb, Rogal & Hamilton
Herndon
Rollins Hudig Hall Group
Middleburg
Arthur J. Gallagher
Newport News
Colonial Premium Finance Co.
(Henderson & Phillips Insurance)
Firestone Insurance Services
(Henderson & Phillips Insurance)
Henderson & Phillips Insurance
Norfolk
Henderson & Phillips Insurance
Marsh & McLennan
Richmond
Alexander & Alexander Services
Aon Specialty Group
(Rollins Hudig Hall Group)
Arthur J. Gallagher
Hogg Robinson (Bain Hogg Group)
Johnson & Higgins/UNISON
Marsh & McLennan
Self Insurance Services
(Henderson & Phillips Insurance)
Donald F. Smith & Associates
Roanoke
Acordia
Rollins Hudig Hall Group
Vienna
Willis Corroon
Virginia Beach
Acordia
Pembroke Insurance Agency
Washington
Sedgwick

Washington

Bellevue
Aon Specialty Group
(Rollins Hudig Hall Group)
Hospitality Risk International
(Brady & Co.)
Bellingham
Acordia
Mercer Island
Caledonian Insurance Group
Seattle
Acordia
Alexander & Alexander Services
American Insurance Brokers
(K&K Insurance Group)
Aon Risk Services
(Rollins Hudig Hall Group)
Aviation Insurance Services
Arthur J. Gallagher
Godwins Booke & Dickenson
(Rollins Hudig Hall Group)
Johnson & Higgins/UNISON
Marsh & McLennan
Parker, Smith & Feek
Rollins Hudig Hall Group
Sedgwick
Van Beurden Insurance Services
Willis Corroon
Spokane
Caledonian Insurance Group
Farmin, Rothrock & Parrott
May-Davis Inc.
Sedgwick
Wenatchee
Sedgwick
Yakima
Sedgwick

West Virginia

Beckley
Acordia
Charleston
Acordia
Elkins
Acordia
Huntington
Acordia
Keyser
The BGS&G Cos.
Morgantown
Acordia
Parkersburg
Acordia
Wheeling
Acordia

Wisconsin

Appleton
Laub Group
Big Bend
Arthur J. Gallagher
Brookfield
Arthur J. Gallagher
Eau Claire
Arthur J. Gallagher
Green Bay
Alexander & Alexander Services
Hilb, Rogal & Hamilton
Madison
Arthur J. Gallagher
Laub Group
Milwaukee
Alexander & Alexander Services
Fitzgerald, Clayton, James & Kasten
Arthur J. Gallagher
Hogg Robinson (Bain Hogg Group)
Johnson & Higgins/UNISON
Laub Group
Marsh & McLennan
Robertson-Ryan & Associates
Rollins Hudig Hall Group
Willis Corroon
Racine
Arthur J. Gallagher
Rice Lake
Laub Group
Stevens Point
Wisconsin Insurance Management
Waukesha
Wisconsin Insurance Management
Wausau
Laub Group

Wyoming

Casper
Van Gilder Insurance

Continued on next page

Spotlight report

Continued from previous page

Batavia
Genesee Agency (Lawley Service)
Bayshore
Frenkel & Co.
Bohemia
Aon Specialty Group (Rollins Hudig Hall Group)
Briarcliff Manor
Godwins Booke & Dickenson (Rollins Hudig Hall Group)
Rollins Hudig Hall Group
Buffalo
Alexander & Alexander Services
Gow & Hanna
Johnson & Higgins/UNISON
Lawley Service
A.W. Lawrence & Co. (Lawrence Agency)
Marsh & McLennan
Cairo
Grossman Agency (Marshall & Sterling)
Carle Place
KM Consulting Group (Kalvin-Miller International)
Kalvin-Miller International
Catskill
Grossman Agency (Marshall & Sterling)
Chestertown
Stevenson Agency (Austin & Co.)
Colonie
Governmental Entities Management Services (Hastings-Tapley Insurance Agency)
Corona
Simeone-Orrino (RWP Group)
Cortland
Lawrence United (Lawrence Agency)
Coxsackie
Grossman Agency (Marshall & Sterling)
Dunkirk
Tradition Agency (Lawley Service)
Fredonia
Tradition Agency (Lawley Service)
Garden City
Arthur J. Gallagher
Glens Falls
A.W. Lawrence & Co. (Lawrence Agency)
Great Neck
Sterling & Sterling
Greenville
Grossman Agency (Marshall & Sterling)
Hauppage
Sedgwick
Huntington
Gundermann & Gundermann
Jamestown
Erickson-Swan-Rowley (American Phoenix)
Lawrence Healthcare (Lawrence Agency)
Tradition Agency (Lawley Service)
Lake Placid
A.W. Lawrence & Co. (Lawrence Agency)
Lawrence United (Lawrence Agency)
Lake Success
BWD Group Ltd. Blumencranz, Klepper, Wilkins & Dubofsky
Latham
Lawrence Healthcare (Lawrence Agency)
Lawrence United (Lawrence Agency)
Melville
Alexander & Alexander Services
National Coverage Corp.
Middletown
Arthur J. Gallagher
Marshall & Sterling
Millbrook
George T. Whalen Agency (Marshall & Sterling)
Monticello
Gersten-Hillman Agency
NIA Ltd./National Insurance Associates
New Hartford
Alexander & Alexander Services
New Hyde Park
Rollins Hudig Hall Group
Willis Corroon
New Windsor
Marshall & Sterling
New York
Alexander & Alexander Services
American E&S Insurance Brokers (Acordia)
Aon Risk Services/Aon Specialty Group (Rollins Hudig Hall Group)
Le Blanc de Nicolay
Frank Crystal & Co.
Fine Arts Risk Management (Near North Insurance Brokerage)
French American Risk Advisors (MLW Services)
Frenkel & Co.
Arthur J. Gallagher
Godwins Booke & Dickenson (Rollins Hudig Hall Group)
Gow & Hanna
Haas & Wilkerson
Joseph Held Co.
Hogg Robinson (Bain Hogg Group)
Jardine Insurance Brokers (JIB Group)
Jauch & Huebener KGaA/UNISON
Johnson & Higgins/UNISON
Kalvin-Miller International
Kaye Insurance Associates
Kornreich Insurance Services
Lawrence United (Lawrence Agency)
Lee & Hawthorne
Edward Lloyd (Lowndes Lambert Group)
Lloyd's New York Insurance Group (C.E. Heath)
MLW Services
Marsh & McLennan
Meadowbrook Insurance Group
Minet Group
Near North Insurance Brokerage
H&R Phillips
D.R. Reiff & Associates (Tanenbaum-Harber Co.)
Roanoke Brokerage Services
Rollins Hudig Hall Group
Sedgwick
The Sklover Organization
Donald F. Smith & Associates
Dewitt Stern Group
THB Intermediaries (Near North Insurance Brokerage)
Tanenbaum-Harber Co.
Underwriters Financial Group
Willis Corroon
North Syracuse
Arthur J. Gallagher
Ogdensburg
Arthur J. Gallagher
Old Forge
Lawrence United (Lawrence Agency)
Poughkeepsie
Lawrence Healthcare (Lawrence Agency)
Marsh & McLennan
Marshall & Sterling
Rochester
Arthur J. Gallagher
Johnson & Higgins/UNISON
Lawrence United (Lawrence Agency)
Marsh & McLennan
Sedgwick
Roslyn Heights
Allied Coverage
Schenectady
Jardine Insurance Brokers (JIB Group)
A.W. Lawrence & Co. (Lawrence Agency)
Lawrence Agency
Marshall & Sterling
Schodack Landing
Arthur J. Gallagher
Scotia
Arthur J. Gallagher
Snyder
Alexander & Alexander Services
Spring Valley
Arthur J. Gallagher
Syosset
Seaman Ross & Wiener
Syracuse
Alexander & Alexander Services
Lawrence Healthcare (Lawrence Agency)
Lee & Hawthorne
Marsh & McLennan
Marshall & Sterling
Troy
Lawrence United (Lawrence Agency)
Utica
Alexander & Alexander Services
Lawrence Healthcare (Lawrence Agency)
Valhalla
Arthur J. Gallagher
Wappingers Falls
Marshall & Sterling
Westbury
A.W. Lawrence & Co. (Lawrence Agency)
Lawrence Healthcare (Lawrence Agency)
RWP Group
The Sklover Organization
White Plains
Arthur J. Gallagher
Edward F.C. McLaughlin (Meeker Sharkey Financial Group)
NIA Ltd./National Insurance Associates
Yonkers
Arthur J. Gallagher
Yorkville
Lawrence Healthcare (Lawrence Agency)

North Carolina

Arden
Arthur J. Gallagher
Asheville
Acordia
Boone
Cameron M. Harris & Co.
Burlington
Hogg Robinson (Bain Hogg Group)
Chapel Hill
Acordia
Willis Corroon
Charlotte
Alexander & Alexander Services
Arthur J. Gallagher
Cameron M. Harris & Co.
Johnson & Higgins/UNISON
Marsh & McLennan
Palmer & Cay/Carswell of the Carolinas
Poe & Brown
Rollins Hudig Hall Group
Sedgwick
Willis Corroon
Greensboro
Acordia
K&K Specialties (K&K Insurance Group)
Lawrence United (Lawrence Agency)
King
Norwest Insurance
Lenoir
Cameron M. Harris & Co.
Morgantown
Cameron M. Harris & Co.
Raleigh
Cameron M. Harris & Co.
Marsh & McLennan
Winston-Salem
Alexander & Alexander Services
Godwins Booke & Dickenson (Rollins Hudig Hall Group)
Rollins Hudig Hall Group

North Dakota

Bismarck
Norwest Insurance
Fargo
Norwest Insurance
Fergus Falls
Norwest Insurance
Grafton
Norwest Insurance
Hillsboro
Norwest Insurance
Jamestown
Norwest Insurance
Mandan
Norwest Insurance
Minot
Norwest Insurance
Valley City
Norwest Insurance
Wahpeton
Norwest Insurance

Ohio

Akron
Rollins Hudig Hall Group
Canfield
ISU/L. Calvin Jones & Co.
Canton
Arthur J. Gallagher
Cincinnati
Acordia
Alexander & Alexander Services
Aon Risk Services (Rollins Hudig Hall Group)
Johnson & Higgins/UNISON
Marsh & McLennan
Rollins Hudig Hall Group
Thomas E. Wood
Cleveland
Acordia
Alexander & Alexander Services
The Brooks & Stafford Co.
Arthur J. Gallagher
Hobbs Group
Hylant-MacLean Group
Johnson & Higgins/UNISON
Marsh & McLennan
The James B. Oswald Co.
Preslan Agency (Acordia)
Rollins Hudig Hall Group
Willis Corroon
Columbus
Alexander & Alexander Services
Berwanger Overmyer Associates
Daniel James Insurance Agency
Arthur J. Gallagher
Godwins Booke & Dickenson (Rollins Hudig Hall Group)
Hylant-MacLean Group
Johnson & Higgins/UNISON
The McElroy-Minister Co.
Dayton
The McElroy-Minister Co.
Defiance
Insurance & Risk Management
Dublin
Willis Corroon
Fremont
Daniel James Insurance Agency
Independence
Alexander & Alexander Services
Mansfield
Arthur J. Gallagher
Middleburg Heights
Kelter-Thorner Inc.
Pepper Pike
Hogg Robinson (Bain Hogg Group)
Perrysburg
Daniel James Insurance Agency
Solon
Britton-Gallagher & Associates
Sylvania
Insurance & Risk Management
Toledo
Arthur J. Gallagher
Hylant-MacLean Group
Sedgwick
Warren
A.W. Lawrence & Co. (Lawrence Agency)
West Chester
Arthur J. Gallagher
Youngstown
Arthur J. Gallagher

Oklahoma

Chandler
LaGere & Walkingstick Insurance Agency
Oklahoma City
Arthur J. Gallagher
Hilb, Rogal & Hamilton
Marsh & McLennan
North American Insurance Agency
Sedgwick
Sallisaw
Brown-Hiller-Clark & Associates
Tulsa
Alexander & Alexander Services
Arthur J. Gallagher
Johnson & Higgins/UNISON
Marsh & McLennan
North American Insurance Agency
Rollins Hudig Hall Group
Sedgwick

Oregon

Eugene
Willis Corroon
Medford
Sedgwick
Newport
Acordia
Portland
Acordia
Alexander & Alexander Services
Godwins Booke & Dickenson (Rollins Hudig Hall Group)
Johnson & Higgins/UNISON
Marsh & McLennan
Parker, Smith & Feek
Rollins Hudig Hall Group
Sedgwick
Willis Corroon
Salem
Sedgwick

Pennsylvania

Allentown
Arthur J. Gallagher
Bala Cynwyd
Hogg Robinson (Bain Hogg Group)
Beaver Falls
ISU/Blackwood Agencies
Bethlehem
Bowers, Schumann & Welch
Sedgwick
Willis Corroon
Blue Bell
Posse-Walsh
Camp Hill
Alexander & Alexander Services
Carlisle
Acordia
Chambersburg
McDowell Insurance (American Phoenix)
Conshohocken
Godwins Booke & Dickenson (Rollins Hudig Hall Group)
Rollins Hudig Hall Group
Erie
Acordia
Arthur J. Gallagher
Insurance Management Co.
Johnson & Higgins/UNISON
Exton
WRIMS
Warren Welsh & Thomson (WRIMS)
Greensburg
Arthur J. Gallagher
Harrisburg
The Gleason Agency
A.W. Lawrence & Co. (Lawrence Agency)
Marsh & McLennan
Sedgwick
Hershey
Rollins Hudig Hall Group
Horsham
Aon Risk Services (Rollins Hudig Hall Group)
Jenkintown
Aon Risk Services (Rollins Hudig Hall Group)
Johnstown
The BGS&G Cos.
The Gleason Agency
King of Prussia
Warren Welsh & Thomson (WRIMS)
Mechanicsburg
Acordia
Arthur J. Gallagher
Philadelphia
Alexander & Alexander Services
Aon Risk Services (Rollins Hudig Hall Group)
Braishfield Associates
The Gleason Agency
The Graham Co.
Haas & Wilkerson
Paul Hertel & Co.
The Hirshorn Co.
Hobbs Group
Johnson & Higgins/UNISON
Marsh & McLennan
Rollins Hudig Hall Group
Sedgwick
Pittsburgh
Acordia
Alexander & Alexander Services
The Gleason Agency
Godwins Booke & Dickenson (Rollins Hudig Hall Group)
The HDH Group
Hilb, Rogal & Hamilton
Johnson & Higgins/UNISON
Marsh & McLennan
Rollins Hudig Hall Group
Sedgwick
Willis Corroon
Plymouth Meeting
Clair Odell Group
Radnor
Willis Corroon
Rydal
Palley Simon Associates
St. Davids
American Brokerage of Philadelphia (American Phoenix)
The Simkiss Cos.
Scranton
Arthur J. Gallagher
Sunbury
ISU/Purdy Insurance Agency
Trevose
Aon Specialty Group (Rollins Hudig Hall Group)
Arthur J. Gallagher
Williamsport
Sedgwick
Wyomissing
The Loomis Co.
Sedgwick
York
Poor, Bowen, Bartlett & Kennedy of Pennsylvania (American Phoenix)

Rhode Island

Cranston
Arthur J. Gallagher
Newport
A.W. Lawrence & Co. (Lawrence Agency)
Providence
Godwins Booke & Dickenson (Rollins Hudig Hall Group)
Marsh & McLennan
Rollins Hudig Hall Group
Starkweather & Shepley
Warwick
Arthur J. Gallagher
Westerly
Starkweather & Shepley

South Carolina

Charleston
Roanoke Brokerage Services
Columbia
Marsh & McLennan
Sedgwick
Willis Corroon
Columbus
Bultman/Bell Associates
Greenville
Bultman/Bell Associates
Arthur J. Gallagher
Johnson & Higgins/UNISON
Marsh & McLennan
Palmer & Cay/Carswell of Georgia
Willis Corroon

South Dakota

Aberdeen
Norwest Insurance
Brookings
Norwest Insurance
Chamberlain
Norwest Insurance
Dell Rapids
Norwest Insurance
Groton
Norwest Insurance
Huron
Norwest Insurance
Lake Preston
Norwest Insurance
Madison
Norwest Insurance
Milbank
Norwest Insurance
Mobridge
Norwest Insurance
Rapid City
Norwest Insurance
Redfield
Norwest Insurance
Sioux Falls
Mesirow Insurance Services
Norwest Insurance
Watertown
Norwest Insurance
Yankton
Norwest Insurance

Continued on next page

Continued from previous page
Johnson & Higgins/UNISON
Marsh & McLennan
McGriff, Seibels & Williams
North American Insurance Agency
Rollins Hudig Hall Group
Sedgwick
Willis Corroon
Roseland
Sedgwick
Shreveport
Alexander & Alexander Services
Arthur J. Gallagher

Maine

Bangor
Sedgwick
Portland
Arthur J. Gallagher
Johnson & Higgins/UNISON
Sedgwick

Maryland

Annapolis
The Loomis Co.
Baltimore
Alexander & Alexander Services
American Phoenix (Maryland)
Hilb, Rogal & Hamilton
Johnson & Higgins/UNISON
Marsh & McLennan
Tongue, Brooks & Co.
Bethesda
Willis Corroon
Columbia
The BGS&G Cos.
William Gallagher Associates
Hobbs Group
The Jacobs Co./The Jacobs Co. EBF
Sedgwick
Cumberland
The BGS&G Cos.
Frostburg
The BGS&G Cos.
Gaithersburg
Arthur J. Gallagher
Hagerstown
The BGS&G Cos.
Hunt Valley
Roanoke Brokerage Services
Willis Corroon
Oakland
The BGS&G Cos.
Owings Mills
Alexander & Alexander Services
Towson
LeBrun Division,
Tongue, Brooks & Co.
Upper Marlboro
CRM Inc. (The Jacobs Co.)

Massachusetts

Boston
Alexander & Alexander Services
Arthur J. Gallagher
William Gallagher Associates
Godwins Booke & Dickenson
(Rollins Hudig Hall Group)
Hobbs Group
Hogg Robinson (Bain Hogg Group)
Insurance Marketing Agencies
Johnson & Higgins/UNISON
Mahoney & Wright Insurance Agency
Marsh & McLennan
Roanoke Brokerage Services
Rollins Hudig Hall Group
Sedgwick
Tanenbaum-Harber Co.
Willis Corroon
Cambridge
Hastings-Tapley Insurance Agency
Canton
Sedgwick
Cohasset
Mahoney & Wright Insurance Agency
Danvers
Hastings-Tapley Insurance Agency
Dedham
Mahoney & Wright Insurance Agency
Falmouth
Lawrence Insurance
(Carlin Insurance Agency)
Gloucester
Hastings-Tapley Insurance Agency
Hampden
Arthur J. Gallagher
Haverhill
Mahoney & Wright Insurance Agency
Ipswich
Hastings-Tapley Insurance Agency
Lowell
Caddell & Byers Insurance Agency
(American Phoenix)
Marshfield
Penn General Service
(Bain Hogg Group)
Middleboro
Mahoney & Wright Insurance Agency
Natick
Carlin Insurance Agency
Mahoney & Wright Insurance Agency
New Bedford
Mariners Insurance Agency
(Sedgwick)
Maritime Adjusters (Sedgwick)
Newton
Mahoney & Wright Insurance Agency
North Attleboro
Mahoney & Wright Insurance Agency
North Quincy
Arthur J. Gallagher
North Reading
Hastings-Tapley Insurance Agency
Peabody
Mahoney & Wright Insurance Agency
Mazonson Inc.
Plymouth
Mahoney & Wright Insurance Agency
Quincy
Hastings-Tapley Insurance Agency
Reading
Mahoney & Wright Insurance Agency
Rockland
Mahoney & Wright Insurance Agency
Saugus
Hastings-Tapley Insurance Agency
Scituate
Mahoney & Wright Insurance Agency
Tewksbury
Mahoney & Wright Insurance Agency
Wakefield
Mahoney & Wright Insurance Agency
Waltham
Hobbs Group
A.W. Lawrence & Co.
(Lawrence Agency)
Watertown
Hastings-Tapley Insurance Agency
Wellesley
ISU/Hoffman Insurance Services
Weymouth
Mahoney & Wright Insurance Agency
Woburn
Hastings-Tapley Insurance Agency
Worcester
Braley & Wellington
Insurance Agency
Arthur J. Gallagher
ISU/Feingold & Feingold
Insurance Agency
Insurance Marketing Agencies
Wrentham
Mahoney & Wright Insurance Agency
Yarmouth
Mahoney & Wright Insurance Agency

Michigan

Birmingham
The Auten Group
Kelter-Thorner Inc.
Seed-Roberts Agency
Bridgman
ISU/Insurance Management
Cadillac
Penn General Service
(Bain Hogg Group)
Charlevoix
GHA Insurance & Financial Services
Dearborn
Fairlane Associates
Detroit
Alexander & Alexander Services
Aon Specialty Group
(Rollins Hudig Hall Group)
Godwins Booke & Dickenson
(Rollins Hudig Hall Group)
Hylant-MacLean Group
Johnson & Higgins/UNISON
Marsh & McLennan
Rollins Hudig Hall Group
Sedgwick
East Lansing
Arthur J. Gallagher
Fillion
A.W. Lawrence & Co.
(Lawrence Agency)
Grand Rapids
Alexander & Alexander Services
GHA Insurance & Financial Services
Arthur J. Gallagher
Godwins Booke & Dickenson
(Rollins Hudig Hall Group)
Hilb, Rogal & Hamilton
Hogg Robinson (Bain Hogg Group)
Johnson & Higgins/UNISON
Marsh & McLennan
Rollins Hudig Hall Group
Willis Corroon
Ishpeming
Penn General Service
(Bain Hogg Group)
Kalkaska
GHA Insurance & Financial Services
Livonia
Cambridge Underwriters
Arthur J. Gallagher
Willis Corroon
Niles
ISU/Insurance Management
Port Huron
Moore & Povenz
(Hilb, Rogal & Hamilton)
Saginaw
Alexander & Alexander Services
Hogg Robinson (Bain Hogg Group)
St. Joseph
ISU/Insurance Management
Southfield
Arthur J. Gallagher
Hogg Robinson (Bain Hogg Group)
Meadowbrook Insurance Group
Penn General Service
(Bain Hogg Group)
Traverse City
GHA Insurance & Financial Services
Troy
Arthur J. Gallagher
Jardine Insurance Brokers
(JIB Group)

Minnesota

Anoka
Norwest Insurance
Bloomington
Hogg Robinson (Bain Hogg Group)
Meadowbrook Insurance Group
Penn General Service
(Bain Hogg Group)
Duluth
Norwest Insurance
Ely
Norwest Insurance
Grand Rapids
Norwest Insurance
Hibbing
Norwest Insurance
Litchfield
Norwest Insurance
Mankato
Norwest Insurance
Marshall
Norwest Insurance
Midland
Marsh & McLennan
Minneapolis
Alexander & Alexander Services
Arthur J. Gallagher
Godwins Booke & Dickenson
(Rollins Hudig Hall Group)
Johnson & Higgins/UNISON
Norwest Insurance
Rollins Hudig Hall Group
Sedgwick
Willis Corroon
Ranier
Sedgwick
St. Cloud
Norwest Insurance
St. Cloud Metro
Norwest Insurance
St. Paul
Acordia
Rothschild, Bell & Walseth
Thief River Falls
Norwest Insurance
Virginia
Norwest Insurance
Winona
Arthur J. Gallagher

Mississippi

Jackson
Arthur J. Gallagher
Johnson & Higgins/UNISON
Southaven
John Stuart & Co.

Missouri

Kansas City
Acordia
Alexander & Alexander Services
Aon Specialty Group
(Rollins Hudig Hall Group)
Cannon Cochran
Management Services
Arthur J. Gallagher
Gilbert-Magill Co.
Jardine Insurance Brokers
(JIB Group)
Marsh & McLennan
Rollins Hudig Hall Group
Sedgwick
Maryland Heights
Arthur J. Gallagher
O'Fallon
Arthur J. Gallagher
Raytown
Arthur J. Gallagher
St. Louis
Alexander & Alexander Services
Aon Risk Services
(Rollins Hudig Hall Group)
Cannon Cochran
Management Services
The Daniel & Henry Co.
Arthur J. Gallagher
Godwins Booke & Dickenson
(Rollins Hudig Hall Group)
Haas & Wilkerson
Hogg Robinson (Bain Hogg Group)
ISU/Blaine-Braswell & Associates
ISU/Corporate
Insurance Management
ISU/Ricci Associates
Johnson & Higgins/UNISON
Lockton Cos.
Marsh & McLennan
Rollins Hudig Hall Group
Sedgwick
Transportation Insurance Managers
Welsch, Flatness & Lutz
Willis Corroon
Springfield
Public Entity Risk Managers
(ISU/Ricci Associates)

Nebraska

Lincoln
Alexander & Alexander Services
Omaha
Alexander & Alexander Services
Grace/Mayer Insurance Agency
Johnson & Higgins/UNISON
Norwest Insurance
Redland & Associates
Rollins Hudig Hall Group
Sedgwick

Nevada

Incline Village
Cal-Nevada Insurance
(Hilb, Rogal & Hamilton)
Las Vegas
Aviation Insurance Services
Robert F. Driver Co.
Johnson & Higgins/UNISON
Lovitt & Touche
Marsh & McLennan
Rollins Hudig Hall Group
Sedgwick
John Stuart & Co.
Reno
Acordia
Sedgwick

New Hampshire

Bedford
Arthur J. Gallagher
Manchester
Hogg Robinson (Bain Hogg Group)
Sedgwick
Nashua
Bechard Insurance Agency (Hastings-Tapley Insurance Agency)
The Sadler Coffey Agency
St. Laurent & McArdle Insurance
Rochester
Willis Corroon
Salem
Bechard Insurance Agency (Hastings-Tapley Insurance Agency)

New Jersey

Atlantic City
McCay Corp.
Bayonne
Schneiderman Agency
(Popkin Lebson Bergstein)
Bordentown
McCay Corp.
Cedar Knolls
Marsh & McLennan
Chatham
O'Gorman & Young
Clark
Poe & Brown
Clifton
Braishfield Associates
Collingswood
John Stuart & Co.
Cranford
Allied Brokerage Services
(Allied Coverage)
Cranford Agency
(Meeker Sharkey Financial Group)
Arthur J. Gallagher
John McGuire
(Meeker Sharkey Financial Group)
Meeker Sharkey Financial Group
Meeker Sharkey & MacBean
(Meeker Sharkey Financial Group)
Provident Mutual Life Insurance Co.
(Meeker Sharkey Financial Group)
Eatontown
Kennedy Insurance Agency
(The Pilgrim Organization)
Englewood
Capacity Coverage Co. of New Jersey
Popkin Lebson Bergstein
Fords
Kelter-Thorner Inc.
Fort Lee
Dewitt Stern, Imperatore
(Dewitt Stern Group)
Freehold
NIA Ltd./National Insurance
Associates
Hoboken
Aon Risk Services
(Rollins Hudig Hall Group)
Jamesburg
Aon Risk Services
(Rollins Hudig Hall Group)
Jersey City
Arthur J. Gallagher
Lawrenceville
Donald F. Smith & Associates
Livingston
Wharton Financial
(Wharton/Lyon & Lyon)
Wharton/Lyon & Lyon
Long Valley
NIA Ltd./National Insurance
Associates
Lyndhurst
Alexander & Alexander Services
Pilgrim Insurance Agent
(The Pilgrim Organization)
The Pilgrim Organization
Mahwah
Arthur J. Gallagher
Marlton
McCay Corp.
Montclair
Larson Insurance Agency
(The Pilgrim Organization)
Montvale
Capacity Coverage Co. of New Jersey
Morristown
Acordia
Griffith/Prideaux
(The Pilgrim Organization)
Marsh & McLennan
Mount Holly
McCay Corp.
Mount Laurel
Arthur J. Gallagher
Meeker Sharkey & Lane
(Meeker Sharkey Financial Group)
Oakhurst
Wharton/Atlantic
(Wharton/Lyon & Lyon)
Oldwick
Braishfield Associates
Paramus
Insurance Professionals
NIA Ltd./National Insurance
Associates
Parsippany
William Gallagher Associates
Godwins Booke & Dickenson
(Rollins Hudig Hall Group)
Johnson & Higgins/UNISON
Rollins Hudig Hall Group
Willis Corroon
Pitman
Capacity Coverage Co. of New Jersey
Princeton
G.R. Murray Insurance
(O'Gorman & Young)
Randolph
NIA Ltd./National Insurance
Associates
Rutherford
Arthur J. Gallagher
Hobbs Group
Short Hills
Sedgwick
Somerset
C&C Insurance Associates
(American Phoenix)
Poe & Brown
Ulrich Voorhees Warner Associates
Teaneck
Kornreich Insurance Services
The Lofberg Cos.
Singer Kornreich
(Kornreich Insurance Services)
Toms River
Capacity Coverage Co. of New Jersey
Trenton
Meeker Sharkey Gervasio & Seeger
(Meeker Sharkey Financial Group)
Turnersville
McCay Corp.
Vincentown
Arthur J. Gallagher
Voorhees
Hilb, Rogal & Hamilton
Wall
Meeker Sharkey & Moffatt
(Meeker Sharkey Financial Group)
Wall Township
Meeker Sharkey & Kurmin
(Meeker Sharkey Financial Group)
Washington
Bowers, Schumann & Welch
Wayne
Saldana & Associates
West Atlantic City
Rollins Hudig Hall Group

New Mexico

Albuquerque
Alexander & Alexander Services
Aon Risk Services
(Rollins Hudig Hall Group)
Arthur J. Gallagher
Penn General Service
(Bain Hogg Group)
Sedgwick

New York

Albany
Alexander & Alexander Services
Allied Coverage
Austin & Co.
Jardine Insurance Brokers
(JIB Group)
A.W. Lawrence & Co.
(Lawrence Agency)
Marsh & McLennan
Amherst
Arthur J. Gallagher

Continued on next page

Geographical listing methodology is explained on page 74.

Spotlight report

Continued from previous page

Danville
Cannon Cochran Management Services
Wolford-Cannon-Hoecker (Cannon Cochran Management Services)
Des Plaines
Meeker-Magner Co.
Downers Grove
Arthur J. Gallagher
East Moline
Arthur J. Gallagher
Elmhurst
Euclid Insurance Agencies
Glen Ellyn
Arthur J. Gallagher
Highland Park
Dann Brothers
Mesirow Insurance Services
Itasca
Arthur J. Gallagher
Lombard
Alexander & Alexander Services
Moline
Bartlett Agency
Mount Vernon
ISU/Blaine-Braswell & Associates
Naperville
Morency, Weible & Sapa
Northbrook
Aon Specialty Group (Rollins Hudig Hall Group)
Dann Brothers
Oak Brook
T.J. Adams & Associates
Cannon Cochran Management Services
Jardine Insurance Brokers (JIB Group)
Oakbrook Terrace
Boockford & Co.
ISU/Cassady Neeser Brasseur
Willis Corroon
Park Ridge
McConachie Insurance Agency
Peoria
Arthur J. Gallagher
Rockford
Arthur J. Gallagher
Marsh & McLennan
Rolling Meadows
Arthur J. Gallagher
Hummel Cos. (Laub Group)
Lamb, Little & Co.
Schaumburg
Acordia
Aon Risk Services (Rollins Hudig Hall Group)
Arthur J. Gallagher
Roanoke Brokerage Services
Skokie
Insurance Benefit Consultants
Winnetka
Aon Risk Services (Rollins Hudig Hall Group)
Mack & Parker

Indiana

Anderson
Acordia
Bloomington
ISU/The May Agency
Evansville
Acordia
Arthur J. Gallagher
Fort Wayne
Aon Risk Services (Rollins Hudig Hall Group)
ISU/Stewart, Brimner & Co.
Insurance & Risk Management
K&K Insurance Group
National Sports Underwriters (K&K Insurance Group)
Waterfield Insurance Agency
Greenwood
Acordia
ISU/Stewart, Brimner & Co.
Indianapolis
Acordia
Alexander & Alexander Services
Cannon Cochran Management Services
Daniel James Insurance Agency
Forrest Sherer
Arthur J. Gallagher
Insurance & Risk Management
A.W. Lawrence & Co. (Lawrence Agency)
Marsh & McLennan
Rollins Hudig Hall Group
Waterfield Insurance Agency
Jasper
Great American/Forrest Sherer Agency (Forrest Sherer)
Kendallville
ISU/Stewart, Brimner & Co.
Lafayette
Mayerstein-Burnell Co. dba MBAH Insurance
Ligonier
ISU/Stewart, Brimner & Co.
Marion
State Insurance (ISU/Beauchamp & McSpadden)
Merrillville
Waterfield Insurance Agency
Muncie
Galliher/ISU Inc. (ISU/Beauchamp & McSpadden)
Insurance & Risk Management
New Haven
ISU/Stewart, Brimner & Co.
North Manchester
ISU/Beauchamp & McSpadden
South Bend
Acordia
Arthur J. Gallagher
ISU/Cassady Neeser Brasseur
Waterfield Insurance Agency
Terre Haute
Forrest Sherer
Wabash
ISU/Beauchamp & McSpadden
Warsaw
ISU/Beauchamp & McSpadden
Insurance & Risk Management

Iowa

Cedar Rapids
Godwins Booke & Dickenson (Rollins Hudig Hall Group)
Holmes, Murphy & Associates
Clive
Norwest Insurance
Council Bluffs
Redland & Associates
Des Moines
Alexander & Alexander Services
Cannon Cochran Management Services
Holmes, Murphy & Associates
Norwest Insurance
Sioux City
Norwest Insurance
West Des Moines
Arthur J. Gallagher
Holmes, Murphy & Associates

Kansas

Hutchinson
Jardine Insurance Brokers (JIB Group)
Kansas City
Van Gilder Insurance
Lenexa
Frank Crystal & Co. (Midwest)
Overland Park
Acordia
ISU/Oliver & Shopen Insurance Agency
Meadowbrook Insurance Group
Prairie Village
Lockton Cos.
Shawnee Mission
Haas & Wilkerson
Topeka
Aon Risk Services (Rollins Hudig Hall Group)
Insurance Management Associates
Jardine Insurance Brokers (JIB Group)
Lockton Cos.
Wichita
Insurance Management Associates
Jardine Insurance Brokers (JIB Group)
Rollins Hudig Hall Group

Kentucky

Bowling Green
Van Meter Insurance
Edgewood
Wood Underwriters Agency (Thomas E. Wood)
Fort Mitchell
Acordia
Greensburg
J. Smith Lanier & Co.
Lexington
Acordia
Alexander & Alexander Services
Van Meter Insurance
Louisville
Acordia
Alexander & Alexander Services
Harris & Harris of Kentucky
Johnson & Higgins/UNISON
Owensboro
Van Meter Insurance
Russellville
Van Meter Insurance

Louisiana

Alexandria
Alexander & Alexander Services
Arthur J. Gallagher
Baton Rouge
Acordia
Arthur J. Gallagher
Insurance Associates
A.W. Lawrence & Co. (Lawrence Agency)
Metairie
Arthur J. Gallagher
Hilb, Rogal & Hamilton
Monroe
Arthur J. Gallagher
New Orleans
Alexander & Alexander Services
Aon Risk Services (Rollins Hudig Hall Group)
Arthur J. Gallagher

Continued on next page

Continued from previous page

Godwins Booke & Dickenson
(Rollins Hudig Hall Group)
Upland
Cumbre Inc.
Vallejo
Jarcik Insurance Agency
(Hilb, Rogal & Hamilton)
Van Nuys
Anderson & Anderson
Insurance Brokers
Ventura
ISU/Valley Insurance Service
Victorville
Dan Smith Insurance Agency
Visalia
Van Beurden Insurance Services
Walnut Creek
Arthur J. Gallagher
West Covina
Alexander & Alexander Services
Westlake Village
Keenan & Associates
Woodland
Van Beurden Insurance Services
Woodland Hills
Aon Risk Services
(Rollins Hudig Hall Group)
Arthur J. Gallagher

Colorado

Castle Rock
Arthur J. Gallagher
Colorado Springs
Acordia
Alexander & Alexander Services
Arthur J. Gallagher
Denver
Acordia
Aon Risk Services
(Rollins Hudig Hall Group)
Arthur J. Gallagher
Hilb, Rogal & Hamilton
Insurance Management Associates
Jardine Insurance Brokers
(JIB Group)
Johnson & Higgins/UNISON
Lockton Silversmith (Lockton Cos.)
Marsh & McLennan
Norwest Insurance
Rollins Hudig Hall Group
Sedgwick
The Talbert Corp.
(Hilb, Rogal & Hamilton)
Van Gilder Insurance
Willis Corroon
Durango
Acordia
Englewood
Arthur J. Gallagher
North American Insurance Agency
Lakewood
Meadowbrook Insurance Group
Montrose
Acordia
Sterling
Van Gilder Insurance

Connecticut

Avon
American Phoenix
Kenney, Webber & Lowell
(American Phoenix)
Darien
Dewitt Stern Fisher
(Dewitt Stern Group)
East Hartford
Alexander & Alexander Services
East Haven
The Mathog & Moniello Cos.
Fairfield
Hastings-Tapley Insurance Agency
Farmington
Arthur J. Gallagher
Willis Corroon
Greenwich
Alexander & Alexander Services
Aon Risk Services
(Rollins Hudig Hall Group)
Hobbs Group
Rollins Hudig Hall Group
Hartford
Alexander & Alexander Services
Aon Risk Services
(Rollins Hudig Hall Group)
Capacity Coverage Co. of New Jersey
Gow & Hanna
Johnson & Higgins/UNISON
R.C. Knox & Co.
Marsh & McLennan
Rollins Hudig Hall Group
Sedgwick
Meriden
Rollins Hudig Hall Group
Middletown
R.C. Knox & Co.
Norwalk
Sedgwick
Ridgefield
Rollins Hudig Hall Group
Simsbury
Simsbury Insurance Agency
(R.C. Knox & Co.)
Southport
Kaye of Connecticut
(Kaye Insurance Associates)
Stamford
Alexander & Alexander Services
Aon Specialty Group
(Rollins Hudig Hall Group)
Johnson & Higgins/UNISON
Marsh & McLennan
Trumbull
John Burnham & Co.
Wallingford
Donald F. Smith & Associates
West Hartford
Kelly Associates
Wethersfield
Arthur A. Watson & Co.
Windsor
R.C. Knox & Co.

Delaware

Wilmington
Johnson & Higgins/UNISON

District of Columbia

Alexander & Alexander Services
Aon Specialty Group
(Rollins Hudig Hall Group)
A.H. Baker & Co. (The BGS&G Cos.)
Hilb, Rogal & Hamilton
Johnson & Higgins/UNISON
Marsh & McLennan
Near North Insurance Brokerage
Professional Risk Management
Services (Healthcare
Insurance Services)
Rollins Hudig Hall Group
John Stuart & Co.

Florida

Boca Raton
Aon Risk Services
(Rollins Hudig Hall Group)
Century Financial Services
Hogg Robinson (Bain Hogg Group)
Penn General Service
(Bain Hogg Group)
Rollins Hudig Hall Group
Brooksville
Poe & Brown
Cape Coral
Oswald, Trippe & Co.
(The James B. Oswald Co.)
Clearwater
Acordia
Roger Bouchard Insurance
Arthur J. Gallagher
Jones & Hawkins Insurance
Coral Gables
Alexander & Alexander Services
Aon Specialty Group
(Rollins Hudig Hall Group)
Elliott, McKiever & Stowe
Godwins Booke & Dickenson
(Rollins Hudig Hall Group)
Marsh & McLennan
Rollins Hudig Hall Group
Coral Springs
Arthur J. Gallagher
Daytona Beach
Hilb, Rogal & Hamilton
MacDuff Underwriters (Poe & Brown)
Poe & Brown
Deltona
Arthur J. Gallagher
Eustis
Arthur J. Gallagher
Fort Lauderdale
Alexander & Alexander Services
Aon Specialty Group
(Rollins Hudig Hall Group)
Frank Crystal & Co.
Hilb, Rogal & Hamilton
The Loomis Co.
Marsh & McLennan
Poe & Brown
Sedgwick
Seitlin & Co.
Fort Myers
Arthur J. Gallagher
Hilb, Rogal & Hamilton
Oswald, Trippe & Co.
(The James B. Oswald Co.)
Poe & Brown
Sedgwick
Gainesville
Arthur J. Gallagher
Hilb, Rogal & Hamilton
Hollywood
Hummel Cos. (Laub Group)
Jacksonville
Acordia
Arthur J. Gallagher
Godwins Booke & Dickenson
(Rollins Hudig Hall Group)
Greene Hazel & Associates
Marsh & McLennan
Palmer & Cay/Carswell of Florida
Poe & Brown
Cecil W. Powell & Co.
Rollins Hudig Hall Group
Jupiter
A.W. Lawrence & Co.
(Lawrence Agency)
Kissimmee
Poe & Brown
Leesburg
Poe & Brown
Longwood
J. Rolfe Davis Insurance Agency
Maitland
Sedgwick
Melbourne
Braishfield Associates
Poe & Brown
Miami
Acordia
Alexander & Alexander Services
Aon Risk Services
(Rollins Hudig Hall Group)
Arvid Bergvall (Sedgwick)
Arthur J. Gallagher
Johnson & Higgins/UNISON
Meadowbrook Insurance Group
Oswald, Trippe & Co.
(The James B. Oswald Co.)
Poe & Brown
Roanoke Brokerage Services
Seitlin & Co.
Tanenbaum-Harber Co.
Naples
Oswald, Trippe & Co.
(The James B. Oswald Co.)
Sedgwick
New Port Richey
Roger Bouchard Insurance
North Palm Beach
Aon Risk Services
(Rollins Hudig Hall Group)
Orlando
Acordia
Alexander & Alexander Services
J. Rolfe Davis Insurance Agency
Frank Drane Insurance Agency
(American Phoenix)
Arthur J. Gallagher
Halcyon Underwriters (Poe & Brown)
Hilb, Rogal & Hamilton
Johnson & Higgins/UNISON
McGriff, Seibels & Williams
Poe & Brown
Rollins Hudig Hall Group
Wittner & Co.
Palm Beach
Marsh & McLennan
Palm Beach Gardens
Hogg Robinson (Bain Hogg Group)
Rollins Hudig Hall Group
Pensacola
McGriff, Seibels & Williams
St. Petersburg
Haas & Wilkerson
Wallace Welch & Willingham
West Coast Insurors
(American Phoenix)
Wittner & Co.
Sarasota
Nicholas & Cannon Agency
(American Phoenix)
Poe & Brown
Wittner & Co.
Seminole
American E&S Insurance Brokers
(Acordia)
Stuart
Acordia
Sunrise
Arthur J. Gallagher
Tallahassee
Arthur J. Gallagher
Midyette-Moor
(Palmer & Cay/Carswell of Florida)
Palmer & Cay/Carswell of Georgia
Tampa
Acordia
Alexander & Alexander Services
Aon Specialty Group
(Rollins Hudig Hall Group)
Dann Brothers
Arthur J. Gallagher
Godwins Booke & Dickenson
(Rollins Hudig Hall Group)
Hilb, Rogal & Hamilton
Johnson & Higgins/UNISON
Marsh & McLennan
Poe & Brown
Rollins Hudig Hall Group
Sedgwick
Settlement Planning Associates
(Near North Insurance Brokerage)
Willis Corroon
West Palm Beach
Acordia
Arthur J. Gallagher
Kornreich Insurance Services
A.W. Lawrence & Co.
(Lawrence Agency)
Poe & Brown
Sedgwick
Winter Haven
Poe & Brown
Willis Corroon

Georgia

Atlanta
Acordia
Alexander & Alexander Services
Aon Specialty Group
(Rollins Hudig Hall Group)
ESIX (Insurance Management
Associates)
Arthur J. Gallagher
Godwins Booke & Dickenson
(Rollins Hudig Hall Group)
Hamilton Dorsey Alston
Heath Insurance Brokers (C.E. Heath)
Hilb, Rogal & Hamilton
Hobbs Group
Hogg Robinson (Bain Hogg Group)
Johnson & Higgins/UNISON
J. Smith Lanier & Co.
A.W. Lawrence & Co.
(Lawrence Agency)
Marsh & McLennan
McGriff, Seibels & Williams
Minet Group
Palmer & Cay/Carswell of Georgia
Penn General Service
(Bain Hogg Group)
Poe & Brown
Rollins Hudig Hall Group
Sedgwick
Willis Corroon
Augusta
Palmer & Cay/Carswell of Georgia
Brunswick
Palmer & Cay/Carswell of Georgia
Carrollton
J. Smith Lanier & Co.
Columbus
Jordan/Woolfolk Insurance
(Palmer & Cay/Carswell of Georgia)
J. Smith Lanier & Co.
Duluth
Acordia
Gainesville
Hilb, Rogal & Hamilton
Manchester
J. Smith Lanier & Co.
Newnan
J. Smith Lanier & Co.
Norcross
Arthur J. Gallagher
North Columbus
J. Smith Lanier & Co.
St. Simons Island
Hilb, Rogal & Hamilton
Savannah
Hilb, Rogal & Hamilton
Palmer & Cay/Carswell of Georgia
Vidalia
Palmer & Cay/Carswell of Georgia
West Point
J. Smith Lanier & Co.

Hawaii

Hilo
Marsh & McLennan
Honolulu
Alexander & Alexander Services
Hogg Robinson (Bain Hogg Group)
Jardine Insurance Brokers
(JIB Group)
Johnson & Higgins/UNISON
Marsh & McLennan
Rollins Hudig Hall Group
Sedgwick
Kahului
Marsh & McLennan
Kailua
Marsh & McLennan
Lihue
Marsh & McLennan
Maui
Marsh & McLennan
Wailuku
Alexander & Alexander Services

Idaho

Boise
Johnson & Higgins/UNISON
Sedgwick
Stein McMurray Division,
Fred A. Moreton & Co.
Willis Corroon

Illinois

Arlington Heights
Condominium Insurance
Specialists of America
Aurora
Willis Corroon
Burr Ridge
Affiliated Insurance Consultants
Arthur J. Gallagher
Chicago
Acordia
Alexander & Alexander Services
Alper Services
Aon Risk Services/Aon Specialty
Group (Rollins Hudig Hall Group)
Byrne, Byrne & Co.
Arthur J. Gallagher
Godwins Booke & Dickenson
(Rollins Hudig Hall Group)
Heath Insurance Brokers (C.E. Heath)
Hobbs Group
Hogg Robinson (Bain Hogg Group)
Jardine Insurance Brokers
(JIB Group)
Johnson & Higgins/UNISON
Kaye Insurance Associates
Lamb, Little & Co.
Mack & Parker
Marsh & McLennan
Mesirow Insurance Services
Minet Group
Julius Moll & Son
National Professional Group
Risk Management Services
(Near North Insurance Brokerage)
Near North Insurance Brokerage
Near North National Title
(Near North Insurance Brokerage)
Penn General Service
(Bain Hogg Group)
Rollins Hudig Hall Group
Schwartz Brothers Insurance
Sedgwick
Thilman & Filippini
Willis Corroon

Continued on next page

Alphabetical directory begins on page 56. Explanation of geographical listings appears on page 74.

Continued from previous page

Licensed excess/surplus broker in: Wisconsin.

Officers: Robert Toerpe, president; Darwin Matter, vp-operations; Jeff Ashley, senior vp-sales; David Petersen, vp-commercial lines; Lawrence Koth, treasurer.

Contact: Robert Toerpe or David Petersen.

Wisenberg Insurance & Risk Management

4828 Loop Central Drive, 9th Floor, Houston, Texas 77081; 713-666-5200; fax: 713-669-4724

	1993	1992
Premium volume	$80,000,000	$50,000,000
Gross revenues	$7,100,000	$6,450,000
U.S. clients	100%	100%
Brokerage: Retail	68.00%	68.90%
U.S. offices	$4,830,000	$4,440,000
Wholesale	2.00%	2.00%
Personal lines	7.00%	8.10%
Services	18.00%	18.98%
Invstmt. income	1.00%	1.42%
Other	4.00%	0.60%
Employees	61	65
Offices	1	1

Founded: 1934.

Retail brokerage: 88% commissions, 12% fees.

Employee benefits: 5% of revenues.

Non-retail brokerage subsidiaries: Risk Analysts Inc., Houston.

Licensed excess/surplus broker in: Texas.

Officers: Irving Pozmantier, chairman; Joe Williams, president; Jay Williams, executive vp-marketing; Jeff Pozmantier, Tom Francis, executive vps.

Contact: Joe Williams.

Wittner & Co. Inc.

5999 Central Ave., Suite 400, St. Petersburg, Fla. 33710; 813-384-3000; fax: 813-345-3482

	1993	1992
Premium volume	$218,435,000	$178,500,000
Gross revenues	$3,760,752	$3,214,318
U.S. clients	100%	100%
Brokerage: Retail	48.2%	46.1%
U.S. offices	$1,812,682	$1,481,801
Wholesale	46.8%	49.9%
Services	4.0%	3.0%
Invstmt. income	1.0%	1.0%
Employees	27	24
Offices	3	2

Founded: 1955.

Retail brokerage: 92% commissions. 8% fees.

Employee benefits: 100% of revenues.

Retail brokerage branches: Orlando and Sarasota, Fla.

Officers: Ted P. Wittner, chairman; Jean Giles Wittner, president; John W. Fraser, senior vp; Kathy Woodard, vp; John D. Robinson, regional vp.

Contact: John W. Fraser.

Thomas E. Wood Inc.

1500 Carew Tower, Cincinnati, Ohio 45202; 512-852-6300; fax: 513-852-6428

	1993	1992
Premium volume	$130,000,000	$127,000,000
Gross revenues	$10,158,000	$10,066,000
U.S. clients	100%	100%
Brokerage: Retail	86%	86%
U.S. offices	$8,735,880	$8,656,760
Wholesale	1%	1%
Personal lines	9%	9%
Invstmt. income	4%	4%
Employees	107	112
Offices	2	2

Founded: 1895.

Retail brokerage: 99% commissions, 1% fees.

Employee benefits: 14% of revenues.

Retail brokerage branches: Wood Underwriters Agency Inc., Edgewood, Ky.

Licensed excess/surplus broker in: Kentucky, Ohio.

Officers: Thomas J. Klinedinst Jr., president; John K. Ashmore, Edward R. Bowmann, Marjorie A. Dunn, Paul R. Swanson, senior vps.

Contact: Thomas J. Klinedinst Jr.

John L. Wortham & Son L.L.P.

2727 Allen Parkway, P.O. Box 1388, Houston, Texas 77251-1388; 713-526-3366; fax: 713-526-5872

	1993	1992
Premium volume	$334,000,000	$298,000,000
Gross revenues	$31,211,000	$28,757,000
U.S. clients	100%	100%
Brokerage: Retail	96%	96%
U.S. offices	$29,962,560	$27,606,720
Personal lines	3%	4%
Invstmt. income	1%	NA
Employees	235	237
Offices	1	1

Founded: 1915.

Retail brokerage: 100% commissions.

Employee benefits: 9% of revenues.

Non-retail brokerage subsidiaries: John L. Wortham & Son Inc., Houston; John L. Wortham & Son Investments Inc., Houston.

Licensed excess/surplus broker in: Texas.

Officers: Fred C. Burns, managing partner; Allen H. Carruth, chairman-executive committee; James R. Davis, Charles Flournoy, Robert B. Hixon, executive committee members.

Contact: Fred C. Burns.

Directory terms and methodology are explained on page 56.

Geographical listings of agents and brokers

The geographical index of agents and brokers lists organizations appearing in the directory and their commercial retail brokerage branch offices by city and state or country (if located outside the United States). Branch offices operating under names similar to that of their parent company are indexed under the parent company's name. If a branch office name is significantly different from that of the parent, the office will be listed under its operating name followed by the parent company name in parenthesis.

Alabama

Birmingham
Arthur J. Gallagher
Hilb, Rogal & Hamilton
Johnson & Higgins/UNISON
McGriff, Seibels & Williams
Palomar Insurance
Sedgwick
Willis Corroon

Daphne
Palomar Insurance

Huntsville
J. Smith Lanier & Co.

LaFayette
J. Smith Lanier & Co.

Mobile
Hilb, Rogal & Hamilton
Sedgwick
Willis Corroon

Montgomery
Alexander & Alexander Services
Meadowbrook Insurance Group
Palomar Insurance
Willis Corroon

Opelika
J. Smith Lanier & Co.

Troy
Palomar Insurance

Alaska

Anchorage
Brady & Co.
Johnson & Higgins/UNISON
Parker, Smith & Feek
Willis Corroon

Fairbanks
Willis Corroon

Arizona

Flagstaff
Hilb, Rogal & Hamilton

Mesa
A.W. Lawrence & Co.
(Lawrence Agency)
Lawrence United (Lawrence Agency)

Phoenix
Acordia
Alexander & Alexander Services
Alliance Insurance Group
Hilb, Rogal & Hamilton
Jardine Insurance Brokers
(JIB Group)
Johnson & Higgins/UNISON
Lovitt & Touche
Poe & Brown
Sedgwick
Waterfield Insurance Agency
Willis Corroon

Scottsdale
Arthur J. Gallagher

Taylor
Lovitt & Touche

Tucson
Alliance Insurance Group
Hilb, Rogal & Hamilton
Lovitt & Touche
Sedgwick
Willis Corroon

Arkansas

Bentonville
Alexander & Alexander Services
Sedgwick

Eureka Springs
BHC Life & Group Specialists
(Brown-Hiller-Clark & Associates)
Brown-Hiller-Clark & Associates

Fort Smith
BHC Life & Group Specialists
(Brown-Hiller-Clark & Associates)
Brown-Hiller-Clark & Associates
Rebsamen Insurance

Jacksonville
Arthur J. Gallagher

Little Rock
Marsh & McLennan
Rebsamen Insurance
Sedgwick

North Little Rock
Arthur J. Gallagher

Springdale
Rebsamen Insurance

California

Alpine
Van Beurden Insurance Services

Anaheim
Arthur J. Gallagher

Apple Valley
Apple Valley Insurance
(Dan Smith Insurance Agency)

Auburn
Acordia

Bakersfield
ADAPT (Lawrence Agency)

Belmont
Alburger Basso deGrosz

Beverly Hills
Kaye Insurance Associates

Brea
Alburger Basso deGrosz

Burbank
Adams & Porter (Frenkel & Co.)
Alexander & Alexander Services

Burlingame
Acordia

Campbell
Keenan & Associates

Capitola
Alburger Basso deGrosz

Caruthers
Van Beurden Insurance Services

Chico
Keenan & Associates

Concord
Aon Specialty Group
(Rollins Hudig Hall Group)
Arthur J. Gallagher

Costa Mesa
Alexander & Alexander Services
Johnson & Higgins/UNISON
Rollins Hudig Hall Group

Covina
ISU/Valley Insurance Service

Culver City
Hogg Robinson (Bain Hogg Group)

Davis
Norwest Insurance

Diamond Bar
Aon Specialty Group
(Rollins Hudig Hall Group)

Dinuba
ADAPT (Lawrence Agency)

Emeryville
Keenan & Associates

Encino
Acordia

Escondido
Robert F. Driver Co.

Fresno
ADAPT (Lawrence Agency)
Andreini & Co.
Cal-Central Insurance
& Management Services
Calco Insurance Brokers & Agents
Arthur J. Gallagher
Keenan & Associates
Rollins Hudig Hall Group
Van Beurden Insurance Services

Fullerton
Hilb, Rogal & Hamilton

Garden Grove
Jardine Insurance Brokers
(JIB Group)

Glendale
Aon Risk Services
(Rollins Hudig Hall Group)
Calco Insurance Brokers & Agents
Willis Corroon

Grass Valley
Acordia

Hesperia
Hesperia Insurance Services
(Dan Smith Insurance Agency)

Hollywood
Truman Van Dyke Co.

Huntington Beach
Arthur J. Gallagher

Irvine
Anderson & Anderson
Insurance Brokers
Andreini & Co.
John Burnham & Co.
Arthur J. Gallagher
Gow & Hanna West
Sedgwick

Kerman
ADAPT (Lawrence Agency)

Kingsburg
Van Beurden Insurance Services

Laguna
Alliance Insurance Group

Laguna Hills
Arthur J. Gallagher
ISU/Valley Insurance Service

Lodi
Acordia

Long Beach
Acordia
Roanoke Brokerage Services

Los Angeles
Alexander & Alexander Services
Allen Insurance Associates
(Minet Group)
Aon Specialty Group
(Rollins Hudig Hall Group)
Aviation Insurance Services
Cumbre Inc.
James Econn & Co.
Arthur J. Gallagher
Haas & Wilkerson
Hobbs Group
International Film Guarantors
(Near North Insurance Brokerage)
Jardine Insurance Brokers
(JIB Group)
Johnson & Higgins/UNISON
Marsh & McLennan
Minet Group
Near North Insurance Brokerage
Penn General Service
(Bain Hogg Group)
Aaron Richardson Insurance Services
Rollins Hudig Hall Group
Sedgwick

Los Osos
Van Beurden Insurance Services

Mill Valley
Acordia

Modesto
Van Beurden Insurance Services

Newport Beach
Alexander & Alexander Services
Robert F. Driver Co.
Marsh & McLennan

Novato
Asia Pacific Insurance Services
(C.E. Heath)
Jordan Shields Insurance Agency

Orange
Acordia
Cal-Surance Associates
(The Cal-Surance Cos.)
Calco Insurance Brokers & Agents

Oxnard
Andreini & Co.
Bolton/RGV Insurance Brokers

Palm Springs
Sfingi & Hannon Insurance Services
(Hilb, Rogal & Hamilton)

Palo Alto
Godwins Booke & Dickenson
(Rollins Hudig Hall Group)
Thoits Insurance

Pasadena
Acordia
Alexander & Alexander Services
DeFazio & Co.
Willis Corroon

Paso Robles
Van Beurden Insurance Services

Pleasanton
Arthur J. Gallagher

Porterville
Alexander & Alexander Services

Rancho Cordova
Robert F. Driver Co.

Rancho Cucamonga
Sfingi & Hannon Insurance Services
(Hilb, Rogal & Hamilton)

Redwood City
Kelter-Thorner Inc.

Riverside
Keenan & Associates

Sacramento
Acordia
Calco Insurance Brokers & Agents
Arthur J. Gallagher
Jarcik Insurance Agency
(Hilb, Rogal & Hamilton)
Keenan & Associates
Rollins Hudig Hall Group
Sedgwick
Willis Corroon

Salinas
Andreini & Co.
Rollins Hudig Hall Group

San Bernardino
Van Beurden Insurance Services

San Clemente
Arthur J. Gallagher
International Rental Insurance
(WRIMS)
Rental Industry Services (WRIMS)

San Diego
ADAPT (Lawrence Agency)
Alexander & Alexander Services
John Burnham & Co.
Calco Insurance Brokers & Agents
Robert F. Driver Co.
Arthur J. Gallagher
Hilb, Rogal & Hamilton
Jardine Insurance Brokers
(JIB Group)
Johnson & Higgins/UNISON
Keenan & Associates
Marsh & McLennan
Pilgrim West Insurance Agency
(The Pilgrim Organization)
Aaron Richardson Insurance Services
San Diego Associates
Sedgwick
Tanenbaum-Harber Co.
Willis Corroon

San Francisco
Acordia
Alexander & Alexander Services
Aon Risk Services
(Rollins Hudig Hall Group)
Calco Insurance Brokers & Agents
Fritz International Insurance Brokers
Arthur J. Gallagher
William Gallagher Associates
Godwins Booke & Dickenson
(Rollins Hudig Hall Group)
Richard N. Goldman & Co.
Heath Insurance Brokers (C.E. Heath)
Hobbs Group
Hogg Robinson (Bain Hogg Group)
ISU/Insurance Services
Jarcik Insurance Agency
(Hilb, Rogal & Hamilton)
Jardine Insurance Brokers
(JIB Group)
Johnson & Higgins/UNISON
Marsh & McLennan
Minet Group
Poe & Brown
Aaron Richardson Insurance Services
Roanoke Brokerage Services
Rollins Hudig Hall Group
Rush & O'Kane dba O'Kane-Jacinto
Insurance Brokers/St. Andrews
Insurance Brokers
Sedgwick
Thoits Insurance
Willis Corroon

San Jose
Alexander & Alexander Services
Jardine Insurance Brokers
(JIB Group)
Johnson & Higgins/UNISON
Minet Group
Willis Corroon

San Mateo
Andreini & Co.
Calco Insurance Brokers & Agents

Sanger
ADAPT (Lawrence Agency)

Santa Ana
Keenan & Associates
Willis Corroon

Santa Ana Heights
Kelter-Thorner Inc.

Santa Barbara
Alexander & Alexander Services

Santa Monica
Andreini & Co.
ISU/Bob Gabriel Co.

Santa Rosa
Ellingson & Jones
(Alburger Basso deGrosz)
Jarcik Insurance Agency
(Hilb, Rogal & Hamilton)

South Pasadena
Bolton/RGV Insurance Brokers

Stockton
Anderson & Anderson
Insurance Brokers
Jardine Insurance Brokers
(JIB Group)

Torrance
Aon Risk Services
(Rollins Hudig Hall Group)
Cal-Surance Benefits Plans
(The Cal-Surance Cos.)
The Hoffman Co.
Keenan & Associates

Truckee
Acordia
Jarcik Insurance Agency
(Hilb, Rogal & Hamilton)

Universal City
Aon Risk Services/Aon Specialty
Group (Rollins Hudig Hall Group)

Continued on next page

Continued from previous page

Tower Chisholm Ferguson Ltd.
2 Lansing Square, Suite 901, Willowdale, Ontario M2J 4P8, Canada; 416-495-0463; fax: 416-495-7274

	1993*	1992*
Premium volume	$11,134,407	$10,861,154
Gross revenues	$1,807,869	$1,769,872
U.S. clients	8%	3%
Non-U.S. clients	92%	97%
Brokerage: Retail	63%	66%
Non-U.S. offices	$1,138,957	$1,168,115
Wholesale	3%	2%
Personal lines	30%	28%
Services	2%	2%
Invstmt. income	2%	2%
Employees	19	21
Offices	1	1

* Converted at applicable exchange rates.

Founded: 1928.
Retail brokerage: 98% commissions, 2% fees.
Officers: Herbert Schwartze, chairman; Darryl D. Ticknor, president; Debbie Massa, vp.
Contact: Darryl D. Ticknor.

Transportation Insurance Managers
11300 N. Central, Suite 207, Dallas, Texas 75243; 214-373-4566

	1993	1992
Premium volume	$9,850,000	$10,500,000
Gross revenues	$788,000	$823,953
U.S. clients	100%	100%
Brokerage: Retail	98.6%	98.0%
U.S. offices	$772,713	$807,474
Invstmt. income	1.4%	2.0%
Employees	8	9
Offices	4	4

Retail brokerage: 100% commissions.
Employee benefits: 3% of revenues.
Retail brokerage branches: St. Louis; Memphis, Tenn.; Houston.
Officers: Dale Weatheread, president; Bob Hunt, vp/secretary.
Contact: Bob Hunt.

U

Ulrich Voorhees Warner Associates
1 Executive Drive, P.O. Box 6728, Somerset, N.J. 08875-6728; 908-469-3000; fax: 908-271-9573

	1993	1992
Premium volume	$49,100,000	$46,500,000
Gross revenues	$8,264,000	$7,834,000
U.S. clients	96%	95%
Non-U.S. clients	4%	5%
Brokerage: Retail	72%	69%
U.S. offices	$5,950,080	$5,405,460
Personal lines	6%	7%
Services	12%	11%
Invstmt. income	2%	2%
Other	8%	11%
Employees	51	NA
Offices	1	NA

Founded: 1973.
Retail brokerage: 91% commissions, 9% fees.
Employee benefits: 7% of revenues.
Licensed excess/surplus broker in: New Jersey.
Officers: John N. Voorhees III, president; Stephen A. Warner, executive vp; William A. Cilente, senior vp; T. Wade Byrum, William Treich, vps.
Contact: Stephen A. Warner.

Underwriters Financial Group Inc.
156 William St., New York, N.Y. 10038; 212-233-7172

	1993*	1992*
Gross revenues	$15,255,000	$15,000,000
U.S. clients	100%	100%
Brokerage: Retail	78%	81%
U.S. offices	$11,898,900	$12,150,000
Wholesale	4%	4%
Reinsurance	1%	3%
Personal lines	4%	4%
Services	12%	7%
Invstmt. income	1%	1%

*Figures are BI estimates which are based on information provided in SEC filings.

Founded: May 1994; formerly BRI Coverage Corp.
Contact: Howard Miller, senior vp.

V

Van Beurden Insurance Services Inc.
1600 Draper St., Kingsburg, Calif. 93631; 209-897-2975; fax: 209-897-4070

	1993	1992
Premium volume	$91,451,673	$84,351,531
Gross revenues	$11,179,967	$10,326,929
U.S. clients	100%	100%
Brokerage: Retail	82%	83%
U.S. offices	$9,167,572	$8,571,351
Wholesale	3%	NA
Personal lines	8%	9%
Invstmt. income	7%	8%
Employees	110	101
Offices	11	12

Founded: 1934.
Retail brokerage: 97% commissions, 3% fees.
Employee benefits: 8% of revenues.
Acquisitions: Jensen Insurance Agency, Visalia, Calif., February 1992.
Retail brokerage branches: Alpine, Caruthers, Fresno, Los Osos, Modesto, Paso Robles, San Bernardino, Visalia and Woodland, Calif.; Seattle.
Licensed excess/surplus broker in: California.
Officers: William J. Van Beurden, president; Mark F. Matthews, executive vp; Steven C. Wigh, senior vp; Donald K. Bingham, president-Van Beurden-Washington; Michael E. James, president-wholesale division.
Contact: Steven C. Wigh, senior vp.

Truman Van Dyke Co.
6255 Sunset Blvd., Suite 1401, Hollywood, Calif. 90028; 213-462-3300; fax: 213-462-4857

	1993	1992
Premium volume	$8,778,462	$11,403,467
Gross revenues	$1,310,518	$1,613,415
U.S. clients	98%	99%
Non-U.S. clients	2%	1%
Brokerage: Retail	74%	92%
U.S. offices	$969,783	$1,484,342
Wholesale	26%	8%
Employees	17	18
Offices	1	1

Founded: 1953.
Retail brokerage: 97% commissions, 3% fees.
Licensed excess/surplus broker in: California.
Officers: Truman Van Dyke Jr., president; Rose Van Dyke, chairman.
Contact: Truman Van Dyke Jr.

Van Gilder Insurance Corp.
700 Broadway, Suite 1000, Denver, Colo. 80203; 303-837-8500; fax: 303-831-5295

	1993	1992
Premium volume	$99,145,000	$86,328,000
Gross revenues	$13,860,000	$12,314,000
U.S. clients	100%	100%
Brokerage: Retail	67%	69%
U.S. offices	$9,286,200	$8,496,660
Personal lines	12%	13%
Invstmt. income	7%	5%
Other	14%	13%
Employees	140	135
Offices	4	4

Founded: 1905.
Retail brokerage: 98% commissions, 2% fees.
Employee benefits: 5.6% of revenues.
Retail brokerage branches: Sterling, Colo.; Kansas City, Kan.; Casper, Wyo.
Licensed excess/surplus broker: Nationwide.
Officers: Dell Van Gilder, president; Henry Higginbotton, CFO; Jerry Ray, COO; Velma Lane, senior vp; James Hayes, vp.
Contact: Dell Van Gilder.

Van Meter Insurance
1240 Fairway, P.O. Box 1779, Bowling Green, Ky. 42102-1779; 502-781-2020; fax: 502-843-8803

	1993	1992
Premium volume	$60,000,000	$37,000,000
Gross revenues	$6,100,000	$3,600,000
U.S. clients	100%	100%
Brokerage: Retail	78.0%	81.0%
U.S. offices	$4,800,000	$2,900,000
Wholesale	0.5%	NA
Reinsurance	1.0%	NA
Personal lines	5.0%	3.0%
Services	8.0%	3.0%
Invstmt. income	1.0%	1.0%
Other	6.5%	12.0%
Employees	98	60
Offices	5	2

Founded: 1977.
Retail brokerage: 99% commissions, 1% fees.
Employee benefits: 14% of revenues.
Acquisitions: Burnett Insurance, Lexington, Ky., March 1993; Foster Insurance Agency, Russelville, Ky., January 1993; Taylor & Associates, Owensboro, Ky., January 1994.
Retail brokerage branches: Lexington, Owensboro and Russelville, Ky.; Brentwood, Tenn.
Licensed excess/surplus broker in: Kentucky, Tennessee.
Officers: William. B. Van Meter, chairman; Larry Schaefer, president; Louis Berman, Tim Renfro, vps; Jerry Heming, marketing manager.
Contact: Larry Schaefer.

Vidal & Rodriguez Inc.
Capital Center Building, Suite 501, Arterial Hostos Ave., Hato Rey, P.R. 00918; 809-751-7610; fax: 809-763-2810

	1993	1992
Premium volume	$20,000,000	$16,000,000
Gross revenues	$2,000,000	$1,600,000
U.S. clients	100%	100%
Brokerage: Retail	96%	96%
U.S. offices	$1,920,000	$1,536,000
Personal lines	2%	2%
Services	1%	1%
Invstmt. income	1%	1%
Employees	18	16
Offices	1	1

Founded: 1986.
Retail brokerage: 99% commissions, 1% fees.
Employee benefits: 15% of revenues.
Licensed excess/surplus broker in: Puerto Rico.
Officers: Luis Rodriguez, president; Diego Vidal, executive vp.
Contact: Luis Rodriguez.

W

WFT Insurance Services Ltd.
Guild House, 36-38 Fenchurch St., London, EC3M 3DQ, England; 44-71-929-5252; fax: 44-71-929-5423

	1993	1992
Premium volume	$15,000,000	NA
Gross revenues	$850,000	NA
U.S. clients	100%	NA
Wholesale	80%	NA
Reinsurance	10%	NA
Invstmt. income	10%	NA
Employees	5	NA
Offices	1	NA

Founded: 1993.
Parent: Shirlstar Holdings.
Officers: Christopher Needham, chairman; Peter Willis Fleming, managing director; Mary Tolner, Danny Hurley, Nicolas Geoge, directors.
Contact: Peter Willis Fleming.

WRIMS Corp.
P.O. Box 600, 1 East Uwchlan Ave., Exton, Pa. 19341; 610-363-9009; fax: 610-363-1837

	1993	1992
Gross revenues	$12,063,341	$9,475,402
U.S. clients	100%	100%
Brokerage: Retail	83.80%	91.10%
U.S. offices	$10,109,079	$8,632,091
Personal lines	12.62%	5.70%
Invstmt. income	1.87%	2.20%
Other	1.71%	1.00%
Employees	NA	112
Offices	6	5

Founded: 1971.
Retail brokerage: 98% commissions, 2% fees.
Employee benefits: 1.5% of revenues.
Merger: Thomson Retail Associates, Exton, Pa., December 1992.
Retail brokerage branches: Insurance Risk Managers, Fort Worth, Texas; Inter/National Rental Insurance, San Clemente, Calif.; Rental Industry Services, San Clemente, Calif.; Warren Welsh & Thomson, Exton and King of Prussia, Pa.
Licensed excess/surplus broker in: Pennsylvania.
Officers: Warren Holt, president; Peter Pacentino, vp/secretary; John J. Joyce, vp; Michael Leonard, treasurer.
Contact: Michael Leonard.

Wallace Welch & Willingham
3810 16th St., St. Petersburg, Fla. 33703; 813-522-7777; fax: 813-521-2902

	1993	1992
Premium volume	$33,000,000	$30,000,000
Gross revenues	$3,600,000	$3,500,000
U.S. clients	99%	98%
Non-U.S. clients	1%	2%
Brokerage: Retail	70%	69%
U.S. offices	$2,520,000	$2,415,000
Personal lines	27%	28%
Invstmt. income	2%	2%
Other	1%	1%
Employees	48	48
Offices	1	1

Founded: 1925.
Retail brokerage: 98% commissions, 2% fees.
Employee benefits: 14% of revenues.
Licensed excess/surplus broker in: Florida.
Officers: John I. Welch, CEO; Weyman Willingham, president; Robert Stambaugh, executive vp.
Contact: Stanley B. Shreve, vp.

Waterfield Insurance Agency Inc.
7221 Engle Road, Suite 100, P.O. Box 10371, Fort Wayne, Ind. 46852-0371; 219-434-5700

	1993	1992
Premium volume	$80,261,000	$80,000,000
Gross revenues	$8,707,650	$8,293,000
U.S. clients	100%	100%
Brokerage: Retail	54%	55%
U.S. offices	$4,702,131	$4,561,150
Personal lines	22%	22%
Invstmt. income	6%	6%
Other	18%	17%
Employees	85	100
Offices	5	5

Founded: 1928.
Parent: Waterfield Group.
Retail brokerage: 100% commissions.
Retail brokerage branches: Phoenix; Indianapolis, Merrillville and South Bend, Ind.
Officers: E. Anthony King, president; Larry Nicolet, Keith Maravalo, senior vps; Patrick Felts, Murray S. Weber, vps.
Contact: E. Anthony King.

Arthur A. Watson & Co. Inc.
225 Spring St., Wethersfield, Conn. 06109; 203-563-8111; fax: 203-563-5201

	1993	1992
Premium volume	$73,445,000	$70,000,000
Gross revenues	$7,194,000	$7,121,000
U.S. clients	100%	100%
Brokerage: Retail	56%	57%
U.S. offices	$4,028,640	$4,058,970
Personal lines	26%	26%
Invstmt. income	1%	1%
Other	17%	16%
Employees	84	83
Offices	1	1

Founded: 1929.
Retail brokerage: 94% commissions, 6% fees.
Employee benefits: 17% of revenues.
Licensed excess/surplus broker in: Connecticut.
Officers: Thomas A. Willsey, president; Stephen R. Gass, Elliot H. Levine, Peter E. Peterson, executive vps; Alan S. Carrie, CFO.
Contact: Thomas A. Willsey.

Directory terms and methodology are explained on page 56. For a geographical listing of companies, see page 74.

Welsch, Flatness & Lutz Inc.
701 Market St., Suite 600, St. Louis, Mo. 63101; 314-436-2399; fax: 314-342-7170

	1993	1992
Premium volume	$42,000,000	$40,000,000
Gross revenues	$5,200,000	$5,000,000
U.S. clients	99%	100%
Non-U.S. clients	1%	NA
Brokerage: Retail	92.0%	91.3%
U.S. offices	$4,784,000	$4,565,000
Personal lines	6.0%	6.0%
Services	1.2%	2.0%
Invstmt. income	0.8%	0.7%
Employees	52	49
Offices	1	1

Founded: 1979.
Retail brokerage: 85% commissions, 15% fees.
Employee benefits: 5% of revenues.
Licensed excess/surplus broker in: Illinois, Missouri.
Officers: Dennis D. Flatness, chairman/CEO; Thomas R. Welsch, president; Dennis D. Lutz, executive vp/secretary; Thomas H. Etling, executive vp/COO.
Contact: Thomas H. Etling, COO.

Wharton/Lyon & Lyon
101 S. Livingston Ave., Livingston, N.J. 07039; 201-992-5775; fax: 201-992-6660

	1993	1992
Gross revenues	$8,565,000	$8,345,000
U.S. clients	100%	100%
Brokerage: Retail	87%	87%
U.S. offices	$7,451,550	$7,260,150
Personal lines	12%	12%
Invstmt. income	1%	1%
Employees	90	90
Offices	3	3

Founded: 1912.
Retail brokerage: 95% commissions, 5% fees.
Employee benefits: 8% of revenues.
Acquisitions: The Kaye Agency, Long Branch, N.J., May 1994.
Retail brokerage branches: Wharton/Atlantic, Oakhurst, N.J.; Wharton Financial, Livingston, N.J.
Officers: Albert L. Klein, chairman/CEO; Richard Hebert, president/COO.
Contact: Albert L. Klein.

Willis Corroon Group P.L.C.
10 Trinity Square, London EC3P 3AX, England; 44-71-488-8111; fax: 44-71-488-8223

See profile on page 31.

Wisconsin Insurance Management Inc.
300 Wisconsin Ave., P.O. Box 1630, Waukesha, Wis. 53187; 414-542-8822; fax: 414-542-9750

	1993	1992
Premium volume	$117,000,000	$109,000,000
Gross revenues	$7,754,000	$7,227,000
U.S. clients	100%	100%
Brokerage: Retail	53%	53%
U.S. offices	$4,109,620	$3,830,310
Wholesale	1%	1%
Personal lines	22%	21%
Services	3%	2%
Other	21%	23%
Employees	76	72
Offices	2	2

Founded: 1978.
Parent: First Financial Corp.
Retail brokerage: 94% commissions, 6% fees.
Employee benefits: 10% of revenues.
Retail brokerage branches: Stevens Point, Wis.

Continued on next page

Spotlight report

Continued from previous page

Retail brokerage branches: Seitlin & Co. of Broward Inc., Fort Lauderdale, Fla.

Licensed excess/surplus broker in: Florida.

Officers: Sam Seitlin, chairman; M. Stephen Jackman, president; Robert Louis Seitlin, vp/secretary; Lynn Tsucalas, vp/marketing manager; Richard Johnson, Frank Wheeler, vps.

Contact: M. Stephen Jackman.

Shelton Insurance Agency Inc.

P.O. Box 2727, 1227 Third St., Corpus Christi, Texas 78403; 512-882-5586; fax: 516-882-7935

	1993	1992
Premium volume	$7,277,046	$7,473,398
Gross revenues	$775,747	$842,880
U.S. clients	100%	100%
Brokerage: Retail	90%	90%
U.S. offices	$698,172	$758,592
Personal lines	8%	8%
Invstmt. income	2%	2%
Employees	13	14
Offices	1	1

Founded: 1941.

Retail brokerage: 100% commissions.

Licensed excess/surplus broker in: Texas.

Officers: W.J. Shelton, chairman/CEO; Michael Morgan vp/secretary.

Contact: W.J. Shelton.

Jordan Shields Insurance Agency Inc.

250 Bel Marin Keys Blvd., Suite E4, Novato, Calif. 94949; 415-382-8585; fax: 415-382-0349

	1993	1992
Premium volume	$15,000,000	$13,000,000
Gross revenues	$600,000	$530,000
U.S. clients	100%	100%
Brokerage: Retail	98%	97%
U.S. offices	$588,000	$514,000
Services	2%	3%
Employees	4	4
Offices	1	1

Founded: 1986.

Retail brokerage: 98% commissions, 2% fees.

Employee benefits: 100% of revenues.

Officers: Jordan Shields, president.

Contact: Jordan Shields.

The Simkiss Cos.

150 Radnor-Chester Road, St. Davids, Pa. 19087-8710; 610-254-5000; fax: 610-254-5016

	1993	1992
Premium volume	$62,576,000	$59,597,000
Gross revenues	$8,300,000	$7,940,000
U.S. clients	100%	100%
Brokerage: Retail	92%	91%
U.S. offices	$7,636,000	$7,225,000
Personal lines	5%	4%
Services	1%	1%
Invstmt. income	2%	4%
Employees	61	60
Offices	1	1

Founded: 1965.

Retail brokerage: 85% commissions, 15% fees.

Employee benefits: 2% of revenues.

Licensed excess/surplus broker in: Pennsylvania.

Officers: John A. Simkiss, president; Richard J. Decker, William F. Simkiss, William F. O'Brien, executive vps.

Contact: Daniel B. Norris, vp.

The Sklover Organization

400 Post Ave., Westbury, N.Y. 11590; 516-333-6011; fax: 516-333-6608

	1993	1992
Premium volume	$18,000,000	$16,000,000
Gross revenues	$2,000,000	$1,800,000
U.S. clients	80%	80%
Non-U.S. clients	20%	20%
Brokerage: Retail	85%	85%
U.S. offices	$1,700,000	$1,530,000
Personal lines	13%	13%
Invstmt. income	2%	2%
Employees	9	9
Offices	2	2

Founded: 1964.

Retail brokerage: 95% commissions, 5% fees.

Retail brokerage branches: New York.

Non-retail brokerage subsidiaries: The Sklover Benefits Group, Westbury, N.Y.

Officers: Richard Sklover, president; Dominic Repeeto, executive vp; Richard Ward, senior vp; James Herrmann, Andrew Sklover, vps.

Contact: Richard Sklover.

Dan Smith Insurance Agency Inc.

14950 Circle Drive, Victorville, Calif. 92392; 619-245-5344; fax: 619-241-3567

	1993	1992
Premium volume	$6,000,000	$6,500,000
Gross revenues	$980,000	$1,050,000
U.S. clients	100%	100%
Brokerage: Retail	60%	57%
U.S. offices	$587,000	$594,000
Personal lines	26%	31%
Services	12%	10%
Other	2%	2%
Employees	15	18
Offices	2	2

Founded: 1917.

Retail brokerage: 88% commissions, 12% fees.

Employee benefits: 14% of revenues.

Retail brokerage branches: Apple Valley Insurance, Apple Valley, Calif.; Hesperia's Insurance Services, Hesperia, Calif.

Officers: Daniel E. Smith, president; Susanne Escobedo, CFO; Gisela Saporiti, vp-operations.

Contact: Daniel E. Smith.

Donald F. Smith & Associates, Smith Insurance Services, Smith Annuity Services Inc.

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

	1993	1992
Premium volume	$125,000,000	$140,000,000
Gross revenues	$5,830,000	$6,550,000
U.S. clients	100%	100%
Brokerage: Retail	73%	71%
U.S. offices	$4,255,900	$4,650,500
Personal lines	8%	8%
Services	16%	18%
Invstmt. income	3%	3%
Employees	107	104
Offices	4	4

Founded: 1962.

Parent: Donald F. Smith & Associates.

Retail brokerage: 90% commissions, 10% fees.

Employee benefits: 29% of revenues.

Retail brokerage branches: Wallingford, Conn.; New York; Richmond, Va.

Licensed excess/surplus broker in: New Jersey, New York.

Officers: Donald F. Smith, chairman; William B. Stephenson, president; Robert M. Neumann, executive vp; Robert B. Bainbridge, senior vp.

Contact: R.M. Neumann.

Smith-Field Insurance Agency Inc.

415 N. Alfred St., P.O. Box 1269, Alexandria, Va. 22313; 703-548-1551; fax: 703-836-6956

	1993	1992
Premium volume	$20,000,000	$20,000,000
Gross revenues	$2,950,000	$2,940,000
U.S. clients	100%	100%
Brokerage: Retail	93%	92%
U.S. offices	$2,743,500	$2,704,800
Personal lines	5%	6%
Invstmt. income	2%	2%
Employees	28	33
Offices	1	1

Founded: 1960.

Retail brokerage: 99% commissions, 1% fees.

Employee benefits: 22% of revenues.

Licensed excess/surplus broker in: Virginia.

Officers: Thomas S. Field, chairman; Philip A. Colclough, president.

Contact: Philip A. Colclough.

Sodarcan Inc.

1140, de Maisonneuve Blvd. W., Montreal, Quebec H3A 1M8, Canada; 514-288-0100; fax: 514-282-9841

	1993*	1992*
Premium volume	$635,500,000	$593,280,000
Gross revenues	$70,531,975	$71,173,824
U.S. clients	8%	7%
Non-U.S. clients	92%	93%
Brokerage: Retail	36%	36%
Non-U.S. offices	$25,391,325	$25,622,280
Reinsurance	21%	18%
Personal lines	15%	16%
Services	24%	26%
Invstmt. income	3%	2%
Other	1%	2%
Employees	1,003	1,087
Offices	19	19

* Converted at applicable exchange rates.

Founded: 1972.

Retail brokerage: 89% commissions, 11% fees.

Employee benefits: 17% of revenues.

Acquisitions: P. Brunet Assurance Inc., Montreal, March 1994.

Retail brokerage branches: Canada: Benoit & Borg, Willowdale, Ontario; Dale Intermediaries Ltd., Vancouver, B.C.; Halifax, Nova Scotia; Hamilton, London, Niagara Falls, Ottawa, Sarnia, Toronto and Windsor, Ontario; Dale-Parizeau Inc., Hull, Jonquiere and Montreal, Quebec; Dunn-Parizeau Inc., Sherbrooke, Quebec; Parizeau-Brunet Inc., Laval, Quebec; Poitras, Lavigueur Inc., Quebec City, Quebec.

Non-retail brokerage subsidiaries: BEP International Holding Inc., Montreal; Dale-Parizeau Inc., Montreal; MLH&A Inc., Montreal.

Officers: Robert Parizeau, president; Mario Myre, executive vp-insurance brokerage; Marcel Le Houillier, executive vp-actuarial services/employee benefits consulting; Raymond Gilbert, executive vp-reinsurance brokerage; Gilles P. Grenier, senior vp-finance/treasurer; Pierre Lanteigne, vp-control; Claudette Leblanc, vp-human resources; Louise Menard, vp-corporate affairs/secretary.

Contact: Gilles P. Grenier, senior vp-finance/treasurer.

Starkweather & Shepley Inc.

155 S. Main St., Providence, R.I. 02903; 401-421-6900; fax: 401-272-0180

	1993	1992
Premium volume	$70,400,000	$70,245,000
Gross revenues	$8,600,000	$8,815,000
U.S. clients	100%	100%
Brokerage: Retail	73%	73%
U.S. offices	$6,278,000	$6,435,000
Wholesale	8%	10%
Personal lines	13%	12%
Services	2%	1%
Invstmt. income	4%	4%
Employees	82	NA
Offices	2	NA

Founded: 1879.

Retail brokerage: 98% commissions, 2% fees.

Employee benefits: 5% of revenues.

Retail brokerage branches: Westerly, R.I.

Non-retail brokerage subsidiaries: RISCO Inc., Providence, R.I.

Licensed excess/surplus broker in: Maine, Massachusetts, New Hampshire, Rhode Island, Vermont.

Officers: Richard A. Bentfield, president; Fred Tripp, executive vp; William P. McGillivray, vp/treasurer; Natale P. Calamis, vp.

Contact: Richard A. Bentfield.

Steel Burrill Jones Group P.L.C.

2 Minster Court, Mincing Lane, London EC3R 7FT, England; 44-71-816-2000; fax: 44-71-816-2111

	1993*	1992*
Gross revenues	$77,000,030	$97,235,615
U.S. clients	15%	20%
Non-U.S. clients	85%	80%
Brokerage: Retail	NA	NA
U.S. offices	$10,410,362	$18,482,060
Employees	822	871
Offices	14	14

* Converted at applicable exchange rates.

Founded: 1977.

Retail brokerage branches: Birmingham, Bristol, Coventry, Gravesend, Leatherhead, New Malden, Reading and Stockport, England.

Officers: Clive Richards, chairman; George Boden, CEO; Christopher Birrell, finance director.

Contact: Christopher Birrell.

Sterling & Sterling Inc.

161 Great Neck Road, Great Neck, N.Y. 11021; 516-487-0300; fax: 516-487-0372

	1993	1992
Premium volume	$58,000,000	$60,000,000
Gross revenues	$7,827,509	$8,332,000
U.S. clients	100%	100%
Brokerage: Retail	87%	91%
U.S. offices	$6,809,933	$7,582,120
Personal lines	5%	5%
Services	7%	3%
Invstmt. income	1%	1%
Employees	85	85
Offices	1	1

Founded: 1932.

Retail brokerage: 96% commissions, 4% fees.

Employee benefits: 9% of revenues.

Licensed excess/surplus broker in: New York.

Officers: David A. Sterling, president; Howard Meyers, Mark Kaplan, Carol Schendell, Gary Ricker, vps.

Contact: Mark Kaplan.

DeWitt Stern Group Inc.

420 Lexington Ave., New York, N.Y. 10170; 212-867-3550; fax: 212-983-6483

	1993	1992
Gross revenues	$7,438,000	$7,010,000
U.S. clients	90%	90%
Non-U.S. clients	10%	10%
Brokerage: Retail	76%	76%
U.S. offices	$5,087,600	$4,794,840
Non-U.S. offices	$565,288	$532,760
Wholesale	1%	1%
Personal lines	22%	22%
Services	1%	1%
Employees	86	77
Offices	4	4

Founded: 1899.

Retail brokerage: 99% commissions, 1% fees.

Employee benefits: 2% of revenues.

Retail brokerage branches: DeWitt Stern Fisher Inc., Darien, Conn.; DeWitt Stern, Imperatore Ltd., Fort Lee, N.J.

Licensed excess/surplus broker in: New Jersey, New York.

Officers: DeWitt A. Stern, chairman; Jolyon F. Stern, president/CEO; Gilbert Andrus, executive vp; James L. Lippe, senior vp; Constance F. Gray, corporate secretary; Bertram B. Fisher, Frank B. McKown, vps.

Contact: Gilbert Andrus.

John Stuart & Co. Inc.

4427 S. Polaris Ave., Las Vegas, Nev. 89103; 702-736-8644; fax: 702-736-8217

	1993	1992
Premium volume	$44,000,000	$36,000,000
Gross revenues	$1,600,000	$1,250,000
U.S. clients	100%	100%
Brokerage: Retail	50%	60%
U.S. offices	$800,000	$750,000
Services	50%	40%
Employees	20	12
Offices	4	3

Founded: 1991.

Retail brokerage: 50% commissions, 50% fees.

Employee benefits: 100% of revenues.

Retail brokerage branches: District of Columbia; Southaven, Miss.; Collingswood, N.J.; Las Vegas.

Licensed excess/surplus broker in: Nevada.

Officers: John A. Stuart, president; Judith Ann Banks, vp-sales; Tina M. Bratton, vp-administration; Alice E. Lynwalter, secretary; Sheila M. Kuller, treasurer.

Contact: Alice E. Lynwalter.

T

Tanenbaum-Harber Co. Inc.

320 W. 57th St., New York, N.Y. 10019; 212-603-0210; fax: 212-603-0397

	1993	1992
Premium volume	$185,000,000	$175,000,000
Gross revenues	$19,600,000	$18,750,000
U.S. clients	99%	99%
Non-U.S. clients	1%	1%
Brokerage: Retail	83%	83%
U.S. offices	$16,018,000	$15,315,500
Non-U.S. offices	$250,000	$249,000
Wholesale	5%	5%
Reinsurance	2%	2%
Personal lines	4%	4%
Services	4%	4%
Invstmt. income	2%	2%
Employees	161	152
Offices	6	5

Founded: 1860.

Retail brokerage: 91% commissions, 9% fees.

Employee benefits: 10% of revenues.

Retail brokerage branches: San Diego; Miami; Boston; D.E. Reiff & Associates, New York.

Non-retail brokerage subsidiaries: Common Market Agency Inc., New York, London; Tanenbaum-Harber Reinsurance Intermediaries, New York; Thesco Consulting Actuaries, New York.

Licensed excess/surplus broker in: New York.

Officers: Robert K. Harris, chairman; Walter L. Harris, president; Alan Rovin, executive vp; James Maninno, Robert V. Donovan, Ronald S. Hanstein, Robert J. Pulver, senior vps; Randa Globerman, treasurer.

Contact: Robert K. Harris or Walter L. Harris.

Texas Insurance Agency Inc.

5368 Fredericksburg Road, Suite 300, San Antonio, Texas 78229; 210-366-0671; fax: 210-524-2087

	1993	1992
Premium volume	$50,000,000	$50,000,000
Gross revenues	$5,000,000	$5,000,000
U.S. clients	100%	99%
Non-U.S. clients	NA	1%
Brokerage: Retail	62%	60%
U.S. offices	$3,100,000	$3,000,000
Wholesale	NA	2%
Personal lines	31%	36%
Services	3%	1%
Invstmt. income	4%	1%
Employees	100	NA
Offices	4	NA

Founded: 1973.

Retail brokerage: 97% commissions, 3% fees.

Employee benefits: 5% of revenues.

Retail brokerage branches: Austin, Houston and Uvalde, Texas.

Licensed excess/surplus broker in: Texas.

Officers: W.W. McAllister III, secretary/director; Joseph E. Minihan, president/director; Gregory A. Stevens, John David Weed, vps/directors; James K. Ruble, director.

Contact: Joseph E. Minihan.

Thilman & Filippini

1 E. Wacker Drive, Suite 1800, Chicago, Ill. 60601; 312-527-9500; fax: 312-527-9509

	1993	1992
Premium volume	$50,000,000	$42,000,000
Gross revenues	$5,850,000	$5,200,000
U.S. clients	100%	100%
Brokerage: Retail	86%	86%
U.S. offices	$5,031,000	$4,472,000
Personal lines	5%	6%
Services	7%	6%
Invstmt. income	2%	2%
Employees	60	58
Offices	1	1

Founded: 1980.

Retail brokerage: 90% commissions, 10% fees.

Employee benefits: 20% of revenues.

Licensed excess/surplus broker in: Illinois.

Officers: E. Thomas Thilman, Thomas W. Filippini, partners.

Contact: E. Thomas Thilman.

Thoits Insurance

250 Cambridge Ave., Palo Alto, Calif. 94306-0190; 415-324-0606; fax: 415-853-3882

	1993	1992
Premium volume	$60,000,000	$41,100,000
Gross revenues	$6,068,477	$4,428,499
U.S. clients	100%	100%
Brokerage: Retail	84%	82%
U.S. offices	$5,097,521	$3,631,369
Personal lines	12%	13%
Services	2%	2%
Invstmt. income	2%	3%
Employees	55	41
Offices	2	1

Founded: 1891.

Retail brokerage: 98% commissions, 2% fees.

Employee benefits: 15% of revenues.

Acquisitions: Damato & Gale, San Francisco, December 1993.

Retail brokerage branches: San Francisco.

Officers: Donald A. Way, chairman/CEO; Kenneth K. Peterson, COO.

Contact: Donald A. Way, 415-617-0600.

Timberline Insurance Managers Inc.

301 Congress Ave., 15th Floor, Austin, Texas 78701; 512-472-9297; fax: 512-472-9468

	1993	1992
Premium volume	$268,000,000	$291,000,000
Gross revenues	$20,217,462	$20,531,841
U.S. clients	100%	100%
Brokerage: Retail	24.8%	17.9%
U.S. offices	$5,025,268	$3,666,513
Wholesale	2.7%	2.0%
Personal lines	7.7%	8.2%
Services	1.6%	1.1%
Invstmt. income	2.9%	2.9%
Other	60.3%	67.9%
Employees	111	84
Offices	5	4

Founded: 1957.

Parent: Lumberman's Investment Corp.

Retail brokerage: 95% commissions, 5% fees.

Employee benefits: 0.6% of revenues.

Acquisitions: The First Agency Inc., Baytown, Texas, September 1993.

Retail brokerage branches: The First Agency Inc., Baytown, Texas; Timberline Insurance Services Inc., Beaumont, El Paso and San Antonio, Texas.

Licensed excess/surplus broker in: Texas.

Officers: Gary Cooper, president; Pat Bridgwater, Gary Johnson, vps; Brian Elkouri, treasurer.

Contact: Brian Elkouri.

Tongue, Brooks & Co. Inc.

213 St. Paul Place, Baltimore, Md. 21202; 410-727-7172; fax: 410-625-5955

	1993	1992
Premium volume	$28,000,000	$26,000,000
Gross revenues	$5,700,000	$5,300,000
U.S. clients	100%	100%
Brokerage: Retail	50.2%	50.2%
U.S. offices	$2,861,400	$2,660,600
Personal lines	12.0%	12.6%
Services	32.7%	32.8%
Invstmt. income	0.5%	0.4%
Other	4.6%	4.0%
Employees	88	92
Offices	2	2

Founded: 1896.

Parent: Crown Central Petroleum Corp.

Retail brokerage: 95% commissions, 5% fees.

Retail brokerage branches: LeBrun Division, Towson, Md.

Licensed excess/surplus broker in: District of Columbia, Maryland.

Officers: R. Peter Urquhart, CEO/president; William R. Baker, Richard H. Malat, Christine A. Kops, vps; Mark S. Miller, treasurer.

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Continued from previous page

Officers: Judith L. Robinson, president; Carmen Barros, Eli Mishanie, vps.
Contact: Judith L. Robinson.

The Pilgrim Organization

518 Stuyvesant Ave., Lyndhurst, N.J. 07071; 201-460-8400; fax: 201-460-9258

	1993	1992
Premium volume	$35,000,000	$35,500,000
Gross revenues	$10,289,106	$9,211,911
U.S. clients	100%	100%
Brokerage: Retail	45%	49%
U.S. offices	$4,630,098	$4,513,836
Personal lines	5%	5%
Services	48%	44%
Invstmt. income	2%	2%
Employees	78	68
Offices	5	5

Founded: 1972.
Retail brokerage: 52% commissions, 48% fees.
Employee benefits: 1.5% of revenues.
Retail brokerage branches: Griffith/Prideaux, Morristown, N.J.; Kennedy Insurance Agency, Eatontown, N.J.; Larson Insurance Agency, Montclair, N.J.; Pilgrim West Insurance Agency, San Diego, Calif.
Non-retail brokerage subsidiaries: MRM Management Corp., Lyndhurst, N.J.
Licensed excess/surplus broker in: New Jersey.
Officers: Robert A. Nicosia, CEO; Margaret A. Nicosia, president-Pilgrim Insurance Agency; Bill Kennedy, president-Kennedy Insurance Agency; Jack Prideaux, president-Griffith/Prideaux; John Lawrence, president-Larson Insurance Agency.
Contact: Robert A. Nicosia.

Poe & Brown Inc.

702 N. Franklin St., Tampa, Fla. 33602; 813-222-4100; fax: 813-223-5874

See profile on page 54.

Popkin Lebson Bergstein Inc.

25 Rockwood Place, P.O. Box 5599, Englewood, N.J. 07631; 201-569-8090; fax: 201-569-9893

	1993	1992
Premium volume	$26,816,711	$22,447,569
Gross revenues	$4,003,248	$3,727,810
U.S. clients	100%	100%
Brokerage: Retail	62%	62%
U.S. offices	$2,482,013	$2,311,242
Wholesale	1%	1%
Personal lines	24%	24%
Services	1%	1%
Invstmt. income	1%	1%
Other	11%	11%
Employees	45	45
Offices	2	2

Founded: 1974.
Retail brokerage: 99% commissions, 1% fees.
Employee benefits: 2% of revenues.
Retail brokerage branches: Schneiderman Agency, Bayonne, N.J.
Non-retail brokerage subsidiaries: PLB Life Agency Inc., Englewood, N.J.
Licensed excess/surplus broker in: New Jersey.
Officers: Jay Bergstein, president; Michael Bergstein, Rob Bergstein, vps; Martin A. Lebson, vp/treasurer/secretary; Ted Kadison, vp-PLB Life Agency Inc.
Contact: Martin A. Lebson.

Posse-Walsh Inc.

4 Sentry Parkway, Suite 300, Blue Bell, Pa. 19422; 610-834-1410; fax: 610-834-2078

	1993	1992
Premium volume	$61,300,000	$56,000,000
Gross revenues	$8,200,000	$7,600,000
U.S. clients	100%	100%
Brokerage: Retail	85.87%	83.80%
U.S. offices	$7,041,340	$6,370,000
Wholesale	0.50%	0.60%
Personal lines	11.40%	12.10%
Services	0.10%	0.30%
Invstmt. income	2.10%	2.80%
Other	0.03%	0.40%
Employees	64	66
Offices	1	1

Retail brokerage: 97.9% commissions, 2.1% fees.
Employee benefits: 25.3% of revenues.
Licensed excess/surplus broker in: Pennsylvania.
Officers: Daniel J. Walsh III, president/CEO; Carl A. Posse, chairman.
Contact: Daniel J. Walsh III.

Cecil W. Powell & Co.

P.O. Box 41490, Jacksonville, Fla. 32203; 904-353-3181; fax: 904-353-5722

	1993	1992
Gross revenues	$3,400,000	$3,400,000
U.S. clients	100%	100%
Brokerage: Retail	94%	94%
U.S. offices	$3,200,000	$3,200,000
Personal lines	6%	6%
Employees	32	34
Offices	1	1

Figures do not include investment income.

Founded: 1935.
Retail brokerage: 90% commissions, 10% fees.
Employee benefits: 20% of revenues.
Licensed excess/surplus broker in: Florida.
Officers: Fitzhugh K. Powell, chairman; F.K. Powell Jr., president; T.S. Powell, treasurer; S. Storey, executive vp; C. Morrill, secretary.
Contact: Fitzhugh K. Powell.

R

RWP Group Inc.

875 Merrick Ave., Westbury, N.Y. 11590; 516-683-3000; fax: 516-683-3069

	1993	1992
Premium volume	$68,000,000	$70,500,000
Gross revenues	$8,300,000	$9,100,000
U.S. clients	100%	100%
Brokerage: Retail	41%	44%
U.S. offices	$3,400,000	$4,000,000
Personal lines	52%	49%
Services	1%	1%
Invstmt. income	1%	1%
Other	5%	5%
Employees	103	108
Offices	2	1

Founded: 1972.
Retail brokerage: 98% commissions, 2% fees.
Employee benefits: 13% of revenues.
Acquisitions: A.A. Carbone & Son, Rockville Centre, N.Y., December 1993; Ketcham, Coyler & Trihy, West Babylon, N.Y., December 1993; Orrino Associates Inc., West Babylon, N.Y., December 1993; Simeone/Orrino Agency, Corona, N.Y., December 1993.
Retail brokerage branches: Simeone/Orrino Agency, Corona, N.Y.
Officers: Robert Bergner, president; Kenneth D. Pollack, chairman/treasurer; Monroe J. Roffer, executive vp/secretary.
Contact: Kenneth D. Pollack.

Rebsamen Insurance Inc.

1500 Riverfront Drive, Little Rock, Ark. 72202; 501-661-4800; fax: 501-666-9592

	1993	1992
Premium volume	$126,671,245	$124,826,117
Gross revenues	$17,811,270	$16,579,644
U.S. clients	100%	100%
Brokerage: Retail	68.43%	69.27%
U.S. offices	$12,188,252	$11,484,719
Wholesale	18.98%	16.26%
Personal lines	3.78%	4.28%
Services	5.98%	6.08%
Invstmt. income	2.83%	4.11%
Employees	146	142
Offices	3	3

Founded: 1929.
Retail brokerage: 92% commissions, 8% fees.
Employee benefits: 5.56% of revenues.
Acquisitions: H&S Insurance, Springdale, Ark., February 1994; The Merry Co., Fort Smith, Ark., October 1993.
Retail brokerage branches: Fort Smith and Springdale, Ark.
Non-retail brokerage subsidiaries: Insurisk Excess & Surplus Lines, Little Rock, Ark.
Licensed excess/surplus broker in: Arkansas.
Officers: Allen J. McDowell, president/CEO; William R. Stringfellow, general counsel/senior vp; John H. O'Donnell, CFO.
Contact: John O'Donnell.

Redland & Associates

535 W. Broadway, Council Bluffs, Iowa 51502; 712-325-1010; fax: 712-325-6044

	1993	1992
Premium volume	$111,500,000	$110,500,000
Gross revenues	$11,500,000	$10,500,000
U.S. clients	100%	100%
Brokerage: Retail	90%	90%
U.S. offices	$10,350,000	$9,450,000
Personal lines	3%	3%
Services	7%	7%
Employees	140	145
Offices	2	2

Founded: 1945.
Employee benefits: 80% of revenues.
Retail brokerage branches: Omaha, Neb.
Officers: Gary L. Hurley, president; John T. Sarich, vp/CFO; Jeffrey Barrett, Mark Weber, Anthony Sorrentino, Donr. Jones, vps.
Contact: John Sarich.

Aaron Richardson Insurance Services Corp.

417 Montgomery St., San Francisco, Calif. 94104; 415-986-3999; fax: 415-986-4421

	1993	1992
Premium volume	$39,000,000	$36,000,000
Gross revenues	$3,862,000	$3,591,000
U.S. clients	100%	100%
Brokerage: Retail	22.1%	15.1%
U.S. offices	$853,500	$542,200
Services	77.5%	84.6%
Invstmt. income	0.2%	0.3%
Other	0.2%	NA
Employees	42	44
Offices	3	3

Founded: 1990.
Retail brokerage: 100% commissions.
Employee benefits: 3% of revenues.
Retail brokerage branches: Los Angeles, San Diego.
Officers: Aaron Richardson, president; Ronald W. Shepherd, John Pratt, executive vps; Ingrid Merriwether, senior vp.
Contact: Ronald W. Shepherd.

Roanoke Brokerage Services Inc.

1930 Thoreau Drive, Schaumburg, Ill. 60173; 708-490-9540 or 800-762-6653; fax: 708-885-8710

	1993	1992
Gross revenues	$16,600,000	$16,500,000
U.S. clients	97%	98%
Non-U.S. clients	3%	2%
Brokerage: Retail	85%	81%
U.S. offices	$14,100,000	$13,400,000
Wholesale	6%	9%
Personal lines	2%	2%
Services	3%	3%
Invstmt. income	4%	5%
Employees	177	190
Offices	9	9

Founded: 1935.
Parent: The Roanoke Cos. Inc.
Retail brokerage: 97% commissions, 3% fees.
Employee benefits: 2% of revenues.
Retail brokerage branches: Long Beach and San Francisco, Calif.; Miami; Hunt Valley, Md.; Boston; New York; Charleston, S.C.; Houston.
Non-retail brokerage subsidiaries: Anduril Cargo Insurance Specialists, Long Beach, Calif.
Licensed excess/surplus broker in: California, Florida, Illinois, Maryland, Massachusetts, New York, South Carolina, Texas, Virginia, Washington.
Officers: William D. Sterrett, chairman; Robert P. Froese, president; Lewis M. Moeller, vp-finance/administration; Sean F. Walsh, Kathleen A. Wilson, executive vps.
Contact: Robert P. Froese.

Robertson-Ryan & Associates Inc.

660 E. Mason St., Milwaukee, Wis. 53202; 414-271-3575; fax: 414-271-0196

	1993	1992
Premium volume*	$52,933,344	$49,173,043
Gross revenues	$9,327,081	$8,661,243
U.S. clients	100%	100%
Brokerage: Retail	84%	83%
U.S. offices	$7,834,748	$7,188,831
Personal lines	14%	13%
Invstmt. income	2%	4%
Employees	79	78
Offices	1	1

* Figures include property/casualty only.

Founded: 1960.
Retail brokerage: 98% commissions, 2% fees.
Employee benefits: 35% of revenues.
Licensed excess/surplus broker in: Nationwide.
Officers: Jay H. Robertson, chairman; John S. Borges, president; Charles V. Johnson, executive vp/general manager; Jack T. Ryan, James C. Boyce, Steven R. Kuhnmuench, directors; Lloyd G. Schutte, secretary/treasurer.
Contact: Charles V. Johnson.

Rollins Hudig Hall Group Inc.

123 N. Wacker Drive, Chicago, Ill. 60606; 312-701-4000; fax: 312-701-4580

See profile on page 28.

Rothschild, Bell & Walseth Inc.

P.O. Box 7128, 251 W. Lafayette Road, St. Paul, Minn. 55107; 612-221-0205; fax: 612-221-0921

	1993	1992
Premium volume	$50,000,000	$45,000,000
Gross revenues	$5,020,000	$4,550,000
U.S. clients	100%	100%
Brokerage: Retail	65%	64%
U.S. offices	$3,263,000	$2,912,000
Reinsurance	7%	7%
Personal lines	25%	26%
Services	2%	2%
Invstmt. income	1%	1%
Employees	52	50
Offices	1	1

Founded: 1981.
Retail brokerage: 98% commissions, 2% fees.
Employee benefits: 7% of revenues.
Acquisitions: PIA, Apple Valley, Minn., May 1994.
Non-retail brokerage subsidiaries: Church Underwriters Inc., St. Paul, Minn.
Licensed excess/surplus broker in: Minnesota.
Officers: Bruce Walseth, president; Lowell N. Faa, Terry Negard, Gordon Johnson, Shelly Mulvihill, vps; Dean Hildebrandt, CFO.
Contact: Terry Negard, general manager.

Rush & O'Kane Inc., dba O'Kane-Jacinto Insurance Brokers/St. Andrews Insurance Brokers

781 Beach St., San Francisco, Calif. 94109; 415-749-6200; fax: 415-749-6299

	1993	1992
Premium volume	$10,344,000	$8,839,000
Gross revenues	$1,182,000	$1,010,000
U.S. clients	95%	97%
Non-U.S. clients	5%	3%
Brokerage: Retail	100%	100%
U.S. offices	$1,182,000	$1,010,000
Employees	11	18
Offices	1	2

Founded: 1951.
Retail brokerage: 95% commissions, 5% fees.
Officers: Thomas C. O'Kane, president; Victor H. Jacinto, executive vp; Janie E. Tecay, vp.
Contact: Victor H. Jacinto.

S

The Sadler Coffey Agency

24 Railroad Square, P.O. Box 2021, Nashua, N.H. 03061; 603-883-0511; fax: 603-883-6046

	1993	1992
Premium volume	$16,500,000	$17,000,000
Gross revenues	$2,326,000	$1,928,000
U.S. clients	100%	100%
Brokerage: Retail	65%	65%
U.S. offices	$1,511,900	$1,253,200
Personal lines	33%	33%
Services	1%	1%
Invstmt. income	1%	1%
Employees	28	30
Offices	1	1

Founded: 1924.
Retail brokerage: 100% commissions.
Employee benefits: 16% of revenues.
Officers: Arthur B. Bruinooge, James E. Cleary, Jay C. Coffey.

St. Laurent & McArdle Insurance Inc.

11 Concord St., P.O. Box A, Nashua, N.H. 03061; 603-882-5362; fax: 603-886-4230

	1993	1992
Premium volume	$8,200,000	$8,000,000
Gross revenues	$1,250,000	$1,200,000
U.S. clients	100%	100%
Brokerage: Retail	60%	60%
U.S. offices	$750,000	$720,000
Personal lines	40%	40%
Employees	12	12
Offices	1	1

Founded: 1964.
Retail brokerage: 100% commissions.
Employee benefits: 3% of revenues.
Licensed excess/surplus broker in: New Hampshire.
Officers: Robert St. Laurent, president; Ronald Brochu, vp.
Contact: Robert St. Laurent.

Saldana & Associates Inc.

701 Ponce de Leon Ave., Centro de Seguros Building, Suite 303, Santurce, P.R. 00907; 809-721-2600; fax: 809-721-1093

	1993	1992
Premium volume	$127,008,000	$116,500,000
Gross revenues	$13,006,000	$11,337,000
U.S. clients	100%	100%
Brokerage: Retail	95.3%	94.9%
U.S. offices	$12,394,718	$10,758,813
Personal lines	2.8%	2.9%
Invstmt. income	1.9%	2.2%
Employees	102	105
Offices	3	3

Founded: 1972.
Retail brokerage: 100% commissions.
Employee benefits: 13.8% of revenues.
Retail brokerage branches: Wayne, N.J.; Ponce, P.R.
Licensed excess/surplus broker in: Puerto Rico.
Officers: Ralph G. Christiansen Jr., president; Eduardo R. Emanuelli, executive vp; Ruben A. Jordan, treasurer/senior vp; Manuel J. Mendez, secretary/senior vp; Jose E. Vazquez, director/senior vp.
Contact: Ralph G. Christiansen Jr.

San Diego Associates Inc.

3550 Camino Del Rio N., Suite 206, San Diego, Calif. 92108; 619-283-7800; fax: 619-283-8686

	1993	1992
Premium volume	$19,500,000	$19,100,000
Gross revenues	$975,000	$955,000
U.S. clients	100%	100%
Brokerage: Retail	60%	60%
U.S. offices	$585,000	$573,000
Services	40%	40%
Employees	5	6
Offices	1	1

Founded: 1984.
Retail brokerage: 80% commissions, 20% fees.
Employee benefits: 100% of revenues.
Officers: David N. Peterson, president; Bruce N. Kesler, director.
Contact: Bruce N. Kesler.

Schwartz Brothers Insurance

135 S. LaSalle St., Suite 2035, Chicago, Ill. 60603; 312-630-0800; fax: 312-630-0833

	1993	1992
Premium volume	$52,000,000	$50,000,000
Gross revenues	$6,678,000	$6,300,000
U.S. clients	100%	100%
Brokerage: Retail	86%	86%
U.S. offices	$5,743,000	$5,418,000
Personal lines	8%	8%
Invstmt. income	6%	6%
Employees	63	63
Offices	1	1

Founded: 1919.
Retail brokerage: 99% commissions, 1% fees.
Employee benefits: 11% of revenues.
Licensed excess/surplus broker in: Illinois.
Officers: Edward H. Schwartz, president; Raymond L. Miller, vp/secretary; Robert I. Schwartz, Joseph J. Schwartz, Mark P. Nahin, vps.
Contact: Dave Kunkel, COO.

Seaman Ross & Wiener Inc.

6851 Jericho Turnpike, Syosset, N.Y. 11791; 516-921-9100; fax: 516-496-4040

	1993	1992
Premium volume	$13,250,000	$13,200,000
Gross revenues	$2,864,000	$2,871,000
U.S. clients	100%	100%
Brokerage: Retail	65%	60%
U.S. offices	$1,861,600	$1,740,808
Personal lines	8%	10%
Services	5%	8%
Invstmt. income	2%	3%
Other	20%	19%
Employees	14	14
Offices	1	1

Founded: 1950.
Retail brokerage: 95% commissions, 5% fees.
Employee benefits: 20% of revenues.
Officers: Douglas Schenendorf, Alex Seaman, owners.
Contact: Douglas Schenendorf.

Sedgwick Group P.L.C.

Sedgwick House, The Sedgwick Centre, London E1 8DX, England; 44-71-377-3456; fax: 44-71-377-3919

See profile on page 24.

Seed-Roberts Agency Inc.

480 Pierce St., P.O. Box 3027, Birmingham, Mich. 48012-3027; 810-644-6606; fax: 810-644-6430

	1993	1992
Premium volume*	$32,202,256	$32,729,000
Gross revenues	$4,133,695	$4,054,000
U.S. clients	100%	100%
Brokerage: Retail	83.5%	83.0%
U.S. offices	$3,451,635	$3,364,820
Personal lines	15.5%	15.0%
Invstmt. income	1.0%	2.0%
Employees	50	49
Offices	1	1

* Figures include property/casualty only.

Founded: 1962.
Retail brokerage: 100% commissions.
Officers: William E. Roberts Sr., chairman/CEO; William D. Brunett, president/COO; William E. Roberts Jr., executive vp; John M. Roberts, senior vp.
Contact: William D. Brunett, president.

Seitlin & Co.

8125 N.W. 53rd St., Suite 200, Miami, Fla. 33166; 305-591-0090; fax: 305-593-6993

	1993	1992
Premium volume	$54,000,000	$47,000,000
Gross revenues	$8,100,000	$6,600,000
U.S. clients	100%	100%
Brokerage: Retail	84.00%	87.25%
U.S. offices	$6,804,000	$5,742,000
Personal lines	13.00%	10.00%
Invstmt. income	2.00%	2.75%
Other	1.00%	NA
Employees	84	90
Offices	2	2

Founded: 1945.
Retail brokerage: 100% commissions.
Employee benefits: 16% of revenues.

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Morency, Weible & Sapa Inc.

1717 N. Naper Blvd., 3rd Floor,
Naperville, Ill. 60563; 708-955-0090;
fax: 708-955-0150

	1993	1992
Premium volume	$60,000,000	$57,000,000
Gross revenues	$7,500,000	$7,400,000
U.S. clients	100%	100%
Brokerage: Retail	91%	91%
U.S. offices	$6,825,000	$6,734,000
Wholesale	2%	1%
Personal lines	5%	5%
Services	1%	1%
Invstmt. income	1%	2%
Employees	60	62
Offices	1	1

Founded: 1960.
Retail brokerage: 99% commissions, 1% fees.
Employee benefits: 9% of revenues.
Licensed excess/surplus broker in: Illinois.
Officers: Mike Weible, president; Glenn Sapa, Richard Morency, James Lawson, William Cahill, vps.
Contact: Mike Weible.

Fred A. Moreton & Co.

649 E. South Temple, Salt Lake City,
Utah 84102; 801-531-1234;
fax: 801-531-6117

	1993	1992
Premium volume	$65,000,000	$52,000,000
Gross revenues	$7,487,000	$6,736,000
U.S. clients	100%	100%
Brokerage: Retail	81.8%	83.0%
U.S. offices	$6,124,366	$5,590,880
Wholesale	1.4%	2.7%
Personal lines	5.0%	5.6%
Services	5.6%	3.0%
Invstmt. income	4.9%	5.6%
Other	1.3%	0.1%
Employees	76.0	76.5
Offices	2	1

Founded: 1910.
Retail brokerage: 93.2% commissions, 6.8% fees.
Employee benefits: 17.7% of revenues.
Acquisitions: Stein McMurray, Boise, Idaho, July 1993.
Retail brokerage branches: Stein McMurray Division, Fred A. Moreton & Co., Boise, Idaho.
Non-retail brokerage subsidiaries: Moreton Financial Corp., Salt Lake City; Moreton General Agency, Salt Lake City.
Licensed excess/surplus broker in: Idaho, Utah.
Officers: Edward B. Moreton, president; Craig L. Smith, executive vp; Jon M. Jepsen, senior vp; William R. Moreton, vp/treasurer; Susan P. Stoddard, secretary.
Contact: Edward B. Moreton.

Morris & MacKenzie Inc.

1130 Sherbrooke St. W., Montreal,
Quebec H3A 3K4, Canada;
514-499-0999; fax: 514-499-9188

	1993*	1992*
Gross revenues	$10,307,500	$10,876,800
Brokerage: Retail	71%	68%
Non-U.S. offices	$7,318,325	$7,396,224
Personal lines	25%	25%
Invstmt. income	4%	7%
Employees	136	135
Offices	4	4

* Converted at applicable exchange rates.

Founded: 1939.
Parent: Mackmor Ltd.
Retail brokerage: 90% commissions, 10% fees.
Employee benefits: 5% of revenues.
Retail brokerage branches: Canada: Calgary, Alberta; Toronto; Vancouver, British Columbia.
Officers: Frank Dougan, president/CEO; Maurice Sauve, senior vp/director; Alfred Parke, Victor Allen, E. Bruce Owen-Hicks, vps/directors.
Contact: Frank Dougan, 416-595-9899.

N

NIA Ltd./National Insurance Associates

66 Route 17, Paramus, N.J. 07652;
201-845-6600; fax: 201-845-3011

	1993	1992
Gross revenues	$17,170,000	$15,546,000
U.S. clients	100%	100%
Brokerage: Retail	62%	64%
U.S. offices	$10,645,400	$9,949,400
Wholesale	9%	6%
Personal lines	25%	24%
Services	2%	3%
Invstmt. income	2%	2%
Other	NA	1%
Employees	200	181
Offices	6	6

Founded: 1926.
Parent: The NIA Group.
Retail brokerage: 98% commissions, 2% fees.
Employee benefits: 15.8% of revenues.
Acquisitions: W.G. Bilinkas Agency, Randolph, N.J., December 1993; Cunningham Livestock, Monroe, N.Y., May 1994.
Retail brokerage branches: Freehold, Long Valley and Randolph, N.J.; Monticello and White Plains, N.Y.
Licensed excess/surplus broker in: New Jersey, New York.
Officers: Paul L. Gross, chairman/president; Alan Klein, COO; Howard Cantor, treasurer/vp-finance; Chris Bandy, vp; William F. Meade, executive vp.
Contact: Paul L. Gross.

National Coverage Corp.

520 Broadhollow Road, Suite 3,
Melville, N.Y. 11747-3678;
516-454-1500; fax: 516-454-1860

	1993	1992
Premium volume	$37,500,000	$38,000,000
Gross revenues	$3,885,116	$4,200,000
U.S. clients	100%	100%
Brokerage: Retail	78%	74%
U.S. offices	$3,030,390	$3,108,000
Personal lines	10%	12%
Services	10%	12%
Invstmt. income	2%	2%
Employees	36	35
Offices	1	2

Founded: 1964.
Retail brokerage: 82% commissions, 18% fees.
Employee benefits: 11% of revenues.
Officers: Ronald P. D'Alessandro, president; Russell J. Tillman, secretary/treasurer.
Contact: William Kulesh, director.

National Insurance Agency

P.O. Box 6750, Corpus Christi,
Texas 78466; 512-993-6700;
fax: 512-993-0870

	1993	1992
Premium volume	$9,185,885	$9,592,104
Gross revenues	$1,137,881	$1,122,814
U.S. clients	100%	100%
Brokerage: Retail	75%	75%
U.S. offices	$853,411	$842,110
Personal lines	25%	25%
Employees	17	18
Offices	1	1

Founded: 1965.
Retail brokerage: 100% commissions.
Officers: Robert E. Harris, president; Scot Oshman, Claude Watts, John McFall, Howard Schlegel, vps.
Contact: Robert E. Harris.

Near North Insurance Brokerage Inc.

875 N. Michigan Ave., 20th Floor,
Chicago, Ill. 60611; 312-280-5600;
fax: 312-280-5602

	1993	1992
Premium volume	$390,000,000	$315,000,000
Gross revenues	$44,500,000	$34,000,000
U.S. clients	100%	100%
Brokerage: Retail	88%	90%
U.S. offices	$39,160,000	$30,600,000
Reinsurance	4%	NA
Personal lines	4%	4%
Services	2%	2%
Invstmt. income	2%	4%
Employees	404	313
Offices	11	10

Founded: 1962.
Parent: Near North National Group Inc.
Retail brokerage: 93% commissions, 7% fees.
Employee benefits: 6% of revenues.
Acquisitions: THB Intermediaries Inc., Los Angeles, Chicago and New York, April 1993.
Retail brokerage branches: District of Columbia; New York; Fine Arts Risk Management Inc., New York; International Film Guarantors Inc., Los Angeles; National Professional Group Risk Management Services Inc., Chicago; Near North Insurance Brokerage of California Inc., Los Angeles; Near North National Title Inc., Chicago; Settlement Planning Associates Inc., Dallas; Tampa, Fla.; THB Intermediaries Inc, New York.
Licensed excess/surplus broker: Nationwide.
Officers: Michael Segal, chairman/CEO; William Bartholomay, president; Dan Borbas, executive vp; Steve Coleman, Bill Hines, senior vps.
Contact: Dan Borbas.

North American Insurance Agency Inc.

3800 Classen Blvd., Oklahoma City,
Okla. 73118; 405-523-2100;
fax: 405-556-2332

	1993	1992
Premium volume	$70,000,000	$75,000,000
Gross revenues	$6,543,729	$6,990,481
U.S. clients	100%	100%
Brokerage: Retail	66.8%	70.0%
U.S. offices	$4,370,909	$4,886,346
Personal lines	16.3%	18.0%
Other	16.9%	12.0%
Employees	90	103
Offices	4	4

Founded: 1959.
Retail brokerage: 94% commissions, 6% fees.
Employee benefits: 11% of revenues.
Retail brokerage branches: North American Insurance Agency of Colorado, Englewood, Colo.; North American Insurance of Tulsa, Tulsa, Okla.; North American Insurance Agency of Louisiana, New Orleans.
Licensed excess/surplus broker in: Oklahoma, Colorado.
Officers: W.E. Durrett, chairman; D. Gene McCrory, president; John L. McMahan, Donald W. Glaspey, executive vps; Steven P. Garrett, secretary.
Contact: Monica L. Swink.

Norwest Insurance Inc.

80 S. Eighth St., Minneapolis,
Minn. 55479; 612-667-5600;
fax: 612-667-2680

	1993	1992
Premium volume	$278,000,000	$290,000,000
Gross revenues	$56,500,000	$66,200,000
U.S. clients	100%	100%
Brokerage: Retail	14%	14%
U.S. offices	$8,000,000	$9,000,000
Wholesale	1%	1%
Personal lines	10%	8%
Invstmt. income	3%	3%
Other	72%	74%
Employees	500	597
Offices	49	49

Founded: 1929.
Parent: Norwest Corp.
Retail brokerage: 98% commissions, 2% fees.
Employee benefits: 1% of revenues.
Acquisitions: St. Cloud Metropolitan Agency, St. Cloud, Minn., January 1994.
Retail brokerage branches: Davis, Calif.; Denver; Clive, Des Moines and Sioux City, Iowa; Anoka, Duluth, Ely, Grand Rapids, Hibbing, Litchfield, Mankato, Marshall, St. Cloud, St. Cloud Metro, Thief River Falls and Virginia, Minn.; Omaha, Neb.; King, N.C.; Bismarck, Fargo, Fergus Falls, Grafton, Hillsboro, Jamestown, Mandan, Minot, Valley City and Wahpeton, N.D.; Aberdeen, Brookings, Chamberlain, Dell Rapids, Groton, Huron, Lake Preston, Madison, Milbank, Mobridge, Rapid City, Redfield, Sioux Falls, Watertown and Yankton, S.D.; Bryan, Texas.
Officers: Timothy King, president; Steven Veno, executive vp/COO; Kevin Berg, senior vp/CFO.
Contact: Michelle Leschisin, marketing officer.

Directory terms and methodology are explained on page 56. For a geographical listing of companies, see page 74.

O

O'Gorman & Young Inc.

159 Main St., Chatham, N.J. 07928;
201-635-1800; fax: 201-635-7744

	1993	1992
Gross revenues	$4,700,000	$4,775,000
U.S. clients	100%	100%
Brokerage: Retail	83%	86%
U.S. offices	$3,901,000	$4,106,500
Personal lines	14%	14%
Invstmt. income	3%	NA
Employees	42	NA
Offices	2	NA

Founded: 1894.
Retail brokerage: 100% commissions.
Acquisitions: William E. Seely Inc., Morristown, N.J., January 1994.
Retail brokerage branches: G.R. Murray Insurance, Princeton, N.J.
Officers: Simeon H. Rollinson, president; E.V. Traley, executive vp/treasurer; Ernest J. Lawton III, Peter Redfern, Robert Laudat, Richard Farnow, vps.
Contact: E.V. Tracey.

The James B. Oswald Co.

1 Erieview Plaza, Suite 600,
Cleveland, Ohio 44114-1715;
216-241-0468; fax: 216-241-4520

	1993	1992
Premium volume	$71,000,000	$69,000,000
Gross revenues	$11,400,000	$9,900,000
U.S. clients	100%	100%
Brokerage: Retail	54%	67%
U.S. offices	$6,200,000	$6,600,000
Personal lines	7%	8%
Services	27%	16%
Invstmt. income	1%	1%
Other	11%	8%
Employees	145	144
Offices	6	6

Founded: 1893.
Retail brokerage: 90% commissions, 10% fees.
Employee benefits: 4% of revenues.
Retail brokerage branches: Oswald, Trippe & Co. Inc., Cape Coral, Fort Myers, Miami and Naples, Fla.
Non-retail brokerage subsidiaries: Oswald, Newman Consulting Group, Fort Myers, Fla.
Licensed excess/surplus broker in: Ohio.
Officers: James R. Pender, chairman/CEO; John E. Warfel, president; Robert A. Bracci, executive vp; Raymond J. Malone, senior vp; Marc S. Byrnes, president-life/group; Daniel P. O'Brien, president-Oswald Risk Management Services Co.
Contact: Robert A. Bracci, executive vp.

P

Palley Simon Associates Inc.

Rydal Executive Plaza, Suite 300,
Rydal, Pa. 19046; 215-884-2100;
fax: 215-572-1417

	1993	1992
Premium volume	$20,900,000	$18,761,000
Gross revenues	$2,826,156	$2,730,488
U.S. clients	100%	100%
Brokerage: Retail	81.4%	80.8%
U.S. offices	$2,300,490	$2,206,234
Personal lines	15.8%	16.2%
Invstmt. income	2.8%	3.0%
Employees	31	30
Offices	1	1

Founded: 1974.
Retail brokerage: 98.1% commissions, 1.9% fees.
Employee benefits: 11.1% of revenues.
Officers: Mahlon B. Simon Jr., chairman; Samuel M. Palley, president; Reid B. Sandner, vp.
Contact: Mahlon B. Simon Jr.

Palmer & Cay/Carswell Inc.

25 Bull St., Savannah, Ga. 31402;
912-234-6621; fax: 912-234-3001

	1993	1992
Premium volume	$243,965,879	$199,852,671
Gross revenues	$23,284,646	$17,869,169
U.S. clients	100%	100%
Brokerage: Retail	86%	86%
U.S. offices	$19,951,250	$15,328,913
Personal lines	7%	7%
Services	6%	5%
Invstmt. income	1%	2%
Employees	299	203
Offices	13	11

Founded: 1868.
Retail brokerage: 82% commissions, 18% fees.
Acquisitions: Alexander & Alexander, Tallahassee, Fla., March 1993; Alexsis, Tallahassee, Fla., May 1993; Don York, Atlanta, January 1994; Heffron/Ingle/McDowell, Charleston, S.C., March 1994; Sedgwick James, Atlanta, July 1993.
Retail brokerage branches: IMS of Texas Inc., Dallas; Jordan/Woolfolk Insurance, Columbus, Ga.; Midyette-Moore, Tallahassee, Fla.; Palmer & Cay/Carswell of the Carolinas Inc., Charlotte, N.C.; Palmer & Cay/Carswell of Florida Inc., Jacksonville, Fla.; Palmer & Cay/Carswell of Georgia Inc., Tallahassee, Fla.; Atlanta, Augusta, Brunswick, Savannah and Vidalia, Ga.; Greenville, S.C.
Licensed excess/surplus broker in: Georgia, Virginia.
Officers: John E. Cay III, CEO; Lewis H. Oden III, executive vp; F. Michael Crowley, Doug Mitchell, presidents.
Contact: Kavin Smith, vp/marketing manager.

Palomar Insurance Corp.

4121 Carmichael Road, Montgomery,
Ala. 36106; 205-270-0105;
fax: 205-270-8159

	1993	1992
Premium volume	$51,000,000	$43,000,000
Gross revenues	$5,200,000	$4,400,000
U.S. clients	100%	100%
Brokerage: Retail	86%	87%
U.S. offices	$4,472,000	$3,828,000
Personal lines	13%	11%
Invstmt. income	1%	2%
Employees	62	58
Offices	4	4

Founded: 1954.
Retail brokerage: 92% commissions, 8% fees.
Employee benefits: 7% of revenues.
Retail brokerage branches: Birmingham, Daphne and Troy, Ala.
Licensed excess/surplus broker in: Alabama.
Officers: John R. Pacholick, CEO; George Skipper, president; J. Richard Harruff, vp-marketing; Tony Craft, secretary.
Contact: John R. Pacholick.

Parker, Smith & Feek Inc.

1700 First Interstate Center, 999 Third
Ave., Seattle, Wash. 98104;
206-382-7900; fax: 206-382-1135

	1993	1992
Premium volume	$108,000,000	$103,000,000
Gross revenues	$12,214,000	$11,272,000
U.S. clients	100%	100%
Brokerage: Retail	80%	79%
U.S. offices	$9,771,000	$8,905,000
Wholesale	1%	1%
Personal lines	5%	5%
Services	1%	1%
Invstmt. income	2%	2%
Other	11%	12%
Employees	123	124
Offices	3	3

Founded: 1937.
Retail brokerage: 96% commissions, 4% fees.
Employee benefits: 11% of revenues.
Retail brokerage branches: Anchorage, Alaska; Portland, Ore.
Licensed excess/surplus broker in: Alaska, Washington.
Officers: Vic Parker, president/CEO; John Zefkeles, chairman; Dennis Westover, John Tracey, senior vps; Greg Collins, vp/COO.
Contact: Steve Wolf, director-information services.

Pembroke Insurance Agency Inc.

4668 Pembroke Blvd., Suite 117,
Virginia Beach, Va. 23455;
804-497-9611; fax: 804-497-4162
or 804-456-5289

	1993	1992
Premium volume	$12,989,000	$14,242,000
Gross revenues	$1,753,515	$1,922,670
U.S. clients	100%	100%
Brokerage: Retail	80%	83%
U.S. offices	$1,402,812	$1,595,816
Personal lines	13%	13%
Other	7%	4%
Employees	16	21
Offices	1	1

Founded: 1969.
Retail brokerage: 100% commissions.
Licensed excess/surplus broker in: Virginia.
Officers: W.K. Hammaker, president; Brenda H. Hammaker, Dennis P. Browne, senior vps; James B. Carver, vp.
Contact: W.K. Hammaker.

H&R Phillips Inc.

350 Fifth Ave., Suite 5400, New York,
N.Y. 10118; 212-239-5353;
fax: 212-239-5484

	1993	1992
Gross revenues	$2,500,000	$2,600,000
U.S. clients	100%	100%
Brokerage: Retail	84%	82%
U.S. offices	$2,100,000	$2,132,000
Personal lines	13%	12%
Invstmt. income	1%	1%
Other	2%	5%
Employees	23	NA
Offices	1	NA

Founded: 1964.
Retail brokerage: 100% commissions.

Continued on next page

Continued from previous page

Marshall & Sterling Inc.

110 Main St., Poughkeepsie, N.Y. 12601; 914-454-0800; fax: 914-454-0880

	1993	1992
Premium volume	$150,000,000	$125,000,000
Gross revenues	$24,938,189	$20,402,236
U.S. clients	100%	99%
Non-U.S. clients	NA	1%
Brokerage: Retail	61%	61%
U.S. offices	$15,212,295	$12,445,364
Wholesale	2%	2%
Personal lines	29%	30%
Invstmt. income	3%	3%
Other	5%	4%
Employees	242	240
Offices	13	11

Founded: 1864.

Retail brokerage: 99% commissions, 1% fees.

Employee benefits: 1% of revenues.

Acquisitions: Jardine Insurance Brokers of Upstate New York Inc., Schenectady, N.Y., April 1994.

Retail brokerage branches: Middletown, New Windsor, Schenectady, Syracuse and Wappingers Falls, N.Y.; St. Croix, U.S. Virgin Islands; George T. Whalen Agency, Millbrook, N.Y.; Grossmann Agency, Cairo, Catskill, Coxsackie and Greenville, N.Y.; Theodore Tunick & Co., St. Croix, U.S. Virgin Islands.

Licensed excess/surplus broker in: New York, U.S. Virgin Islands.

Officers: John P. O'Shea, president; Michael J. McDermott, Edward F. Mirabile, David C. Ridgway, James D. Tunick, vps.

Contact: John P. O'Shea.

The Mathog & Moniello Cos. Inc.

Mariner's Point, 100 S. Shore Drive, P.O. Box 650, East Haven, Conn. 06512; 203-468-3400; fax: 203-468-3494

	1993	1992
Premium volume	$63,227,000	$60,226,000
Gross revenues	$8,212,000	$8,086,000
U.S. clients	100%	100%
Brokerage: Retail	62%	62%
U.S. offices	$5,091,440	$5,013,320
Personal lines	2%	2%
Services	33%	31%
Other	3%	5%
Employees	69	68
Offices	1	1

Founded: 1934.

Retail brokerage: 70% commissions, 30% fees.

Employee benefits: 7% of revenues.

Licensed excess/surplus broker in: Connecticut.

Officers: James J. Moniello, president/chairman; Alan D. Mathog, Michael I. Silverberg, Keith C. Meaney, Frank E. Hall, managing principals.

Contact: Alan D. Mathog.

May-Davis Inc.

5227 E. Trent, P.O. Box 11589, Spokane, Wash. 99211; 509-535-8783; fax: 509-534-0318

	1993	1992
Premium volume	$4,000,000	$4,000,000
Gross revenues	$750,000	$750,000
U.S. clients	100%	100%
Brokerage: Retail	97%	99%
U.S. offices	$727,500	$742,500
Personal lines	3%	1%
Employees	6	6
Offices	1	1

Founded: 1974.

Retail brokerage: 100% commissions.

Employee benefits: 1% of revenues.

Officers: William H. Davis, president; William A. May, secretary.

Contact: William H. Davis.

Mayerstein-Burnell Co. Inc., dba MBAH Insurance

P.O. Box 5609, Lafayette, Ind. 47903; 317-423-5421; fax: 317-742-7486

	1993	1992
Premium volume	$16,400,000	$16,500,000
Gross revenues	$2,825,800	$2,843,500
U.S. clients	100%	100%
Brokerage: Retail	56%	58%
U.S. offices	$1,582,448	$1,649,230
Personal lines	20%	20%
Invstmt. income	1%	1%
Other	23%	21%
Employees	38	40.35
Offices	1	1

Founded: 1924.

Retail brokerage: 100% commissions.

Employee benefits: 10% of revenues.

Licensed excess/surplus broker in: Indiana.

Officers: R.E. Mayerstein, president; James S. Bain, vp-sales; Steven K. Horner, executive vp; Jay G. Smith, vp-operations.

Contact: Miriam H. Osborn, operations manager.

Mazonson Inc.

2 Corporation Way, P.O. Box 6071, Peabody, Mass. 01961-6071; 508-531-5200; fax: 508-531-7719

	1993	1992
Premium volume	$24,416,000	$22,197,000
Gross revenues	$2,600,308	$2,367,450
U.S. clients	100%	100%
Brokerage: Retail	61%	54%
U.S. offices	$1,586,187	$1,278,423
Wholesale	3%	3%
Reinsurance	1%	1%
Personal lines	11%	15%
Services	1%	1%
Invstmt. income	1%	1%
Other	22%	25%
Employees	28	25
Offices	1	1

Founded: 1986.

Retail brokerage: 99% commissions, 1% fees.

Employee benefits: 22% of revenues.

Licensed excess/surplus broker in: Massachusetts.

Officers: Paul Mazonson, president/treasurer; R. Bruce MacDougall, vp; John Greenbaum, director-life/benefits.

Contact: Paul Mazonson.

McCay Corp.

Route 130 & 206, P.O. Box 679, Bordentown, N.J. 08505; 609-298-5005; fax: 609-298-8177

	1993	1992
Premium volume	$72,500,000	$70,000,000
Gross revenues	$9,214,531	$8,900,512
U.S. clients	100%	100%
Brokerage: Retail	67.0%	66.5%
U.S. offices	$6,173,724	$5,918,840
Wholesale	1.0%	1.0%
Personal lines	21.3%	22.3%
Invstmt. income	1.7%	1.6%
Other	9.0%	8.6%
Employees	105	107
Offices	5	5

Founded: 1953.

Retail brokerage: 97.6% commissions, 2.4% fees.

Employee benefits: 9.0% of revenues.

Retail brokerage branches: Atlantic City, Marlton, Mount Holly and Turnersville, N.J.

Licensed excess/surplus broker in: New Jersey.

Officers: Raymond D. Houlihan Jr., president/CEO; Michael D. Smith, Robert N. Cowan, Frederick O. Boysen, senior vps; Robert J. Petras, executive vp/secretary.

Contact: Thomas J. Conway Jr., vp, 609-988-3061.

McConachie Insurance Agency Inc.

1480 Renaissance Drive, P.O. Box 777, Park Ridge, Ill. 60068; 708-297-3640; fax: 708-297-5674

	1993	1992
Premium volume	$9,200,000	$9,500,000
Gross revenues	$2,041,594	$1,856,800
U.S. clients	100%	100%
Brokerage: Retail	65%	75%
U.S. offices	$1,327,270	$1,392,600
Wholesale	3%	4%
Personal lines	10%	7%
Services	21%	13%
Invstmt. income	1%	1%
Employees	22	22
Offices	1	1

Founded: 1950.

Retail brokerage: 96% commissions, 4% fees.

Employee benefits: 33% of revenues.

Officers: A. Scot McConachie, president/treasurer; John P. Coleman, vp/secretary; Dennis Klocke, assistant treasurer; Dennis Reed, assistant secretary.

Contact: John P. Coleman.

The McElroy-Minister Co.

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

	1993	1992
Premium volume	$59,600,000	$55,000,000
Gross revenues	$12,575,717	$11,647,501
U.S. clients	100%	100%
Brokerage: Retail	50%	55%
U.S. offices	$6,287,585	$6,406,126
Personal lines	6%	6%
Services	42%	36%
Invstmt. income	2%	3%
Employees	201	182
Offices	9	7

Founded: 1875.

Retail brokerage: 78% commissions, 22% fees.

Employee benefits: 41% of revenues.

Acquisitions: National Rehabilitation Planners, Columbus, Ohio, February 1993.

Retail brokerage branches: Dayton, Ohio.

Non-retail brokerage subsidiaries: Corporate Claims Services Inc., Columbus, Ohio; Davis & Associates Inc., Canton, Cincinnati, Cleveland and Columbus, Ohio; National Rehabilitation Planners Inc., Columbus, Ohio; Portland, Maine.

Licensed excess/surplus broker in: Ohio.

Officers: James R. Creek, chairman; Keith A. Pierce, vice chairman/treasurer/CEO; William R. Gillam, president; Thomas E. Moore, secretary; Thomas Hadley II, vp.

Contact: Keith A. Pierce.

McGriff, Seibels & Williams Inc.

2211 Seventh Ave. S., Birmingham, Ala. 35202; 205-252-9871; fax: 205-581-9293

	1993	1992
Premium volume	$411,413,000	$386,171,000
Gross revenues	$44,729,282	$39,085,554
U.S. clients	100%	100%
Brokerage: Retail	84%	84%
U.S. offices	$37,572,000	$32,831,000
Wholesale	8%	8%
Personal lines	1%	1%
Services	2%	2%
Invstmt. income	3%	3%
Other	2%	2%
Employees	410	393
Offices	7	7

Founded: 1886.

Retail brokerage: 95% commissions, 5% fees.

Employee benefits: 4% of revenues.

Retail brokerage branches: Birmingham, Ala.; Atlanta; Orlando and Pensacola, Fla.; New Orleans; Houston.

Non-retail brokerage subsidiaries: Wood & Co. Inc., Atlanta.

Licensed excess/surplus broker in: Alabama, Florida, Georgia, Louisiana, Texas.

Officers: Bruce C. Dunbar Jr., chairman/CEO; Gary M. Cooney, vice chairman; William M. Whitten, senior vp; Thomas A. Lambert III, treasurer.

Contact: Bruce C. Dunbar Jr.

Meadowbrook Insurance Group

26600 Telegraph Road, Southfield, Mich. 48034; 810-358-1100; fax: 810-358-1614

	1993	1992
Premium volume	$132,000,000	$110,000,000
Gross revenues	$22,772,171	$18,222,000
U.S. clients	99%	99%
Non-U.S. clients	1%	1%
Brokerage: Retail	51%	51%
U.S. offices	$11,386,086	$8,843,000
Non-U.S. offices	$227,721	$450,000
Wholesale	NA	1%
Reinsurance	3%	3%
Personal lines	1%	2%
Services	42%	41%
Invstmt. income	2%	2%
Other	1%	NA
Employees	285	235
Offices	11	11

Founded: 1955.

Retail brokerage: 51% commissions, 49% fees.

Employee benefits: 1% of revenues.

Retail brokerage branches: Montgomery, Ala.; Lakewood, Colo.; Miami; Overland Park, Kan.; Bloomington, Minn.; New York.

Non-retail brokerage subsidiaries: Grand Rapids, Mich.; Bridgetown, Barbados; Hamilton, Bermuda.

Licensed excess/surplus broker in: Alabama, Colorado, Michigan, Minnesota.

Officers: Merton J. Segal, chairman; Robert A. Engle, president; Robert C. Cubbin, general counsel/senior vp; Cheryl Reno, senior vp/secretary; Joseph C. Henry, CFO/senior vp.

Contact: Robert A. Engle.

Meeker-Magner Co.

2360 E. Devon Ave., Suite 3010, Des Plaines, Ill. 60018; 708-699-1400; fax: 708-699-6383

	1993	1992
Premium volume	$21,500,000	$21,000,000
Gross revenues	$2,750,000	$2,690,000
U.S. clients	100%	100%
Brokerage: Retail	80%	80%
U.S. offices	$2,200,000	$2,152,000
Wholesale	4%	4%
Personal lines	13%	13%
Invstmt. income	3%	3%
Employees	24	24
Offices	1	1

Founded: 1902.

Retail brokerage: 95% commissions, 5% fees.

Employee benefits: 18% of revenues.

Licensed excess/surplus broker in: Illinois.

Officers: T. Gerald Magner Jr., president; Silvio D. DeSerto, executive vp; Gregory P. Disparte, vp.

Contact: T. Gerald Magner, Jr.

Meeker Sharkey Financial Group Inc.

21 Commerce Drive, Cranford, N.J. 07016; 908-272-8100; fax: 908-272-9059

	1993*	1992
Premium volume	$84,994,000	$84,071,395
Gross revenues	$18,200,000	$18,002,440
U.S. clients	100%	100%
Brokerage: Retail	79%	79%
U.S. offices	$14,378,000	$14,221,928
Personal lines	9%	9%
Services	7%	7%
Invstmt. income	2%	2%
Other	3%	3%
Employees	175	172
Offices	9	7

* Acquisition figures reflected from date of purchase.

Founded: 1864.

Retail brokerage: 93% commissions, 7% fees.

Employee benefits: 12% of revenues.

Acquisitions: Kurmin Insurance Agency Inc., Wall Township, N.J., March 1993.

Retail brokerage branches: John McGuire Inc., Cranford, N.J.; Edward F.C. McLaughlin, White Plains, N.Y.; Cranford Agency, Cranford, N.J.; Meeker Sharkey, Gervasio & Seeger, Trenton, N.J.; Meeker Sharkey & Kurmin, Wall Township, N.J.; Meeker Sharkey & Lane, Mount Laurel, N.J.; Meeker Sharkey & MacBean, Cranford, N.J.; Meeker Sharkey & Moffatt, Wall, N.J.; Provident Mutual Life Insurance Co., Cranford, N.J.

Non-retail brokerage subsidiaries: Meeker Sharkey Benefits, Cranford, N.J.; Meeker Sharkey Consultants, Cranford, N.J.; Meeker Sharkey & Daniels, Cranford, N.J.; Meeker Sharkey Realtors, Cranford, N.J.

Officers: Thomas J. Sharkey, chairman/CEO/president; Brian P. Leddy, William Dittmann, senior vps; Thomas J. Sharkey Jr., secretary/executive vp.

Contact: Thomas J. Sharkey Jr.

Mesirow Insurance Services Inc.

350 N. Clark St., Chicago, Ill. 60610; 312-670-6200; fax: 312-670-7506

	1993	1992
Premium volume	$160,000,000	$140,000,000
Gross revenues	$14,295,000	$13,050,000
U.S. clients	100%	100%
Brokerage: Retail	90%	90%
U.S. offices	$12,865,500	$11,745,000
Personal lines	4%	4%
Services	3%	3%
Invstmt. income	3%	3%
Employees	114	114
Offices	3	3

Founded: 1972.

Parent: Mesirow Financial.

Retail brokerage: 90% commissions, 10% fees.

Retail brokerage branches: Highland Park, Ill.; Sioux Falls, S.D.

Licensed excess/surplus broker in: Illinois.

Officers: Richard Price, president; Howard Engel, Steve Ware, Arnold Pritsker, Jim Styer, executive vps.

Minet Group P.L.C.

Minet House, 66 Prescot St., London E1 8BU, England; 44-71-481-0707; fax: 44-71-488-9786

See profile on page 39.

Julius Moll & Son Inc.

6160 N. Cicero Ave., Chicago, Ill. 60646; 312-286-7737

	1993	1992
Premium volume	$30,000,000	$28,000,000
Gross revenues	$3,900,000	$3,700,000
U.S. clients	100%	100%
Brokerage: Retail	85%	85%
U.S. offices	$3,315,000	$3,145,000
Personal lines	5%	6%
Services	7%	5%
Invstmt. income	1%	2%
Other	2%	2%
Employees	50	46
Offices	1	1

Founded: 1901.

Retail brokerage: 95% commissions, 5% fees.

Employee benefits: 10% of revenues.

Acquisitions: Insurance Management of Orland Park Inc., Orland Park, Ill., December 1993.

Licensed excess/surplus broker in: Illinois.

Officers: Theodore S. Ross, president; Richard M. Moll, chairman.

Contact: Theodore S. Ross.

Mones & Associates Insurance Brokers Inc.

126, 6325 103rd St., Edmonton, Alberta T5H 5H6, Canada; 403-435-4862; fax: 403-437-6768

	1993*	1992*
Premium volume	$6,278,949	$5,768,000
Gross revenues	$998,098	$889,920
U.S. clients	1%	1%
Non-U.S. clients	99%	99%
Brokerage: Retail	75%	75%
U.S. offices	$7,750	$6,674
Non-U.S. offices	$740,824	$660,766
Personal lines	24%	24%
Services	1%	1%
Employees	19	19
Offices	3	3

* Converted at applicable exchange rates.

Founded: 1983.

Retail brokerage: 96% commissions, 4% fees.

Retail brokerage branches: Canada: Saskatoon, Saskatchewan; Yellowknife, Northwest Territories.

Officers: Jim Mones, president; Mel White, Brian Murphy, Bob Mones, Sandra Mones, vps.

Contact: Brian Murphy.

Continued on next page

Continued from previous page
Officers: Raymond H. Laub, president; George Stevoff, chairman; Robert A. Stewart, Robert E. Williams, vps; Michael R. Mead, vice chairman.
Contact: Michael Capuder, vp-finance.

Lawley Service Inc.
120 Delaware Ave., Buffalo, N.Y. 14202; 716-849-8618; fax: 716-849-0360

	1993	1992
Premium volume	$56,085,790	$57,885,000
Gross revenues	$8,799,215	$8,646,964
U.S. clients	100%	100%
Brokerage: Retail	76%	76%
U.S. offices	$6,687,402	$6,571,693
Wholesale	2%	1%
Personal lines	18%	19%
Services	2%	2%
Invstmt. income	2%	2%
Employees	109	116
Offices	5	4

Founded: 1955.
Retail brokerage: 95% commissions, 5% fees.
Employee benefits: 2% of revenues.
Acquisitions: Humphrey & Vandervoort Inc., Tonawanda, N.Y., January 1994.
Retail brokerage branches: Genesee Agency, Batavia, N.Y.; Tradition Agency, Dunkirk, Fredonia and Jamestown, N.Y.
Officers: William J. Lawley, president; Raymond J. Mashiotta, William J. Lawley Jr., vps; Alfred Kroll, secretary/vp; Christopher D. Ross, treasurer.
Contact: Alfred Kroll.

Directory terms and methodology are explained on page 56. For a geographical listing of companies, see page 73.

Lawrence Agency Corp.
108 Union St., Schenectady, N.Y. 12305; 518-370-1720; fax: 518-370-4426

	1993	1992
Premium volume	$317,700,000	$353,000,000
Gross revenues	$44,631,535	$49,152,483
U.S. clients	100%	100%
Brokerage: Retail	30.0%	51.3%
U.S. offices	$13,389,460	$25,215,223
Wholesale	12.0%	9.1%
Personal lines	10.0%	10.9%
Services	46.0%	19.7%
Invstmt. income	2.0%	1.5%
Other	NA	7.5%
Employees	550	625
Offices	40	46

Founded: 1954.
Parent: Lawrence Group Inc.
Retail brokerage: 100% commissions.
Employee benefits: 29% of revenues.
Retail brokerage branches: ADAPT Inc., Bakersfield, Dinuba, Fresno, Kerman, San Diego and Sanger, Calif.; A.W. Lawrence & Co., Mesa, Ariz.; Jupiter and West Palm Beach, Fla.; Atlanta; Indianapolis; Baton Rouge, La.; Waltham, Mass.; Fillion, Mich.; Albany, Buffalo, Glens Falls, Lake Placid, Schenectady and Westbury, N.Y.; Warren, Ohio; Harrisburg, Pa.; Newport, R.I.; San Juan, P.R.; Lawrence Healthcare, Jamestown, Latham, Poughkeepsie, Syracuse, Utica, Westbury and Yorkville, N.Y.; Lawrence United Corp., Mesa, Ariz.; Cortland, Lake Placid, Latham, New York, Old Forge, Rochester and Troy, N.Y.; Greensboro, N.C.
Non-retail brokerage subsidiaries: Lawrence Healthcare Administrative Services Inc., Jamestown, Latham and Syracuse, N.Y.; Lawrence Risk Management Corp., Schenectady, N.Y.
Licensed excess/surplus broker in: Arizona, Pennsylvania, New York.
Officers: Albert W. Lawrence, chairman; William J. Mather, president; Gerald Pedinotti, Richard Shands, Brian Gorham, division presidents.
Contact: William J. Mather.

Lee & Hawthorne
88 Pine St., New York, N.Y. 10005; 212-495-8700; fax: 212-495-8717

	1993	1992
Premium volume	$5,000,000	$4,000,000
Gross revenues	$1,300,000	$1,040,000
U.S. clients	85%	90%
Non-U.S. clients	15%	10%
Brokerage: Retail	100%	100%
U.S. offices	$1,150,000	$936,000
Non-U.S. offices	$150,000	$104,000
Employees	18	15
Offices	4	4

Founded: 1969.
Retail brokerage: 100% commissions.
Retail brokerage branches: Syracuse, N.Y.; Montreal; Toronto.
Officers: Kenneth C. Lee, Robert P. Hawthorne, general agents; Dennis Pecoraro, manager.
Contact: Dennis Pecoraro.

Lockton Cos. Inc.
7400 State Line Road, Prairie Village, Kan. 66208; 913-676-9000; fax: 913-676-9180

	1993	1992
Premium volume	$675,000,000	$600,000,000
Gross revenues	$50,040,000	$45,500,000
U.S. clients	98%	98%
Non-U.S. clients	2%	2%
Brokerage: Retail	90%	90%
U.S. offices	$45,036,000	$40,950,000
Personal lines	1%	1%
Services	5%	5%
Invstmt. income	4%	4%
Employees	459	431
Offices	5	5

Founded: 1966.
Retail brokerage: 75% commissions, 25% fees.
Retail brokerage branches: Topeka, Kan.; St. Louis; Houston; Lockton Silversmith Inc., Denver.
Non-retail brokerage subsidiaries: Lockton Risk Services, Kansas City, Mo.; Lockton Risk Services of Colorado, Denver.
Licensed excess/surplus broker in: Colorado, Kansas, Missouri, Texas.
Officers: John T. Lockton III, chairman/CEO; David M. Lockton, president; Michael C. Frost, executive vp/COO; Gary F. Hambright, Mark P. Angers, executive vps.
Contact: Michael C. Frost.

The Lofberg Cos.
363 Cedar Lane, P.O. Box 308, Teaneck, N.J. 07666; 201-836-2100; fax: 201-836-7822

	1993	1992
Premium volume	$12,000,000	$11,500,000
Gross revenues	$1,386,000	$1,420,000
U.S. clients	100%	100%
Brokerage: Retail	60%	57%
U.S. offices	$831,600	$810,000
Personal lines	30%	30%
Services	10%	13%
Employees	21	23
Offices	1	1

Founded: 1926.
Retail brokerage: 95% commissions, 5% fees.
Employee benefits: 5% of revenues.
Acquisitions: Schertler Agency, Hackensack, N.J., November 1993.
Licensed excess/surplus broker in: New Jersey.
Officers: Richard C. Lofberg, chairman/CEO; Paul W. Lofberg, president; Ralph Ortega, Philip Carlton, vps.
Contact: Paul W. Lofberg.

The Loomis Co.
P.O. Box 7011, 625 Spring St., Wyomissing, Pa. 19610; 610-374-4040; fax: 610-374-6578

	1993	1992
Premium volume	$98,000,000	$133,440,000
Gross revenues	$10,200,000	$13,300,000
U.S. clients	99.5%	99.5%
Non-U.S. clients	0.5%	0.5%
Brokerage: Retail	61%	67%
U.S. offices	$6,222,000	$8,911,000
Wholesale	1%	1%
Reinsurance	1%	NA
Personal lines	11%	11%
Services	22%	17%
Invstmt. income	2%	2%
Other	2%	2%
Employees	140	155
Offices	3	3

Founded: 1955.
Retail brokerage: 98% commissions, 2% fees.
Employee benefits: 30% of revenues.
Retail brokerage branches: Fort Lauderdale, Fla.; Annapolis, Md.
Licensed excess/surplus broker in: Florida, Maryland, Pennsylvania.
Officers: James R. Loomis, president/CEO; Edward J. Cavanaugh, H. Edmond Smith, Gerald Blaum, vps; Kathy Schlegel, treasurer.
Contact: James R. Loomis.

Lovitt & Touche
7202 E. Rosewood, Tucson, Ariz. 85710; 602-722-3000; fax: 602-722-7245

	1993	1992
Premium volume	$81,500,000	$70,000,000
Gross revenues	$8,200,000	$7,600,000
U.S. clients	100%	100%
Brokerage: Retail	87%	84%
U.S. offices	$7,134,000	$6,384,000
Personal lines	8%	10%
Services	4%	5%
Invstmt. income	1%	1%
Employees	96	92
Offices	4	4

Founded: 1911.
Parent: FSG Inc.
Retail brokerage: 98% commissions, 2% fees.
Employee benefits: 12% of revenues.
Retail brokerage branches: Phoenix and Taylor, Ariz.; Las Vegas.
Non-retail brokerage subsidiaries: Mt. States Adjusting Agency, Phoenix, Taylor and Tucson, Ariz.; Las Vegas; Mt. States Administrative Services Inc., Phoenix, Taylor and Tucson, Ariz.; Las Vegas.
Licensed excess/surplus broker in: Arizona.
Officers: Carlos G. Touche, CEO/chairman; Charles A. Touche, president; James R. Spring, executive vp; Steven D. Touche, Patrick Swingle, vps.
Contact: James R. Spring.

Lowndes Lambert Group Holdings P.L.C.
Lowndes Lambert House, 53 Eastcheap, London EC3P 3HL, England; 44-71-283-2000; fax: 44-71-283-1927

See profile on page 50.

M

MLW Services Inc.
100 William St., New York, N.Y. 10038; 212-797-9600; fax: 212-425-0719

	1993	1992
Premium volume	$76,000,000	$72,000,000
Gross revenues	$9,910,000	$8,860,000
U.S. clients	98%	95%
Non-U.S. clients	2%	5%
Brokerage: Retail	56%	62%
U.S. offices	$5,550,000	$5,493,000
Wholesale	38%	32%
Personal lines	3%	4%
Services	2%	1%
Invstmt. income	1%	1%
Employees	65	58
Offices	2	2

Founded: 1986.
Retail brokerage: 96% commissions, 4% fees.
Employee benefits: 2.5% of revenues.
Retail brokerage branches: French American Risk Advisors, New York.
Non-retail brokerage subsidiaries: Barkly Coverage Corp., New York.
Licensed excess/surplus broker in: New York.
Officers: Charles J. Weisblum, chairman; Andrew H. Marks, president; Bert Linder, executive vp; Silvana Vlacich, Bruce D. Tindal, senior vps; Catherine Pipitone, vp.
Contact: Bert Linder.

Mack & Parker Inc.
55 E. Jackson Blvd., Chicago, Ill. 60604-4187; 312-922-5000; fax: 312-922-5358

	1993	1992
Premium volume	NA	NA
Gross revenues	$7,900,000	$7,400,000
U.S. clients	99%	99%
Non-U.S. clients	1%	1%
Brokerage: Retail	80.5%	83.4%
U.S. offices	$6,400,000	$6,200,000
Personal lines	4.7%	4.1%
Services	10.5%	9.6%
Invstmt. income	4.3%	2.9%
Employees	85	80
Offices	2	1

Founded: 1935.
Retail brokerage: 92% commissions, 8% fees.
Employee benefits: 23% of revenues.
Retail brokerage branches: Winnetka, Ill.
Non-retail brokerage subsidiaries: Illinois.
Officers: Edward E. Mack III, president; Martin P. Hughes, executive vp; Veronica E. Campbell, vp/treasurer; Marie E. Raninger, Michael J. Ahlert, Robert J. Jonak, vps.
Contact: Edward E. Mack or Martin P. Hughes.

Mahoney & Wright Insurance Agency Inc.
141 Tremont St., Boston, Mass. 02111; 617-482-4086; fax: 617-423-7937

	1993	1992
Premium volume	$61,839,000	$77,006,000
Gross revenues	$8,966,000	$11,106,000
U.S. clients	100%	100%
Brokerage: Retail	43%	52%
U.S. offices	$3,855,380	$5,775,120
Personal lines	57%	48%
Employees	125	145
Offices	18	19

Founded: 1927.
Retail brokerage: 100% commissions.
Retail brokerage branches: Cohasset, Dedham, Haverhill, Middleboro, Natick, Newton, North Attleboro, Peabody, Plymouth, Reading, Rockland, Scituate, Tewksbury, Wakefield, Weymouth, Wrentham and Yarmouth, Mass.
Licensed excess/surplus broker in: Massachusetts.
Officers: Norman R. Wright, president/treasurer; Donald F. Beale, senior vp; Richard D. Forrest, executive vp; Richard A. Grant, vp.
Contact: Richard D. Forrest.

Marsh & McLennan Cos. Inc.
1166 Ave. of the Americas, New York, N.Y. 10036; 212-345-5000; fax: 212-345-4810

See profile on page 16.

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Jauch & Huebener KGaA

Katharinenstrasse 10, Hamburg, 20457 Germany; 49-40-3605-0; fax: 49-40-367787

See profile on page 44.

Johnson & Higgins

125 Broad St., New York, N.Y. 10004; 212-574-7000; fax: 212-574-7676

See profile on page 33.

Jones & Hawkins Insurance

18167 U.S. Highway 19 N., Suite 300, Clearwater, Fla. 34624; 813-535-6868; fax: 813-530-4772

	1993	1992
Premium volume	$32,550,000	$31,400,000
Gross revenues	$4,157,000	$4,215,000
U.S. clients	100%	100%
Brokerage: Retail	68.8%	69.2%
U.S. offices	$2,860,000	$2,919,620
Personal lines	6.0%	4.0%
Services	23.8%	24.3%
Invstmt. income	1.0%	1.3%
Other	0.4%	1.2%
Employees	50	54
Offices	2	2

Founded: 1980.
Retail brokerage: 96% commissions, 4% fees.
Employee benefits: 37.1% of revenues.
Non-retail brokerage subsidiaries: Self-Insured Benefit Administrators Inc., Clearwater, Fla.
Licensed excess/surplus broker in: Florida.
Officers: Terrell V. Hawkins, president; Charles B. Honeywell, executive vp; Michael A. McClain, senior vp; Glenn L. Allen, CFO.
Contact: Charles B. Honeywell.

K

K&K Insurance Group Inc.

1712 Magnavox Way, Fort Wayne, Ind. 46804; 219-459-5000; fax: 219-459-5866

	1993	1992
Premium volume	$156,234,208	$161,201,000
Gross revenues	$30,007,648	$26,177,822
U.S. clients	99%	99%
Non-U.S. clients	1%	1%
Brokerage: Retail	20%	20%
U.S. offices	$5,941,515	$5,183,209
Non-U.S. offices	$60,015	$52,355
Wholesale	70%	70%
Services	9%	9%
Invstmt. income	1%	1%
Employees	317	334
Offices	5	5

Founded: 1957.
Parent: Aon Corp.
Retail brokerage: 100% commissions.
Retail brokerage branches: American Insurance Brokers Ltd., Seattle; K&K Insurance Brokers Ltd., Toronto; K&K Specialties Inc., Greensboro, N.C.; National Sports Underwriters Inc., Fort Wayne, Ind.
Licensed excess/surplus broker in: Indiana, North Carolina, Virginia.
Officers: Michael S. Mullen, president/CEO; Jerry Tegan, Todd W. Bixler, executive vps; Terry Stevens, senior vp; Gerald J. Montero, CFO/senior vp.
Contact: Gerald Montero.

KMC Insurance Services Inc.

5050 Quorum Drive, Suite 644, Dallas, Texas 75240; 214-991-6677; fax: 214-991-6679

	1993	1992
Premium volume	$10,431,781	$11,596,636
Gross revenues	$1,220,133	$1,060,182
U.S. clients	82%	84%
Non-U.S. clients	18%	16%
Brokerage: Retail	93%	95%
U.S. offices	$1,134,724	$1,017,000
Wholesale	3%	2%
Invstmt. income	4%	3%
Employees	8	7
Offices	1	1

Founded: 1988
Retail brokerage: 100% commissions.
Employee benefits: 1% of revenues.
Licensed excess/surplus broker in: Texas.
Officers: Kevin Curley, president; John Tipping, vp.
Contact: Cecilia Schuster.

Kalvin-Miller International Inc.

1211 Ave. of the Americas, New York, N.Y. 10036; 212-575-6600; fax: 212-704-5959

	1993	1992
Premium volume	$200,000,000	$280,000,000
Gross revenues	$25,000,000	$31,500,000
U.S. clients	97%	60%
Non-U.S. clients	3%	40%
Brokerage: Retail	80%	56%
U.S. offices	$20,000,000	$17,700,000
Wholesale	9%	9%
Reinsurance	1%	28%
Personal lines	6%	4%
Services	1%	1%
Invstmt. income	3%	4%
Employees	180	262
Offices	4	5

Founded: 1902.
Parent: Kalvin Miller Holdings.
Retail brokerage: 90% commissions, 10% fees.
Employee benefits: 14% of revenues.
Acquisitions: Davis, Dorland & Co. Inc., New York, February 1993.
Retail brokerage branches: Carle Place, N.Y.; Kalvin-Miller Life Consultants Inc., New York; KM Consulting Group, Carle Place, N.Y.
Non-retail brokerage subsidiaries: Norex Ltd., London.
Licensed excess/surplus broker in: New York.
Officers: John F. Malhame, chairman; David S. Moross, president/CEO; Mark D. Derrenberger, senior executive vp; Michael P. Sabanos, executive vp/CFO.
Contact: David S. Moross.

Kaye Insurance Associates L.P.

122 E. 42nd St., New York, N.Y. 10168; 212-210-9200; fax: 212-986-2278

	1993	1992
Premium volume	$804,000,000	$800,000,000
Gross revenues	$51,482,000	$51,221,000
U.S. clients	100%	100%
Brokerage: Retail	82%	83%
U.S. offices	$42,215,000	$42,513,000
Wholesale	8%	8%
Reinsurance	3%	3%
Personal lines	3%	3%
Services	2%	2%
Invstmt. income	2%	1%
Employees	461	480
Offices	5	8

Founded: 1952.
Parent: Kaye International L.P.
Retail brokerage: 98% commissions, 2% fees.
Employee benefits: 10% of revenues.
Retail brokerage branches: Kaye Administrators L.P., Chicago; Kaye of Connecticut L.P., Southport, Conn.; Kaye Insurance Services of California Inc., Beverly Hills, Calif.
Licensed excess/surplus broker in: California, Connecticut, New Jersey, New York, Rhode Island.
Officers: Lawrence Greenfield, chairman; Howard Kay, president; Marc Silverman, Bruce D. Guthart, Alexander Fisher, executive vps.
Contact: Bruce D. Guthart.

Keenan & Associates

P.O. Box 4328, 2355 Crenshaw Blvd., Suite 200, Torrance, Calif. 90501; 310-212-3344; fax: 310-328-6793

	1993	1992
Premium volume	NA	NA
Gross revenues	$31,200,000	$28,100,000
U.S. clients	100%	100%
Brokerage: Retail	38%	41%
U.S. offices	$11,856,000	$11,521,000
Services	58%	55%
Invstmt. income	1%	1%
Other	3%	3%
Employees	348	335
Offices	10	10

Founded: 1972.
Retail brokerage: 48% commissions, 52% fees.
Employee benefits: 35% of revenues.
Retail brokerage branches: Campbell, Chico, Emeryville, Fresno, Riverside, Sacramento, San Diego, Santa Ana and Westlake Village, Calif.
Licensed excess/surplus broker in: California.
Officers: John R. Keenan, CEO; Harwood J. Bren, executive vp/COO; David J. De Wenter, executive vp/chief administrative officer; Sean Smith, Murt L. Munson, executive vps.
Contact: David J. De Wenter.

Kelly Associates Inc.

970 Farmington Ave., Suite 202, West Hartford, Conn. 06107; 203-561-5662; fax: 203-561-2096

	1993	1992
Premium volume	$7,100,000	$6,700,000
Gross revenues	$1,147,500	$1,015,000
U.S. clients	99%	98%
Non-U.S. clients	1%	2%
Brokerage: Retail	96%	94%
U.S. offices	$1,101,600	$954,100
Personal lines	1%	1%
Services	1%	2%
Invstmt. income	2%	3%
Employees	8	6
Offices	1	1

Founded: 1967.
Retail brokerage: 99% commissions, 1% fees.
Licensed excess/surplus broker in: 21 states.
Officers: Patricia Wright, corporate secretary; Peter F. Wright, president; John D. Harrington, John D. Hurley, vps.
Contact: Peter F. Wright or John D. Harrington.

Kelter-Thorner Inc.

210 S. Woodward Ave., Suite 200, Birmingham, Mich. 48012; 810-540-3131; fax: 810-540-2002

	1993	1992
Premium volume	$103,239,000	$98,323,000
Gross revenues	$12,389,000	$11,838,000
U.S. clients	100%	100%
Brokerage: Retail	82.4%	82.2%
U.S. offices	$10,208,500	$9,731,000
Wholesale	3.3%	1.4%
Personal lines	10.0%	9.4%
Services	2.2%	2.5%
Invstmt. income	2.1%	3.5%
Other	NA	1.0%
Employees	98	98
Offices	5	5

Founded: 1952.
Employee benefits: 0.75% of revenues.
Retail brokerage branches: Kelter-Thorner Inc. of Michigan, Birmingham, Mich.; Kelter-Thorner Inc. of New Jersey, Fords, N.J.; Kelter-Thorner Inc. of Northern California, Redwood City, Calif.; Kelter-Thorner Inc. of Southern California, Santa Ana Heights, Calif.; Kelter-Thorner Insurance Agency Inc. of Ohio, Middleburgh Heights, Ohio.
Non-retail brokerage subsidiaries: Atlantic Underwriters Inc., Birmingham, Mich.
Licensed excess/surplus broker in: Michigan.
Officers: Theodore R. Kelter, chairman; Marilyn Chernoff, president; John Washburn, Ronald A. Young, executive vps; Lisa Arthur, secretary/treasurer.
Contact: James Kaufman.

Knox Insurance Brokers Ltd.

705 Cassell St., North Bay, Ontario P1B 4A3, Canada; 705-474-4400; fax: 705-476-0347

	1993*	1992*
Premium volume	$12,400,000	$13,184,000
Gross revenues	$1,977,254	$2,157,994
Non-U.S. clients	100%	100%
Brokerage: Retail	45%	45%
Non-U.S. offices	$889,764	$971,097
Personal lines	50%	50%
Invstmt. income	5%	5%
Employees	42	43
Offices	1	1

* Converted at applicable exchange rates.

Founded: 1948.
Retail brokerage: 99% commissions, 1% fees.
Officers: Bruce Knox, Randy Bushey, Robert Paterson.
Contact: Bruce Knox.

R.C. Knox & Co. Inc.

1 Goodwin Square, Hartford, Conn. 06103-4305; 203-524-7600; fax: 203-240-1587

	1993	1992
Premium volume	$100,000,000	$100,000,000
Gross revenues	$12,038,382	$11,809,757
U.S. clients	100%	100%
Brokerage: Retail	76%	76%
U.S. offices	$9,149,170	$8,975,415
Personal lines	14%	15%
Services	1%	1%
Invstmt. income	9%	8%
Employees	89	99
Offices	6	7

Founded: 1893.
Retail brokerage: 97% commissions, 3% fees.
Employee benefits: 5% of revenues.
Retail brokerage branches: Middletown and Windsor, Conn.; Simsbury Insurance Agency, Simsbury, Conn.
Licensed excess/surplus broker in: Connecticut.
Officers: Norman C. Kayser, chairman/president; John F. Byrnes, senior vp; Harold A. Smullen Jr., Timothy H. Coppage, Robert T. Crowley, vps.
Contact: Norman C. Kayser.

Kornreich Insurance Services

919 Third Ave., New York, N.Y. 10022-3970; 212-688-9700; fax: 212-319-7509

	1993	1992
Gross revenues	$19,500,000	$23,000,000
U.S. clients	100%	100%
Brokerage: Retail	80.1%	76.1%
U.S. offices	$15,619,500	$17,503,000
Wholesale	11.5%	15.5%
Personal lines	6.1%	6.1%
Services	1.2%	1.2%
Invstmt. income	1.0%	1.0%
Other	0.1%	0.1%
Employees	125	145
Offices	4	4

Founded: 1917.
Retail brokerage: 90% commissions, 10% fees.
Employee benefits: 10% of revenues.
Retail brokerage branches: Kornreich Insurance Brokerage Services of N.J. Inc., Teaneck, N.J.; Kornreich Insurance Services (Florida) Inc., West Palm Beach, Fla.; Singer Kornreich Inc., Teaneck, N.J.
Non-retail brokerage subsidiaries: Associated Programs Inc.
Licensed excess/surplus broker in: New York.
Officers: Matthew R. Kornreich, Morton A. Kornreich, chairmen; Steven L. Grossberg, James D. Kornreich, Thomas A. Kornreich, William D. Kornreich, executive vps.
Contact: Steven L. Grossberg, James D. Kornreich, Thomas A. Kornreich or William D. Kornreich.

L

LaGere & Walkingstick Insurance Agency Inc.

1008 Manuel, P.O. Box 409, Chandler, Okla. 74834; 405-258-0804; fax: 405-258-4220

	1993	1992
Premium volume	$95,104,245	$119,010,080
Gross revenues	$9,860,709	$12,268,032
U.S. clients	100%	100%
Brokerage: Retail	34%	30%
U.S. offices	$3,352,641	$3,680,410
Wholesale	65%	69%
Invstmt. income	1%	1%
Employees	65	88
Offices	1	1

Founded: 1964.
Parent: Chandler (USA).
Retail brokerage: 93% commissions, 7% fees.
Licensed excess/surplus broker in: Oklahoma.
Officers: William B. LaGere, chairman/CEO; Ben Walkingstick, president; Brenda Pair, Ernie Pierce, vps; Robert Crum, secretary.
Contact: Robert E. Crum.

Lamb, Little & Co.

5301 Keystone Court, Rolling Meadows, Ill. 60008; 708-398-7060; fax: 708-398-7077

	1993	1992
Premium volume	$36,250,000	$34,589,000
Gross revenues	$5,980,000	$5,487,582
U.S. clients	100%	100%
Brokerage: Retail	75%	75%
U.S. offices	$4,485,000	$4,115,686
Personal lines	10%	10%
Invstmt. income	6%	6%
Other	9%	9%
Employees	72	70
Offices	2	2

Founded: 1947.
Retail brokerage: 98% commissions, 2% fees.
Employee benefits: 9% of revenues.
Retail brokerage branches: Chicago.
Licensed excess/surplus broker in: Illinois.
Officers: Raymond J. Clancy, chairman; Roy H. Holle, president; David B. Peck III, senior vp; Frank L. Hoffeller, executive vp; Bruce Wahlborg, vp/treasurer/secretary.
Contact: Robert J. Power, office manager.

J. Smith Lanier & Co. Inc.

300 W. 10th St., P.O. Box 70, West Point, Ga. 31833; 706-645-2211; fax: 706-645-0606

	1993	1992
Premium volume	$115,000,000	$107,000,000
Gross revenues	$18,609,396	$17,717,231
U.S. clients	100%	100%
Brokerage: Retail	58.0%	57.0%
U.S. offices	$10,793,300	$10,098,800
Wholesale	0.3%	0.5%
Personal lines	18.1%	20.0%
Services	1.3%	1.5%
Invstmt. income	1.8%	2.4%
Other	20.5%	18.6%
Employees	205	225
Offices	11	11

Founded: 1868.
Retail brokerage: 98.6% commissions, 1.4% fees.
Employee benefits: 12% of revenues.
Retail brokerage branches: Huntsville, Lafayette and Opelika, Ala.; Atlanta, Carrollton, Columbus, Manchester, Newnan, North Columbus and West Point, Ga.; Greensburg, Ky.
Licensed excess/surplus broker in: Alabama, Georgia.
Officers: J. Smith Lanier II, chairman/CEO; D. Gaines Lanier, president/COO; Thomas M. Botsford, secretary/treasurer/CFO; William J. Parr, vice chairman; Gary Ivey, Thomas Yearian, vps.
Contact: D. Gaines Lanier.

Laub Group Inc.

1555 N. RiverCenter Drive, Milwaukee, Wis. 53212; 414-271-4292; fax: 414-271-5578

	1993	1992
Premium volume	$53,292,821	$50,000,000
Gross revenues	$8,239,496	$7,374,881
U.S. clients	99%	100%
Non-U.S. clients	1%	NA
Brokerage: Retail	88%	96%
U.S. offices	$7,250,756	$7,079,886
Wholesale	9%	1%
Personal lines	2%	2%
Other	1%	1%
Employees	97	93
Offices	7	7

Founded: 1932.
Parent: Intertye Corp.
Retail brokerage: 99% commissions, 1% fees.
Employee benefits: 15% of revenues.
Retail brokerage branches: Appleton, Madison, Rice Lake and Wausau, Wis.; Hummel Cos. Inc., Hollywood, Fla.; Rolling Meadows, Ill.
Licensed excess/surplus broker in: Florida, Illinois, Wisconsin.

Continued on next page

Spotlight report

Continued from previous page

H.F. James, Diane E. Wanstreet, Carey Prewitt, vps; James F. Yager, secretary/treasurer.

Contact: W. Dale Finke.

ISU/Feingold & Feingold Insurance Agency Inc.

22 Elm St., Worcester, Mass. 01608; 508-831-9500; fax: 508-797-4030

	1993	1992
Premium volume	**$11,500,000**	$11,000,000
Gross revenues	**$1,200,000**	$1,150,000
U.S. clients	**100%**	100%
Brokerage: Retail	**75%**	75%
U.S. offices	**$900,000**	$862,500
Wholesale	**5%**	5%
Personal lines	**20%**	20%
Employees	**12**	12
Offices	**1**	1

Founded: 1935.

Retail brokerage: 100% commissions.

Officers: Saul F. Feingold, CEO/president; Lisa R. Murray, vp; Richard Jordan, senior vp.

Contact: Lisa R. Murray.

ISU/Bob Gabriel Co.

2325 Wilshire Blvd., Santa Monica, Calif. 90403; 310-829-0305; fax: 310-453-0302

	1993	1992
Premium volume	**$8,150,000**	$8,000,000
Gross revenues	**$1,240,000**	$1,200,000
U.S. clients	**100%**	100%
Brokerage: Retail	**48.0%**	50.0%
U.S. offices	**$595,000**	$600,000
Wholesale	**0.5%**	NA
Personal lines	**48.5%**	48.0%
Invstmt. income	**2.0%**	2.0%
Other	**1.0%**	NA
Employees	**12**	10
Offices	**1**	1

Founded: 1936.

Retail brokerage: 99% commissions, 1% fees.

Employee benefits: 8% of revenues.

Officers: Robert (Bob) M. Gabriel, owner.

ISU/Hoffman Insurance Services Inc.

200 Linden St., Wellesley, Mass. 02181; 617-235-0087; fax: 617-235-6665

	1993	1992
Premium volume	**$7,560,000**	NA
Gross revenues	**$1,106,000**	NA
U.S. clients	**100%**	NA
Brokerage: Retail	**56%**	NA
U.S. offices	**$619,360**	NA
Personal lines	**44%**	NA
Employees	**13**	NA
Offices	**1**	NA

Founded: 1957.

Retail brokerage: 100% commissions.

Employee benefits: 1% of revenues.

Licensed excess/surplus broker in: Massachusetts.

Officers: Robert S. Hoffman III, president; Charles L. Hoffman, treasurer.

Contact: Robert S. Hoffman III.

ISU/Insurance Management

501 Main St., St. Joseph, Mich. 49085; 616-983-7101; fax: 616-983-7109

	1993	1992
Premium volume	**$7,509,375**	$7,556,051
Gross revenues	**$1,219,869**	$1,289,869
U.S. clients	**100%**	100%
Brokerage: Retail	**57%**	55%
U.S. offices	**$695,325**	$709,428
Personal lines	**43%**	45%
Employees	**18.5**	18.5
Offices	**3**	3

Founded: 1944.

Retail brokerage: 99% commissions, 1% fees.

Employee benefits: 17% of revenues.

Retail brokerage branches: Bridgman and Niles, Mich.

Officers: Robert J. Mulhoek, chairman; Richard K. Bell, president; Tomas Smith, secretary/treasurer.

Contact: Richard K. Bell.

ISU/Insurance Services

100 Pine St., Suite 1700, San Francisco, Calif. 94111; 415-788-9810; fax: 415-397-5530

	1993	1992
Premium volume	**$23,000,000**	$12,000,000
Gross revenues	**$2,750,000**	$1,380,000
U.S. clients	**100%**	100%
Brokerage: Retail	**69.7%**	88.0%
U.S. offices	**$1,916,750**	$1,214,400
Personal lines	**30.0%**	10.0%
Invstmt. income	**0.3%**	2.0%
Employees	**30**	17
Offices	**1**	1

Founded: 1989.

Retail brokerage: 100% commissions.

Employee benefits: 3% of revenues.

Acquisitions: Lithgow & Rayhill Inc., San Francisco.

Licensed excess/surplus broker in: California.

Officers: Tommy Ryan, president; Grace Ryan, executive vp; T.J. Ryan III, senior vp.

Contact: Grace Ryan.

ISU/L. Calvin Jones & Co.

565 N. Broad St., P.O. Box 159, Canfield, Ohio 44406; 216-533-1195; fax: 216-533-7583

	1993	1992
Premium volume	**$6,000,000**	$6,300,000
Gross revenues	**$1,300,000**	$1,300,000
U.S. clients	**100%**	100%
Brokerage: Retail	**70%**	74%
U.S. offices	**$910,000**	$962,000
Personal lines	**30%**	26%
Employees	**17**	18
Offices	**1**	1

Founded: 1911.

Retail brokerage: 100% commissions.

Employee benefits: 2% of revenues.

Officers: Edward L. Gluck, president; Wendell L. Jones, senior vp/treasurer; Alvin A. Miller, vp; Jim M. Klingensmith, vp/secretary; Jim S. Mitolo, assistant vp.

Contact: Edward L. Gluck.

ISU/The May Agency Inc.

P.O. Box 1669, 1327 N. Walnut St., Bloomington, Ind. 47402; 812-334-2400; fax: 812-332-3646

	1993	1992
Premium volume	**$8,500,000**	$7,200,000
Gross revenues	**$1,409,000**	$1,300,000
U.S. clients	**100%**	100%
Brokerage: Retail	**85%**	85%
U.S. offices	**$1,197,650**	$1,105,000
Personal lines	**14%**	14%
Invstmt. income	**1%**	1%
Employees	**14**	14
Offices	**1**	1

Founded: 1949.

Retail brokerage: 100% commissions.

Employee benefits: 0.5% of revenues.

Licensed excess/surplus broker: Nationwide.

Officers: Paul May, president; John May, vp; Ralph May, secretary/treasurer.

Contact: Paul May.

ISU/Oliver & Shopen Insurance Agency

P.O. Box 2199, 6920 W. 79th, Overland Park, Kan. 66204; 913-341-1900; fax: 913-649-4624

	1993	1992
Premium volume	**$9,600,000**	$8,200,000
Gross revenues	**$1,215,000**	$1,105,000
U.S. clients	**99%**	98%
Non-U.S. clients	**1%**	2%
Brokerage: Retail	**66.0%**	67.0%
U.S. offices	**$804,540**	$740,350
Personal lines	**32.6%**	31.2%
Services	**1.0%**	1.0%
Invstmt. income	**0.4%**	0.8%
Employees	**19**	16
Offices	**1**	1

Founded: 1967.

Parent: Oliver Insurance Agency Inc.

Retail brokerage: 99% commissions, 1% fees.

Employee benefits: 4% of revenues.

Licensed excess/surplus broker in: Kansas, Missouri.

Officers: Keith L. Oliver, president; Keith C. Oliver, Marsha Kim Acton, vps.

Contact: Keith C. Oliver.

ISU/Purdy Insurance Agency

136 Market St., Sunbury, Pa. 17801; 717-286-5855; fax: 717-286-0219

	1993	1992
Premium volume	**$14,622,100**	$14,812,600
Gross revenues	**$1,859,900**	$1,705,500
U.S. clients	**100%**	100%
Brokerage: Retail	**59%**	69%
U.S. offices	**$1,097,341**	$1,176,795
Wholesale	**5%**	5%
Personal lines	**18%**	11%
Invstmt. income	**2%**	3%
Other	**16%**	12%
Employees	**25**	26
Offices	**1**	1

Founded: 1926.

Retail brokerage: 99% commissions, 1% fees.

Officers: T. Chris Purdy, president; J. Craig Purdy, vp; William H. Purdy, treasurer.

Contact: Stephen A. Engle, manager.

ISU/Ricci Associates Inc.

1910 Pine St., St. Louis, Mo. 63103; 314-231-2277; fax: 314-231-1641

	1993	1992
Premium volume	**$12,020,000**	$12,000,000
Gross revenues	**$1,412,000**	$1,400,000
U.S. clients	**100%**	100%
Brokerage: Retail	**93.4%**	95.0%
U.S. offices	**$1,318,808**	$1,330,000
Reinsurance	**1.0%**	1.0%
Personal lines	**4.0%**	3.0%
Invstmt. income	**1.1%**	1.0%
Other	**0.5%**	NA
Employees	**17**	18
Offices	**2**	2

Founded: 1985.

Retail brokerage: 95% commissions, 5% fees.

Employee benefits: 15% of revenues.

Retail brokerage branches: Public Entity Risk Managers, Springfield, Mo.

Licensed excess/surplus broker in: Illinois, Missouri, 35 other states.

Officers: Thomas C. Ricci Jr., chairman; Stephen E. Ricci, president; John D. Wittenberg, executive vp; Tony Miller vp-sales.

Contact: Stephen Ricci.

ISU/Stewart, Brimner & Co. Inc.

3711 Rupp Drive, Suite 101, P.O. Box 5577, Fort Wayne, Ind. 46895; 219-482-6900; fax: 219-482-7305

	1993	1992
Premium volume	**$13,000,000**	$12,000,000
Gross revenues	**$1,687,000**	$1,572,000
U.S. clients	**100%**	100%
Brokerage: Retail	**82%**	82%
U.S. offices	**$1,383,340**	$1,289,040
Wholesale	**5%**	5%
Personal lines	**10%**	10%
Invstmt. income	**3%**	3%
Offices	**5**	5

Founded: 1985.

Retail brokerage: 100% commissions.

Employee benefits: 2% of revenues.

Retail brokerage branches: Greenwood, Kendallville, Ligonier and New Haven, Ind.

Licensed excess/surplus broker in: Indiana.

Officers: John Brimner, president; Steve Stewart, chairman.

Contact: John Brimner.

ISU/Valley Insurance Service Inc.

861 S. Oak Park Road, Covina, Calif. 91723; 818-966-3664; fax: 818-966-3895

	1993	1992
Premium volume	**$14,000,000**	$11,800,000
Gross revenues	**$1,200,000**	$900,000
U.S. clients	**100%**	100%
Brokerage: Retail	**89%**	87%
U.S. offices	**$1,068,000**	$783,000
Personal lines	**10%**	12%
Invstmt. income	**1%**	1%
Employees	**17**	10
Offices	**3**	2

Founded: 1940.

Parent: Valley Insurance Service Inc.

Retail brokerage: 99% commissions, 1% fees.

Employee benefits: 12% of revenues.

Retail brokerage branches: Laguna Hills and Ventura, Calif.

Officers: Harold J. Borak, president; Barbara J. Borak, vp; Cindy Cole, treasurer/secretary.

Contact: Harold J. Borak.

Insurance Associates Inc.

8281 Goodwood Blvd., Suite I, Baton Rouge, La. 70806; 504-927-7747; fax: 504-928-4746

	1993	1992
Premium volume	**$8,000,000**	$7,500,000
Gross revenues	**$950,010**	$900,000
U.S. clients	**100%**	100%
Brokerage: Retail	**80%**	80%
U.S. offices	**$760,000**	$720,000
Personal lines	**15%**	15%
Invstmt. income	**5%**	5%
Employees	**12**	13
Offices	**1**	1

Founded: 1992.

Licensed excess/surplus broker in: Louisiana.

Officers: Joseph A. Simcoe, president; Barbara N. Mowad, secretary/treasurer; Brenda A. Riddle, vp.

Contact: Joseph A. Simcoe.

Insurance Benefit Consultants Ltd.

5215 Old Orchard Road, Suite 850, Skokie, Ill. 60077; 708-581-9100; fax: 708-581-9115

	1993	1992
Premium volume	**$85,010,000**	$84,814,120
Gross revenues	**$3,866,635**	$3,816,635
U.S. clients	**100%**	100%
Brokerage: Retail	**88%**	89%
U.S. offices	**$3,402,639**	$3,396,805
Wholesale	**2%**	2%
Reinsurance	**6%**	5%
Personal lines	**2%**	2%
Services	**2%**	2%
Employees	**38**	38
Offices	**1**	1

Founded: 1984.

Retail brokerage: 98% commissions, 2% fees.

Employee benefits: 95% of revenues.

Officers: Steven B. Foreman, Helene C. Migala, David N. Schwimmer, principals.

Contact: David N. Schwimmer.

Insurance Management Co.

123 W. Ninth St., Erie, Pa. 16501-1302; 814-452-3200; fax: 814-454-5598

	1993	1992
Premium volume	**$24,524,000**	$22,940,000
Gross revenues	**$2,252,000**	$1,600,000
U.S. clients	**100%**	100%
Brokerage: Retail	**94.8%**	92.8%
U.S. offices	**$2,134,896**	$1,484,800
Personal lines	**0.2%**	0.2%
Services	**NA**	2.0%
Invstmt. income	**5.0%**	5.0%
Employees	**24.0**	21.5
Offices	**1**	1

Founded: 1933.

Parent: R.C. Bloomstine Inc.

Licensed excess/surplus broker in: Pennsylvania.

Officers: John C. Bloomstine, president; Chris W. Bloomstine, vp/secretary; Beth A. Dubik, vp/treasurer.

Contact: John C. Bloomstine.

Insurance Management Associates Inc.

250 N. Water, Suite 600, Wichita, Kan. 67202; 316-267-9221; fax: 316-266-6254

	1993	1992
Premium volume	**$180,000,000**	$140,000,000
Gross revenues	**$15,674,000**	$13,883,558
U.S. clients	**100%**	100%
Brokerage: Retail	**90.0%**	90.8%
U.S. offices	**$14,106,600**	$12,606,270
Personal lines	**4.4%**	4.6%
Services	**3.4%**	2.8%
Invstmt. income	**2.2%**	1.8%
Employees	**187**	173
Offices	**4**	3

Founded: 1974.

Retail brokerage: 86.6% commissions, 13.4% fees.

Employee benefits: 5.3% of revenues.

Retail brokerage branches: ESIX (Entertainment & Sports Insurance Experts), Atlanta; Insurance Management Associates of Denver, Denver; Insurance Management Associates of Topeka, Topeka, Kan.

Licensed excess/surplus broker: Nationwide.

Officers: William C. Cohen Jr., CEO-Insurance Management Associates Inc.; Velma Pollock, president-Insurance Management Associates of Topeka; Robert Cohen, president-Insurance Management Associates of Denver; Joseph C. Lukens, president-Insurance Management Associates of Wichita; Mike Price, president-ESIX; Ray Merz, president-Risk Management Associates Inc.

Contact: William C. Cohen Jr.

Insurance Marketing Agencies Inc.

306 Main St., Worcester, Mass. 01608; 508-753-7233; fax: 508-754-0487

	1993	1992
Premium volume	**$25,332,000**	$25,000,000
Gross revenues	**$3,466,000**	$3,382,000
U.S. clients	**100%**	100%
Brokerage: Retail	**68%**	78%
U.S. offices	**$2,357,000**	$2,636,400
Personal lines	**17%**	16%
Services	**1%**	1%
Invstmt. income	**2%**	3%
Other	**12%**	2%
Employees	**41**	42
Offices	**2**	2

Founded: 1924.

Retail brokerage: 99% commissions, 1% fees.

Employee benefits: 9% of revenues.

Retail brokerage branches: Boston.

Licensed excess/surplus broker in: Massachusetts.

Officers: Sumner W. Herman, president/treasurer; Arnold J. Horowitz, executive vp; John J. Kelly, vp.

Contact: Sumner W. Herman.

Insurance Professionals Inc.

205 Robin Road, P.O. Box 292, Paramus, N.J. 07652; 201-265-7110; fax: 201-843-4514

	1993	1992
Premium volume	**$8,200,000**	$8,600,000
Gross revenues	**$1,051,000**	$1,052,000
U.S. clients	**100%**	100%
Brokerage: Retail	**75%**	75%
U.S. offices	**$788,000**	$788,000
Personal lines	**25%**	25%
Employees	**9**	10
Offices	**1**	1

Founded: 1965.

Retail brokerage: 99% commissions, 1% fees.

Officers: John Jones, president.

Insurance & Risk Management

3811 Illinois Road, P.O. Box 1705, Fort Wayne, Ind. 46801; 219-436-1616; fax: 219-432-4083

	1993	1992
Premium volume	**$80,000,000**	$79,000,000
Gross revenues	**$11,169,000**	$11,276,000
U.S. clients	**100%**	100%
Brokerage: Retail	**80%**	77%
U.S. offices	**$8,935,200**	$8,682,520
Personal lines	**17%**	15%
Services	**1%**	3%
Invstmt. income	**1%**	3%
Other	**1%**	2%
Employees	**160**	165
Offices	**6**	5

Founded: 1963.

Retail brokerage: 87% commissions, 13% fees.

Employee benefits: 27% of revenues.

Acquisitions: Moneymaker Agency, Indianapolis, December 1993.

Retail brokerage branches: Indianapolis, Muncie and Warsaw, Ind.; Insurance & Risk Management Agencies of Ohio, Defiance and Sylvania, Ohio.

Officers: Leonard Koeller, chairman; Bart Bircheff, COO; James Van Dyck, Duwan Tagtmeyer, managing partners; John Hettwer, employee benefits manager.

Contact: Mark Bienz, controller.

J

JIB Group P.L.C.

Jardine House, 6 Crutched Friars, London EC3N 2HT, England; 44-71-528-4444; fax: 44-71-528-4185

See profile on page 38.

The Jacobs Co.

8955 Guilford Road, Suite 260, Columbia, Md. 21046; 410-995-6611; fax: 401-381-2105

	1993	1992
Premium volume	**$16,800,000**	$15,200,000
Gross revenues	**$2,200,000**	$2,029,000
U.S. clients	**98%**	98%
Non-U.S. clients	**2%**	2%
Brokerage: Retail	**90.0%**	90.0%
U.S. offices	**$1,940,400**	$1,789,578
Non-U.S. offices	**$39,600**	$36,522
Wholesale	**2.0%**	3.0%
Personal lines	**3.0%**	2.0%
Services	**2.0%**	2.0%
Invstmt. income	**1.0%**	1.5%
Other	**2.0%**	1.5%
Employees	**21**	18
Offices	**3**	3

Founded: 1989.

Retail brokerage: 98% commissions, 2% fees.

Employee benefits: 6% of revenues.

Retail brokerage branches: CRM Inc., Upper Marlboro, Md.; The Jacob Co. EBF, Columbia, Md.

Licensed excess/surplus broker in: California, District of Columbia, Massachusetts, Pennsylvania, Texas, Virginia.

Officers: Frank L. Jacobs Jr., president/CEO; John L. Voigt Jr., vp.

Contact: Frank L. Jacobs Jr.

Jardine Insurance Brokers Inc.

333 Bush St., Suite 500, San Francisco, Calif. 94104; 415-391-2600; fax: 415-773-4475

	1993	1992
Gross revenues	**$106,170,461**	$114,317,163
Brokerage: Retail	**80%**	79%
U.S. offices	**$84,408,736**	$89,762,856
Non-U.S. offices	**$400,228**	$467,680
Personal lines	**5%**	6%
Services	**13%**	13%
Invstmt. income	**2%**	2%
Employees	**1,043**	1,124
Offices	**28**	30

Founded: 1982.

Parent: JIB Group P.L.C.;

Employee benefits: 11% of revenues.

Retail brokerage branches: Los Angeles, San Francisco; Jardine Group Services Corp., Chicago and Oak Brook, Ill.; Albany, New York and Schenectady, N.Y.; Jardine Insurance Brokers Arizona Inc., Phoenix; Jardine Insurance Brokers Central California Inc., Stockton, Calif.; Jardine Insurance Brokers Hawaii Inc., Honolulu; Jardine Insurance Brokers Illinois Inc., Chicago; Jardine Insurance Brokers Kansas City Inc., Hutchinson and Topeka, Kan.; Jardine Insurance Brokers Los Angeles Inc., Los Angeles; Jardine Insurance Agency Michigan Inc., Troy, Mich.; Jardine Insurance Brokers Midwest Inc., Kansas City, Mo.; Jardine Insurance Brokers New York Inc., New York; Jardine Insurance Brokers Orange County Inc., Garden Grove, Calif.; Jardine Insurance Brokers San Diego, San Diego; Jardine Insurance Brokers San Francisco Inc., San Francisco; Jardine Insurance Brokers San Jose Inc., San Jose, Calif.; Jardine Insurance Services Texas Inc., Houston; Jardine Pinehurst Management Co. Ltd., Hamilton, Bermuda; Motor Truck Owners Conference Inc., Kansas City, Mo.; Personal Lines, Schenectady, N.Y.; Professional Dental Reviewers Inc., New York; Safe Passage International, Denver; Jardine Corretagem de Seguros Ltda., Sao Paulo, Brazil; Jardine Pont & Associadores Corretores de Seguros Ltda., Rio de Janeiro, Brazil.

Officers: David J. Batchelor, president/CEO-JIB Inc.; E. Paul Hansen, CFO-JIB Inc.; Jeffrey G. McKinley, W. Michael Carroll, Sam Elliott, executive vps-JIB Inc.

Contact: Stephanie Davis, vp-corporate communication.

Jardine Insurance Brokers Inc. is a unit of JIB Group P.L.C. Information in this listing is also included in JIB Group's data.

Continued on next page

Continued from previous page

Gross revenues	**$1,782,500**	$1,648,000
U.S. clients	**1%**	1%
Non-U.S. clients	**99%**	99%
Brokerage: Retail	**45%**	36%
Non-U.S. offices	**$802,125**	$593,280
Personal lines	**46%**	53%
Services	**3%**	3%
Invstmt. income	**4%**	6%
Other	**2%**	2%
Employees	**37**	30
Offices	**2**	1

* Converted at applicable exchange rates.

Founded: 1981.
Retail brokerage: 97% commissions, 3% fees.
Employee benefits: 3% of revenues.
Retail brokerage branches: Brampton, Ontario.
Officers: Frank T. Holman, president; Paul D. Holman, Christopher J. Holman, vps; Mark A. Holman, assistant vp.
Contact: Paul D. Holman.

Holmes, Murphy & Associates Inc.

420 Keo Way, Des Moines, Iowa 50309; 515-286-4400; fax: 515-286-4494

	1993	1992
Premium volume	**$170,000,000**	$160,000,000
Gross revenues	**$17,206,387**	$15,003,977
U.S. clients	**100%**	100%
Brokerage: Retail	**83%**	84%
U.S. offices	**$14,281,301**	$12,603,341
Personal lines	**4%**	3%
Services	**6%**	5%
Invstmt. income	**1%**	2%
Other	**6%**	6%
Employees	**179**	180
Offices	**4**	3

Founded: 1971.
Parent: HMA Inc.
Retail brokerage: 93% commissions, 7% fees.
Employee benefits: 20% of revenues.
Retail brokerage branches: Cedar Rapids and West Des Moines, Iowa; Holmes, Murphy & Associates of Texas Inc., Dallas.
Licensed excess/surplus broker in: Iowa.
Officers: J. Douglas Reichardt, chairman/director; James S. Swift, president/director; Nickolas J. Henderson, senior vp/secretary/director; Basil H. Dawson, Marlin C. Willis, senior vps/directors; Carl P. Drautz, senior vp; Donald L. McNutt, vp-finance/treasurer.
Contact: Nickolas J. Henderson.

Hylant-MacLean Group

1505 Jefferson Ave., Toledo, Ohio 43624; 419-255-1020; fax: 419-255-7557

	1993	1992
Premium volume	**$125,000,000**	$125,000,000
Gross revenues	**$10,250,000**	$9,625,000
U.S. clients	**100%**	93%
Non-U.S. clients	**NA**	7%
Brokerage: Retail	**98%**	98%
U.S. offices	**$10,045,000**	$8,772,225
Non-U.S. offices	**NA**	$660,275
Personal lines	**1%**	1%
Invstmt. income	**1%**	1%
Employees	**116**	92
Offices	**4**	3

Founded: 1935.
Retail brokerage: 40% commissions, 60% fees.
Employee benefits: 14% of revenues.
Retail brokerage branches: Detroit; Cleveland and Columbus, Ohio.
Licensed excess/surplus broker in: Michigan, Ohio.
Officers: Patrick R. Hylant, president; William F. Buckley, vp/COO; J. Scott Stewart, Kyle R. Latham, Stephen T. Hylant, Michael M. Hylant, vps.
Contact: Dianne Cameron.

I

ISU/Beauchamp & McSpadden Inc.

231 W. Canal St., P.O. Box 687, Wabash, Ind. 46992-0687; 219-563-8821; fax: 219-563-7957

	1993	1992
Premium volume	**$23,025,000**	$21,400,000
Gross revenues	**$3,170,000**	$2,906,000
U.S. clients	**100%**	100%
Brokerage: Retail	**52.4%**	58.0%
U.S. offices	**$1,660,300**	$1,685,480
Personal lines	**24.6%**	34.6%
Invstmt. income	**23.0%**	7.4%
Employees	**50**	47
Offices	**5**	4

Founded: 1927.
Retail brokerage: 100% commissions.
Employee benefits: 4.5% of revenues.
Retail brokerage branches: North Manchester and Warsaw, Ind.; Morrison Galliher/ISU Inc., Muncie, Ind.; State Insurance, Marion, Ind.
Licensed excess/surplus broker in: Indiana.
Officers: Robert W. Beauchamp, president; Joseph W. McSpadden, secretary/vp; Larry D. McSpadden, Frederick H. Squires, vps; Michael J. Beauchamp, treasurer/vp.
Contact: Robert W. Beauchamp.

ISU/Blackwood Agencies

1503 Eighth Ave., P.O. Box 300, Beaver Falls, Pa. 15010; 412-846-1550; fax: 412-846-0845

	1993	1992
Premium volume	**$10,200,000**	$10,800,000
Gross revenues	**$1,200,000**	$1,600,000
U.S. clients	**100%**	100%
Brokerage: Retail	**70.0%**	63.9%
U.S. offices	**$840,000**	$1,022,400
Wholesale	**1.0%**	1.0%
Reinsurance	**1.0%**	1.0%
Personal lines	**11.4%**	10.1%
Services	**1.0%**	1.0%
Invstmt. income	**3.6%**	5.3%
Other	**12.0%**	17.7%
Employees	**22**	23
Offices	**1**	1

Founded: 1943.
Retail brokerage: 97% commissions, 3% fees.
Licensed excess/surplus broker in: Pennsylvania.
Officers: W. Richard Blackwood, president; D. Irene Ridenour, secretary/treasurer.

ISU/Blaine-Braswell & Associates Inc.

10825 Watson Road, P.O. Box 8597, St. Louis, Mo. 63127; 314-966-2600; fax: 314-966-0128

	1993	1992
Premium volume	**$13,500,000**	$12,600,000
Gross revenues	**$1,210,000**	$1,200,000
U.S. clients	**100%**	100%
Brokerage: Retail	**90%**	90%
U.S. offices	**$1,089,000**	$1,080,000
Personal lines	**8%**	8%
Invstmt. income	**2%**	2%
Employees	**17**	17
Offices	**2**	2

Founded: 1973.
Retail brokerage: 100% commissions.
Employee benefits: 6% of revenues.
Retail brokerage branches: Mt. Vernon, Ill.
Licensed excess/surplus broker in: Missouri.
Officers: James N. Blaine, president; Stacey W. Braswell, vp; Wilda N. Blaine, secretary/treasurer.
Contact: James N. Blaine.

ISU/Cassady Neeser Brasseur

340 Columbia Place, South Bend, Ind. 46624; 219-233-9443; fax: 219-289-9504

	1993	1992
Premium volume	**$22,000,000**	$22,000,000
Gross revenues	**$3,000,000**	$2,900,000
U.S. clients	**100%**	100%
Brokerage: Retail	**85%**	80%
U.S. offices	**$2,550,000**	$2,320,000
Personal lines	**10%**	15%
Services	**1%**	2%
Invstmt. income	**4%**	1%
Other	**NA**	2%
Employees	**36**	37
Offices	**2**	2

Founded: 1919.
Retail brokerage: 98% commissions, 2% fees.
Employee benefits: 8% of revenues.
Retail brokerage branches: Oakbrook Terrace, Ill.
Licensed excess/surplus broker in: Indiana.
Officers: Gregg Brasseur, managing partner; Robert Neeser, Thomas Cassady Sr., partners.
Contact: Tom Cassady Jr.

ISU/Corporate Insurance Management

1 Insurance Center Plaza, St. Louis, Mo. 63141; 314-434-3000; fax: 314-434-2917

	1993	1992
Premium volume	**$13,089,084**	$10,884,398
Gross revenues	**$1,410,364**	$1,322,362
U.S. clients	**100%**	100%
Brokerage: Retail	**84%**	82%
U.S. offices	**$1,184,706**	$1,084,337
Personal lines	**14%**	16%
Invstmt. income	**2%**	2%
Employees	**14**	14
Offices	**1**	1

Founded: 1932.
Retail brokerage: 100% commissions.
Employee benefits: 9% of revenues.
Licensed excess/surplus broker in: Missouri.
Officers: W. Dale Finke, president;

Continued on next page

Directory terms and methodology explained on page 56.

Spotlight report

Continued from previous page

Haas & Wilkerson Insurance

4300 Shawnee Mission Parkway, Shawnee Mission, Kan. 66205; 913-432-4400; fax: 913-432-6159

	1993	1992
Premium volume	$75,732,800	$66,200,000
Gross revenues	$11,630,900	$10,700,000
U.S. clients	98%	98%
Non-U.S. clients	2%	2%
Brokerage: Retail	94%	94%
U.S. offices	$10,714,385	$9,856,840
Non-U.S. offices	$218,661	$201,160
Wholesale	1%	1%
Personal lines	3%	3%
Services	1%	1%
Other	1%	1%
Employees	102	95
Offices	6	6

Founded: 1939.

Retail brokerage: 99% commissions, 1% fees.

Employee benefits: 6% of revenues.

Retail brokerage branches: Los Angeles; St. Petersburg, Fla.; Fairway, Kan.; St. Louis; New York; Philadelphia.

Licensed excess/surplus broker in: Nationwide.

Officers: William R. Wilkerson III, chairman/CEO; J. Philip Coulson, president; Frederick P. Dunn, executive vp/COO; L. Mitchell Castor, vp/CFO; Daniel R. Allan, vp.

Contact: Frederick P. Dunn.

Hackett, Valine & MacDonald Inc.

140 Kennedy Drive, P.O. Box 2127, South Burlington, Vt. 05407-2127; 802-658-1100; fax: 802-658-9419

	1993	1992
Premium volume	$26,000,000	$26,000,000
Gross revenues	$3,750,000	$3,455,000
U.S. clients	100%	100%
Brokerage: Retail	86.4%	86.7%
U.S. offices	$3,240,000	$2,995,485
Personal lines	9.2%	10.0%
Invstmt. income	2.8%	2.3%
Other	1.6%	1.0%
Employees	43	42
Offices	1	1

Founded: 1970.

Retail brokerage: 100% commissions.

Employee benefits: 9% of revenues.

Licensed excess/surplus broker in: Vermont.

Officers: Luther F. Hackett, president; John J. Dwyer, vp/secretary; Luther S. Hackett, vp/treasurer; Richard Hulette, L. David Smith, senior vps.

Contact: Gerard W. O'Reilly.

Hamilton Dorsey Alston Co.

3350 Cumberland Circle, Atlanta, Ga. 30339; 404-850-0050; fax: 404-850-9375

	1993*	1992*
Premium volume	$50,964,628	$54,060,000
Gross revenues	$7,396,316	$6,221,533
U.S. clients	100%	100%
Brokerage: Retail	80%	72%
U.S. offices	$5,590,217	$4,455,076
Personal lines	18%	25%
Invstmt. income	1%	3%
Other	1%	NA
Employees	76.5	69.5
Offices	1	1

* Fiscal year ending October 31.

Founded: 1972.

Retail brokerage: 90% commissions, 10% fees.

Employee benefits: 23% of revenues.

Acquisitions: Commercial Producer, Atlanta, December 1992; Benefits Producer, Atlanta, January 1993.

Officers: Robert S. Necessary, chairman; John C. Hamilton, president; Steven H. Haase, J. Vernon O'Neal, Joe Hamilton III, senior vps; William H. Rauschenberg, executive vp.

Contact: Angi Bemiss, CFO.

Cameron M. Harris & Co.

P.O. Box 220748, Charlotte, N.C. 28222; 704-366-8834; fax: 704-366-8245

	1993	1992
Premium volume	$112,422,462	$85,950,266
Gross revenues	$11,576,334	$9,640,953
U.S. clients	100%	100%
Brokerage: Retail	69.1%	68.3%
U.S. offices	$7,999,248	$6,590,235
Personal lines	16.5%	17.5%
Services	0.4%	0.4%
Invstmt. income	0.9%	0.8%
Other	13.1%	13.0%
Employees	149.23	134.00
Offices	5	5

Founded: 1979.

Parent: C.M. Harris Holding Co.

Retail brokerage: 88.1% commissions, 11.9% fees.

Employee benefits: 8.5% of revenues.

Retail brokerage branches: Boone, Lenoir, Morganton and Raleigh, N.C.

Licensed excess/surplus broker in: North Carolina.

Officers: Cameron M. Harris, president/CEO; M. Eugene Link, executive vp/COO; William A. Richard Jr., CFO/secretary/treasurer; James F. Walker, executive vp; Harold J. Wilkerson, marketing manager.

Contact: William A. Richard Jr.

Harris & Harris of Kentucky Inc.

501 S. Second St., P.O. Box 909, Louisville, Ky. 40201-0909; 502-584-2193; fax: 502-581-0648

	1993	1992
Premium volume	$31,200,000	$30,300,000
Gross revenues	$3,450,000	$3,650,000
U.S. clients	100%	100%
Brokerage: Retail	78%	71%
U.S. offices	$2,691,000	$2,591,500
Wholesale	15%	22%
Personal lines	4%	4%
Services	1%	1%
Invstmt. income	2%	1%
Other	NA	1%
Employees	31	37
Offices	1	1

Founded: 1915.

Retail brokerage: 98% commissions, 2% fees.

Employee benefits: 1% of revenues.

Licensed excess/surplus broker in: Indiana, Kentucky, Virginia.

Officers: John G. Beam Jr., chairman; Michael F. Sheehan, president; Pamela R. Wessel, executive vp; Jeffrey V. McGowan, Clifford T. Elgin, senior vps.

Contact: Pamela R. Wessel.

Hastings-Tapley Insurance Agency Inc.

271 Cambridge St., Cambridge, Mass. 02141; 617-876-7510; fax: 617-876-7155

	1993	1992
Premium volume*	$104,766,043	$92,879,000
Gross revenues	$14,043,900	$12,833,512
U.S. clients	100%	100%
Brokerage: Retail	57.76%	52.80%
U.S. offices	$8,145,462	$6,801,761
Personal lines	25.24%	30.10%
Services	16.00%	16.10%
Invstmt. income	1.00%	1.00%
Employees	190	174
Offices	14	13

* Life and group health premiums not included.

Founded: 1866.

Retail brokerage: 97.9% commissions, 2.1% fees.

Employee benefits: 1% of revenues.

Acquisitions: Cluett Insurance Agency, Braintree, Mass., August 1992.

Retail brokerage branches: Fairfield, Conn.; Danvers, Gloucester, Ipswich, North Reading, Quincy, Saugus, Watertown and Woburn, Mass.; Bechard Insurance Agency Inc., Nashua and Salem, N.H.; Governmental Entities Management Services Inc., Colonie, N.Y.; Glen Allen, Va.

Non-retail brokerage subsidiaries: Governmental Entities Management Services Inc., Colonie, N.Y.; Hastings-Tapley Services Inc., Cambridge, Mass.; Lane England Associates Inc., Cambridge, Mass.

Licensed excess/surplus broker in: Massachusetts.

Officers: Frederick J. England Jr., chairman; Henry A. Bechard Jr., vice chairman; E. Donald Lewis, president; Marsha K. Burridge, executive vp; Jennifer L. Decker, vp/clerk.

Contact: Daniel A. Leone, vp/comptroller.

Healthcare Insurance Services Inc.

820 Gessner, Suite 1000, Houston, Texas 77024; 713-461-4000; fax: 713-461-4334

	1993	1992
Premium volume	$161,111,899	$137,383,747
Gross revenues	$18,224,815	$15,815,437
U.S. clients	100%	100%
Brokerage: Retail	60.2%	51.8%
U.S. offices	$10,971,339	$8,192,398
Wholesale	8.4%	12.3%
Reinsurance	0.7%	1.1%
Services	27.4%	30.5%
Invstmt. income	3.3%	4.3%
Employees	85	96
Offices	2	3

Founded: 1983.

Parent: The Galtney Group Inc.

Retail brokerage: 85.9% commissions, 14.1% fees.

Employee benefits: 3.7% of revenues.

Retail brokerage branches: Professional Risk Management Services Inc., District of Columbia.

Non-retail brokerage subsidiaries: Healthcare Risk Management Services Inc., Houston.

Licensed excess/surplus broker in: California, Colorado, District of Columbia, Iowa, Indiana, Kansas, Maryland, Michigan, Minnesota, North Carolina, Nebraska, New Hampshire, New York, Oregon, South Dakota, Tennessee, Texas, Utah, Virginia, Wisconsin, Wyoming.

Officers: William F. Galtney Jr., chairman; William J. Reese, president; Joe L. Moore, executive vp; Dorian Weiss, senior vp; Beverly S. Patrick, president-Professional Risk Management Services Inc.

Contact: William F. Galtney Jr.

C.E. Heath P.L.C.

133 Houndsditch, London EC3A 7AH, England; 44-71-234-4000; fax: 44-71-234-4111

See profile on page 42.

Joseph Held Co. Inc.

127 John St., New York, N.Y. 10038; 212-732-3508 or 800-221-9940; fax: 212-797-5413

	1993	1992
Premium volume	$17,750,000	$17,250,000
Gross revenues	$2,150,000	$2,050,000
U.S. clients	98%	98%
Non-U.S. clients	2%	2%
Brokerage: Retail	85.0%	75.0%
U.S. offices	$1,827,500	$1,537,500
Wholesale	10.0%	18.5%
Personal lines	1.5%	2.0%
Services	1.0%	2.0%
Invstmt. income	2.5%	2.5%
Employees	7	7
Offices	1	1

Founded: 1897.

Retail brokèrage: 97.5% commissions, 2.5% fees.

Licensed excess/surplus broker in: New York.

Officers: Kenneth S. Held, president/CEO; Renee Held, vp/treasurer.

Contact: Kenneth S. Held.

Henderson & Phillips Insurance

235 E. Plume St., Norfolk, Va. 23510; 804-625-1800; fax: 804-625-4849

	1993	1992
Premium volume	$85,000,000	$86,000,000
Gross revenues	$11,500,665	$12,506,650
U.S. clients	100%	100%
Brokerage: Retail	50.1%	48.0%
U.S. offices	$5,761,833	$6,003,192
Wholesale	16.7%	22.5%
Reinsurance	2.1%	1.5%
Personal lines	23.2%	21.8%
Services	5.2%	3.4%
Invstmt. income	1.1%	1.7%
Other	1.6%	1.1%
Employees	127	130
Offices	5	6

Founded: 1896.

Parent: Henderson & Phillips Inc.

Retail brokerage: 94% commissions, 6% fees.

Employee benefits: 6.4% of revenues.

Retail brokerage branches: Newport News, Va.; Colonial Premium Finance Co., Newport News, Va.; Firestone Insurance Services, Newport News, Va.; Self Insurance Services Inc., Richmond, Va.

Non-retail brokerage subsidiaries: Overstreet & Newell, Atlanta.

Licensed excess/surplus broker in: Georgia, Virginia.

Officers: George G. Phillips Jr., chairman; Jeffrey A. Snyder, executive vp; F. Dudley Fulton, president/CEO; Eleanor V. Rathbun, secretary; Sherrilyn S. Walden, vp-insurance operations.

Contact: F. Dudley Fulton.

Paul Hertel & Co. Inc.

243 Chestnut St., Philadelphia, Pa. 19106; 215-925-7656; fax: 215-923-0342

	1993	1992
Premium volume	$31,600,000	$30,600,000
Gross revenues	$3,750,000	$3,700,000
U.S. clients	100%	100%
Brokerage: Retail	75%	72%
U.S. offices	$2,812,500	$2,664,000
Personal lines	20%	22%
Services	3%	2%
Invstmt. income	1%	3%
Other	1%	1%
Employees	53	55
Offices	1	1

Founded: 1908.

Retail brokerage: 99% commissions, 1% fees.

Employee benefits: 1% of revenues.

Licensed excess/surplus broker in: Pennsylvania.

Officers: Paul R. Hertel Jr., chairman; James J. McLaughlin, president; Robert J. Bush, executive vp; John T. Rigaut, George A. Wood, senior vps; George E. Mansfield, vp/secretary.

Hibbs-Hallmark & Co.

P.O. Box 8357, 1001 W. Southwest Loop 323, Tyler, Texas 75711; 903-561-8484; fax: 903-581-5988

	1993	1992
Premium volume	$29,610,210	$27,322,200
Gross revenues	$7,763,583	$6,262,172
U.S. clients	100%	100%
Brokerage: Retail	37.05%	43.34%
U.S. offices	$2,876,408	$2,714,025
Personal lines	5.63%	7.75%
Services	56.79%	47.92%
Invstmt. income	0.48%	0.74%
Other	0.05%	0.25%
Employees	92	84
Offices	3	2

Founded: 1930.

Retail brokerage: 95.3% commissions, 4.7% fees.

Employee benefits: 4.51% of revenues.

Retail brokerage branches: Hibbs-Hallmark & Co., Longview, Texas.

Non-retail brokerage subsidiaries: CAS-Claims Administrative Services Inc., Tyler, Texas.

Licensed excess/surplus broker in: Texas.

Officers: Billy E. Hibbs, president; Barry Jones, executive vp; Mary Smith, secretary/treasurer; Billy E. Hibbs Jr., Brenda Thomas, vps.

Contact: Billy E. Hibbs Sr.

Hilb, Rogal & Hamilton Co.

4235 Innslake Drive, P.O. Box 1220, Glen Allen, Va. 23060-1220; 804-747-6500; fax: 804-747-6046

See profile on page 49.

The Hirshorn Co.

14 E. Highland Ave., Philadelphia, Pa. 19118; 215-242-8200; fax: 215-247-6366

	1993	1992
Premium volume	$12,000,000	$11,000,000
Gross revenues	$1,500,000	$1,300,000
U.S. clients	90%	90%
Non-U.S. clients	10%	10%
Brokerage: Retail	73.4%	76.8%
U.S. offices	$1,101,000	$998,400
Wholesale	2.0%	2.0%
Personal lines	12.0%	14.0%
Invstmt. income	11.6%	6.2%
Other	1.0%	1.0%
Employees	17	17
Offices	1	1

Founded: 1930.

Retail brokerage: 96% commissions, 4% fees.

Employee benefits: 3.6% of revenues.

Licensed excess/surplus broker in: Pennsylvania.

Officers: Ralph S. Hirshorn, chairman; B. Graeme Frazier, president; Stephen H. Wetherill, George Connelly, Dennis Murphy, vps.

Contact: Ralph S. Hirshorn

Hobbs Group Inc.

225 Wyman St., Waltham, Mass. 02254; 617-890-1455; fax: 617-890-8617

	1993	1992
Premium volume	$237,000,000	$231,000,000
Gross revenues	$24,212,000	$22,900,000
U.S. clients	95%	93%
Non-U.S. clients	5%	7%
Brokerage: Retail	96%	94%
U.S. offices	$22,571,000	$20,800,000
Non-U.S. offices	$673,000	$726,000
Reinsurance	1%	1%
Personal lines	NA	1%
Services	1%	1%
Invstmt. income	2%	3%
Offices	15	14

Founded: 1954.

Parent: Arkwright Mutual Insurance Co.

Retail brokerage: 75% commissions, 25% fees.

Retail brokerage branches: Los Angeles; San Francisco; Greenwich, Conn.; Atlanta; Chicago; Columbia, Md.; Boston; Rutherford, N.J.; Cleveland; Philadelphia; Austin, Dallas and Houston, Texas; Montreal; Toronto.

Licensed excess/surplus broker in: Alaska, California, Connecticut, Massachusetts, Michigan, New York, Pennsylvania, Texas, Virginia.

Officers: W. Glenn Yancey, president/CEO; Thomas A. Golub, Richard R. Wood, executive vps; Charles E. Darrigrand, senior vp/staff officer; Allard A. Beutel, senior vp.

Contact: Charles E. Darrigrand.

The Hoffman Co. Inc.

19750 S. Vermont Ave., Suite 227, Torrance, Calif. 90502; 310-329-1100; fax: 310-329-3837

	1993	1992
Premium volume	$38,000,000	$35,000,000
Gross revenues	$835,000	$821,000
U.S. clients	100%	100%
Brokerage: Retail	98%	98%
U.S. offices	$818,000	$805,000
Personal lines	1%	1%
Services	1%	1%
Employees	7	8
Offices	1	1

Founded: 1987.

Retail brokerage: 99% commissions, 1% fees.

Employee benefits: 99% of revenues.

Officers: Hugh C. Hoffman, president.

Contact: Kathey Dread, office manager.

Hogg Robinson Inc.

800 Boylston St., Suite 4500, Boston, Mass. 02199; 617-236-8200; fax: 617-236-8282

	1993	1992
Gross revenues	$66,700,000	$68,600,000
U.S. clients	93%	94%
Non-U.S. clients	7%	6%
Brokerage: Retail	62%	61%
U.S. offices	$41,400,000	$41,900,000
Personal lines	11%	10%
Services	26%	28%
Invstmt. income	1%	1%
Employees	690	810
Offices	37	37

Founded: 1970.

Parent: Hogg Group P.L.C.

Retail brokerage: 88% commissions, 12% fees.

Employee benefits: 26% of revenues.

Acquisitions: Lyle McNichols Agency, Detroit; Noble Lowndes, Boston; Rollins Hudig Hall of Grand Rapids, Grand Rapids, Mich.

Retail brokerage branches: Culver City and San Francisco, Calif.; Boca Raton and Palm Beach Gardens, Fla.; Atlanta; Honolulu; Chicago; Southfield and Saginaw, Mich.; Bloomington, Minn.; St. Louis; Manchester, N.H.; New York; Burlington, N.C.; Pepper Pike, Ohio; Bala Cynwyd, Pa.; Austin, Dallas and Lubbock, Texas; Alexandria, Va.; Milwaukee; Hamilton, Bermuda; Hogg Robinson Consulting Group, New York; Penn General Service Corp., Los Angeles; Boca Raton, Fla.; Atlanta; Chicago; Marshfield, Mass.; Cadillac, Ishpeming and Southfield, Mich.; Bloomington, Minn.; Albuquerque, N.M.; Irving and Lubbock, Texas.

Licensed excess/surplus broker in: California, Florida, Georgia, Hawaii, Illinois, Massachusetts, Michigan, Minnesota, Missouri, New Hampshire, New Mexico, New York, North Carolina, Ohio, Pennsylvania, Texas, Virginia, Wisconsin.

Officers: Gary Griffith, president/CEO; John J. Welsh, executive vp/CFO; Robert J. Hogan, president-brokerage services division; Richard I. Citron, president-benefits services division.

Contact: Gary R. Griffith or John J. Welsh.

Hogg Robinson Inc. is a unit of Bain Hogg Group. Information in this listing is also included in Bain Hogg Group's data.

Holman Insurance Brokers Ltd.

165 E. Beaver Creek Road, Suite 18, Richmond Hill, Ontario L4B 2N2, Canada; 905-886-5630; fax: 905-886-5622

	1993*	1992*
Premium volume	$9,687,500	$9,064,000

Continued on next page

Continued from previous page
Texas; Woodrow Baird, president-Gow & Hanna Inc. of Connecticut.
Contact: Timothy Gow.

Grace/Mayer Insurance Agency Inc.

10050 Regency Circle, Omaha, Neb. 68114; 402-397-5050; fax: 402-397-6675

	1993	1992
Premium volume	**$21,800,000**	$20,700,000
Gross revenues	**$3,000,000**	$2,900,000
U.S. clients	**100%**	100%
Brokerage: Retail	**80%**	85%
U.S. offices	**$2,400,000**	$2,465,000
Personal lines	**15%**	12%
Services	**5%**	3%
Employees	**34**	34
Offices	**1**	1

Founded: 1917.
Retail brokerage: 95% commissions, 5% fees.
Employee benefits: 6% of revenues.
Licensed excess/surplus broker in: Nebraska.
Officers: Martin J. Lehr, CEO; Arnold H. Joffe, president; Gary M. Kaplan, vp/treasurer; John S. Lehr, vp/secretary.
Contact: Arnold H. Joffe.

The Graham Co.

1 Penn Square W., 24th Floor, Philadelphia, Pa. 19102; 215-567-6300; fax: 215-751-9518

	1993	1992
Premium volume	**$74,300,000**	$67,900,000
Gross revenues	**$13,320,880**	$11,596,000
U.S. clients	**100%**	100%
Brokerage: Retail	**96%**	95%
U.S. offices	**$12,788,045**	$11,016,200
Personal lines	**2%**	2%
Invstmt. income	**2%**	3%
Employees	**101**	94
Offices	**1**	1

Founded: 1950.
Retail brokerage: 69% commissions, 31% fees.
Employee benefits: 1% of revenues.
Licensed excess/surplus broker in: New Jersey, Pennsylvania.
Officers: William A. Graham IV, president/CEO; John B. McCormick, treasurer; Margaret C. Jones, corporate secretary; Michael Tiagwad, vp-sales; Michael J. Mitchell, Harry R. Johnson, vps.
Contact: Margaret C. Jones.

Gras Savoye S.A.

115/123 Ave. Charles de Gaulle, 92200 Neuilly-sur-Seine, France; 331-47-38-72-18; fax: 331-46-37-11-41

See profile on page 45.

Greene Hazel & Associates Inc.

1710 Gulf Life Tower, Jacksonville, Fla. 32207; 904-398-1234; fax: 904-396-7432

	1993	1992
Premium volume	**$22,000,000**	$20,000,000
Gross revenues	**$2,100,000**	$1,950,000
U.S. clients	**100%**	100%
Brokerage: Retail	**80%**	80%
U.S. offices	**$1,680,000**	$1,560,000
Personal lines	**10%**	10%
Services	**2%**	2%
Other	**8%**	8%
Employees	**26**	24
Offices	**1**	1

Founded: 1984.
Retail brokerage: 97% commissions, 3% fees.
Employee benefits: 8% of revenues.
Licensed excess/surplus broker in: Florida.
Officers: Thomas A. Hazel, president; Theresa F. Greene, executive vp; William R. Hardaker, vp.
Contact: Thomas A. Hazel.

Grupo Panamena De Comercio

Via Argentina No. 12, Panama City, Panama; 507-64-5577; fax: 507-23-8826

	1993	1992
Premium volume	**$7,200,000**	$6,400,000
Gross revenues	**$1,184,705**	$1,076,975
U.S. clients	**1%**	1%
Non-U.S. clients	**99%**	99%
Brokerage: Retail	**77.8%**	78.4%
Non-U.S. offices	**$921,700**	$844,348
Personal lines	**18.0%**	17.0%
Other	**4.2%**	4.6%
Employees	**32**	28
Offices	**2**	1

Founded: 1968.
Parent: Panamena De Comercio S.A.
Retail brokerage: 100% commissions.
Employee benefits: 7% of revenues.
Retail brokerage branches: Colon Free Zone, Colon, Republic of Panama.
Non-retail brokerage subsidiaries: Bienes Raices Panamena De Comercio S.A., Panama City, Republic of Panama.
Licensed excess/surplus broker in: All provinces in the Republic of Panama.
Officers: Panayotis Kitras, president; Apostolos Costarangos, vp; David A. Perez, Stavros Costarangos, directors; Abdiel Teran Jr., life manager.
Contact: Stavros Costarangos, P.O. Box 4221, Panama Zone 5, Republic of Panama.

Gundermann & Gundermann Inc.

175 W. Carver St., Huntington, N.Y. 11743; 516-271-0600; fax: 516-271-0610

	1993	1992
Premium volume	**$18,000,000**	$17,000,000
Gross revenues	**$2,755,687**	$2,893,840
U.S. clients	**100%**	100%
Brokerage: Retail	**51%**	51%
U.S. offices	**$1,377,844**	$1,446,920
Wholesale	**10%**	8%
Personal lines	**27%**	30%
Services	**2%**	2%
Invstmt. income	**1%**	1%
Other	**9%**	8%
Employees	**32**	42
Offices	**1**	1

Founded: 1937.
Retail brokerage: 98% commissions, 2% fees.
Employee benefits: 5.3% of revenues.
Officers: Joseph Gundermann Jr., Joseph Gundermann III, Donald Gundermann.
Contact: Bruce Ghessi.

H

The HDH Group Inc.

5900 USX Tower, Pittsburgh, Pa. 15219; 412-391-7300; fax: 412-391-7322

	1993	1992
Premium volume	**$100,000,000**	$60,000,000
Gross revenues	**$6,073,222**	$6,122,630
U.S. clients	**100%**	100%
Brokerage: Retail	**75%**	83%
U.S. offices	**$4,554,917**	$5,081,783
Wholesale	**15%**	10%
Reinsurance	**2%**	2%
Services	**5%**	2%
Invstmt. income	**2%**	2%
Other	**1%**	1%
Employees	**39**	40
Offices	**1**	1

Founded: 1982.
Retail brokerage: 95% commissions, 5% fees.
Employee benefits: 30% of revenues.
Licensed excess/surplus broker in: Pennsylvania.
Officers: Bryan C. Hondru, president; Mark Horan, Joseph Deutsch, senior vps; Wallace Merrell, vp; Kay Turnbull, treasurer.
Contact: Bryan C. Hondru.

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Gross revenues	$5,526,000	$5,190,000
U.S. clients	100%	100%
Brokerage: Retail	87%	87%
U.S. offices	$4,807,620	$4,515,300
Personal lines	4%	4%
Services	4%	4%
Other	5%	5%
Employees	43	43
Offices	1	1

Founded: 1919.
Retail brokerage: 96% commissions, 4% fees.
Employee benefits: 1% of revenues.
Officers: Donald Killian, chairman/director; James Econn, senior executive vp/director; Brett Borisoff, executive vp/director; Gregory Econn, president/director; Peggy Brooker, CFO.
Contact: Brett Borisoff or Peggy Brooker.

Elliott, McKiever & Stowe Inc.

2222 Ponce De Leon Blvd., 4th Floor, Coral Gables, Fla. 33134-5039; 305-446-7100; fax: 305-446-7887

	1993	1992
Gross revenues	$1,231,099	$1,186,847
U.S. clients	100%	100%
Brokerage: Retail	82%	80%
U.S. offices	$1,009,501	$949,474
Personal lines	18%	20%
Employees	16	17
Offices	1	1

Founded: 1937.
Retail brokerage: 100% commissions.
Licensed excess/surplus broker in: Florida.
Officers: Larry B. Stowe, CEO/secretary.

Euclid Insurance Agencies Inc.

977 Oaklawn Ave., Suite 300, Elmhurst, Ill. 60126; 708-833-1000; fax: 708-833-1747

	1993	1992
Premium volume	$42,000,000	$35,613,000
Gross revenues	$6,100,000	$5,315,000
U.S. clients	100%	100%
Brokerage: Retail	82.0%	94.0%
U.S. offices	$5,002,000	$4,996,100
Wholesale	15.0%	NA
Personal lines	2.0%	3.8%
Invstmt. income	1.0%	2.2%
Employees	67	65
Offices	1	1

Founded: 1952.
Retail brokerage: 98% commissions, 2% fees.
Employee benefits: 25% of revenues.
Non-retail brokerage subsidiaries: Euclid Managers Inc., Elmhurst, Ill.
Licensed excess/surplus broker in: Illinois.
Officers: Peter G. Colis, president; John N. Colis, executive vp; William F. Loeb, Karen Knippen, vps.
Contact: Peter G. Colis or John N. Colis.

F

Fairlane Associates Inc.

15350 Commerce Drive N., Dearborn, Mich. 48120; 313-271-8200; fax: 313-271-1255

	1993	1992
Premium volume	$22,132,000	$20,550,000
Gross revenues	$2,892,000	$2,600,000
U.S. clients	100%	100%
Brokerage: Retail	60.8%	62.2%
U.S. offices	$1,758,336	$1,617,200
Personal lines	35.5%	32.6%
Invstmt. income	1.7%	1.7%
Other	2.0%	3.5%
Employees	31	31
Offices	1	1

Founded: 1926.
Retail brokerage: 98% commissions, 2% fees.
Employee benefits: 3.1% of revenues.
Non-retail brokerage subsidiaries: Premium Travel Services Inc. of Michigan.
Licensed excess/surplus broker in: Michigan.
Officers: Michael J. Maldegen, president; Robert P. Charette, vp.
Contact: Michael J. Maldegen.

Falkins Insurance Group Ltd.

911 Baker St., Cranbrook, B.C. V1C 1A4, Canada; 604-426-2205; fax: 604-426-7499

	1993*	1992*
Premium volume	$12,787,500	$12,772,000
Gross revenues	$1,240,000	$1,153,600
Non-U.S. clients	100%	100%
Brokerage: Retail	55%	55%
Non-U.S. offices	$682,000	$634,480
Personal lines	45%	45%
Employees	23	22
Offices	5	5

* Converted at applicable exchange rates.

Founded: 1897.
Retail brokerage: 100% commissions.
Retail brokerage branches: Fernie, B.C.; Sparwood, B.C.; Elkford, B.C.; Tamarack Shopping Centre, Cranbrook, B.C.
Officers: Simon N. Murphy, president; Sandra L. Westover, secretary/treasurer; Robert McGill.
Contact: Simon N. Murphy.

Farmin, Rothrock & Parrott Inc.

S. 9 Washington, Suite 500, Spokane, Wash. 99204; 509-455-3656; fax: 509-623-1458

	1993	1992
Premium volume	$5,500,000	$4,000,000
Gross revenues	$800,000	$610,000
U.S. clients	100%	100%
Brokerage: Retail	70%	73%
U.S. offices	$560,000	$445,300
Personal lines	30%	27%
Employees	10	9
Offices	1	1

Founded: 1922.
Retail brokerage: 95% commissions, 5% fees.
Employee benefits: 8% of revenues.
Officers: Patrick Lynch, president; John Richardson, vp; Kelly Egan, secretary/treasurer.
Contact: John Richardson.

Financial Guardian of Texas Inc.

13101 Northwest Freeway, Suite 220, Houston, Texas 77040; 713-939-9898

	1993	1992
Premium volume	$37,500,000	$34,500,000
Gross revenues	$3,700,000	$3,300,000
U.S. clients	100%	100%
Brokerage: Retail	96%	97%
U.S. offices	$3,552,000	$3,201,000
Personal lines	4%	3%
Employees	40	35
Offices	2	2

Founded: 1967.
Retail brokerage: 97% commissions, 3% fees.
Employee benefits: 3% of revenues.
Retail brokerage branches: Beaumont, Texas.
Licensed excess/surplus broker in: Texas.
Officers: Robert G. Cox, chairman; Ron Rudloff, president; Mike Stroman, executive vp; Anita Flynn, assistant vp.
Contact: Robert G. Cox.

Fitzgerald, Clayton, James & Kasten Inc.

735 N. Water St., Suite 1328, Milwaukee, Wis. 53202-4117; 414-271-3717; fax: 414-271-2935

	1993	1992
Premium volume	$15,000,000	$14,500,000
Gross revenues	$1,755,000	$1,699,000
U.S. clients	100%	100%
Brokerage: Retail	86.5%	86.5%
U.S. offices	$1,518,075	$1,469,635
Wholesale	1.5%	1.5%
Personal lines	10.0%	10.0%
Invstmt. income	2.0%	2.0%
Employees	26	25
Offices	1	1

Founded: 1850.
Retail brokerage: 99.5% commissions, 0.5% fees.
Employee benefits: 6% of revenues.
Licensed excess/surplus broker in: Wisconsin.
Officers: Charles V. James, president; Todd D. James, Jeffrey A. Thiel, senior vps; Karen A. Rechlicz, vp/secretary.
Contact: Charles V. James.

Forrest Sherer Inc.

24 N. Sixth St., P.O. Box 900, Terre Haute, Ind. 47808; 812-232-0441; fax: 812-232-1783

	1993	1992
Premium volume	$45,800,000	$44,500,000
Gross revenues	$4,877,000	$4,740,000
U.S. clients	100%	100%
Brokerage: Retail	81.0%	79.1%
U.S. offices	$3,950,370	$3,749,340
Wholesale	4.8%	4.2%
Personal lines	9.4%	11.5%
Services	2.1%	3.0%
Invstmt. income	2.7%	2.2%
Employees	61	67
Offices	3	3

Founded: 1920.
Retail brokerage: 99% commissions, 1% fees.
Employee benefits: 9.8% of revenues.
Retail brokerage branches: Indianapolis; German American/Forrest Sherer Agency, Jasper, Ind.
Licensed excess/surplus broker in: Indiana.
Officers: John W. Dinkel, president/treasurer; John S. Lukens, executive vp-sales; Dennis S. Michael, vp-administration; Bart Douglas, vp-bonds; Jerry Mueller, vp-health/accident.
Contact: John W. Dinkel.

Frenkel & Co. Inc.

123 William St., New York, N.Y. 10038; 212-267-2200; fax: 212-693-0298

	1993	1992
Premium volume	$355,146,000	$320,305,000
Gross revenues	$37,112,000	$33,560,000
U.S. clients	90%	90%
Non-U.S. clients	10%	10%
Brokerage: Retail	89%	87%
U.S. offices	$33,000,000	$29,200,000
Personal lines	7%	6%
Services	1%	3%
Invstmt. income	3%	4%
Employees	290	310
Offices	4	4

Founded: 1878.
Retail brokerage: 90% commissions, 10% fees.
Employee benefits: 6% of revenues.
Retail brokerage branches: Bayshore, N.Y.; Adams & Porter, Frenkel of California Inc., Burbank, Calif.
Licensed excess/surplus broker in: New York.
Officers: Alan Samuels, CEO; Robert E. Shunk, president; Gerald Benson, Raymond F. Courtien, John F. Kelly, Steve Knupp, executive vps.
Contact: Alan Samuels.

Fritz International Insurance Brokers

142 Sansome St., Suite 500, San Francisco, Calif. 94104; 415-904-8440; fax: 415-296-7134

	1993	1992
Premium volume	$4,153,933	$3,895,852
Gross revenues	$860,732	$709,595
U.S. clients	100%	100%
Brokerage: Retail	98%	98%
U.S. offices	$843,517	$695,403
Services	2%	2%
Employees	9	8
Offices	1	1

Founded: 1954.
Parent: Fritz Cos. Inc.
Retail brokerage: 100% commissions.
Employee benefits: 2% of revenues.
Licensed excess/surplus broker in: California.
Officers: Lynn C. Fritz, president/CEO; Ronald Marcillac, executive director; Dennis Pelino, COO; John Johung, CFO; Bob Marchant, claims manager.
Contact: Thomas J. McGee.

G

GHA Insurance & Financial Services Inc.

415 Munson Ave., P.O. Box 392, Traverse City, Mich. 49684; 616-947-4660; fax: 616-929-3724

	1993	1992
Premium volume	$38,600,000	$34,860,000
Gross revenues	$5,841,000	$5,020,000
U.S. clients	100%	100%
Brokerage: Retail	53%	60%
U.S. offices	$3,095,730	$3,012,000
Personal lines	20%	20%
Services	5%	NA
Invstmt. income	2%	1%
Other	20%	19%
Employees	88	NA
Offices	4	NA

Founded: 1980.
Retail brokerage: 98% commissions, 2% fees.
Employee benefits: 3% of revenues.
Retail brokerage branches: GHA Insurance of Charlevoix, Charlevoix, Mich.; GHA Insurance of Grand Rapids, Grand Rapids, Mich.; GHA Insurance of Kalkaska, Kalkaska, Mich.
Licensed excess/surplus broker in: 43 states.
Officers: William C. Anderson, president/CEO; Kenneth L. Lesperance, vp-operations; Harry L. Dorman, vp-sales.
Contact: William C. Anderson.

Arthur J. Gallagher & Co.

2 Pierce Place, Itasca, Ill. 60143; 708-773-3800; fax: 708-285-4000

See profile on page 41.

William Gallagher Associates

200 State St., Boston, Mass. 02109; 617-261-6700; fax: 617-261-6720

	1993	1992
Premium volume	$37,600,000	$29,700,000
Gross revenues	$4,950,000	$3,850,000
U.S. clients	99%	99%
Non-U.S. clients	1%	1%
Brokerage: Retail	97%	95%
U.S. offices	$4,801,500	$3,657,500
Personal lines	1%	1%
Services	1%	1%
Invstmt. income	1%	3%
Employees	48	41
Offices	4	2

Founded: 1983.
Retail brokerage: 99% commissions, 1% fees.
Employee benefits: 27% of revenues.
Retail brokerage branches: San Francisco; Columbia, Md.; Parsippany, N.J.
Licensed excess/surplus broker in: Massachusetts.
Officers: William W. Gallagher III, chairman; Philip J. Edmundson, president; Betsey Tan, Thomas I. Gregory, senior vps.
Contact: William W. Gallagher III.

Gersten-Hillman Agency Inc.

P.O. Box 1150, 20 Anawana Lake Road, Monticello, N.Y. 12701-8150; 914-794-5544; fax: 914-794-0430

	1993	1992
Premium volume	$6,700,000	$6,200,000
Gross revenues	$880,000	$860,000
U.S. clients	100%	100%
Brokerage: Retail	68%	66%
U.S. offices	$598,400	$567,600
Wholesale	1%	1%
Personal lines	30%	31%
Other	1%	2%
Employees	13	14
Offices	1	1

Founded: 1932.
Retail brokerage: 100% commissions.
Employee benefits: 0.5% of revenues.
Officers: Joyce A. Salimeno, secretary/treasurer/COO; Julius Cohen, president.
Contact: Joyce A. Salimeno.

Gilbert-Magill Co.

323 W. Eighth St., Suite 800, Kansas City, Mo. 64105; 816-474-3535; fax: 816-842-5795

	1993	1992
Premium volume	$21,232,000	$18,604,000
Gross revenues	$3,466,688	$2,599,198
U.S. clients	100%	100%
Brokerage: Retail	50%	70%
U.S. offices	$1,747,211	$1,819,439
Wholesale	6%	5%
Personal lines	9%	11%
Services	13%	10%
Invstmt. income	1%	1%
Other	21%	3%
Employees	43	42
Offices	1	1

Founded: 1962.
Retail brokerage: 77% commissions, 23% fees.
Employee benefits: 23% of revenues.
Retail brokerage branches: Kansas City, Mo.
Officers: Edward G. Gilbert, chairman; Joseph J. Piatczyc, executive vp; James B. Koenigsdorf, vp; John Bovard, president/CEO; La Doris Y. Langley, senior vp/COO/secretary.
Contact: Lori Langley.

The Gleason Agency Inc.

P.O. Box 8, BT Financial Plaza, Suite 204, Johnstown, Pa. 15907; 814-535-8411; fax: 814-536-5554

	1993	1992
Premium volume	$44,460,126	$37,004,063
Gross revenues	$4,375,757	$3,915,779
U.S. clients	100%	100%
Brokerage: Retail	94.5%	95.4%
U.S. offices	$4,135,090	$3,735,653
Personal lines	2.3%	3.0%
Invstmt. income	3.2%	1.6%
Employees	45.5	42.5
Offices	4	5

Founded: 1924.
Retail brokerage: 88% commissions, 12% fees.
Retail brokerage branches: Harrisburg, Philadelphia and Pittsburgh, Pa.
Licensed excess/surplus broker in: Pennsylvania.
Officers: Robert A. Gleason Jr., president; Christopher K. Gleason, vp/treasurer; Robert F. Zedreck, Tony Kamnikar, vps; Carolyn Zierer, secretary.
Contact: Robert A. Gleason Jr.

Richard N. Goldman & Co.

1 Bush St., 9th Floor, San Francisco, Calif. 94104; 415-981-1141; fax: 415-398-4986

	1993	1992
Premium volume	NA	NA
Gross revenues	$9,000,000	$8,300,000
U.S. clients	100%	100%
Brokerage: Retail	85.5%	85.0%
U.S. offices	$7,695,000	$7,055,000
Personal lines	12.0%	11.5%
Invstmt. income	2.5%	3.5%
Employees	70	72
Offices	1	1

Founded: 1949.
Retail brokerage: 90.5% commissions, 9.5% fees.
Employee benefits: 11.6% of revenues.
Licensed excess/surplus broker in: California.
Officers: Richard N. Goldman, chairman/CEO; Stuart W. Seiler, vice chairman; John D. Goldman, president; Laurence A. Colton, executive vp; Mary L. Arbuckle, secretary.
Contact: H. Castro, senior vp.

Gow & Hanna Inc.

100 Maiden Lane, New York, N.Y. 10038; 212-509-6100; fax: 212-509-9291

	1993	1992
Premium volume	$98,500,000	$93,000,000
Gross revenues	$10,148,000	$9,594,000
U.S. clients	100%	100%
Brokerage: Retail	67.0%	62.0%
U.S. offices	$6,799,000	$5,948,000
Wholesale	24.0%	27.0%
Services	7.0%	9.5%
Invstmt. income	2.0%	1.5%
Employees	66	65
Offices	5	5

Founded: 1986.
Parent: Gow & Hanna Group Inc.
Retail brokerage: 83% commissions, 17% fees.
Retail brokerage branches: Gow & Hanna Inc. of Connecticut, Hartford, Conn.; Gow & Hanna Inc. of Texas, Houston; Gow & Hanna Inc. of Upstate New York, Buffalo, N.Y.; Gow & Hanna West Inc. Insurance Services, Irvine, Calif.
Licensed excess/surplus broker in: New York, Texas.
Officers: Timothy Gow, president; Anthony Mastrolia, executive vp; Thomas E. Lyng, secretary/treasurer; C. Richard Clark, president-Gow & Hanna Inc. of

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Daniel E. Dumbauld, president/COO; Jack N. Conley, secretary/vp-operations; Thomas Arnold, controller.
Contact: Jack N. Conley.

Dann Brothers Inc.

650 Dundee Road, Northbrook, Ill. 60062; 708-564-8700; fax: 708-564-8760

	1993	1992
Premium volume	**NA**	NA
Gross revenues	**$10,201,000**	$9,230,000
U.S. clients	**100%**	100%
Brokerage: Retail	**90%**	90%
U.S. offices	**$9,181,000**	$8,307,000
Personal lines	**4%**	4%
Services	**1%**	1%
Invstmt. income	**1%**	2%
Other	**4%**	3%
Employees	**81**	80
Offices	**2**	2

Founded: 1948.
Retail brokerage: 94% commissions, 6% fees.
Employee benefits: 11% of revenues.
Retail brokerage branches: Highland Park, Ill.
Licensed excess/surplus broker in: Illinois.
Officers: Scott Dann, president/director; Russell Dann, CEO/director; Julie Dann, executive vp/director; Marvin Rotstein, vp/director; Pamela Dann, director.
Contact: Scott Dann, president.

Davis Baldwin Inc.

P.O. Box 25277, Tampa, Fla. 33622; 813-287-1936; fax: 813-282-1020

	1993	1992
Premium volume	**$64,777,324**	$50,363,735
Gross revenues	**$6,281,510**	$5,137,101
U.S. clients	**100%**	100%
Brokerage: Retail	**91.3%**	89.0%
U.S. offices	**$5,735,019**	$4,572,020
Personal lines	**5.2%**	6.4%
Invstmt. income	**2.5%**	3.2%
Other	**1.0%**	1.4%
Employees	**60**	49
Offices	**1**	1

Founded: 1936.
Retail brokerage: 90% commissions, 10% fees.
Employee benefits: 9.8% of revenues.
Licensed excess/surplus broker in: Florida.
Officers: Charles M. Davis Jr., president; L. Lowry Baldwin, COO; John I. Baldwin, executive vp; John R. Neu, senior vp; Charles M. Davis Sr., Walter A. Baldwin Jr., co-chairmen.
Contact: Charles M. Davis Jr.

J. Rolfe Davis Insurance Agency Inc.

11 S. Bumby Ave., Orlando, Fla. 32803; 407-896-0550; fax: 407-806-6926

	1993	1992
Premium volume	**$35,000,000**	$35,000,000
Gross revenues	**$5,800,000**	$5,480,000
U.S. clients	**100%**	100%
Brokerage: Retail	**86%**	87%
U.S. offices	**$4,988,000**	$4,767,600
Personal lines	**12%**	12%
Services	**1%**	NA
Invstmt. income	**1%**	1%
Employees	**58**	56
Offices	**2**	2

Founded: 1942.
Retail brokerage: 100% commissions.
Employee benefits: 24% of revenues.
Retail brokerage branches: Longwood, Fla.
Licensed excess/surplus broker in: Florida.
Officers: Marion Hatcher, chairman; F. David McKinney, president/CEO; L. Kipp Minter, C.E. Holloway, Donald B. Boone, C.D. McBryde, senior vps.
Contact: John F. Watson Jr., senior vp.

DeFazio & Co.

225 S. Lake Ave., Pasadena, Calif. 91101; 818-396-4000; fax: 818-396-4004

	1993	1992
Premium volume	**$8,500,000**	$7,000,000
Gross revenues	**$841,704**	$698,354
U.S. clients	**100%**	100%
Brokerage: Retail	**87%**	88%
U.S. offices	**$732,282**	$614,552
Personal lines	**10%**	10%
Services	**2%**	1%
Invstmt. income	**1%**	1%
Employees	**7**	8
Offices	**1**	1

Founded: 1991.
Retail brokerage: 98% commissions, 2% fees.
Employee benefits: 1% of revenues.
Officers: John DeFazio, president; Janet Warren, vp/general manager; Maureen O'Brien, vp-production; Barbara McCoy, vp-finance.
Contact: Maureen O'Brien.

Companias DeLima S.A.

Calle 71A No. 6-30, P. 4, Bogota, Colombia; 571-217-8811; fax: 571-212-9190

	1993*	1992*
Premium volume	**$147,500,000**	$101,417,089
Gross revenues	**$16,962,500**	$12,881,045
Non-U.S. clients	**100%**	100%
Brokerage: Retail	**94%**	94%
Non-U.S. offices	**$15,944,750**	$12,108,183
Personal lines	**4%**	5%
Invstmt. income	**2%**	1%
Employees	**530**	477
Offices	**10**	10

* Converted at applicable exchange rates.

Founded: 1953.
Retail brokerage: 98% commissions, 2% fees.
Employee benefits: 3% of revenues.
Retail brokerage branches: Armenia, Barranquilla, Bucaramanga, Cali, Cartagena, Ibague, Manizales, Medellin and Pereira, Colombia.
Non-retail brokerage subsidiaries: Andina de Corretaje de Reaseguros Ltda., Bogota, Colombia.
Officers: Ernesto de Lima, chairman; Jorge Alberto Uribe, president; Pedro Piedrahita, financial vp; Federico Moreno, commercial vp; Terry Factor, international manager.
Contact: Jorge Alberto Uribe or Terry Factor.

Diversified Insurance Brokers

136 E. South Temple, Suite 2300, University Club Building, Salt Lake City, Utah 84111; 801-325-5000; fax: 801-521-5945

	1993	1992
Premium volume	**$22,000,000**	$18,000,000
Gross revenues	**$4,000,000**	$3,600,000
U.S. clients	**100%**	100%
Brokerage: Retail	**42.5%**	46.6%
U.S. offices	**$1,700,000**	$1,677,600
Wholesale	**2.0%**	2.0%
Services	**54.5%**	50.4%
Invstmt. income	**1.0%**	1.0%
Employees	**50**	57
Offices	**1**	1

Founded: 1963.
Retail brokerage: 90% commissions, 10% fees.
Non-retail brokerage subsidiaries: Diversified Insurance Services, Phoenix; Irvine, Calif.; Boise, Idaho; Albuquerque, N.M.; Las Vegas; Portland, Ore.
Licensed excess/surplus broker in: Utah.
Officers: Kenneth F. Palmer Jr., president; Reed M. Jenkins, Timothy P. Foley, Lawrence Hart, senior vps.
Contact: Kenneth F. Palmer Jr.

Robert F. Driver Co. Inc.

1620 Fifth Ave., San Diego, Calif. 92101; 619-238-1828; fax: 619-699-1327

	1993	1992
Premium volume	**$275,000,000**	$233,875,000
Gross revenues	**$23,200,000**	$21,300,000
U.S. clients	**99%**	99%
Non-U.S. clients	**1%**	1%
Brokerage: Retail	**89%**	87%
U.S. offices	**$20,650,000**	$18,531,000
Personal lines	**4%**	5%
Services	**5%**	4%
Invstmt. income	**2%**	3%
Other	**NA**	1%
Employees	**220**	220
Offices	**5**	5

Founded: 1925.
Retail brokerage: 95% commissions, 5% fees.
Employee benefits: 20% of revenues.
Acquisitions: Ruland & Mattingley of San Diego, February 1993.
Retail brokerage branches: Robert F. Driver Co. Inc., Escondido, Calif.; Robert F. Driver Associates, Newport Beach, Calif.; Robert F. Driver Associates, Rancho Cordova, Calif.; Robert F. Driver of Nevada Inc., Las Vegas.
Licensed excess/surplus broker in: California.
Officers: Thomas W. Corbett, chairman/CEO; Richard B. Gulley, vice chairman; George F. Driver, president; John T. Freeman, vp/CFO; Roger G. Combe, executive vp.
Contact: Richard B. Gulley or John T. Freeman.

E

James Econn & Co.

445 S. Figueroa St., 36th Floor, Los Angeles, Calif. 90071; 213-629-3131; fax: 213-629-4440

	1993	1992
Premium volume	**$43,100,000**	$38,400,000

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C

Cal-Central Insurance & Management Services Inc.

2455 W. Shaw, Suite 101, Fresno, Calif. 93711; 209-222-4471 or 800-464-0433; fax: 209-225-5041

	1993	1992
Premium volume	$14,081,334	$14,606,169
Gross revenues	$2,000,827	$1,989,000
U.S. clients	100%	100%
Brokerage: Retail	58%	53%
U.S. offices	$1,160,480	$1,054,170
Wholesale	33%	34%
Services	2%	1%
Invstmt. income	3%	4%
Other	4%	8%
Employees	11	11
Offices	1	1

Founded: 1983.

Retail brokerage: 100% commissions.

Employee benefits: 11% of revenues.

Officers: Ronald J. Stewart, president; James E. Williams, executive vp; Catherine A. Adams, Daniel B. Frainer, vps; Sophie E. Keppler, assistant vp.

Contact: Ronald J. Stewart.

The Cal-Surance Cos.

333 City Blvd. W., Suite 1000, Orange, Calif. 92668; 714-939-0800; fax: 714-939-1283

	1993	1992
Premium volume	$118,738,082	$120,553,022
Gross revenues	$17,237,402	$17,833,068
U.S. clients	100%	100%
Brokerage: Retail	80.5%	76.9%
U.S. offices	$13,876,109	$13,713,629
Wholesale	0.8%	0.9%
Reinsurance	0.8%	1.2%
Services	11.3%	14.4%
Invstmt. income	3.2%	3.5%
Other	3.4%	3.1%
Employees	117	145
Offices	2	2

Founded: 1962.

Parent: Chartered Financial Services Corp.

Retail brokerage: 100% commissions.

Employee benefits: 37.2% of revenues.

Retail brokerage branches: Cal-Surance Associates Inc., Orange, Calif.; Cal-Surance Benefit Plans Inc., Torrance, Calif.

Non-retail brokerage subsidiaries: Lancer Claims Services Inc., Orange, Calif.; Sterling Insurance Co. Ltd., Hamilton, Bermuda; Sterling Reinsurance Intermediaries Inc., Orange, Calif.; United Network of Insurance Services Inc., Orange, Calif.

Licensed excess/surplus broker in: California.

Officers: Donald E. Martin, CEO; Daniel P. Kuzio, president; Donald H. Mehlig, CEO-Cal-Surance Benefit Plans Inc.; Jim Hall, president-Cal-Surance Benefit Plans Inc. group benefits division.

Contact: Thomas R. Linn, CFO.

Calco Insurance Brokers & Agents Inc.

2000 Alameda de las Pulgas, San Mateo, Calif. 94403-1298; 415-574-0773; fax: 415-572-4622

	1993	1992
Premium volume	$203,000,000	$193,848,000
Gross revenues	$17,080,000	$15,144,642
U.S. clients	99%	95%
Non-U.S. clients	1%	5%
Brokerage: Retail	96%	96%
U.S. offices	$16,396,800	$14,538,856
Wholesale	1%	1%
Personal lines	2%	2%
Invstmt. income	1%	1%
Employees	143	125
Offices	7	6

Founded: 1937.

Parent: California Casualty Management Co.

Retail brokerage: 99% commissions, 1% fees.

Employee benefits: 15% of revenues.

Retail brokerage branches: Fresno, Glendale, Orange, Sacramento, San Diego and San Francisco, Calif.

Licensed excess/surplus broker in: California.

Officers: Peter Goldberg, chairman; Stephen Horn II, president; Kai G.E. Anderson, vice chairman; Charles W. Gross, executive vp-business development.

Contact: Stephen Horn II.

Caledonian Insurance Group Inc.

3023 80th Ave. S.E., Suite 1000, Mercer Island, Wash. 98040-2985; 206-232-9870; fax: 206-232-9515

	1993	1992
Premium volume	$9,700,000	$9,122,000
Gross revenues	$1,300,000	$1,150,000
U.S. clients	90.5%	90%
Non-U.S. clients	9.5%	10%
Brokerage: Retail	90%	86%
U.S. offices	$1,170,000	$989,000
Wholesale	5%	9%
Personal lines	1%	1%
Invstmt. income	4%	4%
Employees	12	11
Offices	2	2

Founded: 1988.

Retail brokerage: 95% commissions, 5% fees.

Retail brokerage branches: Spokane, Wash.

Licensed excess/surplus broker in: Alaska, Utah, Washington.

Officers: Anthony H. Cowan, president; Larry J. Maloney, Nita Marchant, vps; Michael C. Weaver, assistant vp; Joann Trimble, controller.

Contact: Anthony H. Cowan.

Cambridge Underwriters Ltd.

15415 Middlebelt Road, Livonia, Mich. 48154; 313-525-2412; fax: 313-525-0612

	1993	1992
Premium volume	$24,560,000	$24,100,000
Gross revenues	$4,089,517	$3,878,000
U.S. clients	100%	100%
Brokerage: Retail	89%	90%
U.S. offices	$3,639,670	$3,490,200
Personal lines	6%	5%
Services	1%	1%
Invstmt. income	2%	3%
Other	2%	1%
Employees	36	39
Offices	1	1

Founded: 1974.

Retail brokerage: 98% commissions, 2% fees.

Licensed excess/surplus broker in: Michigan.

Officers: Kenneth R. Hall, president.

Cannon Cochran Management Services Inc.

2 E. Main, Towne Centre, Danville, Ill. 61832; 217-446-1089; fax: 217-443-0927

	1993	1992
Premium volume	NA	NA
Gross revenues	$16,800,000	$15,000,000
U.S. clients	100%	100%
Brokerage: Retail	7%	7%
U.S. offices	$1,176,000	$1,050,000
Reinsurance	5%	5%
Personal lines	2%	2%
Services	85%	85%
Invstmt. income	1%	1%
Employees	228	220
Offices	7	7

Founded: 1860.

Retail brokerage: 100% commissions.

Employee benefits: 15% of revenues.

Retail brokerage branches: Oak Brook, Ill.; Indianapolis; Des Moines, Iowa; Kansas City and St. Louis, Mo.; Wolford-Cannon-Hoecker, Danville, Ill.

Licensed excess/surplus broker in: Illinois.

Officers: Sam P. Cannon, CEO; Robert L. Cowgill, president; Gary J. Schirmer, treasurer; Jacqueline J. Cannon, secretary; G. Bryan Thomas, vp-sales.

Contact: Bonnie B. Gotham.

Capacity Coverage Co. of New Jersey Inc.

180 Summit Ave., Montvale, N.J. 07645; 201-476-1111; fax: 201-476-0661

	1993	1992
Premium volume	$16,183,000	$8,990,000
Gross revenues	$1,790,000	$989,000
U.S. clients	100%	100%
Brokerage: Retail	86%	82%
U.S. offices	$1,539,400	$810,980
Wholesale	3%	2%
Personal lines	10%	15%
Invstmt. income	1%	1%
Employees	17	9
Offices	5	1

Founded: 1980.

Retail brokerage: 96% commissions, 4% fees.

Employee benefits: 3% of revenues.

Acquisitions: Alpha Omega Agency, Toms River, N.J., October 1993; DGK Insurance Agency, Toms River, N.J., July 1993; Eagle Insurance Agency, Browns Mills, N.J., June 1994; Caso/Leeds Agency, Pitman, N.J., July 1994; Philip Rance Agency, Teaneck, N.J., June 1993.

Retail brokerage branches: Hartford, Conn.; Englewood, Pitman and Toms River, N.J.

Licensed excess/surplus broker in: New Jersey, New York.

Officers: Mark B. Weinraub, president/chairman; Robert G. Lull, executive vp/CFO/COO; Debra Lynn Stanton, senior vp.

Contact: Robert G. Lull.

Carlin Insurance Agency Inc.

233 W. Central St., Natick, Mass. 01760; 508-655-0522; fax: 508-655-8853

	1993	1992
Premium volume	$35,500,000	$29,700,000
Gross revenues	$3,900,000	$3,200,000
U.S. clients	100%	100%
Brokerage: Retail	80%	80%
U.S. offices	$3,120,000	$2,560,000
Personal lines	20%	20%
Employees	55	50
Offices	2	2

Founded: 1968.

Retail brokerage branches: Carlin Insurance, Natick, Mass.; Lawrence Insurance, Falmouth, Mass.

Licensed excess/surplus broker in: Massachusetts.

Officers: Michael D. Holmes, president; Barry D. Rosen, Frank Smith, executive vps; Edward C. Dervan, treasurer.

Contact: Edward C. Dervan.

CECAR, Compagnie Europeenne de Courtage d'Assurances et de Reassurances

75, Rue de Tocqueville, 75850 Paris Cedex 17, France; 331-44-15-55-00; fax: 331-44-15-93-01

See profile on page 53.

Century Financial Services

Century Financial Plaza, 185 N.W. Spanish River Blvd., Suite 170, Boca Raton, Fla. 33431; 407-362-0111; fax: 407-362-0133

	1993	1992
Premium volume	$24,000,000	$20,000,000
Gross revenues	$3,439,000	$3,256,000
U.S. clients	97%	97%
Non-U.S. clients	3%	3%
Brokerage: Retail	56%	48%
U.S. offices	$1,925,840	$1,562,880
Wholesale	5%	5%
Personal lines	15%	20%
Services	23%	26%
Invstmt. income	1%	1%
Employees	30	25
Offices	1	1

Founded: 1983.

Retail brokerage: 80% commissions, 20% fees.

Employee benefits: 23% of revenues.

Licensed excess/surplus broker in: Florida.

Officers: Ronald Reshefsky, president; Gary H. Morris, vp-risk management services; Richard J. Leonard, vp-benefits consulting division; Ellen R. Segal, secretary/marketing manager; Kimberly McDonald, vp-medical services.

Contact: Ronald Reshefsky.

Clair Odell Group

120 W. Germantown Pike, Plymouth Meeting, Pa. 19462; 215-825-5555; fax: 215-828-3349

	1993	1992
Premium volume	$67,324,485	$64,249,045
Gross revenues	$8,850,003	$8,936,501
U.S. clients	100%	100%
Brokerage: Retail	91.1%	91.8%
U.S. offices	$8,053,503	$8,221,581
Personal lines	5.3%	5.4%
Invstmt. income	3.6%	2.8%
Employees	89	90
Offices	1	1

Founded: 1932.

Retail brokerage: 83.1% commissions, 16.9% fees.

Licensed excess/surplus broker in: Pennsylvania.

Officers: Frank D. Svitek, president/CEO; David A. Collins Jr., executive president/COO; Michael S. Studner, vp/treasurer; Robert A. Clair, chairman; Steven A. Odell, senior vp.

Contact: Frank D. Svitek.

Condominium Insurance Specialists of America Inc.

3930 Ventura, Suite 450, Arlington Heights, Ill. 60004; 708-870-7000; fax: 708-259-4487

	1993	1992
Premium volume	NA	NA
Gross revenues	$3,190,000	$2,900,000
U.S. clients	100%	100%
Brokerage: Retail	69%	71%
U.S. offices	$2,201,100	$2,059,000
Wholesale	18%	15%
Personal lines	10%	10%
Invstmt. income	3%	4%
Employees	28	27
Offices	1	2

Founded: 1974.

Parent: Suburban Insurance Consultants Inc., McLallen Group Inc.

Retail brokerage: 75% commissions, 25% fees.

Officers: Robert W. McLallen, president; Barbara D. Wick, senior vp-agency administration; Sharleen G. Flowers, vp-commercial lines underwriting/audit; Barbara Henson, vp/claims manager; James Carroll, vp-commercial sales.

Contact: Barbara D. Wick.

B. Crawford & Associates Insurance Services Inc.

5440 Blair Road, Dallas, Texas 75231; 214-360-0390; fax: 214-369-1341

	1993	1992
Premium volume	$20,000,000	$10,000,000
Gross revenues	$1,948,000	$1,051,000
U.S. clients	100%	100%
Brokerage: Retail	74%	70%
U.S. offices	$1,442,000	$735,000
Personal lines	21%	25%
Invstmt. income	1%	1%
Other	4%	4%
Employees	25	17
Offices	2	2

Founded: 1992.

Retail brokerage: 98% commissions, 2% fees.

Employee benefits: 4% of revenues.

Retail brokerage branches: Abilene, Texas.

Officers: Brook B. Crawford, president; Gaylor E. Brown, Ronald B. Caspell, vps.

Contact: Brook B. Crawford.

Frank Crystal & Co. Inc.

40 Broad St., New York, N.Y. 10004; 212-344-2444; fax: 212-952-1095

	1993	1992
Premium volume	NA	NA
Gross revenues	$35,256,000	$31,762,000
U.S. clients	100%	100%
Brokerage: Retail	86%	86%
U.S. offices	$30,320,160	$27,315,320
Personal lines	8%	10%
Services	6%	4%
Employees	195	184
Offices	5	4

Founded: 1933.

Retail brokerage: 98% commissions, 2% fees.

Retail brokerage branches: Frank Crystal & Co. of Florida Inc., Fort Lauderdale, Fla.; Frank Crystal & Co. Inc. (Midwest), Lenexa, Kan.; Frank Crystal & Co. of Texas Inc., Houston.

Licensed excess/surplus broker in: Florida, New York, Texas.

Officers: James W. Crystal, chairman/CEO; Andrew Potash, president; Arthur H. Littmann, executive vp/CFO; Kenneth W. Liebman, executive vp; William Mann, senior vp.

Contact: James W. Crystal.

Cumbre Inc.

1126 W. Foothill Blvd., Suite 100, Upland, Calif. 91786-3768; 909-981-2116; fax: 909-949-6116

	1993	1992
Premium volume	$23,000,000	$22,000,000
Gross revenues	$2,200,000	$2,014,000
U.S. clients	100%	100%
Brokerage: Retail	99%	99%
U.S. offices	$2,178,000	$1,993,860
Personal lines	1%	1%
Employees	20	20
Offices	2	2

Founded: 1984.

Retail brokerage: 99.5% commissions, 0.5% fees.

Retail brokerage branches: Los Angeles.

Officers: James A. Contreras, president/CEO; Ray Medina, Tony Contreras, vps.

Contact: Tony Contreras.

D

The Daniel & Henry Co.

2350 Market St., Suite 400, St. Louis, Mo. 63103; 314-421-1525; fax: 314-444-1900

	1993	1992
Premium volume	$83,330,000	$76,258,000
Gross revenues	$12,628,000	$11,344,000
U.S. clients	100%	100%
Brokerage: Retail	84.7%	78.8%
U.S. offices	$10,696,000	$8,939,000
Personal lines	12.5%	15.5%
Services	0.2%	0.4%
Invstmt. income	1.2%	1.5%
Other	1.4%	3.8%
Employees	169	162
Offices	1	1

Founded: 1921.

Retail brokerage: 93.8% commissions, 6.2% fees.

Employee benefits: 7.6% of revenues.

Licensed excess/surplus broker in: Missouri.

Officers: Charles S. Drew Jr., chairman/president; Michael W. Cremins, COO/executive vp; M. Henry Johnson Jr., John S. Childress, executive vps; John A. Harrison IV, Thomas J. Purcell Jr., senior vps.

Contact: James A. Samson, treasurer/general manager-administration.

Daniel James Insurance Agency Inc.

360 Three Meadows Drive, Perrysburg, Ohio 43551; 419-874-1974; fax: 419-874-3583

	1993	1992
Premium volume	$63,000,000	$59,000,000
Gross revenues	$8,037,205	$7,248,649
U.S. clients	100%	100%
Brokerage: Retail	91.8%	91.7%
U.S. offices	$7,378,154	$6,647,011
Personal lines	7.5%	7.4%
Services	0.3%	NA
Invstmt. income	0.4%	0.9%
Employees	94	99
Offices	4	4

Founded: 1975.

Retail brokerage: 99.7% commissions, 0.3% fees.

Employee benefits: 3.1% of revenues.

Retail brokerage branches: Indianapolis; Columbus and Fremont, Ohio.

Officers: James K. McWhinnie, CEO;

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Gross revenues	**$1,854,535**	$1,561,132
U.S. clients	**100%**	100%
Brokerage: Retail	**51.5%**	56.8%
U.S. offices	**$954,303**	$886,505
Personal lines	**43.6%**	29.9%
Invstmt. income	**0.6%**	0.8%
Other	**4.3%**	12.5%
Employees	**23**	22
Offices	**1**	1

Founded: 1960.
Retail brokerage: 99% commissions, 1% fees.
Retail brokerage branches: Worcester, Mass.
Licensed excess/surplus broker in: Massachusetts.
Officers: Thomas M. Braley, president; Parker Wellington Jr., senior vp; John W. Braley III, Craig F. Stanovich, Kenneth M. Bigelow, vps.
Contact: Craig F. Stanovich.

Breckles Insurance Brokers Ltd.

100 Cowdray Court, Suite 200, Scarboro, Ontario M1S 5C8, Canada; 416-292-2020; fax: 416-292-7436

	1993*	1992*
Premium volume	**$15,547,041**	$16,386,305
Gross revenues	**$2,487,486**	$2,618,573
U.S. clients	**1%**	NA
Non-U.S. clients	**99%**	100%
Brokerage: Retail	**41%**	39%
Non-U.S. offices	**$1,019,869**	$1,001,962
Personal lines	**56.1%**	59.0%
Invstmt. income	**1.2%**	2%
Other	**1.7%**	NA
Employees	**44**	46
Offices	**1**	1

* Converted at applicable exchange rates.

Founded: 1950.
Retail brokerage: 100% commissions.
Employee benefits: 1.75% of revenues.
Officers: T.M. Hannan, president; S.A. Marsh, general manager; B.M. Hamerston, commercial manager; K. Kiely, marketing manager.
Contact: T.M. Hannan.

Britton-Gallagher & Associates Inc.

6240 SOM Center Road, Solon, Ohio 44139; 216-248-4711; fax: 216-349-7142

	1993	1992
Premium volume	**$17,227,000**	$14,370,000
Gross revenues	**$2,947,000**	$2,517,000
U.S. clients	**100%**	100%
Brokerage: Retail	**77.0%**	73.0%
U.S. offices	**$2,267,771**	$1,839,513
Personal lines	**12.0%**	14.0%
Invstmt. income	**1.0%**	1.4%
Other	**10.0%**	11.6%
Employees	**30**	25
Offices	**1**	1

Founded: 1942.
Retail brokerage: 91% commissions, 9% fees.
Licensed excess/surplus broker in: Ohio.
Officers: Don R. Britton, CEO; Bruce H. Ball, president; Thomas A. Brackett, secretary/treasurer; John L. Hazen, senior vp; Terry J. Dragan, vp.
Contact: Don R. Britton.

The Brooks & Stafford Co.

75 Public Square, Cleveland, Ohio 44113; 216-696-3000; fax: 216-621-7336

	1993	1992
Premium volume	**$15,600,000**	$15,400,000
Gross revenues	**$2,652,000**	$2,618,000
U.S. clients	**97%**	97%
Non-U.S. clients	**3%**	3%
Brokerage: Retail	**54%**	54%
U.S. offices	**$1,432,080**	$1,413,720
Wholesale	**2%**	2%
Personal lines	**42%**	42%
Services	**1%**	1%
Invstmt. income	**1%**	1%
Employees	**45**	43
Offices	**1**	1

Founded: 1849.
Retail brokerage: 96% commissions, 4% fees.
Licensed excess/surplus broker in: Ohio.
Officers: Robert E. Hutchinson, president; Ralph E. Kunze, first vp/treasurer; W.J. Coming, vp/secretary; J.S. Baldwin, vp-operations.
Contact: Robert E. Hutchinson.

Brown-Hiller-Clark & Associates

5500 Euper Lane, P.O. Box 3529, Fort Smith, Ark. 72913; 501-452-4000; fax: 501-484-5185

	1993	1992
Premium volume	**$11,821,971**	$10,385,250
Gross revenues	**$1,866,356**	$1,828,974
U.S. clients	**100%**	100%
Brokerage: Retail	**68%**	65%
U.S. offices	**$1,269,122**	$1,188,833
Personal lines	**17%**	17%
Invstmt. income	**1%**	1%
Other	**14%**	17%
Employees	**29**	33
Offices	**5**	5

Founded: 1915.
Retail brokerage: 100% commissions.
Retail brokerage branches: Brown-Hiller-Clark & Associates of Eureka Springs, Eureka Springs, Ark.; Brown-Hiller-Clark & Associates of Oklahoma Inc., Sallisaw, Okla.; BHC Life & Group Specialists Inc., Fort Smith, Ark.; BHC Life & Group Specialists Inc., Eureka Springs, Ark.
Employee benefits: 12% of revenues.
Licensed excess/surplus broker in: Arkansas.
Officers: Sam B. Hiller, president/treasurer; Larry R. Clark, executive vp/secretary; Thomas L. Cooley, vp; William Stan Miller, president-BHC Life & Group Specialists Inc.; Gary Winton, president-BHC of Oklahoma Inc.
Contact: Janice A. Butler, vp-administration.

Bultman/Bell Associates Inc.

P.O. Box 2068, Greenville, S.C. 29602; 803-235-2075; fax: 803-232-6056

	1993	1992
Premium volume	**$9,848,149**	$9,400,000
Gross revenues	**$1,104,793**	$1,116,500
U.S. clients	**97%**	97%
Non-U.S. clients	**3%**	3%
Brokerage: Retail	**90.6%**	89.9%
U.S. offices	**$1,000,943**	$1,003,734
Personal lines	**2.5%**	2.0%
Services	**4.6%**	5.0%
Invstmt. income	**2.3%**	3.1%
Employees	**10**	10
Offices	**2**	2

Founded: 1986.
Retail brokerage: 95% commissions, 5% fees.
Employee benefits: 4% of revenues.
Retail brokerage branches: Columbus, S.C.
Licensed excess/surplus broker in: South Carolina.
Officers: George C. Bell, president; Neill O.D. Bultman, executive vp; Susanne Wolfe, vp.
Contact: Susanne Wolfe.

John Burnham & Co.

610 W. Ash St., San Diego, Calif. 92101; 619-231-1010; fax: 619-236-9134

	1993	1992
Premium volume	**$147,000,000**	$155,000,000
Gross revenues	**$11,814,000**	$12,400,000
U.S. clients	**98%**	90%
Non-U.S. clients	**2%**	10%
Brokerage: Retail	**93.1%**	92.8%
U.S. offices	**$10,999,000**	$11,507,000
Personal lines	**3.0%**	3.2%
Services	**3.0%**	2.8%
Invstmt. income	**0.9%**	1.2%
Employees	**119**	130
Offices	**3**	3

Founded: 1891.
Retail brokerage: 98% commissions, 2% fees.
Employee benefits: 23.5% of revenues.
Retail brokerage branches: Irvine, Calif.; Trumbull, Conn.
Licensed excess/surplus broker in: California.
Officers: Robert Lichter, president; Bradley Orr, William Pope, executive vps; Christopher Sparks, senior vp/CFO; Jack Lupien, senior vp.
Contact: William Pope.

Byrne, Byrne & Co.

101 N. Wacker Drive, Chicago, Ill. 60606; 312-346-2150; fax: 312-346-4637

	1993	1992
Premium volume	**$42,000,000**	$40,200,000
Gross revenues	**$1,800,000**	$1,710,000
U.S. clients	**98%**	98%
Non-U.S. clients	**2%**	2%
Brokerage: Retail	**85%**	85%
U.S. offices	**$1,499,400**	$1,424,440
Non-U.S. offices	**$30,600**	$29,060
Personal lines	**9%**	9%
Services	**5%**	5%
Invstmt. income	**1%**	1%
Employees	**16**	16
Offices	**1**	1

Founded: 1898.
Retail brokerage: 90% commissions, 10% fees.
Employee benefits: 20% of revenues.
Officers: Richard Byrne, chairman; Stephen Byrne, president; John O'Hara, executive vp; William Reif, Daniel Byrne, vps.
Contact: Stephen Byrne.

Continued on next page

Directory terms and methodology are explained on page 56. For a geographical listing of companies, see page 73.

Continued from previous page
selstein, COO/treasurer; Richard W. Daley, senior vp.
Contact: Edwin L. Overmyer.

Groupe Le Blanc de Nicolay

134 rue Danton, F-92300 Levallois-Perret Cedex, France; 331-47-59-11-11; fax: 331-47-59-93-82

See profile on page 55.

Bolton/RGV Insurance Brokers

1100 El Centro St., P.O. Box 820, South Pasadena, Calif. 91030; 818-799-7000; fax: 818-441-3233

	1993	1992
Premium volume	**$95,000,000**	$51,000,000
Gross revenues	**$10,100,000**	$7,300,000
U.S. clients	**100%**	100%
Brokerage: Retail	**82.2%**	84.0%
U.S. offices	**$8,302,200**	$6,132,000
Personal lines	**10.5%**	10.0%
Invstmt. income	**7.3%**	6.0%
Employees	**110**	81

Founded: 1931.
Retail brokerage: 99% commissions, 1% fees.
Employee benefits: 10.5% of revenues.
Acquisitions: RGV Insurance Agency, Glendale, Calif., December 1993.
Retail brokerage branches: Oxnard, Calif.
Officers: William D. Bolton, CEO; James A. Bolton, president; William C. Van Rooy, CFO/secretary/treasurer; Thomas L. O'Loughlin, director; William T. Redell, general manager.

Boockford & Co.

1 Oakbrook Terrace, Oakbrook Terrace, Ill. 60181; 708-932-4000; fax: 708-932-7315

	1993	1992
Premium volume	**$48,000,000**	$43,800,000
Gross revenues	**$5,235,000**	$4,970,000
U.S. clients	**100%**	100%
Brokerage: Retail	**95.8%**	93.9%
U.S. offices	**$5,015,000**	$4,667,000
Personal lines	**1.6%**	1.7%
Invstmt. income	**2.6%**	4.4%
Employees	**52**	52
Offices	**1**	1

Founded: 1950.
Retail brokerage: 89% commissions, 11% fees.
Employee benefits: 28.2% of revenues.
Licensed excess/surplus broker in: Illinois.
Officers: W.D. Boockford, chairman; Charles J. Bretz, president; James Schuster, vp-employee benefits operations; Mario Remegi, vp-property/casualty operations; Richard McGrath, vp.
Contact: Charles J. Bretz.

Roger Bouchard Insurance Inc.

101 Starcrest Drive, Clearwater, Fla. 34625; 813-447-6481; fax: 813-449-1267

	1993	1992
Premium volume	**$39,000,000**	$38,300,000
Gross revenues	**$3,761,226**	$3,338,586
U.S. clients	**100%**	100%
Brokerage: Retail	**58.3%**	59.0%
U.S. offices	**$2,192,794**	$1,969,765
Wholesale	**4.2%**	3.0%
Personal lines	**13.2%**	15.1%
Services	**1.3%**	NA
Invstmt. income	**0.1%**	0.1%
Other	**22.9%**	22.8%
Employees	**43**	45
Offices	**2**	1

Founded: 1948.
Retail brokerage: 98.3% commissions, 1.7% fees.
Employee benefits: 11.8% of revenues.
Retail brokerage branches: New Port Richey, Fla.
Licensed excess/surplus broker in: Florida.
Officers: Richard E. Bouchard, president; Michael Hamby, executive vp; Tim A. Bouchard, J. Raymond Bouchard, vps; Delores B. Moore, secretary.
Contact: J. Raymond Bouchard.

Bowers, Schumann & Welch

Route 31 N., P.O. Box 978, Washington, N.J. 07882; 908-689-1092; fax: 908-689-0694

	1993	1992
Premium volume	**$38,000,000**	$40,000,000
Gross revenues	**$6,015,096**	$6,317,347
U.S. clients	**100%**	100%
Brokerage: Retail	**85.0%**	86.0%
U.S. offices	**$5,112,832**	$5,432,918
Wholesale	**0.5%**	0.6%
Personal lines	**12.2%**	12.0%
Invstmt. income	**0.9%**	0.5%
Other	**1.4%**	0.9%
Employees	**80**	86
Offices	**2**	2

Founded: 1967.
Retail brokerage: 100% commissions.
Employee benefits: 5.8% of revenues.
Retail brokerage branches: Washington, N.J.; Bethlehem, Pa.
Licensed excess/surplus broker in: New Jersey.
Officers: Scott Welch, chairman; Mike Azar, COO; Todd Welch, CEO; Jody Welch, secretary.
Contact: Mike Azar.

Bowles, Troy, Donahue, Johnson Inc.

12801 N. Central Expressway, Suite 600, Dallas, Texas 75243; 214-770-1600; fax: 214-770-1699

	1993	1992
Premium volume	**$40,000,000**	$38,000,000
Gross revenues	**$5,177,000**	$4,600,000
U.S. clients	**98%**	98%
Non-U.S. clients	**2%**	2%
Brokerage: Retail	**70.5%**	74.0%
U.S. offices	**$3,650,000**	$3,404,000
Wholesale	**0.5%**	0.5%
Reinsurance	**2.0%**	2.0%
Personal lines	**19.0%**	17.0%
Services	**7.0%**	5.0%
Invstmt. income	**1.0%**	1.0%
Other	**NA**	0.5%
Employees	**50**	52
Offices	**2**	2

Founded: 1926.
Retail brokerage: 99% commissions, 1% fees.
Employee benefits: 15% of revenues.
Acquisitions: Armstrong, Dallas, January 1993; Cozort, Dallas, May 1993.
Retail brokerage branches: Personal Insurance Professionals, Richardson, Texas.
Non-retail brokerage subsidiaries: Riskshare Inc., Dallas; Twin Hills Insurance Agency Inc., Dallas.
Licensed excess/surplus broker in: Texas.
Officers: Donald F. Bowles, Ted Troy, Byron Johnson, John Heath, John Liske, managing directors.
Contact: Dan McCoy, COO.

Brady & Co.

1031 W. Fourth Ave., Suite 400, P.O. Box 107502, Anchorage, Alaska 99510-7502; 907-276-5617; fax: 907-276-6292

	1993	1992
Premium volume	**$77,000,000**	$65,000,000
Gross revenues	**$6,500,000**	$5,300,000
U.S. clients	**100%**	100%
Brokerage: Retail	**78%**	77%
U.S. offices	**$5,070,000**	$4,081,000
Wholesale	**10%**	12%
Personal lines	**6%**	6%
Invstmt. income	**4%**	5%
Other	**2%**	NA
Employees	**50**	45
Offices	**3**	3

Founded: 1962.
Retail brokerage: 85% commissions, 15% fees.
Employee benefits: 7% of revenues.
Retail brokerage branches: Hospitality Risk International, Bellevue, Wash.
Non-retail brokerage subsidiaries: Brady & Co. Inc., Anchorage, Alaska.
Licensed excess/surplus broker in: Alaska.
Officers: Carl F. Brady Jr., chairman/CEO; Fred Chadwick, president/COO; David W. Taylor, senior vp/CFO.
Contact: David W. Taylor.

Braishfield Associates Inc.

1700 Route 3 W., Clifton, N.J. 07013; 201-777-4747; fax: 201-777-1196

	1993	1992
Premium volume	**$33,160,000**	$28,210,000
Gross revenues	**$2,310,000**	$2,280,000
U.S. clients	**85%**	86%
Non-U.S. clients	**15%**	14%
Brokerage: Retail	**60.0%**	65.0%
U.S. offices	**$1,386,000**	$1,482,000
Wholesale	**8.0%**	5.0%
Personal lines	**13.0%**	15.0%
Services	**15.5%**	11.5%
Invstmt. income	**3.5%**	3.5%
Employees	**37**	33
Offices	**4**	4

Founded: 1984.
Retail brokerage: 90% commissions, 10% fees.
Employee benefits: 22% of revenues.
Retail brokerage branches: Melbourne, Fla.; Oldwick, N.J.; Philadelphia.
Licensed excess/surplus broker in: Florida, New Jersey, New York, Pennsylvania.
Officers: James J. McCahill, president/CEO; F.X. McCahill III, president-Braishfield of Florida; Mark Blake, Ray Wolak, Rosemary Rich, vps.
Contact: John P. Roulett, treasurer.

Braley & Wellington Insurance Agency Corp.

44 Park Ave., P.O. Box 15122, Worcester, Mass. 01615-0127; 508-754-7255; fax: 508-797-3507

	1993	1992
Premium volume	**$17,000,000**	$14,000,000

Continued on next page

Continued from previous page

Austin & Co. Inc.

20 Corporate Woods Blvd., Albany, N.Y. 12211; 518-465-3591; fax: 518-465-3968

	1993	1992
Premium volume	**$17,500,000**	$17,000,000
Gross revenues	**$2,340,000**	$2,340,000
U.S. clients	**100%**	100%
Brokerage: Retail	**83%**	82%
U.S. offices	**$1,942,200**	$1,918,800
Personal lines	**15%**	16%
Invstmt. income	**2%**	2%
Employees	**26**	28

Founded: 1853.
Retail brokerage: 100% commissions.
Employee benefits: 6% of revenues.
Retail brokerage branches: Stevenson Agency, Chestertown, N.Y.
Officers: Charles M. Liddle III, president; Helen K. Rack, Erwin F. Guetig, vps.

The Auten Group Inc.

1915 Southfield Road, Birmingham, Mich. 48009; 810-258-6500; fax: 810-258-5618

	1993	1992
Premium volume	**$7,841,624**	$7,111,000
Gross revenues	**$1,169,924**	$1,016,809
U.S. clients	**100%**	100%
Brokerage: Retail	**77.3%**	77.8%
U.S. offices	**$904,435**	$791,077
Personal lines	**21.0%**	20.0%
Invstmt. income	**1.2%**	2.0%
Other	**0.5%**	0.2%
Employees	**15**	15
Offices	**1**	1

Founded: 1984.
Retail brokerage: 98% commissions, 2% fees.
Employee benefits: 10.3% of revenues.
Licensed excess/surplus broker in: Michigan.
Officers: Bruce J. Auten, president; Jean E. Pratt, vp-operations; Nancy Beard, director-marketing/sales.
Contact: Bruce J. Auten.

Aviation Insurance Services of Nevada Inc.

333 N. Rancho Drive, Suite 400, Las Vegas, Nev. 89106; 702-647-2333; fax: 702-647-5433

	1993	1992
Premium volume	**$28,400,000**	$29,000,000
Gross revenues	**$3,075,000**	$3,136,000
U.S. clients	**92%**	93%
Non-U.S. clients	**8%**	7%
Brokerage: Retail	**88%**	87%
U.S. offices	**$2,706,000**	$2,728,320
Wholesale	**2%**	2%
Reinsurance	**7%**	7%
Personal lines	**1%**	1%
Services	**1%**	1%
Invstmt. income	**1%**	2%
Employees	**23**	21
Offices	**4**	3

Founded: 1977.
Parent: Aviation Insurance Holdings Inc.
Retail brokerage: 93% commissions, 7% fees.
Retail brokerage branches: Aviation Insurance Services, Los Angeles, Salt Lake City, Seattle.
Licensed excess/surplus broker in: California, Nevada, Utah, Washington.
Officers: Ronald A. Hill, chairman/CEO; Richard R. Gorsuch, vice chairman; Teresa Heckart, vp/CFO; Leslie C. DeWald, president-Utah; Elliott S. Tremaine, senior vp-Washington.
Contact: Richard R. Gorsuch.

B

The BGS&G Cos.

44 Baltimore St., Cumberland, Md. 21502; 301-777-1500; fax: 301-724-3953

	1993	1992
Premium volume	**$52,138,592**	$46,884,930
Gross revenues	**$13,120,447**	$12,899,783
U.S. clients	**100%**	100%
Brokerage: Retail	**36.0%**	33.0%
U.S. offices	**$4,723,361**	$4,256,928
Wholesale	**6.0%**	7.0%
Personal lines	**13.0%**	12.5%
Services	**1.0%**	1.0%
Other	**44.0%**	46.5%
Employees	**160**	160
Offices	**8**	9

Founded: 1921.
Parent: Beall, Garner, Screen & Geare Inc.
Retail brokerage: 85% commissions, 15% fees.
Employee benefits: 33% of revenues.
Acquisitions: Davis Agency, Johnstown, Pa., January 1993; Sovran Bank, District of Columbia, July 1993.
Retail brokerage branches: Columbia, Frostburg, Hagerstown and Oakland, Md.; Johnstown, Pa.; Keyser, W.Va.; A.H. Baker & Co., District of Columbia.
Licensed excess/surplus broker in: District of Columbia, Maryland, Pennsylvania, Virginia, West Virginia.
Officers: Marc E. Zenger, CEO/vice chairman; Page T. Shanklin, president; Robert H. Garner, executive vp/CFO; Coleman P. Brown III, executive vp.
Contact: Page T. Shanklin.

BWD Group Ltd., Blumencranz, Klepper, Wilkins & Dubofsky Ltd.

3000 Marcus Ave., CB 5028, Lake Success, N.Y. 11042-0028; 516-327-2700; fax: 516-327-2800

	1993	1992
Premium volume	**$145,000,000**	$120,000,000
Gross revenues	**$12,973,800**	$10,982,000
U.S. clients	**98%**	97%
Non-U.S. clients	**2%**	3%
Brokerage: Retail	**71%**	70%
U.S. offices	**$9,168,469**	$7,687,400
Wholesale	**18%**	20%
Personal lines	**8%**	7%
Services	**2%**	2%
Invstmt. income	**1%**	1%
Employees	**104**	92
Offices	**1**	1

Founded: 1929.
Retail brokerage: 90% commissions, 10% fees.
Employee benefits: 7.5% of revenues.
Acquisitions: Harvey L. Schary Inc., Lake Success, N.Y., December 1993; HLS Inc., Lake Success, N.Y., December 1993.
Licensed excess/surplus broker in: New York.
Officers: Roger A. Blumencranz, president; Marc J. Blumencranz, Stuart B. Wilkins, Eric S. Blumencranz, vps; Robert Dubofsky, managing director.
Contact: Roger A. Blumencranz.

Bain Hogg Group

1 Portsoken St., London E1 8DF, England; 071-480-4000; fax: 071-480-4007

See profile on page 35.

Bartlett Agency Inc.

2200 52nd Ave., Moline, Ill. 61265; 309-764-9666; fax: 309-764-8153

	1993	1992
Premium volume	**$19,999,936**	$24,300,934
Gross revenues	**$3,505,675**	$3,495,187
U.S. clients	**100%**	100%
Brokerage: Retail	**72.2%**	74.7%
U.S. offices	**$2,531,097**	$2,610,905
Personal lines	**11.5%**	11.9%
Services	**11.2%**	8.1%
Invstmt. income	**1.6%**	2.9%
Other	**3.5%**	2.4%
Employees	**45**	45
Offices	**1**	1

Founded: 1945.
Retail brokerage: 85.8% commissions, 14.2% fees.
Employee benefits: 28.97% of revenues.
Licensed excess/surplus broker in: Illinois.
Officers: Richard J. Miles, president; Thomas K. Bracke, executive vp/secretary; John J. Barrett, Bradley T. Boyle, vps; Deanne K. Mainey, treasurer.
Contact: Richard J. Miles.

Berwanger Overmyer Associates

2245 Northbank Drive, Columbus, Ohio 43220; 614-457-7000; fax: 614-457-1507

	1993	1992
Premium volume	**$62,000,000**	$60,000,000
Gross revenues	**$9,837,137**	$9,517,840
U.S. clients	**100%**	100%
Brokerage: Retail	**80.1%**	73.1%
U.S. offices	**$7,879,546**	$6,954,686
Wholesale	**1.5%**	1.5%
Personal lines	**6.4%**	5.4%
Services	**10.0%**	15.8%
Invstmt. income	**1.7%**	2.7%
Other	**0.3%**	1.5%
Employees	**110**	110
Offices	**1**	1

Founded: 1973.
Retail brokerage: 84% commissions, 16% fees.
Employee benefits: 22.28% of revenues.
Licensed excess/surplus broker in: Ohio.
Officers: Edwin L. Overmyer, president/CEO; Richard H. Moore, Joseph M. Berwanger, executive vps; Jerry L. Es-

Continued on next page

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A

ABN-AMRO Verzekeringen B.V.
Bernhardstraat 1, Zwolle, The Netherlands; 31-38-992106; fax: 31-38-225948

See profile on page 52.

Acordia Inc.
120 Monument Circle, Indianapolis, Ind. 46204-4903; 317-488-6666; fax: 317-488-6535

See profile on page 36.

T.J. Adams & Associates Inc.
2021 Spring Road, Oak Brook, Ill. 60521; 708-572-1550; fax: 708-574-3278

	1993	1992
Premium volume	$40,000,000	$34,500,000
Gross revenues	$5,800,000	$5,500,000
U.S. clients	100%	100%
Brokerage: Retail	91.5%	91.8%
U.S. offices	$5,307,000	$5,049,000
Wholesale	5.1%	4.9%
Personal lines	2.0%	1.8%
Invstmt. income	1.4%	1.5%
Employees	57	56
Offices	1	1

Founded: 1967.
Retail brokerage: 100% commissions.
Employee benefits: 9.6% of revenues.
Officers: Edward A. Schell, chairman/CEO; Dennis D. Gamache, president; Richard Miller, executive vp; John A. Kegaly, vp.
Contact: Dennis Gamache.

Affiliated Insurance Consultants Inc.
7650 S. County Line Road, Burr Ridge, Ill. 60521; 708-789-1234; fax: 708-789-1366

	1993	1992
Premium volume	$42,000,000	$44,761,000
Gross revenues	$4,183,000	$4,468,000
U.S. clients	100%	100%
Brokerage: Retail	88%	89%
U.S. offices	$3,681,000	$3,976,000
Personal lines	10%	10%
Invstmt. income	2%	1%
Employees	44	53
Offices	1	2

Founded: 1967.
Retail brokerage: 98% commissions, 2% fees.
Employee benefits: 18% of revenues.
Licensed excess/surplus broker in: Illinois.
Officers: Edwin E. Tomei, Daniel C. Pancake, Thomas G. Klehr.
Contact: Thomas G. Klehr.

Alburger Basso deGrosz
301 Island Parkway, Belmont, Calif. 94002; 415-598-0900; fax: 415-598-0370

	1993	1992
Premium volume	$300,000,000	$203,000,000
Gross revenues	$18,400,000	$13,740,000
U.S. clients	100%	100%
Brokerage: Retail	84%	87%
U.S. offices	$15,460,000	$11,950,000
Personal lines	7%	8%
Services	5%	2%
Invstmt. income	2%	2%
Other	2%	1%
Employees	150	107
Offices	4	3

Retail brokerage: 85% commissions, 15% fees.
Employee benefits: 25% of revenues.
Acquisitions: Ellingson & Jones, Santa Rosa, Calif., November 1993.
Retail brokerage branches: Brea and Capitola, Calif.; Ellingson & Jones Division, Santa Rosa, Calif.
Licensed excess/surplus broker in: California.
Officers: J. Douglas Alburger, chairman; Bruce Basso, president; Fred deGrosz, CEO; Sam Jones, George Jaynes, executive vps.
Contact: Jann McCully, CFO.

Alexander & Alexander Services Inc.
1211 Ave. of the Americas, New York, N.Y. 10036; 212-840-8500; fax: 212-444-4697

See profile on page 20.

Alliance Insurance Group Inc.
3420 E. Shea Blvd., Phoenix, Ariz. 85028; 602-996-7600; fax: 602-494-1175

	1993	1992
Premium volume	$15,500,000	$14,000,000
Gross revenues	$1,996,000	$1,958,000
U.S. clients	98%	97%
Non-U.S. clients	2%	3%
Brokerage: Retail	69%	65%
U.S. offices	$1,377,240	$1,272,700
Wholesale	3%	4%
Personal lines	20%	21%
Services	5%	6%
Invstmt. income	1%	1%
Other	2%	3%
Employees	30	31
Offices	3	3

Founded: 1976.
Retail brokerage: 95% commissions, 5% fees.
Employee benefits: 3% of revenues.
Retail brokerage branches: Tucson, Ariz.; Laguna, Calif.
Licensed excess/surplus broker in: Arizona.
Officers: Guy L. Labelle, president; Elton Baker, executive vp; Edith Lasson, vp; David Smith, comptroller.
Contact: Guy L. Labelle.

Allied Coverage Corp.
165 Roslyn Road, Roslyn Heights, N.Y. 11577; 516-626-9250; fax: 516-626-0738

	1993	1992
Premium volume	$110,000,000	$100,000,000
Gross revenues	$11,000,000	$10,000,000
U.S. clients	100%	100%
Brokerage: Retail	90%	91%
U.S. offices	$9,900,000	$9,100,000
Wholesale	4%	3%
Personal lines	2%	2%
Invstmt. income	4%	4%
Employees	82	81
Offices	4	4

Founded: 1979.
Retail brokerage: 81% commissions, 19% fees.
Employee benefits: 3% of revenues.
Retail brokerage branches: Albany, N.Y.; Allied Brokerage Services Group Inc., Cranford, N.J.
Non-retail brokerage subsidiaries: Atlantic Star Intermediaries Inc., Syosset, N.Y.
Licensed excess/surplus broker in: Alaska, Connecticut, District of Columbia, New Jersey, New York, Wisconsin.
Officers: William A. Marino, president; David H. Stevenson, Henry C. Lombardi, executive vps; Anthony Auliano, treasurer.
Contact: Henry C. Lombardi.

Alper Services Inc.
60 W. Superior St., Chicago, Ill. 60610; 312-642-1000; fax: 312-944-7000

	1993	1992
Premium volume	$28,000,000	$26,000,000
Gross revenues	$4,400,000	$4,300,000
U.S. clients	99%	99%
Non-U.S. clients	1%	1%
Brokerage: Retail	76%	75%
U.S. offices	$3,344,000	$3,225,000
Personal lines	5%	5%
Services	15%	15%
Invstmt. income	3%	3%
Other	1%	2%
Employees	48	47
Offices	1	1

Founded: 1966.
Retail brokerage: 95% commissions, 5% fees.
Employee benefits: 6% of revenues.
Licensed excess/surplus broker in: Illinois.
Officers: Howard C. Alper, president/CEO; John F. Wheaton, executive vp/COO; Russell M. Cortino, Herbert M. Singer, executive vps; Richard A. Swoik, John A. Hamilton, Craig A. Kanter, vps.
Contact: Howard C. Alper.

American Phoenix Corp.
302 W. Main St., Avon, Conn. 06001; 203-677-2661; fax: 203-674-1984

	1993	1992
Premium volume	$173,162,210	$164,742,000
Gross revenues	$22,165,660	$21,246,360
U.S. clients	100%	100%
Brokerage: Retail	73%	72%
U.S. offices	$16,180,931	$15,297,379
Personal lines	26%	27%
Invstmt. income	1%	1%
Employees	255	253
Offices	11	11

Founded: 1981.
Parent: Phoenix Home Life Mutual Insurance Co.
Retail brokerage: 97% commissions, 3% fees.
Employee benefits: 3% of revenues.
Acquisitions: Frank Drane Insurance, Orlando, Fla., December 1993; Marshall L. Helbraun Associates, Orlando, Fla., February 1994.
Retail brokerage branches: American Brokerage of Philadelphia, St. Davids, Pa.; American Phoenix Corp. (Maryland), Baltimore; C&C Insurance Associates Inc., Somerset, N.J.; Caddell & Byers Insurance Agency Inc., Lowell, Mass.; Frank Drane Insurance Agency, Orlando, Fla.; Erickson-Swan-Rowley Inc., Jamestown, N.Y.; Kenney, Webber & Lowell Inc., Avon, Conn.; McDowell Insurance Inc., Chambersburg, Pa.; Nicholas & Cannon Agency Inc., Sarasota, Fla.; Poor, Bowen, Bartlett & Kennedy of Pennsylvania Inc., York, Pa.; West Coast Insurors, St. Petersburg, Fla.
Licensed excess/surplus broker in: Connecticut, Florida, Pennsylvania.
Officers: Martin L. (Mell) Vaughan III, president; Karl E. Manke, vp-sales/marketing; Linda D. Hopcraft, vp-operations; William E. Ryan, vp/CFO.
Contact: Martin L. (Mell) Vaughan.

Anco Corp.
16000 Barker's Point Lane, Houston, Texas 77079; 713-496-3400; fax: 713-496-6729

	1993	1992
Premium volume	$67,300,000	$59,600,000
Gross revenues	$9,015,000	$8,458,000
U.S. clients	100%	100%
Brokerage: Retail	75.0%	76.5%
U.S. offices	$6,761,250	$6,470,370
Personal lines	6.9%	8.5%
Services	16.7%	13.3%
Invstmt. income	1.3%	1.4%
Other	0.1%	0.3%
Employees	94	93
Offices	1	1

Founded: 1873.
Retail brokerage: 83% commissions, 17% fees.
Employee benefits: 5.9% of revenues.
Non-retail brokerage subsidiaries: Regional Management Services Inc., Houston.
Licensed excess/surplus broker in: Texas.
Officers: John L. VanOsdall, chairman/president; Gerald M. Smith, senior vp/COO; John D. Collado, Randall F. Green, Robert E. Holloway, senior vps.
Contact: Gerald M. Smith.

Anco Insurance Managers Inc.
1733 Briarcrest Drive, Bryan, Texas 77802; 409-776-2626; fax: 409-776-1308

	1993	1992
Premium volume	$80,560,000	$66,000,000
Gross revenues	$12,683,241	$9,043,753
U.S. clients	100%	100%
Brokerage: Retail	40%	41%
U.S. offices	$5,073,296	$3,707,938
Wholesale	8%	4%
Personal lines	47%	44%
Services	3%	7%
Invstmt. income	1%	1%
Other	1%	3%
Employees	210	150
Offices	17	19

Founded: 1873.
Retail brokerage: 100% commissions.
Employee benefits: 4% of revenues.
Acquisitions: GSM Insurance, Rockport, Texas, May 1993; Jernigan-Dabney Insurance, Livingston, Texas, June 1993; Mart Pioneer Insurance, Mart, Texas, January 1994.
Retail brokerage branches: Anco Alamo City, San Antonio; Anco Belton, Belton, Texas; Anco Beaumont, Beaumont, Texas; Anco Capitol City, Austin, Texas; Anco Corpus Christi, Corpus Christi, Texas; Anco Dallas/Fort Worth, Dallas-Fort Worth, Texas; Anco El Paso, El Paso, Texas; Anco-GSM, Rockport, Texas; Anco Jernigan-Dabney, Livingston, Texas; Anco Insurance of Temple, Temple, Texas; Anco Insurance of The Woodlands, The Woodlands, Texas; Anco Metroplex, Arlington, Texas; Anco Pioneer, Mart, Texas; Anco Port Lavaca, Port Lavaca, Texas; Anco Tyler, Tyler, Texas; Anco Waco, Waco, Texas; Insurance Services of America, Houston.
Non-retail brokerage subsidiaries: AIM Premium Finance Inc., Anco Insurance Services of Bryan/College Station Inc., Anco Insurance Services of Texas Inc., Emerald Surplus Lines Inc., Kiefer Marshall Insurance Agency Inc.
Licensed excess/surplus broker in: Texas.
Officers: M.L. (Red) Cashion, chairman; Dick B. Haddox, president/CEO; Richard Pollard, Adrian G. McDonald Jr., Susan Flippen, senior vps.
Contact: T. Scott Hart, assistant controller.

Anderson & Anderson Insurance Brokers Inc.
2495 Campus Drive, Irvine, Calif. 92715; 714-476-4300; fax: 714-752-7587

	1993	1992
Premium volume	$105,000,000	$92,500,000
Gross revenues	$11,130,000	$10,131,000
U.S. clients	100%	100%
Brokerage: Retail	92%	88%
U.S. offices	$10,239,600	$8,915,280
Personal lines	4%	5%
Services	2%	4%
Invstmt. income	2%	3%
Employees	114	109
Offices	3	3

Founded: 1953.
Parent: Anderson & Anderson Insurance Brokers Inc.
Retail brokerage: 97% commissions, 3% fees.
Acquisitions: John W. McHugh Insurance Agency, Stockton, Calif., June 1994.
Retail brokerage branches: Irvine, Stockton and Van Nuys, Calif.
Non-retail brokerage subsidiaries: CAP Managers Ltd., Hamilton, Bermuda; Captive Assurance Partners, Irvine, Calif.
Officers: Robert M. Anderson, president/CEO; John W. Roblee, senior vp/secretary/treasurer; Edward C. Shumaker, executive vp-Orange County; Sam J. Cunningham, president-Anderson & Anderson/Benefits, Orange County; Everett Newman, executive vp-Van Nuys; Steve King, executive vp-Stockton.
Contact: Robert M. Anderson.

Andreini & Co.
220 W. 20th Ave., San Mateo, Calif. 94403; 415-573-1111; fax: 415-378-4361

	1993	1992
Gross revenues	$18,669,000	$17,762,960
U.S. clients	100%	100%
Brokerage: Retail	96%	NA
U.S. offices	$17,922,240	NA
Personal lines	2%	NA
Invstmt. income	2%	NA
Employees	175	176
Offices	7	6

Founded: 1951.
Retail brokerage: 95% commissions, 5% fees.
Retail brokerage branches: Fresno, Irvine, Oxnard, Salinas, Santa Monica, Calif.; Dallas.
Licensed excess/surplus broker in: California.
Officers: John Andreini, chairman; Michael J. Colzani, CEO; David Hoskins, president.
Contact: John Andreini or Michael Colzani.

Continued on next page

How to use agent, broker directory

The 1994 directory of agents and brokers is based on companies' responses to a *Business Insurance* questionnaire.

The directory is published as an editorial service and there is no charge to be included. However, companies must generate at least $500,000 of their gross revenues from commercial retail brokering in order to be listed in the directory.

Listings begin with the address, telephone and facsimile machine numbers of the company.

Next is premium volume and gross revenues for both 1993 and 1992, and the percentage of gross revenues generated from U.S.-based clients versus non-U.S.-based clients. Percent of gross revenues generated by commercial retail brokerage is next, followed by a breakdown in dollars as generated through U.S. offices versus non-U.S. offices. Wholesale brokerage, reinsurance brokerage, personal lines brokerage, fee-based services, investment income and other activities follow.

The number of employees and offices for 1993 and 1992 also are included. Next, the year founded, parent company and the percent of commercial retail brokerage generated by commissions and by fees are given.

Acquisitions, locations of retail brokerage branch offices and non-retail brokerage subsidiaries and states in which companies are licensed as excess/surplus lines brokers are listed. Principal officers and a contact for those seeking more information complete the listing. If the location and telephone number of the contact are different from those of the main office they are also provided.

If you wish to locate a company by state or country, refer to the geographic index following the directory listings. Locations of home offices as well as retail brokerage branch offices are included.

All figures are listed in U.S. dollars. The applicable yearly average exchange rate was used to convert figures for non-U.S. based organizations. Exchange rates are noted on the page one chart, except the following: Canadian dollar=$0.775 (1993), $0.824 (1992); Colombian peso=$0.001475 (1993), $0.00171 (1992).

The information in each entry was compiled by *Business Insurance* based on data supplied by the agents and brokers. Although every effort is made to provide complete and accurate information, no public records are available to allow *BI* to verify the information supplied by privately-held brokers.

If you would like to receive a questionnaire to be listed in next year's Agent/Broker directory, contact Kathy Welyki, *Business Insurance*, 740 N. Rush St., Chicago, Ill. 60611-2590; 312-649-5279.

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Groupe Le Blanc de Nicolay

134 rue Danton, F-92300, Levallois-Perret Cedex, France; 4-759-1111; fax: 4-759-9382

	1993*	1992
Premium volume	N/A	N/A
Gross revenues	$90,761,000	$89,020,000
Brokerage: Retail	36%	37%
Reinsurance	54%	56%
Services	3%	1%
Investment income	7%	6%
Employees	500	500
Rev./Employee	$181,522	$178,040
Offices	26	26

* Company estimate. Converted at applicable exchange rates.

French broker Groupe Le Blanc de Nicolay, which has broken into the ranks of the world's 20 largest brokers for the first time, is looking to buy a major retail insurance broker to continue growing.

The proposed purchase is part of a strategy to balance the broker's historical strength in reinsurance brokerage with a strong retail brokerage arm.

Paris-based GLN, the third-largest broker in France, has been buying up small and medium-sized brokers since 1988, when it decided to beef up its retail insurance brokerage arm, Le Blanc de Nicolay Assurance.

But "the price to pay for small companies is proportionally much higher than for a big acquisition," said Olivier du Passage, deputy managing director of GLN.

Therefore, he said, the company now is looking to buy a large insurance broker.

In 1992, GLN raised 160 million French francs ($30.2 million) in capital from existing shareholders to invest in "a big insurance broker if we can find one," said Eric Bouquet, GLN finance director.

Most likely the broker will be based somewhere in continental Europe, but GLN would consider a London broker that is not encumbered by any liabilities from past operations, said Mr. du Passage.

GLN's acquisition trail is one reason its gross revenues grew 9.1% to an estimated 514 million francs at the end of last year from 471 million francs in 1992.

In dollar terms, though, revenues only grew 2% to $90.8 million in 1993 from $89 million at the end of 1992. But 1993 revenues were still large enough to place GLN at No. 20 in *Business Insurance*'s ranking of the world's largest brokers.

GLN was founded in 1928, when Col. Charles Le Blanc and Vandeman Hjorth, a Scandinavian reinsurance broker, combined their operations to form Le Blanc Hjorth, a reinsurance broker in France.

Following World War II, Col. Le Blanc formed a business venture with Earl Rene de Nicolay and changed the name of the intermediary to Le Blanc de Nicolay.

Earl de Nicolay died in 1954, but his family continues to hold shares in GLN. Meanwhile, Col. Le Blanc's son, Henri Le Blanc, succeeded him as chairman in 1963 and held that post until 1968, when the company's leading producer, Jean Redier, took over the helm.

His son, Vincent Redier, is GLN's current chairman and chief executive officer.

GLN is more than 40% owned by insurance company clients of its reinsurance brokerage branch: 30% of GLN is held by Societe Centrale d'Etudes et de Participations, a subsidiary of the French Agricultural Mutual System; 7.5% by Financiere du CIC et de l'Union Europeenne; and 3% by French insurer Groupe GAN, formerly known as Group des Assurances Nationales.

In addition, the Redier and de Nicolay families still own 44% of the company, while Groupe Schneider owns 7.5% and miscellaneous other entities hold the remaining interest, about 8%.

The broker has expanded its reach internationally and by line of business.

In the 1960s, it embarked on an international expansion of its reinsurance brokerage business, which at the time accounted for nearly all of the company's revenues. During that decade, branch offices were opened in Madrid, New York, Singapore, Stockholm, Tokyo and Zurich.

Le Blanc de Nicolay in the '70s also expanded by acquiring Belgian reinsurance broker Suys & Janssens; reinsurance broker Scagliarini Coniglio & Cie. in Bologna, Italy; and Intreas, later named LBN Catalunya, in Spain.

The company's first move into non-reinsurance brokerage was in 1974, when Groupe Schneider, through its banking subsidiary Banque de l'Union Europeenne, became a shareholder of Le Blanc de Nicolay. Groupe Schneider passed on the control of its two captive brokerages to Le Blanc de Nicolay.

The broker adopted its current name, Groupe Le Blanc de Nicolay, and named its new insurance brokerage operation after one of the captive brokers, Societe Francaise pour les Assurances Industrielles.

After acquiring several Paris-based insurance brokers in the early 1980s and several changes of name and management, GLN set up two distinct branches that exist today:

- Le Blanc de Nicolay Assurance. The insurance brokerage arm is headed by Managing Director Jean de Fumichon and accounted for 36% of revenues last year.
- Le Blanc de Nicolay Reassurance. The reinsurance intermediary, which is headed by Managing Director Claude Marie, accounted for 54% of the company's gross revenues in 1993.

In the early '80s, LBN Assurance acquired several small brokers in Paris and restructured its operations to focus on specific business sectors, including the food industry, mass distribution, electronics firms and computer makers.

LBN Assurance today specializes in industrial risks, fleet auto business and employee benefit coverage.

The employee benefit department offers "people insurance"—everything from pension funding and retirement programs to international benefit pooling arrangements, said Mr. Fumichon.

This division accounts for 35% of LBN Nicolay Assurance's revenues.

Mr. Fumichon says LBN Assurance is now working hard to develop new insurance coverage for difficult risks like environmental liability.

Since 1985, the insurance brokerage division has expanded by acquiring a string of other brokerages, including:

- Marseille-based broker Tarrazi-Recoing and its brokerage subsidiary that specialized in truck/car fleet insurance. This acquisition was the basis for GLN's growth as one of France's largest brokers for commercial auto fleets, said Mr. Fumichon.
- Paris-based Jean Moulin & Fils in 1989 and its German subsidiary, Alliance Franco-Allemande d'Assurances, and its holding in broker Societe Centrale de Courtage d'Assurances, which is the brokerage unit of Banques Populaires.

LBN Assurance has also created subsidiaries in Spain and Italy and would like to increase its presence in Germany.

In France, "our domestic business is organized in three main companies in which our acquisitions merged," said Mr. Fumichon. Two of these branches are based in Paris and one in Marseille.

Unlike the retail brokerage division, LBN Reassurance continues to rely almost entirely on internal growth for expansion, said Mr. du Passage.

It is one of the top reinsurance intermediaries in Europe, placing treaties for insurance company clients throughout Europe: France, Spain, Belgium, the Czech Republic and, to a lesser extent, Italy and Germany.

A key target for the reinsurance broker are international insurance groups, according to Mr. du Passage.

"Take an international insurance group and we are able to (devise) a reinsurance plan with the help of all the people we have. . .in the (continental) European market," he said. "Our role is different from our London friends. We are not working for a particular market. We are working for particular clients and the solution is in Europe, the United States, London. We are not feeding a particular market."

Approximately 66% of revenues from the reinsurance brokerage division originate in France.

In 1991, LBN Reassurance teamed up with London-based Crawley Warren Group P.L.C. and New York-based Frank Crystal & Co. Inc. to set up a joint brokerage venture for the space and space-related industry: Rosslyn, Va.-based International Space Brokers Inc.

Mr. du Passage claims that International Space Brokers is now the second largest space insurance broker in the world, with about 30% of the market.

GLN's year-end 1993 results won't be published for some time.

However, the group estimates that revenues totaled 514 million francs ($90.8 million), including 464 million francs ($81.9 million) in brokerage revenues; 37 million francs ($6.5 million) in investment income; and the remainder from other, non-insurance services.

GLN's 1992 revenues totaled 471 million francs ($89 million), including 435.6 million francs ($82.3 million) in brokerage revenues; 28.6 million francs ($5.4 million) in investment income; and the remainder from other, non-insurance services income.

—By Stacy Shapiro

Spotlight report

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Poe & Brown Inc.

702 N. Franklin St.,
Tampa, Fla. 33602; 813-222-4100;
fax: 813-223-5874

	1993	1992
Premium volume	$786,000,000	$722,000,000
Gross revenues	$95,570,000	$89,310,000
Brokerage: Retail	52%	51%
Wholesale	25%	22%
Personal lines	7%	10%
Services	13%	13%
Investment income	2%	3%
Other	1%	1%
Employees	1,000	1,100
Rev./Employee	$95,570	$81,191
Offices	37	35

Strong revenue growth at Poe & Brown Inc., the product of the April 1993 merger of Poe & Associates Inc. and Brown & Brown Inc., helped propel the broker into the *Business Insurance* ranking of the world's largest insurance brokers.

The brokerage posted revenues of $95.6 million in 1993, earning it the No. 19 spot. That is up 7% from $89.3 million in 1992, when it did not rank among the Top 20.

While the merger created a new Top 20 broker in the world, it also produced numerous changes and challenges for the unified brokerage.

The two companies have had to coordinate different target clients, different sales strategies, different management styles and different geographic spreads of business.

But the biggest challenge for the managers of the combined Poe & Brown was managing its employees throughout the changes, according to William F. Poe, chairman of the Tampa, Fla.-based brokerage.

"There was a lot of uneasiness and people did not have a clear picture of where they were going, so putting that comfort level in and getting everybody going forward was probably the biggest challenge," Mr. Poe said.

One result of the merger was a reduction in the number of employees by 100, but most of the employees who remain are happy with the new company, he claimed. The broker now has 1,000 employees.

"You always have some folks that like the old ways, but a reasonable review would suggest that the shareholders would probably feel that it was a positive merger and most of the people here would as well," Mr. Poe said.

Aftertax profits also increased in 1993, rising more than 200% to $8 million compared with $2.6 million in 1992. Profits in 1992 had been stunted due to expenses associated with the merger, noted Mr. Poe.

In 1991, the combined companies would have reported a profit of $5.9 million.

If Chief Executive Officer J. Hyatt Brown's projections for growth are borne out, Poe & Brown will see sizable increases in earnings over the next five years.

The declared intent of Mr. Brown is to increase the brokerage's profits by 15% annually, which compounded will double Poe & Brown current level of profits in five years.

First-half 1994 aftertax profits more than doubled to $6.5 million compared with $2.9 million in the first half of 1993. Net income in 1994 includes a $1.3 million gain from the sale of some stock the company holds in Rock-Tenn Co., a paper manufacturer. Still, excluding this gain, net income in the first half exceeded 1993's first half by 78%.

Around half of the projected increase in profits will be obtained through organic growth and half through acquisitions, according to Mr. Poe.

Acquisitions likely will be made in areas where Poe & Brown has existing offices.

"Our first priority will be in states where we already are because we have the management staff there, but we would go outside those states if we saw a good opportunity," Mr. Poe said.

> **It is 'difficult to place new business, so that makes it difficult to bring in new business,' says William F. Poe.**

Prior to the merger, Daytona-based Brown & Brown's business was based entirely in Florida, whereas Tampa-based Poe & Associates had offices in Florida, Georgia, Texas, Arizona, California, North Carolina, New Jersey, and Connecticut.

About 65% of Poe & Brown's business is derived from Florida, Mr. Poe said.

Since the merger last April, Poe & Brown has made one acquisition: Arch-Holmes Insurance Inc., a general insurance agency in Hollywood, Fla., that was acquired in October 1993.

Arch-Holmes handles mainly construction accounts and specializes in surety insurance. Its gross revenues exceed $1.5 million.

Organic growth will be achieved through the implementation of Brown & Brown's style of marketing throughout company, according to Mr. Poe.

"There are stronger new sales efforts, the emphasis is on new business rather than renewal business as it relates to sales," he explained.

Stronger new sales efforts already have contributed to the firm's increased revenues. And, it is reflected in higher revenues per employee, Mr. Poe said. In 1993, revenues per employee were $95,570, up 17.7% compared with $81,191 in 1992.

"Everybody is more directly involved in productive work rather than staff work or long-term planning," Mr. Poe said.

The target market for Poe & Brown's retail brokerage operations is mid-sized companies that generate $25,000 to $500,000 in annual premiums, he said. About 95% of Poe & Brown clients pay the brokerage through commissions and about 5% pay fees.

Retail brokerage generates 52% of Poe & Brown's gross revenues. Other sources of revenues in 1993 were: wholesale brokerage, 25%; services, 13%; personal lines, 7%; investment income, 2%; and miscellaneous other, 1%.

Retail insurance brokerage was virtually the sole business of Brown & Brown, while Poe & Associates also brought a substantial book of program business to the merged company.

The National Programs division generated $271 million in premiums in 1993. Current programs include: liability and property insurance for dentists and their practices; professional liability coverage for lawyers; professional liability coverage for physicians; professional liability for health care facilities; liability and property coverage for optometrists and their practices; property/casualty, life, health and benefits coverage for wholesaler-distributors; and property/casualty coverage for towing operators and automobile dealers.

In addition, several new programs for commercial and industrial businesses will be launched within the next 12 months, Mr. Poe said.

Program business offers advantages to both clients and brokers, he said.

"The client does it because of the coverage quality and the reasonable price, and we do it because it means that we can specialize in an area, and that means that we serve the marketplace better," Mr. Poe said.

And, in the long run, program facilities are efficient ways of brokering and underwriting business, he added.

"Over 10 years, we can make more profits through program business than we can through non-specialized business," Mr. Poe said.

With nearly two-thirds of its business from Florida, Poe & Brown has acutely felt the changes in the insurance market created by 1992's Hurricane Andrew.

Although Poe & Brown did not have a significant number of clients in the Dade County area where the hurricane hit, the entire property insurance market in southern Florida has been affected by the huge loss from the storm, Mr. Poe said.

"It has become very difficult to place new business so that makes it difficult to bring in new business," he said.

However, the storm has turned around the decline in property insurance rates, Mr. Poe said. "The average increase is probably only around 10% but historically the rates were going down by between 3% and 7%," he said.

Existing clients can buy property insurance as long as they are prepared to pay higher prices. This is largely because Florida insurance regulations do not permit underwriters to withdraw suddenly from the market, Mr. Poe explained.

Although several underwriters want to reduce their business in Florida, they have to do so over a three-year period, he said.

Consequently, Florida's property insurance market may be significantly smaller 18 months from now, Mr. Poe pointed out.

This will cause further problems for the small and medium-sized clients that Poe & Brown targets.

"Large deductibles and self-insurance are not normally very practical for smaller clients. . .there's no reasonable alternative," he said.

Setting up a program facility for this group of policyholders would not be possible, Mr. Poe said.

"We have the same problem as the insurance company: Where do we go for reinsurance and catastrophe coverage?" Mr. Poe said.

In addition to its retail and program operations, Poe & Brown has several other units:

MacDuff Underwriters Inc. is a surplus lines, excess and standard lines intermediary and a managing general agent. Much of MacDuff's $14 million in 1993 premiums involved difficult product liability, general liability and property coverages.

Halcyon Underwriters Inc. is a wholesaler to 200 agencies in Florida, Georgia and Alabama. It specializes in umbrella policies and inland marine coverage and last year placed $7 million in premiums.

United Self-Insured Services administers workers compensation coverage for 2,000 self-insured employers with a combined payroll of $1.5 billion.

Poe & Brown Benefits Inc. is an employee benefits consultant and third-party administrator of self-insured employee benefit plans. It had revenues of $4.8 million in 1993.

The cash compensation received in 1993 by the highest-paid officers of the brokerage, according to the company's proxy statement filed with the Securities and Exchange Commission, follows:

J. Hyatt Brown	$549,306
William F. Poe Sr.	$370,000
Bruce G. Geer	$235,000
Kenneth E. Hill	$506,938
Jim W. Henderson	$294,720

—By Gavin Souter

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Cie. Europeenne de Courtage d'Assurances et de Reassurances

75 Rue de Tocqueville, 75850 Paris Cedex 17 France; 3314-415-5500; fax: 3314-415-9301

	1993	1992
Premium volume	N/A	N/A
Gross revenues	$98,880,000	$94,520,000
Brokerage: Retail	80.5%	82%
Wholesale	1%	1%
Reinsurance	3%	3%
Personal Lines	4%	4%
Services	3%	2%
Investment Income	8.5%	8%
Employees	583	550
Rev./employee	$169,605	$171,855
Offices	47	47

Converted at applicable exchange rates.

A large drawing of a greyhound racing at full speed adorns a wall in the Paris office CECAR, one of France's largest brokers.

The image is an appropriate illustration of the aggressive and determined nature of the brokerage, as well as Co-Presidents Philippe Carle and Philippe Faure and its team of more than 580 employees.

Their grit has resulted in exponential growth in gross revenues to 560 million French francs last year from only 15.4 million when the company began two decades earlier. The 1993 gross revenues marked an 11.9% increase from 1992 revenues of 500.4 million francs.

In dollar terms, based on average exchange rates, CECAR's revenues increased 4.6% to $98.9 million from $94.5 million in 1992, bringing CECAR for the first time into the ranks of the world's largest brokerages at No. 18 in *Business Insurance*'s annual rankings.

Many factors contribute to the success of CECAR, which stands for Cie. Europeenne de Courtage d'Assurances et de Reassurances.

One advantage is shareholders that also are clients.

CECAR is 51% owned by a group known as CECAR Participation. Of that 51%, the French banking conglomerate Suez Group owns 25%, French chemical giant Rhone-Poulenc owns 5% and the group's directors and management own 70%.

The other 49% of the company is owned by: two major French clients in the oil and gas field, Elf Aquitaine and TOTAL S.A., each with 4%; British conglomerate Inchcape P.L.C., which owns 25% and also is parent of broker Bain Hogg Group; and the Carle family and directors, who own 16%.

Being French and supported by major oil companies like Elf Aquitaine and TOTAL, "we have a real good image in the energy field worldwide because it means we have by far the strongest energy (brokerage) capability in France," said Mr. Carle.

CECAR has 30 people in its energy division, which is headed by Director of Energy Jean-Pierre Corval. Nearly all of Elf Aquitaine's property/casualty coverage is placed by the division, and TOTAL also is a major client. The energy division also places facultative reinsurance in the French market for overseas clients like Argentine oil refineries.

The shareholders also provide real opportunities "when you want some connection in the French financial community, because TOTAL and Elf have many, many subsidiaries who hold small (financial) interests in other big groups. So that helps to illustrate that we are serious because we are owned by Suez and TOTAL and Elf," Mr. Carle said.

Shareholder Inchcape also realizes that "if you want to work in France, at least for the time being you have to be French," said Mr. Carle. Inchcape may increase its shareholding in the company but is expected to leave the control of CECAR to its existing French management.

Another reason the business has thrived is that CECAR has decided to focus on being the "best" in select areas, rather than all things to all clients. The broker targets as potential clients the leading multinational companies in their respective industries and pitches hard for their business. Then the group provides whatever is necessary for clients globally.

"That's CECAR. We are convinced that in life if you want something and you work for that objective. . .you get it," said Mr. Carle.

As a result, the group claims to control 75% to 80% of the multinational liability insurance programs in France and is considered the leading French liability insurance broker, he said.

The French liability market was very flexible until this year when underwriters decided to exclude pollution coverage. Last year, CECAR could find $20 million to $40 million in gradual pollution coverage, even for the U.S. subsidiaries of French companies.

"Today, that is almost impossible," said Mr. Carle. "But CECAR could find a solution. If there is a case, we will study it. It's never impossible for CECAR."

CECAR also provides: reinsurance brokerage through subsidiary CECAR Re; risk management consulting through subsidiary Sagitere; credit/political risk insurance through CECAR-Assurances & Finances; medical expenses management through subsidiary Elysees Prevoyance Gestion; captive management through Luxembourg-based subsidiary Sogecore; and life and pensions through subsidiary PRIM S.A.

Altogether, CECAR boasts that it has more than 2,000 clients, which include such big names as Elf Aquitaine, TOTAL, Suez, Rhone-Poulenc, French automaker Renault, leading French industrial group Pechiney CIP, champagne producer Moet & Chandon and French telecommunication firm Matra S.A. CECAR also was the broker for the banks that financed Eurotunnel.

The company's success is "only a question of will," said Mr. Carle. "We are determined to be the best in some areas, so we invest in those areas. In the energy area, it took four years' work—we had to hire people, send them around the world, look at markets to gain a good relationship with underwriters and see what kind of added value we could provide."

CECAR also is using this formula to try to become one of the leading French brokers in the aviation/aerospace business.

CECAR believes that 'if you want something and you work for that objective. . .you get it,' says Philippe Carle.

Four years ago, CECAR placed $20 million in aerospace-related premiums.

Three years ago, CECAR submitted quotes for Air France's business because "in order to be well-known in the aerospace and the aeronautical market, one objective is to be the broker for Air France," said Mr. Carle.

The first quote was turned down. However, last year, when Air France appointed a new chairman, CECAR tried again with a proposal that would save $1 million. As a result, CECAR became one of the co-brokers for Air France along with existing broker Societe Generale de Courtage d'Assurances, he said.

"So now we start to be well-known in the airline business. And, of course, with our network, as we travel we try to offer the French aviation capacity worldwide," he said.

What CECAR really wants now is to be the broker for Arianespace, the French-based satellite launch organization owned by the European Space Agency.

Arianespace's current broker is Faugere & Jutheau S.A., but a few years ago privately held F&G was acquired by Marsh & McLennan Cos. Inc. (*BI*, Feb. 10, 1992). The acquisition by M&M gives CECAR a "superb" opportunity to bid for Arianespace's business, according to Mr. Carle.

"I respect Marsh & McLennan, but the way in which the sale has been so sudden means they can't avoid a reaction from the French market. Ariane, which is a European space program, is now placed by (U.S.-based) Marsh & McLennan. So for us, we have some opportunities to explain that, politically, economically and, if we have the expertise, try CECAR," he explained.

"But we are not the only French broker who plays that game," he added.

CECAR recruited three aerospace engineers three years ago and is prepared to take on the expense without the business from Ariane for three or four more years to provide the expertise Ariane needs. "It's the way we work," said Mr. Carle. "Our bet is to have the return on that. If we can provide a real original approach for Ariane, they will respect us."

CECAR also is expanding its employee benefit consulting since benefits, including private pensions, are a major growth area in France. The broker has hired four people, including two actuaries, to provide the service.

Altogether, 30% of CECAR's 1993 revenues are from property programs, 25% from liability, 16% from marine and inland transit, 13% technical risks/construction; 10% life/personal accident; and 6% auto.

From its beginning, CECAR also has had relationships with overseas brokers.

CECAR was formed at the end of 1972, when two family-owned brokers, Cabinet Bouly and Cabinet Carle, merged and the Suez Group took a 10% stake. The two family firms ended up with a 30% stake each and the other 30% was held by companies that are now part of Sedgwick Group P.L.C.

CECAR ended its relationship with Sedgwick in 1978 and two years later asked Alexander & Alexander Services Inc. to join the firm with a 21% interest. In 1985, A&A acquired Reed Stenhouse Inc., which owned 49% of SGCA in France.

CECAR tried to merge with SGCA but decided to "remain under French control," said Mr. Carle. A&A sold its CECAR stake to the Suez Group.

French risk managers became concerned about the constant switch from one overseas broker to another, Mr. Carle acknowledged.

As a result, at the end of 1989, CECAR had a management buyout by 70 employees. The management set up CECAR Participation, which controlled 51% of CECAR. CECAR Participation originally was 70% owned by management—mainly the Bouly and Carle families—and 30% by Suez. The remaining 49% stake in CECAR was held by the Bouly family, with 34%, and the Carle family, with 15%.

When former CECAR Chairman Jean-Francois Bouly decided to retire, the Bouly family's 34% stake was sold. In August 1992, CECAR's capital was restructured to include two new shareholders, Elf Acquitane and Inchcape. Inchcape's French subsidiary, Rouge Clarkson, became a unit of CECAR.

In June 1993, Rhone Poulenc acquired its stake in CECAR Participation.

CECAR's major growth, however, occurred when Elf Aquitaine moved all of its property/casualty coverage to the group for three years beginning Jan. 1, 1990.

CECAR's 1990 revenues jumped 97% to 302 million francs ($59.3 million) from 186 million francs ($36.5 million) in 1989. Revenues climbed further in 1991, to 370 million ($71.5 million) and to 500.4 million ($94.5 million) in 1992.

CECAR has subsidiaries and offices in: Spain; Portugal; Italy; Belgium; Germany; Hong Kong, through CECAR Inchcape Asia Ltd.; and in Brazil. The group also has a Paris-based company, Owa Insurance Services, that provides expertise for Japanese companies in France.

—By Stacy Shapiro

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ABN-AMRO Verzekeringen B.V.

Bernhardstraat 1,
Zwolle, The Netherlands;
31-38-992106; fax: 31-38-225948

	1993	1992
Premium volume	$688,640,000	$921,677,400
Gross revenues	$123,686,200	$170,812,800
Brokerage: Retail	56%	54%
Wholesale	2%	3%
Personal lines	30%	28%
Services	7%	7%
Investment income	5%	8%
Employees	1,400	1,500
Rev./Employee	$88,347	$113,875
Offices	33	33

Converted at applicable exchange rates.

ABN-AMRO Verzekeringen B.V. is hoping to put a difficult year behind it and strengthen its reputation as the Little Big Man among the world's largest brokers.

The Dutch brokerage continues to rank among the world's leading brokers, despite a relatively small number of global clients and a decline in gross revenues last year.

Zwolle, Netherlands-based ABN-AMRO primarily serves an extensive base of small and middle-sized commercial clients.

In a country where insurance brokering is dominated by banks, ABN-AMRO profits from its ties to ABN-AMRO Bank N.V., its parent. Between 15%-20% of ABN-AMRO Bank's customers are currently clients of its brokerage subsidiary.

"The bank's reputation is an enormous advantage," said Hans Bosman, senior vp and director of commercial lines brokerage. "When political or economic events change the market, trust is an important factor. Since 70% of Dutch corporations are clients of the bank, they trust us to find reliable solutions."

Political and economic events in the Netherlands did hurt the insurance market last year.

1992 tax regulations that sharply reduced—to 5,000 guilders from 17,000 guilders—the amount of life insurance premiums that are tax deductible dampened consumer demand for the coverage (*BI*, July 5, 1993).

This was largely to blame for the 8.5% decline in premiums placed by ABN-AMRO to 1.28 billion guilders ($688.6 million) last year from 1.4 billion guilders ($921.7 million) a year earlier.

ABN-AMRO saw revenues drop 11.3% to 229.9 million guilders in 1993 from 259.2 million guilders in 1992. That came on the heels of 2.3% decline in revenues between 1991 and 1992.

Converted to dollars, the drop was even sharper as revenues fell 27.6% to $123.7 million in 1993 from $171.3 million in 1992. As a result, ABN-AMRO slipped to the No. 17 spot in the *Business Insurance* ranking from No. 15 a year ago.

"We feel the worst will soon be over," Mr. Bosman said. "We've adjusted our business to a different cycle. We don't earn as much with personal lines as we used to, but business has leveled out. Now it's a matter of getting new business under different conditions," he explained.

While the tax changes and economic recession depressed some businesses in the Netherlands, a broad government privatization program gave ABN-AMRO many new clients in 1993. Many public entities last year wrestled with property/casualty insurance problems for the first time and turned to ABN-AMRO for assistance, according to Mr. Bosman.

"Privatization affected everything from fire departments to colleges," he said. "Since public entities dealt with the bank already, they came to us when they confronted new insurance problems. It's been a major growth factor, and we expect a lot of business in the future."

Last year, the Netherlands's 10 largest trade colleges and various newly privatized public service agencies of 26 municipalities became ABN-AMRO clients.

The majority of ABN-AMRO's clients are small and mid-sized Dutch businesses. The broker's largest client by commissions does not exceed 300,000 guilders ($161,400).

But with 60,000 clients, the broker makes up in numbers what it lacks in large accounts.

"We're seen as the caretaker of small companies with 10 to 50 employees," Mr. Bosman explained.

To cost-effectively serve that number of clients, ABN-AMRO has relied extensively on automation, which eliminates a lot of the time-consuming risk analysis of client operations.

"It's an artificial intelligence-oriented software program, which cuts out unnecessary questioning and helps hinder a wrong turn. It's logical that we can't afford to spend a lot of time with the bulk of our clients," Mr. Bosman said.

Beyond streamlining its own processes, Mr. Bosman said ABN-AMRO also has a reputation among its small commercial clients for simplifying what could be complex insurance solutions.

"A small commercial client doesn't need 10 brokers with 10 different policies. We do a lot of business with clients, who need the right multiperil insurance package. It saves them money, administration and problems," he said.

With the Dutch economy in a slump, Mr. Bosman admits 1993 was a difficult year for the brokerage. "We have several factors affecting our clients," he said.

"At year-end renewals, property and casualty rates were up 20% on average, and insurers also reduced coverage. It was hard for our clients, who found themselves faced with difficult choices. In many cases, we had to start from scratch" and place coverage with new insurers to get better terms, he said.

"It was a hell of job, but we got an early start. We negotiated rates in September, while much of the competition waited until December. Their clients had no choice...we don't do that," he said.

"In the end, we get more new business from somebody else's unsatisfied customer than we lose," he said.

One area in which ABN-AMRO lost business last year was marine and cargo insurance. "It was a very difficult year in marine," said Mr. Bosman.

"Because of the poor economy, companies wanted lower rates than we could get them...some clients went elsewhere," he said.

But in other lines, business was strong.

Mr. Bosman said that some of ABN-AMRO's strongest growth last year was in brokering commercial casualty insurance coverages.

"European Union directives and changing national regulations have increased companies' liability in many areas, particularly in terms of environmental and product liability," Mr. Bosman explained. "We also have been particularly active in areas of medical liability."

'We're seen as the caretaker of small companies with 10 to 50 employees,' says ABN-AMRO's Hans Bosman.

However, the broker last year encountered trouble finding clients adequate capacity for these lines of insurance.

"Lloyd's doesn't provide the capacity we need, but neither do other reinsurers. We have a situation in which big hospitals can't renew a liability policy (with the same limits) because of capacity problems," Mr. Bosman said.

In addition to scrambling to meet the needs of existing clients, ABN-AMRO also found new business growth meeting the unique coverage needs of manufacturers.

The brokerage gained a major client in Dutch-based appliance manufacturer Miele, which was able to give a 10-year guarantee on its products as a result of insurance coverage placed by ABN-AMRO.

In addition, Mr. Bosman said product liability, product recall insurance and business interruption insurance coverages are in demand among manufacturing companies.

"The problem for companies is not replacing the product. It is the side-effects, like consequential losses, should production be stopped," he said.

In addition, Mr. Bosman noted that "consumers are more critical of products than ever before. For that reason, product liability insurance and guarantee insurance are something companies need and they look to us for solutions."

The Dutch broker last year also continued to enhance its reputation as a specialist in fine arts insurance for international exhibitions. Last year's highlights include placing insurance for a German/Russian impressionism exhibition, "Morozov and Shchukin—The Collectors" at the Folkwang Museum in Essen, Germany.

This year, it placed $700 million of coverage for a retrospective of the Dutch painter Piet Mondrian's work that will be shown in The Hague, New York and Washington.

"The local market is sometimes a problem," Mr. Bosman said of placing coverage for international exhibitions. "In Spain, we found we couldn't get some of our demands met for political reasons. A local museum insisted on using a local broker. But generally, I'd say business is still going strong."

Meanwhile, ABN-AMRO's employee benefits business profited last year from a trend in Dutch labor negotiations of providing additional benefits as a trade off for lower wage increases.

"In the food industry, for example, we saw zero growth in wages, but substantially more benefits. When that happens, companies want a good plan with as much flexibility as possible. It's a good development for us," Mr. Bosman observed.

ABN-AMRO shares its employee benefit business with fellow bank subsidiary Consultas, which generally administers large employee benefit accounts. But Mr. Bosman believes the firms' operations have converged.

"In the Netherlands, brokerages normally administer smaller accounts under 2 million guilders ($1.1 million), but we decided it was too restrictive. Now, if a client wants a group health care or life insurance plan, we can accommodate" because of the broker's ties to Consultas, he said.

Overall, the broker derived 56% of its gross revenues last year from commercial retail brokerage, up from 54% in 1992.

Personal lines brokerage contributed 30% of the brokers's gross revenues last year, up from 28% in 1992. Although revenues from life insurance sales declined, increases in auto and homeowners coverage business were responsible for the increase in personal lines revenue.

Wholesale brokerage accounted for 2% of revenues, compared with 3% in 1992, and services produced 7% of revenues, unchanged from 1992 levels.

While ABN-AMRO's bread and butter is its stable of smaller domestic accounts, the company also depends on international businesses for revenues.

"Today, it's hard to make a distinction between a national and international company. Many Dutch companies depend on exports and they have branches in Germany and France," Mr. Bosman noted.

ABN-AMRO responds to the needs of its 200 large national clients with a program called "Dutch Link," which analyzes a company's domestic and international risks and offers coverage solutions. It also uses its ties to associate brokers outside the Netherlands to cover its clients' needs abroad.

ABN-AMRO has cooperation agreements with Sedgwick Group P.L.C. and Willis Corroon Group P.L.C. in the United Kingdom, Jauch & Huebener KGaA in Germany and Faugere & Jutheau, a unit of Marsh & McLennan Cos. Inc., in France.

The brokerage did not make any acquisitions in 1993 and doesn't plan any in the immediate future.

"We have the biggest possible merger you can imagine just behind us," said Mr. Bosman, referring to the merger of Dutch banks Algemeine Bank Nederland and Amsterdam-Rotterdam Bank, in 1991, which led to the broker's formation.

"We need some time to adjust to that."

In addition to Mr. Bosman, other executive officers of the broker include K. van der Velde, L. van Herk and B. Wapstra. Former General Director Edward James left the company in 1993 to assume a position as director of ABN-AMRO interbank services, which sells banking products through insurance agents.

—*By Don Lewis Kirk*

Continued from previous page
U.S. and international markets.

About half of the coverage was placed in the U.S. market, led by CIGNA Corp., and Becher & Carlson contracted with Lowndes Lambert to complete the program in London and international markets.

Other big accounts for Lowndes Lambert include placing property/casualty coverage for the Sydney Harbour Tunnel. The U.K. broker's Australian office was involved in both construction and operational phases of the Sydney Harbour Tunnel.

Even though the broker is proud of its list of big ticket clients, the bulk of Lowndes Lambert's business is made up of "medium-sized" companies, which spend between 150,000 and 750,000 pounds ($225,750 and $1.1 million) in premiums annually, he said.

Lowndes Lambert derived 64% of gross revenues from commercial retail clients in 1993, up one percentage point from the 1992 figure.

Wholesale brokerage business accounted for 19% of revenues, up from 16%; reinsurance brokerage generated 10%, down from 14%; and personal lines accounted for only 2%, unchanged from a year earlier. Investment income accounted for the remainder of the revenues.

All U.K. divisions increased revenues last year, with the Norex acquisition giving an added boost to U.K. commercial and marine accounts.

U.K. revenues increased by 37.5% between 1993 and 1994 in a market that continues to experience falling rates and increasing retentions.

The marine division, which includes oil & energy, hull, cargo and aviation, increased revenues by 21% last year.

The firm's professional indemnity division, which specializes in architects errors and omissions coverage but has recently expanded into other areas, turned in a 12% increase in revenues.

The North American division, which brokers standard wholesale property and casualty business plus fine art and jewelers block, increased revenues by 7%. The international division increased revenues by 10%.

By client location, 47% of the business came from the United Kingdom, followed by continental Europe, with 22%; North America, 16%; and Australasia, 15%.

Revenues increased 5% last year in Australia, where Lowndes Lambert Australia Ltd. is the second largest Australian broker with eight offices.

Other Lowndes Lambert offices in the Far East are in Hong Kong, Malaysia and Papua New Guinea.

Lowndes Lambert increased its staff by 172 in 1993, bringing its total to 1,668. Revenue per employee increased to 49,918 pounds ($80,661) last year from 47,644 pounds ($75,126) in 1992.

Apart from two U.S. subsidiaries—AmBrit International, an oil and energy insurance broker in Houston, and Edward Lloyd, a reinsurance intermediary—Lowndes Lambert's U.S. business is entirely wholesale and Mr. Shaw is happy for it to stay that way for the time being.

"The big differences between us and some of the other London brokers is that we have no retail presence in the U.S. We made a conscious strategic decision not to try and do that for the reasons which have become apparent since," said Mr. Shaw.

"It's very difficult to manage that kind of operation where a number of shops are spread around the place. It is not a good time to be in retail business in the U.S. anyway," he said.

"Stick to what you know and do it well" is Lowndes Lambert's formula, explained Mr. Shaw. "For example, we have a comparatively small aviation operation and we consciously do not try to attack major airlines because we are not geared to do that."

Nevertheless, Mr. Shaw stressed that the company's medium-size does not prevent it from fully servicing clients.

'The big differences between us and some of the other London brokers is that we have no retail presence in the U.S. We made a conscious strategic decision not to try and do that for the reasons which have become apparent since,' says Richard Shaw.

This includes meeting the alternative risk transfer needs of its clients, he added.

The company has captive management operations in Guernsey, the Isle of Man and in Bermuda, the latter through an arrangement with Rollins Hudig Hall Group Inc.

The key role of the broker is still to find the best coverage at the best price and no amount of risk consulting or other services is going to change that, Mr. Shaw said.

"The days of non-fee based business for the very large clients are really a thing of the past and so to that extent we are more consultants than brokers. We don't like to use that expression because we still believe that the primary objective is to get a very good program together at the very best price and so the broking capability of the team is paramount and hopefully always will be," said Mr. Shaw.

—By Adrian Ladbury

Spotlight report

Continued from previous page

is taking "a hard look at the offices that just weren't pulling their weight," and may divest itself of those, he said.

The brokerage wants to "concentrate on winners" and to respond more quickly to problems that emerge, said Mr. Hilb.

"We are able to hold on to the business that we've got," he said, adding that the new strategy is paying off in increased business. He stressed, however, that new business would not be generated at the expense of old business.

Mr. Hilb pointed to a program devised by the Amarillo office as the type of business opportunity the brokerage pursues. The program focuses on ostrich farmers.

While freely admitting that most people, himself included, tend to smile in disbelief when told that the broker is placing coverage for ostrich operations, Mr. Hilb said that "Ostriches, to us, are going to be in the next two or three years, $5 million in premiums." Some Texas cattlemen are switching to raising ostriches, he noted. "People look at you and say, ah, what are you talking about?"

The American Ostrich Assn., which endorses the program written by Lloyd's of London syndicates, says in 10 years people will eat as many ostrich burgers as hamburgers. Ostrich meat packs low cholesterol and tastes good, Mr. Hilb said. In addition, there is a ready market for ostrich byproducts such as leather and feathers, he added.

"The kids over here in the international department are specialists in ostrich underwriting," he

HRH is taking 'a hard look at the offices that just weren't pulling their weight' and may divest itself of those, says Robert Hilb.

said with a smile, referring to the four-person international division in Glen Allen. The division's four members "do anything for any office that involves placement of insurance for a U.S. client in a foreign market," said Mr. Hilb.

On a more domestic note, Hilb, Rogal & Hamilton added the Baltimore Orioles to a client list that already includes the National Football League's Pittsburgh Steelers. Hilb places both property and casualty coverages for the O's.

Mr. Hilb says he isn't pursuing major league sports business, a limited and competitive market segment, but adds that big name clients are nice to have.

The company is also stressing specialization, he said. For example, half a dozen or so offices deal heavily in surety bonds and Hilb, Rogal & Hamilton is trying to tie their efforts together.

The broker also altered its management structure last October by reducing its operating group to six people from 10. The old structure included seven presidents of various Hilb, Rogal & Hamilton offices.

Mr. Hilb said he felt that the old structure was "diluting" the regional office presidents' ability to sell. The new team consists of Mr. Hilb; John C. Adams Jr. and Andrew L. Rogal, both executive vps; Timothy J. Korman, senior vp-finance and treasurer; Dianne F. Fox, senior vp-administration and secretary; and Ronald J. Schexnaydre, senior vp.

Looking ahead, Mr. Hilb said that the company would like to establish a presence in the Pacific Northwest but hasn't found the appropriate acquisition.

"We feel it would complete our image of a national organization."

In addition, the broker would "probably" would like to enter the international marketplace as a long-term goal, he said. He cautioned, though, that the company is "not adept enough to understand the workings of" other countries' insurance laws.

"We won't go into anything that will endanger more than 5% or 6% of our assets," he said.

In addition to the members of the operating group, Hilb, Rogal & Hamilton's principal officers include Carolyn Jones, vp and controller; Walter L. Smith, vp, general counsel and assistant secretary; Vincent P. Howley, vp-audit; and Ann B. Davis, vp-human resources.

The cash compensation, including salaries and bonuses, received in 1993 by the five highest-paid officers of the brokerage, according to the company's proxy statement, follows:

Robert H. Hilb	$480,000
Andrew L. Rogal	$306,000
John C. Adams Jr	$296,000
Ronald J. Schexnaydre	$183,333
Timothy J. Korman	$128,667

—*By Mark Hofmann*

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Lowndes Lambert Group Holdings P.L.C.

Lowndes Lambert House,
53 Eastcheap, London EC3P 3HL;
071-283-2000; fax: 071-283-1927

	1993	1992
Premium volume	$1.66 billion	$1.69 billion
Gross revnues	$125,310,815	$120,668,575
Brokerage: Retail	64%	63%
Wholesale	19%	16%
Reinsurance	10%	14%
Investment income	5%	5%
Employees	1,668	1,496
Rev./Employee	$75,126	$80,661
Offices	60	60

Converted at applicable exchange rates. Fiscal year ends March 31.

"It's been a good, solid year in spite of market difficulties," sums up Lowndes Lambert Group Ltd. Chairman Richard Shaw.

With a "good spread" of business across major property/casualty lines, the London-based broker has increased revenues and profits for the third consecutive year since it was floated on the London stock exchange in July 1991, he said.

Lowndes Lambert has proved its strength in a range of selected core areas like international construction and energy and marine risks, which enables it to compete with the major brokerages and come out ahead, Mr. Shaw said.

In addition, there is still plenty of room for a broker the size of Lowndes Lambert to grow, he added.

"How do we grow? That's very easy. When you have a relatively small market share there is always plenty of room for growth, especially if you are hiring very good people," he said.

Mr. Shaw also contends that the basic demand for quality coverage at the right price still drives the market and should be a broker's main focus. Providing services like risk management consulting is also an increasingly important area for brokers, he said. But, such services should not be used merely as "padding," he added.

Gross revenues climbed steadily in all the company's core business lines, rising 16.8% to 83.3 million pounds as of March 31, from 71.3 million pounds a year earlier. Converted to dollars, gross revenues were $125.3 million in fiscal 1993, which earned it the No. 16 spot in the *Business Insurance* ranking of the world's largest brokers. That's up 3.8% from $120.7 million and the No. 19 spot last year. Lowndes Lambert's revenues this year include its May 1993 acquisition of the brokerage and financial services operation of Norex P.L.C. (*BI*, July 5, 1993). Norex was fully integrated into the group last September and contributed 1.6 million pounds ($2.4 million) to operating profit.

So far this year, the broker acquired a 20% stake in Belgian broker Thibault Colson de Nef.

And, late last month it announced the acquisition of broker Whitely Henshaw Hindle, a Lloyd's broker that specializes in life and health insurance, for 4.65 million pounds ($7 million).

Lowndes Lambert last year closed one office in the United Kingdom and one in France, while opening a new office in Finland and one in Norway. Thus, the number of offices stands at 60.

In addition to acquisitions, internal developments contributed to Lowndes Lambert's growth.

The broker in May created a new division—Lowndes Lambert Credit & Political Risks Ltd.—to handle its fast growing book of domestic and export credit risks.

Lowndes Lambert also is a specialist in global construction business. Earlier this year it merged its dedicated construction unit, Lowndes Lambert Construction Ltd., with its international division, Lowndes Lambert International. The company hopes the merger will help foster more cross-selling of business across the group.

Mr. Shaw said that new business won in Russia, the Caribbean and South America already has borne out the logic behind this move.

The company also has a dedicated professional liability division. The division's profits increased 20% on the back of increased rates, new business and successful diversification away from its core business finding coverage for architects and in tough market conditions in the United Kingdom.

Lowndes Lambert's "solid" year was reported amid hot takeover talk in London following the decision by Bain Clarkson P.L.C.'s parent Inchcape P.L.C. to buy out rival London broker Hogg Group P.L.C. (see story, page 35).

Some observers contend that space is becoming very tight in the global brokerage community for medium-sized players, which could lead to further consolidation in the industry as firms try to achieve economies of scale. The theory goes that brokers have to be big enough to satisfy the ever demanding needs of bigger, more geographically diverse and sophisticated buyers and risk managers.

But this is not a new phenomenon, and Lowndes Lambert is not sitting on its hands waiting to be purchased.

According to William Wilks, finance director, Lowndes Lambert is more likely to be the hunter rather than the prey.

He said that Lowndes Lambert has plenty of money in the bank and has the approval of its shareholders to carry out additional—and larger—acquisitions if they make sense.

"We are constantly looking for suitable things and are quite happy to make a large purchase. We have discussed this with our shareholders who support us in this," said Mr. Wilks.

Another factor that makes it less likely Lowndes Lambert would be a takeover target, Mr. Shaw pointed out, is that the brokerage's directors are also its major shareholders.

However, Mr. Shaw does not believe that to win and keep big clients a broker has to be big itself. He contends that the hands-on service from top managers and flexibility offered by a broker the size of Lowndes Lambert allows it to win business against much larger opposition.

For example, in mid-June, Lowndes Lambert successfully completed the placement of the non-U.S. elements of a massive property insurance program for KamAZ, based in the Commonwealth of Independent States and one of the world's biggest truck manufacturers.

The plant employs about 150,000 people, is valued at $4.6 billion, is spread over nearly 23 square miles and manufactures 90,000 trucks a year.

KamAz hired U.S. broker Becher & Carlson to place the coverage for up to $500 million. Local CIS insurers have taken small lines of the KamAZ risk, but the majority was placed in the

Continued on next page

15

Hilb, Rogal & Hamilton Co.

4235 Innslake Drive,
P.O. Box 1220, Glen Allen, Va.
23060-1220; 804-747-6500;
fax: 804-747-6046

	1993	1992*
Premium volume	**$925,000,000**	$900,000,000
Gross revenues	**$134,953,833**	$134,429,053
Brokerage: Retail	**73%**	73%
Personal lines	**17%**	16%
Services	**7%**	8%
Investment Income	**3%**	3%
Employees	**1,640**	1,550
Rev./Employee	**$82,289**	$86,728
Offices	**52**	52

* Restated.

To most people, an ostrich is a large flightless bird with a propensity for hiding its head in the sand. For Robert H. Hilb, who is always on the lookout for new business, an ostrich is synonymous with opportunity.

In fact, serving as broker to Texas ostrich breeders will mean $5 million in annual premium for Hilb, Rogal & Hamilton Co. within a few years, predicts Mr. Hilb, chairman, president and chief executive officer of the brokerage.

And ostriches weren't the only birds in the picture last year for Hilb, Rogal & Hamilton, as the broker added the Baltimore Orioles to its list of clients.

Despite new business opportunities like these, Mr. Hilb describes 1993 as a year without "huge highlights—it was just a very, very difficult year."

To meet the challenge of another year of soft insurance markets, Hilb, Rogal & Hamilton placed a greater emphasis on generating new business while continuing to follow its traditional strategy of growth through acquisitions and mergers. Hilb acquired nine agencies between April 1, 1993, and Jan. 1, 1994.

The acquisitions are located in Palm Desert, Palm Springs, Sacramento, San Diego and San Francisco, Calif.; Denver; Grand Rapids, Mich.; Oklahoma City; and Dallas. The San Diego acquisition was merged into Hilb, Rogal & Hamilton's existing office there and then sold a few weeks ago.

All acquisition activity stopped for about three months in early 1993, as the brokerage made a secondary stock offering. But with the $22 million raised in that offering, the company was soon back in the acquisition business.

Hilb, Rogal & Hamilton Co.'s share price ranged from $11.38 to $16.88 in 1993. It traded at $11.75 on July 8.

"We must have done something right. We seem to make some money," said Mr. Hilb.

Even though revenues were almost flat—$135 million in 1993 compared with $134.4 million a year earlier—Hilb moved up three notches in the *Business Insurance* Top 20 broker rankings to No. 15. As in 1992, commercial retail brokerage accounted for 73% of revenues.

Net income dropped 3.4% to $8.4 million from $8.7 million in 1992. Net income per share was off 11.6% to 61 cents from restated 69 cents.

Gross revenues, net income and earnings per share in 1992 were restated to reflect 1993 acquisitions that were accounted for as a pooling of interest.

Revenues in the first quarter of 1994 increased slightly—to $37.59 million from $37.36 million in the period in 1993—according to unaudited results filed with the Securities and Exchange Commission. And first-quarter net income rose 17.4% to $4.52 million.

"We really haven't changed that dramatically," said Mr. Hilb.

"We look for opportunities. We're primarily interested in merging, acquisitions, that's our No. 1 choice. We'll take on some new locations," but generally not more than four or five in a given year, he said.

When the company acquires small offices in the same city, it often merges them into a single entity. Those mergers are handled carefully, though, to avoid disruptions of operations.

Hilb Rogal & Hamilton currently operates in 18 states and the District of Columbia. Most offices are in mid-sized cities like Grand Rapids, Mich., or Amarillo, Texas, although there are Atlanta and Pittsburgh offices, as well.

"Our competition usually are the decent-sized local agents, a few regional agents and, once in a while, a major (national brokerage)," said Mr. Hilb. "In many cases, we are the competition—we are the game in town."

Hilb, Rogal & Hamilton continues to target accounts that generate premiums of $25,000 to $500,000 in any industry.

It was not acquisition at Hilb during the past year, though. The company also divested itself of a losing proposition: two third-party administrator subsidiaries that were plagued by computer problems. The broker sold the TPA operations in Savannah, Ga., and Charleston, S.C., to Miami-based John Alden Life Insurance Co. for $5 million earlier this year.

Mr. Hilb said that computer glitches sealed the decision to sell the company's TPA operations.

"We had converted the TPA from a staid old computer system to what we thought was a state-of-the-art, cutting edge systems as they advertised and, of course, it didn't work. It didn't do the things it was supposed to do and it was so bad we had to go back to the old system," said Mr. Hilb.

Rather than put millions more into a new system, Hilb sold the operation.

In addition, Hilb, Rogal & Hamilton is withdrawing from a few markets that proved not to be profitable. A Hartford, Conn., office was sold this spring, the San Diego office a few weeks ago and the Memphis office on June 29.

Hilb, Rogal & Hamilton last year continued to stress its long-held strategy of maintaining a competitive edge through cost-cutting, Mr. Hilb said.

Total operating expenses rose less than 1%—to $121.8 million in 1993 from 1992's $120.8 million—and compensation and employee benefit costs remained flat at $77.6 million.

"During the latter part of last year, we determined that there were a number of folks who'd merged with us who weren't pulling their weight, so we had to go in and re-evaluate those folks. In most cases, these were folks that we had really made so well-to-do that they weren't as hungry as they were before and they weren't as aggressive as they were before in chasing new business," said Mr. Hilb.

The broker has responded by creating a long-range plan to "redirect" sales efforts to generating new business. And, the company

Continued on next page

Banker sees new insurer financing options

By JUDY GREENWALD

Bank financing is once again a viable way for insurance companies to raise capital, but there are steps that insurers can take to enhance their chances of securing financing.

"Today's bank market is pretty much as strong as I've seen it in a long time," said James N. Meehan, managing director and head of the insurance division of Continental Bank in Chicago.

"Banks' portfolios need to be replenished," he said. Banks grew conservative after the 1991 failures of Executive Life Insurance Co. and Mutual Benefit Life Insurance Co., but there have been few problems with insurer lending since.

Furthermore, the successful leveraged buyout of American Re-Insurance Co. in 1992, which involved bank financing, "expanded the horizons of the bank market" and opened doors to some institutions that previously had not spent much time in the insurance business (*BI*, Aug. 24, 1992).

Mr. Meehan spoke at a recent conference in New York on insurance company capital, which was presented by *Business Insurance* and Business Development Associates.

Banks, he noted, are "pretty aggressive," and would like to see their loans repaid in five years, although they will go seven years. Beyond that, bankers must go to credit policy committees for permission." Today, however, some deals could be stretched to about eight years, he added.

Foreign banks have begun to build some expertise in this area, noted Mr. Meehan. "They seem to have a renewed interest (in insurance)."

Among the factors influencing future expectations in the area, he said, are the regulatory environment; rating agencies, which are "playing an increasing role" in how leveraged transactions are put together; and capital availability.

While it is now more difficult to raise money in the public markets, banks "tend to be relatively aggressive lenders," Mr. Meehan noted.

Another factor in securing financing is historical performance and how insurers in general perform.

When banks are deciding whether to back a leveraged life insurance company, they would take into account such factors as:

• **Actuarial valuations.** Banks like to see valuations of historical blocks of business on the books under a range of assumptions. Buyers' and sellers' assumptions can vary considerably.

• **Mortality assumptions.** "You need to be very careful on the assumptions you see on (improved mortality)," he said.

• **Portfolio strategy.** Banks look at the duration and the quality of a portfolio.

• **Ratings sensitivity.** Banks will consider what would happen if there were a downgrade. "People frequently only presume good things will happen," Mr. Meehan said.

And among the issues banks consider in deals for property/casualty insurers are:

• **Reserve strength.** "That over and over again has been the downfall of most problems in that book of business," said Mr. Meehan.

• **Loss covers.** "Nobody that I know of has a good old book," said Mr. Meehan.

• **Environmental liabilities.** What are the environmental issues like asbestos that might be in the property/casualty companies' portfolio? Mr. Meehan asked. Fortune 500 business, he said, is "very scary" for the pre-1986 period. And no one is certain what Congress might do with Superfund reform.

• **Concentration of business.** Mr. Meehan said he sees an "awful lot" of transactions where a company, for instance, only writes automobile coverage in southeast Texas and says it has great returns.

Such niche marketing can backfire. For instance, 20th Century Insurance Co., which was hit badly by the Los Angeles earthquake, is a niche player, but "unfortunately, its niche was California," he said.

Bankers are very, very cautious about that niche vs. concentration strategy, Mr. Meehan said.

Still, 20th Century did obtain bank financing recently, after rising earthquake losses further depleted its reserves (*BI*, July 4).

• **Portfolio strategy.** Although it is "not quite as important" as it is in the annuity business, said Mr. Meehan, bankers like to see portfolios that match the book of business. If an insurer writes all property business, for instance, it should have a long-duration portfolio.

• **Reinsurance recoverables.** What kind of entities reinsure the company and are they secured? asked Mr. Meehan. Banks also closely evaluate incurred-but-not-reported losses because they can interrupt cash flow, he said.

Bankers are not the only ones who look closely at transactions. State regulators are scrutinizing them more closely, too. One particular hot topic is the ability to generate additional capital. Regulators are comfortable if an insurer is going to have more capital at the end of next year than this year. And, if the capital base is growing, then they are "considerably more comfortable," he said. BI

Insurer actions that make bankers nervous

NEW YORK—Bankers have a well-deserved reputation for caution and prudence.

Here are some things that make them uneasy when financing insurance company deals, according to James N. Meehan, managing director and head of the insurance division of Continental Bank Corp. in Chicago.

• **Wrong-headed growth strategies.** In some cases, for instance, insurers suggest that surplus be used to pay debt, although "that seldom flies" with either bankers or regulators, he said.

• **Reliance on market conditions.** This includes things like relying on an initial public offering planned in six months. "These are all contingent strategies," said Mr. Meehan. A deal "should work on its own merits."

• **"Investment enhancement" strategies, with plans to increase the riskiness of the portfolio.** "We're very cautious when someone comes in with an investment enhancement strategy," he said.

• **Expense reductions.** "People come in with expense reductions planned, with no track record in being able to do it," complained Mr. Meehan. This is very difficult to do without a consolidated strategy and a management team in place. Very few companies are capable of telling their claims departments to get rid of 20% its staff when management says it would be unable to pay claims if it did that, he said.

Expense reductions either take longer than anticipated or just don't get done, he said.

• **So-called "niche" strategies.** Some companies say they have a niche "when in reality what they have is a concentration strategy," Mr. Meehan said.

• **Too many products and strategies.** He referred to insurers that "come in with 50 products they're going to deliver to the marketplace." There is not an "incredible surplus of management talent" in the insurance industry, said Mr. Meehan, and whenever this happens, "I'm always a little suspicious of the management talent they might have to execute those."

• **Management delusions.** Some people come in believing that they have assembled the greatest management team in the world, he said, adding he looks on these claims "very, very" cautiously.

—*By Judy Greenwald*

Honors

Continued from page 48F

sional Underwriters Inc.

• Print Advertising to Producers: Best of Show to Wausau; Awards of Excellence to North American Reinsurance Corp. and Hanover Insurance Co.

• Public Relations: Best of Show to Harleysville Insurance Cos.; BF&M Ltd., Aetna, Zurich Canada and CalFarm Insurance.

• Annual Reports: Best of Show to Medical Inter-Insurance Exchange; Awards of Excellence to BF&M Ltd., Royal Insurance Group and Arkwright Mutual Insurance Co.

• Media Advertising, Sales Promotion and Public Relations Materials Directed to Insurance Companies: Best of Show to *Business Insurance* and Policy Management Systems Corp. Two Awards of Excellences were given to *Business Insurance*. BI

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Issue of July 18

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E ☐ Educational Inst
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I ☐ Actry/Consl t
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K ☐ Adj/Apprs
L ☐ TPA
M ☐ Health care Inst
N ☐ Other ____

2. **Number of employees:**
1 ☐ 150 or less
2 ☐ 151 - 499
3 ☐ 500 - 999
4 ☐ 1,000 - 4,999
5 ☐ 5,000 or more
6 ☐ Unknown

3. **My title is best defined as:**
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Insurer Topics

St. Paul wins IMCA's top marketing communications award

By SALLY ROBERTS

Top honors at the recent Insurance Marketing & Communications Assn.'s 24th Annual Showcase Awards for property/casualty insurance advertising and marketing firms went to St. Paul Fire & Marine Insurance Co.

St. Paul won the Sammy Award, which is given to the entry that made the greatest contribution toward insurance marketing communications, as voted by IMCA members.

The top three vote-getters were all within one vote of each other. The other finalists included Fireman's Fund Insurance Co. and Swett & Crawford Group.

In all, 46 awards were given to 29 companies in nine categories:

• Marketing and Sales Promotion Directed to Consumers: Best of Show awards to Podiatry Insurance Co. of America and Wausau Insurance Cos.; Awards of Excellence to Liberty Mutual Insurance Co., General Accident Insurance Group, Citizens Insurance Co. of America, Country Cos., Utica National Insurance Group and CNA Insurance Cos.

• Marketing and Sales Promotions to Agents, Brokers or Company Personnel: Best of Show to Hanover Insurance Co.; Awards of Excellence to Utica National Insurance Group, GRE Insurance Group, Swett & Crawford Group; Commonwealth Risk Services Inc.; and Fireman's Fund Insurance Co.

• Television Advertising: Best of Show to Country Cos.; Awards of Excellence to State Farm Insurance Cos., Zurich Life Insurance Co. of Canada and Aetna Life & Casualty.

• Radio Advertising: Best of Show to Rural Insurance Cos.; Awards of Excellence to CalFarm Insurance Co. and Liberty Mutual.

• Print Advertising Directed to Consumers: Best of Show to St. Paul Fire & Marine Insurance and Universal Underwriters Group; Awards of Excellence to Aetna Life & Casualty, State Farm, Fireman's Fund, Liberty Mutual, Universal Underwriters, Country Cos., and Virginia Profes-

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Ethics

Continued from page 48B

notes that the logo is never to appear with another company's logo on a business card. The manual shows graphically why desktop publishing is not to be used in creating advertising materials: The desktop versions of the logo are blurred and rough around the edges.

The Principal's insistence on tight controls over ad material is designed to make sure that neither its message nor reputation get blurred.

Stringent business ethics are "very much part of our core value. We place enormous emphasis on customer service and treating customers fairly," said Mr. Griswell.

He said that the company has had a business conduct committee since the early 1980s. Career agents are required to sign an ethics statement called "Commitment to Excellence" every year to reinforce their commitment to the company's philosophy.

The company's Business Conduct Task Force was put into place in response to problems in the industry—not specific problems at The Principal—about six months ago, said Mr. Griswell. The task force consists of eight to 10 people who represent a cross-section of operations within the company that would be dealing with agency questions.

The task force looks "at what we are doing to make sure that we're adequately doing things" by going into agencies and reviewing practices, he said. Agencies have "welcomed the audits," he added.

The task force has uncovered no major problems. "We feel fairly good about where we are. You have to be a little cautious when you have a large group of people representing you all over the country," said Mr. Griswell.

Although ethical dealings have always been stressed at The Principal, the problems of MetLife and other life insurers sharpened the focus on ethics, Mr. Griswell said. Every insurer had to look at what happened, he said.

Despite the high-profile tribulations of some insurers, "I personally think the industry is very ethical," he said.

"I don't think this is a systemic problem." BI


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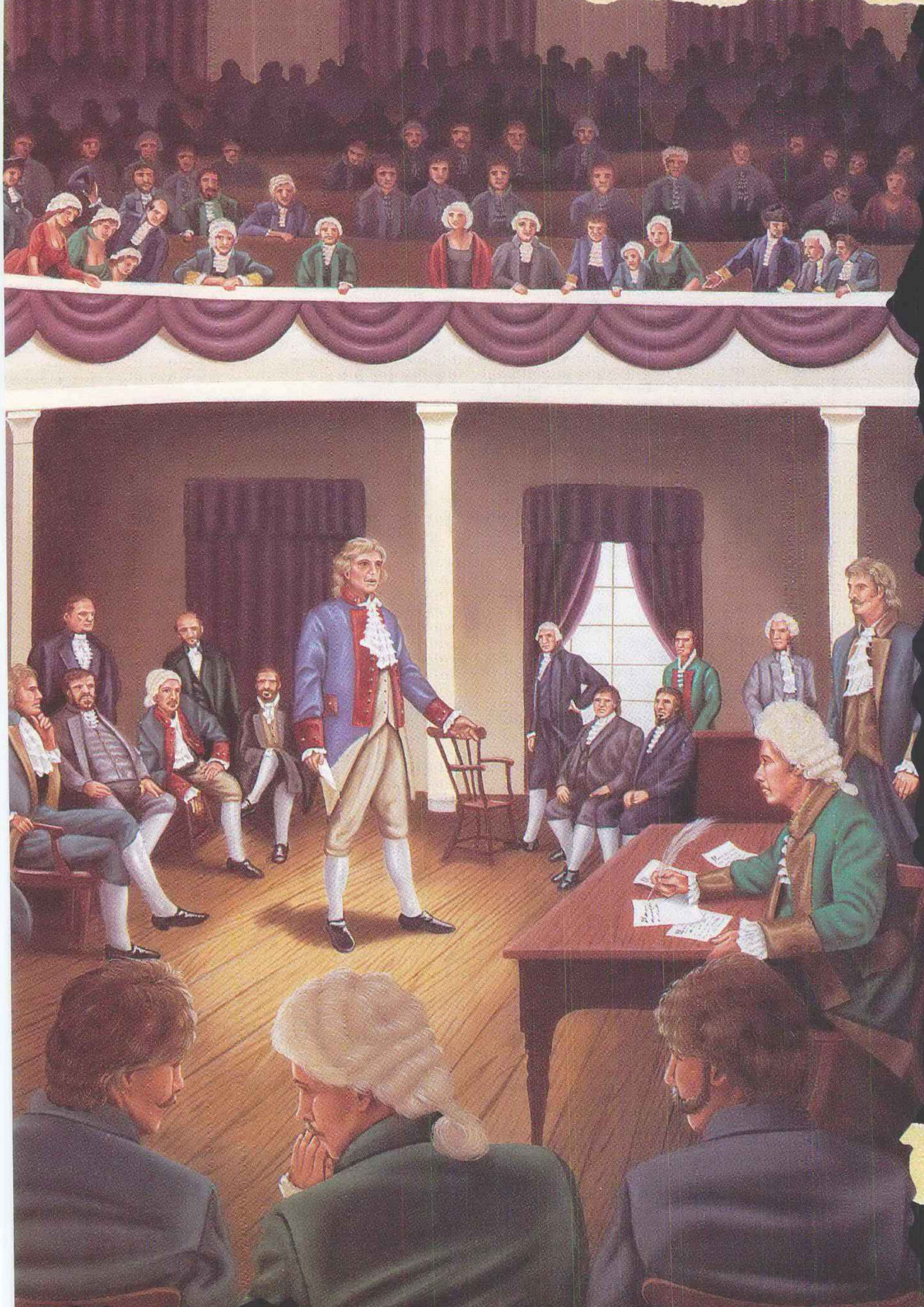

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Insurer Topics

Insurers work with agents to avoid ethical missteps

Agents receptive to marketing advice

By MARK A. HOFMANN

Sometimes, it's the little things that can get a life insurance agent into the biggest trouble.

Maybe the agent's claim about a certain product's performance was a little too sweeping—perhaps downright misleading.

Or maybe saying that a particular service would be provided at "no extra cost" didn't quite tell the whole story. And perhaps that piece of advertising went out into the mail before it cleared the corporate legal department, which would have spotted major regulatory problems if it had the opportunity to review the ad.

It doesn't end with the agent, either, because the agent's troubles quickly become the insurance company's troubles as state regulators start looking into consumer complaints about sales practices.

Just look what happened to New York's Metropolitan Life Insurance Co., which has agreed to pay tens of millions of dollars in fines and restitution to customers because of the sales practices of some now-former agents in its Tampa, Fla., office (*IT*, Jan. 17). In fact, MetLife officials recently had to appear before the House Energy and Commerce Subcommittee on Commerce, Consumer Protection and Competitiveness to explain to a skeptical Chairman Cardiss Collins, D-Ill., just how such a mistake could have occurred.

In an effort to make sure that sort of invitation never arrives at corporate headquarters in Des Moines, Iowa, marketing officers of The Principal Financial Group have been bolstering its internal ethics program, the principles of which date back decades.

In fact, a recently created task force has been visiting The Principal's agencies to make sure that sales practices are up to company standards, said Barry Griswell, senior vp-individual.

"Our marketers welcome (the task force) with open arms," said Mr. Griswell. Rather than being defiant, the agents "understand the serious nature" of the effort, he said.

To reinforce the message, The Principal Mutual Group published a manual for agents about three years ago called, "Say It Right, Write It Right and Stay Out of Trouble." It bears the subtitle: "A Must-Know Manual for Anyone Who Communicates to People Outside The Principal Financial Group."

The manual goes out to all of the insurer's agents, who operate on an exclusive basis, and to the managers of brokerages involved with the insurer's products.

The manual covers a range of pertinent topics, including: the typeface to be used on the insurer's logo; ethical standards for advertising material that mentions competitors; copyright law; the perils of desktop publishing; and words that should never be used in advertising, even if they happen to be true.

For example, the word "all" should be avoided, and "most" used in its place. "Usually" or "generally" are better choices than "always."

The manual also stresses that agents are never to use unapproved advertising. "We do remind people what the rules are," said Mr. Griswell. Preapproved ads are easier for agents to use and, from a compliance standpoint, very helpful to the company in its dealings with regulators, he said.

The Principal's logo is also the subject of several pages that show how it should not be used. The manual

Continued on page 48F

InsurerTopics

A special editorial section sent exclusively to insurers and reinsurers

Marketing to ensure success

Producers' expertise with customers often overlooked by insurers, brokers say

By SALLY ROBERTS

Insurance marketing executives should consult with agents and brokers prior to mass marketing new products and services to get a better grasp of whether they truly fit customers' needs, brokers say.

While some insurers do consult agents and brokers beforehand, many simply let their brokers find out about new products through company brochures, brokers complain.

"What carriers view as an opportunity might be different from what agents and brokers feel is a real true sales opportunity," said Gary Griffith, president and chief executive officer of Hogg Robinson Inc. in Boston. "Insurers need to work with the distribution network up front to hear what they have to say about new products."

"Agents are in effect the ears of the customer—they know what gets customers excited," said Michael B. Henning, executive vp of Acordia Inc. in Indianapolis.

Brokers "know exactly how to present the value of a product to the world," added Thomas W. Knaup, president of the Western region for Near North Insurance Brokers Inc. in Los Angeles.

In addition to consulting with brokers, insurers also should make sure the "internal structure" is solid before embarking on a marketing blitz with a new product or service, Mr. Knaup said.

"Nothing makes you look more foolish than if you can't follow through" on a promise after marketing a new product, he said.

During a session at the recent Insurance Marketing Communication Assn. conference in Montreal, Larry Thompson and Charles W. Gross, both vps at Calco Insurance Brokers & Agents in San Mateo, Calif., suggested several other ways for insurance companies to improve commercial lines marketing to agents and brokers.

Among their suggestions: Commercial insurers should not spend marketing dollars on elaborate pictures and glossy stock for brochures sent to agents and brokers.

"Brokers and agents are very reluctant to use brochures that are heavily company-driven," Mr. Thompson said. Most of the brochures are never seen by the ultimate insurance buyer and end up hidden in drawers because brokers want to maintain an independent stance.

And, because multiple brokers often represent the same insurer, many of the products and brochures are not proprietary, he said.

While brand awareness is important, it's more important after the sale, Mr. Thompson said. Before the sale agents and brokers typically use the brochures to learn about new products, not to market them.

Other brokers suggest that insurers look at other media options, such as using videos, in lieu of brochures.

"Videos offer a much more powerful punch than printed brochures," suggested Hogg's Mr. Griffith, adding, "most insurers have missed this aspect" of marketing.

While the videos won't be used with clients or prospects up front, they are a good tool for in-house training and for explaining a new product to agents or brokers, he said, adding that videos, like brochures, should focus on specific products and types of clients.

Another step in improving marketing communications is using computers, Mr. Griffith said. "I can't keep 250 brochures on my desk, but I can get one computer and get updated material on new products through that."

Near North's Mr. Knaup suggested that insurance companies use the mass media—for instance, by purchasing full-page ads—to highlight their products and to create awareness among potential customers that their product and company exist.

Other brokers disagreed. Insurers should not spend their marketing dollars on advertising to the ultimate insurance buyer, Messrs. Thompson and Gross told attendees at the IMCA meeting.

The insurer's client is the agent or broker, they contend. Therefore, insurers need to sell the product to the agent first, who will in turn sell it the ultimate user. The best advertising in the world will not work if the agent is not on board.

Some brokers suggested that rather than use general advertising, insurers are better off advertising a specific product at a specific time to a specific audience.

Messrs. Thompson and Gross also suggested that insurers can better market to agents and brokers by giving them a specific, unique niche, not a general area of business.

Other brokers say a partnership approach is a great way of doing business.

Agents and brokers have much better luck working with a specific insurer, with a specific market and a specific product, Mr. Griffith said.

Acordia's Mr. Henning suggested that after a broker finds what the customer's needs are, insurers can create a partnership with the broker to help develop a product that meets the client's needs.

Messrs. Thompson and Gross suggested other ways insurers can better market to agents and brokers:

- Instead of spending large amounts of money on expensive brochures, insurers could help local independent agents and the local offices of national brokers develop literature on strong agency capabilities. These brochures should feature the strengths of the agency, not the insurer's products and services, and should not have the insurer's name on them.

Messrs. Thompson and Gross say that an insurer's expertise can be put to use for the agents by offering free copywriting and design as well as sharing out-of-pocket expenses. These services can be negotiated as part of the sales and compensation plan for the year.

- Insurers should provide adequate supplies of meaningful materials to agents. Too often, insurers meet with agents and do not leave enough brochures for all the agents to get to know the new products. Insurers with limited budgets should first decide how many brochures they need, then decide how fancy they can be.

They also suggest that, in addition to brochures, insurers discuss new programs with each agent.

- Insurers should provide qualified leads or none at all. Too often, a "lead" is simply the name of an insurance buyer from a certain company, Messrs. Thompson and Gross said.

Insurers should instead develop an integrated sales program that includes lead qualification and marketing. Agents must totally support the process and be a partner for it to succeed, they added.

- If a broker and an insurer are committed to developing an insurance program, the insurer should help the broker develop an effective direct mail program, they suggest. Because insurers are more likely to have greater resources, they are in a better position to help agents not only create programs but also to help alleviate the high cost involved. It is important, though, to create an understanding of the ground rules before launching the program, Messrs. Thompson and Gross said.

- Insurers should not waste agents' time with meetings for which they are ill-prepared.

It sometimes seems an insurer's representative is visiting just so he or she can fill out a call report, brokers complained. BI

Continued from page 45

ker had an office in Beirut during the city's heyday but closed it when fighting broke out many years ago. Now, Gras Savoye has returned "since we think that the future looks better," said Mr. Lucas.

Also last month, Gras Savoye completed its acquisition of broker SOGERCO, which operates in Western Africa. SOGERCO's offices will be merged this year with Gras Savoye's African operations—making it one of the largest on that continent—in six countries, including Morocco, Senegal, Ivory Coast and Cameroon.

"This network is very complementary to ours, being bigger than us in Senegal but smaller than us in Gabon and so on," said Mr. Lucas. "Second, we think that if we put (SOGERCO and Gras Savoye) offices together, we can make some savings and better human resources in insurance.

"The purpose is (to make) Gras Savoye by far the largest broker in Africa."

Few brokers perceive that there is money to be made in Africa. Indeed, Africa only accounted for about 5% of Gras Savoye's revenues last year, Mr. Lucas admitted. However, he said that French industry is still heavily represented in many African states, so providing insurance services domestically in these countries is important. For example, French oil giant Elf Aquitaine awarded the contract for its African operations' insurance business to Gras Savoye last year, he said. Government-owned entities in Africa that are currently being privatized also could be a new source of revenue, Mr. Lucas said.

"Now we are fully equipped to service our French accounts in Africa and to be in the position to acquire more."

Meanwhile, at home, growth is "happening nearly everywhere. There is still a lot to be done," said Mr. Lucas.

Gras Savoye last month announced that it was consolidating its aerospace team. Gras Savoye already places coverage for aerospace risks through Johnson & Higgins in London and New York but recently hired a few people in Paris to "consolidate the team and provide growth in this area and get French business to them."

The new aerospace team will be overseen by Jean-Herve Lorenzi, former director general of the French atomic energy commission CEA-Industrie, who was hired in April to be deputy managing director in charge of development and innovation for Gras Savoye. "He has a lot of knowledge in the space business and connections" but no experience in insurance, Mr. Lucas said.

"To be successful, you have to mix within the same company some good professional insurance knowledge with a certain number of people who know extremely well the sector that you intend to target," he added. "It is probably easier to teach someone who is not in the insurance industry about insurance than the other way around."

This is the same formula Gras Savoye used in expanding its banking division, where insurance professionals work with former bank executives.

Gras Savoye services about 250 banks today with more than 5,000 branch offices and 8.5 million insurance files. The group has just completed the construction of a second building outside Paris that will house operations relating to the policy and claims administration of its banking customers. Products it offers clients include: credit insurance for mortgages and loans; insurance protection from credit card and check fraud; and special insurance products for commercial customers.

At the end of last year, the banking division also set up a "quality program" designed to improve professionalism, information, speed and simplicity. The program includes 800 policyholders in the 250 banks and hundreds of insurance companies. "This type of service to the banks has to be a high-quality service, otherwise you affect the growth of the bank and ultimately the growth of Gras Savoye," said Mr. Lucas."We want to provide the best service to the banks and increase our productivity, too."

Management is now looking into developing similar quality programs for all other divisions, he added.

In the meantime, Gras Savoye continues to build on its specialties. These include construction, where it is the broker for the Metro subway system under construction in Bordeaux and a major shopping center and railroad development in Lille. Gras Savoye also continues to expand its expertise in fine art, for which it places insurance for more than 50 exhibitions worldwide per month.

The broker is also looking ahead to major issues confronting its French clients, particularly in environmental liability. "We are working in three directions," Mr. Lucas said, namely to provide brokerage services, environmental consulting and alternative risk financing assistance.

As of Jan. 1, 1994, insurers in France have excluded pollution in their liability insurance policies, "going the same way as the United States. You did that a long time ago," Mr. Lucas noted.

There is a small environmental liability insurance market in France led by the environmental insurance pool, Assurpol, "but the limits are not enough. The market does not respond to the needs of the insured," he said.

Gras Savoye has appealed to the French ministry of the environment along with other French institutions to allow French industry to set up tax-free loss reserves in alternative risk financing facilities like captive insurers to pay for environmental liability losses. The government seems receptive to the idea, said Mr. Lucas.

The captive concept continues to grow in France "in any case," he added. Gras Savoye offers captive management services through UNISON Management (Luxembourg) S.A.

Despite its active involvement in these many areas, Gras Savoye's gross revenue growth has slowed, increasing only 5% last year, compared with 7% in 1992.

The majority of the broker's revenues—79%—are derived from retail brokerage, of which nearly all is paid as commissions. About a third of retail business involves employee benefits.

Personal lines business accounted for 11.1% of revenues last year, with reinsurance counting for less than 1% and wholesale brokerage hardly any at all. Investment income as a proportion of revenue fell to 6.2% in 1993 from 9% in 1992.

The number of employees increased to 1,374 from 1,342 in 1992.

—By Stacy Shapiro

Presented by Business Insurance and IBF International Business Forum

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- NEW INITIATIVES FOR CONTROLLING WORKERS COMPENSATION HEALTH CARE COSTS
- DISABILITY MANAGEMENT
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- EMPLOYER CASE STUDIES
  - IN-HOUSE CASE MANAGEMENT WORKS
  - CARPAL TUNNEL SYNDROME CASES DON'T HAVE TO COST AN ARM
  - THE TRUTH AND CONSEQUENCES OF COMBATTING FRAUD
- FINANCING ALTERNATIVES FOR WORKERS COMPENSATION: HOW TO EVALUATE AND DECIDE WHICH FINANCING METHOD IS RIGHT FOR YOUR COMPANY
- Reception

FRIDAY, OCTOBER 21, 1994

- Continental Breakfast
- DEALING WITH CONTESTED CLAIMS
- CUMULATIVE TRAUMA DISORDERS: CONTROLLING THE WORKERS COMPENSATION MONSTER
- ESTABLISHING AND MANAGING THE CLAIMS AUDIT PROCESS
- LUNCHEON SPEAKER – DOUGLAS MCCOY RESIDENT VICE PRESIDENT, COMMERCIAL LINES, THE TRAVELERS CORPORATION
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London, camouflaged under the name of a domestic broker, like Willis," Mr. Dahms said. "Now we are clearly identified as Jauch & Huebener."

Jauch & Huebener has traditionally placed treaty business in London for capacity reasons, said Mr. Dahms. "We lost 10% to 15% of business to clients that had their own London connections. Now we place 100% of that business ourselves."

Jauch & Huebener has 25 offices worldwide, predominantly in Germany, Austria and Eastern Europe. The broker's business increased in several Eastern European markets last year.

Jauch & Huebener is the risk assessment trail blazer within the UNISON network in Hungary and the Czech Republic, as well as in Slovakia.

In a venture with UNISON partner Johnson & Higgins, it has a new office in Moscow, which serves 110 American, British and German corporate clients. But Jauch & Huebener is losing money in Moscow.

"It's our most difficult market," Mr. Dahms said. "Nothing works—the telephones, heating, public transport. It's a tough environment to build a brokering firm."

Eastern European markets generally are difficult, the executive remarked.

"For one thing, you either can't find (good employees), or when you do they don't stay. It's our intention to offer the same types of service that we deliver in Germany. To do that, we send in our people from Austria or Germany. We do plant surveys, evaluate property loss control and provide broker services," Mr. Dahms explained.

Companies need various forms of support in Eastern Europe, according to Mr. Dahms.

"We are evaluating property value and advising on the scope of coverage. Most of our insurance contacts are large global insurers like AIG, Allianz or French globals. The local insurance market offers little help at all. These countries are still in the process of transforming from state-owned monopoly companies," he said.

The UNISON network is so important to Jauch & Huebener's future that Mr. Dahms said he would prefer that UNISON be regarded as a single company, rather than identified by its individual members.

"We are integrating more all the time," Mr. Dahms said. "It's in the interest of our clients." Mr. Dahms envisions joint marketing and pooling of employee expertise as further steps of the broker's integration.

At the same time, Mr. Dahms denies any large scale merger is planned. "We do not want to give up our local independence and identity," he said. "We know the client profits much more from having 12 entrepreneurs than a huge conglomerate."

Jauch & Huebener, Johnson & Higgins and its Spanish partner lead their respective markets in insurance brokerage for public utilities. As a result, the UNISON network is of particular interest to global utility clients, according to Mr. Dahms.

And, the payoff is often unexpected.

"The Russian state-owned utility has asked us to do two risk assessments for that very reason," said Mr. Dahms. "We may become their broker."

—By Don Lewis Kirk

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Gras Savoye S.A.

115/123 Avenue Charles de Gaulle,
92200 Neuilly-sur-Seine, France;
4-738-7218; fax: 4-637-1141

	1993	1992
Premium volume...	N/A	N/A
Gross revenues......	$144,740,000	$147,440,000
Brokerage: Retail..	79%	76.5%
Reinsurance..........	.9%	1.4%
Personal lines........	11.1%	10.6%
Services..................	2.1%	1.7%
Investment income	6.2%	9%
Other......................	0.7%	0.8%
Employees	1,374	1,342
Rev./Employee	$105,342	$109,866
Offices....................	43	44

Converted at applicable exchange rates.

Paris-based broker Gras Savoye S.A. opens new offices in the strangest places.

In the past year, the broker set up representative offices in Hanoi and Ho Chi Minh City in Vietnam, opened an office in Beirut and worked hard to become the leading broker in Africa.

In addition to these overseas incursions, Gras Savoye continues to be the largest brokerage in France, with gross revenues up 5.1% last year to 819.7 million French francs from 780.1 million francs in 1992.

Converted to a stronger dollar, revenues slipped 1.8% to $144.7 million from $147.4 million, though it retains its ranking as the world's 14th largest broker in *Business Insurance*'s annual rankings.

"Gras Savoye is very experienced in starting up companies from scratch in strange parts of the world where there is not much of an insurance industry," said Chairman Patrick Lucas.

"In Africa or Iran or Beirut, we always establish from scratch and, in the end it works. It's a different approach from (setting up) in Europe or America, and you have to get acquainted to the way of working in these areas," he said.

Gras Savoye last July negotiated a deal with Vietnamese insurance company Bao Viet to provide consulting in all fields of insurance, reinsurance and risk management. As a result, Gras Savoye was given government approval to set up a representative office in Hanoi in November 1993, and in Ho Chi Minh City in March. The Vietnamese operations are headed by Gui Do, former deputy managing director of Gras Savoye in Gabon.

Vietnam will be the launching point for Gras Savoye's expansion in Southeast Asia, which will complement the operations of its fellow members in the UNISON brokerage network, said Mr. Lucas. "That should help us reduce the number of trips from France we make to visit some of our clients to put together programs in this region."

He readily admits it is "extremely unusual" to base Southeast Asian operations in Vietnam, since other Western companies have set up operations in Singapore or Hong Kong. "It's a new approach," he said. "But it's as close to the other areas of the region as Singapore is. And the (Vietnamese) will make a lot of progress in years to come."

Gras Savoye last month also opened an office specializing in construction business in war-torn Beirut, Lebanon. The French bro-

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Jauch & Huebener KGaA

Katharinenstrasse 10,
Hamburg 20457, Germany;
040-36050; fax: 040-367787

	1993	1992
Premium volume	N/A	N/A
Gross revenues	$183,315,000	$177,280,000
Brokerage: Retail	84%	85%
Wholesale	0%	0%
Reinsurance	10%	10%
Personal lines	1%	0%
Services	5%	5%
Investment income	0%	0%
Employees	1,400	1,180
Rev./Employee	$130,939	$150,237
Offices	25	22

Converted at applicable exchange rates.

As Germany's wounded economy limps out of recession, broker Jauch & Huebener KGaA is battling some of the most formidable insurance problems confronting its corporate clients in a decade.

Angered by the sting of surging property insurance rates and costly new environmental liability coverage, policyholders are seeking ways to cut insurance costs.

And that is creating opportunities for Jauch & Huebener, which is expanding services that will help its clients control risk management and employee benefits costs.

That strategy made 1993 "one of its busiest years" ever, said Christian Dahms, one of the Hamburg-based broker's six partners.

"It was a very tough property market," he said. "Germany has a consortium approach to setting primary insurance rates for large industrial risks, and the consortium initiated huge property rate increases" (*BI*, Feb. 14).

The result was "one of the most tiring exercises we ever went through for large accounts," said Mr. Dahms. "In the end, only policyholders with long-term agreements with insurers (were able to maintain) stable premiums."

Mr. Dahms believes that buyers' confrontation with the rating consortium—or KOKO—may be over, though. "This rating committee could affect rates only because companies had no alternative. The capacity for large risks was not available outside Germany. But that has changed. Some capacity is back. As a result, KOKO will no longer assert pressure as it has," he said.

When Germany's strict environmental impairment liability law went into effect in 1992, companies found available EIL coverage both costly and limited.

Last year, Jauch & Huebener recommended higher retentions to save clients money on EIL coverage. But German companies remain far more reluctant to take higher retentions than their U.S. counterparts.

The brokerage also negotiated with insurers over EIL exclusions and reworked policies to include coverage of some risks created by the new EIL law.

Industrywide, German EIL premiums rose 20% last year (*BI*, May 16). Mr. Dahms said Jauch & Huebener negotiated to keep its clients' premium increases below that level.

Aside from traditional insurance placement, Jauch & Huebener is helping more companies identify alternative risk financing options.

Upward pressure on rates has prompted increased interest in captive insurance companies. "Companies have seen their premiums triple and quadruple without a single major loss in 20 years," Mr. Dahms said. "As a result, many are looking at captives and we have been very active in captive consulting."

"My general advice to clients is pick up retention, get better control of exposures and limit liability. Even if you can get 800 million deutsche marks ($484 million) coverage, settle for 200 million ($121 million) if you believe you can handle the risk. Captives are a solution, if you have the corporate size to manage it."

German companies have far fewer captives than their counterparts in France, England, Sweden or the United States. "At the moment it's only about 10 to 15, but this number is going to double pretty soon and we'll go after it," said Mr. Dahms.

The brokerage nearly doubled its rate of revenue growth from the previous year. In 1993, gross revenues increased 9.4% to 303 million deutsche marks from 277 million deutsche marks in 1992.

Converted to dollars, Jauch & Huebener's revenues increased 3.4% to $183.3 million in 1993 from $177.3 million in 1992. That increase was one of the highest among the 11 European firms among the world's 20 largest brokerages and moved the firm up one notch to No. 13 in the *Business Insurance* ranking.

"We found substantial new business in Germany," Mr. Dahms said, "to a lesser degree in the new German states—the former East Germany—than in the old states. Our consulting and risk management services improved as industry saw the benefit of external advice over helping themselves internally."

Few German companies have formal risk management programs, a fact that a spokesman for Jauch & Huebener said is a tremendous opportunity. "Companies need risk management programs now more than ever."

The brokerage would not provide a specific breakdown of revenues by class of business, but *Business Insurance* estimates retail brokerage accounted for 84% of revenues, reinsurance brokerage constitutes 10%, services 5% and personal lines 1%.

Between 30% and 35% of its retail commissions and fees involves placing property insurance, while 25% is casualty, 25% marine and 15% other coverages.

EIL-generated commissions were modest—less than 1% of total revenues, Mr. Dahms said. "Insurers felt this was an area of high risk, and high risk should not be loaded with any more commission than needed. You find that not only in liability, but in property as well. It's something our clients demand and reflects our professionalism."

Pressure on broker commissions is extreme, he said. "The higher the risk and lower the protection, the more you get involved in negotiating commissions. With reinsurers reducing their commission and primary insurers doing the same to theirs, it ultimately gets back to the broker. It's definitely a big problem, and we expect the trend to continue."

The pressure on commissions makes it more important to develop new services.

One of the broker's greatest areas of expertise is risk assessment. Last year, it won a bid to provide risk assessment for Germany's quasi-monopoly telecommunications service Deutsche Telekom, a company with 100,000 employees and 60 billion deutsche marks ($36.3 billion) in annual revenues that is moving toward privatization.

The broker was commissioned to assess the property and liability exposures at two Deutsche Telekom facilities.

Jauch and Huebener's commercial clients run the gamut from car and steel manufacturers to chemical companies to television and movie production concerns.

'My general advice to clients is pick up retention, get better control of exposures and limit liability,' says Christian Dahms.

But Jauch & Huebener does not serve large clients exclusively.

A 1991 merger with Germany's fifth-largest broker, Joost & Preuss, gave Jauch & Huebener access to midsize companies. "The middle-market segment is now one of our prime targets," Mr. Dahms said.

As high wage and benefit costs have hindered the competitiveness of many German companies, Jauch & Huebener also has moved more heavily into employee benefits consulting.

"Our clients wanted to know what kind of cost reduction program they could take to reduce cash outflow. Some began self-insuring benefit plans or set up balance sheet reserves. We now have several employee benefit plans that we administer," Mr. Dahms said.

It's an area the broker expects to grow. "New products like deferred compensation plans are a factor. Also we have many people working all across Europe. It's a matter of determining how social security systems differ and how employee benefits can be adjusted. Companies located in different countries need this kind of expatriate employee coverage."

Last year, Jauch & Huebener also embarked upon new personal lines business. It expanded its existing services for commercial clients' executives to include other employees. Eventually, personal lines should constitute 3% of revenues, he said.

Jauch & Huebener is off to a good start this year, said Mr. Dahms, who believes the broker will meet last year's results. "Several things have improved," he said. "One is cost control, another is reinsurance. We are selling more with the same amount of people and we are finding more capacity for catastrophe coverage."

Jauch & Huebener's new London office did "very well" in the reinsurance market, he said. "Apparently, the market was waiting for us. It was common knowledge we'd been placing business in

Continued on next page

Continued from previous page
als found more capacity so the argument for lower commissions fell away."

Heath also improved profits generated by brokering by controlling expenses. Pretax brokerage profits increased 20% to 18.5 million pounds ($27.8 million) last year from 15.4 million pounds ($26.1 million) in 1992. Expenses fell to 94.9% of revenues in fiscal 1993 from 98.8% the year before. Heath says it was the fifth year in a row that the expense ratio has fallen.

Tight controls on wages, a reduction in the company's workforce to 3,295 from 3,353 and closure of less competitive offices, especially in the United Kingdom, were the chief reasons for the good expense record, Mr. Kier said.

He added, however, that the U.K. consolidation was due mainly to the recession and that Heath will keep an eye on opportunities to expand again if economic recovery continues as expected.

U.S. wholesale operations also found the going tough. Heath Insurance Brokers Inc., which Heath began in Dallas in early 1992, improved on 1992's performance but failed to meet expectations that it would break-even in 1993 and produce a profit in 1994.

Mr. Presland attributes the unit's losses to "crazy market conditions," especially in casualty business. HIB places excess and surplus lines business mainly in the U.S. market.

Two computer services units—Peterborough Software Ltd. and Datasure Ltd.—posted improved profits.

Together, the units contributed 25% of Heath's gross revenues in 1993. Datasure earned 1 million pounds ($1.5 million) last year, compared with 900,000 pounds ($1.52 million) the year before, while Peterborough increased profits to 4.3 million pounds ($6.5 million) from 3.8 million pounds ($6.4 million).

Overall, Heath's strategy will be much the same as it has been over the past few years, said Mr. Presland.

"We have increased revenues in line with what we wanted and controlled costs. There is no mega-new strategy any different to what we have been doing over the past two or three years," he said.

Despite healthy results in many divisions, ongoing litigation in Australia continues to cost the company.

Profits in 1992 were hit by a $30 million exceptional charge to cover the runoff of aviation business underwritten by subsidiary C.E. Heath Underwriting & Insurance in Australia.

Reinsurance for the business was placed in the London market, and big losses emerged because it became embroiled in the London market excess-of-loss spiral. Heath is suing the brokers that placed the business, but a dispute over where the case should be heard has delayed proceedings. Mr. Presland predicts a decision in December.

And, an unexpected court ruling early last month—only days before Heath reported its earnings—forced the broker to take an exceptional charge against 1993 profits of $50 million Australian ($34 million).

That suit stemmed from the 1985 nationalization of the workers compensation market by the Victoria government, a move that instantly wiped out 75% of the business of U&I.

Heath and other insurers had won their claim for compensation against the state in lower courts, leading Heath to include a provision for recovery in its previous accounts. However, Heath ultimately lost in the High Court of Australia, forcing the company to take the extraordinary charge.

Troubles in Australia, which have produced longstanding legal disputes as well as balance sheet problems, are clearly one reason Heath is extricating itself from underwriting.

Only two weeks after the Australian court ruling in the workers comp case—and one week after year-end results were released—Heath's board decided to cut its losses in Australia.

Heath sold U&I's parent, C.E. Heath & Co. Australia, to C.E. Heath International Holdings—a former Heath unit now only 23%-owned by the London parent—for a nominal $1 million Australian ($679,100).

With the sale of U&I's parent, the Heath board declared an exceptional loss of 8 million pounds ($5.4 million) three months after the year-end accounts were closed, thus reducing 1993 corporate profits to 3.8 million pounds ($5.7 million).

Heath hopes the sale will shield it from further exposures and allow it to focus on brokerage activities.

"This is an opportunity to draw a line under the Australian underwriting losses of the last few years, and we firmly believe that shareholders will be far better served by this elimination of any further exposure to losses. The additional exceptional loss of 8 million pounds is considered to be a worthwhile cost of achieving certainty," said Mr. Presland.

Heath also moved to scale back its involvement in U.S. underwriting. Its U.S. underwriting unit, Lloyd's New York Insurance Co., lost 1.2 million pounds ($1.8 million) last year. But the sale of its 85% interest in specialist agricultural broker Cornwall & Stevens Inc. for $6.3 million to Minnesota-based Mutual Service Casualty Insurance Co. is expected to return the insurer to profitability next year. Lloyd's New York sold its agricultural insurance business along with the shares in the brokerage, leaving the insurer only with a property account.

—By Adrian Ladbury

Continued from previous page

Gallagher is working on lining up an insurer for the program in the California market, where Gallagher Bassett plans a heavy marketing effort because of the great interest there in 24-hour coverage.

Gallagher Bassett last year also interfaced its own workers comp information system with an independently compiled data base of workers comp claims and settlements state by state. The system is a check for Gallagher Bassett's workers comp adjusters as they set reserves for clients, and it will allow the unit to show clients how well it is settling claims.

In addition, Gallagher Bassett's London-based subsidiary, Gallagher Bassett International Ltd., has formed GBI Adjusting Co. to offer claims adjusting and investigative services to European risk managers and domestic and international insurers for commercial, industrial and personal lines property losses.

Mr. Gallagher also figures that national health care reform will boost the broker's fortunes.

He envisions the Gallagher Benefits Services division helping self-insured employers control costs and choose provider networks. He believes that employers with 250 to 500 workers will be able to self-insure their health plans under reform legislation. The division also can provide administrative services to provider-created health alliances.

And if the health system is not reformed, the division still is positioned to help employers drive down costs and develop the most appropriate health plan, he said.

In addition, to cut claims handling costs, Gallagher Bassett Benefit Administrators, Gallagher Benefits Services' administrative arm, last year awarded Plano, Texas-based Electronic Data Systems Corp. a contract to process adjudicated claims. Besides cutting claim checks, EDS also provides GBS and its clients voluminous claims data. Under the contract, EDS receives 25 cents for every dollar in claims savings Gallagher can obtain with the new system.

Gallagher continued its conservative mergers and acquisitions philosophy last year, acquiring four agencies:

- Stark, Johnson & Stinson Inc. of Worcester, Mass., which gives Gallagher a presence in the Boston area.
- Welling Associates Inc. of Yonkers, N.Y., which specializes in designing, implementing and servicing non-medical retirement benefit programs for non-profit organizations.
- The Great Lakes Agency Inc. of Chicago, which specializes in placing directors and officers liability and errors and omissions coverages.
- The Woodsmall Cos. of Kansas City, Mo., which was ranked as the 80th-largest broker of U.S. business in 1992 based on 1991 gross revenues.

"You won't see us do 22 mergers a year and then have to go and fix two-thirds of them," Mr. Gallagher said. In seeking out merger partners, the broker looks for people who will stay with the acquired company, their books of business and their locations.

So far this year, it has acquired:

- Donald P. Pipino & Associates of Youngstown, Ohio, which specializes in placing coverages for real estate brokers.
- The Steel Agency of Wayne, N.J., which specializes in placing coverages for public entities.

Mr. Gallagher also emphasized the continuing success of the broker's college intern program, which is "a very important part" of the broker's "future plans and development."

Over the program's 20-year existence, Gallagher has offered jobs to 80% of 220 interns, with 70% accepting positions. And, more than half of those have remained with the company, including the president of Gallagher Bassett and several Gallagher branch presidents.

The cash compensation, including bonuses, paid to Gallagher's five highest-paid officers in 1993, as reported to the Securities and Exchange Commission, follows:

J. Patrick Gallagher	$365,500
Michael J. Cloherty	$348,000
Gary M. Van der Voort	$319,400
Robert E. Gallagher	$265,000
John P. Gallagher	$263,000

—By Dave Lenckus

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C.E. Heath P.L.C.

133 Houndsditch, London EC3A 7AH, England; 071-234-4000; fax: 071-234-4111

	1993	1992
Premium volume	N/A	N/A
Gross revenues	$289,357,320	$293,325,000
Brokerage: Retail	24.4%	28.7%
Wholesale	19.9%	17.3%
Reinsurance	14.2%	12.7%
Personal lines	5.9%	7.3%
Services	0.4%	1.6%
Investment income	12.1%	7.6%
Employees	3,295	3,353
Rev./Employee	$87,817	$87,481
Offices	89	90

Converted at applicable exchange rates. Fiscal year ends March 31.

C.E. Heath P.L.C. made progress toward three key goals last year: to increase revenues, to pare down expenses and to pull out of underwriting.

The London-based broker increased gross revenues by nearly 11% to 192.3 million pounds from 173.3 million pounds in 1992; the expense ratio for its brokering operations fell to 94.9% last year from 98.8%; and it pulled out of money-losing underwriting operations in Australia and elsewhere.

In dollar terms, gross revenues decreased 1.4% to $289.4 million from $293.3 million, pushing Heath down three notches to No. 12 within the *BI* ranking of the world's largest brokerages.

Pure insurance brokerage revenues climbed 8.5% to 124.6 million pounds ($187.5 million) in 1993 from 114.8 million pounds ($194.4 million) a year earlier, despite a sluggish performance from its new U.S. wholesale operation and difficult market conditions for the London reinsurance division.

Pretax profits rose to 3.8 million pounds ($5.7 million) in fiscal 1993 from 1.5 million pounds ($2.5 million) in fiscal 1992, an improvement Heath attributes mainly to cost-cutting efforts. Staff was trimmed and some U.K. offices closed as part of a restructuring begun in 1993.

Despite that progress, though, profits were decimated for the second year in a row by long-tail problems from discontinued Australian underwriting operations. Had it not been for two exceptional charges, Heath's pretax profits would have been 30.4 million pounds ($45.8 million). Those charges were: 18.5 million pounds ($27.8 million) as a result of an adverse Australian court decision and 8 million pounds ($12 million) related to the sale of an Australian unit.

In 1992, Heath's 25.1 million ($42.5 million) pretax profit before exceptional items had been cut to 1.5 million pounds ($2.5 million) by losses related to aviation business underwritten in Australia.

Heath's share price has suffered, especially last year, from recent results, and helped foster rumors that Heath may be purchased by another London broker or big financial company, like Hong Kong & Shanghai Banking Corp.

Heath officials would not comment on those rumors.

Heath Chief Executive Peter Presland and Heath Chairman Michael Kier downplayed the underwriting troubles and pointed to its improved underlying brokerage results and cost cutting as true indicators of company performance.

Heath divides its brokerage into four categories: London market, overseas, U.K. wholesale and U.K. retail.

London market business is easily the biggest single source of brokerage revenues, generating 124.6 million pounds ($187.5 million) last year from 114.8 million pounds ($194.4 million) in 1992 and just under 60 million pounds ($99 million) in 1990.

Mr. Kier said he does not fear the impact of softening rates on this business.

"As rates go down, business volumes will increase. Currently, capacity is not being fully utilized. The Bermudians are sitting on a lot of dry powder, and I am not convinced that the new mega-syndicates at Lloyd's are writing to their full potential," he said.

Overseas offices generated the best growth among Heath's four brokerage divisions. Gross revenues in fiscal 1993 rose an impressive 19% to 24.2 million pounds ($36.4 million) from 20.4 million pounds ($34.5 million). This took the overseas office's share of the total brokerage revenue to 19.4%.

Mr. Kier singled out as a top performer Heath's fast-growing Mexican reinsurance broker, Agencia Interoceania Asesores e Intermediarios S.A. de C.V., in which it holds a 49% stake.

Heath is a Latin American specialist with offices in Mexico, Brazil, Colombia and Venezuela. But, along with many other brokers, Heath is also looking closely at the Far East and the former Soviet republics as big growth regions.

Mr. Kier says that he believes the former Soviet republics will bear rich fruit in the future. Currently, Heath is involved mainly with placing reinsurance for Russian risks, but he underlined his belief in the region's future by giving a keynote speech at the Second International Insurance Rendezvous in Moscow in April (*BI*, May 2).

Heath was quiet in 1993 in terms of mergers and acquisitions. In Portugal, Heath acquired an 18.5% interest in small direct broker SMS Corretores de Seguros SA and launched reinsurance broker Heath y Amorim re Sociedade Corretora De Resseguros S.A., in which it has a 55.4% stake.

In the Middle East, Heath opened a new general brokerage office in Dubai, which it hopes will also develop new business in the United Arab Emirates and other nearby states. In partnership with trading house Al Mulla, Heath also set up an office in Kuwait.

Major acquisitions "only occur when opportunities present themselves, and no opportunities presented themselves this year," explained Mr. Kier.

Heath's next best performing segment was U.K. wholesale, which grew 15% to 12.5 million pounds ($18.8 million) from 10.9 million pounds ($18.5 million). It generated 10% of brokerage revenue.

U.K. retail posted the lowest growth, at 3%, to 34.2 million pounds ($51.5 million) from 33.1 million pounds ($56 million). U.K. retail brokerage generated 27.4% of its brokerage revenues.

As with all other brokers, Heath's standard U.K. retail and wholesale business is dependent on the domestic economy.

Heath had a rough year in 1992, between a recession in the United Kingdom and fierce competition among brokers. But Mr. Kier says that signs of a tentative recovery began to emerge last year.

He added that the improving economic environment has begun to ease pressure on commissions paid to brokers. "The downward pressure on commissions has lifted somewhat because of the lack of rate increases, and the 1994 renew-

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Arthur J. Gallagher & Co.

2 Pierce Place, Itasca, Ill. 60143;
708-773-3800; fax: 708-285-4000

	1993	1992*
Premium volume	N/A	N/A
Gross revenues	$317,663,000	$288,918,000
Brokerage: Retail	53%	56%
Reinsurance	1%	1%
Personal lines	1%	1%
Services	40%	38%
Investment income	5%	4%
Employees	2,975	2,849
Rev./Employee	$106,777	$101,410
Offices	162	133

* Restated.

Standing still in today's soft property/casualty insurance market can leave a broker far behind its competitors, so Arthur J. Gallagher & Co. is stepping up its marketing of some existing programs and trotting out a range of new services.

Such services include helping clients set up alternative risk-financing vehicles, so-called 24-hour coverage programs and managed care programs.

The Itasca, Ill.-based broker also is offering some new insurer programs.

But, Gallagher will not change its conservative merger and acquisition philosophy, under which it obtains only a handful of agencies each year.

The overall strategy helped Gallagher boost 1993 gross revenues 9.9% to nearly $317.7 million from slightly more than $288.9 million in 1992, which was restated to reflect the broker's 1993 acquisitions. Last year marked the second consecutive year of strong revenue growth after a lackluster performance in 1991, when revenues grew only 4.1%. Revenues in 1992 grew 10.25%.

Still, because of the more voracious acquisition appetites of a few other brokers in 1993, Gallagher dropped one notch in this year's *Business Insurance* rankings of the world's largest brokers to 11th place.

The percentage of gross revenues attributable to commercial retail brokerage business continued to fall last year to 53% from 56%, though retail brokerage revenues increased to nearly $168.4 million from $161.8 million.

All commission revenues for Gallagher grew 5.1% to nearly $174.4 million from more than $165.8 million. Commission revenues now represent 54.9% of gross revenues, down from 57.4% in 1992 and 60.8% in 1991.

Gallagher's fee-generated revenue continues to steadily creep up on its commission-generated revenues. Fee revenues last year increased 15.1% to $127.7 million from nearly $111 million. Fee revenues now represent 40.2% of gross revenues, up from 38.4% in 1992 and 35.1% in 1991.

Net income surged 35.4% to nearly $32.2 million from more than $23.8 million in 1992, when earnings rose 24.4% from the year before.

President and Chief Operating Officer J. Patrick Gallagher likes the results, which were on budget.

He also said the broker's first-quarter results are on budget.

First-quarter gross revenues grew 9.6% to nearly $82 million from almost $74.8 million from the same period in 1992. Net income rose 13.2% to $5.3 million from nearly $4.7 million from the year-earlier period.

But, the broker announced in June that its estimated year-to-date investment return was only 2% after taxes, compared with a more typical 7% return. As a result, the broker expects to report $5 million less of investment income in the first half than for the same period in 1993.

Michael J. Cloherty, vp-finance, called the poor return "a one-time glitch" that can be blamed on several factors: depressed stock market conditions; a new accounting standard that requires companies to report most of their fixed-income securities at market value; and the broker's purchase of more than $23 million of its own stock this year, which reduced the amount of funds normally used to invest.

Mr. Cloherty said the broker is reviewing the strategies of the 20 to 25 specialty funds it uses and will make "some switches." But, he does not expect any wholesale changes.

And, the broker's results "continue on track to produce overall expected operational growth," Mr. Gallagher said.

Though Gallagher has recently begun pursuing large accounts more aggressively, the broker's business is largely built on its stable of medium-sized commercial, public entity, educational, religious and agricultural accounts.

Mr. Gallagher believes that this book of business gives the broker a leg up on other brokers, because he expects that middle-sized accounts will fuel the next spurt of growth of self-insured plans by forming group captives.

Last year, Gallagher helped 16 clients form new risk sharing pools. At year end, it was servicing 114 pools, which insured more than 7,500 entities in 33 states.

Gallagher also can help clients manage claims and contain costs, Mr. Gallagher said. "That's a lot different than saying we'll get them cheap insurance."

Gallagher, though, also is pursuing large accounts as the large alphabet houses continue to woo middle-market business to build their books.

"There were some accounts that made the move" to Gallagher, he said, declining to identify them. "We see a lot more of that on the horizon," he added, noting that attracting those large accounts is a gradual, building process for the broker.

Most of Gallagher's growth in fee revenues is attributable to the broker's risk management services unit, Gallagher Bassett Services Inc., which is operated at arm's length from the retail brokerage business.

Gallagher Bassett, which increased its client base 21%, reported a 20% boost in revenues last year.

The Gallagher Bassett unit is a major reason stock analysts like the brokerage's prospects.

Michael Smith, a senior vp and an analyst with Lehman Bros. in New York, said Gallagher Bassett's business and fee-generated revenues help insulate Gallagher in the soft market. However, he is neutral on Gallagher's stock because he believes it is trading at a premium.

Gallagher stock was trading at $30.88 per share on July 8. Over the previous 12 months, it traded at a high of $37.13.

Gallagher Bassett is gearing up to offer its 24-hour process, which integrates managed care and other cost management activities for group health and workers compensation programs.

"We can do a 24-hour process," Mr. Gallagher asserted.

"This seems to me to have all of the home run potential," he said. The process is not just about preventing workers from taking advantage of both their health plan and workers comp plan for the same injury or illness, he said. "It encourages employees, whether they're sick or hurt, to use the right managed care process." A pilot 24-hour program is "going nicely" for one client. And,

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an executive vp.

Even though Minet is spending money to build its specialties, it cut operating expenses by 4% in 1993, and Mr. Christie sees further savings ahead.

Unlike some competitors, Minet has not ordered that a certain percentage of expenses be lopped from individual areas.

"I don't like the term 'cost cutting' because it implies a short-term response," he said, stressing that Minet's expense controls are a result of "organizational responsiveness to efficiency."

An example of this "organizational responsiveness" is the recent consolidation of most of Minet's "back office" operations in London. Formerly, each business unit was responsible for providing its own support services. "We've brought it together, rationalized it and are seeing greater savings than we've anticipated."

Overall, Minet reported 3,784 employees at year-end 1993, almost the same as a year earlier. However, its North American retail brokerage staff grew to 379 from 248 and is expected to top 500 this year.

While Mr. Christie now can pronounce Minet's specialization strategy a success, he said there really was never any doubt.

"The successes and failures that we have had have done nothing but reconfirm that the basic strategy of being very good at a defined number of things is much more within our grasp and is a strong strategy for us, compared with trying to be the No. 5 player in numerous things."

It's easier 'to go out and buy something, but the right answer is to build it. Acquisitions have to look really good before we will do it,' says Peter Christie.

He said reaction to Minet's strategy from existing clients "has, almost unanimously, been very enthusiastic. It has been very positively received."

That's partly because Minet focuses on delivering value-added services to clients, rather than simply the lowest price. "That's where we differentiate ourselves from our competitors," Mr. Peterson said.

And, unlike many other brokers, Minet has adopted a "no walls" organizational approach, in which "there are no geographic or profit-center barriers," he said. Minet tries wherever possible to minimize disputes between various units and offices over which should get credit for the profit on an account. "Where there are walls, the clients are definitely going to suffer."

A client within a particular specialty will deal with Minet staffers who focus on that line of business. For instance, an oil company risk manager could deal with Minet energy specialists in Houston, London or Calgary, Alberta. "With such an approach, there cannot be any walls between offices," Mr. Christie said.

While Minet for the past two years has indicated a willingness to make acquisitions to bolster its U.S. presence, it made only one U.S. acquisition in the past year: Compro Insurance Services Inc. of San Jose, Calif. Compro, which specializes in both specialized coverages for high-tech firms and in professional liability coverage, generated about $6.5 million in revenues in 1992.

The acquisition of Compro also immediately bolstered the newest of Minet's specialty areas: technology. Through this specialty, Minet is targeting the "Silicon Valley, Route 128 types of companies," Mr. Peterson said, referring to fast-growth, entrepreneurial software firms and other high-tech companies.

As it developed this specialty, Minet identified "special and unique needs of these companies that the marketplace isn't responding to," Mr. Christie said. For instance, it advises these companies on managing risk in areas like copyright and intellectual property protection.

Minet plans to merge Compro's San Jose office with the existing San Francisco office and base that merged unit in Palo Alto, Calif.

Minet currently focuses on five other retail specialty areas in the United States through its North American division:

• Energy. A longtime key area of its London operations, Minet has aggressively built its services for North American oil and other energy companies over the past several years, said Senior Vp Nancy Oblinger.

"We've gone from zero to 60 people in energy in North America in 36 months," Mr. Christie said. Energy brokers are now in Houston, Calgary, Los Angeles and New York.

• Construction services. This area—aimed at major construction firms and construction project financiers—is barely a year old, but Minet already has 10 construction specialists in its Los Angeles office and a half-dozen in Houston.

• Financial institutions. This specialty, less than 2 years old, is concentrated in the New York, Los Angeles and Montreal.

While this specialty has developed more slowly than others, Ms. Oblinger explained that market research indicates financial institution risk managers are more reluctant to switch brokers than those in other industries, including the energy and construction fields.

• Professional services. This specialty includes providing insurance and risk management services for businesses like law firms, management consultants, ad agencies and small accountants that have a professional liability exposure.

Professional services experts are based in New York, Los Angeles, Chicago, Houston, San Francisco, San Jose and Montreal.

• National accounts. This specialty focuses on about two dozen Fortune 500 accounts that do not fall into any other specialty.

"There is a very specialized type and level of service that these companies expect and that most brokers don't even approach," Mr. Christie said.

Besides these specialties, the North American division includes Swett & Crawford Group, the largest U.S. wholesaler (*BI*, Aug. 16, 1993).

"The substantial improvement in the operations of Swett & Crawford" is one of the biggest highlights of the last year, Mr. Peterson said. The wholesaler made a "substantial profit" in 1993, compared with a loss in the previous several years.

Besides the North American division, Minet is organized into five other operating units:

• Global Professional Services, which is a dedicated unit of nearly 200 professionals who service the Big Six accounting clients.

Almost 100% of GPS's revenues are now made on a fee basis, "and that is not a fee for placing insurance, but for advisory and administrative services. That's a big change in our relationship with these clients," Mr. Christie said.

While Minet still arranges "risk transfer" for large accountants, much of that is no longer traditional insurance but rather reinsurance of retained risk, finite-risk coverages—"everything you could think of."

Minet also has played an "intense" role in how large accountants have dealt with huge claims in connection with bank and savings and loan failures. Those claims "have tested the efficiency of the coverages that we have placed over the last 10 years and we have come out of that with flying colors," he said, adding there have "been no material coverage disputes" over the claims.

Minet focuses on value-added services, rather than price, says C. Richard Peterson. 'That's where we differentiate ourselves from our competitors.'

"There are very few brokers that have had to collect that much money from the insurance market without getting into disputes."

• International Retail Broking. While Minet wants to expand its retail brokerage operations outside North America, "we are more keen to build what we have than to expand the number of offices."

However, Minet would like to develop a larger presence in France and a presence in Germany, he said. While he admits that Minet's operations in continental Europe are "quite small, they are performing well." And, an office in Prague in the Czech Republic has been "extraordinarily successful."

Once a "very big player" in South Africa, Minet is "looking to get back into South Africa," Mr. Christie said. Minet already has a large presence in sub-Saharan Africa, he said.

• International Broking. This division, which includes Minet's non-North American wholesale operations and its Lloyd's of London brokerage, is "more and more concentrated in providing expertise to our own retail offices" to support Minet's specialties, he said. "A number of these specialties—like energy and construction—create a strong need for help in the London market."

However, the division has had a "tough time," partly because some large clients have significantly increased the amount of risk they retain, he said. At the same time, though, Minet has been hiring London market experts, especially in the marine and energy markets.

• Reinsurance. This division—whose major markets include the United Kingdom, the United States, Australia, Switzerland and Canada—is one of the company's biggest growth areas, with the Australian operations performing especially well, Mr. Christie said.

Its U.S. operations—Intere Intermediaries Inc., RFC Intermediaries Inc. and Tailored Awards Inc.—are battling the effects of clients' increased retentions for catastrophe coverage.

• Minet Risk Services. Minet's risk management consulting unit has been upgraded to a separate division; it formerly was part of the North American division.

Rather than provide "classic loss control engineering" advice, MRS provides "high-level" consulting services like captive feasibility studies, loss forecasting, disaster recovery and sophisticated loss control advice to professionals like accountants, Mr. Christie said. It also operates as Minet's research and development arm. For instance, MRS professionals investigate new specialties on behalf of the brokerage.

In fact, while MRS has been elevated to division status, it is "run as a resource to our brokerage operations, not as a separate profit center" he said.

Besides the acquisition of Compro, Minet in August bought Allied Insurance Brokers Ltd. in Perth, Australia, which specializes in mining industry clients. That focus ties in with Minet's specialties in construction industry and energy.

In January, Minet acquired London Insurance Brokers Ltd., which had been a 50-50 partnership with C.T. Bowring & Co., the London unit of Marsh & McLennan Cos. Inc. Mr. Christie describes LIB as the "leading broker for the U.K. legal profession," specializing in professional liability and other types of coverage for U.K. lawyers.

And, on June 29, Minet acquired Wackerbarth Hardman Holdings Ltd., a Lloyd's of London broker specializing in marine treaty reinsurance with $6 million in annual revenues. It will be merged with Minet's London reinsurance operations later this month.

While Minet has been less active on the acquisition front than Mr. Christie once envisioned, he is not disappointed, explaining that the company now realizes that it may be better to grow internally than to go on a buying spree.

"We have to focus our own people on the advantages of growing as opposed to acquiring," he said. "It is a lot easier to go out and buy something, but the right answer is to build it. Acquisitions have to look really good before we will do it."

Among personnel changes, Mr. Peterson replaced Alan Middleton as CEO of the North American division. Mr. Middleton remains as an adviser to the company.

In addition, Executive Vp Michael K. Rossor now heads the global reinsurance unit while retaining his duties as group finance director. He replaces Brian Hayes, who retired.

Other top Minet officials include: Mark L. Pabst, executive vp; Paul Cotterill, executive vp and CEO-International Broking; J. Bernard Friemann, executive vp and CEO-Minet Risk Services; James R. McGriskin, executive vp and CEO-International Retail; Richard H. Murray, executive vp and CEO-Global Professional Services.

—By James M. Burcke

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Minet Group P.L.C.

Minet House, 66 Prescot St.,
London E1 8BU, England
071-481-0707; fax: 071-488-9786

	1993	1992
Premium volume	**$3.6 billion**	$3.6 billion
Gross revenues	**$325,080,000**	$325,836,000
Brokerage: Retail	**44%**	42%
Wholesale	**24%**	26%
Reinsurance	**22%**	18%
Personal lines	**1%**	1%
Services	**1%**	1%
Investment income	**6%**	9%
Other	**2%**	3%
Employees	**3,784**	3,780
Rev/Employee	**$85,909**	$86,200
Offices	**150**	150

After spending several years reorganizing itself into "The Specialty Broker" rather than attempting to be all things to all clients, Minet Group P.L.C.'s strategy is finally paying off—both financially and in client satisfaction.

"We are seeing real revenue growth again," said Peter S. Christie, Minet's chairman and chief executive officer, noting that the broker's revenues currently are increasing by "6% to 7%" on an annualized basis.

While Minet may not have grown as quickly as it expected since its specialization strategy was implemented several years ago, he attributes that to an emphasis on slow internal growth rather than quick expansion by acquisition.

That's not all bad.

Minet is "a slightly smaller, more profitable and profitable-more-quickly company than we had anticipated," he said.

While revenues are now on the upswing, they were stagnant in calendar-year 1993: $325.1 million compared with $325.8 million in 1992.

However, that performance was an improvement over Minet's results for the year ending Sept. 30, 1993, that are published in the annual report of its parent, The St. Paul Cos. Inc.: Minet's revenues tumbled 2.2% to $320.5 million from $327.8 million in the 12 months ending Sept. 30, 1992.

Either way, Minet is the world's 10th-largest broker, down from No. 8 a year ago.

According to the annual report, Minet produced a net loss of $24.7 million in the year ending Sept. 30, 1993, a huge improvement over the $432.5 million loss suffered in fiscal 1992. The bulk of that loss was attributable to a $365 million write-down in Minet's goodwill and a $39 million charge attributable to the restructuring.

For calendar-year 1993, though, Minet reported an operating loss of only $5.5 million, down from an $11 million operating loss in calendar-year 1992.

Minet still has not completed its evolution, however, Mr. Christie said. "We have continued to make substantial investments in our chosen specialties. A lot of those investments, particularly in North America, have been hiring people, with the expectation that those people will take a number of years to develop revenues."

Of course, investing money in fledgling operations now—in anticipation of growth later—"does depress our current profitability."

When expansion costs are taken into account, "we are pretty comfortable with the margin we are attaining on a worldwide basis," Mr. Christie said. "Overall, the underlying margin of our core business is quite strong."

"In our existing lines of business, Minet is very profitable," remarked C. Richard Peterson, executive vp and CEO of Minet's North American division in New York. He joined the company earlier this year from Sedgwick James Inc., where he was

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to founder, and JIB was no exception, Mr. Barton said. Its stock, which was trading at 206 pence ($3.09) a year ago, slumped to 149 pence ($2.25) on July 8.

JIB completed two acquisitions during 1993: Lloyd's broker Pulford, Winstone & Tennant in January 1993; and Nicolls Pointing, a London market wholesaler specializing in marine and energy risks, in October 1993.

But the addition of two new offices was canceled out by the closure of two offices in the United States, keeping JIB's worldwide office count at 103.

The foreign acquisitions boosted the number of people on JIB's payroll 3.5% to 3,763 in 1993 from 3,637 the year before.

This year, the broker bought U.K. employee benefit consultant Reeves Brown to provide actuarial advice to multinational clients with operations throughout the European Union, Mr. Barton said.

After approximately five years under the JIB corporate flag, reinsurance broker John D. Sayer & Co. in Lawrenceville, N.J., is finally changing its name to Jardine Sayer & Co. Inc.

Miles Ritchie, formerly of Fenchurch Insurance Brokers Ltd. in London, was named to head JIB's Hong Kong office, which was vacated by Mr. Batchelor. Besides Messrs. Barton and Batchelor, JIB Group's principal officers include: C.G.R. Leach, group chairman; D.E. Corben, chairman and chief executive of Jardine Reinsurance Holdings (U.K.) Ltd.; M.C.D. Gribbin, chief executive of Jardine Insurance Brokers International Ltd., the broker's wholesale arm; Martin Wakeley, chief executive of Jardine Insurance Brokers Ltd., the U.K. retail arm; and M.P. Dawson, deputy chairman of Jardine (Lloyd's Underwriting Agents) Ltd.

Principal JIB Inc. officers include: W. Michael Carroll, group services division manager; William R. Dolan, eastern division manager; Jeffrey G. McKinley, western division manager; and James L. Stone, central division manager.

—*By Joanne Wojcik*

Spotlight report

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JIB Group P.L.C.

Jardine House, 6 Crutched Friars,
London, EC3N 2HT;
071-528-4444; fax: 071-528-4185
333 Bush St., Suite 500,
San Francisco, Calif. 94104;
415-391-2600; fax: 415-773-4475

	1993	1992
Premium volume	$2.55 billion	$2.62 billion
Gross revenues	$346,962,000	$360,060,000
Brokerage: Retail	63%	61%
Wholesale	17%	16%
Reinsurance	11%	12%
Investment income	8%	10%
Other	1%	1%
Employees	3,763	3,637
Rev./Employee	$92,204	$98,999
Offices	103	103

Converted at applicable exchange rates.

Like many large corporations today, JIB Group P.L.C. has continuously reinvented itself to attract clients and to enhance its profitability in the changing global insurance marketplace.

And the completion this year of a fully integrated information technology system will finally give JIB's clients in the United States tangible evidence of this ongoing quality improvement effort.

"Our company-wide task is to ask and listen to our clients to ensure that we understand the standard of service which each one of them requires," explained Chief Executive R. John Barton in London.

So, not only can major clients directly access their policy and claims information with the click of a computer mouse, but JIB Inc. executives in some 25 offices in the United States can track their producers' efforts in meeting those clients' needs. The Windows-based system illustrates the open-door policy that JIB Inc. CEO David Batchelor has been emphasizing since he took command of the U.S. operations in mid-1993 (*BI*, July 5, 1993).

"We're looking at what it is that clients want and asking, 'What is value-added and what is valued?' " he said. "The pace of change is being forced by the buyers. If you go to a client today that is (information technology-driven), then it's quite likely the risk manager is going to have made a decision of going with a company for his risk management services that has a similar mind to IT."

It is hoped the investment in computer technology will give JIB, the world's ninth-largest broker, a competitive advantage.

All but one U.S. office will be online with the new system by year-end, and the final office will be converted by next February.

But, even though JIB is just steps away from full automation, "no matter how fast we accelerate that process, the technology is changing," he said. "You can't wait for the technology to be state of the art. Because if that's the case, you'd still be on abacuses. You have to develop with the technology and then be flexible enough to change the technology."

Already, Jardine's new computer system, which was customized by Applied Systems Inc., is being updated to enable management to analyze revenue by specific areas of specialty to ensure that each office has the capabilities to serve the needs of its clients locally.

About 75% of Jardine's revenues are derived from eight specialty areas: employee benefits; large corporate accounts; marine/energy; health care; Pacific Rim business; dental claims administration; affinity group marketing; and fast-food chain restaurants.

Jardine also markets life and health insurance products to unions and trade associations and property/casualty coverages to small corporate accounts that belong to professional associations.

JIB Group's pretax profits rose to record levels, up 19.8% to 21.8 million pounds ($32.7 million) in 1993 from 18.2 million pounds ($32.1 million) in 1992.

Gross revenues surged 13.2% to 231 million pounds in 1993 from 204 million pounds in 1992. Converted to dollars, gross revenues fell 3.6% to $347 million from $360.1 million the year before.

Lower interest rates and the stronger dollar also reduced JIB's investment income for the year, so that it only contributed 8% of the company's gross revenues compared with 10% in 1992.

Premium volume grew 14.9% to 1.7 billion pounds last year from 1.48 billion pounds in 1992. But, in dollar terms, premiums fell 2.7% to $2.55 billion in 1993 from $2.62 billion the year before.

JIB saw the performance of its reinsurance brokerage business slump in 1993, while wholesale and retail business improved and was more significantly more profitable compared with 1992.

These results caused a shift in the percentage of JIB's gross revenues generated by commercial retail brokerage to 63% in 1993 from 61% in 1992; wholesale brokerage accounted for 17% in 1993 vs. 16% in 1992; and reinsurance brokerage provided 11% of revenues in 1993 vs. 12% in 1992.

In addition to making better use of its technological resources, JIB is finding new ways to take advantage of its human resources. For example, JIB has begun positioning its personnel in geographic locations where their expertise is most needed.

The broker also is staffing its offices with local personnel of the same ethnic and cultural backgrounds as the community in which they work, particularly in the Pacific Rim. To ensure effective communication with its Asian clients, JIB hires local employees, trains them in the United States, then returns them to their home country.

Getting into the Asian market has been easier for Jardine than other brokers because its parent, shipping merchant Jardine Matheson Holdings Ltd., has its roots in Hong Kong.

"We are beginning to capitalize on Jardine's Asian ties," since "the world's economy is moving east and half the world's population lives in the East," Mr. Batchelor said.

Like an American Express office where tourists can be assured there will always be someone who speaks their language, "If we are in discussions with a U.S. client who is going to the Pacific for the first time, Jardine has an infrastructure in that region that we can tap into on behalf of that client," he explained.

Despite its loyalty to its Asian roots, the broker's parent came under fire when it moved its corporate headquarters to Bermuda from Hong Kong in 1984, and again last year when it "de-listed" its holding company stock on the Hong Kong stock exchange. "That was treated very negatively by the Chinese," Mr. Batchelor said.

But while Jardine Matheson shares are now traded primarily in London, the company's ties to the Asia Pacific region remain strong, particularly as China adopts capitalist economics. "The economic changes occurring in China are providing momentum for a lot of changes. If you were to visit (the former Canton region of) southern China, you'd see capitalism overtly expressed," he said. As a result, "there's an increasing demand for Western goods and services," including insurance.

Indeed, JIB's Asian business has been growing at a 20% to 25% annual clip for several years, Mr. Barton estimated.

Meanwhile, in the United States, JIB Inc.'s focus has been on creating an organizational synergy under the guidance of its Strategic Leadership Council, a 25-member group that includes the heads of each office and each specialty as well as the chief financial officer.

The group, which meets bimonthly, has been assessing the needs of its clients and trying to match the company's resources appropriately. The council also launched a research and development grant program in January that provides up to $500,000 to individual offices to provide an incentive to expand business within the broker-age's eight specialty areas.

Under the company's geographical financial reporting structure, office heads were reluctant to finance R&D if its costs would be reflected in their bottom lines, Mr. Batchelor explained.

The council is part of JIB's continuous quality improvement programs—"Play to Win" and "Commitment to Quality"—that former President and CEO George Brown initiated several years earlier when the broker went public.

"Play to Win" is an innovative New Age management training program that focuses on team building and communication skills. Under the "Commitment to Quality" program, launched in 1988, an office's client files are internally audited. Offices that pass the audits receive a credit on their contribution to the broker's errors and omissions insurance premium, while those that fail receive a debit. "Commitment to Quality" also provides training to division managers and creates a forum for suggestions that are brought to the board of directors.

"What we're not doing is creating a bureaucracy. We have very short lines of communication. But there's no point in having short lines of communication if you don't make it work to your benefit," he said.

And, while JIB officials continue to emphasize the broker's decentralized style, in which decisions are made close to the customer, "the senior people in this company need to know that also they are representing the interests of stakeholders, which are the employees and the shareholders," Mr. Batchelor stressed.

However, since "any change in management brings uncertainty," some layoffs and management changes have resulted, he admitted.

For example, between 25 and 30 people were laid off when JIB closed its Wichita, Kan., office, consolidating it with its Kansas City office. And the San Francisco headquarters was "consolidated," resulting in more job losses.

In addition, Don Weber, who came aboard when JIB merged with Kansas City-based Financial Guardian Group Inc. in 1990, left earlier this year to launch his own management consulting operation in Lafayette, Calif.

But, because JIB's employees are also part owners of the company, having the opportunity to purchase stock, they were more receptive than most non-owners might be to the changes, according to Mr. Batchelor.

In January, JIB's Los Angeles office was shaken by the earthquake that rocked Southern California. Although its office suffered no structural damage and was "up and running" relatively quickly afterward, JIB decided to relocate from the West side of Los Angeles to 42,000 square feet of office space downtown. The relocation will be completed by the end of the month, Mr. Barton said.

Sam Elliott, president of Jardine Insurance Brokers in Los Angeles, said the move was attractive because it will put the broker closer to the employment market as well as its suppliers.

While the ground under Los Angeles continued to shake from the aftershocks, JIB sought to stabilize the foundation of its Lloyd's of London members agency's through a joint venture with Swiss Bank Corp. in May.

Under the proposal, which is subject to approval by Lloyd's officials, the ongoing business of Jardine (Lloyd's Underwriting Agents) Ltd. will be transferred to a new agency that will be called Jardine Lloyd's Advisers Ltd.

The new joint venture company will have initial paid-up share capital of 1 million pounds ($1.5 million), with each partner owning equal shares and 15% available for company management participation by way of subscription and options.

JIB's Lloyd's members agency incurred a loss of 1.15 million pounds ($1.7 million) in 1993, down slightly from its 1992 loss of 1.8 million pounds ($3.2 million).

Continued publicity and litigation over members' losses has caused many London brokers' share prices

Continued on next page

Continued from previous page

ies—has a separate board of directors and chief executive.

Each unit needs to achieve 15% growth in operating income or individuals do not receive bonuses. This encourages not only new business but keeps expenses down, said Robert S. Schneider, senior vp and controller.

Also in 1993, the number of employees rose to 4,234 from 4,000; the number of operating units rose to 34 from 22; and the number of offices rose to 122 from 121. These figures include ABI and Pettit-Morry on a pro forma basis.

As part of the ABI deal, Acordia acquired its third-party administration unit, McDonough Caperton Insurance Group Inc., which has since become Acordia of West Virginia and Acordia National, both in Charleston, W.Va.

Other new units that opened in 1993 are: Acordia of Colorado in Colorado Springs; Acordia of Central Pennsylvania in Mechanicsburg; Acordia of North Carolina in Greensboro; Acordia of Arizona in Phoenix; Acordia of South Florida in West Palm Beach; Acordia of San Francisco; Acordia of Minnesota in Minneapolis; Acordia of Central Florida in Clearwater; Acordia of Cincinnati; and Acordia of New Jersey in Morristown.

Only 0.2% of Acordia's 1993 revenues came from non-U.S. clients, by far the lowest among the 10 largest brokerages.

Under a reciprocal services agreement, Acordia and Bain Clarkson Ltd. of London refer business to each other.

While the agreement is "not a huge piece of our business, at the present time, we're happy with it," Mr. Lytle said. And if the agreement is dissolved, "there are plenty of other people that would like to have a reciprocal agreement like that," he said, referring to the recent merger between Bain Clarkson and Hogg Group P.L.C., which gives Bain a large U.S. presence it did not previously have (see story, page 35).

"The main thing we are not wanting to do is to take the focus off the way we've been successful so far, which is focusing on U.S. and mid-market," said Mr. Lytle. "We've got a lot of the mid-market we haven't conquered yet. So, we're going to continue doing that and, at the same time, continue to develop expertise and relationships on an international level."

Acordia expanded its mid-market presence with two other acquisitions in 1993 and two so far in 1994.

In February 1993, Acordia acquired Associated Insurance Managers Inc., an Indianapolis-based property/casualty insurance broker that was folded into Acordia Corporate Benefits.

In March 1993, Acordia acquired Price & MacDonald Inc., another property/casualty brokerage based in Colorado Springs, Colo., that was folded into Acordia of Colorado.

In March of this year, Acordia acquired Association Administrators & Consultants Inc., a TPA and insurance broker located in Orange, Calif., that was folded into Irvine, Calif.-based Acordia Benefit Services of Southern California.

The Pettit-Morry acquisition in April brought a number of new specialty areas, including marine insurance and insurance for ski resorts. Eventually, Pettit-Morry will become an Acordia company, said Mr. Whitthun.

Acordia executives say they will continue to acquire property/casualty insurance brokers.

The percentage of Acordia's business derived from property/casualty insurance increased to 35% of revenues in 1993 from 14.9% in 1992. Similarly, life insurance business increased to 14% from 7.8% in 1992, while health insurance declined to 51% from 77.3% in 1992.

As of mid-1993, only three Acordia subsidiaries had achieved an even balance of all three areas. As of this month, that total was up to nine, Mr. Lytle said.

"We don't have a single company left that is only benefits or property/casualty. Everybody is doing some of all," he said. At a minimum, all the companies have benefit consulting and benefit sales, in addition to property/casualty and life insurance products.

"At maximum, an increasing number of companies have full managed care service, full TPA services, full property/casualty brokering and full life sales."

'A lot of the mid-market we haven't conquered yet. So, we're going to continue doing that,' says L. Ben Lytle.

A multi-faceted broker is better able to serve the mid-market, Acordia executives contend.

Each Acordia unit targets a specific geographic, demographic or industry market and each will eventually achieve the even balance that the company desires.

And because the units are small and responsive, in addition to being market- and community-focused, they can better react to the changing environment, executives contend.

An ideal client for Acordia is a company smaller than the Fortune 1000 "that really wants a total solution; someone who can service all its needs and prefers doing business with a local broker," Mr. Lytle said.

Of Acordia's $364.8 million in gross revenues in 1993, 45.4% was generated by commercial retail brokerage, 8.6% from wholesale brokerage, 16% from personal lines and 27.7% from services. Investment income and other sources made up the rest.

Altogether, 85% of retail brokerage revenues are generated by commissions, while 15% is from fees.

Acordia's first-quarter revenues in 1994 increased 6.8% to $89.3 million from $83.6 million in 1993. 1993 revenues include a full operating year of ABI.

Aftertax net income rose 25% to $7 million in 1994 from $5.6 million in 1993. First-quarter profits for 1993 are not restated to include ABI.

Acordia shares closed at $27.75 July 8, down slightly from their 12-month high of $28.75.

The 1993 cash compensation paid to the five highest-paid Acordia officers, including salaries and bonuses, as reported in the proxy, follows. Mr. Lytle's pay does not include compensation from Associated, for which he serves as an officer.

L. Ben Lytle	$420,000
Frank C. Witthun	$348,250
Howard L. Korn	$338,420
Michael B. Henning	$292,000
Robert S. Schneider	$271,271

—By Sally Roberts

Continued from previous page
land Jackson had been managing director of Clarkson Puckle when it was acquired in 1987 by Bain Dawes, for which Mr. Arnold was managing director. Six months after that acquisition, Mr. Howland Jackson left to join Hogg as deputy chairman and managing director.

"I've known Anthony for many years. He and I grew up together in the same industry so it was fairly natural to be thinking of this. I also knew through that connection that they would be a good firm to merge with. It now gives us the opportunity to operate on a much bigger scale and develop our business," said Mr. Arnold.

The experience gained by the two executives in the creation of Bain Clarkson, paired with Mr. Forrest's previous experience as executive director of Reed Stenhouse when it was acquired by Alexander & Alexander Services Inc. in 1985, they hope will help the team carry out as swift and painless a merger as possible.

The "synergistic benefits" of the combined management team will try to quickly harness the difficulties that come with all takeovers and mergers between competing companies that sell the same product.

But in this case the marriage does appear to make sense.

"The culture so far as I understand it is pretty similar. . . .I think the fit will be very good, certainly on the U.K. retail side," Mr. Howland Jackson said.

For example, Bain Clarkson had been strong in aviation brokerage while Hogg is a leading credit insurance broker.

More important, the combination creates a truly global force.

Bain Clarkson was strongest in the United Kingdom, which accounted for about 70% of its 1993 revenues. In addition, Bain Clarkson has been a leading broker in the Far East, where it continues to grow, and is also strong in continental Europe. The Far East generated nearly 20% of its revenues, followed by Europe, with 7%.

In January, Bain Clarkson became the first fully licensed retail broker in Vietnam this January by a joint venture between Inchcape Insurance Holdings (Hong Kong) Ltd. and the Vietnamese state owned insurance company, Bao Viet, each investing $125,000 in offices in Ho Chi Min City and Hanoi.

In 1993, Bain also opened new representative offices in Malaysia and China and signed correspondent agreements with brokers in the Philippines and Indonesia. Its Hong Kong subsidiary signed a joint venture with French broker CECAR, in which Bain Clarkson already holds a 25% minority stake, to handle French-owned business in the Southeast Asia region. CECAR ranks among the world's largest brokers for the first time this year (see story, page 53).

In Europe, the company bought a 65% stake in Boels & Begault, and also raised its stake in leading Italian broker Revasa S.p.A. to 49% from 39%. In Poland, a joint venture was signed with Grupa Polska Holdings International Sp. z.o.o., which gave Bain a 35% stake and it also recently won it a big reinsurance account from leading Polish insurer PZU.

Hogg Group, by contrast, has been far more reliant on revenues from the United States.

According to Hogg's 1993 accounts, U.S. clients, including wholesale business placed in the London market, accounted for nearly 42% of revenues last year, followed by the United Kingdom, with 37%; the Caribbean, 6%; the Far East, 5%, and the remainder from other corners of the globe.

Hogg brings the 38 U.S. retail branch offices of Hogg Robinson Inc.

Bain Clarkson's only retail presence in the U.S. market has been an associate agreement with Acordia Inc., which became effective last October and so far has only produced minimal income. Neither Bain Hogg nor Acordia have decided what will become of the agreement now that the London broker has HRI's retail network in the United States.

Mr. Forrest is no stranger to the U.S. market. Prior to joining Bain Clarkson earlier this year as chief executive officer (*BI*, Jan. 24), he had been chairman and CEO of Alexander & Alexander Inc. in New York, the U.S. retail brokerage subsidiary of Alexander & Alexander Services Inc.

But no one at Bain Hogg comes to the U.S. market with rose colored glasses, least of all Hogg's team already on the ground. Hogg's disappointing results in 1993 were blamed largely on HRI, which had a difficult year as it restructured its operations.

'We are the No. 1 broker in Asia, we are now the No. 1 retailer in the U.K. and have considerably strengthened our presence in continental Europe so we have got to the point where that strategy has largely been completed,' says Ron Forrest.

HRI took on more than 30 key producers in 1993 and continued to open new offices, which raised expenses without generating enough new business to offset the costs. Although HRI broke new business records last year, it was not enough to offset the effect of rate reductions on renewal business, lower contingency commissions and lost business.

Workers compensation insurance was a bright spot in 1993 for HRI, but its third-party claims administration operation suffered badly from the uncertainty surrounding the Clinton health care reforms.

Gary Griffith, chief executive of HRI, said restructuring costs invested in the last couple years will soon bear fruit. In addition, the economic upturn will improve the property/casualty business while the eventual arrival of health care reform legislation will persuade buyers back into the market and into the arms of HRI.

HRI also has contracted with Emperion—a joint venture between EDS Inc. and John Alden Life Insurance Co.—to provide automation services for the broker's medical claims administration business.

HRI hopes that the subcontracting the systems administration will enable it to focus much more on managing health care costs for clients and not just providing claims administration, said Mr. Griffith.

"We are excited. We were excited before the merger but with the additional opportunities Bain Clarkson brings to the Hogg group, the opportunities are outstanding," said Mr. Griffith of HRI.

Hogg also brings offices in Australasia, Africa, the Caribbean and Latin American regions, in which Bain Clarkson had little or no presence.

And, Hogg had recently opened offices in France and Germany.

"We are the No. 1 broker in Asia, we are now the No. 1 retailer in the U.K. and have considerably strengthened our presence in continental Europe so we have got to the point where that strategy has largely been completed," said Mr. Forrest.

"During the course of the year we will probably be revisiting our strategy and geographic expansion will be one of the items addressed. It's fair to say that, along with Inchcape, we feel we lack in America as an area and Hogg has an interest there. It's an area that we think has exciting economic possibilities and. . .it is high up on our agenda," he said.

—By Adrian Ladbury

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Acordia Inc.

120 Monument Circle, Indianapolis, Ind. 46204-4903; 317-488-6666; fax: 317-488-6535

	1993*	1992*
Premium volume	$2.98 billion	$2.89 billion
Gross revenues	$364,779,000	$332,769,000
Brokerage: Retail	45.4%	43.7%
Wholesale	8.6%	9.2%
Reinsurance	0.2%	0.1%
Personal lines	16%	16%
Services	27.7%	27.5%
Investment income	1.8%	2.1%
Other	0.3%	1.4%
Employees	4,234	4,000
Rev./Employee	$86,155	$83,192
Offices	122	121

* Includes *BI* estimate of American Business Insurance Inc. and Pettit-Morry Co. acquisitions on a pro forma basis.

With its 1993 acquisition of American Business Insurance Inc., fast-rising Acordia Inc. took a major step toward its goal of having its business evenly divided among life, property/casualty and health insurance.

Buying the No. 17-ranked brokerage immediately broadened Acordia's scope beyond its midmarket strongholds in the Midwest and South to include the West and Mid-Atlantic (*BI*, Aug. 30, 1993). And, with the purchase earlier this year of Seattle-based Pettit Morry Co., Acordia has further strengthened its property/casualty brokerage resources.

These deals also pushed Acordia to No. 8 on the *Business Insurance* rankings from No. 13. Because these two purchases were finalized prior to this year's rankings, *Business Insurance* has included their revenues on a pro forma basis for 1993 and 1992.

Despite the expansion of its property/casualty business, Acordia will continue to be strongest in health insurance, including managed care services, which accounted for 51% of its gross revenues in 1993.

"A lot of people don't realize that a fair amount of our revenue is from marketing and administration of managed care plans," said L. Ben Lytle, chairman, president and chief executive officer of the Indianapolis-based brokerage. "Our health care revenue is going to transform itself to where it's virtually all managed care."

Uncertainty over health care reform kept benefit revenues flat in 1993, though Mr. Lytle said Acordia is finding opportunities for growth in the evolving health care marketplace.

For example, as physicians and hospitals develop their own health plans—so-called physician hospital organizations—and take on the associated risks previously borne by insurers or health maintenance organizations, Acordia is marketing and administering those plans. And for groups that do not want those risks, Acordia can still help by turning to its parent, Associated Insurance Cos. Inc. of Indianapolis, which runs Indiana Blue Cross & Blue Shield and other insurers.

In addition, as health care reforms take place on a community—rather than federal—level, Acordia can take a local product and build it into a network that spans an entire state or region, Mr. Lytle added.

"We're trying to differentiate ourselves from everybody else in the marketplace," he continued. "We either have in place, or are in the process of developing, plans like this in a number of cities and will continue to accelerate it in the next 18 months."

Acordia's managed care efforts are not limited to developing plans for providers. The brokerage also develops specialized health care plans for groups of employers, said Michael B. Henning, executive vp. That includes developing provider contracts, marketing and administration.

Workers compensation is another growth area for the brokerage. Its experience with managed care plans and understanding of workers comp from its property/casualty operations enable Acordia to offer so-called 24-hour coverage plans in states that allow them, Mr. Lytle said.

As the benefits market has become dynamic, the property/casualty insurance market has, of course, remained sluggish.

Still, Acordia posted a 9.6% increase in gross revenues last year, one of the larger increases among the Top 20 brokerages.

Gross revenues increased to an estimated $364.8 million in 1993 from a restated $332.8 million in 1992. Both figures include ABI and Pettit-Morry revenues on a pro forma basis.

Acordia's pro forma net income also rose, jumping 52.7% to $22.3 million from $14.6 million in 1992. These figures include a $776,000 one-time charge in the first quarter of 1993 to recognize its retiree health care liabilities under Financial Accounting Standard 106.

Executive Vp Frank C. Witthun said one reason for the company's success is Acordia's unique governing structure. Each of its small free-standing units—which serve mid-sized clients in mid-sized cit-

Continued on next page

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Bain Hogg Group

1 Portsoken St., London E1 8DF;
071-480-4000; fax: 071-480-4007

	1993*	1992*
Premium Volume ..	NA	NA
Gross Revenues	$397,097,258	$462,756,525
Brokerage retail	53.7%	52.8%
Wholesale	13.2%	14.1%
Reinsurance...........	7.5%	6.6%
Personal lines	5.1%	4.2%
Services..................	14.1%	14.6%
Investment income	5.6%	7%
Other............ 0.8%	0.7%	
Employees	5,914	5,831
Rev./employee	$67,145	$79,361
Offices....................	164	154

* *BI* estimate of Bain Clarkson and Hogg Group combined on a pro forma basis. Converted at applicable exchange rate.

The decision by Inchcape P.L.C., parent of Bain Clarkson Ltd., to acquire broker Hogg Group P.L.C. creates in Bain Hogg Group a global broker that can compete for big accounts, its executives say.

It also is one of the largest U.K. commercial retail brokers. And, in the London market, it becomes the leading marine insurance broker, estimates Simon Arnold, deputy chairman of Bain Hogg Group and former chairman of Bain Clarkson.

Chief Executive Ron Forrest also expects the U.S. market to become a major focus of London-based Bain Hogg, though for now there are no plans to pump huge amounts of money into the United States.

Currently, Bain Hogg's business in the United States ranks it as the 13th largest broker of U.S. business with $81.8 million in revenues.

The new Bain Hogg has greater strength in most lines of insurance and the geographical spread to compete with the largest brokerages for the biggest and most lucrative clients on a regular basis, say its executives.

Both parties to the deal believe that there no longer is room for medium-sized brokers in the global insurance marketplace. To succeed in the major "beauty parades" before potential clients, Bain Hogg executives contend, a broker has to demonstrate both a depth and breadth of service beyond the reach of most of the world's current Top 20. Bain Hogg Group will do just that, they hope.

Combining Bain and Hogg's revenues on a pro forma basis, *Business Insurance* estimates that the merged brokerage generated gross revenues of 264.4 million pounds in 1993, up 0.8% from 262.2 million pounds in 1992.

Converted to dollars, revenues fell 14.2% to $397.1 million, from $462.8 million. Bain Hogg Group ranks as the seventh-largest broker based on estimated 1993 revenues; whereas Bain Clarkson had ranked as No. 11 and Hogg Group was No. 12 a year earlier.

Estimating the percentage of business that makes up Bain Hogg's revenues—based on breakdowns provided by the individual companies—it is clear that the merged broker's split of business will be dominated by commercial retail brokerage, which accounts for an estimated 53.7%. Next largest is services, such as claims administration and consulting, at 14.1%; wholesale brokerage at 13.2%; reinsurance brokerage at 7.5%; and personal lines, 5.1% The remainder is generated by investment income and other miscellaneous operations.

Bain Hogg's combined captive management operation will boast 48 captives under management, of which 35 are in Guernsey; 12 in Luxembourg; and one in the Isle of Man.

Inchcape's acquisition of Hogg was announced in April, shortly after Hogg posted lower profits for 1993.

Hogg's pretax profits fell 55% to 6 million pounds ($9 million) from 13.4 million pounds ($23.7 million) in 1992. At the same time, revenue growth was not spectacular across its various divisions. Many observers thought Hogg had allowed itself to become too fat.

When Bain Clarkson's parent, London-based international services conglomerate Inchcape P.L.C., announced it would pay 176.6 million pounds, or 2.55 pence per share for Hogg on April 22, the market registered little surprise except at the price being paid.

Morgan Stanley, Bain Clarkson's investment bank for the deal, said the price represented a premium of 81% over the middle market price of 141 pence per Hogg share at the close of business on March 30.

But according to Inchcape, the premium price will be more than justified as the benefits of the two company's combined strengths coupled with Hogg's "recovery potential" bear fruit.

"The two companies are an excellent fit and provide strong synergistic benefits across a wide range of activities. Our shareholders will also gain from the recovery potential in Hogg,'' said Charles Mackay, chief executive of Inchcape.

Mr. Arnold said that the key reason for the takeover is his long-held belief that in the global insurance marketplace medium-sized brokers are no longer competitive.

"I reached that decision four years ago. I was absolutely convinced, having carried out the merger of Bain Dawes and Clarkson Puckle, that it simply wasn't big enough. Then I could begin to see the way the whole broking industry was going and in my view being a medium-sized broker was going to prove extremely difficult to compete in this market into the future. I'm thankful to say that our shareholder, after a lot of investigation and consideration, agreed to our strategy," he said.

Anthony Howland Jackson, chairman of Bain Hogg and former chairman and CEO of Hogg Group, agreed wholeheartedly.

"One thing is clear to me that it would be very difficult for a broker the size of Hogg to compete effectively. This is a very competitive business which requires a high level of investment in people, technology and the like. When one has the financial limitations that Hogg has it's very difficult. I wouldn't be surprised if this merger were to trigger others elsewhere," he said.

To help it compete effectively for big multinational clients, Mr. Forrest said that Bain Hogg's risk management resources and people will be grouped together into a dedicated risk management division.

This will operate alongside the more traditional corporate broking divisions of U.S. retail, non-U.S. retail, international wholesale and reinsurance.

Messrs. Arnold and Howland Jackson have known each other for many years, which helped make the deal possible. Mr. How-

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credible. Companies are going in there in a big way," he said.

J&H has 14 offices in 10 countries in Asia. It is benefiting from the numerous infrastructure building projects underway in the region, Mr. Beane said.

J&H also will likely set up a joint venture with French broker Gras Savoye S.A. in Vietnam when laws governing insurance brokering are established there, he said.

"We could have set up a representative office, but it would not do us much good because we can do more through our fully staffed office in Bangkok," Mr. Beane said.

Gras Savoye, the French partner in the UNISON network, has set up representative offices in Vietnam.

J&H operates abroad through a combination of subsidiaries, joint ventures and corresponding brokers in the UNISON network.

The international network has 36 members that refer business to each other. The commission is normally split 70% to the servicing broker and 30% to the referring partner.

J&H and its German UNISON partner, Jauch & Huebener KGaA, have an option to buy a 10% to 12% stake in Gras Savoye.

"We continue to talk about shareholdings and becoming closer, but we have not exercised the option," Mr. Nielsen said.

However, J&H will become more firmly associated with its European partners in the future, he said. "We think that we will become closer, but as to what form that will take, we will let the future tell us."

In London, J&H named John Gussenhoven as chairman of Johnson & Higgins Ltd. Mr. Gussenhoven, who is partner and director of J&H, replaced Charles Carter and Nuno Brito e Cunha.

Mr. Carter and Mr. Brito e Cunha gave up their positions at the brokerage to represent J&H in its aborted partnership with Salomon Brothers to set up London Market Investors Ltd., a vehicle for investing corporate capital in Lloyd's of London. J&H provided syndicate analysis and other services, but the venture failed to attract the $300 million it sought (*BI*, Dec. 13, 1993).

Messrs. Carter and Brito e Cunha have since returned to J&H Ltd., where they are involved in sales and reinsurance, Mr. Olsen said.

The London operations also are seeing growth from new business. Prior to 1990, J&H placed business in London through its then-UNISON partner Willis Faber P.L.C. However, Willis Faber left the UNISON network after its merger with U.S. broker Corroon & Black Corp.

"The London office is doing well, and the growth is not coming from transfer business. It's coming from business that is new to London," Mr. Nielsen said.

Once a strong advocate of commission-based compensation, J&H now bills most large clients based on fees or negotiated commissions rather than flat commissions.

"It is not an issue for us. . . .We care that we get compensated, but not about which form it takes," said Mr. Nielsen.

J&H is continuing its long-term drive to improve staff performance with its quality initiative, which began in 1992.

"I believe that it is the single most important thing that J&H has ever done," Mr. Nielsen said.

The quality initiative task force has been expanded from 20 senior staff members to 35 who will have visited 52 J&H offices by the end of 1994, he said.

By then, 5,500 of the broker's staff will have gone through the program, Mr. Nielsen said.

The quality initiative has become necessary due to increased client demands over the past several years, said Mr. Olsen.

"What was acceptable five years ago is no longer acceptable," he said.

The quality initiative is all-pervading in the brokerage, Mr. Olsen said.

"It is not just posters in the reception areas. There is a lot of effort being done in order to get it right. There is real substance to effect change and change at every level," he said.

One of the main purposes of the project is to encourage staff to listen to clients more carefully and to ascertain what they really want, Mr. Nielsen said.

'Our weekly activity (in China) is incredible. Companies are going in there in a big way,' says S. Robert Beane, senior vp and director.

"We found that there was a gap between what the clients expected and what they said they wanted," he said.

The program is beginning to pay off, Mr. Nielsen said.

"We are beginning to see a change in the way we serve our clients and our clients are beginning to notice it," he said.

Several of J&H's UNISON partners also are establishing their own staff improvement programs as a result of seeing how the quality initiative is working, Mr. Nielsen said. "For example, two Jauch & Huebener partners came over here to work and they have taken the idea back with them and they are adapting it for their needs."

The number of current directors of J&H has fallen to 30 from 35.

In December, four directors retired: J. Kenneth Seward; Sam W. Aiena; George D. Benjamin; and Richard E. Meyer. Earlier this year, Martin L. Rayner, another director, died.

Since 1983, J&H has required directors to resign at age 62, or at age 60 if they have been directors for 15 years.

The Equal Employment Opportunity Commission last August filed an age discrimination lawsuit against J&H, alleging that the mandatory retirement policy violates the federal Age Discrimination Employment Act (*BI*, Aug. 9, 1993).

The suit seeks damages and back pay for nine former directors, including former Chairman Robert Hatcher, although none of the named directors endorses the suit, Mr. Olsen said. Mr. Hatcher has publicly criticized the EEOC suit (*BI*, Sept. 6, 1993).

In December, J&H named nine new managing principals, increasing the total to 19. Managing principals hold shares in the company and have options to purchase more in the future.

The new managing principals are Fernand Baruch, Craig A. Clements, D. Darby Duryea, George J. Kadri, James B. Meathe, Fred L. Packer, Thomas N. Pappas, Herbert R. Selander and Brooke N. Williams.

—By Gavin Souter

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Johnson & Higgins

125 Broad St., New York, N.Y. 10004;
212-574-7000; fax: 212-574-7676

	1993	1992*
Premium volume	N/A	N/A
Gross revenues	$962,000,000	$921,000,000
Brokerage: Retail	62%	63.7%
Wholesale	5.6%	4.3%
Reinsurance	4.5%	4.5%
Services	24.6%	23.5%
Investment income	2.6%	2.9%
Employees	8,642	8,684
Rev./Employee	$111,317	$106,057
Offices	129	126

* Restated.

Privately held insurance brokerage Johnson & Higgins for the first time is going public with its annual revenues.

The decision to publicize its 1993 and 1992 revenues is linked with the prospect that J&H will top $1 billion in gross revenues during its 150th anniversary next year, said David A. Olsen, chairman and chief executive officer.

And, with increased revenues in the first half of 1994, J&H is on target to achieve that goal, he said.

Despite a continued soft market, J&H has been able to increase revenues without slashing its head count and other expenses, said Mr. Olsen, adding that growth has come through new business.

It has also opened new offices in the United States and in the Far East.

Ownership of the brokerage has expanded, too, as several more managing principals have been named in the past year.

And all employees at J&H are continuing with the broker's quality initiative program to improve client service, said Richard A. Nielsen, president and chief operating officer.

In 1993, the first year for which J&H has officially revealed its revenues, the broker reported gross revenues of $962 million, a 4.5% increase from $921 million in 1992. *Business Insurance* had estimated J&H's 1992 gross revenues at $970 million.

The announcement is being made in anticipation of J&H's 150th anniversary in 1995.

"We expect to hit $1 billion by year end and that is exciting news, and if it is exciting, we want to tell the world about it," Mr. Olsen said.

Previously, J&H did not disclose its revenues, largely because as a privately held company it was not required to, he said.

The broker has no immediate plans to expand its financial reporting, but eventually will release quarterly revenues and other financial information, Mr. Olsen said.

So far this year, J&H has strongly increased both revenues and profits, Mr. Nielsen said. "We are ahead of budget in all our important business categories."

The increase in profits has been achieved through new business and improved client retention rather than cost reduction, Mr. Nielsen said.

"We are not having major layoffs or cost reductions. We are increasing profits and sales and making significant investments in technology, people and in some cases acquisitions. . . .The balance we are trying to achieve is to increase profits and to reinvest," he said.

The investment in technology includes 15 data bases, providing pertinent news wire and other information to employees, Mr. Nielsen said.

J&H's workforce shrank slightly to 8,642 in 1993 from 8,684 in 1992. The number of offices increased to 129 last year from 126 in 1992. The broker opened new offices in Orlando, Fla., Omaha, Neb., and Greenville, N.C.

J&H's growth has come despite a continued soft market, Mr. Nielsen said.

With the exception of large property risks located in catastrophe prone areas and some international property business, there has been no noticeable hardening in the insurance market during the past year, he said.

And, while prices are continuing to rise for catastrophe reinsurance, those increases could be halted by the new capital that has entered the market, Mr. Nielsen said.

J&H itself last October joined forces with investment bank Goldman Sachs & Co. to form Global Capital Reinsurance Ltd. in Bermuda.

The catastrophe reinsurer had year-end capital and surplus of $440 million and expects premium income of $100 million this year (*BI*, April 18).

"Global Capital survived the earthquake well, and it is profitable," Mr. Olsen said.

J&H's target clients continue to be large and medium-sized companies. The brokerage is continuing to see strong growth in middle-market business, said Mr. Nielsen.

"Almost every office has a separate middle-market department, and it continues to be one of the fastest growing areas in J&H's P/C and benefits business," he said.

Middle-market benefits business also has continued to grow in double digits for the past several years.

Despite uncertainty over health care reform, J&H's benefits unit A. Foster Higgins & Co. Inc. is seeing increasing business as health care providers position themselves for reform, Mr. Nielsen said.

Internationally, J&H is reporting significant growth in Southeast Asia, said S. Robert Beane, senior vp and director.

Last year, J&H opened a representative office in Beijing, headed by Alice Chan, who had been with the broker's Hong Kong operation. Although J&H has approval for a representative office there since 1986, it only last year staffed it.

The brokerage now has 75 clients in China. All are U.S. or European companies with operations in China, Mr. Beane said.

"Our weekly activity there is in-

Continued on next page

Spotlight report

Continued from previous page
the construction team cost Willis more than 175 clients, more than 50 key employees, tens of millions of dollars of current and future revenues, and the disruption of its operations (*BI*, June 27).

This is not the first non-compete lawsuit Willis Corroon has filed. The company sued John Lamberson, a former Willis Corroon president and chief operating officer for $10 million in 1992 when he left to form a competing construction specialty brokerage in San Francisco. Six other Willis employees left the company to join Lamberson, Koster & Co. Mr. Lamberson countersued (*BI*, Nov. 16, 1993) and a settlement was reached last August.

But there are other problems in the U.S. retail brokerage operations besides the defections that are affecting Willis Corroon results, the executives said.

Mr. Miller partially blames a continuing soft casualty market in which many coverages are renewing as is at depressed prices. "The soft insurance market has been our main problem."

Willis Corroon's West Coast region—comprising 16 offices mainly in California—also has not performed well, partially because of the slowed economy in the region affecting clients, said Mr. Miller.

Mr. Elliott said other internal problems must be addressed.

"We have not been retaining the business (that) we had budgeted or forecast," he said. There is an "enormous amount" of new business every year, but the company has not retained a similar amount at renewals in the United States, he said.

He said he realizes that American clients change brokers frequently and the business is competitive. But, "we haven't concentrated on retaining it," he said. "Therefore, if we don't acquire as much new business as we lose, the revenues obviously will go down. Regrettably that has been allowed to happen."

Willis Corroon executives also partly blame stock analysts' attitudes for the slump in its stock price.

To say Mr. Elliott was personally upset when all this happened is an understatement. "Wouldn't you be, having worked our way up to get the shares up to 240/250 pence and suddenly overnight this happens? Because, really, I think the analysts took it out on us" because they didn't know what was going on until the first-quarter announcement, he said. "What I wish now is that we said maybe in November/December that we could see a fairly major problem on the construction side. But do you advertise that sort of thing if you know it's there?"

To stop the drain on its operations, Willis Corroon implemented a plan June 1 in the United States to strengthen its balance sheet, profits and dividend, which in turn should lead to a recovery in the price of its shares. Senior officials in the United States are being urged to increase business through incentives designed to maintain existing business as well as bring in new business, he said.

Mr. Elliott also has been visited offices in the Western and Eastern United States. And Mr. Payne has met with all senior officials of the brokerage's U.S. operations in Nashville to explain the actions that need to be taken.

"If we are aware of the problems in our firm, it's very easy to do things," Mr. Elliott said. "A lot of people just didn't realize quite the size of business being lost."

Both Messrs. Elliott and Miller said early last month that heads would not roll as a result of the weak first-quarter results.

Nevertheless, Willis Corroon late last month announced a major executive shake-up that left some key people on the sidelines and others out in the cold.

Sources close to Willis Corroon agree that Mr. Miller and Frank F. White, former chairman and chief executive officer Willis Corroon Americas, are taking the fall for the U.S. retail brokerage mess.

Mr. Miller will retire at the end of the year as chief executive of the company and become vice chairman. He also has been replaced as chairman of Willis Corroon Corp., the U.S. holding company, by Kenneth H. Pinkston, who previously was president and CEO of the U.S. property/casualty programs division.

Mr. White has been removed from the broker's board and his positions at Willis Corroon Americas have been assumed by Mr. Payne. Despite relinquishing those posts, Mr. White remains with the company.

Willis Corroon's board of directors also decided to set up a new executive management committee to run the day-to-day operations of the company. The executive committee reports to Mr. Elliott, who remains in charge of Willis Corroon as executive chairman.

The new management committee is chaired by J. Max P. Taylor, who was also named chief operating officer of the group. Mr. Taylor will retain his position as chairman of the reinsurance division Willis Faber & Dumas Ltd. in London.

Also on the committee are: Messrs. Payne and Pinkston; George F. Nixon, chairman and CEO of Willis Corroon Europe; Brian D. Johnson, newly appointed chief operating officer of Willis Corroon Americas, who remains vice chairman of the unit; and Richard A. Dalzell, group finance director of Willis Corroon.

Mr. Elliott, though, is expected to retire soon and Mr. Payne had been expected to take his place. Now, however, it appears that Mr. Payne has been sidelined, signaled by being put in charge of U.S. retail operations rather than worldwide retail operations.

Mr. Taylor is now expected by some observers to be in line to eventually succeed Mr. Elliott as executive chairman. Other sources close to Willis Corroon, though, say it is far from certain who will succeed Mr. Elliott.

"I won't be around too much longer," Mr. Elliott admitted early last month. With good 1993 results, he had hoped that 1994 would look good, too, and he could plan his retirement in 1995.

When the merger of Willis Faber and Corroon & Black took place four years ago, he had the option to retire in 1998. "Now I'm quite sure the board will insist that I go before that—well I hope they do," he quipped. "At the moment it's slightly fluid what I'll do. . .but I'm determined to get it right before I do go. It's been good to me, this old firm."

In hindsight, Mr. Elliott said he doesn't regret the merger of the two firms, though it now looks more like a takeover of Corroon & Black by Willis Faber. "I'm still sure in the long-haul it was the right thing to do. I think if we hadn't done it we'd have turned into a branch office of maybe a big American broker."

But Mr. Elliott admits it's taken a long time to understand the culture of Corroon & Black, which itself was built up by more than 100 acquisitions and mergers. In the beginning, executives at Willis in London tried to let the U.S. operations act autonomously, but this wasn't good for the group's operations, analysts say.

"We went on with that for too long," said Mr. Elliott.

—By Stacy Shapiro

Continued from previous page
revenues—excluding discontinued underwriting operations—were up 13.4% to 703.4 million pounds from a restated 619.7 million pounds in 1992.

Converted to a stronger dollar, though, revenues fell 3.4% slightly to $1.06 billion from $1.09 billion. Based on 1993 revenues, Willis Corroon remains No. 5 in the *Business Insurance* ranking of the world's largest brokerages.

North American brokerage revenues were particularly strong, rising 19.8% to 382 million pounds ($573.8 million) from 318.8 million pounds ($562.7 million) in 1992.

And, the brokerage's pretax profits jumped a whopping 79% to 76.2 million pounds ($114.5 million) from 42.5 million pounds ($75 million) in 1992.

Based on these strong results, the company believed at year-end that it had finally turned the corner in amalgamating the operations of Corroon & Black Corp. in the United States with Willis Faber, following the 1990 merger of the two firms.

Donald H. Payne, chief executive of the company's worldwide retail unit Willis Corroon, had been in U.S. headquarters in Nashville all last year to smooth over problems. New teams were hired and expanded to establish new specialty subsidiaries like Corroon Aerospace, Willis Corroon Marine & Energy/Americas Inc. and Willis Corroon Financial Services Corp., all of which are based in New York.

And a push was made among retail brokerage personnel in the company's 45 U.S. offices to use the company's wholesale services rather than placing the business with other wholesale brokers.

Willis Corroon also established a three-year plan in more than a dozen of its U.S. retail offices to go after global accounts.

Indeed, Willis Corroon Executive Chairman Roger Elliott and Chief Executive Richard Miller stated in the company's 1993 annual report: "We are beginning to show the returns on the investments made both in the creation of the group in 1990 and in the subsequent additions necessary to realize the full potential of the new group."

The feeling was buoyant when year-end results were announced March 17, and stock analysts evidently were infected by that optimism and predicted first-quarter pretax profits of about 55 million pounds ($82.5 million) and year-end 1994 profits of between 90 million and 100 million pounds ($1.4 million and $1.5 million).

Then everything hit the fan.

In mid-April, Willis Corroon's directors discovered at a board meeting that first-quarter results were sharply lower and the decline was entirely due to poor results from its U.S. retail brokerage operations.

Messrs. Elliott and Miller admit that neither realized the extent of their U.S. problems until then.

But it was too late to warn stock analysts without infringing on London Stock Exchange rules on insider trading. The stock market did not learn of the problems until May 19, when the brokerage announced that first-quarter pretax profits had dropped 10.4% to 42.2 million pounds ($63.5 million) from 47.1 million pounds ($79.7 million) a year earlier.

First-quarter operating revenues for continuing and discontinued operations fell 5.2% to 202.6 million pounds ($304.9 million) from 213.7 million pounds ($361.8 million).

In addition, first-quarter operating revenues in North America fell 8.3% to 96.6 million pounds ($145.4 million) from 88.6 million pounds ($150 million) a year earlier.

Operating expenses for continuing operations also grew 5.5% to 161.8 million pounds ($243.5 million) in the first quarter. About half of that increase arose "from the further development of reinsurance, aerospace and construction broking operations in North America and from the establishment of new offices in continental Europe, Latin America and the Pacific Rim," the executives said when they announced the first-quarter results.

"These results are disappointing," stated Messrs. Elliott and Miller. "We showed in the annual report for 1993 that most areas of the group are achieving the benefits of synergy and of working together, which we expected to realize. This progress has continued in 1994. However, we are having some problems in our U.S. (retail) broking operations."

The stock market's dismay was swiftly felt. Willis Corroon's stock price dropped 22% the day after the first-quarter results were announced to 183 pence ($2.75) per share from 235 pence ($3.53) per share earlier in the week (*BI*, May 23). The brokerage's stock price was 142 pence ($2.20) on July 8, down 42% from its high this year of 245 pence ($3.68).

In a report to investors titled, "Corroon & Red," stock analyst Chris Hitchings of UBS Ltd. said: "Corroon has performed badly since Willis bought it. . . .If Corroon cannot be stabilized, Willis has a big problem. It may take a few quarters of better figures before that fear fades."

Mr. Elliott blamed several factors for the decline of Willis Corroon's stock price. He admitted that not until the first-quarter results were announced did Willis Corroon reveal the full financial impact resulting from the loss of 60 people in one of its two construction operations. The team—including three top executives—left to join rival Rollins Hudig Hall Group Inc. last autumn, following Richard F. Ferrucci, chairman of the construction division of Willis Corroon Group in New Hyde Park, N.Y., who had joined RHH as a senior vp (*BI*, Sept. 6, 1993).

In its lawsuit, Willis Corroon contends the construction team's defection will cost the brokerage tens of millions of dollars in current and future revenue, as well as more than 175 clients.

Mark Reagan, president of the surety division of American International Group Inc., was hired late last year to replace Mr. Ferrucci and he's since hired an additional 50 people to replace the team. The expenses associated with these hirings were booked in the first quarter.

"We'll probably lose a year to 18 months in (construction) revenues—maybe more—plus a lot of management time" from the loss of the construction team, said Mr. Miller.

Last month, Willis Corroon filed suit in the New York State Supreme Court in Manhattan, accusing Mr. Ferrucci, Leonard S. Bullock, former president and chief executive officer of the construction division; Neal McDuffie, vice chairman of Willis Corroon CID U.S.A. Corp.; and Anthony J. Romano, president and chief executive officer of Willis Corroon Construction Services Corp. in New York, of violating their contracts with Willis Corroon and with conspiring to steal clients, employees, trade secrets and other proprietary information.

Willis Corroon is seeking $25 million in compensatory and punitive damages against RHH, charging that the brokerage unit of Aon Corp. "aided and abetted" the four executives.

The lawsuit claims that the loss of

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growth was reported by: Media/Professional Insurance, which provides libel insurance for media companies; Bankers Insurance Service Corp., an underwriting manager for the mortgage banking industry; Scarborough & Co., an underwriting manager for community banks, mortgage and savings institutions; and GoPro Inc., an underwriting manager for property and liability programs for government entities, public officials and law enforcement agencies.

• **Godwins International Inc.**

Worldwide revenue for the benefit consulting unit more than doubled to $168.5 million from $70.6 million in 1992. The increase primarily reflects the 1992 acquisition of Godwins International Holdings Inc., which was Hall's employee benefit consulting unit, and the 1993 purchase of Winston-Salem, N.C.-based Booke & Co.

Godwins International Inc., the holding company chaired by Daniel T. Cox, ranks as the 10th-largest benefit consulting firm based on an estimated $139 million in gross benefit consulting revenues for 1993 (*BI*, Dec. 20, 1993).

The unit's biggest challenge in 1993 was pulling together the three companies, Mr. Cox said.

Godwins in the United States was very different from the U.K. firm, explained Donald C. Ingram, chairman of Godwins Booke & Dickenson, the U.S. employee benefit operation, referring to different cultures as well as services. Godwins Ltd. in the United Kingdom also was twice the size of Godwins in the United States.

And Miller, Mason & Dickenson Inc., Aon's former benefit consulting unit, was a decentralized organization whereas Booke & Co. was more centralized, he said. Besides being located in different cities, each firm, like the Godwins operations, also specializes in different benefit areas, Mr. Ingram said.

While not all 25 U.S. offices of Godwins, Booke & Dickenson have the services that the company is capable of offering, each region does and "they support one another."

In London, Godwins is focusing on financial planning for individuals.

Quality assurance was also a focus of the U.K. operation in 1993, said Chairman J. Hunter Devine.

In May, Godwins Ltd. was certified as meeting the British Standard Institute's BS-5750—a system of practices that targets client satisfaction as the ultimate measure of quality—for all of its services in all 28 U.K. offices, he said.

• **Nicholson Leslie Group.**

Lloyd's of London brokers Nicholson Chamberlain Colls Ltd. and Leslie & Godwin Ltd. began placing wholesale and reinsurance business in January under the merged name Nicholson Leslie Group.

The merged Lloyd's broker, headed by Chairman Alan H.C. Colls, has been in the works since the Hall acquisition. Hall acquired L&G in 1978 and Aon has been a major shareholder in NCC since its creation in 1988. Last year, Aon acquired the remaining 53% stake in NCC, which cleared the way for a merger (*BI*, Jan. 31).

But while the companies were brought together under Aon in 1993, they were not merged immediately because "they were very different companies," explained Mr. Colls, former chairman of NCC. Antony Pinsent, former chairman of L&G, is the new company's deputy chairman.

L&G was a multiline broker, Mr. Colls said, noting that in 1993 the brokers worked together to identify the L&G operations that could be integrated, those that showed growth potential and those that should be sold. At the same time, they avoided competing against each other.

"The main areas of overlap were aviation and marine," he said. Since NCC was a major producer of aviation insurance, L&G aviation business was integrated with NCC and NCC's marine operation was moved into L&G's larger marine unit. L&G's large U.K. retail operation also was transferred to RHH Co., Mr. Colls said.

After that, the focus turned to segments of L&G's business that were potential growth areas for the combined broker, he said, referring to international treaty, energy, international non-marine and stop-loss coverage for Lloyd's members.

Businesses that "had no future potential" were placed into runoff, he said, adding that a number of accounts were placed with Aon Risk's Integrated Runoff Insurance Services Corp., known as IRISC.

During 1993, NCC and L&G worked as "sister companies," he said. Revenues for its wholesale and reinsurance business increased 43.3% to $87.4 million from $61 million in 1992, fueled by NCC's acquisition of L&G's assets following the Hall transaction, Mr. Colls said.

Nicholson Leslie's 14 units specialize in wholesale and non-U.S. reinsurance business in aviation, marine, energy, property/casualty and kidnap/ransom wholesale, among other areas.

During 1993, Aon's stock price ranged from $46.25 to $58.50 per share. On July 8, it closed at $33.38.

The cash compensation, including salary and bonus, of the top five officers of Aon Corp. in 1993, as reported to the Securities and Exchange Commission, follows:

Patrick G. Ryan	$1,123,462
Michael A. Conway	$356,038
Daniel T. Cox	$575,649
Harvey N. Medvin	$579,231
Raymond I. Skilling	$569,231

—By Sally Roberts

5

Willis Corroon Group P.L.C.

10 Trinity Square, London EC3P 3AX
071-488-8111; fax: 071-488-8223

	1993	1992*
Premium volume	$10 billion	$10 billion
Gross revenues	$1.06 billion	$1.09 billion
Brokerage: Retail	44%	42%
Wholesale	10%	8%
Reinsurance	18%	17%
Personal lines	5%	6%
Services	10%	9%
Other	6%	10%
Investment Income	7%	8%
Employees	11,183	11,335
Rev./Employee	$94,518	$96,515
Offices	309	310

ap4>

* Restated. Converted at applicable exchange rates.

Willis Corroon Group P.L.C.'s 1993 results are like the tale of the Emperor's Clothes.

Although the London-based brokerage posted strong 1993 results, they hid some serious problems in the U.S. retail brokerage division that emerged in the first quarter and which the group is now addressing via new hirings and a management shakeup, among other initiatives.

Pretax profits fell 10% in the first quarter and the company disclosed significant expenses incurred by U.S. operations, particularly in connection with replacing a construction brokerage team that had defected to Aon Corp. (*BI*, May 23). The broker's stock plunged 22% on the news, primarily because analysts reconsidered their rosy profit outlook for the company.

In 1993, Willis Corroon's gross

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acquisitions of Hall and Hudig, though Hall's results were not included.

Excluding the $68.4 million special charge taken in the fourth quarter of 1992 relating to the costs of consolidating the three companies, Aon's brokerage operations would have posted pretax income of $66.7 million in 1992. Using that figure, 1993 pretax profits increased 92.1%. However, 1992 figures were not restated to include Hall.

Aon does not break out net income for individual operating units.

Among 11 acquisitions RHH made in 1993 and so far this year, RHH Co. purchased Mexico City-based commercial insurance broker Ramos Rosado y Asociados Agente de Seguros S.A. de C.V. in October.

Aside from the retail brokerage operation, RHH Group has four other units:

- **Aon Risk Services Inc.**

This unit, under Chairman Michael D. O'Halleran, includes reinsurance brokerage, wholesale brokerage, captive management, underwriting management and third-party claims administration services.

Revenues increased 120% in 1993 to $193.6 million from $87.9 million in 1992. Aside from acquisitions—including the $18 million in reinsurance commissions that Reliance Group Holding Inc. guaranteed ARS annually with the sale of Hall—revenues grew 62%, Mr. O'Halleran said.

"1993 was an excellent year for ARS," he said.

In 1993, all the reinsurance operations were joined under one holding company—Aon Re Worldwide. Aon Reinsurance Agency Inc., which was the fourth-largest U.S.-based reinsurance broker based on 1992 revenues of $45 million (*BI*, Nov. 1, 1993), changed its name to Aon Re Inc. and now is part of Aon Re Worldwide.

Also brought under the Aon Re Worldwide umbrella within the past year were Aon Re Bermuda and the reinsurance business of Nicholson Leslie Group, a London-based unit of RHH, said Mr. O'Halleran. Reinsurance revenues from Nicholson Leslie, though, are not included in ARS's results.

As a result of the consolidation, Aon Re Worldwide ranks as the second-largest U.S.-based reinsurance intermediary based on 1993 revenues, he estimated.

While commenting that Aon Re has "fairly well penetrated" the market outside the United States, Mr. O'Halleran said he is looking to expand in Australia and possibly more into continental Europe.

ARS's sports and entertainment division also consolidated its business under one holding company—SLE Worldwide—in 1993. SLE comprises K&K Insurance Group Inc., which underwrites on behalf of Transamerica Insurance Group, and Aon Entertainment Ltd. Insurance Services, which underwrites on behalf of CNA Insurance Cos.

And, SLE entered the London market in 1993, underwriting on behalf of CNA International, and expects to increase its operations in Europe this year, Mr. O'Halleran said. For non-U.K. business, SLE is looking for another underwriter with which to do business, he added.

Wexford Underwriting Managers Inc., a San Francisco-based managing underwriter that wrote excess workers compensation insurance on behalf of TIG, switched to CNA Insurance Cos. in 1993, Mr. O'Halleran said. But, the parting was "amicable" and "has nothing to do with the results of the business," he added.

Later this year, Wexford will open a new U.K. operation to write employers liability business.

While business is expanding in most areas for ARS, it is in the process of selling its employee benefit TPA unit. Chicago-based Brookfield will be sold to Columbus, Ohio-based R.E. Harrington Inc.

Brookfield "was strategically not large enough to compete in the national health care arena. Therefore, we exited that business," Mr. O'Halleran said.

ARS's captive management services also grew in 1993 with the addition of Aon Re Luxembourg in March. The unit will develop and manage captives and provide insurance and reinsurance services throughout Europe, he said. And, the captive management companies in Bermuda and Dublin, Ireland, that had been part of the retail brokerage unit moved to ARS.

- **Aon Specialty Group Inc.**

Aon Specialty—which develops highly specialized insurance products and administrative service programs for clients like professional groups and government entities—increased its revenues 23.3% to $102.5 million last year from $83.1 million in 1992.

Much of Chairman Michael D. Rice's time in 1993 was spent forming The Aon Alliance, which provides full risk management and brokerage services available from numerous RHH units to the health care industry through RHH's retail brokerage offices. Corbette S. Doyle, who left Willis Corroon in July 1993 for RHH, is CEO of the unit.

"Aon did not have a visible position in the health care industry, although we had a significant participation in premiums produced out of that industry," Mr. Rice said. And because Aon did not have a "significant vested interest to protect," it could afford to provide solutions to new problems facing providers of health care services, he said.

As part of this strategy, ASG in February acquired OUM & Associates, an underwriting manager and program administrator in Bellevue, Wash., that specializes in medical malpractice coverage, Mr. Rice said.

Also part of this strategy, ASG is forming Aon Managed Care, an underwriting management facility that provides, among other things, capitation coverage for health maintenance organizations. He said it should be up and running before the end of the third quarter. It still must be decided whether it will be open to all brokers or only RHH brokers, he added.

Mr. Rice also said that strong

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Rollins Hudig Hall Group Inc.

123 N. Wacker Drive,
Chicago, Ill. 60606;
312-701-4000; fax: 312-701-4580

	1993	1992
Premium volume	N/A	N/A
Gross revenues	$1,215,000	$1,102,000
Brokerage: Retail	56%	64%
Wholesale	14%	10%
Reinsurance	8%	6%
Services	19%	16%
Investment income	3%	4%
Other	N/A	N/A
Employees	10,650	9,800
Rev./Employee	$114,085	$112,449
Offices	312	248

Culture, not size, is driving growth at Rollins Hudig Hall Group Inc., its executives say.

But they are also anticipating the day, perhaps this year, that RHH will be the second-largest broker in the United States, if not the world.

Executives at the Chicago-based brokerage all proudly describe a corporate culture that not only distinguishes RHH from its competitors but also allows it to grow, prosper and better serve its clients.

"The culture is built on entrepreneurial spirit," said RHH Group Chairman Patrick G. Ryan, who also is also chairman, president and chief executive officer of RHH's parent company, Aon Corp.

That culture, which pervades Aon, allows for "the freedom to express one's professionalism," which ultimately benefits the client, he said.

"We are large enough to have critical mass to be a major global player. However, we want to be a high value-added provider of services. Size is not required," Mr. Ryan said.

RHH, which made its debut last year as the merger of Aon's Rollins Burdick Hunter Group Inc. and two acquisitions—Dutch broker Hudig-Langeveldt B.V. of the Netherlands and Frank B. Hall & Co. Inc.—remained the fourth-largest broker with 1993 gross revenues in excess of $1.21 billion.

But, RHH's 10.3% increase in revenues from $1.1 billion in 1992—the largest rate of growth among the Top 20 in dollar terms—left it just $1.2 million shy of becoming the third-largest broker in the world, a spot held by Sedgwick Group P.L.C., which had the largest growth in its home currency among the Top 20.

But if the first quarter is any indication, RHH may well end up this year as the second-largest U.S.-based broker and No. 3 worldwide.

RHH reported a 14.9% increase in first-quarter revenues to $352.3 million from $306.5 million in 1993. Pretax profits rose 10% to $62.7 million from $57 million over the same period.

RHH's revenue gain in the first quarter was enough to surpass Alexander & Alexander Services Inc. as the second-largest U.S. broker for the quarter. A&A's revenues in that period declined 0.6% to $323 million.

Sedgwick's first-quarter revenues grew 15.6% to 249.4 million pounds ($375.3 million), keeping it ahead of RHH.

While Mr. Ryan has not been shy about his ambition for RHH to eventually become the second-biggest broker in the world, he maintains that the greatest challenge and ultimate highlight of 1993 was "the creation of a culture that is part of Aon which became part of RHH."

The quick integration of the corporate culture is a reason that RHH has attracted many talented individuals from other brokerages, he said.

Attracting people from other brokerages can bring problems, though. RHH was named in a suit filed last month over its alleged role in the defection of a team of construction specialists to RHH from Willis Corroon Group P.L.C. (*BI*, June 27). RHH denies the charges contained in the suit.

"We are the last bastion of entrepreneurial cultures" in the insurance brokerage industry, contends Donald R. Bell, vice chairman of RHH Co., the retail brokerage unit, who says other brokers tend to be more bureaucratic.

Within RHH, there is high energy, creativity, innovation and pride, "without having to fit a cookie-cutter mandatory way of doing business," he said.

RHH also points to the cooperation among all its operating units when serving a client, which executives say improved in 1993 after the consolidation was completed.

"There is no turf," Mr. Ryan said. "All resources are brought together, which gives us a significant competitive advantage."

The consolidation included linking all employees throughout the world by electronic mail, which allows them to turn to the company's own resources and capabilities, said Richard A. Riley, president of RHH Co.

"It's very rare that a large employer is talking to just one unit of RHH," added Dirk P.M. Verbeek, chairman of Rotterdam, Netherlands-based RHH Holdings B.V., the international retail unit of RHH Group. He admits it is a challenge for RHH to bring employees together to meet, discuss their business and start doing business together.

"Customers need access to our people. That can only take place on a horizontal basis, and that's now taking place," Mr. Verbeek said.

Among new opportunities for RHH Holdings is bringing expertise in employee benefits to clients in Europe and the Far East as governments seek to cut their social security obligations, he said.

While RHH promotes its corporate culture among its employees, executives are quick to point out that clients are attracted to RHH by the expertise of its individuals.

"RHH was built around very fine experts with expertise around the world that stays focused on the clients," said Arthur F. Quern, chairman of RHH Co.

To take the pulse of clients' concerns, RHH surveyed 300 risk managers attending the Risk & Insurance Management Society Inc.'s annual conference in April. Based on their responses, it determined that risk managers are concerned by the redundancy in services delivered by their brokers and their insurers.

As a result, RHH has begun "looking to identify areas where our activities can be better aligned" with insurers serving an industry segment or line of business to reduce any redundancies, Mr. Quern said, adding that insurers are also very interested in correcting this problem.

"We have to succeed by earning clients. That does not happen just because we're big," he said.

Nonetheless, RHH is big and is continuing to expand. At the end of 1993, RHH owned 312 brokerage offices worldwide, compared with 248 offices in 1992. RHH also has a majority stake or affiliation with an additional 17 offices in the Pacific Rim, Ireland, Greece and Switzerland.

The brokerage increased its workforce in 1993 by 8.7% to 10,650 people from 9,800 in 1992.

Pretax profits totaled $128.1 million for the year, a significant difference from 1992's $1.7 million pretax loss, which was attributable to the

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enues in 1993.

The group also established Sedgwick Global to focus on acquiring new multinational accounts through a network of 24 offices worldwide, in cities where most of the world's top 1,000 companies are based.

In the future, growth will continue worldwide through existing operations.

It's likely, for example, that Sedgwick North America will branch out into Latin America one day, though the region "is riddled with reinsurance debt," noted Mr. Riley.

Several Latin American economies are growing rapidly, though the nations still have ups and downs, said Mr. Healey. Mexico, for example, has had political changes that might affect its growth.

Growth might also come from Canada following the signing of the North American Free Trade Agreement last year, Mr. Healey added.

However, no one should underestimate the future opportunities in the United States, Mr. Healey emphasized. Although Europe and the Asia/Pacific regions are growing faster than the United States, these regions' insurance markets are not as large and not broker-driven markets, he noted.

"The U.S. probably will be the stable marketplace in this part of the world and will have the greatest opportunities," said Mr. Healey. "The United States is still an absolutely huge insurance market that distributes its products primarily through the brokerage/agency system."

The American insurance market accounts for $240 billion in premium plus another $60 billion to $70 billion in the alternative risk financing market, he said. "For the past five years, the market's been growing at 5% to 8% per year. So while the U.S. is a relatively mature market, it is still huge and sells its products in a traditional way where the broker is very active."

North American operations accounted for 49% of overall revenues in 1993.

Altogether, Sedgwick's acquisitions last year helped boost the group's gross revenues 18% to 809.7 million pounds from a restated 684.9 million pounds in 1992. Acquisitions, including the last three months from Noble Lowndes, accounted for 35.8 million pounds ($53.8 million) in revenues last year.

The group's pre-tax profits grew 24% to 70.5 million pounds ($105.9 million) from 56.7 million pounds ($100.1 million) in 1992.

Pre-tax profits for Noble Lowndes—which Sedgwick did not include in 1993—totaled 9 million pounds ($13.5 million) for the 11 months ending Sept. 30, 1993.

In addition to the Medisure offering, Sedgwick raised 41.5 million pounds ($62.3 million) through an issue of convertible bonds in June 1993, which was used to reduce debt.

Sedgwick's 1992 results are restated to reflect the 15 accounting changes announced by the British Accounting Standards Board in the past 16 months, said Stuart Tarrant, Sedgwick's finance director.

Insurance and reinsurance brokerage accounted for 84% or 678.6 million pounds ($1.02 billion) of the company's total revenues last year. Of this, about two-thirds—475 million pounds ($713.4 million)—is derived from commercial retail business. U.S. business accounted for 55%—or 260 million pounds ($390.5 million) of the commercial retail total.

Employee benefits consulting now accounts for 15%—or 121 million pounds ($181.7 million) of 1993 revenues; while Sedgwick Lloyd's Underwriting Agents Ltd. adds 4.8 million pounds ($7.2 million) to revenues and posted a pretax loss of 1.4 million pounds ($2.1 million).

Insurance underwriting commissions account for 5.3 million pounds ($8 million) in revenues, but results were decidedly mixed.

Americas Insurance Co. and Mendip Insurance & Reinsurance Co. together reported pretax profits of 4.7 million pounds ($7.1 million). However, River Thames Insurance Co. produced another loss of 6.9 million pounds ($10.4 million), on top of its 1992 loss of 6 million pounds ($10.6 million). Sedgwick owns 49% of River Thames.

First-quarter revenue grew 15% to 249.4 million pounds ($375.3 million) from 215.8 million pounds in 1993 ($365.3 million). Investment income dipped nearly 12% to 9.6 million pounds ($14.4 million) from 10.9 million pounds ($12.7 million). Brokerage revenues increased 18% to 239.8 million pounds ($360.9 million) from 204.9 million pounds ($361.6 million), though all but 1% was due to the acquisitions.

First-quarter pretax profits rose 4.8% to 43.6 million pounds ($65.6 million) from 41.6 million pounds ($73.4 million).

Sedgwick had warned stock analysts that the first quarter would be flat, although the group should have a stronger second half this year, said Mr. Riley.

In the meantime, there have been several changes on the Sedgwick board.

Representatives of major shareholder Transamerica Corp. have left following the sale on the open market of the company's 21% stake in April. Transamerica sold its remaining 114 million shares for $320 million (*BI*, April 18).

Also gone are Franz Lutolf, Adrian Platt, and Jim Payne, former vice chairman of Sedgwick and chairman of Sedgwick Payne. Jonathan Gilbert is now chairman of Sedgwick Payne.

—*By Stacy Shapiro*

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150 U.S. positions were cut and offices in Knoxville, Tenn., and Troy, Mich., were closed.

Bringing Noble Lowndes into the Sedgwick fold took a "fair amount of re-engineering," said Mr. Healey. "That was done very rapidly and we continue to build a strategy where we work closely together with all of our businesses—both benefit and property/casualty."

Of course, health care reform legislation could ultimately push this growth off track.

"If I knew what the law was going to be I could tell you exactly" how Sedgwick would be affected, said Mr. Healey. "But the conversation changes every Monday morning after a new idea is put forward."

"Depending on what kind of bill came out, it could affect us, especially on how workers compensation ties in with any health care bill," Mr. Healey added.

Meanwhile, during due diligence before the acquisition, Sedgwick discovered that the British Investment Management Regulatory Organization was investigating possible breaches of its rules by a small number of consultants in the personal financial services division of Noble Lowndes.

As part of the acquisition agreement, TSB agreed to pay any fines the British regulators imposed and any compensation costs. Subsequently, Noble Lowndes was fined and agreed to compensate investors, but TSB paid the costs.

On another regulatory front, the British Securities and Investments Board is investigating employers and outside advisers that recommended in the 1980s that

'There's no doubt that we view the Asia/Pacific region as a huge area of growth. Now that America has given its blessing to China, we believe that there will be huge American investment in that part of the world,' says Sax Riley.

workers transfer funds from company pension plans to private pension arrangements, which are accounts similar to individual retirement accounts offered by insurers.

Those private arrangements were later discovered to yield lower returns than company pensions and employers and outside advisers have been paying out billions of pounds in claims for compensation.

The investigation "suggests that, throughout the (pensions) industry, some business may not have been carried out in full compliance with regulatory requirements for several years," Mr. Riley stated in the annual report. "We will be monitoring developments closely."

Acquiring Noble Lowndes was not the only move Sedgwick made last year to strengthen its consulting business.

Sedgwick in May 1993 established CLM Advisers P.L.C. to promote corporate Lloyd's membership. CLM Advisers in November helped establish CLM Insurance Fund P.L.C., which raised 86 million pounds ($129.2 million) in Lloyd's capital on the London Stock Exchange.

Early last year, Sedgwick's specialist insurance broker and reinsurance unit Sedgwick Payne also established Sedgwick Payne Insurance Strategy Ltd.—known as INSTRAT—to examine alternative reinsurance techniques.

These consulting services are in addition to Sedgwick's existing risk management consulting operations, including captive management services throughout the world.

Efforts to strengthen consulting operations helped push fee income to 27% of the company's 1993 revenues. By the end of the year, fees should account for 35% of the group's revenues.

Executives still hope that one day 50% of the group's revenues will be generated by fees.

"But there are forces which push you down certain routes depending on certain circumstances at the time," cautioned Mr. Riley.

Sedgwick also completed its global brokerage network last year.

Last August, Sedgwick announced that it was buying Norwegian broker Arvid Bergvall for 18 million pounds ($27 million), which was financed by the rights issue. The acquisition, which boosts Sedgwick's strong marine brokerage division, was completed in January.

And, to strengthen its German operations, Sedgwick bought broker Munchener Versicherungsmakler GmbH for 5.1 million pounds ($3.1 million). Two deferred payments could add another 1.8 million pounds ($1.1 million) to that price, depending on 1993 pre-tax profits and future revenue.

In October, Sedgwick also became the first broker to open a registered office in the former Soviet state of Kazakhstan, complimenting the group's powerful energy division. And in February this year, Sedgwick became licensed to operate in Brunei through its new joint venture Shariffuddin Sedgwick (B) Sdn. Bhd.

Sedgwick Europe, under Chairman Richard Titley, now has offices that stretch from Oslo, Norway, in the north to Lisbon, Portugal, in the south, and from Galway, Ireland, in the west to Almaty, Kazakhstan, in the east. Europe accounted for 44% of the parent company's total 1993 revenues.

Sedgwick also continued its expansion in Asia/Pacific last year by opening up representative offices in Shanghai and Shenzen, in addition to an office in Beijing, which has been in existence since 1981.

It's likely that Sedgwick initially will be selling "mundane types of insurance" like personal accident, medical and life coverages, in addition to providing risk management programs for major Western projects in China, said Mr. Riley.

"There's no doubt that we view the Asia/Pacific region as a huge area of growth. Now that America has given its blessing to China, we believe that there will be huge American investment in that part of the world," he said.

The Asia/Pacific region and the rest of the world outside North America and Europe only accounted for 7% of Sedgwick's rev-

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Sedgwick Group P.L.C.

Sedgwick House; The Sedgwick Centre
London E1 8DX; 071-377-3456;
fax: 071-377-3919

	1993	1992*
Premium volume...	**$10.8 billion**	$11.26 billion
Gross revenues......	**$1.22 billion**	$ 1.21 billion
Brokerage: retail...	59%	58%
Wholesale...... **11%**	12%	
Reinsurance.... **8%**	9%	
Personal.......... **NA**	NA	
Services.........**16%**	11%	
Investment income	6%	8%
Other............... **0%**	2%	
Employees.. **15,509**	12,798	
Offices............ **340**	230	

Converted at applicable exchange rates.
* 1992 figures are restated.

1994 looks to be a year of consolidation at Sedgwick Group P.L.C.—but if a good deal comes along, the No. 3 brokerage might be interested.

Last year, Sedgwick achieved its goal of strengthening its consulting operations with the purchase of Noble Lowndes & Partners Ltd.

Sedgwick Noble Lowndes Group is now tied for the No. 4 spot among the world's largest benefit consulting firms.

Sedgwick also bought brokers in Germany and Norway last year and added two additional offices in China, complementing the group's global network. A new unit, Sedgwick Global, now coordinates global programs in 24 offices around the world.

"We said last year that we were endeavoring to get into the consultancy business in a big way, and we've now completed our Noble Lowndes acquisition and bedding it into our organization," said Sedgwick Chief Executive Sax Riley.

"This is now a year of consolidation for us," he said. "That is not to say that we're not an interested spectator with what is going on with a few other broking houses around town and overseas. If any opportunities for us arose, we'd obviously look at them quite seriously."

If Sedgwick hears of a company for sale "of extreme value at the right price," another purchase could be in the cards, added Quill O. Healey, chairman of Sedgwick North America, which includes New York-based Sedgwick James Inc.

Sedgwick posted strong gains in gross revenues last year, rising 18.2% to 809.7 million pounds from a restated 684.9 million a year earlier.

That was the largest increase in revenues in a broker's home currency among the top 20.

Converted to dollars, revenues climbed only 0.6% to $1.22 billion, up from $1.21 billion. Despite the small increase in dollars, Sedgwick retained its No. 3 ranking among the world's largest brokers.

Last year was a very busy one for the London-based brokerage.

Its intentions were clear: to beef up consulting operations so that, within a few years, half the brokerage's income would come from fees, rather than commissions.

To do so, Sedgwick strengthened its position in the private health care plan business in the United Kingdom last March with the purchase of Medisure Marketing & Management Ltd. for 13.4 million pounds ($20.1 million).

Medisure complements two other health care units: Minerva Health Management and GKN Occupational Health, which were acquired in 1991 and 1992, respectively.

These health care companies—which offer plan design and administration, as well as brokering and consulting services—"have enabled us to take a major step towards our objective of becoming a leader in the provision of health care and related human resource risk management expertise," Mr. Riley stated in Sedgwick's 1993 annual report.

The Medisure deal was financed with the issue of 11.3 million new shares.

Late last year, Sedgwick bought Noble Lowndes from U.K. bank TSB Group P.L.C. for 106.6 million pounds ($160.1 million) (*BI*, Aug. 23, 1993).

That deal was financed through a one-for-five rights issue, meaning current shareholders were given the chance to buy one share for each five they own, which raised 146.5 million pounds ($220 million).

Sedgwick Noble Lowndes now is one of the five largest benefit consultants in the world with 1993 revenues totaling approximately $296 million. It employs 4,284 people in 98 offices worldwide.

However, Sedgwick executives realized "from day one" that there would be problems with the Noble Lowndes merger. "We have done a lot to that business in the first six months," said Mr. Riley. "We are, slowly but surely as with any acquisition which is never easy, grinding (Noble Lowndes) into the Sedgwick global system. We will continue down that road until we are satisfied that it generates the profits we anticipate."

Although Sedgwick is consolidating its acquisition of Noble Lowndes, Sax Riley says that if any opportunities to buy a broker arose, 'We'd obviously look at them quite seriously.'

Top management has been changed at the benefit consulting division. Sedgwick Noble Lowndes is now headed by London-based Chairman Rob White-Cooper, who is also chairman of Sedgwick Consulting Group and is on the parent's board. Former Noble Lowndes Chairman Carl Daniels left before the Sedgwick acquisition.

Sedgwick Noble Lowndes group managing directors are Peter Brew for the Americas and Asia/Pacific regions, and David Strauss for Europe, which still accounts for the bulk of the benefits group's business.

Ken Martin, former president and CEO of Canadian retail broker Sedgwick Ltd., is now chief executive officer of Sedgwick Noble Lowndes North America.

Reflecting that change, the executive committee for brokerage subsidiary Sedgwick James Inc. now consists of Mr. Healey, chairman and chief executive officer; President Don Morford; Mr. Martin, as head of Sedgwick Noble Lowndes North America; and James B. Wiertelak, chief financial officer and senior vp.

Sedgwick also knew when it purchased Noble Lowndes that there were problems in its U.S. operations that would have to be resolved. After the acquisition,

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three tiers: global accounts; regional or national accounts; and smaller commercial accounts (*BI*, Jan. 20, 1992).

In 1992, A&A continued its strategy of segmenting its business primarily by geography, Mr. Burk said. For example, A&A focused on serving global accounts from large offices in cities like New York and Chicago; servicing corporate specialty or middle-market offices from midsize cities; and servicing small business from six regional service centers (*BI*, July 5, 1993).

Several offices in large cities concentrated on managing the larger more sophisticated accounts, Mr. Burk explained. The remaining offices were primarily responsible for developing business in the middle-market.

"It became obvious at the end of 1992 and beginning of 1993 that A&A was losing market share in the middle-market, especially in the larger cities," Mr. Burk said. "In addition, A&A found it difficult to link risk management resources in larger offices to large accounts that still existed in smaller cities."

At that point, A&A developed a strategy to "reclaim our market share in the middle-market." A separate management team was formed to focus strictly on the middle-market in all of the cities A&A does business.

In addition, staff handling risk management accounts in smaller offices were provided easy access to the risk management expertise in larger A&A offices.

In addition to risk management and middle-market accounts, A&A is segmenting its business into six other areas: insurance services, construction, health care, Japanese practice, associations/programs, utilities and oil/gas/marine.

While the restructuring is not complete, the most difficult part is over, Mr. Burk said, noting that strategy resulted in the reassignment of 86,000 client service records and new assignments and reporting relationships for more than 3,000 employees.

"In the past few months, we've been successful in cutting out the layers of management that have now brought our senior management group and resident vice president group closer to the customer," Mr. Burk said. The unit also reduced its costs by centralizing finance and administration, which has also freed up more time for management to increase the focus on clients and potential clients, he added.

"We lost very, very few accounts" because of the transition, said Mr. Burk, adding that accounts that did not want to be reassigned remained with their original teams. Despite some disruption in the organization, "We think we've laid the ground work for the future," he said.

"The U.S. re-engineering business processes is fundamentally changing the way we deliver services to the clients," Mr. Burk continued. "We're becoming more efficient, more disciplined. We're reducing errors and allowing our people more time to deal with solutions for the client."

The primary focus in the short term for the U.S. retail unit is to dramatically improve operating results, Mr. Burk said. "Now that we've solidified the organization with the capital infusion, with leadership in the top, we're starting to see real momentum build in the organization."

The unit is now focusing on those businesses where A&A is or can be the market leader, Mr. Burk said. "We've identified several industry segments within the middle-market and in the risk management area where we know we can be a market leader in providing quality service to our clients. Where we're not the market leader or where we don't believe we can rapidly become the market leader, we will redirect our resources into those areas where we have the greatest opportunities." He would not identify the specific areas.

However, one area A&A will not be targeting is smaller accounts generating $5,000 income or less. "Right now, we don't believe we can be an efficient provider of services in that marketplace," Mr. Burk said. That could change "as we implement our technology and we become more efficient."

A&A reports its business in two main segments:

- Insurance services, which includes retail, wholesale and reinsurance brokerage and risk management services. This segment reported a 0.04% decline in operating revenues to $1.128 billion from $1.129 billion in 1992. Operating income was up 7.9% to $92.9 million from $86.1 million in 1992.
- Human resource management consulting, which reflects The Alexander Consulting Group. Revenues fell 11.4% to $213.0 million from $240.5 million in 1992.

In 1993, retail brokerage accounted for 52.5% of gross revenues, up slightly from 52.1 in 1992. Wholesale brokerage—including revenues from Alexander Howden Intermediaries—accounted for 7.0% of revenues, up from 6.3% in 1992. Reinsurance brokerage—including revenues from Alexander Howden Reinsurance Brokers—accounted for 10.1% of revenues, up from 9.6% in 1992. Personal lines accounted for 3.3%, down from 3.4% in 1992. Non-brokerage services, which include claims administration as well as consulting, accounted for 22.9% of revenues, down from 23.2% in 1992.

Revenues from investment income declined to 4.0% from 5.3% in 1992. And revenues from miscellaneous activities, including real estate and investment services, were just 0.2%, up slightly from 0.1% in 1992.

Despite its problems in 1993, A&A continued to acquire businesses overseas. In November 1993, A&A acquired Clay & Partners, a major U.K. actuarial consulting firm that significantly expands ACG's service capabilities in Europe, Mr. Burk pointed out. A&A acquired the firm for approximately 2.27 million shares of A&A common stock. At the time, A&A was trading at about $18 per share, which put the value of the deal at $40.9 million.

Following the acquisition, the London-based ACG operations changed its name to Alexander Clay & Partners (*BI*, Dec. 6, 1993).

Anticipating passage of the North American Free Trade Agreement, A&A in July 1993 acquired 80% equity interest in Asesores Kennedy Agente de Seguros S.A., a Mexico-based broker. A&A also established a global business unit in Mexico City in February.

In October 1993, Alexander Howden received formal accreditation as an insurance and reinsurance broker in Kazakhstan, one of the oil-rich republics of the former Soviet Union.

In March, A&A acquired majority equity in Bogota, Columbia-based insurance broker, Marmorek Y Asociados Ltda., La Correduria de Seguros.

The 1993 salaries and bonuses of the five highest-paid A&A executives, as reported to the Securities and Exchange Commission follows:

Tinsley H. Irvin	$550,000
Michael K. White	$567,666
Ronald A. Iles	$722,369
Ronald W. Forrest	$520,699
Lawrence E. Burk	$416,271

—*By Sally Roberts*

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prove of the investment at a July 15th shareholders meeting.

While executives may be looking to a bright future with A&A, their recent past is haunting.

One of the biggest disappointments came in late 1993, when A&A announced that its revenues and profits were overstated for 1991, 1992 and the first half of 1993 because of financial mismanagement at its benefit consulting unit, Alexander Consulting Group Inc.

ACG booked consulting revenues that were never collected from clients. While reserves were set up to account for the "shortfalls" in recorded revenues before they are realized, these reserves were "mismanaged" and "inadequate." (*BI*, Nov. 8, 1993).

"That just was such a different picture than what I had of the corporation," Mr. Boni recalled when he became aware of the problem. "I just didn't believe that that sort of thing would happen."

Nonetheless, the problems at ACG caused A&A to restate its 1991 net loss to $17.9 million from $12.6 million, while the 1992 net loss was restated to $94.1 million from $90.1 million.

In addition, net income for the first quarter of 1993 was restated to $11.6 million from $14.2 million, while net income in the second quarter was restated to $11.7 from $11.9 million.

Due to ACG's problems, three senior executives and two middle managers were terminated, including Don Cleveland, president and chief operating officer; Mike Glazer, financial controller; and David Piendak, division manager-Northeast region.

Donald L. Seeley became president and CEO of ACG, succeeding A.M. "Bud" D'Alessandro, who died

'Sometimes organizations do things for the sake of the organization and forget to focus on the client,' says Robert E. Boni.

last October, and assuming Mr. Cleveland's responsibilities. Frank Joyce replaced Mr. Glazer and now holds the title of managing director of finance, and David Degan replaced Mr. Piendak.

In addition, Neil Burger, formerly managing director of ACG's integrated information technologies practice, was named chairman and CEO of ACG's U.S. subsidiary, Alexander & Alexander Consulting Group. Mr. Burger replaces Rick Anthony, who has taken another position with ACG.

ACG has "put their problems behind them and are beginning to feel good about themselves," Mr. Boni said.

In addition to poor operating results and problems with ACG, A&A suffered tumultuous management changes in recent months.

In November, Ron Forrest, chairman and CEO of A&A Inc., resigned unexpectedly. Mr. Burk replaced Mr. Forrest, who recently was named CEO of the newly merged Bain Hogg Group in London.

Then in January, Mr. Irvin retired as chairman and CEO after 40 years with A&A. The retirement was described as a mutual decision by the A&A board, but outsiders widely believe that he was pressured to step down due to the poor performance of the company (*BI*, Jan. 24).

Upon Mr. Irvin's retirement, Mr. Boni was elected non-executive chairman of the board and subsequently took on the responsibilities of CEO. He will continue to play an active roll with the company until the end of the year.

Michael K. White, Mr. Irvin's No. 2, was overlooked as Mr. Irvin's replacement and in April stepped down from his post as chief operating officer and later as a member of the broker's board of directors (*BI*, April 25; April 18). In June, Mr. White stepped down as president. He will continue with A&A until September, working on special projects.

After a five-month CEO search, Mr. Zarb took over Mr. Boni's responsibilities as CEO in June. On July 5, Mr. Zarb's assistant from The Travelers, Elliot S. Cooperstone, joined him at A&A as senior vp-operations and administration.

Now with a new management team in place, A&A also is putting problems stemming from the 1982 acquisition of Alexander Howden behind them.

The acquisition included underwriting operations that were first embroiled in scandal and then produced large underwriting losses for the brokerage.

In the fourth quarter of 1992, A&A added $157.5 million to reserves to primarily cover asbestos and pollution liability charges incurred by Sphere Drake Insurance Group. When A&A sold Sphere Drake in 1987, it agreed to indemnify the company for various potential liabilities including future losses on the insurance pooling arrangement from 1953 to 1967 between Sphere Drake and Orion Insurance Co., and future losses pursuant to a stop-loss reinsurance contract between Sphere Drake and Lloyd's syndicate 701, whose lead underwriter was Ian Posgate. The syndicate is currently in run-off.

A&A recently announced that it had obtained reinsurance coverage to protect the company and its subsidiaries from further exposures related to Sphere Drake. The reinsurance protection satisfies a condition for the $200 million AIG investment.

While further details could not be disclosed until appropriate documentation is filed with the U.S. Securities and Exchange Commission, A&A did say as a result of the transaction it will record a second quarter charge of approximately $6 million to cover the reinsurance premium and deductibles exceeding existing reserves.

Part of AIG's $200 million investment will be spent on the purchase of the reinsurance program, Mr. Boni said, but would not elaborate.

The Howden acquisition also put A&A at odds with the Internal Revenue Service, which challenged A&A's tax writeoffs in connection with the losses it sustained from some of Howden's underwriting operations.

A&A reached an agreement with the IRS last fall and the settlement's final review by the Joint Committee on Taxation was completed in May. A&A is currently waiting to receive the IRS assessment, which it says is within reserves previously established.

A&A now can look to the future rather than the past, executives say, a misfortune they note that was one cause of depressed operating results.

"Sometimes organizations do things for the sake of the organization and forget to focus on the client," explained Mr. Boni. For example, "all the organization and reorganization that has taken place in our U.S. retail operation over a period of years, tends to be distracting."

In 1991, A&A restructured its insurance brokerage operations into

Continued on next page

2

Alexander & Alexander Services Inc.

1211 Avenue of the Americas,
New York, N.Y. 10036;
212-840-8500; fax: 212-444-4697

	1993	1992
Premium volume	N/A	N/A
Gross revenues	$1.34 billion	$1.37 billion
Brokerage: Retail	52.5%	52.1%
Wholesale	7.0%	6.3%
Reinsurance	10.1%	9.6%
Personal	3.3%	3.4%
Services	22.9%	23.2%
Investment income	4.0%	5.3%
Employees	14,517	14,891
Rev./Employee	$92,416	$91,968
Offices	360	300

Risk managers can expect a new, more aggressive Alexander & Alexander Services Inc., executives say.

The New York-based broker, which has been plagued with financial losses, a falling stock price, management changes, looming liabilities from discontinued operations and continuing restructuring efforts, is putting its past behind and is looking to the future full of anticipation and optimism.

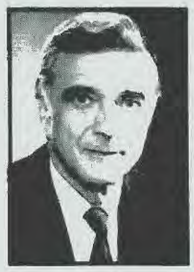
This optimism comes in part from the recent $200 million capital infusion from American International Group Inc. and also in part from its new top executive, Frank G. Zarb, who came on board last month replacing Tinsley H. Irvin, who officially left his chief executive post in April (*BI*, June 13; Jan. 24).

Mr. Zarb, former vice chairman and group chief executive of Travelers Inc., fit the criteria A&A had for its new CEO, explained Robert E. Boni, non-executive chairman. "We did what I said we'd do: find a truly capable, outstanding individual with a turn-around record."

Mr. Zarb, who was chairman and CEO of Smith Barney, Travelers' brokerage and investment banking subsidiary, is credited for helping to turn around the brokerage's 1988 $100 million pretax loss to more than a $200 million after tax profit in 1993.

A&A is hoping Mr. Zarb duplicates his performance at the struggling brokerage.

A&A reported a 2% decline in gross revenues for 1993, to $1.34 billion from $1.37 billion in 1992. While it reported a $26.9 million profit in 1993, that followed losses in both 1991 and 1992. A&A also



'There are no overnight miracles, but we've seen progress,' says Frank G. Zarb. 'You can feel the sense of excitement in this place.'

reported a $4.4 million loss in the first quarter of 1994, while revenues were down 0.6% in the quarter to $323 million from $324.8 million in 1993.

Additionally, A&A's stock prices took a beating in 1993 and this year. Trading prices ranged from a high of $28.88 in the first quarter of 1993 to lows of $17.63 in the fourth quarter and $14 earlier this year. On July 8, the brokerage's stock price was trading at $17.50.

After only a few weeks on the job, Mr. Zarb has slashed A&A's quarterly common stock dividend to $0.025 from $0.25 with the hope of saving the brokerage $39 million annually; has obtained reinsurance protection to cover decades-old liabilities stemming from the 1982 acquisition of Alexander Howden Group P.L.C.; and has been actively developing a new business plan for the world's second largest brokerage.

Mr. Zarb is not sharing all the details of his plans. "Our results will tell the story," Mr. Zarb said, noting that it will probably be the first half of 1995 before any results are realized.

"There are no overnight miracles, but we've seen progress," he said. "You can feel the sense of excitement in this place."

One area Mr. Zarb did say would be included in his business plan is "corporate soul."

"I've never really developed a winning company without it having adopted a corporate soul"—a culture of real integrity and mutual commitment free of politics, he said. It's a culture that puts the client first and foremost, he adds.

This culture is beginning to take place at A&A, executives say. Risk managers that do business with the brokerage "will get the right product, they'll get the product that best serves their interests and they're going to get the best economics that best serves their interests, from a company that they can trust," Mr. Zarb said. "Anything short of that is not satisfactory. And anyone that produces results other than that is not satisfactory."

A&A is an "organization with great strength," said Lawrence E. Burk, chairman and CEO of Alexander & Alexander Inc., the U.S. retail operation. "Now, with the added dimension that Frank Zarb brings to the table, a lot of things that have been in the wings, but have not come into fruition, are going to happen a lot quicker and more dramatically," he said. Morale throughout the company, which had been acknowledged as low, has increased significantly since the June 7th announcements, he said.

Mr. Zarb came hand-in-hand with the AIG investment. "We strongly believed that in order to attract candidates (for the CEO position), we ought to have the capital infusion, prior to or simultaneous with so the individual could focus on the turn around," Mr. Boni explained.

Despite some skepticism in the marketplace concerning AIG Chairman Maurice R. Greenberg's declared passive role in the investment, Mr. Zarb is confident that AIG will keep its word. Mr. Greenberg always "acts in the best interest of the company and the best interest is to be passive," he said.

Additionally, A&A clients can be sure that their business will not automatically flow into AIG, Mr. Zarb emphasizes. Anyone who shows any sign of favoritism to AIG "will be terminated immediately," he said.

Under the terms of the deal, AIG will invest $200 million in a new issue of A&A convertible preferred stock with an annual dividend of 8%. The dividend will be paid in kind through Dec. 15, 1996, and at A&A's option for an additional three years. AIG will not have a representative on the A&A board (*BI*, June 13). A&A shareholders are expected to ap-

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Marsh & McLennan Risk Capital, an M&M unit set up to manage the firm's stake in markets it has helped form.

Robert Clements, stepped down as president of Marsh & McLennan Cos. in January to become chairman and chief executive officer of M&M Risk Capital, which has opened a new office in Greenwich, Conn.

The markets M&M has helped form include: ACE Insurance Co. Ltd.; XL Insurance Co. Ltd.; Centre Reinsurance Holdings Ltd., a finite risk reinsurance holding company; Mid Ocean Reinsurance Co., a property catastrophe reinsurer; and most recently, Trident Partnership L.P., an insurance and reinsurance investment fund.

U.S. operations produced 54% of M&M's insurance services revenues, while Europe generated 38%; Canada, 5%; and the Pacific Rim and other areas, 3%.

Along with its insurance services sector, M&M generates substantial revenues from consulting services and its investment management operations.

The company's Mercer Consulting Group Inc. division includes: William M. Mercer Inc., the world's largest actuarial and employee benefits consulting and human resources management firm (*BI*, Dec. 20, 1993); Mercer Management Consulting Inc., a corporate strategy and management consulting unit; and National Economic Research Associates Inc., an economic consulting firm.

M&M last year sold its Clayton Environmental Consultants Inc. unit to an investor group.

Overall, M&M's consulting revenues dropped 5.9% to $854.8 million last year from $908.2 million in 1992, partly because of the stronger dollar and partly because of the sale of Clayton, M&M reported.

Excluding these factors, consulting revenues would have been largely unchanged last year, the broker said.

Benefits and compensation consulting revenues were hurt last year by a competitive market for retirement benefit consulting, while revenues for general management consulting rose on strong demand, the company said.

About 65% of M&M's consulting revenues last year were generated in the United States, while 20% came from Europe, 10% from Canada and 5% from the Pacific Rim and other areas.

While some segments of M&M's business struggled last year, its investment management operations continued to shine, producing a 30.8% jump in revenues to $518.1 million from $396 million in 1992. The increase reflected an increase in assets invested in mutual funds managed by M&M's Putnam Investments Inc. unit.

M&M finished the year with net income of $332.4 million, a 26.1% increase from $263.7 million in 1992. Income per share rose to $4.52 from $4.21.

Net income in 1992, however, was hit by a $40.1 million aftertax charge reflecting M&M's recognition of post-retirement benefit obligations under Financial Accounting Standards Board Statement 106.

The company's stock, traded on the New York Stock Exchange, hit a high of $97.63 and a low of $77 last year. The stock closed at $85.75 on July 8.

M&M's first-quarter 1994 results show a continuing struggle with the soft market. In the insurance services sector:

• Insurance brokerage revenues rose 4.5% to $341.5 million from $326.8 million in the first quarter of 1993.

However, the increase included $13 million in income from the "partial disposition" of M&M Risk Capital's holding in ACE Ltd.; without this gain, brokerage revenue would have been flat.

• Reinsurance brokerage revenues rose 15.2% to $104.5 million from $90.7 million in 1993's first quarter. This increase also included $12 million in income from an M&M Risk Capital's investment in Centre Reinsurance Holdings Ltd., without which reinsurance revenues would have risen only 2%.

• Insurance program management revenues rose 7.7% to $70.2 million from $65.2 million in the first quarter of 1993.

• Interest income on fiduciary funds dropped 21.8% to $16.9 million from $21.6 million in 1993's first three months.

• Consulting revenues rose slightly, while investment management revenues continued to show impressive gains, leaving M&M with total first quarter revenue of $910.2 million, up 9.1% from $833.9 million in 1993's first quarter.

M&M's Balis & Co. unit remains a defendant in lawsuits stemming from the February 1991 fire at One Meridian Plaza, a Philadelphia office building (*BI*, April 15, 1991; March 4, 1991).

The suits charge that Balis is liable for uninsured property and economic damage because the fire started with the ignition of oil-soaked rags being used to refurbish wood in the firm's 22nd floor offices.

M&M units are also defendants in lawsuits brought by Lloyd's of London names against their underwriting and members' agencies over syndicate losses not met by runoff reinsurance.

In its 1993 10-K report filed with the Securities and Exchange Commission, M&M says it does not expect any of the suits to have a material effect on its financial position.

Following Mr. Clements' new position within M&M Risk Capital, A.J.C. Smith, chairman of M&M Cos., has assumed the additional title of president.

Philip J. Brown Jr., an M&M executive vp, has been appointed chairman of Marsh & McLennan Europe.

M&M also has expanded its board of directors to 12 members from seven, adding five M&M brokerage executives whom Mr. Holbrook described as future leaders of the firm deserving of an expanded role in its management.

The five new directors are Mitchell E. Blaser, managing director and chief planning and technology officer; Anthony H. Bolton, executive vp and chairman of Bowring Specialty & Wholesale; Robert J. Newhouse III, executive vp and head of M&M's western risk management region; Hamish M.J. Ritchie, executive vp and joint vice chairman of Marsh & McLennan Europe; and Walter S. Tomenson Jr., executive vp and head of the New York risk management practice.

Total cash compensation paid to M&M's top five corporate officers, as reported to the SEC, follows. Included are salary, bonuses and amounts paid to officers to cover tax liabilities related to the funding of retirement annuities.

A.J.C. Smith	$1,757,911
Lawrence J. Lasser	$3,970,000
Robert Clements	$1,367,848
Richard H. Blum	$790,000
Peter Coster	$865,346

—By Douglas McLeod

Continued from previous page

clude companies based in the United States, Bermuda, the United Kingdom, Italy, France, Germany, Sweden and Switzerland.

Any M&M office with jumbo "risk management" clients will eventually be added to the system, according to Mr. Sinnott, who said the number should ultimately total about 20 offices.

"We will do it on a very orderly basis to make sure we have it right," he said.

Mr. Sinnott says he expects the system to be out of the pilot stage and up and running by 1995.

Meanwhile, M&M is developing a separate system to speed placements for its middle-market "insurance brokerage" clients, which generate relatively smaller premium volume and may not have a full-time risk manager.

The brokerage has negotiated agreements with three insurers to write portfolios of similar middle-market property/casualty, workers compensation, automobile and fidelity risks with clearly defined underwriting criteria.

The insurers participating in this program are: Kemper National Insurance Cos., Fireman's Fund Insurance Co. and Continental Insurance Co.

M&M hopes eventually to have a total of six or eight portfolio insurers participating, company officials say.

Overall, about 65% of M&M's U.S. brokerage business consists of large risk management accounts, while 35% consists of insurance brokerage accounts, Mr. Holbrook said.

The smallest insurance brokerage account M&M typically will handle must produce a minimum of $25,000 in annual revenues.

'I think our outlook is that we should be able to grow at at least the 1993 pace' with the help of new business production and cost controls. 'We certainly don't see 1994 as a year that we can open up our belts,' says John T. Sinnott.

M&M's Global Broking Centre and portfolio insurance initiatives were combined with a 1992 reorganization of its U.S. operations that formally divided risk management and insurance brokerage accounts.

The U.S. operations were divided into four risk management regions, all reporting to Executive Vp Timothy J. Mahoney, and five insurance brokerage regions, reporting to Executive Vp Ralph O. Hanley.

Insurance brokerage marketing activities were also centralized in M&M's regional offices in Atlanta, Chicago, Dallas, New York and San Francisco.

The reorganization—along with M&M's decision to outsource some of its computer functions—led to a slight reduction in headcount at the world's largest broker, despite the company's acquisitions, Mr. Holbrook confirmed.

The total number of employees at M&M dropped marginally to 25,600 last year from 25,800 in 1992.

Increasing efficiency and reducing costs can only help M&M, which as other brokers faces continuing pressure on revenues from the soft property/casualty market and falling interest rates.

M&M's gross revenues rose 7.5% last year to $3.18 billion from $2.95 billion in 1992. However, much of this growth came from the firm's investment management business, while insurance brokerage revenue growth was anemic and revenue from consulting services actually declined.

The insurance services segment of M&M's operations includes:

- The worldwide retail brokerage operations of M&M Inc.

Insurance brokerage revenues increased by a slight 1.8% to $1.15 billion last year from $1.13 billion in 1992, though M&M says the increase would be about 5% if the foreign exchange effect of a stronger U.S. dollar in 1993 was excluded.

While rates for property catastrophe and certain specialty casualty coverages have increased, the rest of the market is still relatively competitive, M&M officials say.

Commercial property/casualty pricing in other parts of the world—notably Europe and Australia—has shown more signs of tightening than in the United States, Mr. Sinnott said.

- Reinsurance brokerage operations. In the United States, this includes intermediaries Guy Carpenter & Co. Inc., Balis & Co. Inc. and Sellon Associates. Carpenter Bowring Ltd. is M&M's intermediary in the United Kingdom.

Revenues from reinsurance brokerage rose 6.2% to $283.6 million in 1993 from $267.1 million the previous year, largely on the strength of a continuing tight market for catastrophe reinsurance.

Capacity for cat risks is increasing this year, though, as several new Bermuda-based catastrophe reinsurers hit their stride, and this added capital could affect the division's business, M&M reported.

- Insurance program management business. This business is generated by Seabury & Smith Inc., Victor O. Schinnerer & Co. Inc. and ENCON Holdings Inc. in the United States, and The Frizzell Group Ltd. in the United Kingdom.

Seabury & Smith and Frizzell design and administer life/health and property/casualty insurance programs for individuals and affinity groups that include companies, franchisees and associations.

Schinnerer is the nation's largest underwriting manager (*BI*, Aug. 16, 1993).

M&M's program management revenues doubled last year to $280.3 million from $138 million in 1992, mainly because of the December 1992 acquisition of Frizzell.

North American program management revenues rose a more modest 2% last year, M&M reported.

- Interest income on client fiduciary funds, which dropped 15.7% to $79.6 million last year from $94.4 million in 1992. The decline reflected continued falling interest rates, particularly outside the United States. Interest income in 1992 had plummeted 24.4% from $124.8 million in 1991.

The different segments of M&M's insurance services sector also include fees, commissions, royalties and dividends earned by

Continued on next page

Spotlight report

1

Marsh & McLennan Cos. Inc.

1166 Ave. of the Americas, New York, N.Y. 10036; 212-345-5000; fax: 212-345-4808

	1993	1992
Premium volume	NA	NA
Gross revenues	$3.18 billion	$2.95 billion
Brokerage: Retail	37%*	34%*
Wholesale	8%*	9%*
Reinsurance	9%	9%
Services	27%	31%
Investment Income	3%	4%
Other	16%	13%
Employees	25,600	25,800
Rev./Employee	$124,035	$114,481
Offices	170*	167*

* *BI* estimate.

As Marsh & McLennan Cos. Inc. works to streamline its brokerage business through automation and reorganization, it is battling the same forces afflicting all brokers: soft market pressure on revenues, falling interest rates and the need to control expenses.

M&M, the world's largest insurance broker, continues to develop its prototype Global Broking Centre, an automated system designed to streamline insurance placements for large policyholders.

Under the system, jumbo risks are routed through the Centre's London office, which has direct electronic links to underwriters around the world.

Eighteen insurers are now hooked up to the system, which handles 40 to 50 submissions a month, and 20 more insurers are expected to join.

M&M also continues to develop a pilot program to speed placements for middle-market clients by establishing "portfolio" relationships with insurers. Under the program, insurers agree to write books of similar risks and dedicate underwriters to handle M&M clients.

The brokerage is also emphasizing account management based on "client clusters," with clients in similar industries or with similar risk characteristics managed by specialists in those areas.

This is a move away from a system in which clients were handled by whichever brokerage office was geographically closest, noted David D. Holbrook, co-chief executive officer of Marsh & McLennan Inc., the firm's retail brokerage unit.

"People who work in aviation and aerospace (are in a) practice, and the practice should not be inhibited by geographic boundaries, which is the way the business has traditionally been done," observed John T. Sinnott, M&M Inc.'s other co-chief executive.

"Our vision is that national boundaries are not relevant," he said.

As M&M strives for efficiency on a global scale, though, it faces familiar industry pressures: The soft property/casualty market helped hold insurance brokerage revenue growth last year to a scant 1%, while interest income fell and expense control remained crucial.

The same conditions are likely to persist this year, M&M officials suggest.

"I think our outlook is that we should be able to grow at at least the 1993 pace" with the help of new business production and cost controls, Mr. Sinnott said.

However, "we certainly don't see 1994 as a year that we can open up our belts," he added.

M&M earlier this year added to the worldwide network of wholly-owned brokerage offices it has forged in recent years, buying out a correspondent firm with operations in Chile and Argentina.

The brokerage also has an agreement to buy out a partner in Brazil, and is discussing the acquisition of its correspondent in Mexico, according to Mr. Holbrook.

M&M's practice has been to own 100% of its brokerage units throughout the world rather than rely on correspondents or joint ventures. When partners have been unwilling to sell, M&M has broken off the relationship and started its own wholly owned office in that country.

It may follow this route in Mexico if its Mexican correspondent, Bourchier Marquard Zepeda Agente de Seguros S.A. de C.V., refuses to be bought out, Mr. Holbrook said.

M&M also has opened new start-up offices in Turkey and Beijing in the last year.

The latest additions to the network follow a flurry of acquisition activity in recent years that saw the firm:

- Acquire its former Portugal correspondent, Newstead & Porter Ltda. of Lisbon.
- Buy out the 67% of longtime Paris-based correspondent Faugere & Jutheau S.A. that it did not already own.
- Sell its 30% stake in Dutch broker Hudig-Langeveldt Group B.V. to the former Rollins Burdick Hunter Group Inc., now Rollins Hudig Hall Group Inc. M&M then started its own Dutch subsidiary, Marsh & McLennan Nederland.
- Take over its German correspondent Gradmann & Holler.

To focus the activity of this expanding worldwide network, M&M created the Global Broking Centre, an automated pilot project intended to handle large-capacity property/casualty placements for large U.S. and foreign clients.

The project was devised more than two years ago to replace a system in which M&M account managers dealt separately with several M&M wholesale offices on a single large placement, and those wholesale offices then dealt separately with insurers around the globe.

Having 50 different M&M representatives dealing with 50 underwriters on the same placement is "not the most efficient" way of operating, Mr. Sinnott noted.

In the new system, account managers will go directly to the Global Broking Centre, where brokers will deal directly with underwriters and M&M offices where the underwriters are based.

A computer system directly links the Global Broking Centre with insurers worldwide, providing uniform underwriting data.

"All the brokers that call themselves 'global' are all going to have to get themselves to work in that fashion," Mr. Sinnott said of the new technology.

"We're reducing the all-powerful importance of geography (in client management) because geography can be an inhibitor in delivering the best services to the client," he said.

Currently, the Global Broking Centre is linked to seven M&M offices and to 18 insurers. The M&M offices are in New York; Morristown, N.J.; London; Paris; Stockholm, Sweden; Sydney, Australia; and Zurich, Switzerland.

Insurers participating so far in-

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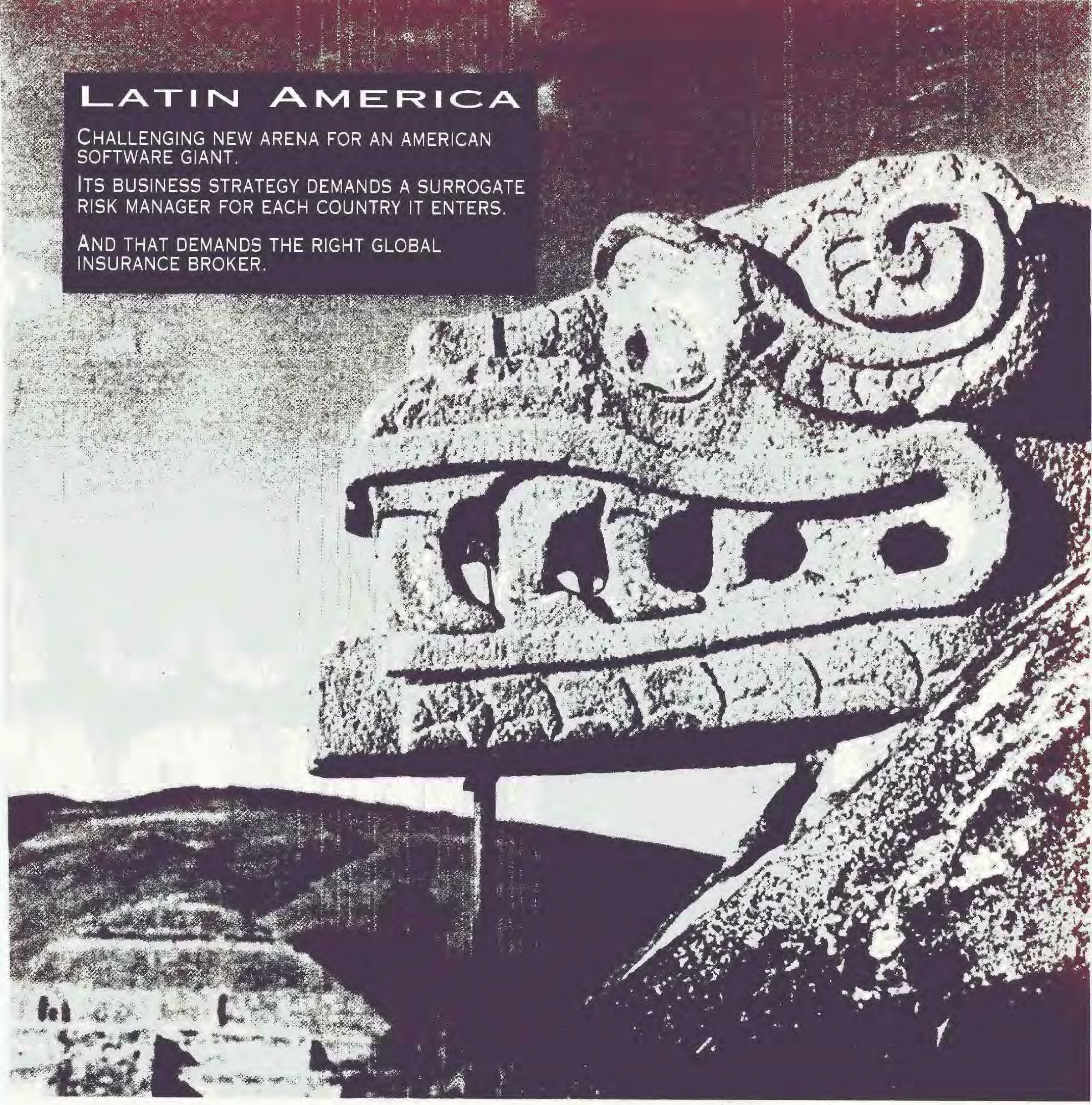


It took Microsoft just a few years to mushroom from four international subsidiaries to over forty (and counting).

But early in its explosive growth, this innovative software powerhouse saw the need to "re-engineer" the way it managed risks globally.

Microsoft wants each subsidiary viewed as an indigenous company in its national market. So it was crucial that overall corporate protocols and local market interpretations mesh smoothly.

"Our people are in the information business; not the insurance business," they said. "We need something they see as simple and we see as seamless."

That's the something we delivered.

Because J&H/UNISON offices in more than forty national locations act as surrogate risk managers for the subsidiaries, synchronizing local activity with overall corporate objectives.

Now you know why J&H/UNISON is the world's strongest global network for so many leaders—including two-thirds of the top U.S. multinationals.

We deliver real world solutions.

JOHNSON & HIGGINS

UNISON
THE GLOBAL TEAM

REAL WORLD SOLUTIONS

Top brokerage execs' 1993 compensation

Based on CEOs' salaries and bonuses; compared with brokerages' net income.

Name / Brokerage	1993	1992	Percent change	1993 net income (in millions)	Percent change
A. J. C. Smith Marsh & McLennan Cos. Inc.	$1,675,000	$2,053,750	-18.4%	$332.4	26.1%
Patrick G. Ryan Rollins Hudig Hall Group Inc.	1,123,462	1,003,154	12.0	128.1	92.1
Tinsley H. Irvin Alexander & Alexander Services Inc.	550,000	554,167	-0.8	26.9	NM
J. Hyatt Brown Poe & Brown Inc.	549,306	507,128	8.3	8.0	212.5
Robert H. Hilb Hilb, Rogal & Hamilton Co.	480,000	372,500	28.9	8.4	-3.6
L. Ben Lytle Acordia Inc.	420,000	192,082	118.7	22.3	52.7
Robert E. Gallagher Arthur J. Gallagher & Co.	265,000	265,000	0.0	32.3	35.4

NM-Not Meaningful

Source: Securities and Exchange Commission documents

GRAPHIC BY MIKE GARVEY

Broker pay

Continued from previous page

compensation increased 8.3% from his 1992 compensation of $507,128, when he was president of Brown & Brown.

According to the company proxy, Mr. Brown received a $161,000 additional bonus in 1993 for Brown & Brown's fiscal year ending March 31, 1993.

William F. Poe, 62, CEO of Poe & Associates prior to the merger, became chairman of the board of Poe & Brown in April. Mr. Poe's salary increased 13.8% in 1993 to $370,000 from $325,000 in 1992.

Poe & Brown's gross revenues increased 7% to $95.6 million from a restated $89.3 million in 1992.

Net income, on the other hand, more than doubled, shooting up 212.5% to $8 million from a restated $4.1 million in 1992.

As of Feb. 24, Mr. Hyatt beneficially owned 1,823,471 shares of company stock. Based on a July 8 stock price of $20, those shares were worth $36.5 million.

After a year of salary freezes at Hilb, Rogal & Hamilton Co., Robert H. Hilb, chairman, president and CEO, received a 9.1% increase in base salary to $360,000 last year, from $330,000 in both 1992 and 1991.

Adding Mr. Hilb's $120,000 bonus, his cash compensation totaled $480,000 in 1993, up 28.9% from his $372,500 total cash compensation in 1992.

Gross revenues for the Glen Allen, Va.-based broker increased a modest 0.4% in 1993 to $135 million from $134.4 million in 1992.

Net income did not fare as well, dropping 3.6% to $8.4 million from $8.7 million in 1992.

As of March 1, Mr. Hilb, 67, beneficially owned 329,200 shares of company stock. Excluding the 304,400 shares subject to exercisable stock options, his shares were worth $291,400 based on a July 8 stock price of $11.75.

At the helm of Acordia Inc., L. Ben Lytle, 47, made $150,000 in base salary plus a $270,000 bonus in 1993. His $420,000 total cash compensation was up 114% from his $192,082 salary and bonus in 1992.

However, Mr. Lytle's compensation only includes that paid by Acordia and does not represent the portion paid by The Associated Group, Acordia's parent, where Mr. Lytle is chairman, president and CEO.

Acordia's 1992 proxy statement had reported Mr. Lytle's total cash compensation, including compensation paid by Associated, at $640,273.

His 1992 compensation ranked him as the third highest paid broker executive, compared with his sixth place finish in 1993 based only on Acordia compensation.

As of Dec. 31, 1993, Mr. Lytle beneficially owned 145,833 shares of Acordia stock. Excluding the 5,833 shares subject to exercisable stock options, Mr. Lytle's shares were worth $3.9 million based on a July 8 stock price of $27.75.

Acordia's gross revenues increased 9.6% to $364.8 million in 1993 from a restated $332.8 million in 1992. Those are *BI* estimates of Acordia's revenues on a pro forma basis including American Business Insurance Inc. and Pettit-Morry Co., which were acquired in 1993 and earlier this year, respectively.

Acordia's pro forma net income also rose, jumping 52.7% to $22.3 million from $14.6 million in 1992.

For the third year in a row, Robert E. Gallagher, chairman and CEO of Arthur J. Gallagher & Co., did not receive a pay increase. His compensation, including base salary and bonus, totaled $265,000 in 1993, the same since 1990. According to the company's proxy, Mr. Gallagher asked the compensation committee not to increase his compensation despite an overall improved company performance.

In 1993, gross revenues increased 9.9% to $317.7 million from $288.9 million in 1992. Net income jumped 35.4% to $32.3 million from $23.8 million in the previous year. As of March 14, Mr. Gallagher, 71, beneficially owned 716,038 shares of company stock. On a July 9 stock price of $30.88, his shares were worth $22.1 million. BI

Brokerage execs see small pay increases overall

M&M's Smith again highest-paid CEO with compensation of $1.7 million

By SALLY ROBERTS

Overall, brokerage executives' wallets were not much fatter in 1993—and some were even thinner—despite overall improvements to their companies' bottom lines.

The chief executive officers of the seven major publicly held U.S. brokers received a combined cash compensation of $5.1 million in 1993. This was up only 2.3% over 1992 combined compensation of $4.9 million.

The small pay increases came in spite of a combined 90.2% increase in their brokerages' profits for the year: 1993 combined net income for the seven brokers totaled $558.4 million, compared with $293.6 million the previous year.

Leading the pack for the second year in a row, A.J.C. Smith, chairman and chief executive officer of Marsh & McLennan Cos. Inc., was the highest paid chief executive in 1993. Mr. Smith earned $1,675,000 in salary and bonus in 1993, which was 18.4% lower than the $2,053,750 he made in 1992.

However, a portion of his 1992 bonus—$1,160,000—included an additional $580,000 that in other years is paid in the form of long-term compensation, according to M&M's proxy.

Mr. Smith's compensation is in accord with the world's largest broker's 1993 results. M&M's gross revenues increased 7.5% to $3.18 billion from $2.95 billion in 1992. And, net income jumped 26.1% to $332.4 million from $263.7 million in 1992.

While Mr. Smith, 59, holds the highest position with M&M, his salary is half the size of one of his colleagues. Lawrence J. Lasser, 51, president of M&M's Boston-based investment management subsidiary, Putnam Investments Inc., received a $3.2 million bonus in addition to a $770,000 base salary in 1993. This total compensation of $3,970,000 was up 67.2% over his 1992 compensation of $2,375,000. Putnam's 1993 revenues jumped 30.8% in 1993 to $518.1 million from $396.0 million in 1992.

Mr. Lasser also beneficially owned 274 shares of M&M stock as of Feb. 28. At a July 8 share price of $85.75, those shares were worth $23,495.50.

Mr. Smith on the other hand, beneficially owned 98,368 shares of M&M stock as of Feb. 28. At the same share price, Mr. Smith's stock was worth $8.4 million.

Patrick G. Ryan, chairman and CEO of Rollins Hudig Hall Group Inc. and its parent, Aon Corp., remained the second highest paid publicly held broker executive, receiving an $813,462 base salary and a $310,000 bonus in 1993, giving him total cash compensation of $1,123,462. His compensation increased 12% from $1,003,154 in 1992.

Revenues for Chicago-based RHH increased 10.3% to $1.22 billion last year from $1.1 billion in 1992. Net income also catapulted, soaring 92.1% to $128.1 million from $66.7 million in 1992.

As of Feb. 16, Mr. Ryan, 56, beneficially owned 8,974,620 shares of Aon stock which, based on a July 8 stock price of $33.38, was worth $299.6 million.

Tinsley H. Irvin, 60, who in January left his position as chairman and in April left as CEO of Alexander & Alexander Services Inc., made $550,000 in base salary in 1993. This was down 0.8% from his $554,167 base salary in 1992.

According to A&A's proxy, Mr. Irvin in early 1993 requested that the compensation board not increase his salary due to the company's incurred losses in 1992. The board further determined in early 1994 not to award Mr. Irvin

The combined cash compensation for the seven major publicly held broker CEOs was $5.1 million in 1993.

an annual bonus for 1993 due to the company's performance for that year.

A&A's gross revenues in 1993 were down 2.0% to $1.34 billion from a restated $1.37 billion in 1992. The company, however, did report a $26.9 million profit in 1993 compared with an $88.0 million loss in the previous year.

Robert E. Boni, 66, who took over Mr. Irvin's responsibilities as non-executive chairman of the board in January, is receiving $100,000 for his services in 1994, according to the proxy. Frank G. Zarb, 59, former vice chairman and group chief executive of The Travelers Inc., became chairman, president and chief executive officer of A&A last month (*BI*, June 13). According to Traveler's proxy statement, Mr. Zarb earned $2,933,333 in 1993, a 21.4% increase over his $2,416,900 salary and bonus in 1992. If A&A were to match his compensation, Mr. Zarb most likely will be the highest paid broker executive in 1994.

In addition to the $1 million severance package Mr. Irvin received when he left A&A (*BI*, May 9), he also received $100,000 for consulting services provided to the company for the three months following his retirement. According to the proxy, A&A has the option to extend the term of the consulting services for up to two additional three-month periods at the same compensation.

As of March 17, Mr. Irvin held 64,133 shares of A&A stock worth $1.1 million, based on a July 8 stock price of $17.50.

Making his first appearance on the chart, J. Hyatt Brown, 56, who took over as CEO of Poe & Brown Inc. in April 1993 when Poe & Associates Inc. merged with Brown & Brown Inc., earned $549,306 in salary and bonus in 1993. His cash

Continued on next page

Spotlight report

Retail revenues sputtering

U.S. brokers' revenues flat despite growth efforts

By SALLY ROBERTS

Brokers continued to battle for growth in the soft U.S. insurance market last year, but 1993 revenues remained basically flat.

Gross revenues generated from the Top 100 brokers of U.S. business rose a scant 0.4% in 1993 to $7.97 billion from $7.94 billion in 1992 (see chart, page 3).

Likewise, estimated revenues from the 20 leading retail brokerages in the United States rose only 3.2% in 1993.

While revenues were flat, the cutoff for the 100 largest brokers serving U.S. clients increased to $8.2 million from $7.9 million in 1992.

Three new companies broke into the Top 100 this year—Bolton/RGV Insurance Brokers came in at No. 82, while Lovitt & Touche and Posse-Walsh Inc. tied for the No. 99 spot.

Allied Coverage Corp., also a newcomer, came in at No. 75 but would have made 1993 rankings if it had completed a questionnaire last year.

No. 14 Norwest Insurance Inc. rejoined the rankings after a one-year absence. The brokerage was one of seven brokers that did not submit information last year. Bertholon-Rowland Corp., which ranked 40th last year, was the only broker this year not to submit information.

Two brokerages are missing due to acquisitions: American Business Insurance Inc., which held the No. 11 spot last year, and Pettit-Morry Co., which ranked 32, were acquired by No. 7 Acordia Inc.

Last year's No. 92, Bain Clarkson Ltd., merged with last year's No. 15 Hogg Group P.L.C. to form Bain Hogg Group, which now ranks 13th.

One firm in last year's listing—No. 96 Sterling & Sterling Inc.—dropped below the revenue cutoff in 1993.

Of those that gained ground in the rankings, most notable is Anco Insurance Managers Inc., which moved up 27 places to become the 58th-largest broker of U.S. business. Also, Palmer & Cay Carswell Inc. moved up 12 spots to No. 29 from No. 41 in 1992.

There were also notable declines: Steel Burrill Jones Group P.L.C. dropped 30 spots to 67th place among the top 100 brokers of U.S. business from the No. 37 spot in the 1993 ranking. The broker, which was the world's 20th-largest based on worldwide revenues in the 1993 ranking, did not make this year's top 20 list. The Loomis Co. dropped 25 spots to 80th place from 55th in the 1993 ranking.

Also of note, BRI Coverage Corp., last year's No. 51, changed its name to Underwriters Financial Group Inc. in connection with a public offering and became the 50th-largest broker of U.S. business. No. 57 Blumencranz, Klepper, Wilkins & Dubofsky Ltd., changed its name to BWD Group Ltd. It ranked 72nd last year.

Last year's No. 14, Redland Group Inc., separated all its commercial retail brokerage business into its brokerage unit—No. 69 Redland & Associates.

Not included in the rankings of the Top 100 is Assurex International, a Columbus, Ohio-based agency network, because members are individually owned. The 62 Assurex partner agencies posted 1993 combined gross revenues of $517 million, a 6.4% rise from 1992 revenues of $485.7 million reported by 60 partners. Together, they would be the world's seventh-largest broker.

Similarly, ISU Corp., an independent agency franchise organization, is not ranked. ISU's 106 franchises at year-end reported combined gross revenues of $171.5 million, up 7% from $160.3 million reported by 104 franchises for 1992.

As a group, ISU would rank as the 14th-largest broker in the world.

Meanwhile, estimated revenues for the 20 leading U.S. retail brokers rose a scant 3.2% in 1993 to $3.8 million from $3.7 million in 1992. A nearly identical group posted retail revenue growth of 3.1% in 1992 (*BI*, July 5, 1993).

Four brokerages reported a decline in retail brokerage revenues generated from U.S. offices in 1993: JIB Group P.L.C., down 7%; Willis Corroon Group P.L.C., down 5.8%; Kaye Insurance Associates L.P., down 0.7%; and Alexander & Alexander Services Inc., down 0.6%.

However, other brokers more than offset the declines. The biggest increase came from Near North Insurance Brokerage Inc., whose U.S. retail revenues increased 28%. Other big gains were posted by: Minet Group P.L.C., up 14.6%; McGriff, Seibels & Williams Inc., up 14.4%; Acordia Inc., up 13.8%; and Frenkel & Co., up 13%.

American Business Insurance Inc., which was acquired by Acordia, was replaced in the retail brokerage rankings by number 17 McGriff, Seibels & Williams Inc. BI

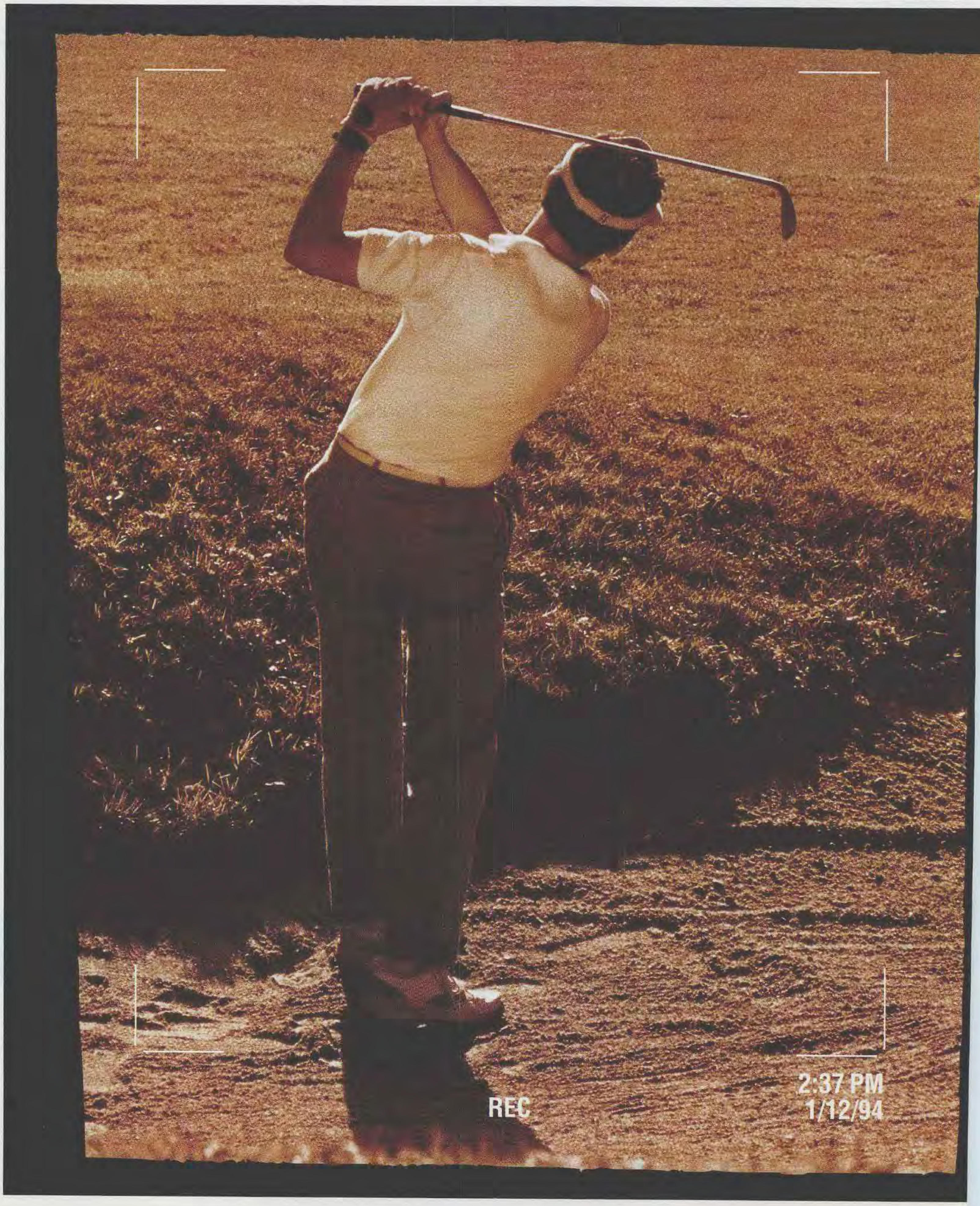
Leading U.S. retail brokers

Based on estimates of commercial retail brokerage revenues from U.S. offices. In millions of dollars.

Company	1993	1992	% change
Marsh & McLennan Cos. Inc.	$790.0	$780.0	1.3 %
Rollins Hudig Hall Group Inc.	565.0[1]	540.0[2]	4.6
Alexander & Alexander Services Inc.	443.0	445.5	-0.6
Johnson & Higgins	434.2	417.1[2]	4.1
Sedgwick Group P.L.C.	390.5[3]	365.4[2,3]	6.9
Willis Corroon Group P.L.C.	251.1[3]	266.5[2,3]	-5.8
Acordia Inc.	165.5[1,4]	145.4[1,4]	13.8
Arthur J. Gallagher & Co.	155.8	148.9[2]	4.6
JIB Group P.L.C.	106.6[3]	114.7[3]	-7.0
Hilb, Rogal & Hamilton Co.	98.6	98.1[2]	0.4
Minet Group P.L.C.	62.9	54.9	14.6
Poe & Brown Inc.	49.6	45.5	9.0
Lockton Cos. Inc.	45.0	41.0	10.0
Bain Hogg Group	42.4[1,3,4]	40.6[1,3,4]	4.3
Kaye Insurance Associates L.P.	42.2	42.5	-0.7
Near North Insurance Brokerage Inc.	39.2	30.6	28.0
McGriff, Seibels & Williams Inc.	37.6	32.8	14.4
Frenkel & Co. Inc.	33.0	29.2	13.0
Frank Crystal & Co. Inc.	30.3	27.3	11.0
John L. Wortham & Son L.L.P.	30.0	27.6	8.5
TOTALS	**$3,812.5**	**$3,693.6**	**3.2%**

[1] *BI* estimate [2] Restated [3] Converted at applicable exchange rates [4] Includes pro forma acquisitions

GRAPHIC BY KIM ROME



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Opinions

Getting past annual renewals

FORGET HAIR-RAISING, fingernail-biting, down-to-the-wire annual renewals of insurance programs.

Instead, imagine truly long-term relationships with insurers under a contract without an expiration date. Rather than annual renewals, such a contract would call for regularly updating exposures and an annual adjustment of price as required. The contract could be terminated with 60 days' notice.

This intriguing—and we must say revolutionary—proposal for overhauling the way commercial insurance is bought and sold was offered by Dean O'Hare, chairman and chief executive officer of Chubb Corp. He unveiled this modest proposal at the 30th International Insurance Society Inc. seminar last month (*BI*, July 4).

We are indeed intrigued. And it's actually not as radical as it may appear at first blush. After all, major corporations already are negotiating three-year policies with rolling renewal dates for various coverages, including property insurance (*BI*, Oct. 25, 1993).

"WHOA, GUYS, LOOK AT THIS...A WHOLE FOREST!"

We hardly expect the commercial insurance business—risk managers, brokers or insurers—to immediately embrace this strategy. It is a very different approach to doing business for an industry that is not known for welcoming change.

Some risk managers may feel threatened by the prospect of such long-term relationships with insurers. Too many risk managers measure their own success by the results of their annual renewal negotiations. And, too many risk managers who have developed sophisticated risk financing programs view the future only in terms of maintaining that program.

What would risk managers, brokers and insurers do if they didn't have last-minute annual renewals to worry about? Clearly, there would be more time for everyone to concentrate on risk identification and control, loss prevention programs and contingency planning—the essence of a risk management program.

In addition, a long-term relationship with an insurer would have to be more than simply monitored. It would have to be nurtured by all parties, or else the 60-day cancellation clause would be invoked more often than now envisioned.

And what would brokers do without annual renewals to justify their keep? They would concentrate on providing the risk management services their clients need instead of allowing their worth to be measured in how well they can browbeat a market down in price.

And what would insurers do? They would concentrate on improving their services, including delivering accurate contracts on time, offering new loss prevention and claims handling services and spending more time on new product development.

Brokers, insurers and risk managers also could focus on eliminating duplication of services to streamline the process and reduce costs.

Finally, a long-term relationship between insurer and client also would emphasize that insurance is indeed a professional service and not a commodity.

As Mr. O'Hare pointed out, banking services aren't subject to annual renewals; perhaps insurance shouldn't be, either.

Letters

Gun editorial prompts 'semiautomatic' reaction

To the editor: I agreed with your generally sensible editorial appearing in your June 27 issue, which took exception to the attempts by attorneys, such as law professor Carl Bogus, to hold manufacturers of so-called assault weapons strictly liable for marketing "unreasonably dangerous products."

But, I believe two points need correction.

First, in your editorial you state that the gunman at the San Francisco law firm "sprayed bullets at workers for 15 minutes," conjuring up the image of a weapon like a fully automatic machine gun dispensing bullets in the manner of a garden hose.

Semiautomatic firearms, like the one used by the perpetrator of this terrible crime, do not "spray" bullets. They are not machine guns. They fire one shot at a time. The only difference between a semiautomatic and a revolver or other manually repeating firearm (like a pump-action shotgun) is that the "automatic" mechanism of the semiautomatic firearm uses the bullet's exhaust gases to chamber another round. A finger pull on the trigger must be used for each shot.

By contrast, fully automatic machine guns are highly regulated by the federal government and cannot be obtained without meeting strict federal requirements.

Second, your editorial also stated that *Business Insurance* "would like to see limits on access to semiautomatic assault weapons, which are increasingly used in illegal drug traffic and violent crime."

Your justification for this stand is "the fact that a significant percentage of crimes in this country are committed with guns. . . ." This is a non sequitur. The fact that guns are used in violent crimes does not mean that we should all disarm or disarm ourselves of semiautomatic firearms.

And you are wrong about the use of so-called assault weapons being increasingly used by criminals.

Crusades against so-called assault weapons deliberately confuse semiautomatic civilian firearms with similar-looking machine guns, which are available only to the military or according to strict federal regulations. These crusades also only rarely note that law enforcement studies show these classes of weapons are hardly ever used in crimes. Most drug dealers do not use semiautomatic weapons, in any case; they prefer fully automatic firearms, the unlicensed possession of which is already a felony under federal law.

The perpetrator of the ghastly crime at the San Francisco law firm could have committed his crime just as easily with non-semiautomatic firearms. He could have killed very efficiently with a knife or a club.

Unarmed citizens are easy targets for the criminals among us, and the criminals know it. We need criminal control, not gun control. The truth is, armed, law-abiding citizens pose no threat to other law-abiding citizens, only to the criminals among us.

Daniel J. Schultz
Founding Member
The Lawyer's
Second Amendment Society
Plaza del Rey, Calif.

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Published by Crain Communications, Inc., Chicago

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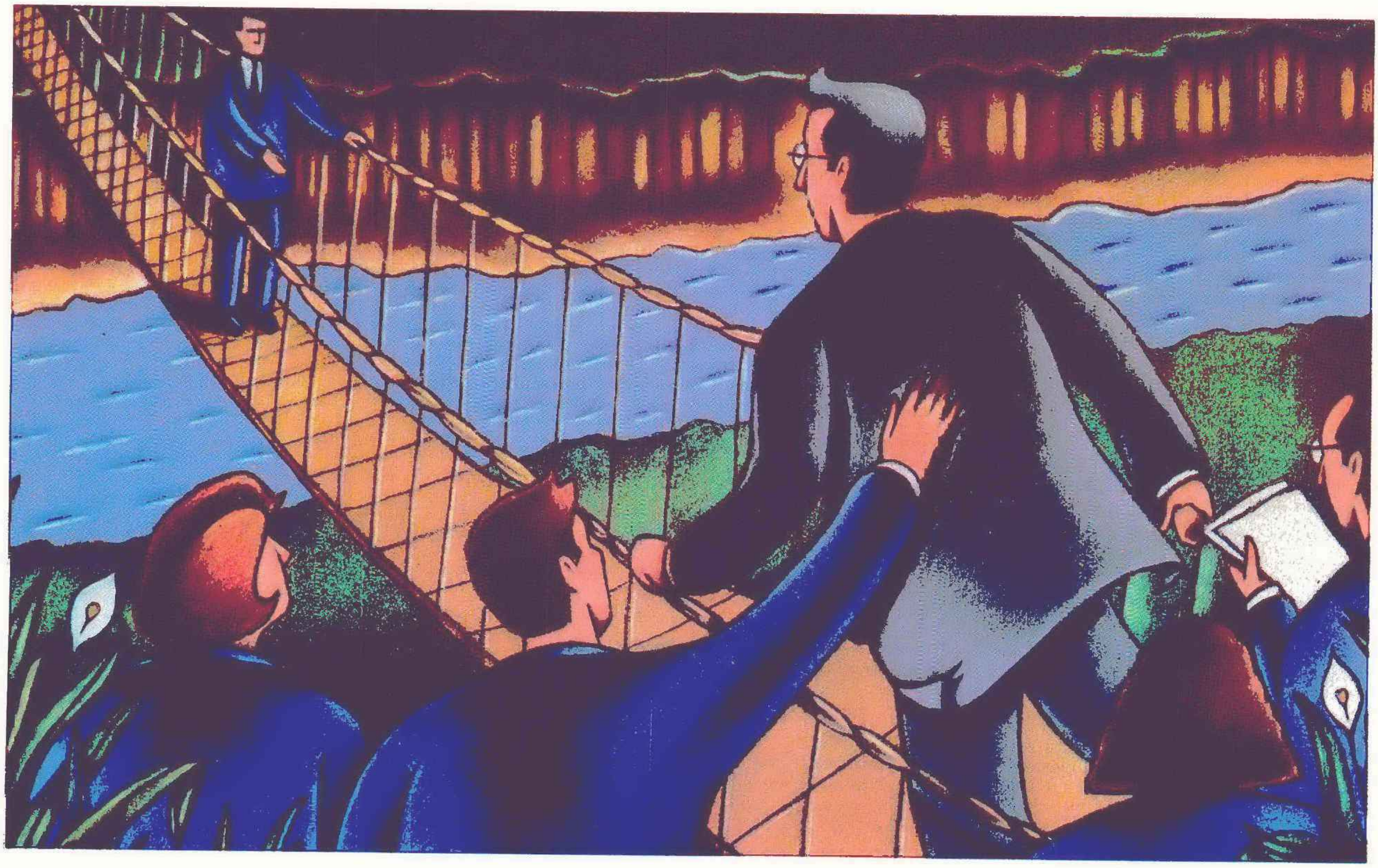

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Brokers

Continued from page 4

Gallagher's acquisition and merger philosophy, though, is much more conservative. It acquires only a handful of smaller agencies annually. "You won't see us do 22 mergers a year and then have to go and fix two-thirds of them," Mr. Gallagher explained.

Growing more business

Brokers also are investing in what they believe are business growth opportunities both within and away from their traditional retail brokerage business.

Lowndes Lambert Chairman and Chief Executive Richard Shaw believes that, despite the soft market, a broker's key function remains finding the best coverage at the best price.

"In fact, I believe it will be more so as the market changes," he said.

Indeed, the percentage of revenues attributable to commercial retail brokerage business increased or remained stable for 13 of the Top 20 brokers.

In the retail brokerage area, even the largest alphabet firms see growth in middle-market accounts.

At J&H, "almost every office has a separate middle-market department, and it continues to be one of the fastest growing areas in J&H's P/C and benefits business," Mr. Nielsen said.

M&M also continues to develop a pilot program to speed placements for middle-market clients by establishing "portfolio" relationships with insurers that agree to write books of similar risks and dedicate underwriters to handle M&M clients.

Despite the soft market, a broker's key function remains finding the best coverage at the best price, says Lowndes Lambert Chairman and Chief Executive Richard Shaw. 'In fact, I believe it will be more so as the market changes.'

Middle-market accounts have given Acordia a leg up in its ascent in the Top 20 rankings, and it plans to continue focusing in that area. "We've got a lot of the mid-market we haven't conquered yet," observed L. Ben Lytle, chairman, president and chief executive officer.

While Gallagher's business already is largely built on middle-market accounts, and the broker now is trying to attract jumbo accounts, it still is attuned to new middle-market opportunities. Mr. Gallagher believes that the middle market will fuel the next spurt of growth in self-insured plans.

Some brokers—including Minet, Lowndes Lambert, Poe and 15th-ranked Hilb Rogal & Hamilton Co.—also are stressing specialization.

Compagnie Europeenne de Courtage d'Assurance et de Reassurances, the 18th-largest broker, targets clients that are the leading multinational companies in their respective industries.

Many brokers also are attempting to boost revenues by adding fee-based services designed for risk and benefit managers as well as health care providers. Those services largely are designed to take advantage of potential U.S. health care reforms and the privatization of employee welfare benefits across Europe.

For example, Acordia is finding growth opportunities in marketing and administering health plans for hospitals and health care providers that want to assume risk and develop their own plans.

It also says it can develop what essentially is a 24-hour coverage plan that employers can offer workers in states that allow companies to pull out of the workers comp system.

Gallagher, which has been running a pilot 24-hour process program for one client for more than a year, plans to begin marketing the process soon in California, after it obtains regulatory approval.

RHH hopes to bolster its employee benefit consulting business in Europe and the Far East on the strength of the privatization of employee welfare plans throughout those regions.

In addition, RHH Group's Aon Speciality Group Inc. is forming Aon Managed Care, an underwriting management facility that provides, among other things, capitation coverage for health maintenance organizations.

Ninth-ranked JIB Group P.L.C. has purchased U.K. employee benefits consultant Reeves Brown to provide actuarial advice to multinational clients with operations throughout the European Union.

JIB's health care division over the past 18 months also has focused on a product that will respond to the changing needs of managed care organizations under health reform: a managed care stop-loss insurance program that offers relief from catastrophic losses suffered by members of "integrated delivery systems" that provide medical services under capitation agreements with health maintenance organizations and insurers.

Third-ranked Sedgwick Group P.L.C. last year took a major step toward its goal of building an equal split in fee- and commission-based revenues by acquiring benefit consultant Noble Lowndes & Partners Ltd., which ranks among the world's largest consultants (*BI*, Dec. 20, 1993).

New frontiers

Brokers also continue to ease into new corners of the world for them to drum up business. China and Vietnam are among the most popular new marketplaces.

In China, M&M and J&H have opened Beijing offices, and Sedgwick and Bain Hogg have opened Shanghai offices.

"Now that America has given its blessing to China, we believe that there will be huge American investment in that part of the world," said Sedgwick Chief Executive Sax Riley.

In Vietnam, 14th-ranked Gras Savoye S.A. and Bain Hogg have opened offices in Ho Chi Min City and Hanoi.

Other locations where brokers have set up shop for the first time include Beirut, Lebanon—Gras Savoye; former Soviet republic Kazakhstan—Sedgwick and A&A; Turkey—M&M; Kuwait and Dubai, an emirate in the United Arab Emirates—Heath.

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This story is based on reports by BI staff members.

Brokers

Continued from previous page

losses, and a falling stock price.

A recent $200 million capital infusion from American International Group Inc. and the appointment of company turnaround expert Frank G. Zarb as chairman, president and chief executive officer are two key steps A&A has taken to move out of the shadow of its recent problems.

Mr. Zarb is closely guarding his business development plan while taking several decisive moves to plug the broker's financial drain. But, he vows that A&A producers who show any favoritism to AIG will be terminated.

Fifth-ranked Willis Corroon Group P.L.C., whose revenues dropped 3.4% in U.S. dollars, mistakenly believed at year-end 1993 that it had successfully melded the operations of Corroon & Black Corp. with the Willis Faber Group after the 1990 merger.

It found out differently a month before it released its surprisingly disappointing first-quarter 1994 results, which showed that operating revenues in North America had fallen 8.3% from the year-earlier period and that pretax profits fell 10.4%.

The plentiful problems at the brokerage, besides the soft market, can be traced to the Corroon & Black operations: Sixty staff members from two of the broker's construction operations jumped to fourth-ranked Rollins Hudig Hall Group Inc. last year, which has led to a lawsuit (*BI*, June 27); the broker's U.S. West Coast offices have not performed well; and the broker has not retained a sufficient amount of business.

Fallout has included a major management shakeup.

Willis Corroon Executive Chairman Roger Elliott said that understanding the culture of Corroon & Black, which was made up of 118 acquisitions and mergers, has taken a long time. But no longer will Willis executives in London allow the U.S. operations to act autonomously. "We went on with that for too long," he said.

Tenth-ranked Minet Group P.L.C., which reported nearly stable revenues, is still completing its multiyear evolution into a specialty broker, said Chairman and Chief Executive Peter S. Christie.

"We have continued to make substantial investments in our chosen specialties. A lot of those investments, particularly in North America, has been hiring people, with the expectation that those people will take a number of years to develop revenues," he said.

The effort continues to suppress profits, but not unreasonably so, Mr. Christie said. And, the restructuring has improved client satisfaction, he said.

The bigger, the better

The fastest way that many brokers believe they can boost their revenues is by acquiring other brokers.

The acquisition of Hogg Group P.L.C. earlier this year by Bain Clarkson Ltd.'s parent, Inchcape P.L.C., created the world's seventh-largest broker, Bain Hogg Group. Last year, Bain and Hogg were ranked 11th and 12th, respectively.

But, combined revenues 1993 for the group still plunged 14.2% in U.S. dollars.

And, while the new broker will be a major U.K. force, it will have little immediate impact on risk managers in the United States, where Bain Hogg has to focus more on business growth, Chief Executive-designate Ron Forrest acknowledges.

Executives with the two brokers believe the deal was necessary, saying medium-sized brokers are no longer tenable in the global insurance marketplace, given the demanding needs of sophisticated risk managers for bigger, more geographically diverse companies.

Acquisitions continued to fuel the meteoric growth of eighth-ranked Acordia Inc. of Indianapolis, which debuted in the Top 20 rankings only two years ago at No. 14. Acordia has cracked the Top 10 on the strength of a 9.6% increase in revenues—the third-strongest growth rate among the world's largest brokers.

Acordia's revenues include on a pro forma basis American Business Insurance, which was acquired in 1993, and Pettit-Morry Co., acquired earlier this year. ABI was 17th-ranked broker last year based on 1992 revenues, while Pettit-Morry ranked No. 32 among brokers of U.S. business.

The acquisition brought Acordia closer to its ultimate goal of having an even distribution of property/casualty insurance, health insurance and life insurance business.

Due to the Bain/Hogg and the Acordia/ABI mergers, lower revenues for former No. 20 broker Steel Burrill Jones Group P.L.C., and a relatively spunky 7% revenue growth of its own, the newly merged Poe & Brown Inc. made its debut in the Top 20 at No. 19, despite some organizational challenges created by the merger.

Chairman William F. Poe now plans to double profits within five years through acquisitions and organic growth.

Meanwhile, executives at 16th-ranked Lowndes Lambert Group Holdings P.L.C. and 20th-ranked Groupe Le Blanc de Nicolay—perched on their respective mountains of capital—say they are ready to swoop down on potentially big acquisition targets.

Continued on page 6

Top 20 brokers' revenue growth in home currency

Broker	1993 revenue growth
1. Sedgwick Group	18.2%
2. Lowndes Lambert	16.8 [2]
3. Willis Corroon	13.4
4. JIB Group	13.2
5. CECAR	11.9
6. C.E. Heath	11.0 [2]
7. Rollins Hudig Hall	10.3
8. Arthur J. Gallagher	9.9
9. Acordia	9.6 [1]
10. Jauch & Huebener	9.4
11. Le Blanc de Nicolay	9.1
12. Marsh & McLennan	7.5
13. Poe & Brown	7.0
14. Gras Savoye	5.1
15. Johnson & Higgins	4.5
16. Bain Hogg Group	0.8 [1]
17. Hilb, Rogal & Hamilton	0.4
18. Minet Group	-[illegible]
19. Alexander & Alexander	-[illegible]
20. ABN-AMRO	-1[illegible]

[1] *BI* estimate, acquisitions included on a pro
basis [2] Fiscal year ends 3/31

Source: *BI* survey

GRAPHIC BY KI

100 largest brokers of U.S. business

U.S. revenues are estimated based on reported percentage of revenue generated by U.S.-based clients.

	Company	1993 U.S. revenues
1.	Marsh & McLennan Cos. Inc.	$1,587,650,000[1]
2.	Rollins Hudig Hall Group Inc.	855,000,000
3.	Johnson & Higgins	781,144,000
4.	Alexander & Alexander Services Inc.	727,147,200
5.	Willis Corroon Group P.L.C.	634,200,000[2]
6.	Sedgwick Group P.L.C.	571,599,618[2]
7.	Acordia Inc.	364,049,442[1]
8.	Arthur J. Gallagher & Co.	285,896,700
9.	Minet Group P.L.C.	178,794,000
10.	JIB Group P.L.C.	173,481,000[2]
11.	Hilb, Rogal & Hamilton Co.	133,604,295
12.	Poe & Brown Inc.	95,570,000
13.	Bain Hogg Group	81,802,035[1,2]
14.	Norwest Insurance Inc.	56,500,000
15.	Kaye Insurance Associates L.P.	51,482,000
16.	Lockton Cos. Inc.	49,039,200
17.	McGriff, Seibels & Williams Inc.	44,729,282
18.	Lawrence Agency Corp.	44,631,535
19.	Near North Insurance Brokerage Inc.	44,500,000
20.	Frank Crystal & Co. Inc.	35,256,000
21.	Frenkel & Co. Inc.	33,400,800
22.	John L. Wortham & Son L.L.P.	31,211,000
23.	Keenan & Associates	31,200,000
24.	K&K Insurance Group Inc.	29,707,572
25.	C.E. Heath P.L.C.	29,051,475[2,3]
26.	Lowndes Lambert Group Holdings P.L.C.	25,062,163[2,3]
27.	Marshall & Sterling Inc.	24,938,189
28.	Kalvin-Miller International Inc.	24,250,000
29.	Palmer & Cay.Carswell Inc.	23,284,646
30.	Hobbs Group Inc.	23,001,400
31.	Robert F. Driver Co. Inc.	22,968,000
32.	Meadowbrook Insurance Group	22,544,449
33.	American Phoenix Corp.	22,165,660
34.	Timberline Insurance Managers Inc.	20,217,462
35.	Kornreich Insurance Services	$19,500,000
36.	Tanenbaum-Harber Co. Inc.	19,404,000
37.	Andreini & Co.	18,669,000
38.	J. Smith Lanier & Co. Inc.	18,609,396
39.	Alburger Basso deGrosz	18,400,000
40.	Healthcare Insurance Services Inc.	18,224,815
41.	Meeker Sharkey Financial Group Inc.	18,200,000
42.	Rebsamen Insurance Inc.	17,811,270
43.	The Cal-Surance Cos.	17,237,402
44.	Holmes, Murphy & Associates Inc.	17,206,387
45.	NIA Ltd./National Insurance Associates	17,170,000
46.	Calco Insurance Brokers & Agents Inc.	16,909,200
47.	Cannon Cochran Management Services Inc.	16,800,000
48.	Roanoke Brokerage Services Inc.	16,102,000
49.	Insurance Management Associates Inc.	15,674,000
50.	Underwriters Financial Group Inc.	15,255,000[4]
51.	Mesirow Insurance Services Inc.	14,295,000
52.	Hastings-Tapley Insurance Agency Inc.	14,043,900
53.	Van Gilder Insurance Corp.	13,860,000
54.	The Graham Co.	13,320,880
55.	The BGS&G Cos.	13,120,447
56.	Saldana & Associates Inc.	13,006,000
57.	BWD Group Ltd.	12,714,324
58.	Anco Insurance Managers Inc.	12,683,241
59.	The Daniel & Henry Co.	12,628,000
60.	The McElroy-Minister Co.	12,575,717
61.	Kelter-Thorner Inc.	12,389,000
62.	Parker, Smith & Feek Inc.	12,214,000
63.	WRIMS Corp.	12,063,341
64.	R.C. Knox & Co. Inc.	12,038,382
65.	John Burnham & Co.	11,577,720
66.	Cameron M. Harris & Co.	11,576,334
67.	Steel Burrill Jones Group P.L.C.	11,550,005
68.	Henderson & Phillips Insurance	11,500,665
69.	Redland & Associates	$11,500,000
70.	The James B. Oswald Co.	11,400,000
71.	Haas & Wilkerson Insurance	11,398,282
72.	Van Beurden Insurance Services Inc.	11,179,967
73.	Insurance & Risk Management	11,169,000
74.	Anderson & Anderson Insurance Brokers Inc.	11,130,000
75.	Allied Coverage Corp.	11,000,000
76.	The Pilgrim Organization	10,289,106
77.	Hylant-MacLean Group	10,250,000
78.	Dann Brothers Inc.	10,201,000
79.	Thomas E. Wood Inc.	10,158,000
80.	The Loomis Co.	10,149,000
81.	Gow & Hanna Inc.	10,148,000
82.	Bolton/RGV Insurance Brokers	10,100,000
83.	LaGere & Walkingstick Insurance Agency Inc.	9,860,709
84.	Berwanger Overmyer Associates	9,837,137
85.	MLW Services Inc.	9,711,800
86.	Robertson-Ryan & Associates Inc.	9,327,081
87.	McCay Corp.	9,214,531
88.	Anco Corp.	9,015,000
89.	Richard N. Goldman & Co.	9,000,000
90.	Mahoney & Wright Insurance Agency Inc.	8,966,000
91.	Clair Odell Group	8,850,003
92.	Lawley Service Inc.	8,799,215
93.	Waterfield Insurance Agency Inc.	8,707,650
94.	Starkweather & Shepley Inc.	8,600,000
95.	Wharton/Lyon & Lyon	8,565,000
96.	RWP Group Inc.	8,300,000
	The Simkiss Cos.	8,300,000
98.	The Mathog & Moniello Cos. Inc.	8,212,000
99.	Lovitt & Touche	8,200,000
	Posse-Walsh Inc.	8,200,000
	Total	**$7,972,647,029**

[1] *BI* estimate, figures include 1993/1994 acquisitions on a pro forma basis [2] Converted at applicable exchange rate [3] Fiscal year ends 3/31 [4] *BI* estimate

GRAPHIC BY KIM ROME

Brokers' revenue growth slows to a crawl in 1993

Leading firms seek a boost from buyouts, new products, firmer rates

By DAVE LENCKUS

The dog days of the long, hot property/casualty insurance market continue to melt away revenue growth for the world's 20 largest insurance brokers.

Even a stream of acquisitions and new products and services could not cool off a dismal growth trend. The brokers that make up the *Business Insurance* Top 20 reported that gross revenues grew a strikingly meager 2.3% in dollar terms to $12 billion in 1993 from nearly $11.74 billion a year earlier.

The 1993 growth rate is the second-lowest increase mustered by either the top world or U.S. brokers since the rankings began in 1972.

It is the sixth weak showing of the past seven years, and results in the lone strong year—1990—were artificially buoyed by a weak U.S. dollar.

Only in 1983's soft market, when the Top 20 U.S. brokers were ranked, was the growth rate lower: 2.1%.

But, among the more than 230 other brokers listed in this year's directory, revenues grew about 6.5% on average.

Coincidentally, the key forces that had battered the Top 20 brokers' revenues a decade earlier were again at work in 1993:

- Stiff insurer rate competition, which helped risk managers control costs but reined in brokers' commission revenues.
- A strong dollar against foreign currencies, which hurt the results of non-U.S. brokers and the results from all brokers' forays into new foreign markets.

Since *Business Insurance* began ranking the world's largest brokers five years ago, the 1993 revenue growth rate is the lowest. It is only half of the previous low-water mark of 4.5% in 1992.

A further breakdown of the brokers' results does not unveil many bright spots.

While revenue growth for nine of the Top 20 brokers last year exceeded the average growth rate, revenues fell for eight of the Top 20.

In none of the previous 22 rankings did as many top brokers report reduced revenues.

Forty-four of the other brokers listed this year reported reduced revenues.

In addition, despite the reorganization, expense-cutting and business-expansion efforts by many of the world's largest brokers, revenues per employee for the group fell for the first time since that statistic was noted in the report on U.S. brokers' 1975 results.

Revenues per employee slipped 0.8% among the Top 20 to $100,352 on average last year from $101,194 in 1992, with 11 of 20 brokers reporting decreases.

For the other brokers listed this year, revenues per employee grew about 4% to $96,115 on average from $92,454.

In addition, low interest rates prevented investment income from helping the Top 20 brokers' profit picture. Sixteen of the Top 20 brokers last year reported lower or static investment income.

No help from the market

While brokers' revenues rebounded strongly in 1984, the year after they reported their lowest revenue growth since the rankings began, brokers cannot expect that period of history to repeat anytime soon.

To brokers' advantage, insurance rates have begun firming somewhat outside of the United States, particularly in France. And, the dollar has slumped so far this year against some foreign currencies.

But, the 1984 revenue resurgence was primarily fueled by the onset of the hardest property/casualty insurance market ever.

Unlike the dog days of summer, which end when the Dog Star no longer rises and sets with the sun, indications are that competitive rates for most U.S. risks will be around for the foreseeable future. Indeed, with a few exceptions, 1994 is shaping up as an even better market for U.S. risk managers than last year was (*BI*, July 4).

"It's crazy," lamented Peter Presland, chief executive for 12th-ranked C.E. Heath P.L.C., which reported a 1.4% drop in revenues in U.S. dollars.

"It seems that, lemming-like, they (insurers) are plunging down a ravine," he said. "And, the number of policies you have to broker just to stand still is high."

In addition, while rates are climbing for property catastrophe coverage, new capital could truncate that trend, said Richard A. Nielsen, president and chief operating officer of sixth-ranked Johnson & Higgins, which reported a 4.5% increase in revenues last year.

But, there's no point to brokers wringing their hands over market conditions, according to J. Patrick Gallagher, president and chief operating officer of 11th-ranked Arthur J. Gallagher & Co., which reported the second-strongest revenue increase—9.9%— among the Top 20.

"We just have to deal with the market. 1986 is a long ways away," he said, referring to the final year of the last hard market. "This is how the market is now."

Broker executives believe they can succeed in this soft market, though perhaps revenues cannot be beefed up to the extent they were during the mid-1980s market crunch.

"I think our outlook is that we should be able to grow at at least the 1993 pace" with the help of new business production and cost controls, said John T. Sinnott, a co-chief executive with Marsh & McLennan Inc., the retail brokerage unit of top-ranked Marsh & McLennan Cos. Inc., which reported a 7.5% revenue increase last year.

However, "we certainly don't see 1994 as a year that we can open up our belts," he said.

In addition to lower rates, some brokers—especially in Europe—may be battling shrinking commissions from insurers, which are trying to cut their costs.

"A 5% cut in commission was the rule" with European insurers, many of which increased rates last year, said Hans Bosman, senior vp and director of commercial lines brokerage for 17th-ranked ABN-AMRO Verzekeringen B.V., whose revenues tumbled 27.6% in U.S. dollars.

Pressure on broker commissions is extreme, said Christian Dahms, a partner with 13th-ranked broker Jauch & Huebener KGaA. "With reinsurers reducing their commission and primary insurers theirs, it ultimately gets back to the broker. It's definitely a big problem, and we expect the trend to continue."

However, Mr. Gallagher said that insurers will "pay extra" commission points to a broker that brings them a major block of business.

Working out the bugs

Some brokers also are coping with individual problems stemming from major organizational shakeups and mergers in recent years that were intended to spur growth.

Second-ranked Alexander & Alexander Services Inc., which reported a 2% revenue drop, is attempting to right itself following a lengthy period of turbulence. A&A has been beset with three consecutive years of restructuring efforts as well as management changes, looming liabilities from discontinued operations, financial

Continued on next page

Prevention

Continued from page 2

counseling were all found to be relatively cost-efficient measures. Each costs $6,000 or less per year of life saved, according to the study.

Other preventive measures, including use of high blood pressure medicine, universal breast cancer screening and kidney transplants, all cost from $15,000 to $19,000 per year of life saved.

On the other hand, measures like AIDS screening and prevention, universal prostate cancer screening, natural disaster preparedness, school bus safety and asbestos control all have very low cost-effectiveness ratios, primarily because the impact of such broad interventions is felt by only a few, the study says.

"Preventive measures, specifically occupational and environmental safety, attempt to prevent trauma before it occurs. But resources are spent on a public without knowing who may be hurt," said Tammy Tengs, lead author of the study.

"This study exemplifies how, under our current system, some lives are being saved at extraordinary expenses while we're letting others go cheaply. It demonstrates the imbalance that exists between money spent on simple health intervention and various environmental and industry efforts that have limited results," said Richard Zeckhauser, a professor of political economy at Harvard University's John F. Kennedy School of Government.

The information used in the Harvard study was gathered primarily from government sources, health care data bases, textbooks and other studies. The study's authors analyzed approximately 1,200 documents in order to provide cost/benefit ratios for 587 interventions in three categories: medicine, injury prevention and pollution control.

Medical interventions scored best in terms of their cost/benefit ratios:

- The average cost per year of life saved for a medicine-based intervention was $19,000.
- The average cost per year of life saved for injury prevention measures was $48,000. These measures include all workplace safety programs, transportation rules and consumer products protection.
- The average cost per year of life saved for pollution and toxin control was $2.8 million.

Harvard's Ms. Tengs said the study's findings do not condemn workplace safety programs and pollution control efforts as a waste of money, but instead show that there are other more cost-effective ways to save lives.

"We're simply trying to show that there are cheaper methods available and there is an argument for changing," she said.

Within the category of health care interventions, cost-effectiveness ratios varied greatly.

The study finds that the median cost for a life year saved by programs aimed at thwarting pulmonary disease is $12,000, compared with $14,000 for heart disease; $23,000 for AIDS; $38,000 for kidney disease; and $750,000 for cancer.

'Some lives are being saved at extraordinary expenses while we're letting others go cheaply,' says Harvard's Richard Zeckhauser.

The study's authors warn that the accuracy of their findings is limited by the accuracy of data available, but say it's one of the most complete studies of its kind to date and should help guide employers and health care policymakers in allocating limited resources.

The study's findings affirm the value of wellness-oriented and preventive programs offered by employers.

"In the late 1970s and early 1980s we had terrific wellness and prevention programs, but with downsizing they were the first to go because with the absence of data, we couldn't prove that they were saving money and lives," said Virginia Proestakes, manager-managed care programs with Southern New England Telephone Co. in New Haven, Conn.

But with studies like this in hand, corporate benefits professionals have a better idea of how to craft programs that will gain upper management's support.

"We pay for prenatal care, pap smears and mammograms, but this type of data shows that you should do it based on the literature and consensus as to what's proper. Given the age group of your people, some won't need mammograms or pap smears every year," she said.

Anne Hunt, wellness director with Haggar Apparel Co. in Dallas, praised the study for its usefulness in helping employers realize that wellness programs are cost-effective.

"It's difficult to obtain figures on how successful these programs are. At conferences across the country I've run into companies on the verge of doing prenatal care, but they won't commit to it without proof that there will be a cost benefit," she said.

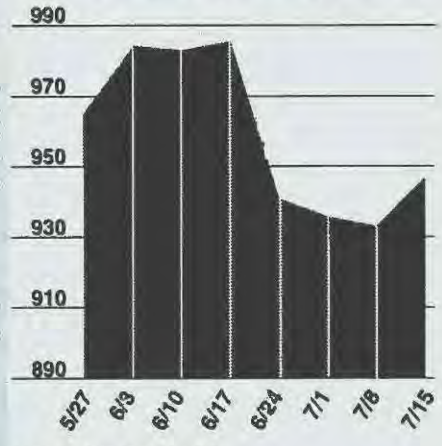
Haggar has a sophisticated prenatal care and education program that has produced significant cost savings for the company. Ms. Hunt said between 1991 and 1992, the company saved more than $400,000 on its pregnancy-related expenditures despite seeing 40 more births among its workforce (*BI*, April 25). "I don't doubt for a minute the findings of this study in terms of prenatal care and early childhood immunizations having positive effects."

However, a medical director with a large corporation said that while studies like this do help people focus on relative costs, one cannot lose sight of the value most Americans place on human life and the willingness of people to spend whatever it takes to save lives.

"It's very difficult to put real dollar values on human life. It has become a necessary evil in the corporate world, but as a country we value life and human worth," said Dr. James Craig, director of health and human services with General Mills Inc. in Minneapolis. "To say that you're not going to prepare for natural disasters because it's got a higher cost per life saved than something else is wrong if you look at the Mississippi River last summer."

"You can't expose people to vinyl chloride just because the cost (of exposure prevention efforts) per life saved is $1.6 million," Mr. Craig said. "For one reason, you value life. Second, society wouldn't understand a company that doesn't provide a safe working atmosphere for its employees. Third, OSHA mandates what we do in terms of safety, and fourth, the high costs of disability, workers compensation and poor employee morale would show up in numbers far exceeding the costs shown in this study." BI

BI Insurance Index



Base = 100 on Dec. 29, 1978
Source: Nordby International Inc.

Insurance stocks rose last week, as the *Business Insurance* Index gained 13.3 points to 946.3 July 15 from 933.0 on July 8. Advancing issues for the week were led by: EMPHESYS Financial Group, up 9.4%; Navigators Group, up 9.4%; and Penn-America Group, up 9.1%. Declining issues for the week followed: Harleysville Group, down 5.7%; Phoenix Re Corp., down 4.4%; and EMC Insurance Group, down 3.8%. The most active issue was Travelers Corp., 5.6 million shares traded. The *BI* Index rose 1.4%; the Dow Jones 30 Industrials rose 1.2%; the NYSE Composite gained 1.2%; and the Standard & Poor's 500 increased 1.0%.

British Issues

July 14 Companies	Price pence	P/E*	Div.* pence	Yield %	1 week high—low
Comml Union	533	17.1	31.0	5.8	538—515
Genl Accident	569	11.4	34.8	6.0	569—555
Gdn Royal Exch	176	11.3	9.5	5.4	176—173
Independent	247	8.0	10.4	4.2	247—247
Royal	249	10.8	9.4	3.8	249—236
Sun Alliance	312	14.0	18.4	5.9	312—295
Brokers					
Bradstock	103	11.6	6.3	6.7	107—103
Fenchurch	145	11.3	9.0	6.2	149—145
CE Heath	301	10.8	20.0	6.6	313—301
JIB Group	128	11.2	9.4	7.3	140—128
Lloyd Thmpson	175	11.8	8.4	4.8	184—175
Lowndes Lmbrt	386	12.2	18.8	4.9	389—386
Nelson Hurst	162	15.9	7.0	4.3	170—162
PWS Holdings	44	N/M	2.5	5.7	51—44
Sedgwick Grp	158	17.5	7.5	4.7	171—157
Steel Brl Jones	119	N/M	11.3	9.5	119—119
Willis Corroon	134	12.3	8.3	6.2	142—134

Source: Philip Olsen, London * Actual 1993 figures

BI Industry Stock Report JULY 11, 1994, THROUGH JULY 15, 1994

		Price	Weekly % change	Year to date % change	Annual High	Annual Low	Vol.(000)	$ Div.	% Yield	P/E	Book value	Mkt./Bk. value
BROKERS												
Acordia Inc.	NYS	26.75	-3.60	8.63	28.75	21.00	12	0.60	2.24	13	10.22	2.62
Alexander & Alexander	NYS	18.00	2.86	-9.43	27.13	14.00	1165	0.10	0.56	200	6.73	2.67
E.W. Blanch Holdings Inc.	NYS	20.75	-0.60	19.42	23.50	15.75	140	0.32	1.54	20	4.10	5.06
Gallagher Arthur J. & Co.	NYS	29.88	-3.24	-16.43	37.13	28.13	30	0.88	2.95	14	7.52	3.97
Hilb, Rogal & Hamilton	NYS	12.00	2.13	-8.57	15.13	11.13	68	0.48	4.00	18	4.51	2.66
Marsh & McLennan	NYS	87.38	1.90	7.37	91.88	77.00	330	2.90	3.32	18	16.76	5.21
Poe & Brown	OTC	20.50	2.50	13.89	20.75	16.88	223	0.40	1.95	15	3.02	6.79
BROKERS	AVERAGE		0.3	2.1					2.4	43		
INSURERS/REINSURERS												
ACE Ltd.	NYS	23.63	0.53	-22.54	36.00	22.75	163	0.44	1.86	5	28.74	0.82
Acceptance Insurance Cos.	NYS	13.38	-1.83	15.05	15.63	11.13	18	0.00	0.00	16	9.65	1.39
AEGON N.V.	NYS	54.63	1.63	-0.23	58.50	43.50	17	2.95	5.39	10	34.71	1.57
Aetna Life & Casualty	NYS	57.50	3.14	-4.56	66.25	49.75	1130	2.76	4.80	-9	71.84	0.80
Allied Group Inc.	OTC	26.00	1.96	4.00	32.75	22.75	18	0.60	2.31	7	10.45	2.49
Allmerica Prop. & Casualty	NYS	15.63	1.63	-27.47	22.16	14.25	349	0.16	1.02	8	56.97	0.27
Allstate Corp.	NYS	24.38	1.56	-18.07	34.25	22.63	661	0.72	2.95	15	18.43	1.32
American General	NYS	28.38	1.79	-0.44	36.50	24.88	1510	1.16	4.09	23	22.09	1.28
American Heritage Life Ins.	NYS	18.13	1.40	-2.68	25.13	16.75	29	0.60	3.31	11	12.42	1.46
American Indemnity/Fin'l	OTC	11.00	2.33	-15.38	16.25	10.25	1	0.24	2.18	4	16.18	0.68
American International	NYS	89.75	0.14	1.84	100.25	81.75	1867	0.46	0.51	15	45.25	1.98
American Re Corp.	NYS	30.63	0.41	8.41	37.50	23.50	125	0.00	0.00	16	14.80	2.07
Aon Corp.	NYS	33.75	1.12	4.92	39.00	30.00	250	1.28	3.79	12	33.10	1.02
Argonaut Group	OTC	27.63	-0.45	-9.43	35.50	26.25	55	1.16	4.20	8	27.65	1.00
AVEMCO Corp.	NYS	14.25	2.70	-24.00	21.25	13.75	18	0.44	3.09	12	8.13	1.75
Baldwin & Lyons Inc.	OTC	14.75	0.00	-0.84	16.25	13.00	0	0.24	1.63	9	12.59	1.17
Berkley W.R. Corp.	OTC	37.75	-1.31	15.27	48.00	32.00	42	0.44	1.17	16	28.12	1.34
Berkshire Hathaway Inc.	NYS	17300.00	2.06	5.97	17800.00	15150.00	1	0.00	0.00	26	8115.28	2.13
Capital Re Corporation	NYS	22.75	6.43	-11.65	28.50	18.50	269	0.20	0.88	9	21.66	1.05
Capsure Holdings Corp.	NYS	14.38	-2.54	6.48	19.38	12.75	46	0.00	0.00	14	13.08	1.10
Chubb Corp.	NYS	76.75	-0.49	-2.38	93.25	70.75	421	1.84	2.40	25	46.59	1.65
CIGNA Corp.	NYS	72.38	0.70	14.43	74.00	56.50	1341	3.04	4.20	17	78.23	0.93
CNA Financial Corp.	NYS	61.50	-0.81	-21.90	92.00	61.00	75	0.00	0.00	-30	77.92	0.79
Continental Corp.	NYS	15.75	0.80	-42.99	34.63	15.75	606	1.00	6.35	18	38.99	0.40
EMC Insurance Group Inc.	OTC	8.75	-3.78	-7.89	10.25	8.50	3	0.52	5.94	12	N.A.	N.A.
Emphesys Financial Gr. Inc.	NYS	32.00	9.40	NA	32.00	21.25	204	0.60	1.88	9	N.A.	N.A.
EXEL Ltd.	NYS	37.50	1.35	-16.67	49.38	36.00	801	1.20	3.20	7	33.81	1.11
Fremont General Corp.	NYS	23.00	-1.08	-4.66	28.75	21.50	136	0.76	3.30	7	23.40	0.98
Frontier Insurance Group	NYS	33.38	3.89	-23.93	33.38	25.41	116	0.48	1.44	16	16.33	2.04
Gainsco Inc.	ASE	8.88	0.00	-1.39	12.16	7.84	42	0.04	0.45	13	3.49	2.54
General Re Corp.	NYS	110.63	1.84	4.12	133.38	101.75	1159	1.92	1.74	15	55.54	1.99
Guaranty National Corp.	NYS	15.13	-0.82	-13.57	24.75	13.75	8	0.50	3.31	10	11.81	1.28
Harleysville Group	OTC	20.75	-5.68	-27.19	30.25	19.75	189	0.64	3.08	12	18.35	1.13
Hartford Steam Boiler	NYS	43.25	-1.14	-2.81	53.38	42.63	152	2.12	4.90	124	15.80	2.74
HCC Insurance Holdings	OTC	21.50	2.38	6.61	23.84	15.00	127	0.00	0.00	18	14.94	1.44
Home Holdings Inc.	NYS	14.00	6.67	-18.84	18.50	10.63	62	0.00	0.00	-5	19.96	0.70
ITT (Hartford Group)	NYS	82.50	2.80	-10.08	95.97	78.63	1720	1.98	2.40	11	57.11	1.44
Kemper Corp.	NYS	59.50	0.21	65.85	65.00	32.88	1440	0.92	1.55	-74	38.98	1.53
Lawrence Insurance Group	ASE	2.50	0.00	-31.03	6.63	1.50	0	0.00	0.00	-6	4.26	0.59
Lincoln National	NYS	43.25	3.28	0.58	48.25	36.75	528	1.64	3.79	9	32.53	1.33
Markel Corp.	OTC	42.00	-2.04	9.09	44.50	36.50	42	0.00	0.00	10	24.68	1.70
Mid Ocean Ltd.	OTC	25.88	-0.48	-8.41	34.75	25.00	114	0.00	0.00	13	20.24	1.28
Mutual Risk Mgmt. Ltd.	NYS	21.50	-1.15	-28.33	32.75	21.25	156	0.28	1.30	13	5.71	3.77
NAC Re Corp.	OTC	28.50	-3.39	-2.15	38.25	24.00	51	0.16	0.56	13	19.24	1.48
National Re Corp.	NYS	26.38	3.94	-13.88	37.13	24.25	225	0.16	0.61	[illegible]	17.51	1.51
Navigators Group	OTC	17.50	9.38	-50.00	39.00	16.00	15	0.00	0.00	-11	16.99	1.03
Nobel Insurance Ltd.	OTC	7.75	-1.59	1.64	8.50	6.63	76	0.20	2.58	[illegible]	6.84	1.13
NWNL Companies	NYS	34.00	0.74	4.62	38.75	27.00	370	0.90	2.65	[illegible]	23.97	1.42
Ohio Casualty Corp.	OTC	30.00	6.67	-5.88	36.00	26.50	162	1.46	4.87	14	47.68	0.63
Old Republic Int'l	NYS	22.75	0.55	1.11	27.63	21.50	285	0.48	2.11	[illegible]	23.57	0.97
Orion Capital Corp.	NYS	33.75	-1.46	9.31	37.50	28.63	23	0.72	2.13	[illegible]	27.43	1.23
Penn-America Group Inc.	OTC	7.50	9.09	-2.44	9.50	6.50	14	0.00	0.00	[illegible]	6.21	1.21
Phoenix Re Corp.	OTC	27.38	-4.37	-0.45	38.25	18.50	259	0.30	1.10	[illegible]	19.99	1.37
Provident Life	NYS	27.38	3.79	-13.44	31.88	24.38	48	1.04	3.80	-14	26.38	1.04
Re Capital Corp.	OTC	12.50	-0.99	-8.26	15.50	12.25	92	0.32	2.56	[illegible]	16.88	0.74
Reliance Group Holdings	NYS	5.13	0.00	-33.87	10.38	4.88	724	0.32	6.24	[illegible]	4.22	1.21
RLI Corp.	NYS	21.75	1.16	-18.69	27.75	20.88	51	0.56	2.57	-34	22.91	0.95
St. Paul Companies	NYS	40.88	-0.61	-8.91	49.00	37.69	638	1.50	3.67	9	57.84	0.71
SAFECO Corp.	OTC	58.88	1.29	7.78	65.75	48.50	1316	1.96	3.33	[illegible]	41.59	1.42
SCOR U.S. Corp.	NYS	11.25	1.12	-10.89	16.88	10.13	37	0.36	3.20	[illegible]	16.08	0.70
Seibels Bruce Group	OTC	2.00	-3.03	14.29	2.13	0.31	102	0.00	0.00	[illegible]	1.90	1.05
Selective Ins. Group	OTC	25.00	0.76	-17.36	31.00	23.00	790	1.12	4.48	[illegible]	23.11	1.08
Sphere Drake Holdings	NYS	15.75	0.80	-4.55	21.63	14.63	22	0.12	0.76	[illegible]	12.17	1.29
Statesman Group Inc.	NYS	14.75	0.00	18.00	15.25	10.13	352	0.10	0.68	6	8.65	1.71
TIG Holdings	NYS	20.25	-2.41	-10.50	28.00	17.25	217	0.20	0.99	-15	18.49	1.10
Titan Holdings Inc.	NYS	8.88	0.00	-18.39	13.38	7.75	30	0.25	2.82	7	8.93	0.99
Tokio Marine & Fire	OTC	64.13	1.18	18.75	67.00	49.25	7	0.41	0.63		57.72	1.11
Torchmark Corp.	NYS	38.63	-0.32	-13.69	59.75	36.75	445	1.12	2.90	9	17.35	2.23
Transatlantic Holdings	NYS	54.00	1.41	1.17	61.50	45.38	27	0.36	0.67	14	29.60	1.82
Travelers Corp.	NYS	31.25	-2.34	-19.61	49.50	31.00	5614	0.60	1.92	8	33.35	0.94
Trenwick Group Inc.	OTC	37.75	-0.86	-2.58	47.75	33.25	113	1.00	2.65	14	26.00	1.45
United Fire & Casualty	OTC	41.00	-3.53	13.89	44.00	36.00	1	1.08	2.63	[illegible]	28.96	1.42
Unitrin	OTC	38.50	-1.60	-9.41	46.25	38.50	179	1.40	3.64	27	38.90	0.99
UNUM Corp.	NYS	43.88	1.15	-16.43	60.13	43.00	1065	0.96	2.19	11	27.55	1.59
US Facilities Corp.	OTC	13.06	-2.34	10.00	14.63	8.25	276	0.00	0.00	14	10.48	1.25
USF&G Corp.	NYS	12.75	4.08	-15.70	18.88	11.69	1003	0.20	1.57	14	10.60	1.20
USLICO Corp.	NYS	17.75	-0.70	7.58	20.50	15.75	51	0.24	1.35	[illegible]	25.22	0.70
USLIFE Corp.	NYS	37.63	4.51	-2.90	45.75	34.88	89	1.24	3.30	[illegible]	41.73	0.90
Washington National	NYS	21.25	-0.58	-12.37	26.13	20.63	46	1.08	5.08	[illegible]	28.40	0.75
Zenith National Ins.	NYS	22.63	-2.16	2.26	29.13	20.63	46	1.00	4.42	[illegible]	17.71	1.28
Zurich Reinsurance Centr.	NYS	27.38	0.00	-3.10	34.00	24.25	157	0.00	0.00	-274	24.41	1.12
INSURERS/REINSURERS	AVERAGE		0.7	-5.5					2.4	6.1		
HEALTH MAINTENANCE ORGANIZATIONS												
FHP International	OTC	24.25	2.11	-6.73	30.00	18.25	1652	0.00	0.00	15	11.43	2.12
Pacificare Health Sys.	OTC	52.00	8.05	37.75	60.25	30.50	571	0.00	0.00	20	11.15	4.66
Safeguard Health Enter.	OTC	13.50	1.89	8.00	15.50	9.25	26	0.00	0.00	16	5.71	2.36
Sierra Health Services	NYS	25.38	4.64	14.04	30.75	15.13	347	0.00	0.00	17	4.60	5.52
TakeCare Inc.	OTC	77.75	0.00	42.66	78.25	38.00	0	0.00	0.00	24	18.69	4.16
United Healthcare Corp.	NYS	46.25	3.35	23.75	50.75	26.00	4120	0.03	0.06	34	10.64	4.35
U.S. Healthcare	OTC	37.50	-0.33	-2.17	47.50	26.66	5130	0.68	1.81	19	6.21	6.04
Wellpoint Health Networks	NYS	31.75	5.39	2.83	37.00	24.00	456	0.00	0.00	16	10.94	2.90
HMOs	AVERAGE		3.1	15.0					0.2	18		
ALL COMPANIES	AVERAGE		1.4	3.9					2.5	12		

System design: Nordby International Inc.

Implants

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attorney at LeBoef, Lamb, Leiby & MacRae in Los Angeles, who is defending some of the insurers in the coverage actions.

Also frustrating the negotiations is the fact that all three of the major defendants are still sparring with their insurers over coverage to fund the settlement and opt-out litigation.

In fact, at least one of the defendants—Dow Corning Corp.—tried to persuade Judge Pointer, who is overseeing the multidistrict litigation consolidated earlier this year in Alabama, to force its insurers into the settlement.

The universe of potential plaintiffs was still unknown as of last week, when members of the plaintiffs' steering committee that negotiated the global settlement counted the initial opt-outs during a hearing in Denver.

In addition to the more than 60,000 federal cases being consolidated under the multidistrict litigation overseen by Judge Pointer, perhaps thousands of individual cases also are pending in numerous state courts throughout the United States and Canada.

Some state trial judges have declined to adopt the MDL court's guidelines and have refused to consolidate any breast implant cases, even for purposes of discovery, according to Peter Kalis, an attorney with Kirkpatrick & Lockhart in Pittsburgh, who spoke on the subject at a recent American Bar Assn. meeting.

However, the intention of the global settlement is to eventually consolidate these state court cases as well, according to Dow Corning's Mr. Rich. "That's why it's called a 'global' settlement," he explained.

Of the women who have chosen to opt out of the settlement, about half are foreign. Two-thirds of the litigants filed their cases in Texas, where two of the largest damage awards so far have been awarded.

Texas was likely chosen "because of the size of the verdicts there," said Barrie Zoeller, an attorney with Larson & Burham in Oakland, Calif., who represents physician defendants in implant suits.

Indeed, statistics compiled by Jury Verdict Research Inc., an independent research company, suggest that while Harris County, Texas, lags behind the national rate of pro-plaintiff judgments, the size of awards there tends to be higher than the national average.

While such forum-shopping is unlawful for U.S. plaintiffs, foreign plaintiffs can sue U.S. companies in any domestic jurisdiction in which the companies do business, Mr. Zoeller explained. At least 2,500 of the Texas suits were filed by Australian women.

The largest damage award to date was a $27.9 million jury verdict to three Texas women who asserted that leaking silicone caused various nervous system and immune system disorders before they were removed in 1992.

That verdict was apportioned among three companies:

- St. Paul, Minn.-based Minnesota Mining & Manufacturing Corp. was assessed $14 million in punitive damages.
- McGhan Medical Corp., a Las Vegas concern that acquired 3M's implant business in 1984, and its parent company, Inamed, were together assessed $12.9 million in compensatory damages and $1 million in punitive damages.

Bristol-Meyers Squibb Co. currently is appealing a $27 million jury award to a Houston woman who developed an autoimmune system disease after her silicone gel breast implants ruptured (*BI*, Jan. 4, 1993). That award included $20 million in punitive damages.

While all of the breast implant manufacturers have sued their insurers to recoup these costs, so far only Dow Corning has been successful in obtaining defense costs.

A Michigan state court judge has given Dow Corning's insurers until Aug. 2 to pay defense costs in the implant litigation (*BI*, April 18).

Dow Corning is suing 73 of its liability insurers in litigation that was consolidated last October in Wayne County Court in Michigan (*BI*, July 12, 1993). A July 15, 1995, trial date has been set.

Dow Corning disclosed last year that it had $250 million in claims-made commercial general liability coverage to respond to the breast implant claims (*BI*, March 9, 1992). However, that was the company's coverage in 1992 alone, and the lawsuits assert that multiple years' coverage should respond.

Because Dow Corning is paying the largest chunk of the global settlement—$2 billion—in addition to defending individual suits, the company tried to draw its insurers into the global settlement in a motion filed in federal court in Alabama last April.

Dow Corning's lawyers were concerned that unless the insurers were included in the discussions, they might not be able to trigger their reinsurance, explained Scott Adams, a member of Dow Corning's in-house counsel.

This concern is based on a 1991 London High Court ruling that reinsurers have no legal obligation to pay cedants' claims for asbestos payments made under the Wellington Agreement, despite a "follow the settlement" clause in the reinsurance contract (*BI*, July 22, 1991; July 15, 1991).

However, U.S. District Judge Pointer denied that motion, instead inviting Dow Corning's insurers and reinsurers to "voluntarily" join the global settlement proceedings.

"I suggest they be given. . .notice of the hearing and of their opportunity to participate and make their point known," the judge said.

Other coverage actions filed by Baxter in California and Bristol-Meyers-Squibb in Texas and New York are in the discovery stages.

Santa Barbara, Calif.-based Mentor Corp., which sued its insurers to recoup the cost of a $25.8 million limited-fund settlement reached last year, has settled with its 11 liability insurers for an undisclosed sum, sources close to the negotiations say.

The storm of publicity over implant safety put pressure on the U.S. Food and Drug Administration in 1992 to place a moratorium on silicone breast implants, which prompted manufacturers to voluntarily stop selling the devices (*BI*, Jan. 13, 1992).

However, a recent study conducted by the University of Michigan's School of Public Health found no link between implants and scleroderma, a rare autoimmune connective tissue disease. The researchers did, however, find possible associations with certain occupations and solvent exposures, family history of other autoimmune connective tissue diseases and other factors that they concluded needed further evaluation. Implant makers are expected to cite the study in their defense of implant claims. BI

Auto claims

Continued from page 2

ident Clinton's Health Securities Act, mandatory auto insurer reimbursement of health plans would save the federal government $16.73 billion from 1996 to 2000, employers $14.28 billion over that five-year period and state governments $5.02 billion.

"We've long felt that our issue—the duplication of payments as it relates to auto insurance—is sort of a common sense issue," a State Farm spokeswoman said. Ideally, "the accident victim receives total payment for the injury, plus anything that goes with it—pain and suffering, but that's all. They only get paid once."

A provision along the lines of State Farm's proposal has been included in the Senate Finance Committee's health care reform markup, the spokeswoman said.

"I think the reason it's in there is that not only is it a common sense issue, but the Lewin-VHI study also shows it can save these levels of money as well," she said.

While lobbying for the provision on Capitol Hill, "there never was anyone who didn't agree with us," the State Farm spokeswoman said. "It's too logical."

States with no-fault automobile insurance already see a fair amount of coordination between auto and health insurers, the report suggests. In those states, private health insurance payments are offset with auto insurance medical payments.

In states where that coordination already exists, the potential for additional savings from the State Farm proposal may be limited, the report concedes.

In states with traditional fault-based systems, though, coordination among different payers rarely exists, forcing many health insurers to adopt a "pay-and-chase" strategy, the report claims. The health insurers pay claims up front, then try to recover from auto insurers later.

However, the pay-and-chase approach is frequently ineffective for several reasons, including the costs and difficulties of dispute resolution.

Some private policies in traditional auto insurance states require that individuals injured in auto accidents transfer their right to auto insurance medical payments to their health insurer. Some states, though, then restrict or prohibit health insurers from collecting reimbursement from auto insurance payments.

What's more, even among no-fault states, health insurer offset laws vary widely, the State Farm spokeswoman said.

Because of the variety of ways auto-health insurance is coordinated from state to state, State Farm is pushing to have the issue addressed at the federal level.

> **'There should not be duplication of coverage,' says Sharon Cook of Amway Corp.**

The duplication of coverage issue is a growing concern among employers, said Sharon Cook, senior manager-employee benefits for Amway Corp. in Ada, Mich.

"There should not be duplication of coverage," Ms. Cook said. "There really is a philosophical issue of whether an auto policy should always be primary and an employer secondary."

Michigan is a no-fault auto insurance state, "so what you find in Michigan is that most health plans already coordinate in some way with auto coverage," she said.

Larger employers that self-insure their health plans often stipulate a secondary or exclusionary approach to paying claims for auto injury treatment, which forces the auto insurer to be the primary payer, Ms. Cook said.

Amway, however, doesn't take that approach. Its employees elect whether their auto insurance will provide primary or secondary coverage for medical costs arising from auto accidents.

There's an incentive in that arrangement for Amway employees to designate their auto insurer as the secondary payer—lower auto insurance premiums. Consequently Amway is effectively the primary payer on its employees' auto injury medical claims.

Robert L. Bonin, manager of benefits administration for First Chicago Corp. in Chicago, also sees merit in an arrangement that would eliminate duplicate claims payments.

"Historically, we've taken a position that any kind of private policy a person pays for, they're entitled to keep the proceeds of that policy," Mr. Bonin said. "But as health care becomes a larger and larger expense, it would be something we would look at again."

Such a measure would be particularly appealing to a company like First Chicago, Mr. Bonin said, because in addition to health care benefits, First Chicago offers employees a payroll deduction auto insurance plan.

First Chicago won't take a unilateral step toward coordinating its employees' health and auto payments, however. It prefers such action to be enacted in a broad fashion, such as State Farm proposes, so the bank's sponsored auto insurance plan won't be put at a disadvantage with other auto insurance plans, the benefits manager said.

Besides reducing health insurance costs, the State Farm proposal likely would result in savings to automobile insurers and their policyholders, the report suggests, because it would help prevent cost shifting.

It also could help reduce medical overpayments by automobile insurance, which now often occur because auto insurers have little ability to monitor treatment and manage care.

Even if health insurers recover reimbursement from auto insurers in all possible cases, however, those reimbursements won't fully cover their auto-injury-related costs, the report notes, because health insurers still would have to pay treatment costs exceeding automobile coverage limits or in cases when no auto insurer is liable. BI

Ohio workers comp bill dies in fight over managed care

COLUMBUS, Ohio—A bill designed to clarify a 1993 workers compensation reform law died last week after business executives and state officials could not agree on who should provide managed care services for workers comp claims handled by the Ohio Bureau of Workers Compensation, the state's exclusive fund.

Business executives wanted private contractors, whom they consider more competent, to provide managed care services for bureau-handled claims for the next three years, said spokesmen for the Ohio Manufacturers' Assn. and the National Federation of Independent Business.

The bureau, however, wanted to continue providing the managed care services, a bureau spokeswoman said. The bureau has been using managed care strategies for several years, including fee schedules for medical services and durable equipment, negotiated rates for inpatient and outpatient care, preauthorization of inpatient admissions and case management.

Such strategies saved more than $88 million in medical expenses in 1993, the bureau said in a statement.

Negotiations between the business and bureau representatives broke off last week during a meeting of the House's Commerce and Labor Committee on the corrective bill, S.B. 212.

The impasse also killed a sideline agreement between business and the AFL-CIO that would have added several clarifications to the reform bill, such as allowing non-lawyers to represent workers in the evidence-gathering portion of a disputed claim.

The AFL-CIO earlier cited the proposed sideline agreement as a reason why it withdrew support for a petition drive to place a referendum on the November ballot to overturn the 1993 reform law (*BI*, April 18).

However, a spokesman for the NFIB said labor's challenge was doomed anyway because of a lack of public support.

—By Meg Fletcher

Chubb, policyholder dispute coverage in $26.8 million award

AUSTIN, Texas—Chubb Corp. is disputing how much coverage it may owe a Texas computer chip maker that recently was hit with a $26.75 million judgment for stealing trade secrets from another computer inventor and libeling the inventor's firm, the inventor's attorney says.

A Travis County District Court jury ruled last month that Microelectronics & Computer Technology Corp. conspired with the inventor's former partner to steal trade secrets and then distributed libelous information to make it look as if the opposite were true. The jury awarded Carmen Burns and his firm, Staktek Corp., $26.75 million in compensatory and punitive damages.

While MCTC, which was insured from 1992 through this year by three units of Chubb Corp., is pondering post-trial motions to get the verdict turned aside or reduced, the company is insisting that Chubb indemnify it for the full award if it stands, said David Donaldson, of George Donaldson & Ford, which represents Mr. Burns. Chubb is disputing what portions of the award it should pay.

The three Dallas-based units are Chubb Lloyds Insurance Co. of Texas, Texas Pacific Indemnity Co. and Vigilant Insurance Co. In the pertinent policy years, 1992-1994, Chubb Lloyds and Vigilant wrote primary layers for MCTC, while Texas Pacific wrote excess insurance. A Chubb spokeswoman would not comment on the ruling.

The jury awarded Staktek $10 million for diminished earning capacity and $12 million for libel. It also awarded $3.75 million for defamation, lost income and pain and anguish. The jury then added $1 million in punitive damages.

—By Michael Schachner