JULY 20, 1998

Business Insurance®

27th ANNUAL AGENT/BROKER PROFILES ISSUE

Reporting Weekly on Corporate Risk, Employee Benefit and Managed Health Care News / $25

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The big get bigger

For the first time in several years, not one of the companies that made up the Top 10 brokers a year ago has been acquired in the intervening months.

That is not to say, however, that there weren't rumors of pending deals, or that those companies weren't busy buying other brokers in 1997 and into 1998.

Business Insurance's 27th annual ranking of the world's largest brokers finds all but one of 1997's Top 10 contenders still on the list. New to this year's ranking is Forbes Group Ltd., a Johannesburg, South Africa-based broker. Forbes' 1997 buyout of Nelson Hurst Ltd. brought it to the No. 9 spot based on brokerage revenues of $249.1 million in 1997.

Missing from the ranking is Heath Group P.L.C., which was No. 8 in 1997. Heath's revenues declined slightly last year to an estimated $231.5 million, while competitors' revenue growth raised the bar.

Another broker that narrowly missed the top 10 was USI Insurance Services Corp., which posted a 46% jump in revenues to $236.1 million, thanks largely to its aggressive acquisition strategy.

Acquisitions also were behind Aon Corp.'s doubling of brokerage revenues to an estimated $4.03 billion. Aon's 1997 acquisitions included Jauch & Huebener KGaA, Minet Group and Sodarcan Inc.

Despite that hefty revenue growth, Aon remains No. 2 behind Marsh & McLennan Cos. Inc., which posted a 43.4% increase in brokerage revenues to $4.4 billion. M&M also made several acquisitions last year, including four former members of the now-defunct UNISON brokerage network.

M&M and Aon alone accounted for nearly two-thirds, or 65%, of the brokerage revenues generated by the entire Top 10. The 10 brokers combined reported $13.03 billion in brokerage revenues in 1997.

Business Insurance changed its reporting structure this year to better compare the results of brokerage services, apart from unrelated operations owned by some brokers. Last year, for example, the $5.46 billion in gross revenues reported by M&M included $1.08 billion generated by investment management subsidiary Putnam Investments Inc.

For *BI*'s rankings, brokerage revenues are defined as gross revenues generated by insurance brokerage, consulting and related services. Total corporate revenues reflect the brokerage business plus any income from underwriting, investment management services or businesses unrelated to risk management or employee benefits.

For brokers based outside the United States, *BI* converts revenues to U.S. dollars using average annual exchange rates. A chart of revenue growth for the Top 10 in the brokers' home currencies appears on page 4.

This year's report on commercial insurance brokers includes a directory listing 192 brokers—including the Top 10—that reported a total of $16.69 billion in brokerage revenues in 1997, up 31.9% from 1996. The directory of agents and brokers begins on page 44.

BI's 27th annual Agent/Broker Profiles report, which begins on page 3, also includes:

- Charts on the 100 largest brokers U.S. business (page 3), the 20 largest retail brokers in the United States (page 10) and a ranking of the Top 10 by revenue per employee (page 6).
- An overview of current trends in the global commercial insurance brokerage business (page 3).
- A report on compensation for the chief executives of the major publicly held U.S. brokers (page 16).
- In-depth profiles of the world's 10 largest brokers (pages 20-44).

WORLD'S 10 LARGEST BROKERS

COMPANY		1996 Ranking	Brokerage revenues 1997	Brokerage revenues 1996	% change	Employees 1997	Employees 1996	% change
1	Marsh & McLennan Cos. Inc.	1	$4,396,300,000	$3,066,500,000	43.4%	30,900	23,271[1]	32.8%
2	Aon Corp.	2	4,031,800,000[1]	2,002,000,000	101.4	33,000	19,600	68.4
3	Sedgwick Group P.L.C.	3	1,549,548,000[2]	1,453,920,000[2]	6.6	15,985	15,392	3.9
4	Willis Corroon Group P.L.C.	4	1,133,496,000[2]	1,131,000,000[2]	0.2	9,367	9,116	2.8
5	Arthur J. Gallagher & Co.	5	463,627,000	448,161,000[3]	3.5	3,890	4,019[3]	-3.2
6	Jardine Lloyd Thompson Group P.L.C.	6	394,889,040[2]	383,728,800[2]	2.9	3,393	3,629	-6.5
7	Acordia Inc.	7	311,364,000	285,904,000	8.9	3,228	3,445	-6.3
8	Lambert Fenchurch Group P.L.C.	10	252,628,268[4]	225,268,560[4]	12.1	2,509	2,571	-2.4
9	Forbes Group Ltd.	12	249,100,000[5]	161,527,200[5]	54.2	4,100	3,325	23.3
10	Gras Savoye & Cie.	9	244,230,750[6]	225,833,160[6]	8.1	1,896	1,793	5.7
	TOTAL/AVERAGES		$13,026,983,058	$9,383,842,720	38.8%	108,268	86,161[1]	25.7%

1 *BI* estimate 2 British pound=$1.638 (1997), $1.560 (1996) 3 Restated 4 Fiscal year ending 3/31: British pound=$1.642 (1997), $1.584 (1996) 5 Fiscal year ending 3/31: South African rand=$0.212 (1997), $0.222 (1996) 6 French franc=$0.171 (1997), $0.196 (1996)
Source: *BI* survey

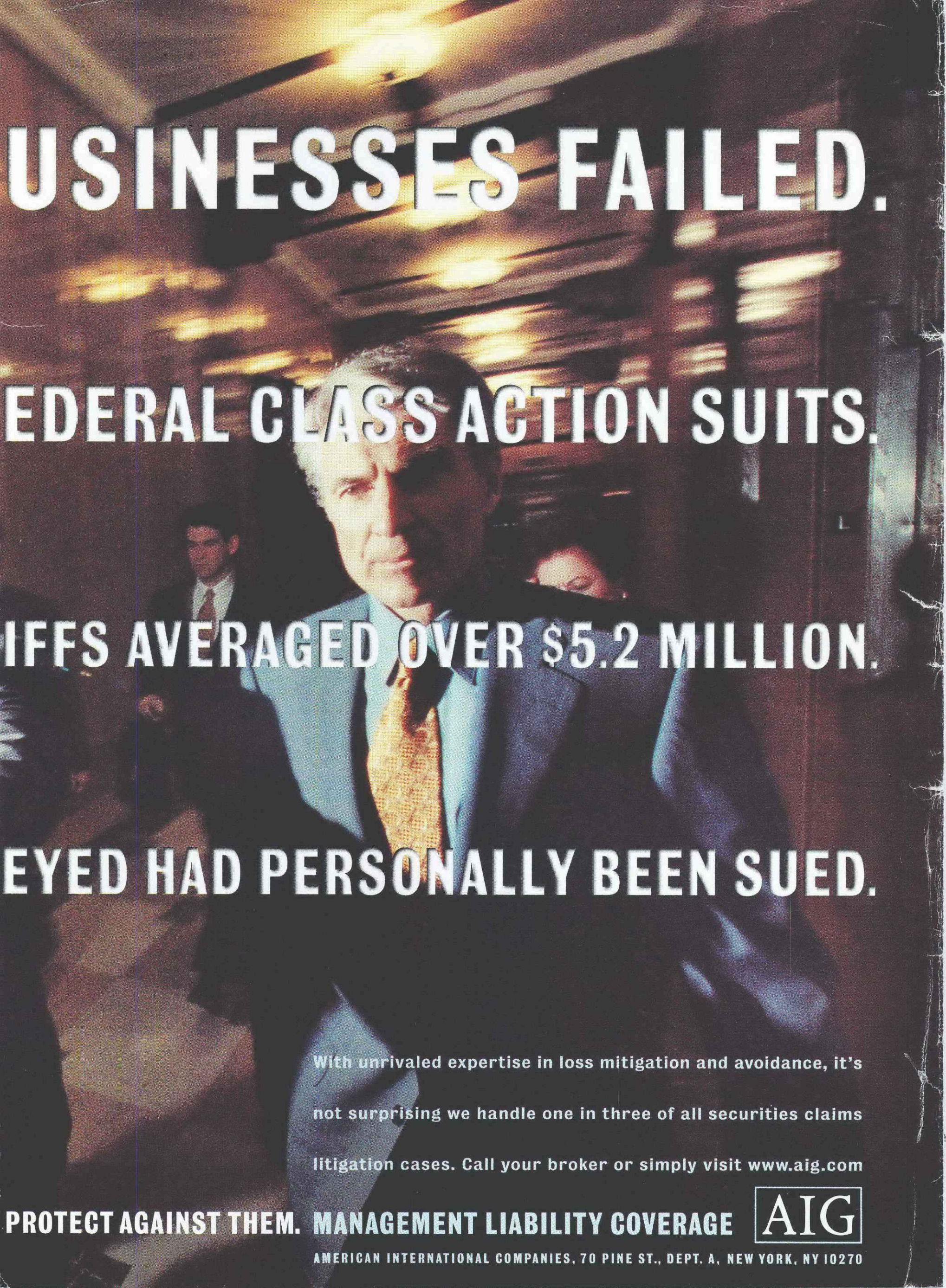
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NEWSPAPER

100 LARGEST U.S. BROKERS

PAGE 3


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JULY 20, 1998

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Updates

Second-quarter cat losses total a record $3.4 billion: PCS

NEW YORK—Catastrophe-related insured property losses set a second-quarter record of about $3.4 billion during the second three months of this year, according to the Property Claim Services unit of the Insurance Services Office Inc.

According to PCS, the second-quarter losses stemmed from 16 catastrophes, defined as events within a particular territory that cause at least $25 million in insured property damage and affect a significant number of insurers and policyholders.

See **Updates** *on next page*

Health care comes to Capitol forefront

By JERRY GEISEL

WASHINGTON—The stage is set for a congressional showdown on patient protection legislation.

This week, both the House and Senate are set to begin consideration and possibly vote on measures that, among other things, would give enrollees improved access to health care providers and services.

Last week, Senate Republican leaders, preparing for a floor vote, unveiled many of the details of a measure they will bring to the full Senate.

That measure includes provisions that would: give patients in managed care plans direct access to pediatricians and obstetricians/gynecologists; mandate that employers in certain situations offer employees more than just a closed-panel provider network; give patients better access to emergency room treatment; mandate new internal and external independent review requirements of coverage denial decisions; and expand eligibility for tax-favored medical savings accounts. Those provisions in similar form all are part of legislation earlier endorsed by a House Republican health care task force.

But the Republican measures differ markedly in one key area from a patient protection proposal advanced by Democrats: While the Democrats' bills would modify federal law to allow patients to sue

See **Patients** *on page 80*

Finding common ground

How House and Senate Republican patient protection bills compare

Where they are similar:

- New internal and external reviews
- Direct access to ob/gyns and pediatricians
- Ban on provider gag clauses
- Improved access to emergency room care
- Expanded medical savings accounts

Where they differ:

- House would cap malpractice damage awards
- House would allow new association plans for small employers
- Senate would ease "use it or lose it" rule for funds in flexible spending accounts

GRAPHIC BY ADAM DOI

Employers fear ruling may spur OSHA backlash

By MEG FLETCHER

BOSTON—The outcome of an injured worker's lawsuit could set a precedent of governmental liability for negligent workplace inspections by employees of the Occupational Safety and Health Administration.

Employers are concerned that such a precedent may force OSHA to conduct more rigorous inspections.

The government suggests in court papers, though, that the result may be fewer worksite inspections.

Employers are monitoring the activities of the 1st U.S. Circuit Court of Appeals, which decided on its own to hear *Irving vs. U.S.* en banc using briefs filed earlier this month.

Gail Merchant Irving, now 40, of Somerset, N.H., is seeking $1 million in damages under the Federal Tort Claims Act to compensate her for the pain and suffering and related injuries she sustained in a serious 1979 accident at a shoe manufacturing plant. Her hair and scalp were sucked into an unguarded rotating drive shaft of a machine, and her neck was broken in the accident, which nearly was fatal.

Workers compensation benefits are not an issue in the case, though Ms. Irving received benefits after the accident but no longer is receiving them, said her lawyer, Paul R. Cox, with Burns, Bryant, Hinchey, Cox & Rockefeller P.A. in Dover, N.H.

A June 8 decision by the 1st Circuit to have the full, 10-judge panel hear the case supersedes a ruling issued April 8 by a three-judge panel of the appeals court.

In that April decision, withdrawn when the court decided to hear the case en banc, judges voted 2-to-1 to uphold the New Hampshire federal district court's $1 million award against the U.S. government, resulting from allegedly negligent inspections by two OSHA compliance officers in 1975 and 1978.

See **OSHA** *on page 79*

PBGC mulls new options

Goal is to reverse trend away from defined benefit plans

By JERRY GEISEL

WASHINGTON—Linking defined benefit plans and 401(k) plans into a new flexible retirement plan is one of the ideas federal pension regulators are examining as they look for ways to revitalize a badly sagging defined benefit plan system.

Such a linkage, now barred under federal law, could lead to a wave of innovative plan designs that could meet the retirement income needs of employees more efficiently than separate types of plans.

Under one possible arrangement, an employer's matching contribution—instead of going into a 401(k) plan—could be in the form of an additional defined benefit plan accrual.

Such an accrual could come in the form of boosting pay credits that employers use to calculate benefits under cash balance pension plans. If, for example, employees receive a cash balance credit equal to 4% of pay, the matching contribution could be used to boost the credit to 6%. And if an employer's cash balance plan was overfunded, the boost in pay credits would not require any additional employer contributions, as the employer could tap the surplus assets to cover the cost.



Mr. Strauss

Linking defined benefit and 401(k) plans is just one of the ideas that officials at the Pension Benefit Guaranty Corp. are reviewing after months of discussions with benefit consultants on what can be done to reverse the steady decline in the number of defined benefit plans and participants.

Other suggestions from consultants on why defined benefit plans are declining include simplifying overly complex federal pension regulations that have boosted the cost of plan administration.

PBGC Executive Director David Strauss, who initiated

See **Pensions** *on page 80*

CNA says review meant to boost competitiveness

By JUDY GREENWALD

CHICAGO—CNA Financial Corp.'s plan to re-examine each of its strategic business units over the next year and a half is sparked by a desire to boost its competitiveness, its top executive says.

"We're doing this in an effort to put ourselves in a stronger position," said Chairman and Chief Executive Officer Dennis Chookaszian. "We see the world as a much more competitive place. . . .We believe only companies in a very strong position are going to survive it."



Mr. Chookaszian

Chicago-based CNA announced earlier this month that as a first step in its review of operations that it plans to lay off 1,100 workers, or about 20% of the workforce, in its largest unit, Commercial Insurance, which focuses on businesses generating $1 million or less in annual premiums (*BI*, July 13). The number of strategic business units, now 29, varies from year to year and can range between 20 and 40.

CNA also will consolidate all Commercial Insurance policy transactions into its Orlando, Fla., office, and claims handling into eight units, down from the 24 that have been handling both these functions.

The insurer reported $966 million in net income in 1997, which was almost flat with 1996's $965 million.

Mr. Chookaszian said that despite CNA's strong earnings over the past two years, the insurer has still not quite reached its goal of a 15% return on equity, hovering instead at about 12% to 14%.

"We believe that's achievable, and we believe that we can bring ourselves to the point where we're one of the top companies in each of the businesses we're in" by ensuring CNA is the lowest-cost producer as well as among the top couple of companies in each of its businesses, he said. While in some cases this may entail reducing workforces, in others "we're looking at growth issues," he said.

Cutting expenses was an issue raised by CNA's acquisition of Continental Corp.

CNA launched its $1.1 billion buyout of Continental in late 1994 (*BI*, Dec. 12, 1994). The Continental deal, said Mr. Chookaszian, led to annual cost savings of about $300 million as a result of the layoffs of 3,000 employees in the year and a half after the merger and related operation expense reductions. This brought its total employee count down to about 18,000.

See **CNA** *on page 78*

Updates

Record quarter cat losses

Continued from previous page

The costliest of these catastrophes was a series of windstorms that struck 12 states from the upper Midwest to New England between May 30 and June 1 (*BI*, June 8). That catastrophe caused an estimated $650 million in insured property damage.

Second-quarter losses pushed the year's catastrophe loss total to $4.4 billion for the first six months of 1998, the highest first-half total since 1994. PCS designated 26 catastrophes during the first half of this year, the largest number for the same period since 1982.

Los Angeles sues over tobacco

LOS ANGELES—The city of Los Angeles is seeking more than $2.5 billion in a lawsuit filed last week accusing the tobacco industry of violating Proposition 65 by selling its products without warning the public about the health risks of exposure to second-hand smoke.

The lawsuit, which seeks an injunction and civil penalties, is the first such legal action by a governmental entity on the issue of exposure to second-hand smoke, according to Los Angeles City Attorney Jim Hahn.

"I am concerned about all non-smokers who are exposed to tobacco smoke," said Mr. Hahn, who was a leader in the legal fight last year that resulted in R.J. Reynolds Tobacco Co. ending its Joe Camel advertising campaign.

"But I am particularly concerned about children who are around smokers and, unlike adults, frequently do not have the freedom of movement to get away from it," Mr. Hahn said in announcing the lawsuit at a City Hall news conference last week.

Studies by the California Environmental Protection Agency, the federal EPA and other organizations indicate that second-hand smoke is responsible for up to 2,200 children being born each year in California with below-normal birth weights and 120 deaths annually in the state due to Sudden Infant Death Syndrome. The studies also show that, on a national basis, second-hand smoke has exacerbated asthma symptoms in up to 1 million children, resulting in increased medical costs of about $6.3 billion each year.

Proposition 65, a voter initiative passed in November 1986, requires anyone doing business in California to warn members of the public before they expose them to any chemical causing cancer or reproductive toxicity.

The lawsuit, filed in Los Angeles Superior Court, seeks civil penalties of $2,500 per person per day of second-hand smoke exposure. That could exceed $2.5 billion, based on a 1997 California EPA study that established an estimate of the number of non-smokers exposed daily to second-hand smoke.

The lawsuit also seeks an injunction barring tobacco companies from selling their products in California without a "clear and reasonable warning" about the health risks of second-hand smoke and conducting a court-approved public information or corrective advertising campaign to inform the public that tobacco products expose non-smoking persons to carcinogens and reproductive toxicants."

Named as defendants are 16 tobacco companies and 15 retailers selling tobacco products in the state.

Calls seeking comment from the tobacco industry were not returned.

Four drug companies settle

CHICAGO—Drug stores across the country will divide up another $350 million as four more pharmaceutical manufacturers have agreed to settle a federal price-fixing suit that retail pharmacies brought against them.

Abbott Laboratories, Hoechst Marion Roussel Inc., Pharmacia & Upjohn Inc. and Rhone-Poulenc Rorer Inc. presented the proposed settlement last week in U.S. District Court in Chicago. The settlement is subject to the approval of U.S. District Court Judge Charles P. Kocoras, who is to preside over a trial of the remaining drugmakers in the suit scheduled to begin in September.

Last year, the judge approved a $351 million settlement between the approximately 40,000 druggists involved in the class action and 11 other pharmaceutical manufacturers named in the suit (*BI*, Feb. 24, 1997). The lawsuit contends that the drugmakers engaged in unfair business practices by denying the independent pharmacists the same discounts provided to health maintenance organizations, mail-order drug programs, hospitals, nursing homes and other bulk buyers.

Cendant sticking with deal

PARSIPPANY, N.J.—Cendant Corp. last week said it will complete its proposed acquisition of American Bankers Insurance Group, despite the meltdown in its stock price that followed its disclosure of widespread accounting fraud at one of its units.

Cendant announced it will restate its 1997, 1996 and 1995 earnings after finding that its CUC International unit booked phantom revenues and engaged in other improper accounting practices. Charges for 1997 will amount to between 22 and 28 cents per share, or $190 million to $240 million after taxes, about double the amounts Cendant predicted when it first announced its discovery of accounting problems in April.

Cendant also said the Securities and Exchange Commission and federal prosecutors in New Jersey are investigating.

After the announcement, Cendant's stock fell to $15.50 at closing July 17 from $22.19 on July 10.

However, Cendant said it plans to go ahead with the deal, which calls for it to pay $67 a share in cash for 51% of ABIG's shares and the equivalent in Cendant stock for the balance of ABIG.

Cendant asked the Florida Insurance Department last week for a

See **Updates** *on page 78*

Errors & omissions

• 1997 revenues per employee for Forbes Group Ltd. are $60,756. The incorrect figure was listed with the profile on page 42 of this issue.

Speak up, employers told

Input sought on Social Security reform proposals

By MARK A. HOFMANN

WASHINGTON—Employers must make sure the potential impact of proposed changes to the Social Security system on employer-provided retirement plans is taken into account as Congress begins considering overhauling the national pension system.

The possible effects of several suggested reforms is the subject of a study released late last week by the ERISA Industry Committee, a Washington-based employer trade group. The study was drafted by a task force chaired by Donald H. Sauvigne, program director-retirement and capital accumulation for Armonk, N.Y.-based International Business Machines Corp.

The analysis does not endorse any particular reform, a point emphasized several times by Mr. Sauvigne and other employer representatives as they discussed the report. Instead, the survey examines how proposed reforms, such as creating individual Social Security accounts, could affect employer-provided retirement plans' design, administration and cost.

The creation of individual accounts is simply one of several potential changes to the system currently being discussed by lawmakers and retirement analysts. Other possible changes include raising payroll taxes, cutting benefits, increasing the retirement age, using the budgetary surplus to shore up the system, and combinations of the ideas.

Copies of the report will be sent to each member of Congress and to administration officials dealing

See **Study** *on page 77*

Lloyd's denies role in deals

Players charged with fraud

By DOUGLAS McLEOD

NEW YORK—When Lloyd's of London recently published a disclaimer denying business relationships with a California financial company and an Aruba insurer, it barely hinted at the tangled web of transactions and unusual cast of characters involved.

The disclaimer, published last Monday, simply said that Lloyd's had never written insurance or reinsurance backing notes and performance bonds issued by The Kentfield Group L.L.C. and Berkston Insurance A.V.V.

The details, though, are intriguing.

Kentfield, with an office in Santa Cruz, Calif., is headed by David Bowman. Mr. Bowman was indicted earlier this year on federal charges that he used Kentfield to sell more than $500,000 in fraudulent promissory notes insured by Berkston and supposedly reinsured by Lloyd's. He has pleaded not guilty to the federal charges.

Aruba-domiciled Berkston—whose 1996 interim financial statement features an allegedly phony audit opinion—is operated by Richard F. Vucenic through his Lauderhill, Fla., company, Surplex International Ltd.

See **Deals** *on page 80*

Hiring help to check up on HMOs

By ROBERTO CENICEROS

To help eliminate health plan administrative problems encountered by its employees, PROMUS Hotel Corp. relies on a service that sometimes uses a stealth approach to check up on managed care company performance.

A benefit consultant contends, however, that looking only at the operational efficiency of a managed care plan, and not also reviewing the quality of its medical decisions, provides employers with an incomplete picture.

In 1997, PROMUS Corp. began using a product called Health Plan CheckUp, offered by Minneapolis-based Network Management Service Inc., to continually test the ease of employee access to managed care services.

PROMUS has about 20,000 employees enrolled in health plans nationwide, said Todd Creasy, director of benefits planning. PROMUS owns and operates the Embassy Suites Hotel chain and recently acquired DoubletreeHotels.

As part of the service, NMS uses PROMUS'

See **PROMUS** *on page 77*

Internet anonymity not guaranteed

Court orders ISPs to disclose user names in defamation case

By RODD ZOLKOS

TORONTO—Businesses that contend they have been defamed by anonymous online postings can force Internet service providers to identify the authors of those messages, clearing the way for possible legal action, a Canadian court has ruled.

The ruling also may force Internet businesses to emphasize that user privacy can't be guaranteed, or else they risk weakening their general immunity from liability for online content, experts say.

The case involves postings to an electronic bulletin board operated by Yahoo Inc. concerning Hamilton, Ontario-based Philip Services Corp. The waste recycling company contends the messages were derogatory.

Philip Services went to court to obtain the names of the Internet users who posted the messages under pseudonyms, and recently the General Division of the Ontario Court in Toronto ruled that 12 Internet service providers must identify the messages' authors. The waste company has not yet

See **Internet** *on page 78*

Inside

• Linking 401(k) and defined benefit plans is a good idea worth pursuing to help fight the trend away from defined benefit plans, this week's editorial says. **PAGE 8**

• Leading insurance markets in Europe will grow in the coming years, a researcher predicts. **PAGE 31**

• A Senator says the United States is better prepared than other countries to deal with the Year 2000 problem but that it still could have a major effect domestically. **PAGE 76**

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Business Insurance (ISSN 0007-6864) Vol. 32, No. 29, is published weekly by Crain Communications Inc., 740 N. Rush St., Chicago, Ill. 60611-2590. Periodicals postage is paid at Chicago and at additional mailing offices. POSTMASTER: Send address changes to *Business Insurance*, Circulation Department, 965 E. Jefferson Ave., Detroit, Mich. 48207. $4 a copy and $87 a year in U.S. $105 in Canada and Mexico (includes GST). All other countries $205 a year (includes expedited air delivery). Canadian Post International Publications Mail Product (Canadian Distribution) Sales Agreement No. 0293512, GST No. 136760444. Printed in U.S.A. Copyright 1998 by Crain Communications Inc.

100 largest brokers of U.S. business

U.S. brokerage revenues are estimated based on reported percentage of brokerage revenue generated by U.S.-based clients.

Rank	Company	1997 U.S. brokerage rev.
1	Marsh & McLennan Cos. Inc.	$2,620,194,800 [1]
2	Aon Corp.	2,257,808,000 [1]
3	Sedgwick Group P.L.C.	643,062,420 [2]
4	Willis Corroon Group P.L.C.	600,752,880 [2]
5	Arthur J. Gallagher & Co.	417,264,300
6	Acordia Inc.	308,561,724
7	USI Insurance Services Corp.	236,200,000
8	Hilb, Rogal & Hamilton Co.	161,757,821
9	Norwest Insurance Inc.	126,900,000
10	Poe & Brown Inc.	124,365,000
11	Jardine Lloyd Thompson Group P.L.C.	122,415,602 [2]
12	Lockton Cos. Inc.	91,577,472 [3]
13	First Chicago NBD Insurance Services	77,630,703
14	American Phoenix Corp.	69,189,900
15	Near North Insurance Brokerage Inc.	66,720,000
16	BB&T Insurance Services Inc.	65,584,000
17	McGriff, Seibels & Williams Inc.	54,165,754
18	Meadowbrook Insurance Group	50,025,538
19	Talbot Financial Corp.	49,153,300
20	Frank Crystal & Co. Inc.	48,864,000
21	Lambert Fenchurch Group P.L.C.	47,999,371 [24]
22	The NIA/Kornreich Group	47,616,030
23	Palmer & Cay Inc.	47,280,414 [5]
24	Riedman Corp.	46,640,000
25	Alburger Basso de Grosz Insurance Services Inc.	46,601,710 [6]
26	Keenan & Associates	45,493,000
27	Healthcare Insurance Services Inc.	43,335,455
28	Kaye Group Inc.	39,729,000
29	Summit Global Partners Inc.	37,350,432 [4]
30	John L. Wortham & Son L.L.P.	35,758,800 [5]
31	Frenkel & Co. Inc.	33,011,550
32	Timberline Insurance Managers Inc.	29,657,075
33	Robert F. Driver Co. Inc.	27,840,000 [7]
34	Bollinger Fowler Co.	27,565,753
35	Marshall & Sterling Enterprises Inc.	27,475,886
36	The Leavitt Group	26,266,680
37	Meeker Sharkey Financial Group Inc.	26,178,853
38	Insurance Management Associates Inc.	24,680,744
39	Commerce National Insurance Services Inc.	24,497,905
40	Mesirow Insurance Services Inc.	23,655,867
41	Holmes, Murphy & Associates Inc.	23,415,790 [5]
42	J. Smith Lanier & Co.	23,110,737
43	Wm. Rigg Cos.	22,504,969
44	Rebsamen Insurance Inc.	21,906,556
45	Tanenbaum-Harber Co. Inc.	20,956,320
46	Andreini & Co.	20,654,480
47	The Graham Co.	19,895,000
48	Proctor Homer Warren Inc.	19,634,000
49	Calco Insurance Brokers & Agents Inc.	18,416,819
50	Hylant-MacLean Group	18,315,000
51	Saldana & Associates Inc.	17,807,000
52	The Daniel & Henry Co.	17,068,000
53	BWD Group Ltd.	17,004,735
54	Cal-Surance Associates Inc.	16,723,700
55	Allied Coverage Corp.	16,500,000 [8]
56	Sullivan & Curtis Insurance Brokers	16,159,121
57	InterWest Insurance Services Inc.	16,117,200
58	The Tribus Cos.	16,100,000 [4]
59	Van Beurden Insurance Services Inc.	16,083,356
60	Cameron M. Harris & Co.	15,989,422
61	Anchor Pacific Underwriters Inc.	15,617,000
62	Hastings-Tapley Insurance Agency Inc.	15,445,683 [9]
63	Van Gilder Insurance Corp.	15,097,620
64	Berwanger Overmyer Associates	14,597,903
65	Associated Agencies Inc.	14,210,500
66	The BGS&G Cos.	14,015,430
67	Lawley Service Inc.	14,004,865
68	Fringe Benefits Management Co.	13,990,149
69	Kelter-Thorner Inc.	13,864,440 [9]
70	Allied American Insurance Agency Inc.	13,709,000
71	Fred A. Moreton & Co.	13,079,065
72	Old Kent Insurance Group	13,068,000
73	The James B. Oswald Co.	12,892,770
74	Silverstone Group Inc.	12,870,000
75	Parker, Smith & Feek Inc.	12,734,000
76	Van Meter Insurance	12,676,639
77	The Loomis Co.	12,536,377
78	Hibbs-Hallmark & Co.	12,225,754
79	Insurance & Risk Management	12,171,060
80	Davis Baldwin Inc.	12,124,934
81	The Rutherfoord Cos.	12,076,500 [5]
82	Seitlin	11,791,784
83	John Burnham & Co.	11,600,000
84	Posse Walsh Buckman Van Buren Inc.	11,421,619
85	W.A. Lang Co.	11,300,000
86	Bolton & Co.	11,278,800
87	Anco Insurance Managers Inc.	11,250,057
88	R.C. Knox & Co. Inc.	11,249,810
89	Lovitt & Touche Inc.	11,037,578
90	Starkweather & Shepley Inc.	11,028,480
91	Wharton/Lyon & Lyon	10,697,940 [5]
92	Mack & Parker Inc.	10,673,300 [9]
93	MLW Services Inc.	10,644,480
94	Charles L. Crane Agency Co.	10,625,646
95	Haas & Wilkerson Inc.	10,437,200 [6]
96	Hamilton Dorsey Alston Co.	10,172,840 [10]
97	Dann Insurance	10,091,880
98	The Simkiss Cos.	9,763,380 [4]
99	J. Rolfe Davis Insurance Agency Inc.	9,699,471 [9]
100	Robertson-Ryan & Associates Inc.	9,631,669
	TOTAL	**$9,762,593,567**

1 *BI* estimate 2 Converted at applicable exchange rates 3 Fiscal year ends 4/30 4 Fiscal year ends 3/31 5 Fiscal year ends 6/30 6 Fiscal year ends 1/31 7 Fiscal year ends 7/31 8 Fiscal year ends 11/30 9 Fiscal year ends 9/30 10 Fiscal year ends 10/31
Source: *BI* survey

Consolidation sparks growth, client concern

By DAVE LENCKUS

The little-changed line-up of the world's 10 largest proper-ty/casualty insurance brokers belies the industry's ongoing metamorphosis and the uneasiness it is brewing in the risk management community.

Nine of this year's Top 10 brokers are holdovers from last year's rankings, and the seven largest brokers maintained the positions they held a year ago.

But the narrowing gap between Marsh & McLennan Cos. Inc. and Aon Corp. for the top spot and a huge surge in brokerage revenues for the Top 10 in an increasingly competitive market reflects the consolidation that is continuing throughout the industry at a fervent pace.

Blockbuster deals—acquisitions of brokers with at least $100 million of brokerage revenue—have faded, at least for a while. But brokers in the past year still made many significant acquisitions, both internationally and domestically, industry analysts say.

Some analysts and broker executives say the industry shakeup is creating financially stronger brokers that are providing risk managers with better products and services and more creative solutions.

Patrick G. Ryan, chairman and chief executive officer of Chicago-based Aon, cited the availability of multiyear policies, integrated policies and other new and creative products as the fruit of consolidation "both on the capital side and on the service side."

"There is just not a big sign out there that says, 'This is as a result of consolidation.' One cannot lose sight of the fact that never have buyers had it better," he said.

Some industry analysts, though, said many of those developments had been occurring before industry consolidation kicked into high gear.

In any case, those analysts and some risk managers say they have not seen the promised benefits, including greater access to more experts and enhanced technological capabilities, from the most recent round of consolidations.

"At this time, the typical risk manager has a lot of questions and skepticism about how they'll be impacted by all of these deals," said John Ward, CEO of Ward Financial Group, a Cincinnati-based management consultant.

One thing risk managers can be certain about is that industry consolidation will persist, even as brokers continue integrating the operations and cultures of recent acquisitions.

Besides the unrelenting soft insurance market, brokers face growing competition for business from, among others, capital markets and reinsurers that are offering alternative risk-financing products directly to risk managers and from insurers doing business over the Internet.

In addition, over the past several years, insurers have sliced brokers' commission rates from the high teens to single digits.

All of that leaves brokers in a hard place for growing revenues.

The rock for brokerage executives is that shareholders still demand enhanced stock values, which are driven by increased revenues and earnings.

Mergers and acquisitions are brokers' quickest routes to improving shareholder value, said Ken Crerar, president of the Council of Insurance Agents & Brokers in Washington.

That strategy helped the world's 10 largest brokers in 1997 rack up more than $13 billion in brokerage revenues, a robust 38.8% gain from $9.38 billion in 1996. However, six of the Top 10 reported only single-digit increases in brokerage revenue.

The remaining 182 brokers listed in this year's directory did not fare as well as all of the Top 10. As a group, the remaining brokers' brokerage revenue gains outstripped many of the largest brokers' individual revenue increases. The 182 brokers' aggregate revenues rose 11.9% to $3.67 billion in 1997.

Broker management has accomplished its objectives of fueling growth and profit margins, which has built up a base over which they can more easily apply some necessary new costs, especially for updated technology, said Bill Weiland, managing director of broker consultant Hales Capital Advisors L.L.C. in Oak Park, Ill.

Consolidation also has allowed brokers to increase their expertise in various areas, he said.

"I don't see this thing slowing down at all," Mr. Crerar said. "Look at the non-U.S. acquisitions by the globals. It's an integration period, yes, but no one is sitting on their laurels."

Global brokers are intent on expanding their overseas presence.

"Internationally, some very important deals have taken place," even if they do not fall into the blockbuster category, said John Wicher, managing director of Russell Miller Corporate Finance Inc., a San Francisco-based insurance industry specialty investment bank.

Many of the global brokers' targets had been members of the unraveled UNISON network. M&M has purchased six former UNISON members. Aon has bought three former UNISON members that were the largest brokers in Germany, Norway and Spain.

Among other significant acquisitions of overseas brokers, Willis Corroon Group P.L.C. of London has acquired stakes in leading Danish, French, German and Italian brokers.

All of those acquired brokers have recognized that if they want to be global brokers, "they don't have a large enough capital base to do it on their own," said Russell R. Miller, chairman of Russell Miller Corporate Finance.

The consolidation pace domestically also will not slow soon, according to many analysts and broker executives.

Aon will more or less continue on the acquisition course that has taken it from a distant No. 7 ranking in 1990 to challenging M&M for the top spot. But probably not all of its future acquisitions will be retail brokers. Some will be consulting and service firms, Mr. Ryan said.

Other brokers have similar ideas. For example, two of Arthur J. Gallagher & Co.'s three acquisitions last year were benefit consultants.

Some smaller national and regional U.S. brokers are just as active consolidators. They are picking up local brokers that will help build or shore up specialty niches or fill geographic voids domestically, according to industry analysts. To service clients with international needs, those brokers are relying on overseas networks.

But, unlike a generation ago, such smaller broker deals typically are not designed to vault the brokers into companies of national prominence, said stock analyst Jay Cohen, a vp with Merrill Lynch & Co. of New York. Today's deals are relatively smaller and more selective, he said.

Even so, the growth of revenues and earnings is a driving force behind those deals as well, asserted middle-market broker management consultant Paul B. Medini. "I think it's hard for them to maintain any type of growth without doing a merger," said Mr. Medini, a partner in the insurance industry practice of Pricewaterhouse-Coopers L.L.P. in New York.

Bernard H. Mizel, chairman and CEO of USI Insurance Services Corp., unabashedly speaks about his efforts to grow USI through acquisitions.

Even though it is targeting middle-market companies, the 4-year-old USI already has become the world's

See **Brokers** *on next page*

Brokers

Continued from previous page
11th-largest broker, largely on the strength of its 72 acquisitions through 1997. Mr. Mizel said middle-market companies comprise a vast untapped market segment for USI's product offerings: a combination of retail brokerage and the same level of financial services that traditionally has been available only to large companies.

Mr. Ward, the management consultant, expects that consolidation among primary insurers that depend on agents and brokers also will foster additional broker consolidation. He said agents and brokers that had serviced the weaker of the two insurers might feel compelled to seek a strong partner if they find their own market positions diminished after the insurer consolidation.

Industry consolidation continues to drive up the business enterprise values of publicly held brokers, but the value of private brokers continues to slide, according to Russell Miller Corporate Finance. The investment bank defines the value, expressed as a multiple of revenue, as the sum of market capitalization and debt.

The value for public brokers, which typically are larger companies, jumped to 1.73 in 1997 from 1.44 a year earlier. It has risen from 1.36 in 1993 because public brokers have been able both to grow revenues through acquisitions and to increase their efficiency, Mr. Wicher said.

For private brokers, typically middle-market companies, the value in 1997 fell for the third consecutive year. At 1.19, it reached its lowest mark since the investment bank began calculating the values in 1985.

The value of private brokers has fallen largely because the soft market and a lack of product differentiation are pinching their revenues, Mr. Wicher said.

But a middle-market broker representative said those companies are doing fine and have no desire to play a role in industry consolidation.

'When your growth strategy is keyed on acquisitions, I want you as a competitor,' says Tom Harvey.

Assurex International's 60 U.S. and Canadian partners and 32 overseas affiliate members have, on average, grown their revenues 11% annually for the last five years, according to Tom Harvey, president and CEO of the Columbus, Ohio-based network of largely privately owned brokers. "That's significantly above a vast majority" of the revenue increases reported by global brokers, he observed.

The Assurex network's revenue growth largely has resulted from new products and services, particularly those that are benefits-related; new business; and the retention of clients that are building up their business both domestically and internationally, Mr. Harvey said.

Among Assurex's U.S. and Canadian members, only 15% were involved in mergers and acquisitions last year, and most plan to remain independent, he said.

As privately owned companies, Assurex members do not have to worry as much as public brokers do about boosting earnings quarter to quarter, Mr. Harvey said.

He said the internal disruptions that brokers create by continually acquiring other firms to drive up earnings "ricochet" back to clients.

The result is that some clients of large brokers are beginning to ask Assurex members to bid for their accounts.

"When your growth strategy is keyed on acquisitions, I want you as a competitor," Mr. Harvey said.

Some risk managers are openly displeased with how consolidation has affected them. One complaint is that none of the promised enhanced products and services have materialized.

Sue Anne Mitro, manager-risk and insurance for The Hillman Co., a highly diversified holding company based in Pittsburgh, recently prepared a presentation for Hillman's board on how broker industry consolidation has benefited the company. Hillman had placed its coverage through Johnson & Higgins before M&M acquired J&H last year. Hillman remained with the consolidated broker, J&H Marsh & McLennan Inc.

"I couldn't think of a single promised enhancement or benefit" that has been delivered, she said.

Among the promises made were that she would have access to more experts and that the consolidated broker's technological capabilities would be enhanced.

But, said Ms. Mitro, whose casualty team "was wiped out" in the consolidation, she has had difficulty finding the experts she needs. She said she is "determined to find" those centers of excellence at J&H Marsh & McLennan on her own, even if that means not using the broker's local office to place Hillman's coverage.

Another J&H Marsh & McLennan client, Judy M. Lindenmayer, also said she has not seen any of the benefits that she expected. Unlike with Ms. Mitro, the broker did not make any promises, said Ms. Lindenmayer, vp-Fidelity insurance and risk management at Boston-based FMR Corp., better known as Fidelity Investments. Even so, she said, she expected to see the broker's "talent pool enhanced" and a greater focus on technology.

But Ms. Lindenmayer's account team has not changed materially since the two brokers combined. She said she ensured that by asking M&M as soon as she heard about the deal to leave her teams intact.

Brokers, though, may not have had enough time to deliver their promised product and service enhancements, observed Risk & Insurance Management Society Inc. President Mark A. DeLillo.

While financial services management consultant Mike McKeon said brokers have strengthened their talent pools, he agreed that they have made only "limited progress" in improving the technological tools they could offer risk managers to aid them with, for example, modeling and decision-making.

Noting that "well-run companies can only focus on so many things at

See **Brokers** *on page 6*

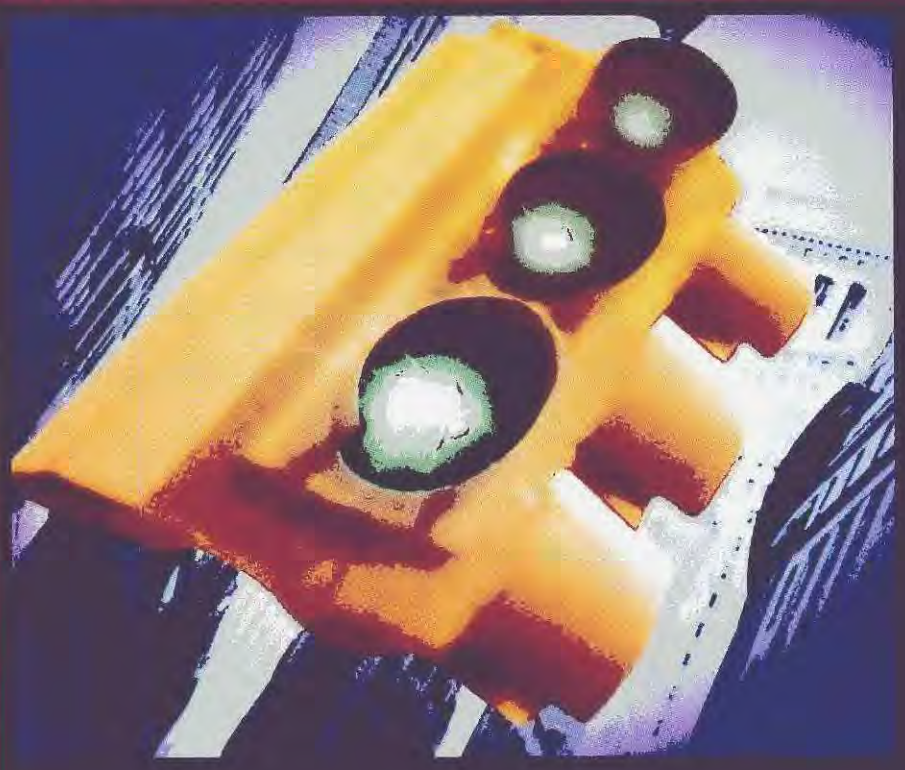
Top brokers' revenue growth or loss in home currency

Broker	1997 brokerage revenue growth/loss
Aon[1]	101.4%
Forbes Group[2]	61.5
Marsh & McLennan	43.4
Gras Savoye	24.0
Acordia	8.9
Lambert Fenchurch[2]	8.2
Gallagher	3.5
Sedgwick	1.5
Jardine Lloyd Thompson	-2.0
Willis Corroon	-4.6

[1] *BI* estimate [2] Fiscal year ends 3/31

Source: *BI* survey

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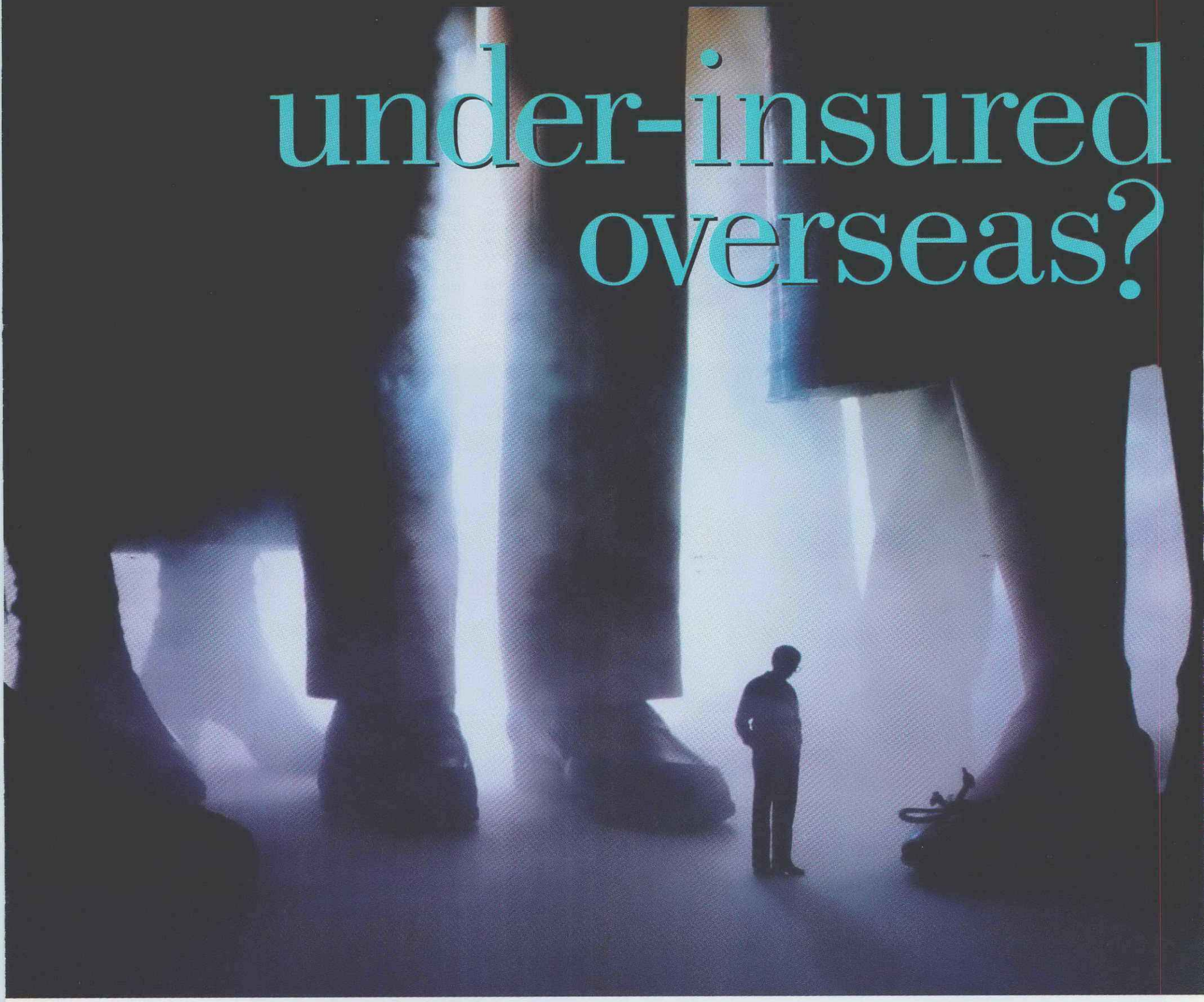
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Brokers

Continued from page 4

one time," he said brokers have been focusing on reducing costs in an effort to enhance shareholder value.

That effort also concerns risk managers, noted Mr. DeLillo, vp-risk management at Celotex Corp. in Tampa, Fla. "Are they focusing on efficiency or cost cutting? There is a difference."

Brokers largely have eliminated their redundant costs, said Mr. McKeon, a partner in the financial services sector of Booz-Allen & Hamilton Inc. of New York. But they still are a long way from reshaping their global companies into models that can efficiently deliver the various products and services their different client segments need, he said.

More troubling to risk managers than not seeing promised product and service enhancements is dealing with distracted account managers and a decline in service. Some risk managers complain, and some brokerage executives concede, that brokers' focus on clients has blurred as the brokers have concentrated on integrating recent acquisitions.

Richard Betterley, president of Betterley Risk Consultants in Sterling, Mass., said clients have pointed out to him that their broker account executives are distracted.

"Who needs it? The client has enough to worry about without worrying about someone else's emotions," Mr. Betterley said.

John T. Sinnott, CEO of J&H Marsh & McLennan, acknowledged that the process of integrating J&H and M&M was "a distraction" at the brokerage in 1997. "But I think those issues are basically behind us," he said.

Senior executives at London-based Lambert Fenchurch Group P.L.C. also were "inevitably" distracted when Lowndes Lambert Group Holdings P.L.C. and Fenchurch P.L.C. merged last year, said CEO David Margrett.

While those distractions have not hurt the brokerage's performance, Lambert Fenchurch will be more client-focused in the year ahead, Mr. Margrett vowed. He added that he expects the same from his competitors.

Most distractions for brokers following a merger or acquisition are due to cultural issues that shift broker management's attention away from daily work requirements to non-productive activities, explained Tim Cunningham, a principal in Chicago with INSIGHT Consuting Group, a Kansas City, Mo.-based financial services consulting firm.

While the brokers still serve clients reasonably well, "maybe some things are falling through the cracks," he said.

But "mostly it affects their ability to attract new business," he said.

Mr. Crerar of the CIAB called the loss of client focus the "biggest management challenge" for brokers. But it usually is "only a temporary fallout of mergers," he said. "I'm not sure it's a critical issue."

Mr. DeLillo of RIMS disagreed. "I don't think that should ever happen. It's unacceptable. All it is is a service industry."

Industry analysts and risk managers also noted that some high-quality broker account managers and technical representatives either have been axed or have left their firms in frustration in the wake of industry consolidation. Many have landed with middle-market brokers, which often offer executives ownership opportunities within five years, they said.

For example, over the past 18 months, Kaye Group Inc. of New York has picked up five account executives who left much bigger firms following their mergers and acquisitions, said Bruce D. Guthart, Kaye's chairman, president and CEO. The account executives run the middle-market broker's new environmental, international and energy specialty divisions.

However, account manager movement in total has not been much different from in the past, industry analysts agreed.

Despite all of those concerns, not many risk managers have changed brokers.

"Because of the softness of the market, risk managers are not forced to make a decision" this soon, Mr. Guthart said.

Fidelity's Ms. Lindenmayer has a different perspective. Referring to the broker quality score card that RIMS and the Quality Insurance Congress developed and published this spring (*BI*, May 4), she said, "I don't appear to have a big choice right now."

One risk manager who has switched brokers is Microsoft Corp.'s Scott K. Lange; he moved the computer software giant's account to Aon from J&H Marsh & McLennan last fall (*BI*, Nov. 17, 1997).

Robert J. Newhouse III, president of J&H Marsh & McLennan (Americas), said Microsoft's departure had nothing to do with the J&H acquisition.

Mr. Lange, director of risk management at Microsoft, disagreed. He explained he already had been having problems with the Seattle office of J&H when M&M acquired the broker. Various attempts to fix the relationship did not work. Mr. Lange said M&M's acquisition of J&H and the loss of client focus that followed "was bad timing for all of this" and prompted the change in brokers.

Of course, many other risk managers have not experienced problems with their brokers.

"I get what I need from my brokers," said Brian D. Casey, director-risk management and loss prevention with Corning Inc. of Corning, N.Y. Mr. Casey uses both J&H Marsh & McLennan and Aon.

And, Mr. DeLillo, who places coverage through Aon, said his broker service has improved.

But many risk managers are fretting over whether consolidation has led to too few choices of brokers with too much influence over insurers.

Insurers are concerned, too, said Kaye's Mr. Guthart. Insurers are "spending more time" with middle-market brokers to ensure that a broader distribution system survives.

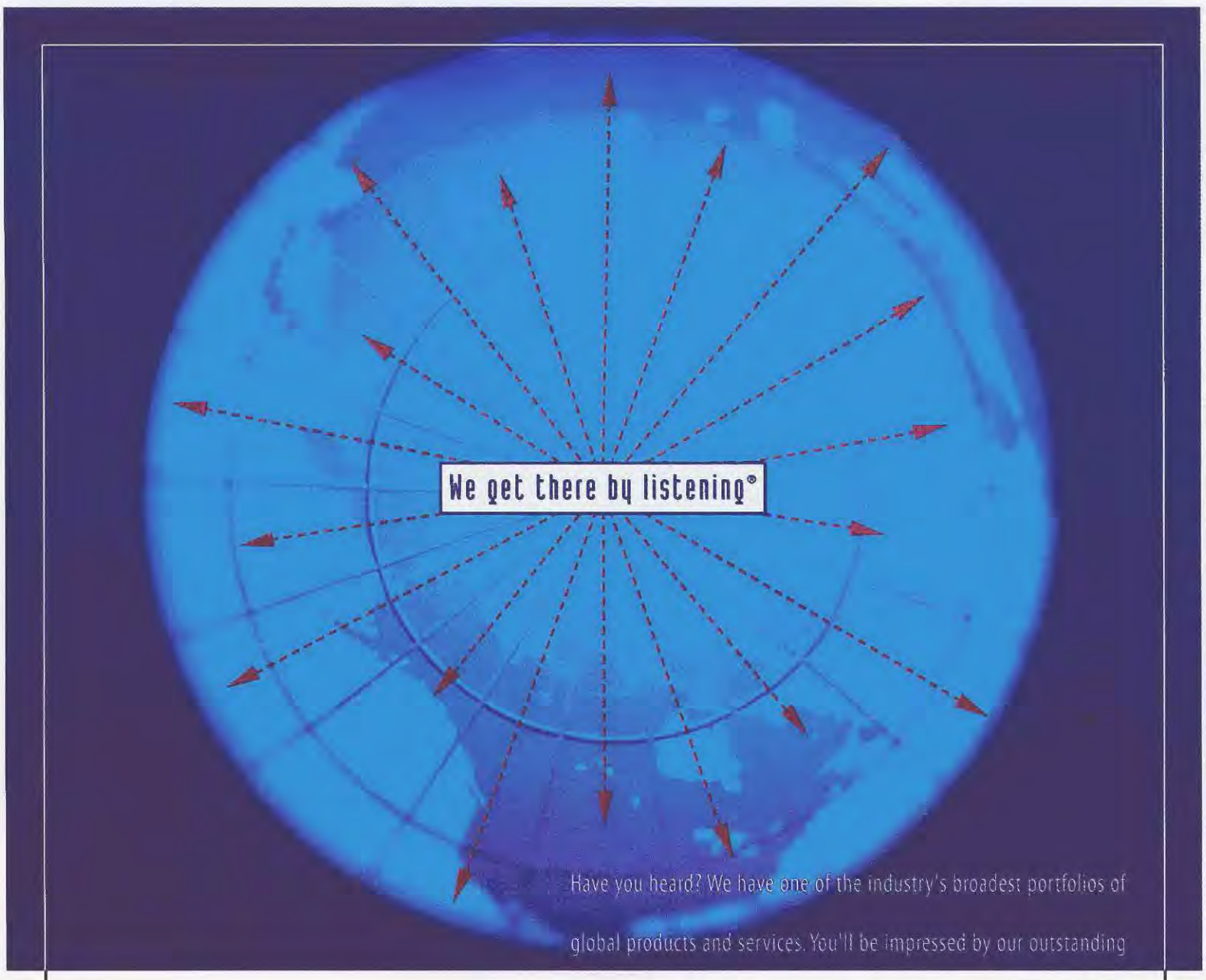
Mr. Crerar summed up the broker industry's consolidation on a pragmatic note. "Whether you like it or not, it's happening," and it is driven by brokers' need for added profitability and reduced expenses.

"Of course, client service has to be brokers' main concern. If the client doesn't like it, they can walk," he said. "At the end of the day, the market will tell whether the buyer is getting what it wants." BI

Tracking top 10 brokers' productivity

Broker	1997 brokerage revenue/employee
Marsh & McLennan	$142,275
Gras Savoye	128,814
Aon*	122,176
Willis Corroon	121,010
Gallagher	119,184
Jardine Lloyd Thompson	116,383
Lambert Fenchurch	100,689
Sedgwick Group	96,938
Acordia	96,457
Forbes Group	60,756
AVERAGE	$120,322

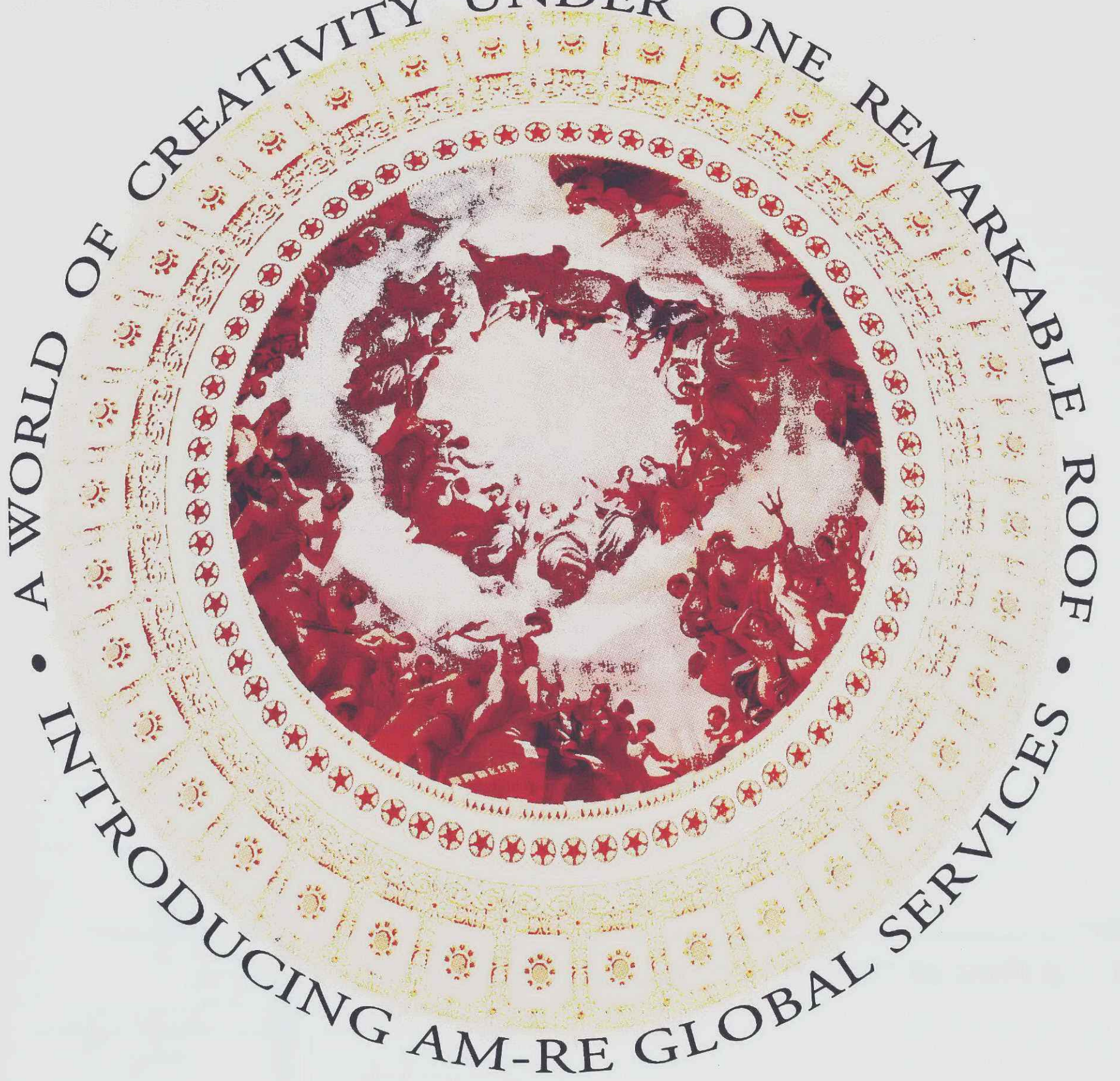
* *BI* estimate
Source: *BI* survey



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Leading U.S. retail brokers

Based on estimates of commercial retail brokerage revenues from U.S. offices (in millions)

Company	1997	% change
Marsh & McLennan Cos. Inc.	$1,712.0	84.7%
Aon Corp.	1,356.5 *	56.8
Sedgwick Group P.L.C.	442.3	2.7
Willis Corroon Group P.L.C.	396.4	5.9
Arthur J. Gallagher & Co.	274.8	2.1
Acordia Inc.	214.1	10.3
USI Insurance Services Corp.	155.7	52.5
Hilb, Rogal & Hamilton Co.	125.3	7.4
Norwest Insurance Inc.	113.7	67.9
Lockton Cos. Inc	90.6	14.7
Poe & Brown Inc.	67.2	13.2
Near North Insurance Brokerage Inc.	58.4	9.8%
American Phoenix Corp.	57.5	8.5
McGriff, Seibels & Williams Inc.	47.7	10.5
Frank Crystal & Co. Inc.	44.5	13.5
Alburger Basso de Grosz Insurance Services Inc.	42.8	14.5
Palmer & Cay Inc.	41.6	13.2
Riedman Corp.	38.0	22.3
John L. Wortham & Son L.L.P.	35.0	-2.8
Jardine Lloyd Thompson Group P.L.C.	32.8	16.7
TOTAL	$5,346.8	23.9%

Source: *BI* survey * *BI* estimate

Revenues jump 24% despite tough odds of market

By RICHARD TROUT

Amid a soft, competitive market, the ranking of the Top 100 brokers of U.S. business did not always reward significant revenue gains.

Despite an increase in their U.S. brokerage revenues, 34 brokers slipped lower in the chart this year, a dramatic change compared with last year, when only 15 brokers declined in rank despite increasing their revenues.

Some of the ironic 1997 drops include Riedman Corp., with revenues up 15% but ranking two spots down at No. 24.; Wm. Rigg Cos., with revenues up 12% but ranking four spots down at No. 43; and Frank Crystal & Co. Inc., with revenues up 11% but ranking two spots down at No. 20.

Ten brokers reported declines in U.S. brokerage revenues, the same number that reported declines on last year's Top 100 chart.

For its ranking, *Business Insurance* defines U.S. brokerage revenues as revenues generated from U.S. clients. The total revenues reported by the Top 100 brokers of U.S. business increased 23.9% to $9.76 billion in 1997.

The 1996 revenue growth by a similar, though not identical, group of brokers was 7.3% (*BI*, July 21, 1997). Also, last year's total revenues of $10.3 billion included revenue from corporate investment income and some non-brokerage services, which now are excluded from the ranking.

The criteria for ranking the Top 100 brokers this year is different from previous years. Rather than ranking companies based on gross revenues generated from U.S.-based clients, as in past years, the chart ranks companies based on total brokerage revenues generated from U.S.-based clients.

Brokerage revenues include gross revenues generated by insurance brokerage, consulting and related services, including interest income on funds held in a fiduciary capacity, such as premiums. Excluded is any income from underwriting, investment management services or businesses unrelated to risk management and employee benefits.

The amount of estimated U.S. revenues necessary to make the ranking of the 100 largest brokers of U.S. business fell 5% to $9.6 million. This decrease may be partially due to the soft market and four acquisitions of Top 100 brokers, but the change in criteria also is a factor, because it caused many companies to exclude a small portion of their total revenue that was formerly included for the ranking.

Commerce National Insurance Services Inc. made the most significant climb on this year's Top 100 chart—up 19 spots, to No. 39. Commerce National had $24.5 million in 1997 U.S. brokerage revenues, up 67.6% from 1996, after acquiring Associated Insurance Management Inc. of Haddonfield, N.J., and Joseph J. Reinhart & Associates of Cherry Hill, N.J.

Summit Global Partners Inc. leaped 17 spots to No. 29 with the most significant revenue increase—93.5%—of any company on the chart. Summit's higher brokerage revenues of $37.4

See **Top 100** *on page 14*

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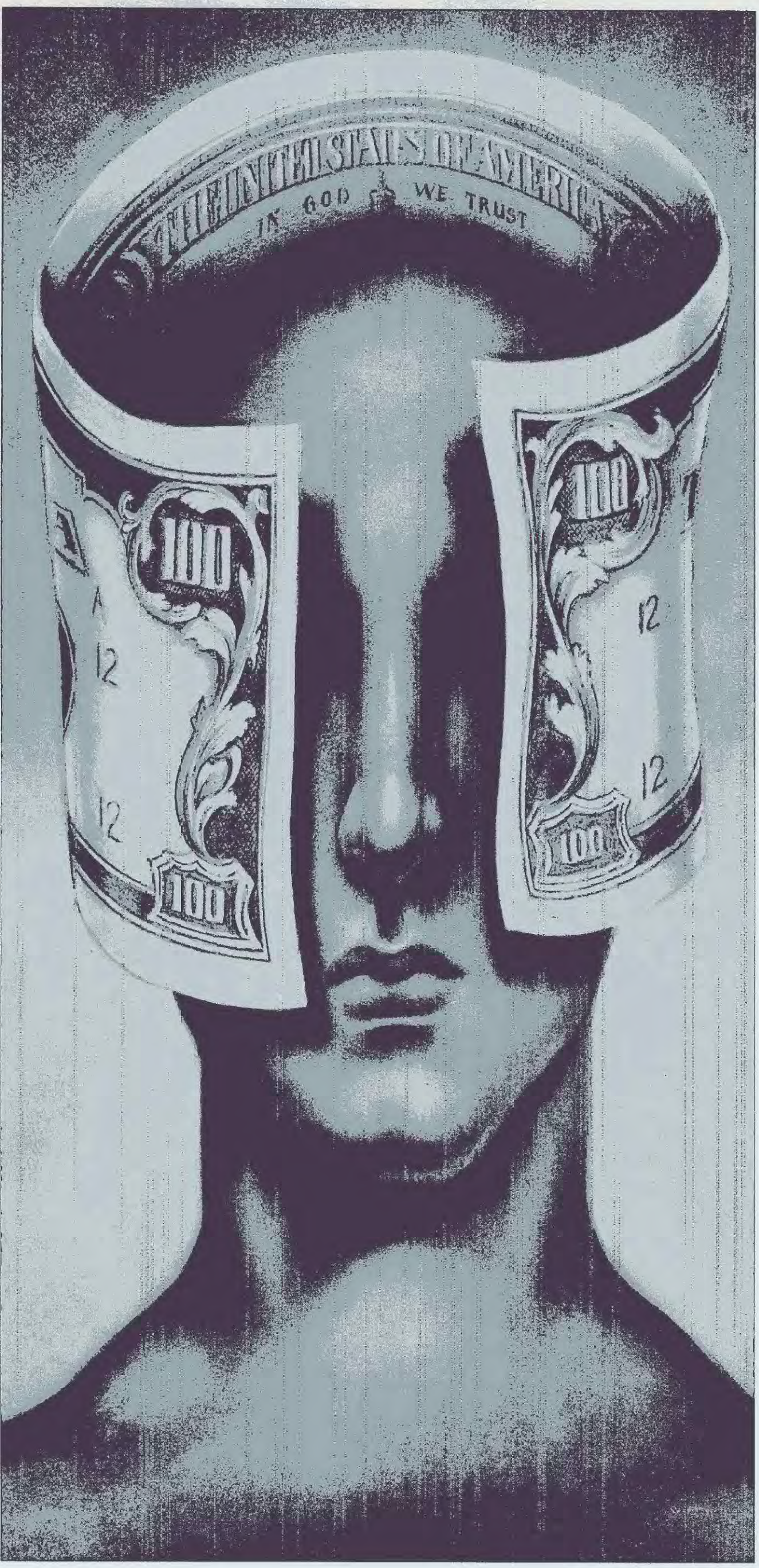
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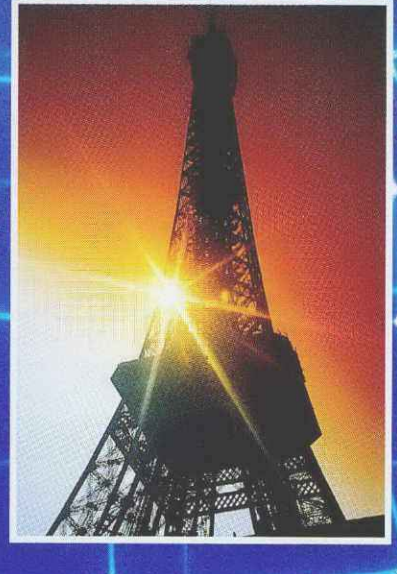
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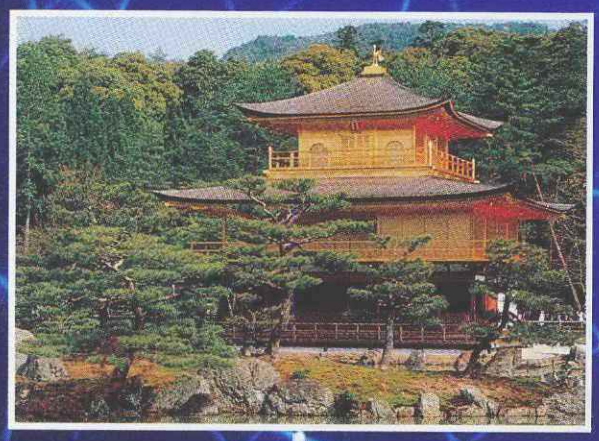
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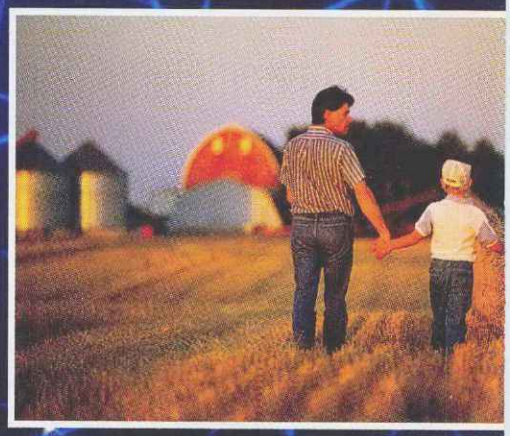


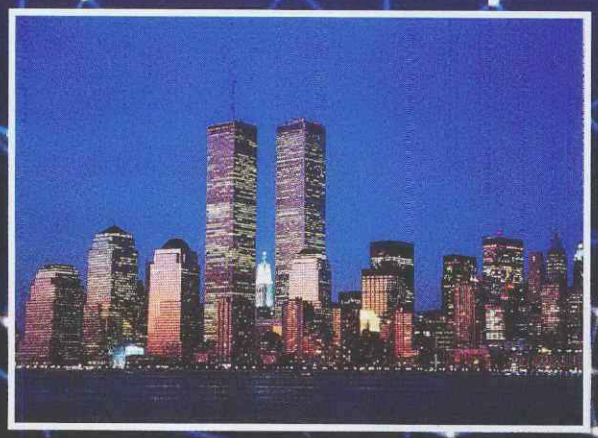


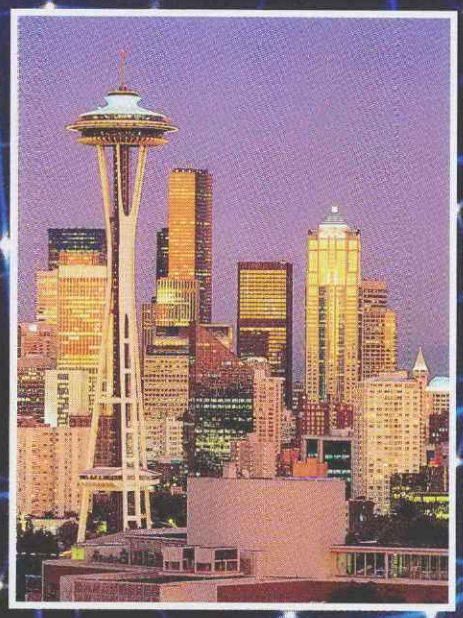


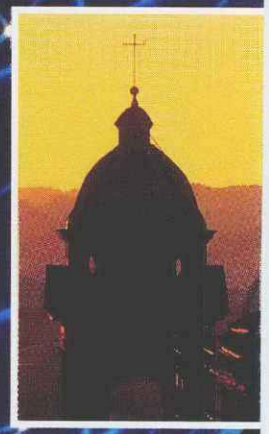












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Top 100

Continued from page 10

million reflect four acquisitions in 1997: Century Financial Services of Boca Raton, Fla.; NOEL/GREAVES Inc. of Dallas; Richards Insurance Agency of Temple, Texas; and Specialist Insurance Services Inc. of Houston.

Cal-Surance Associates Inc. and The Tribus Cos. each jumped 15 spots, to No. 54 and No. 58, respectively, while BB&T Insurance Services Inc. and Posse Walsh Buckman Van Buren Inc. each jumped 14 spots, to No. 16 and No. 84, respectively.

Several other companies made significant revenue increases but less dramatic jumps in the ranking. Norwest Insurance Inc. produced $126.9 million in 1997 U.S. brokerage revenues, up 62.4% from 1996, but ascended only two spots to No. 9 due to its beefy competitors. Aon Corp.—which maintains the No. 2 spot—produced $2.3 billion in 1997 U.S. brokerage revenues, up 65.8% from 1996.

USI Insurance Services Corp. and The NIA/Kornreich Group also made impressive gains—45.8% and 33.8%, respectively—amid the challenging front-runners. USI maintained its spot at No. 7 and NIA/Kornreich ascended six spots to No. 22. Meadowbrook Insurance Group also performed well this year, moving up nine spots to No. 18 with a 32.8% revenue increase.

Two new arrivals to the chart were carried by major revenue climbs. Anchor Pacific Underwriters Inc., aided by the purchase of Pacific Heritage Administrators of Portland, Ore., made its debut at No. 61. Anchor Pacific had $15.6 million in 1997 U.S. brokerage revenues, up 62.3% from 1996. Old Kent Insurance Group did not submit a questionnaire last year, but it moved into the No. 72 spot with $13.1 million in 1997 U.S. brokerage revenues, up 52.3% from 1996.

Several other companies that appear on the Top 100 chart this year did not submit a questionnaire last year. The newcomers include The Leavitt Group at No. 36, Sullivan & Curtis Insurance Brokers at No. 56, and W.A. Lang Co. at No. 85.

Following Anchor Pacific's example, some companies that nearly qualified last year were able to push their way onto the chart this year. John Burnham & Co. entered at No. 83 after acquiring K&M Inc. of San Diego and the San Diego office of Lawrence United Corp. Bolton & Co. appeared at No. 86, The Simkiss Cos. at No. 98 and J. Rolfe Davis Insurance Agency Inc. at No. 99 after its acquisition of McGriff, Seibels & Williams of Orlando, Fla.

Saldana & Associates Inc., No. 51 this year, was not included on last year's chart because the company's brokerage revenues in Puerto Rico were not counted as U.S.-based.

Ten brokers reported a decrease in 1997 U.S. brokerage revenues, resulting in a drop in rank for all.

Due to the partial sale of its life division, Dann Insurance reported the most significant drop in rank: 21 spots to No. 97 after a 13.5% decline in U.S. revenue. Other brokers reporting declines in U.S. brokerage revenues include Calco Insurance Brokers & Agents Inc., down 6.4%; Robertson-Ryan & Associates Inc., down 5%; and Associated Agencies Inc., down 3.3%.

Several companies dropped off the chart after being acquired. Anderson & Anderson Insurance Brokers Inc. was acquired by Aon, Daniel James Insurance was acquired by Poe & Brown Inc., McCay Corp. was acquired by American Phoenix Corp., and UVW/Elizabeth Group L.L.C. was acquired by The NIA/Kornreich Group.

Clair Odell Group, formerly No. 82, and Richard N. Goldman & Co., formerly No. 89, slipped to No. 101 and No. 102, respectively, as a result of the aggressive competition.

Hobbs Group Inc., The Mathog & Moniello Cos. Inc. and Conseco Risk Management Inc. chose not to submit questionnaires this year and therefore are not on the chart.

Two networks of individually owned companies are not included in the rankings.

The 59 members of Assurex International combined generated $574 million in 1997 revenues, which would have made the Columbus, Ohio-based agency network No. 5 in the world.

The 54 franchises in independent agency franchise organization ISU Corp. combined made $131.7 million in 1997 revenues, which would have made the group the ninth-largest U.S. broker. BI



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RISIKO HOLDINGS, LTD.,
Cleveland, Ohio
acquired

Industrial Advisors Bureau,
Cleveland, Ohio.

Marsh•Berry initiated the transaction and advised the buyer.

HILB, ROGAL & HAMILTON
Glen Allen, Virginia
acquired

S.H. Gow,
Buffalo, New York.

Marsh•Berry initiated the transaction and advised the seller.

KANN INSURANCE AGENCY,
Lakewood, Ohio
acquired

TWA Insurance,
Willoughby, Ohio.

Marsh•Berry initiated the transaction and advised the seller.

THE WHARTON GROUP
Livingston, New Jersey
acquired

Hilb, Rogal & Hamilton of New Jersey.

Marsh•Berry initiated the transaction and advised the seller.

LEONARD INSURANCE SERVICES,
Canton, Ohio
acquired

Ostrov Corporation,
Akron, Ohio.

Marsh•Berry initiated the transaction and advised the seller.

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Transactions

Exceeding

The Standard

HILB, ROGAL & HAMILTON
Glen Allen, Virginia
acquired

The Bartlett Agency,
Moline, Illinois.

Marsh•Berry initiated the transaction and advised the seller.

AON RISK SERVICES
Chicago, Illinois
acquired

Joseph U. Moore, Inc.,
Tampa, Florida.

Marsh•Berry initiated the transaction and advised the seller.

PEOPLES STATE BANK,
St. Joseph, Michigan
acquired

Starke's Insurance,
St. Joseph, Michigan.

Marsh•Berry advised the buyer.

FIRST OF AMERICA,
Kalamazoo, Michigan
acquired

The Huttenlocher Group,
Pontiac, Michigan.

Marsh•Berry advised the seller.

BERWANGER OVERMYER ASSOCIATES,
Columbus, Ohio
acquired

Turner & Shepard,
Columbus, Ohio.

Marsh•Berry advised the buyer.

HORTON INSURANCE AGENCY,
Orland Park, Illinois
acquired

The Laub Group, Inc.,
Milwaukee, Wisconsin.
Horton also acquired Laub's Chicago, Illinois facility.

Marsh•Berry initiated the transaction and advised the seller.

TEXAS INSURANCE AGENCY, INC.,
Houston, Texas
acquired

Gow & Hanna of Texas (Houston).

Marsh•Berry advised the seller.

PEOPLE'S BANK,
Bridgeport, Connecticut
acquired

R.C. Knox,
Hartford, Connecticut.

Marsh•Berry initiated the transaction and advised the buyer.

RIEDMAN CORPORATION,
Rochester, New York
acquired

Hall & Kennedy,
Jackson, Michigan.

Marsh•Berry initiated the transaction and advised the seller.

CONNELLY INSURANCE GROUP,
Clearwater, Florida
acquired

Rankin & Rankin,
Clearwater, Florida.

Marsh•Berry advised the buyer.

ELLSWORTH, LEBLANC & ELLSWORTH, INC.,
Metairie, LA
acquired

Hilb, Rogal & Hamilton of Louisiana, Inc.,
Metairie, LA.

Marsh•Berry initiated the transaction and advised the seller.

STANDARD FEDERAL BANK,
Troy, Michigan
acquired

Curti Insurance Agency,
Sterling Heights, Michigan.

Marsh•Berry advised the seller.

IASI
Cleveland, Ohio
acquired

Next Risk Management,
Boca Raton, Florida.

Marsh•Berry advised the seller.

FIDELITY INSURANCE AGENCY,
Pittsburgh, Pennsylvania
acquired

Baumgard & Reed,
New Brighton, Pennsylvania.

Marsh•Berry functioned as an intermediary.

CHITTENDEN BANK,
Burlington, Vermont
acquired

Pomerleau Agency,
Burlington, Vermont.

Marsh•Berry advised the seller.

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Spotlight report

Smith of M&M retakes position as top-paid CEO

By AMANDA MILLIGAN

Not only is A.J.C. Smith the top executive of the world's largest insurance broker, but he also is the highest paid chairman and chief executive officer among U.S. publicly traded brokers.

Mr. Smith, chairman and chief executive officer of Marsh &McLennan Cos. Inc., held the top-paid spot for four years prior to 1996, when Aon Corp.'s Patrick G. Ryan was awarded a 58.2% pay raise and bumped Mr. Smith to the No. 2 position (*BI*, July 21, 1997).

Mr. Smith was paid $1,200,000 in salary both in 1997 and 1996. However, his bonus grew to $1,000,000 in 1997 from $850,000 in 1996. Total cash compensation increased by 7.3% in 1997.

The number of beneficially owned shares more than doubled for Mr. Smith to 209,561 shares, after M&M's stock split two-for-one at the end of June 1997. At a July 10 closing price of $62.06 on the New York Stock Exchange, the market value of his stock was $13,006,596.86.

Lawrence J. Lasser, president and CEO of M&M subsidiary Putnam Investments Inc., earned well above the total compensation of Mr. Smith, however. From 1996 to 1997, Mr. Lasser's cash compensation figure swelled by 24.1%. Mr. Lasser, who earns a base salary of $870,000 per year, also received bonus income of $12,000,000 for 1997, up from $9,500,000 in 1996.

Marsh & McLennan's total corporate revenues grew 42.6% to $6.30 billion in 1997 on a pro forma basis from an actual $4.42 billion in 1996. Net income dropped 13.0% to $399.4 million in 1997 from $459.3 million in 1996, due to Johnson & Higgins integration costs (*BI*, Feb. 23).

Aon's Mr. Ryan's total cash compensation last year declined 31.6%. His 1997 salary of $1,032,692 went up from $957,692 in 1996, but his bonus of $731,250 was significantly less than the $1,620,000 he earned in 1996.

Aon stock split three-for-two effective May 14, 1997. Mr. Ryan beneficially owns 19,526,973 shares of stock, which at a July 10 NYSE price of $73.81 per share, were worth $1,441,285,877.13.

Aon reported total corporate revenues of $5.75 billion for 1997, up 47.9% over 1996. That total includes revenues from the company's insurance underwriting operations. Aon also reported 1997 brokerage and consulting revenues of $3.77 billion, up 88.5% from a year earlier.

However, those reported figures do not include full years of performance for Aon's 1997 acquisitions, Jauch & Huebener and Minet Group, which would boost gross corporate revenues to the *Business Insurance* estimate of more than $6.01 billion, up 54.5% from an estimated $3.88 billion in 1996.

Aon's net income went down by 10.9% to $298.8 million in 1997 from $335.2 million in 1996, due to extensive acquisition activity, including Alexander & Alexander, Minet Group, Sodarcan and Jauch & Huebener. *BI* ranks Aon Corp. as the second-largest broker in the world.

Bruce D. Guthart, chairman, president and CEO for Kaye Group Inc., the 28th-largest broker of U.S. business, is the third-highest paid CEO among U.S. publicly traded brokers.

Mr. Guthart's salary declined to $453,300 in 1997 from $589,007 in 1996, but his bonus jumped to $315,000 in 1997 from $158,600 in 1996. Overall, his total cash compensation increased by 2.8% in 1997.

At a July 10 NASDAQ price of $7.13 per share, Mr. Guthart's 11,157 shares of beneficially owned stock are worth $79,549.41.

BI estimates Kaye Group Inc.'s total corporate revenues for 1997 grew 8.1%, to $65.6 million in 1997 from $60.7 million in 1996. Net income dramatically rose by 41.9%, to $4.4 million in 1997 from $3.1 million in 1996, due, in part, to the acquisition of Western Insurance Associates and a reduction in expenses.

Andrew L. Rogal, president and CEO for Hilb, Rogal & Hamilton Co., experienced a significant increase in cash compensation from 1996 to 1997, making him the fourth-highest paid CEO among U.S. publicly traded brokers. His salary increased to $360,428 in 1997 from $305,000 in the previous year. Mr. Rogal's bonus in 1997 was $325,000; he did not receive a bonus in 1996.

In June 1997, Mr. Rogal replaced Robert H. Hilb as CEO. Mr. Hilb had served as CEO since 1991 and was president through 1995.

Mr. Rogal beneficially owns 37,340 shares of HRH stock. When calculated at the July 10 NYSE price of $17.75 per share, Mr. Rogal's shares were valued at $662,785.00.

Hilb, Rogal & Hamilton's gross revenues grew 9.8% to $173.7 million in 1997 from $158.2 million in 1996. HRH's net income rose in 1997 by 12.1%, to $12.8 million from $11.4 million. *BI* ranks HRH as the eighth-largest broker of U.S. business.

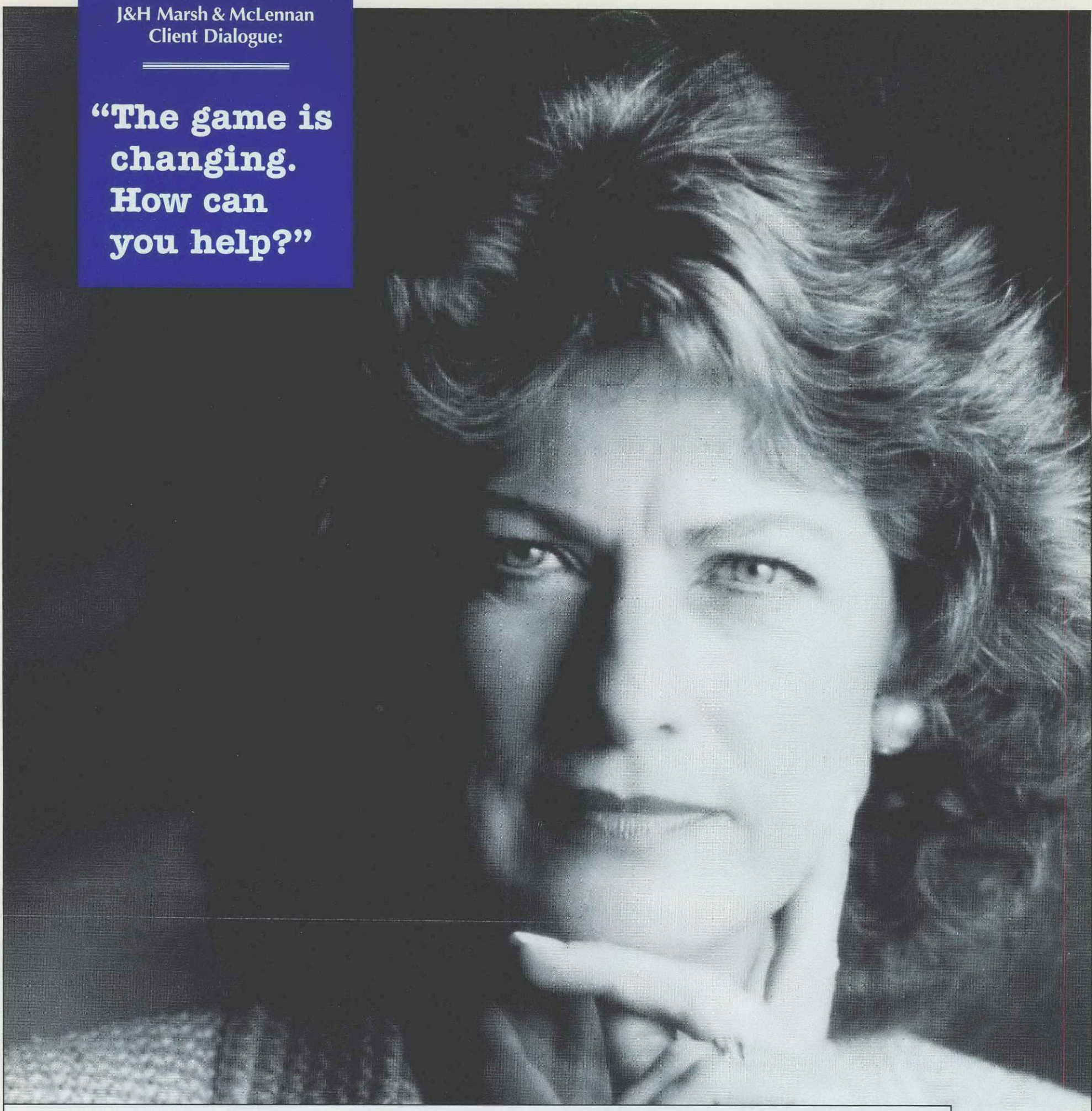
Based on gross revenues that increased 5.6%— to $488.0 million in 1997 from $462.0 million in 1996— Arthur J. Gallagher & Co. is the world's fifth-largest broker, accord-

See **CEOs** *on page 18*



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Top brokerage CEOs' 1997 compensation

Name Broker	1997	% change (from 1996)	1997 net income (in millions)	% change (from 1996)	total revenues (in millions)	% change (from 1996)
A.J.C. Smith Marsh & McLennan Cos. Inc.	$2,200,000	+7.3%	$399.4	-13.0%	$6,302.7 *	+42.6%
Patrick Ryan Aon Corp.	$1,763,942	-31.6	$298.8	-10.9%	$6,008.8 *	+54.5%
Bruce Guthart Kaye Group Inc.	$768,300	+2.8	$4.4	+41.9%	$65.6 *	+8.1%
Andrew Rogal Hilb, Rogal & Hamilton Co.	$685,428	+125.0	$12.8	+12.1%	$173.7	+9.8%
J. Patrick Gallagher Arthur J. Gallagher & Co.	$656,000	+72.2	$53.3	+23.7%	$488.0	+5.6%
J. Hyatt Brown Poe & Brown Inc.	$615,142	+9.0	$19.4	+17.6%	$129.2	+8.9%
Merton J. Segal Meadowbrook Ins. Group	$509,850	+15.9	$13.0	+49.8%	$101.1	-7.4%

Source: Securities and Exchange Commission documents * *BI* estimate

CEOs

Continued from page 16

ing to *BI*'s ranking. J. Patrick Gallagher, president and CEO of Arthur J. Gallagher & Co., is also the fifth-highest paid CEO of U.S. publicly traded brokers.

Mr. Gallagher earned 72.2% more in total cash compensation in 1997 than in the prior year. Mr. Gallagher's salary remained consistent for both years, at $356,000; however, in 1997, his bonus ballooned to $300,000 from $25,000 in 1996. According to the company's proxy statement, the compensation committee, of which Mr. Gallagher is a member, set a new bonus formula that is based on growth in net earnings per share.

Mr. Gallagher is also the beneficial owner of 130,166 shares of Gallagher stock, excluding 36,820 shares held in trust for his minor children. At a July 10 NYSE price of $44.31 per share, Mr. Gallagher's shares held a market value of $5,767,655.46.

Arthur J. Gallagher & Co.'s net income climbed 23.7% to $53.3 million in 1997 from $43.1 million in 1996. Acquisitions of benefit companies Byerly & Co. and Arnold & Co., as well as property/casualty broker Trinder & Associates were among factors that boosted the company's profits.

Poe & Brown Inc.'s chairman, president and CEO, J. Hyatt Brown, is the sixth-highest compensated U.S. broker CEO. Mr. Brown, whose total cash compensation rose 9.0% from 1996 to 1997, earned $615,142, compared with $564,450 in the prior year. His salary rose to $396,200 in 1997 from $377,000 in 1996, and his bonus increased to $218,942 from $187,450.

Mr. Brown also beneficially owns 2,727,732 shares in joint tenancy with his wife. This represents 21.2% of common stock offered by Poe & Brown. On July 10, when the NYSE priced individual shares at $39.75, these shares had a market value of $108,427,347.00.

In 1997, Poe & Brown's revenues increased 8.9%, to $129 million. Net income also grew to $19.4 million in 1997 from $16.5 million in 1996, due in part to internal growth.

Meadowbrook Insurance Group Inc. Chairman, CEO and Director Merton J. Segal is the seventh-highest paid CEO among U.S. publicly traded brokers.

Cash compensation grew 15.9% in 1997 for Mr. Segal, who brought home $453,200 in salary and bonus income of $56,650. In 1996, he did not receive a bonus but earned a comparable salary of $440,000. At a July 10 NYSE price of $30.38 per share, Mr. Segal's 3,034,530 shares of beneficially owned stock held a market value of $92,189,021.40.

Including net earned premiums, Meadowbrook's corporate gross revenues declined by 7.4% in 1997 to $101.1 million from 1996's revenues of $109.2 million.

Meadowbrook's net income grew by 49.8% to $13.0 million in 1997 from $8.7 million the previous year. In an address to shareholders by Mr. Segal, posted on Meadowbrook's World Wide Web site, he attributed the increased income, in part, to growth in fee-based risk management operations.

On the average, 1997 cash compensation for these CEOs was just over $1.0 million, with the average salary equaling $607,403, and the average bonus amounting to $420,977.

Paul Gavejian, a principal with Buck Consultants Inc. in Stamford, Conn., said this level of compensation is "definitely in line" with other financial service industries. He said brokers are situated between the lower-paying banking institutions and the highest-paying securities firms.

Mr. Gavejian also said he is not surprised to see base salaries holding steady from year to year. "Companies are not making the kinds of base salary adjustments as they have in the past," he said. "They are now diverting it to the bonus and incentive pool."

Ira Kay, practice director for executive compensation in the New York office of Bethesda, Ma.-based consultant Watson Wyatt Worldwide, said stock options are what set the executives apart.

He does, however, agree that the average broker CEO compensation "seems comparative with general American industry in terms of size and pay levels, but below other financial service sectors."

One compensation consultant disagreed, saying that the pay should be twice as much. Alan Johnson, managing director for Johnson Associates of New York, said, "I think it's low. The insurance industry traditionally is paid low." BI



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Spotlight report

1 Marsh & McLennan Cos. Inc.

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	1997	1996
Gross revenues	$6.30 billion	$4.42 billion
Brokerage revenues	$4.40 billion	$3.07 billion
Brokerage: Retail	43%	39%*
Reinsurance	5%	7%*
Services	22%	27%*
Investment Income	0%	2%*
Other	30%	25%*
Employees*	30,900	23,271*
Rev./Employee*	$142,275	$131,773
Offices*	300	320

** BI estimates.*
1997 revenues are pro forma; 1996 revenues are actual. The number of offices in 1996 is pro forma.

Marsh & McLennan Cos. Inc. seems to have largely satisfied its appetite for other insurance brokerages after spending much of 1997 digesting some of its rivals.

While the world's largest broker continues to swallow a few overseas members of the UNISON network, the company—at least for now—has pushed back from the major consolidation table.

Instead, the broker is enjoying the benefits of its previous acquisitions and is concentrating its efforts on supplying better service to its clients and on attracting new business, according to executives at J&H Marsh & McLennan Inc., M&M's insurance services arm. A centerpiece of those efforts is J&H Marsh & McLennan's Global Broking Centers, which the broker uses to integrate its regional placements. The centers allow J&H Marsh & McLennan to place business more efficiently and obtain better deals for policyholders, brokerage executives say.

However, the centers have been a source of controversy in the past year—a year in which service from brokers and insurers and the commission system have been closely scrutinized—as some risk managers question whether policyholders' best interests are being served.

Total corporate revenues for Marsh & McLennan increased 42.6% to $6.3 billion in 1997 on a pro forma basis. The increase is largely due to acquisitions in 1997 that totaled $1.3 billion in revenues, including Johnson & Higgins and Cie. Europeenne de Courtage d'Assurances et de Reassurances, or CECAR.

Brokerage revenues also increased significantly as a result of the acquisitions. In 1997, brokerage revenues increased 43.4% on a pro forma basis to $4.40 billion.

Putnam Investments Inc., M&M's investment management subsidiary, also had another stellar year.

Overall in the past year, J&H Marsh & McLennan has successfully integrated the former J&H and CECAR, which was France's second-largest broker, and is well-positioned to succeed in what still is a tough market, says John T. Sinnott, chief executive officer.

The combination with J&H resulted in costs savings in many areas last year, but the process of combining offices has not been completed, he said.

"The achievement of all the synergies will not be accomplished until 1998-1999," he said.

The reduction in the workforce of the combined brokerage has led to higher expense savings than were previously anticipated. Shortly after the merger J&H Marsh & McLennan expected to reduce its head count by about 1,000, but the workforce has dropped on a pro forma basis to 30,900 from 32,900 in 1996. *BI* estimates the actual 1996 workforce at 23,271.

The brokerage also has largely finished merging its offices in cities where J&H had offices, he said.

In addition to merging the offices, J&H Marsh & McLennan also has been on a mini buying spree of former members of the UNISON network. J&H had been the senior member of the network.

Over the past year, J&H Marsh & McLennan has completed the purchase of former UNISON partners Brockman y Schuh Group of Cos. in Mexico, Bonnor & Co. A/S in Denmark, Ab Max Matthiessen in Sweden and Hannan & Co. Pty. Ltd. in Australia. The acquisitions of former UNISON members Interbrokers Oy in Helsinki, Finland (*BI* , Feb. 23), and SAN Sigorta ve Reansurans Brokerligi A.S. in Istanbul, Turkey, are pending (*BI*, March 30).

Continued on next page

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A member of the community in Boca Raton, Florida, Wal-Mart associate Zuleika Williams lives in a state where new healthcare legislation for workers' compensation programs has licensed CorVel Corporation as a managed care organization (MCO). With more than 40,000 associates at over 170 stores statewide, Wal-Mart uses CorVel's integrated service models to assist associates like Zuleika with their healthcare needs.

CorVel joins Wal-Mart in making a difference where it counts - delivering value to the community.

Continued from previous page

Also, J&H Marsh & McLennan bought a minority stake in the former Swiss UNISON member Kessler & Co. (*BI*, March 23).

"They saw the writing on the wall. If you want to be an international player, you have to be part of a large organization," said Norman Barham, vice chairman of J&H Marsh & McLennan Inc.

Small brokers simply are not able to meet policyholders' growing need for international service as effectively as large brokers, he said.

"Many middle-market accounts now have overseas exposures," Mr. Barham said.

Large brokers also can place domestic business more efficiently for policyholders, said Robert J. Newhouse III, president of J&H Marsh & McLennan (Americas).

Cost savings and efficiencies aside, some risk managers have said J&H Marsh & McLennan has lost some of its client focus since the merger of the former J&H and M&M. The broker did not shine on a quality score card developed by the Risk & Insurance Management Society Inc. and the Quality Insurance Congress. The score card, released in May at the annual RIMS conference, was based on responses from risk managers. J&H Marsh & McLennan ranked below average for both overall satisfaction and performance (*BI*, May 4).



'Clearly, during 1997 the integration process was going on and we were putting offices together, and that was a distraction.'

— John T. Sinnott

Mr. Sinnott says the brokerage still is assessing the results of the score-card along with feedback from its clients.

He concedes that the process of putting the brokerages together was diverting.

"Clearly, during 1997 the integration process was going on and we were putting offices together, and that was a distraction. But I think those issues are basically behind us," he said.

"But every time you don't get 100% there's clearly work to be done," Mr. Sinnott added.

One service issue that J&H Marsh & McLennan had to address over the past year stems from the Global Broking Centers. Despite the broker's stated objectives for the centers, some risk managers have expressed concerns that the centers circumvent established local relationships and that the broker was using its clout to dictate how risks should be placed.

The six J&H Marsh & McLennan centers that began operating last year in the United States are in New York, Chicago, Los Angeles, San Francisco, Atlanta and Dallas. Outside the United States, centers are located in London; Zurich, Switzerland; and Bermuda. Account managers throughout the brokerage deal with the Global Broking Center brokers, who place the risks with insurers' main offices rather than through the local offices of the insurers. Currently, the centers place business with 43 insurers, o which 12 to date have linked thei computer systems with the centers.

The centers provide superior risk transfer facilities for policyholders a they gain access to the specialized ex pertise of the brokers at the center who are dealing with many simila accounts, said Mr. Newhouse.

"It's producing results that th clients want. They get the optima match-up, program design and imple mentation," Mr. Newhouse said.

However, risk managers voice some concern last year after an inter nal J&H Marsh & McLennan memo revealed that the brokerage was in structing regional managers to chan nel all property/casualty busines placed with Chubb Corp. through th Global Broking Centers (*BI*, Oct. 13 1997).

The memo only referred to middle market business, and large policy

Continued on next page



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Spotlight report

Continued from previous page
holders will not be forced to use the centers, Mr. Newhouse said last fall when the memo became public.

As a side issue, the contingent commissions that are a feature of the Global Broking Centers and other placements by other brokerages have prompted heated discussion this year and were debated at the RIMS conference. Contingent commissions based on volume are paid by insurers to many brokers. Some risk managers who took part in the RIMS debate clearly were concerned that contingent commissions could compromise a broker who should be searching for the best deal for policyholders (*BI*, May 11).

"We've had a few clients that have raised questions and wanted to pursue particular issues, but by and large, clients are comfortable with it," Mr. Sinnott said.

On top of the events surrounding integration of acquisitions, J&H Marsh & McLennan battled the continued soft market and the general consolidation trend spanning all businesses, which Mr. Sinnott said are the main reasons behind the slow revenue growth.

Non-U.S. operations saw stronger revenue growth than the domestic operations, Mr. Barham pointed out. In Latin America, in particular, J&H Marsh & McLennan saw double-digit growth.

Insurance services revenues in general have been helped by the continuing shift toward compensation by fees and negotiated commissions rather than the traditional commissions, said Mr. Newhouse. Because the levels of fees are less affected by the price of insurance than a percentage commission, brokerage revenues are hurt less by the soft market, he said.

Guy Carpenter & Co. Inc., the reinsurance arm of J&H Marsh & McLennan, has struggled against the soft market and mergers among insurers.

Reinsurance revenues increased 13% to $293.1 million in 1997, but the increase was mainly due to the incorporation of Willcox Inc., the reinsurance arm of J&H. Excluding acquisitions, reinsurance revenues fell 2%.

But things are looking up in 1998, said Brandon Sweitzer, CEO of Guy Carpenter. Although the reinsurance market is getting softer in 1998, the brokerage has managed to attract new clients, Mr. Sweitzer said.

"We've had, and expect to see, strong single-digit client revenue growth" this year, he said.

J&H Marsh & McLennan's program management business unit, Seabury & Smith, saw revenue growth despite a difficult market, said Claude Mercier, president and chief executive officer. Much of Seabury & Smith's business is professional liability risks, and rates in that sector have fallen by 10% to 20% over the past year, he said.

Still, program revenues grew 11% in 1997 to $259.5 million. Excluding acquisitions and dispositions, the revenues grew 6%.

Seabury & Smith also bought Kirke-Van Orsdel Inc., a Des Moines, Iowa-based program administration company that was partly owned by J&H.

Revenues generated by consulting services provided through Mercer Consulting Group and investment management provided through Putnam Investments Inc. increased substantially in 1997.

Consulting services revenues increased 15.4% to $1.34 billion in 1997. After allowing for acquisitions and dispositions, revenues still grew 10%.

Putnam revenues grew 41% to $1.88 billion.

Profits for the whole of Marsh & McLennan in 1997 fell 13% to $399.4 million. However, that drop reflects a special charge of $296.8 million primarily related to J&H acquisition expenses.

M&M's share price also performed well in 1997. Excluding a recent stock split but allowing for a two-for-one split last year, the 1997 year-end share price was $74.60, compared with $52 at year-end 1996. Allowing for the three-for-two stock split last month, the year-end 1997 price was $49.70 and the 1996 price was $34.70. The stock closed at $62.06 on July 10.

Another issue confronting J&H Marsh & McLennan is a legal fight between many former directors of the former J&H over how the $1.8 billion paid for the brokerage should be divided.

Last November, a group of the retired directors filed a lawsuit alleging that they were defrauded in the $1.8 billion sale. The complaint accused

Continued on page 24



(The king.)



(The knight.)



(The knight.)

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Continued from page 22
the active directors of manipulating the privately held broker's corporate structure to secure the lion's share of the proceeds for themselves and to block the retirees from having any say in the transaction (*BI*, Dec. 8, 1997).

The 10 retirees that filed the original suit were joined by nine other retired directors in an amended suit in March (*BI*, March 16, 1998).

Mr. Sinnott said he could not comment on pending litigation but said the suit has not affected morale at the brokerage.

There have been several senior management changes at J&H Marsh & McLennan over the past year.

In January 1998, Mr. Sinnott was named CEO. He had held the title at Marsh & McLennan Inc. prior to the purchase of J&H. After the merger, he had been named a vice chairman of the combined company.

The other two remaining vice chairmen also took on additional responsibilities. Richard H. Blum now is responsible for the brokerage's overall relationship with insurers and the development of its capital markets-based insurance products. Mr. Blum is a former chairman and CEO of Guy Carpenter.

Mr. Barham, the other vice chairman, also was named president of J&H Marsh & McLennan (Global), one of three divisions that form the operating units of the combined brokerage.

Mr. Newhouse became president of J&H Marsh & McLennan (Americas) and Mr. Sweitzer heads Guy Carpenter, the reinsurance division.

At the end of 1997, David A. Olsen retired as vice chairman of Marsh & McLennan. Mr. Olsen was previously chairman and CEO of Johnson & Higgins. He remains a director of M&M.

In October 1997, Richard A. Nielsen retired as a vice chairman of J&H Marsh & McLennan. Mr. Nielsen had been J&H vice chairman and chief operating officer.

Joseph P. Platt and John W. Gussenhoven, who were former executive vps of J&H, left the brokerage at year end. Along with Mr. Barham, the two executive vps were the principal candidates to take the senior management positions at J&H had the broker remained independent. Neither Mr. Platt or Mr. Gussenhoven got senior executive positions in the combined company.

Total cash compensation, including salaries and bonuses, paid to M&M's top five corporate officers in 1997, as reported to the SEC, was:

Lawrence J. Lasser	$12,870,000
A.J.C. Smith	$2,333,519
Jeffrey W. Greenberg	$1,562,500
Peter Coster	$1,340,116
John T. Sinnott	$1,168,273

—By Gavin Souter

2 Aon Corp.

123 N. Wacker Drive, Chicago, Ill. 60606;
312-701-3000; fax: 312-845-1294;
Internet: www.aon.com

	1997	1996
Gross revenues	$6.01 billion*	$3.89 billion
Brokerage revenues	$4.03 billion*	$2.0 billion
Brokerage: Retail*	43%	33%
Wholesale*	8%	6%
Reinsurance*	9%	6%
Services*	10%	7%
Investment income*	4%	6%
Other*	26%	42%
Employees*	33,000	19,600
Rev./Employee	$122,176	$102,143
Offices	600	550

** BI estimates. 1997 revenues include BI estimate of full year of revenues from Jauch & Huebener KGaA and Minet Group.*

Despite several large acquisitions over the past two years and the demands of integrating those purchases, the drive to expand is far from over for Aon Group Inc.

Chairman and Chief Executive Officer Patrick G. Ryan, in fact, describes the brokerage and consulting unit as "just rounding second base" in terms of its potential.

That's a powerful statement, considering recent home runs the Chicago-based broker of parent Aon Corp. has hit, starting in early 1997, when it bought three of the world's largest insurance brokers, and continuing this year, when it acquired two more.

It is those acquisitions, according to Mr. Ryan, that help position Aon today as a leading global insurance broker, with more than 600 offices around the world and 33,000 employees. In terms of how Aon hopes to position itself in the marketplace of the future, however, the company is only part of the way there, the CEO said.

"We don't want it to look like, after all this activity in 1997, that this is it, because we don't think that's true," Mr. Ryan said. "There are so many opportunities to keep recreating Aon in the dynamically changing world in which we all live."

"The Aon 10 years ago is hardly recognizable today, and what we have today, we are very proud of. But it is sort of the middle of the game in terms of positioning in the future," he said.

The future for Aon, executives say, will include more mega-acquisitions, though not necessarily of retail brokerages. Aon's future also will include more global expansion and the development of more products and services to creatively meet clients' needs.

With the process of integrating recent acquisitions nearly complete, Aon is poised to take advantage of the benefits this consolidation has brought.

"We believe there is a new model broker," Mr. Ryan said. "The old model broker is basically dead. The old model broker was just a placing broker that was managed territorially and played an intermediary role. That is still a part of what the new model broker does, but there is just so much more," Mr. Ryan said. "There are so many different types of services we're engaged in that go beyond brokerage."

Mr. Ryan points to its recent acquisitions of Alexander & Alexander Services Inc., Minet Group, Sodarcan Inc., Jauch & Huebener KGaA, Gil y Carvajal Group and Groupe Le Blanc de Nicolay as instrumental in achieving this new broker model broker.

In addition to sheer size and geographic expansion, these 1997 and 1998 deals added more talent, creativity and resources to Aon's expanding global reach, executives say.

"When you merge these organizations, you're able to bring the strengths together and are able to get rid of the weaknesses in each of the companies," Mr. Ryan said. "That's one of the values of consolidation strategies."

Parent company Aon Corp. reported total corporate revenues of $5.75 billion for 1997, up 47.9% over 1996. That total includes revenues from the company's insurance underwriting operations and its brokerage and consulting operations. Aon Group reported 1997 brokerage and consulting revenues of $3.77 billion, up 88.5% from a year earlier.

However, those reported figures do not include full years of performance for Aon's 1997 acquisitions, Jauch & Huebener and Minet Group. Adding estimated revenues from those major purchases, *Business Insurance* estimates Aon's 1997 brokerage revenues would total $4.03 billion, up 100% from 1996. Corporate revenues would stand at an estimated $6.01 billion, up 54.5%.

Based on *BI*'s estimate, Aon ranked

Continued on page 26

Hales & Company

has sold a minority equity interest to

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and look forward to further expansion of
our services to the insurance industry.

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Pittsburgh, PA
acquired
Clair Odell Group
Plymouth Meeting, PA
June 1998

Hales & Company initiated the transaction and advised the buyer

CUNA Mutual Group
Madison, WI
acquired
Stewart Associates Incorporated
Elgin, IL
April 1998

Hales & Company advised the seller

Management & Employees
acquired
Hobbs Group, Inc.
from
Arkwright Mutual Insurance Company
October 1997

Hales & Company advised the buyer and raised capital to finance the transaction

Old Kent Financial Corp.
Grand Rapids, MI
acquired
Grand Rapids Holland Insurance Agency, Inc.
Grand Rapids, MI
August 1997

Hales & Company advised the seller

Management & Employees
acquired
Robert F. Driver Co., Inc.
San Diego, CA
from
Former Shareholders
June 1998

Hales & Company advised the buyer and raised capital to finance the transaction

USI Insurance Services Corp.
San Francisco, CA
acquired
Colburn Insurance Service
Media, PA
June 1998

Hales & Company advised the seller

Risk Capital Re and
Risk Capital Holdings
Greenwich, CT
acquired an equity interest in
ARC Excess & Surplus, Inc.
Mineola, NY
May 1997

Hales & Company initiated the transaction and advised the seller

Hobbs Group, LLC
Guilford, CT
acquired
AVA Insurance Agency, Inc.
Oakbrook, IL
February 1998

Hales & Company advised the buyer

Acordia, Inc.
Indianapolis, IN
acquired
DiManno Hansen Insurance & Investment Services
Rancho Cordova, CA
July 1998

Hales & Company advised the buyer

Hobbs Group, LLC
Guilford, CT
acquired a controlling interest in
Westport Management & Westport Worldwide, LLC
Westport, CT
April 1998

Hales & Company advised the seller

USI/Carpenter & Pelton
Mt Kisco, NY
acquired
Spadaccia Ryan & Haas
Yorktown Heights, NY
January 1998

Hales & Company initiated the transaction and advised the buyer

Ellsworth, LeBlanc & Ellsworth
New Orleans, LA
acquired
Hilb, Rogal & Hamilton Co. of Louisiana
New Orleans, LA
September 1997

Hales & Company advised the buyer

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Continued from page 24
as the world's No. 2 broker in 1997.

Corporate net income dipped 10.9% to $299 million in 1997, reflecting $172 million in special charges Aon took in the first half of 1997 relating to the integration of A&A.

Executives say that, excluding some systems integration, A&A, Minet and Sodarcan have been completely integrated into Aon. The broker now is integrating Jauch & Huebener, Gil y Carvajal and Groupe Le Blanc de Nicolay, which it expects to complete by year's end.

Jauch & Huebener, which Aon acquired last December for an undisclosed amount, ranked as the world's 13th-largest broker in 1996 and generated an estimated $177.8 million in revenues in 1997.

The German, Austrian and Swiss operations of both brokers are being merged into a new Hamburg, Germany-based brokerage unit, Aon Jauch & Huebener, which is headed by Christian Dahms, formerly managing partner at Jauch & Huebener.

Gil y Carvajal, which Aon acquired in March for an undisclosed sum, is the largest retail broker in Spain, with 21 offices throughout the country and offices in the United Kingdom, Portugal and Colombia. It reported $51 million in 1997 revenues and has approximately 600 employees (*BI*, Feb. 9).

Gil y Carvajal is being combined with Aon's existing smaller Spanish operation, Aon Iberia. The integrated operation, called Aon Gil y Carvajal, is headed by Santiago Gil de Biedma, former president of Gil y Carvajal.

Groupe Le Blanc de Nicolay, which Aon acquired in April for an undisclosed amount, brings an estimated $81 million in revenues and 550 employees to Aon.

Adding GLN strengthened Aon's existing offices and added locations in France, Italy, Spain, Switzerland, Singapore and Sweden. GLN is in the process of integrating with Aon's existing French operation; it will operate under a holding company called Aon Holdings France. Vincent Redier, former head of GLN, has been named chairman of Aon Holdings France.

The unraveling of the UNISON network that followed Marsh & McLennan Cos. Inc.'s acquisition of Johnson & Higgins, UNISON's largest member, was a catalyst behind much of Aon's recent acquisition activity.

Jauch & Huebener and Gil y Carvajal were former UNISON members, as was Grieg Insurance, Norway's largest insurance broker, which Aon in April said it planned to acquire. That deal is expected to close sometime in the third quarter.

In addition to the large retail brokerage operations Aon acquired in 1997 and so far in 1998, other deals also brought Aon new consulting, reinsurance brokerage and claims administration operations.

Aon's plans include more acquisitions. Since Aon went public with a strategy to build its brokerage operations through acquisitions in 1996, the rumor mill has gone into overdrive as to which broker might be next on Aon's list. The most often-cited candidates are Sedgwick Group P.L.C. and Willis Corroon Group P.L.C.

Mr. Ryan is reluctant to reveal any plans for another megamerger. "Would Aon ever buy another company the size of Minet? I would say probably," he said. But when asked about another broker the size of A&A, he declined to be specific. "Those two companies obviously are not interested in selling," said Mr. Ryan, referring to Sedgwick and Willis. "Those two will most likely remain independent."

Mr. Ryan said Aon will continue to grow through substantial acquisitions but that those deals are not limited to big brokers and can include consulting firms and other service providers. "This industry is changed now permanently to being much more than just a broker. Therefore, it's more likely we will add a consulting organization that is substantial" in terms of size.

What is not in Aon's current acquisition plans is the purchase of a commercial bank. "When you look at the world of convergence, we don't see a financial institution activity that we need to be in at this time," Mr. Ryan said. "We've been building a boutique banking activity with our capital markets initiatives and developing that de novo."

Aon Capital Markets Inc. for instance, recently formed a new unit called Aon Financial Products Inc. that will assist clients in managing financial risks emanating from exposure to interest and foreign exchange rates and commodity and equity prices. The unit also will develop insurance derivative products to be placed in the emerging insurance-linked securities marketplace.



'Would Aon ever buy another company the size of Minet? I would say probably.'

— Patrick G. Ryan

The new unit was instrumental in the recent catastrophe bond deal with Yasuda Fire & Marine Insurance Co. Ltd., which secured $80 million in reinsurance for typhoon exposures for up to seven years. The transaction involved the sale of $80 million in notes by a Cayman Islands special-purpose vehicle; Aon structured and brought the notes to market (*BI*, June 29).

While the deal was the first to securitize Japanese windstorm risks, it received more attention for the fact that Aon, not an investment bank, was the one to structure and securitize the notes. "We think it is critical that we be in the position of filling our clients' needs with capital market solutions, often blended with insurance and

Continued on next page

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Continued from previous page
reinsurance solutions, and that's a departure that we think differentiates us but also allows Aon to provide creative solutions to clients' needs," Mr. Ryan said.

Remaining client-focused is indeed a strategic goal. "We want to continue to be a company that manages itself around its clients, and so we're bringing in industry specialists and product specialists—people who understand the needs of our clients," said Michael D. O'Halleran, president of Aon Group, noting the recent acquisitions offer extra resources and specialties.

Not only is Aon "segmenting ourselves by these specialties, we also are segmenting ourselves by small, middle and large commercial accounts, which allows better focus and dedication of services," Mr. O'Halleran said.

Overall, Aon wants to enhance its delivery in the most efficient and professional way, he said. "By making investments in technology and eliminating duplication of process between carrier and broker, we feel we can improve the economics of the whole industry by making the right types of applications and processes."

One of the initiatives helping Aon achieve this is its AonLine extranet service, which released its 2.0 version in April. An extension of the original Access A&A, an Internet-based network created by A&A in 1996, the new and improved interactive AonLine system provides risk managers a wide range of information tools from a single electronic point of entry.

In addition to its retail brokerage operations, organized under the name Aon Risk Services Inc., Aon Group consists of three other key units:

• Aon Re Worldwide. With offices in 50 countries and estimated 1997 revenues of $540.8 million, Aon Re is the world's largest reinsurance intermediary.

Revenues were relatively flat compared with 1996, a reflection of the soft pricing environment.

Aon Re provides reinsurance placement, alternative risk services, captive management services and catastrophe data forecasting to clients worldwide.

"I feel good about 1997; I wish I could feel great about it, but a lot of it was out of our control," Mr. O'Halleran said of Aon Re's performance last year. "The organization had a good year, when you look at the difficulties of the pricing environment. We had very good new-business growth, which is absolutely necessary to offset the pricing declines," he said.

Much of 1997 revolved around integrating the reinsurance operations of the former Aon Re, Alexander Reinsurance Intermediaries Inc., Minet Re and BEP International Holdings Inc., Sodarcan's reinsurance operations in Canada.

"Overall, '97 was bringing these operations together and strategizing about where else we needed to put the pieces of the puzzle together," Mr. O'Halleran said, adding that the pieces soon came together with the acquisitions of Jauch & Huebener, Gil y Carvajal and Le Blanc de Nicolay, all leading reinsurance brokers in their respective countries.

Aon does not break out revenues from acquired reinsurance operations. In 1997, however, Le Blanc de Nicolay Reassurance was the world's seventh-largest reinsurance broker, based on $71.7 million in 1996 revenues.

In 1996, 13%, or $27 million, of Jauch & Huebener's $211.5 million in 1995 revenues were derived from reinsurance brokerage operations.

As a result of all the recent acquisitions, Aon Re now has "a very significant operation in Europe, the Far East, Australia and Canada," Mr. O'Halleran said.

Meanwhile, Aon Re strengthened its position in developing capital market and risk transfer products and will continue to work with Aon Capital Markets. In 1997, for example, Aon placed two catastrophe equity put programs for clients Horace Mann Educators Corp. and LaSalle Re Ltd. (*BI*, April 17, 1997; Nov. 10, 1997).

• Aon Services Group. Aon Services Group, formerly Aon Specialty Group, designs and delivers specialized retail and wholesale insurance products and services for associations and affinity groups, service business, insurance companies, independent insurance agents and brokers, governments, health care providers and commercial organizations.

As a result of the A&A and Minet acquisitions, Aon Services became a powerhouse in the insurance wholesale arena. Three of the 10 largest U.S.-based wholesalers are Aon Services Group units: Swett & Crawford Group, Sherwood Insurance Services and K&K Insurance Group Inc. (*BI*, Sept. 15, 1997).

Aon Services also is parent to wholesaler Bryson Associates Inc.

In addition to building on its wholesale strength, Aon Services is looking to expand and invest in its direct marketing efforts to affinity groups and associations, Mr. Ryan said. Aon Services also is focusing on expanding its affinity business to other markets, such as Europe and Latin America.

In April, Aon Services acquired Pilar Administradora e Correctora de Seguros S/C Ltda., a Sao Paulo, Brazil-based broker that specializes in affinity and association business. Pilar will report to Affinity Insurance Services Inc., an Aon Services unit.

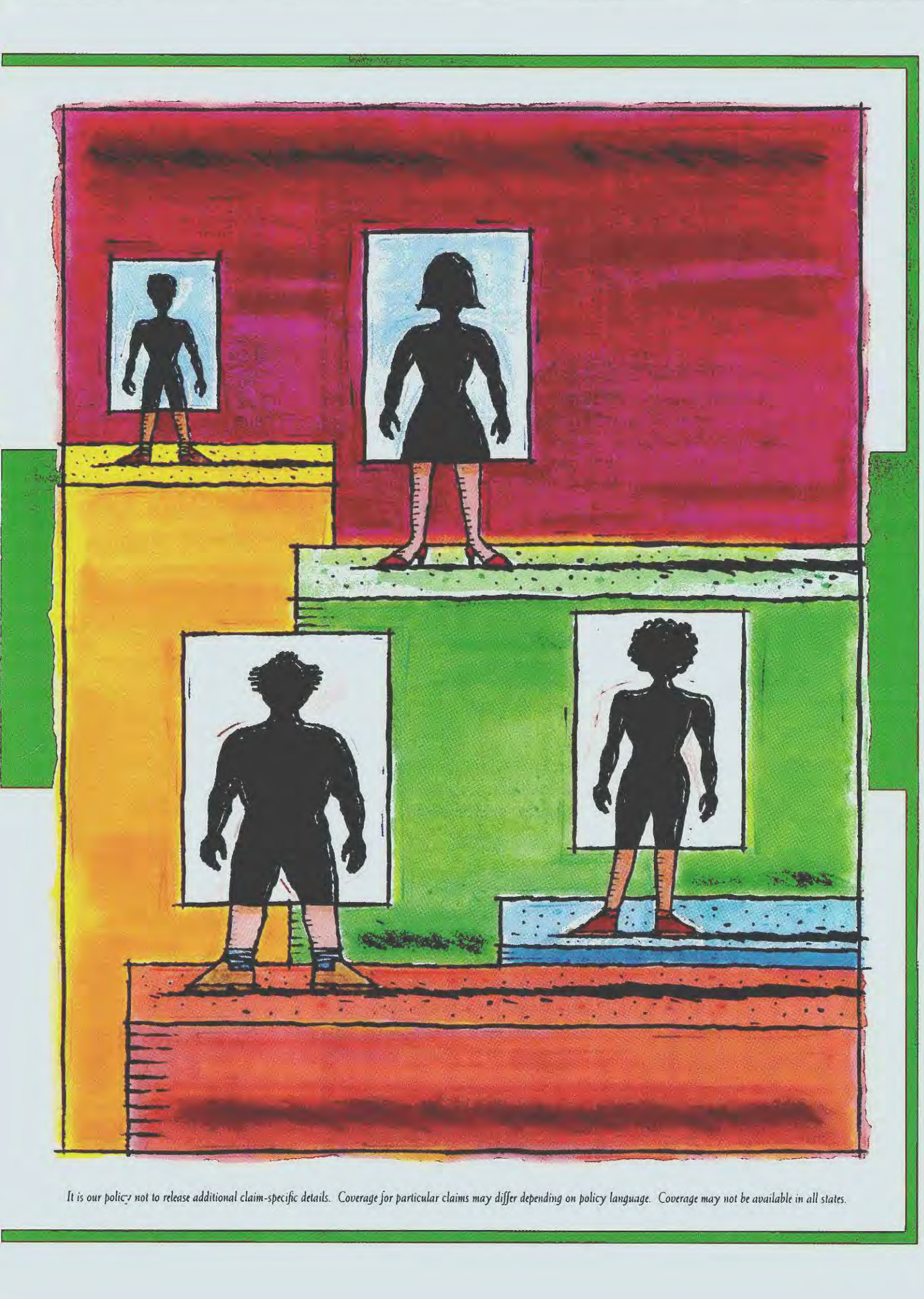
• Aon Consulting Worldwide. Based on estimated 1997 benefit consulting revenues of $470 million, Aon Consulting ranks as the world's sixth-largest employee benefit consulting firm (*BI*, Dec. 8, 1997).

In addition to its employee benefit consulting group, Aon Consulting comprises a human resource consulting group, a compensation consulting group and a change management consulting group.

Aon Consulting's European expansion efforts were "very nicely enhanced" in 1997 and 1998 with the additions of A&A, Sodarcan, Jauch & Huebener, Le Blanc de Nicolay and Gil y Carvajal, Mr. Ryan said.

And through some smaller acquisitions made in 1998, Aon Consulting continues to build on its strengths. In January, Aon Consulting acquired Rath & Strong, a management consulting firm with offices in London; Hamburg, Germany; and Lexington, Mass. In March, it acquired SSi, a re-

Continued on next page



It is our policy not to release additional claim-specific details. Coverage for particular claims may differ depending on policy language. Coverage may not be available in all states.

Continued from page 27

cruitment, screening and outsourced hiring support services firm headquartered in Findlay, Ohio. In April, it acquired Carl D. Jacobs & Associates Inc., a Woodland Hills, Calif.-based compensation consulting firm. And in May, it acquired WTR/Bethesda Inc., a Bethesda, Md.-based employee benefits consulting firm.

With more than 110 offices around the world, Aon Consulting is eager to take advantage of global opportunities. Daniel T. Cox, chairman of Aon Consulting, said demand for human resource consulting in Europe "encourages us that the capabilities we have here are exportable."

Aon Consulting hopes to take advantage of the opportunities created as many Eastern European countries try to revamp their social security systems, possibly with some type of privatization of pension programs, he said.

Mr. Cox said that Aon Consulting also is looking into the opportunity of doing more managed care consulting business in various Third World countries as those countries' social systems break down.

During the first quarter of 1998, Aon Group reported a 15.3% increase 14, 1997. On July 10, Aon's stock was trading at $73.81 per share.

The cash compensation, including salary and bonuses, of the top five officers of Aon Corp. in 1997, as reported to the Securities and Exchange Commission, follows:

Patrick G. Ryan	$1,763,942
Michael D. O'Halleran	$1,332,500
Daniel T. Cox	$895,981
Harvey N. Medvin	$858,173
Raymond I. Skilling	$858,173

—By Sally Roberts

3 Sedgwick Group P.L.C.

Sackville House, 143-149 Fenchurch St., London EC3M 6BN, England; 44-171-377-3456; fax: 44-171-377-3199
Internet: www.sedgwick.com
1000 Ridgeway Loop Road, Memphis, Tenn. 38120; 901-761-1550; fax: 901-684-3825
Internet: www.sedgwickna.com

	1997	1996
Premium volume	**$10.87 billion**	$11.13 billion
Gross revenues	**$1.60 billion**	$1.50 billion
Brokerage revenues	**$1.55 billion**	$1.45 billion
Brokerage: Retail	**54%**	55%*
Wholesale	**12%**	13%*
Reinsurance	**7%**	7%
Services	**24%**	22%
Investment income	**1%**	1%
Other	**2%**	2%
Employees	**15,985**	15,392
Rev./Employee	**$96,938**	$94,459
Offices	**304**	289*

** Restated. Converted at applicable exchange rates.*

Having stood on the sidelines in the latest wave of broker megamergers, Sedgwick Group P.L.C. instead is seeking growth through smaller-scale acquisitions and the expansion of its fee-based consulting businesses.

Sedgwick has long been talked about as a potential merger candidate for the likes of Aon Corp. or London-based rival Willis Corroon Group P.L.C. But Chairman Sax Riley maintains that such a deal would have to enhance Sedgwick shareholder value and serve the broker's strategic goals of building its consulting operations and increasing distribution channels.

"We are open-minded about the situation," Mr. Riley observed. "If we find the right fit, if it fits our strategy, we will do it."



'We are open-minded' about a potential merger with another major broker. 'If we find the right fit, if it fits our strategy, we will do it.'

— Sax Riley

Sedgwick remains the world's third-largest broker, though its $1.55 billion in 1997 brokerage revenues leave it far behind the merged operations of Marsh & McLennan Cos. Inc. and Johnson & Higgins, as well as Aon and its several acquisitions.

Holding down a solid No. 3 spot doesn't seem to bother Sedgwick officials, who point to the company's status as the largest Europe-based broker, to the growth of commission and fee revenue despite soft market and foreign exchange pressures, and to the benefits Sedgwick could reap from the consolidation of competitors.

Sedgwick last year formed a joint venture with leading Italian broker Nikols Brichetto Group, made several other brokerage and consulting acquisitions and—like many large brokers—extended a push for middle-market business.

Overall, gross revenues expanded a modest 1.6% to £975 million from £960 million in 1996. Brokerage revenue also was up a similarly minuscule 1.5% to £946 million from £932 million, in the face of what Mr. Riley called "extremely difficult" market conditions and a strong British pound, which depressed results.

When converted to U.S. dollars using average exchange rates, Sedgwick's performance was substantially better. Gross revenues rose 6.6% to $1.60 billion from $1.50 billion in 1996. Brokerage revenues also increased 6.6% in 1997, reaching $1.55 billion from $1.45 billion in 1996.

Sedgwick generated about 40% of its worldwide gross revenues from brokerage and consulting fees in 1997, up from only about 37% a year ago and a step closer to the company's goal of a 50/50 split between fees and commissions by the year 2000. North American revenues already are 50/50.

"We believe that, because of the (soft insurance) market position—and we don't see that changing—we've got to try and drive more and more of our earnings away from the heart-attack country which we call the market," Mr. Riley observed.

"Business is focusing very much more on risk in its totality," added Sedgwick Chief Executive Rob White-Cooper. "Previously, they were interested in some insurable risks, but it's gone beyond that. Companies like ourselves have to respond by having an ability to provide our clients with a high level of advisory service."

Meanwhile, Sedgwick has actually seen some benefits from consolidation among its rivals, its officials contend.

"All big companies do have two brokers, and (when) those two have become one, they're looking for a second partner," Mr. White-Cooper noted. "We've benefited, as I'm sure one or two other (brokers) have benefited, from that sort of situation."

"There are a number of clients that are figuring out that they would like

Continued on page 30

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Continued from page 28
to have a little wider choice than they've had," added Quill Healey, chairman and chief executive officer of Sedgwick Inc. in the United States and vice chairman of the parent. "I don't see that as a cascading waterfall that's going to happen overnight, but I think it's going to continue, and we're certainly seeing more opportunities than we've seen in the past."

Consolidation has also left Sedgwick the largest broker based outside the United States, a fact its executives tout as an advantage in competing for European business and the business of U.S. companies with large non-U.S. exposures. "There are a lot of European companies that do like to deal with European companies, just as I'm sure there are American companies that like to deal with Americans," Mr. White-Cooper added. "As the No. 3 player, we are in a position to differentiate ourselves from the other two."

Mergers also have helped Sedgwick pick up some defecting broker executives. "The consolidation has put some people in play that we've been able to have join our team and have bolstered our efforts in certain areas," said Ron Kutella, president of Sedgwick Inc.

Building a superior staff is among the toughest challenges facing brokers, Mr. White-Cooper added. "We may not be the biggest (broker), but we want to be the best, and we'll only be the best if we have the very best people working for us."

Sedgwick also is focusing on recruiting employees that have experience in specific industries rather than brokerage experience. That approach will enhance the reorganization of the brokerage operations around 17 industry groups that range from energy to pharmaceuticals to media, he said.

"Insurance is becoming an increasingly commoditized service or product," Mr. White-Cooper observed. "Being competitive is important, but you've got to have other add-ons, and in the case of Sedgwick, we have put a tremendous emphasis on quality."

In addition to attempts to build a superior staff, Sedgwick has emphasized information technology, not only to contain costs but also improve the speed and quality of its services.

The company has developed an intranet connecting about 12,000 Sedgwick employees worldwide and providing a variety of programs that allow them to share information. As a counterpart, Sedgwick also is developing an "extranet," which will connect clients to Sedgwick offices around the world, Mr. Healey said.

Sedgwick's worldwide operations are divided into several units:

• Sedgwick Ltd., formerly Sedgwick Europe Risk Services, comprising the group's European retail, U.S. wholesale and global reinsurance and specialist business.

The unit accounted for £353.0 million ($578.2 million), or 37.3%, of Sedgwick's £946.0 million in brokerage revenue, up from £348.8 million ($544.1 million) in 1996.

David Trezies, formerly CEO of Sedgwick Ltd., was named the unit's chairman as of June 1, replacing Richard Titley, who remains vice chairman of Sedgwick Group. Sedgwick has not appointed a CEO.

Sedgwick last August announced the formation of Nikols Sedgwick BV, its joint venture with Italy's Nikols Brichetto. Letizia Moratti, chairman of Nikols Brichetto, was named executive chairman of the joint venture company and has become a director of Sedgwick Group. The Moratti family owns 51% of the joint venture, though Sedgwick directors control Nikols Sedgwick's board. Sedgwick will consolidate 49% of the joint venture's revenues in its own gross revenues through Sedgwick Ltd.

Although Sedgwick has been reluctant to enter joint ventures in the past, "we would rather have half of No. 1 than 100% of No. 13 or 14," Mr. White-Cooper noted.

Nikols Brichetto has 600 employees in 41 offices in southern Europe and Latin America, and the joint venture merges the two brokers' operations in Italy, Spain, Portugal, Argentina, Brazil, Chile and Colombia.

Late last year, Sedgwick also acquired one of Brazil's largest brokers, Portominas Adminstracao e Corretagem de Seguros Ltda., and increased its stake in Andueza y Cia. Corredores de Seguros S.A. of Chile to 80% from 50%. Both companies now are part of Nikols Sedgwick.

Meanwhile, Sedgwick acquired the aviation reinsurance business of London broker Alwen Hough & Johnson Ltd. It also bought Dextra, a Norwegian retail broker, and merged it with Sedgwick's existing Norwegian unit.

Including benefit consulting operations, about £413.6 million ($677.5 million), or 42.4%, of Sedgwick Group's gross revenues are generated from clients based in the United Kingdom and continental Europe.

• North American retail operations, which accounted for £282.3 million ($462.4 million), or 29.8%, of Sedgwick's 1997 brokerage revenues, down from £290.1 million ($452.6 million) in 1996.

Along with its global clients, the North American unit continues to target middle-market accounts that have $100 million to $1 billion in sales, Sedgwick's so-called "Business America" segment, Mr. Healey said. "We think there's a huge opportunity there," he observed. "We believe our market share gives us a great deal of room for growth."

Sedgwick's share of small and middle-market business is about 2% of the market, Mr. Kutella estimated.

Last month, Sedgwick Inc., Employers Insurance of Wausau and Royal & SunAlliance Insurance Group unveiled a new facility devoted to writing property/casualty coverages for small and middle-market customers. The program will operate through a service center staffed by employees of Sedgwick and the two insurers and will handle placement, billing, claims and other services.

Other insurers may later join the facility, which aims not only to provide cost-effective products but also efficient production. The facility is an outgrowth of "Project Aldgate," a middle-market initiative Sedgwick began in the United Kingdom in 1996 and before that in Australia. The U.K. project's insurers include Royal & SunAlliance, Eagle Star P.L.C. and Assurances Generales de France.

The North American unit also continues to see its claims management business as a high-growth area.

Property/casualty brokerage, meanwhile, will continue to expand, but it won't be "as spectacular growth" and will be stronger in some industries—such as technology and retailing—than in others, he said.

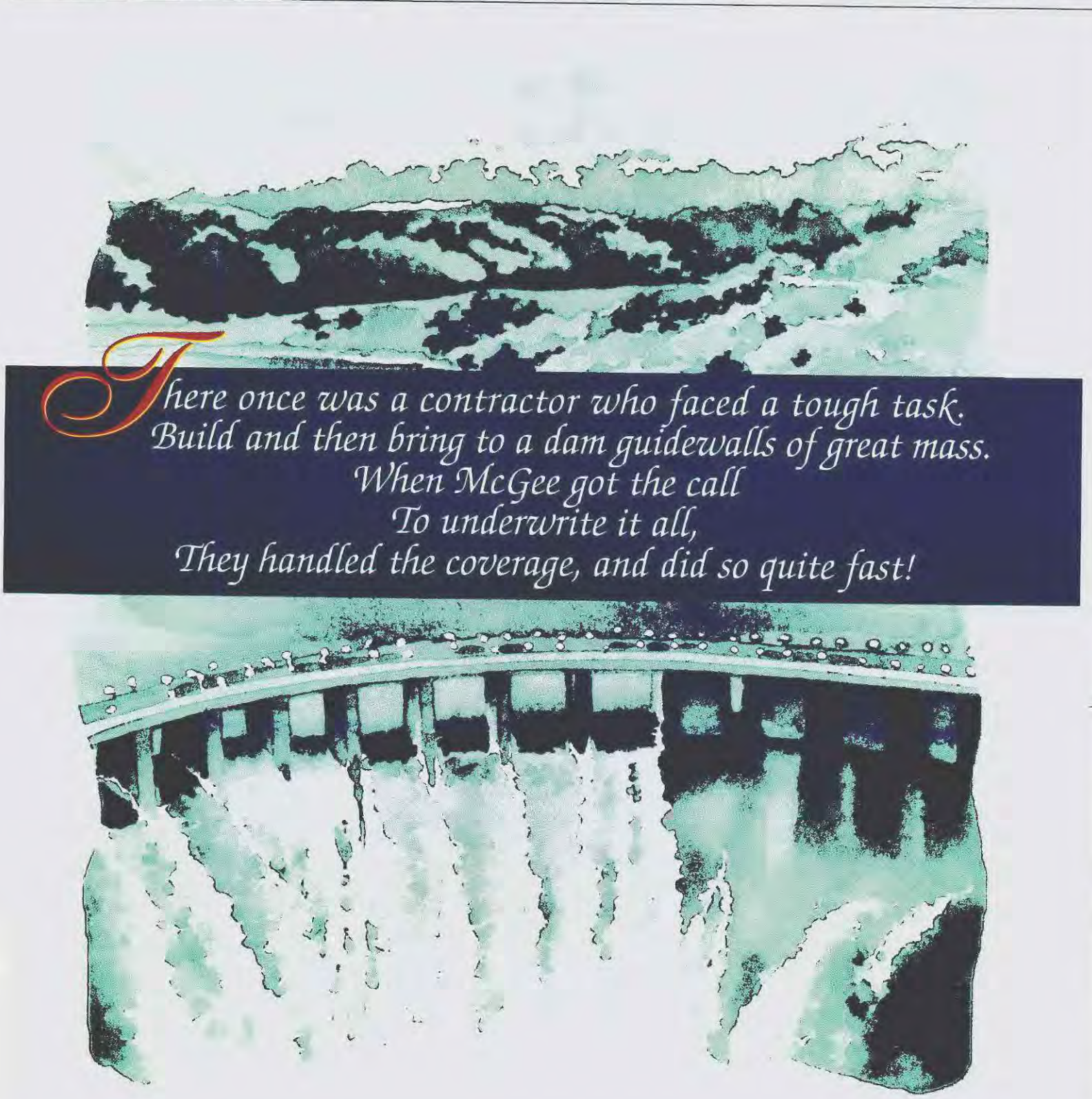
Overall, clients in the United States and Canada accounted for £438.2 million ($717.8 million), or 44.9%, of Sedgwick Group's gross revenues, including benefit consulting, wholesale and reinsurance clients.

• Asia Pacific retail, which produced £45.7 million ($74.9 million), or 4.8%, of Sedgwick's 1997 brokerage revenues, down from £48.4 million ($75.5 million) in 1996.

Sedgwick last year reported improved results for its operations in Australia, Indonesia, New Zealand, Singapore, Taiwan and Thailand, though it also noted the Asian economic crisis could stall further growth as building projects are delayed.

The crisis has so far had "absolutely no effect" on Sedgwick, though it will affect insurers and brokers heav-

Continued on page 32



The benefit of responsiveness

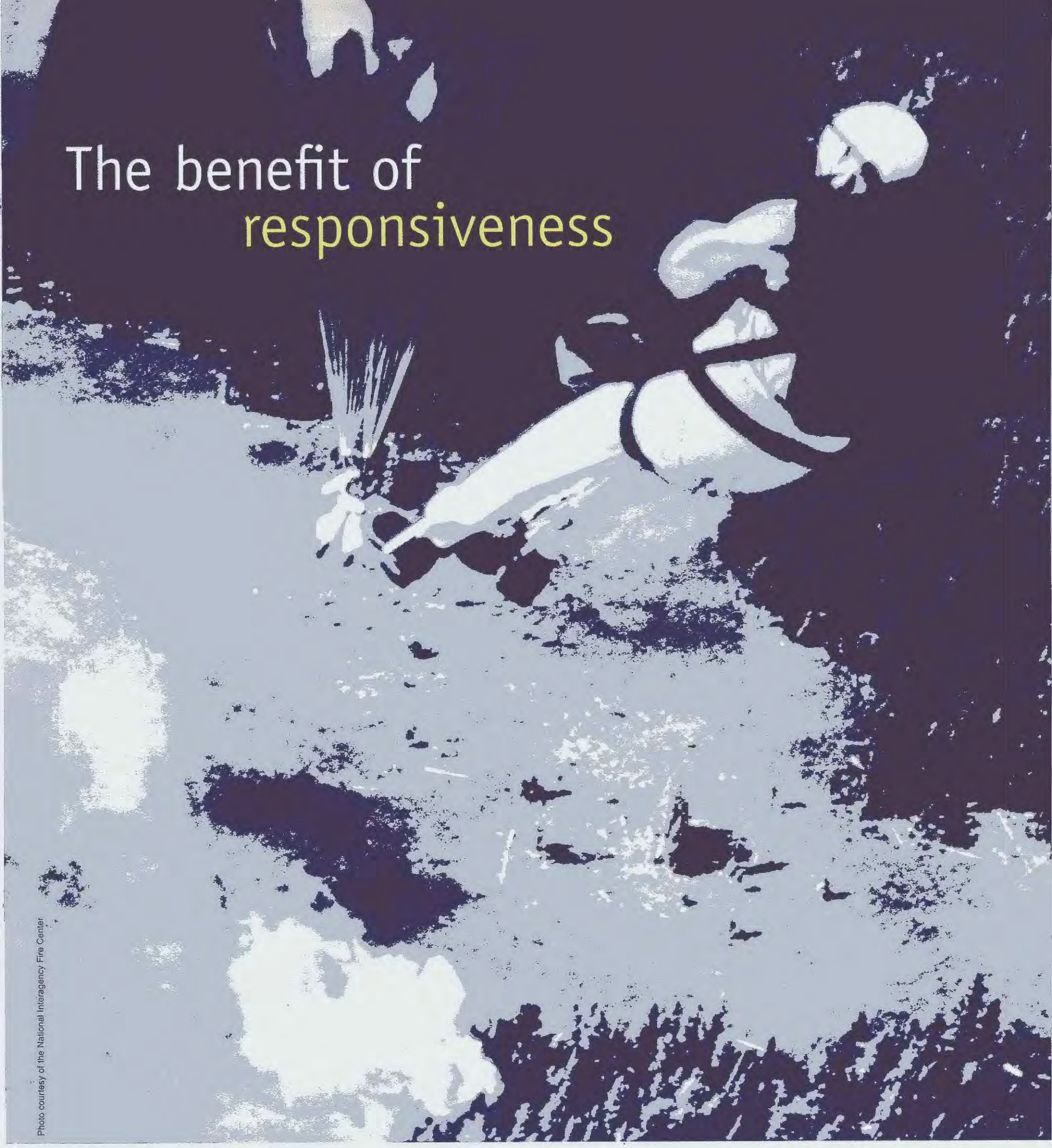


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Spotlight report

Continued from page 30
ily involved in large-scale construction project that have been canceled or postponed, Mr. White-Cooper said.

Sedgwick last year formed All Asia Sedgwick Insurance Brokers Corp., a joint venture with Philippines-based All Asia Capital & Trust Corp.

• Sedgwick Noble Lowndes, the world's seventh-largest benefit consultant. SNL last year accounted for £229.1 million ($375.3 million), or 24.2%, of Sedgwick's revenues, up from £280.5 million ($325.3 million).

Sedgwick last year acquired Brusselers Consultancy B.V. of the Netherlands and is merging it into SNL's existing Netherlands operation.

Along with these units, Sedgwick has several consulting and outsourcing businesses, including ReSolutions International Ltd., a London market runoff specialist; Risk Strategies Group, a U.K.-based risk management consulting venture with Price Waterhouse; and Lloyd's of London underwriting agency Sedgwick Oakwood Lloyd's Underwriting Agents.

Chicago-based Sedgwick Lane Financial L.L.C. also provides alternative risk financing advice. In May, Sedgwick Lane completed the private placement of an optionable note for Reliance National Insurance Co. that Reliance could use to replace traditional reinsurance capacity if the market hardens, Sedgwick said.

Sedgwick continues to run off its former underwriting units, River Thames Insurance Co. Ltd., which ceased writing in 1996, and Americas Insurance Co., which stopped writing the year before.

In January, Sedgwick sold two Netherlands MGA units for £11.2 million ($18.4 million) to a Commercial Union P.L.C. subsidiary.

While struggling to boost revenues—particularly from fee-based consulting—Sedgwick is working to contain expenses. In 1997, while gross revenues grew 1.6% to £975 million ($1.6 billion), expenses climbed only 1.1% to £869.4 million ($1.4 billion).

As a result, Sedgwick finished the year with net aftertax earnings of £70.4 million ($115.3 million), a 10.5% gain over 1996 profits.

For the first quarter, the company had total revenues of £242.9 million ($398.8 million), less than 1% below revenue levels in first-quarter 1997.

Mr. Riley noted, though, that a larger proportion of Sedgwick's revenues are being reported in the year's final quarter due to its growing reliance on fees and the fourth-quarter reporting by the Nikols Sedgwick joint venture.

First-quarter expenses, meanwhile, rose 5.7% to £212.8 million ($349.4 million) compared with 1996.

After an extraordinary profit of £9.4 million ($15.4 million) on the sale of its Netherlands MGA units, Sedgwick had earnings of £30.9 million ($50.7 million) at March 31, up 2.3% from 1996. Without the one-time gain, earnings would have been down 13.2% to £26.2 million ($43 million).

Sedgwick stock is traded primarily on the London Stock Exchange and closed at 143 pence ($2.34) per share on July 10, exactly in between its 52-week high at that point of 171 pence ($2.79) and low of 115 pence ($1.88).

Last June, Sedgwick also listed its shares on the New York Stock Exchange. As of July 10, individual shares—the equivalent of five shares on the London exchange—closed at $11.88, with a 52-week high of $14.44 and low of $9.38.

—By Douglas McLeod

4 Willis Corroon Group P.L.C.

10 Trinity Square, London EC3P 3AX, England; 44-171-488-8111; fax: 44-171-488-8223
Internet: www.williscorroon.com

	1997	1996
Premium volume	$13.1 billion	$10.92 billion
Gross revenues	$1.14 billion	$1.14 billion
Brokerage revenues*	$1.13 billion	$1.13 billion
Brokerage: Retail	57%	52%
Wholesale	14%	14%
Reinsurance	20%	21%
Personal	4%	5%
Services	5%	8%
Employees	9,367	9,116
Rev./employee	$121,010	$124,068
Offices	131	128

Converted at applicable exchange rates.
** Excludes discontinued underwriting operations.*

Willis Corroon Group P.L.C. dismisses speculation that it will be taken over by or merge with another major broker and instead focuses on growth by making its own acquisitions and joint ventures.

Amid continued overcapacity in global insurance markets and other factors driving down premiums, London-based Willis Corroon also is striving to expand by getting back to its core business of insurance services.

"Continuing consolidation in the insurance industry created opportunities for us to develop our distribution platform significantly in a way that would have been difficult otherwise," said Executive Chairman John Reeve. For example, the breakup of the UNISON network caused by the merger of Johnson & Higgins and Marsh & McLennan Cos. Inc. has enabled Willis to form alliances with former UNISON members and pick up business from former clients of the network.

The downward spiral in rates, a situation Mr. Reeve doesn't foresee changing "for some time to come," is influencing Willis' business strategy, which includes becoming one of the top three brokers in its major markets in Europe and North America.

For Willis, this means using the organization's expertise to offer both consulting and risk transfer services, Mr. Reeve said. Willis' focus is changing from acting as a traditional insurance broker to becoming a "true knowledge-based organization," he said. Consequently, more of the broker's revenues in the future will stem from fees rather than commissions.

Willis' strategy will continue to be dominated by its wish to remain independent, Mr. Reeve said. "I believe there is increasing evidence that clients are looking for that choice" among brokers, he said.

Willis' corporate gross revenues declined by 5.1%, to £694 million. When converted to U.S. dollars using average exchange rates, corporate revenues remained virtually unchanged at $1.14 billion.

Brokerage-related revenues, which account for substantially all of Willis' business, declined 4.6% to £692 million. Again, due to exchange rate fluctuations, Willis' brokerage revenues in dollars remained unchanged at $1.13 billion. Excluded from brokerage revenues is a small amount of business from underwriting operations that the broker is running off.

Pretax profits were up 4.3% in 1997 to £95.5 million, compared with £91.6 million in 1996. Converted into dollars, Willis' profits rose 9.4%, to $156.4 million from $142.9 million.

First-quarter results were not encouraging for Willis. Revenues were down only a fraction to £182.2 million ($301 million). Pretax profits fell 5.6% to £43.1 million ($26.1 million).

Although Willis' restructuring reduced both the number of employees and branch offices in 1996, last year saw an increase in those numbers as the broker acquired operations in several countries.

At the same time, it closed part of its U.S. wholesale business earlier this year, taking a £30 million (about $49 million) charge in its second-quarter results.

As part of its strategy to become one of the top three brokers in its major markets, Willis at the end of last year completed the acquisition of an approximately one-third voting stake in French broker Gras Savoye & Cie. in an arrangement that will allow Willis to raise its stake over time. Willis has said it plans to own a majority stake within about 11 years (*BI*, July 28, 1997).

The start of 1998 saw Willis finalize another investment in a European broker, when it bought a 30% stake in Jaspers Wuppesahl Industrie Assekuranz, the third-largest broker in Germany. Jaspers Wuppesahl was a product of the merger of two brokers, Jaspers Industrie Assekuranz GmbH & Co. KG and C Wuppesahl & Co. Assekuranzmakler, which had a combined brokerage revenue of 105.6 million deutsche marks ($60.7 million) in 1997. Willis had owned 20% of C Wuppesahl since 1992, and paid 40 million deutsche marks ($23 million) to raise its holding to almost one-third of the merged broker. Again, Willis has reached an arrangement with Jaspers Wuppesahl to increase its shareholding over time, owning 44%



'We are very close to our objective of achieving top-three positions in all the key European economies.'

— John Reeve

by the end of this year, and plans to become the majority shareholder by 2012 at the latest.

Adding Jaspers Wuppesahl to its portfolio also gives Willis a springboard to spread into Central Europe. The deal "puts us in a strong position to develop in the Federal Republic (of Germany) and selected parts of Eastern Europe," said Mr. Reeve. Jaspers Wuppesahl already has offices in Austria and Switzerland, but countries such as the Czech Republic, Slovakia and Hungary also are catching the broker's eye. In addition, its relationship with Gras Savoye means the combined operations now represent the largest broker in Poland, Mr. Reeve said.

Currently, Gras Savoye and Willis are considering merging their Iberian operations to reach such a position in Spain as well as Portugal.

European expansion is continuing apace, with last month's announcement that Willis has agreed to buy 50% of Italian broker Gruppo Ital Brokers, a group including Ital Brokers S.p.A. and Interconsult Wise S.r.l. with revenues of about 66 billion lire ($36.8 million). This deal will form the third-largest brokerage in Italy.

Earlier this month, Willis announced it is purchasing 30% of Denmark's largest broker and employee benefits consultant, Assurandorgruppen. Assurandorgruppen will be merged with Willis Corroon A/S to form Willis Corroon Assurandorgruppen, with combined revenues of 100 million Danish kroner ($48.8 million), and again Willis has the option of upping its stake over time.

"We are very close to our objective of achieving top-three positions in all the key European economies," said Mr. Reeve.

Continuing insurance industry consolidation and local deregulation are creating opportunities for Willis in Latin America, one of the broker's priority areas. In addition, South American brokers are being affected by their clients' growing international operations; they "realize they need access to a global network to meet their clients' demands," said Mr. Reeve.

As a consequence, Willis increased its stake in Brazilian broker York Willis Corroon Corretores de Seguros S.A. to 100% last July; it previously had owned 30% (*BI*, July 21, 1997).

Willis is building up its reinsurance operations across Latin America and is in talks with local brokers about acquisitions.

"Liberalizing insurance markets and regulations are allowing us to do much more than in the past. . . .Opportunities are arising very near term." He anticipates "considerable developments" in a number of areas in Latin America over the next year.

Economic problems in Asia-Pacific have made the region less attractive than it had been, though Mr. Reeve does see some opportunities in setting up joint ventures with local brokers.

In December, it set up Willis Corroon Tower (Private) Ltd. as a joint venture in India with Tower Insurance & Reinsurance Services (Private) Ltd. Willis holds the majority ownership in the joint venture, which specializes in reinsurance brokering and insurance and risk management consulting. The Indian government has indicated that it expects to reform insurance regulation and liberalize the industry.

Willis is studying China "with great interest," Mr. Reeve said. Last year, the broker opened up a second representative office there, based in Shanghai.

In Japan, Willis says it was the first non-Japanese broker to become licensed to transact domestic business there.

Willis "still continues to selectively invest in U.S. market business," said Mr. Reeve, acquiring businesses and personnel to build up critical mass "steadily in the background in an unglamorous way."

Kenneth Pinkston, chairman of Willis Corroon Corp. and group executive director of Willis Corroon Group P.L.C., characterized 1997 as "a very competitive year in the retail marketplace" in the United States.

Although the broker had been "substantially very successful" in acquiring new business, premium rating levels were significantly down on 1996, "leading to an adverse impact on results." However, it proved an "investment year" in terms of taking on new individuals and teams, moves he said will start showing results this year.

Willis Corroon Americas, the North American retail business, reported a

Continued on next page

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Continued from previous page

slight increase in revenue, to £242 million ($396.4 million). It bought several new units to add to its operations during the year.

It also reorganized its operations over the year into seven regions in an effort to focus local offices on developing new business. The regions are Central, Great Plains, Pacific Coast, Southeast, Atlantic, Southwest, Northeast and Canada.

As a direct result, Willis Corroon Americas started on its commercial brokerage growth initiative, aiming to "bring more discipline to sales and sales management to all offices," said Mr. Pinkston. In particular, it focuses on cross-selling employee benefit products to property/casualty clients. Mr. Pinkston said the broker is beginning to see "very positive impacts."

U.S. wholesale business did not perform as well, recording a 14% decline in revenues. In particular, professional liability specialist Professional Liability Underwriting Managers Inc. saw its premiums decline to a point where it "wrote just a fraction of the business than it had a few years ago," said Mr. Pinkston. This was primarily because of its reliance on its commercial relationship with the failed Home Insurance Co. as its principal market. The recent closure of PLUM will have a £30 million ($49 million) non-cash impact on Willis. Mr. Pinkston said, however, that it will have "basically the same impact (Willis) would have felt if it had continued to operate for the year." Shareholders' equity will not be affected by the closure, he said.

According to Mr. Reeve, the shutdown of PLUM is an example of Willis' continual assessment of its operations. Some operations will be discontinued "where it makes sense."

The decline in U.S. wholesale business is being battled with the development of new programs and products, said Mr. Pinkston.

For example, at the end of last year, Willis Faber North America Inc. issued a Climatic Activity Protection, a derivative-based product protecting clients from temperature variations that affect their revenues.

U.K. retail business proved more successful for Willis in 1997, with a 12% rise in brokerage and fees recorded by Willis Corroon Ltd. During the year, it restructured the U.K. operation into three divisions:

- Willis Corroon Corporate Division, which provides risk transfer and risk management services to large clients requiring traditional insurance and risk management services.
- Willis Risk Solutions, aimed at large corporate and professional clients with complex risk profiles.
- Willis Corroon Commercial, providing services for small commercial and personal lines accounts.

In a process that began in February, Willis Corroon Commercial is setting up a franchise venture with independent regional U.K. brokers to better access small commercial property/casualty business.

Willis is putting state-of-the-art electronic trading systems into the brokers' offices, though the brokers will remain independent. They will have access to Willis' "aggregate buying power," as well as risk management, premium financing and marketing services.

Mr. Reeve foresees "a huge proportion of business" potentially being targeted by the initiative, due to go live in the third quarter of this year with between 30 or 40 brokers and a selected panel of insurers.

"We hope we can bring efficiencies of scale," said Mr. Reeve, who expects to see whether the plan will be successful—and possibly extended—in early 1999.

Willis Risk Solutions, an internal unit specializing in risk transfer and risk management consulting, is "beginning to have good new business development," said Mr. Reeve.

Mr. Pinkston said Willis Risk Solutions "will bring the services an account may need wherever it is headquartered," but the client still will benefit from the local services and office, as well as the worldwide capabilities of the broker.

Willis Corroon Corporate Division aims to meet the precise needs of the clients, said Mr. Reeve. For example, a highly price-driven client will have very different requirements from one looking more toward loss reduction techniques, and the division "aims to tailor its offering to the needs of the clients," he explained.

"We have always put clients first," said Mr. Reeve.

Restructuring this year also has resulted in the launch of Willis Faber Re as the broker's worldwide reinsurance arm, under the chairmanship of John Pelly. At the time of the launch in April, Mr. Pelly said: "We believe the message from our clients is clear. They want sophisticated analysis, quality advice, innovative solutions and the ability to transfer risk to quality worldwide markets at competitive prices," adding that the new operation will include personnel with varied skills, such as actuaries, financial analysts, hazard research engineers and capital market specialists.

More attention is being paid to alternative risk transfer strategies, said Mr. Reeve, and there have been some "interesting" transactions in terms of their structures and coverages, but the simplicity and cheapness of conventional reinsurance continues to make it a highly attractive option.

Last year, the global reinsurance unit upped its brokerage and fee revenue by 7% to £68.7 million ($112.5 million) and launched Willis Corroon Catastrophe Management Ltd., a unit managing investment funds in new instruments tied to property/casualty and reinsurance risks.

Global specialties notched up substantial new business during 1997, resulting in a 6% lift in its revenues. Willis Corroon Aerospace reported an 11% increase in revenues to £42 million ($68.8 million) and was strengthened with new recruits on the space side during the year. Global Broking Services, providing specialist and risk management services for large, complex or unusual risks, saw a similar rise, with revenues up 10% to £48 million ($73.6 million), while the International Property & Casualty division recorded a "very successful year" and set up two new divisions in London—Global Financial Risks and Fine Art, Jewelry & Specie.

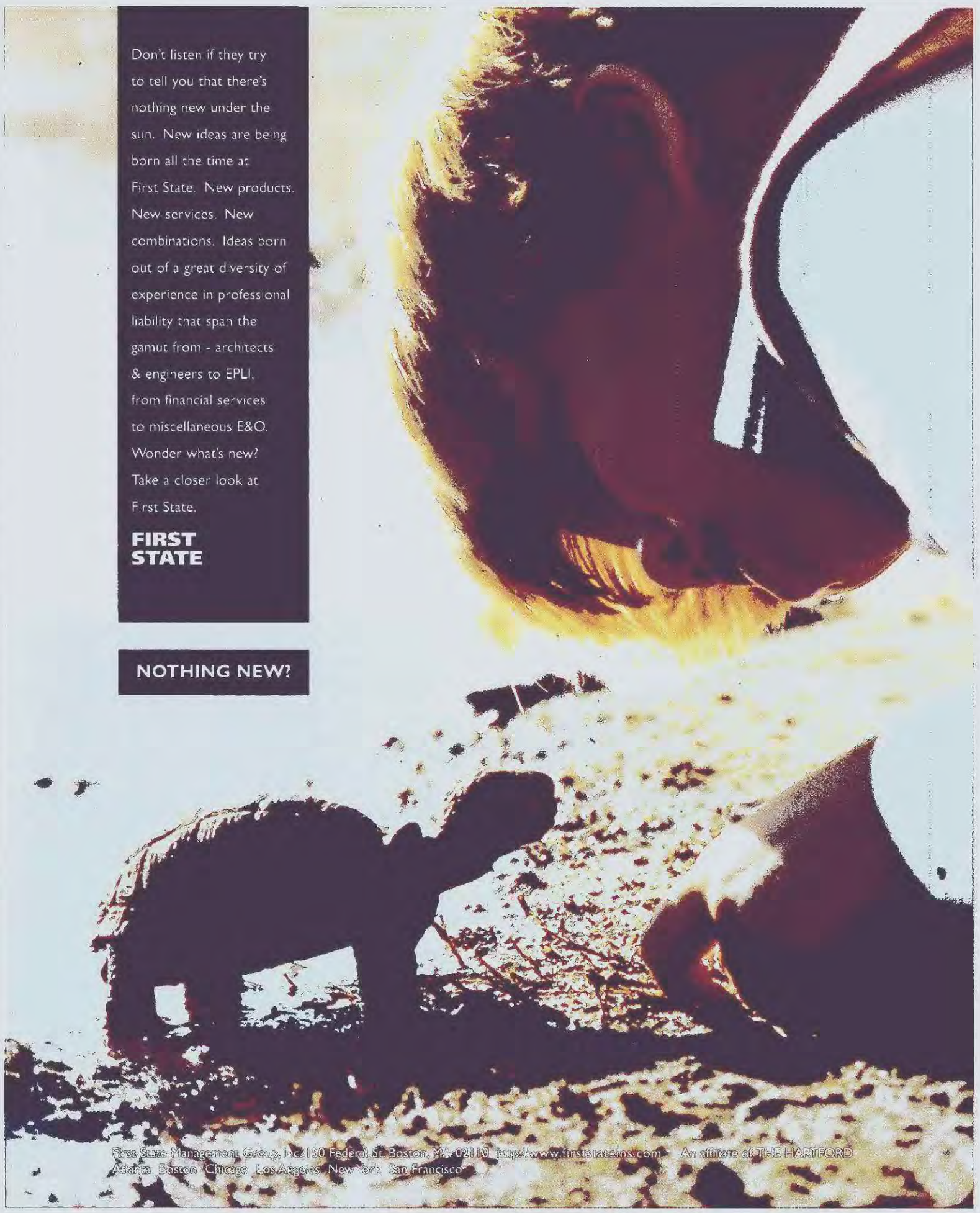
During the year, Willis sold its Lloyd's agency, Willis Faber & Dumas (Agencies) Ltd., to its management. "That was another instance where we came to the view that the Lloyd's agency business would have to be changed very substantially for the future," said Mr. Reeve, and the conclusion was it was not a direction the broker wished to pursue.

On the management side, at the beginning of this year, Max Taylor, formerly Willis' group executive director, left to become chairman of Lloyd's of London, and Willis redistributed his responsibilities among several senior executives.

Willis Corroon stock on the London Stock Exchange closed at 177 pence ($2.89) July 10. Its 52-week high at that point was 181 pence ($2.96), and its low was 116 pence ($1.90).

On the New York Stock Exchange, Willis Corroon Corp. stock—where one share equals five London Stock Exchange shares—closed at $14.25 July 10, with a 52-week high during that period of $15.19 and a 52-week low of $9.75.

—By Sarah Goddard



Spotlight report

5 Arthur J. Gallagher & Co.

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	1997	1996*
Gross revenues	$488,028,000	$462,022,000
Brokerage revenues	$463,627,000	$448,161,000
Brokerage: Retail	63%	64%
Reinsurance	1%	1%
Personal	1%	1%
Services	30%	31%
Investment income	5%	3%
Employees	3,890	4,019
Rev/employee	$119,184	$111,511
Offices	56	64

** Restated for 1996.*

With consolidation remaining a prominent feature on the insurance industry landscape, it's no surprise it also continues to shape business at Arthur J. Gallagher & Co.

Consolidation at the top of the brokerage industry, combined with Gallagher's growth through increased business and its own acquisitions, has the Itasca, Ill.-based firm sitting comfortably in its position as the world's fifth-largest broker for the second year in a row.

The company posted more than $488.0 million in corporate gross revenues in 1997, up 5.6% from a restated 1996 revenue figure. Brokerage revenues for 1997 were more than $463.6 million, up 3.5% 1996.

Commercial retail brokerage revenues of more than $307.4 million were up nearly 4% in 1997.

"We happen to be a beneficiary of consolidation in two ways," said J. Patrick Gallagher Jr., Gallagher's president and chief executive officer. "One of them is that we are consolidators."

"We have done about five deals this year," Mr. Gallagher said. "We are continuing to seek out what we believe are the best partners in the marketplace and continue to do a pretty decent job of attracting those partners to our company."

Another way Gallagher has benefited from the consolidation trend is that its fifth-place status has put the company "on the map" in a smaller pool of competitors, the president and CEO said.

"We have a lot more attention from the buying community than we had when there were 10 real viable competitors," Mr. Gallagher said. "It's made us certainly important to our markets as well."

Consolidation has further benefited his company in terms of attracting talent, Mr. Gallagher said. "Nothing huge; we haven't wholesale recruited gazillions of people from any of our large competitors. But certainly there have been more opportunities we've been able to take advantage of in the last 18 months."

In the consolidation environment, Mr. Gallagher believes his firm has an advantage over some of its competition in the culture it has created and the sense of partnership and teamwork among its employees.

Mr. Gallagher sees how closely employees work companywide every time he looks at his computer and sees internal requests for information from Gallagher employees.

"Every day when I turn on that (computer) screen, there are literally dozens of requests for information, help, what have you on different accounts," Mr. Gallagher said.

"What that tells me is we're creating virtual account teams every minute," he said. "We're drawing the expertise from our organization no matter where it resides to the right spot at the right time, and that's a very, very powerful thing."

Using information technology to assemble those "virtual teams" is a key to Gallagher's ability to compete with larger brokers and to attract merger partners to facilitate its own growth.

"When I started, if I needed expertise, I might talk to the people around me," Mr. Gallagher said. "If I knew people down the hall or on a different floor I'd go see them. This thing has unleashed the power of our team."

By tapping into the resources of the rest of the company online, brokers in smaller offices can be more competitive in bidding on accounts. All Gallagher offices have access to the company's full resources.

"This is one of the benefits of people joining us," Mr. Gallagher said. "They tap into that team, and they can sense and feel that culture, and they see it working in real life."

Making maximum use of the abilities of the company's staff is critical to competing with "the Big Two," industry giants Marsh & McLennan Cos. Inc. and Aon Corp., Mr. Gallagher said.

"We pick the areas we compete in—that varies by branch and it varies by operation, but we're very good at picking our fights—and with the use of technology, we can put a team on any account that rivals any team out there," Mr. Gallagher said.

Gallagher continues its own emphasis on growth, both through organic growth and expansion of business niches, as well as through mergers and acquisitions, selecting potential partners it believes fit with its culture and business niches.



'We're drawing the expertise from our organization no matter where it resides to the right spot at the right time, and that's a very, very powerful thing.'

— J. Patrick Gallagher Jr.

"We use our stock as a currency, and most of the people that have joined us maintain their position in our stock, which really is truly building a partnership," Mr. Gallagher said.

In 1997, for example, Gallagher used 263,000 shares of its common stock to acquire three companies: employee benefit consultants Byerly & Co. Inc. in Englewood, Colo., and Arnold & Co. Inc. in Troy, Mich., and White Plains, N.Y.-based broker Trinder & Norwood Inc.

Meanwhile, Gallagher also seeks to maximize growth by offering customers expanded service offerings, such as responding to an increased interest by middle-market companies in alternative risk transfer mechanisms.

"That's another area where we thrive. We've always been very, very good in the alternative market," Mr. Gallagher said. "This past year we helped form Artex Insurance Co., and we really think that's going to be a home run for us as well."

Bermuda-domiciled Artex, a rent-a-captive facility, came online last year as Gallagher's venture into this segment of the alternative market.

"Artex is up and running," Mr. Gallagher said. "It's getting good reception from our field force, and in a soft market, it's still providing us with a lift."

With the middle market increasingly embracing alternative risk transfer opportunities and sales people becoming more comfortable with the alternative vehicles as well, "I think rent-a-captives are going to be a very big part of things," he said.

Gallagher also started a wholesale brokerage, Risk Placement Services Inc., last year. "It's small, but it's growing," Mr. Gallagher said.

"We're adding people throughout the United States," he said of the new subsidiary. "We're now in Atlanta and Chicago. We'll soon be in Atlanta, Chicago, Los Angeles and New York. And there are great consolidation opportunities there. We are very interested in MGA and wholesale operations joining us."

Despite the new ventures, the brokerage services division remains the heart of Gallagher's operation as well as the company's "cash cow," and Mr. Gallagher said the company will continue to grow as a broker.

"Clearly, that is an industry that is very, very difficult because the rates continue to come down," he said of retail brokerage business. "But we really love that business and will be able to continue to grow it."

Another key component of Gallagher's operation, and one Mr. Gallagher sees taking on even greater prominence in the years ahead, is the Gallagher Bassett Services Inc. risk management services subsidiary. "That's a huge, huge business component," Mr. Gallagher said.

Gallagher Bassett provides claims and information management, risk control consulting, appraisals and claims investigations.

"I believe that every single major account in America, all the way to the upper end of the middle-market, will be unbundled at the end of my career," Mr. Gallagher said.

Favoring Gallagher in a future in which unbundled claims handling becomes increasingly significant is that the claims handling business has "a huge cost of entry," Mr. Gallagher said. "How are you going to get in?" he said of potential competitors.

He noted that Gallagher Bassett has 105 offices in the United States, 14 more in Australia, four in the United Kingdom and another in Canada, all of which can communicate electronically.

"We grew it one branch at a time over a 30-year period," Mr. Gallagher said. "We started this business in 1962. It's been 36 years to get where we are today."

And Gallagher's own operation is not the only broker doing business with Gallagher Bassett.

"We work with all of our competitors, and we're really pleased to do so. We maintain an absolutely inviolate Chinese wall," Mr. Gallagher said. "No Arthur J. Gallagher salesperson can ever walk downstairs and figure out what's going on with one of those accounts. We know that would be death."

The company's Gallagher Benefits Services operation, representing nearly $63.8 million in 1997 revenue, about 13% of the year's total, is another growth area, Mr. Gallagher suggested, and should top $70 million in revenue this year.

"The government continues to make the laws complex. We continue to spread the things we do for clients, which is again more client-touch. And, quite honestly, it looks like rates are going to go up," he said of health insurance. "So all in all, I think the whole benefits arena is a solid one for us."

But the division that might make the most news this year, according to Mr. Gallagher, is the investment unit AJG Financial Services Inc. division the company started last year. "We've got so much going on there, it's absolutely mind-boggling," the CEO said.

Most recently, AJG Financial served as merchant bank and adviser and also took an ownership interest in Asset Alliance Corp., an investment management holding company that essentially acquires hedge fund managers.

AJG Financial also has taken positions in tax-advantaged investments such as alternative fuel operations Covol Technologies Inc. and Alternative Power Corp. and has taken a minority equity position in Peachtree Franchise Finance Co., an Atlanta-based operation that originates and then securitizes loans to regional and national franchisees.

"What we told (Wall) Street was that we would use our capital and our balance sheet to prudently invest limited amounts of money in what we thought were good financial services opportunities," Mr. Gallagher said, likening the operation to J&H/Marsh & McLennan's Putnam Investments Inc.

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6 Jardine Lloyd Thompson Group P.L.C.

Jardine House, 6 Crutched Friars, London
EC3N 2HT; 44-171-528-4444;
fax: 44-171-528-4185

	1997	1996
Premium volume*	$3.74 billion	$3.79 billion
Gross revenues	$402,948,000	$391,560,000
Brokerage revenues	$394,889,040	$383,728,800
Brokerage: Retail	46%	51%
Wholesale	34%	29%
Reinsurance	18%	18%
Investment income	2%	2%
Employees	3,393	3,629
Rev./employee	$116,383	$105,740
Offices	66	65

** Estimated. Converted at applicable exchange rates.*

Having completed integration of the two companies that merged in 1997 to form Jardine Lloyd Thompson P.L.C., the brokerage now is well-positioned to meet clients' needs, says its top executive.

Ken Carter, chief executive of JLT, said the merger of JIB Group P.L.C. and Lloyd Thompson Group P.L.C. in February 1997 was driven primarily by client demand for more choice among the world's larger brokers.

Concerned by consolidation in the brokerage industry after the spate of acquisitions being made by megabrokers Marsh & McLennan Cos. Inc. and Aon Corp., many clients "wanted a strong and numerate broking industry," said Mr. Carter. JLT is now in a position to be an alternative choice for those companies, he said.

"What we can offer to the types of client whose business we're seeking is a very viable alternative option. . .We can deliver our performance both for clients and for shareholders and thereby create a working environment which enables us to keep attracting and retaining the very best people in the industry," Mr. Carter stated.



'What we can offer to the types of clients whose business we're seeking is a very viable alternative option.'

— Ken Carter

The financial benefits of the merger should start filtering through this year, the chief executive said. In 1997, however, soft global insurance market conditions resulted in decreased revenues.

JLT's total corporate revenues dipped 2% to £246 million last year, from a pro forma £251 million generated by the two firms in 1996. Converted to U.S. dollars using average exchange rates, revenues rose 2.9% to $402.9 million.

JLT's brokerage revenues also slipped 2% to £241.1 million.

In dollar terms, brokerage revenues were up 2.9% to $394.9 million, making JLT the sixth-largest broker in *Business Insurance*'s annual ranking of the world's largest brokers. The newly combined JLT also ranked as No. 6 a year ago.

Although JLT added new business in 1997, revenues declined due to exchange rate fluctuations and continued soft market conditions, particularly in JLT's key sectors of marine, energy and reinsurance.

In Asian markets, where the broker has a strong presence, economic difficulties prevented the group from making stronger gains in the region.

Last year's overall financial performance—including a 3% increase in profits before taxes and exceptional items to £50.5 million ($82.7

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AJG Financial is serving another function as well, managing the investments of the Artex rent-a-captive operation.

Companywide, Gallagher's pretax earnings for 1997 stood at nearly $80.8 million on an as-reported basis, while the company posted net earnings of $53.3 million. In 1996, pretax earnings were about $65.7 million, with net earnings of slightly more than $43.1 million.

Mr. Gallagher expects 1998 to be another good year for his company.

"I think we'll do more mergers this year than we've done in a couple of years, which is real positive," he said.

And, as for the possibility that in a consolidation-driven industry his company itself might be a takeover target, Mr. Gallagher said: "We've been pretty publicly quoted as saying our preference is to remain independent.

"I'm not totally naive," Mr. Gallagher continued. "I mean, we're a public company, so we recognize that if someone out there says, 'I don't care what the market says, I'm paying Gallagher $150 a share,' then they own a company. But we are not actively seeking nor are we interested in being actively sought."

Gallagher's stock, which had a high of $46.56 and a low of $33.56 in the 52-week period through July 10, stood at $44.31 July 10.

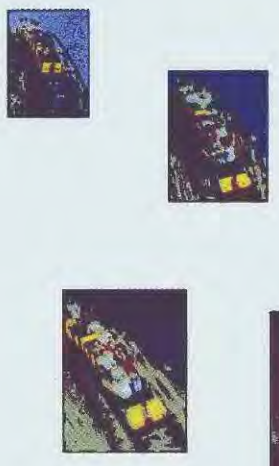
Other company units include:

- Gallagher Bassett International Ltd., the London-based Gallagher Bassett subsidiary providing unbundled risk management services overseas.
- Arthur J. Gallagher & Co. (Bermuda) Ltd., an offshore subsidiary providing access to the Bermuda market and acting as an intermediary to place excess coverage for pools, captives, risk retention groups and other self-insurance arrangements.
- Lloyd's of London broker Arthur J. Gallagher (U.K.) Ltd.
- International Special Risk Services Inc., the company's in-house wholesale facility for Gallagher brokers.
- Reinsurance intermediary and surplus lines broker Arthur J. Gallagher Intermediaries Inc.
- Risk Management Partners Ltd., a venture owned jointly with Am-Re Managers Inc., a unit of American Re-Insurance Co., that markets insurance and risk management services to public entities in the United Kingdom.

As reported to the Securities and Exchange Commission, Gallagher's five highest-paid officers in 1997 and their cash compensation, including bonuses, were:

Michael J. Cloherty	$846,000
J. Patrick Gallagher Jr.	$656,000
Gary M. Van der Voort	$428,100
James W. Durkin Jr.	$378,000
Peter J. Durkalski	$366,100

—By Rodd Zolkos



Continued from previous page
million)—was very much what had been anticipated for the combined broker's first year, maintained Mr. Carter. The merger resulted in £26.3 million ($43.1 million) of exceptional charges, of which £10.4 million ($17 million) related to the elimination of surplus office property and the remainder to the costs of the transaction and reorganization expenses.

JLT Chairman John Barton pointed out that cost savings resulting from the merger through such items as consolidated offices and a reduction in employee numbers to 3,393 from 3,629, reached about £3 million ($4.9 million) in 1997. For 1998, the broker expects an additional £8 million ($13.1 million) in cost savings, he said.

JLT regards 1997 as a year for pulling together the threads of the merger and achieving synergies and 1998 as the year that will demonstrate the financial sense behind forming the enlarged broker.

This is the year when merging the international operations, specialty business and large revenues of JIB Group with the essentially London-based business of the smaller Lloyd Thompson Group should be justified, Mr. Carter said.

Mr. Carter, who had been chief executive of Lloyd Thompson prior to the merger, also maintains that the union of the two companies enables Lloyd Thompson's skills as a London market broker to be used on a greater variety of risks.

"We're now working together as a team. . . .If you've got harmony at the top, that sets the pattern, and it filters down," Mr. Carter said.

A major accomplishment last year was the formation in January of a strategy to bring JLT's combined resources to bear on six key business areas: shipowners, energy, construction, local government entities, accident and health, and affinity business.

These are markets in which JLT either already has a significant position and wants to expand, or where it has a small position but believes, as in the case of accident and health business, that there is opportunity for growth, explained Mr. Carter.

One means JLT will employ to serve these targeted specialties is alternative risk transfer services.

Devising alternative risk transfer solutions when appropriate is now a way of doing business, rather than being a separate speciality within the company, according to Mr. Carter. These techniques and solutions can be applied as readily to offshore oil companies as to pharmaceuticals, shipping or any other line of risk, he said.

In spite of the soft global property/casualty insurance market, there is still abundant interest in alternative risk transfer mechanisms, he said.

Alternative risk transfer is an area where the London market expertise of Lloyd Thompson and the global experience of JIB Group mesh, Mr. Carter said.

London still is a center for insurance expertise and fertile ground for new ideas, he noted. This expertise and these ideas are now more exportable than ever for application to risks in other markets around the world.

JLT's operations are divided into four business groups:

• **International Insurance Group.** This division comprises JLT's London market broker and consulting arm, Lloyd Thompson Ltd., and principally wholesale brokerage subsidiaries that offer risk management, consulting and captive management services.

Clients range from major multinational corporations and captive insurers to other insurance brokers, and the business spans all areas of marine, non-marine and aviation.

The International Insurance Group's 1997 revenues fell 2.1% to £76.2 million ($124.8 million), mainly as a result of plunging insurance rates, which were cut by up to 50% on some lines and were only partly offset by new business.

JLT reported that its property, casualty, construction, energy, financial risks and fine arts divisions, all of which are under the International Insurance Group umbrella, all achieved growth in 1997.

In the United States, its general surplus lines broker, underwriting agent and claims settling agent, HG Holdings Corp., achieved good growth and is expanding its product lines and services.

JLT last year acquired the 51% of shares it did not already own in Triangle Group, a Bermuda-based broker and captive manager. Also in Bermuda, it set up JLT Financial Solutions after acquiring a majority interest in Financial Solutions Ltd., which has offices in Bermuda and Sweden specializing in alternative risk transfer.

In London, JLT acquired Colburn French & Kneen Ltd., a Lloyd's of London marine broker specializing in Greek shipping business.

• **International Reinsurance Group.** This group is made up of reinsurance brokerage operations in the United Kingdom, the United States and the Asia-Pacific region.

U.S. expansion, where subsidiaries Jardine Sayer & Co. Inc. and Intermediary Insurance Services Inc. developed new products to expand their specialist reinsurance roles, helped check the reinsurance group's drop in revenues, which declined 2.1% to £40.1 million ($65.7 million).

• **Specialty Group.** JLT's specialty division comprises most of the retail business, financial risks, employee benefits, accident and health, and affinity group business in Northern Europe, North America and South America.

This group saw revenues climb 6.5% to £65.9 million ($107.9 million), helped by acquisitions and a "significant" improvement in the profitability of U.K. retail business.

In May 1997, it acquired Administrative Consultants Inc. in the United States, bringing it additional claims administration capabilities.

JLT also operates a joint venture with the British Medical Assn. that sells medical malpractice liability insurance to physicians.

• **Asia Pacific Group.** This unit operates 46 offices in 15 countries. Despite the economic conditions locally, brokerage revenues for this division last year held steady at £43.6 million ($71.4 million).

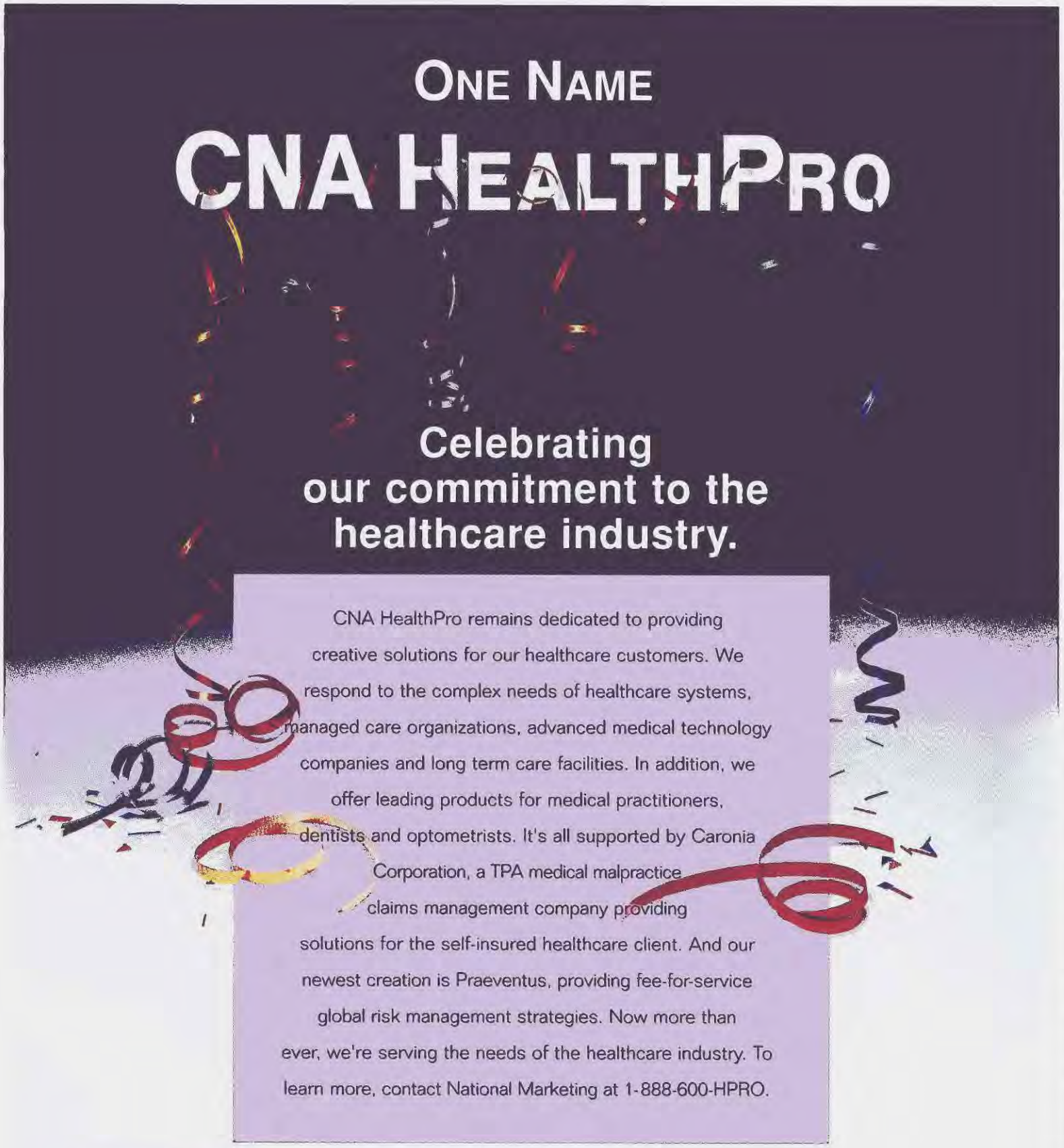
The group cited its performance in Australia as being particularly strong as income expanded with new business successes. While the economic problems in Asia prevented JLT from increasing its revenues there, the broker contends that it maintained its market position generally; achieved good results in Indonesia, Singapore and the Philippines; and benefited from the continued stability of the Hong Kong dollar, which accounts for a substantial part of Asian income.

Mr. Carter emphasized that JLT remains committed to Asia, which is still a very important part of its business. Its largest shareholder, Jardine Matheson Holdings, with a 34% stake, was founded in 1832 in China and continues to operate a business strategy wholly focused on Asia, he said.

JLT also owns a 36.75% stake in the sixth-largest French insurance broker, Societe Intercontinentale d'Assurances pour le Commerce et l'Industrie S.A. SIACI is almost entirely devoted to serving corporate clients, with 50% of its portfolio in property/casualty lines, 33% in marine and 16% in employee benefits.

Continued on page 38

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JLT wants to build on SIACI with further alliances, though Mr. Carter prefers to keep the investment in SIACI on a minority basis because he believes a French broker dealing with French clients is best run by a French executive and management.

Mr. Carter adds that JLT is interested in further European expansion, but declined to say where or in what product areas he would like this expansion to take place.

Besides Messrs. Barton and Carter, other principal officers are: Dominic Collins, CEO-International Insurance Group; David Corben, CEO-International Reinsurance Group; Dennis Guy, CEO-Australia; John Hasting-Bass, CEO-Specialty Group; Steve McGill, CEO-Asia; and George Stuart-Clarke, group finance director.

JLT stock traded at a high of 206 pence ($3.43) and a low of 151 pence ($2.51) during 1997. The stock was trading at 178 pence ($2.96) per share as of July 10.

Tony Silverman, a stock analyst with BT Alex. Brown, a unit of Bankers Trust International P.L.C., said with integration of the merged group now complete "revenue progress will be a feature of 1998."

He forecasts a steady increase in profits for JLT over the next three years, including a £7 million ($11.4 million) rise in pretax profits this year to £57.5 million ($93.9 million). While this earnings estimate is £2 million ($3.3 million) less than Mr. Silverman had forecast six months earlier, he explained that JLT's remuneration costs should rise as it recruits more good-quality brokers.

"If the recruitment works well, there may be scope to upgrade the forecast later in the year," he said.

—By Edwin Unsworth

7 Acordia Inc.

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Internet: www.acordia.com

	1997	1996*
Premium volume	$2.98 billion	$2.74 billion
Gross revenues	$311,364,000	$285,904,000
Brokerage Rev.	$311,364,000	$285,904,000
Brokerage: Retail	71.8%	69.8%
Wholesale	6.0%	6.9%
Reinsurance	0.1%	0.1%
Personal	8.5%	11.2%
Services	13.6%**	12.0%**
Employees	3,228	3,445
Rev./Employee	$96,457	$82,991
Offices	91	91

** Restated.*
*** BI estimate.*

After keeping a low profile for the past year, Acordia Inc. is getting back to basics. . .namely, making acquisitions.

But after eight years of operating as a publicly traded subsidiary of a mutual health insurance company, Acordia will for the first time be making deals as a private and independent property/casualty broker.

Acordia's management, together with the lead investment banking groups Knightsbridge Capital L.L.C. and Wand Partners Inc., bought $285.9 million of Acordia's predominately property/casualty operations from Anthem Inc. for $310 million last August. The deal severed Acordia's relationship with Anthem as its sole administrator of health care products. This health care business had generated $326 million of Acordia's 1996 gross revenues of $661.0 million prior to the MBO (*BI*, July 21, 1997).

Since then, executives have been quietly building Acordia's infrastructure as an independent company, a process they say is now complete.



'We still see ourselves as very entrepreneurial, very client-focused and very much a sales and service organization.'

— Frank C. Witthun

While Acordia is now a privately held company with half the revenues it had in 1996, executives say its middle-market focus, autonomous culture and growth-by-acquisition strategy remains the same.

"Even though we've kept the same name and are no longer a part of Anthem, we still see ourselves with some of the same traditions that we saw when we started the company on the brokerage side in 1991," said Frank C. Witthun, president and chief executive officer, referring to Acordia's first retail brokerage acquisition of Robinson-Connor Inc.

Acordia was formed in 1989 by Anthem to serve as its health care administration and distribution arm.

"We still see ourselves as very entrepreneurial, very client-focused and very much a sales and service organization," Mr. Witthun said. "We really feel that we are differentiated from other national brokers, and that's one of the reasons why we've been very successful in attracting people, acquisitions and clients to Acordia."

Acordia has found its niche in targeting mid-sized companies—those with 150 to 4,000 employees or revenues of $10 million to $400 million—located in mid-sized cities.

And while the company is no longer as decentralized as it was under Anthem, executives say its localized hands-on approach with clients is no different.

Under Anthem, Acordia was made up of a network of individual Acordia companies that each had its own board of directors as well as a CEO who had strong incentives to grow the company.

While the incentives are still there, Acordia's offices now are organized under seven regions headed by seven regional executives.

In addition to its retail brokerage operation, Acordia performs health and benefit administrative services and has a stand-alone, multistate excess and surplus lines unit, American E&S Insurance Brokers.

Despite its more centralized reporting structure, "We still keep a small corporate staff and still push a lot of the decision-making having to do with sales and marketing of services at the local level because we still find that incredibly important for our clients," he said.

That strategy seems to be working.

Based on restated 1996 figures, Acordia's 1997 revenues increased 8.5% to $311.4 million from $285.9 million, making Acordia No. 7 in *Business Insurance*'s annual rankings of the world's largest brokers. Acordia's revenues are generated entirely by brokerage and related services.

Roughly $10 million, or 39%, of growth is attributable to the three acquisitions Acordia made in early 1997 prior to the MBO, namely Bush Cotton Thompson & Scott in Kirkland, Wash.; Dorsey Inc. in West Palm Beach, Fla.; and Simons & Rose Insurance Agency Inc. in Boca Raton, Fla.

Roughly $16 million, or 5.5%, of Acordia's 1997 revenues was generated from internal growth, noted Keith A. Maib, executive vp and chief financial officer.

"I think anytime you go through the level of change in an organization that we went through last year and maintain any sort of internal growth, you've done very well, particularly in the marketplace we're in," he said.

Mr. Maib left Acordia at the end of June to become executive vp and chief operating officer of PennCorp Financial Group Inc. in Dallas. PennCorp is affiliated with Knightsbridge Capital, one of Acordia's major investors.

At the time of last year's rankings, Acordia was in the process of negotiating the deal with Anthem and estimated it would pay $320 million for operations totaling $343.9 million in revenues. When the deal was completed, however, Anthem kept some health and workers compensation third-party administration operations, which brought revenues down to $285.9 million and the price down to $310 million.

In reflecting on Anthem's decision early last year to focus exclusively on health care and to sell Acordia's property/casualty business, Mr. Witthun said his first thought was that Acordia would be sold to an outside company.

But as soon as word got out in the marketplace that management was interested in buying the company, Mr. Witthun said interested parties probably backed off.

Mr. Witthun said the year-old relationship with Acordia's investors has been successful.

"We're right on target in terms of our financial projections with our investors," Mr. Witthun said.

At the same time, while Mr. Witthun said he enjoys running a private company, he would eventually like to take Acordia public again.

What is a little nearer in Acordia's future is rekindling its strategy of growth by acquisition.

Since 1991, Acordia has acquired 61 companies. Those deals, including such large acquisitions as Robinson-Conner, American Business Insurance Inc. and Bain Hogg Robinson Inc., have fueled Acordia's revenue growth in recent years and helped catapult the broker up *BI*'s rankings.

Acordia's acquisition drive slowed down in 1996, however, when the company turned its focus on cutting its operating expenses in light of its first-ever profit drop (*BI*, July 22,

Continued on next page



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Continued from previous page

1996). That drive then came to a halt in February 1997 when Anthem announced it had retained Credit Suisse First Boston to explore the possible sale of Acordia's property/casualty business (*BI*, Feb. 10, 1997).

"We basically didn't do much at all in the way of acquisitions because the company was in the process of being sold," Mr. Witthun said, referring to the majority of 1997. And after management bought the company, "we had to have some months to actually do all the things necessary to run as an independent company," he said.

About three months ago, Acordia "started up again the acquisition pipeline," and the company currently is in talks with companies that represent in excess of $100 million in revenues, Mr. Witthun said.

"So we're back again, pretty aggressive in terms of growing the company and keeping our strategic plan in place," he said.

Mr. Maib noted that when management bought the company, it was clear that the strategic direction for Acordia was to continue to grow through acquisitions.

"When we capitalized the company, we put in a fairly significant amount of capital and the availability to do just that, to finance those transactions. So the company was capitalized absolutely with the intent to continue to grow through acquisitions," he said.

Acordia's first acquisition since becoming an independent broker came with Preferred Quotes/Pickering Insurance Services, a specialty direct marketing company for life insurance, which became part of Acordia's San Francisco office last month.

Mr. Witthun said Acordia soon will announce several retail brokerage acquisitions.

What is not likely to be in Acordia's direct future is a merger with another megabroker.

"I never say never about anything in this business, especially with all the consolidation that's taken place in the industry," Mr. Witthun said. "We would like to continue to grow, but it's more likely we will continue to grow by internal growth and acquisitions, and the acquisitions will tend to be those companies that are equal to or smaller than us."

In addition to acquisitions, Acordia also plans to grow internally, a difficult task in the continuing soft property/casualty market.

To do this, the broker is looking to acquire talented individuals, forge relationships with banks to distribute financial products, and beef up its program business.

"I think that when you cut through everything, at the end of the day we're all client-focused businesses, and to the extent that you add value for the client, you stay in business and you grow," Mr. Witthun said. "To the extent that you don't, you simply don't. And the only way to add anything for the client is to know their industries, know their companies, to have great educational backgrounds and to have great technical expertise. . . .To the extent we don't do a good job with those clients, they'll go to someone else."

One of Acordia's most recent people acquisitions was Charles L. Ruoff, former head of American International Group Inc.'s commercial accounts division of its domestic brokerage group but better known for his previous role as executive vp at Sedgwick Inc.

Mr. Ruoff joined Acordia in February as senior vp and chief marketing officer.

Mr. Ruoff is one of a growing number of former employees of broker Fred S. James & Co. Inc., which was absorbed into Sedgwick in 1989, now running Acordia.

In addition to Mr. Witthun and Mr. Ruoff, Robert C. Nevins, Acordia's executive vp and chief operating officer, and newly hired John C. Crane, who replaced Mr. Maib as Acordia's CFO July 1, also were formerly with Fred S. James. Mr. Crane most recently was CFO of Sedgwick Inc.

As part of its growth strategy, Acordia also is looking at forging relationships with banks to distribute financial products.

"We are looking at a lot of different strategies as to how we can best combine ourselves to expand our product line in the financial services line," Mr. Witthun said. "Obviously, we're looking at banks and different things like that."

Mr. Maib added that "one of the strategic things we accomplished with the transaction we did last year is that we have a number of financial partners that also brought some measure of strategic value to the company. . .namely banks."

> *'To the extent you add value for the client, you stay in business and you grow.'*
>
> — Frank C. Witthun

As a result, Acordia is exploring various opportunities to distribute financial products with its financial partners, he said.

Another area of growth for Acordia comes in the form of program business.

"We're focused much more on program business than we have been in the past," Mr. Witthun said. "We've got a fair amount of it, but we're working really hard at expanding that. One of the things we think is helpful is bringing in someone like Charlie Ruoff, who has a huge background in that area."

Acordia executives also are contemplating how the broker will service its growing international clientele.

"There is a continued movement among mid-market businesses to become more global in their focus," Mr. Witthun said. "That clearly began some time ago and continues. We've always been able to work well with our global and international clients" through reciprocal arrangements with other brokers around the world.

While those reverse-flow arrangements are working well, Mr. Witthun does not count out the possibility of establishing a similar network to ExcelNet, which fell victim to the acquisition frenzy in the brokerage marketplace soon after it was established in 1995.

Under ExcelNet, Acordia, Dale-Parizeau Inc. of Montreal, CECAR of Paris, Bain Hogg Group of London, Inchcape Insurance Services of Hong Kong and Boels & Begault of Brussels, Belgium, referred business to one another and were linked through a proprietary risk management information system. However, in 1996 and 1997, Bain Hogg, Boels & Begault and Dale-Parizeau sold to Aon Group Inc., and CECAR sold to Marsh & McLennan Cos. Inc.

"It's something we're still thinking about doing," Mr. Witthun said of a similar network. "We're still working on it, but with all the changes we've had to go through, we haven't completed that at this point."

—By Sally Roberts



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	1997	1996
Premium volume	$2.87 billion	$2.58 billion
Gross revenues	$252,628,268	$225,238,560
Brokerage revenues	$252,628,268	$225,238,560
Brokerage: Retail	61%	63%
Wholesale	21%	23%
Reinsurance	12%	12%
Personal	6%	2%
Employees	2,509	2,571
Rev./employee	$100,689	$87,619
Offices	98	93

Converted at applicable exchange rates. Fiscal year ends March 31. 1996 figures are a pro forma combination of Lowndes Lambert and Fenchurch.

Executives of Lambert Fenchurch Group P.L.C. have their sights set on new growth opportunities. Having completed the integration of the two firms that gave it the scale to compete among the world's largest brokerages.

"We have always been restless to grow the business," said David Margrett, chief executive officer of the London-based broker.

"We enjoy it, we think it is exciting, and we think we are capable of growing it still further," he said. "That has been the driving force in everything we have done."

Lambert Fenchurch was born in February 1997, through the merger of Lowndes Lambert Group Holdings P.L.C. and Fenchurch P.L.C.

While much of the last year was occupied with combining the two groups and reorganizing its business structure, Lambert Fenchurch has not stood still—making three small acquisitions, entering into joint ventures and winning new business.

The company is now looking for its next set of opportunities, though Mr. Margrett is adamant that a so-called megamerger is not the only way for brokers to succeed in the current competitive market.

"We enjoy being what we are—running our own shop—and while we would like to be running a bigger shop, not if it is at the expense of our freedom," he said.

"If we don't do a huge merger, it won't break my heart. We will just continue to do other things that move the business forward," the CEO said.

And Lambert Fenchurch's business is moving forward. In its first full year as a merged entity, Lambert Fenchurch posted total brokerage revenues of £158.9 million for the year ended March 31, 1998, an increase of 8.2% over pro forma combined figures for the previous year. Lambert Fenchurch's revenues are generated entirely by brokerage and related services.

Converted to dollars using average exchange rates, Lambert Fenchurch's revenues totaled $252.6 million, up 12.1% from the previous year and ranking it as the world's eighth-largest broker.

Coupled with a 35% increase in profits to £19.7 million ($32.3 million) before taxes and exceptional items, business has been good for Lambert Fenchurch, executives say.



'We enjoy being what we are—running our own shop—and while we would like to be running a bigger shop, not if it is at the expense of our freedom.'

—David Margrett

The exceptional items included £2.6 million ($4.3 million) in unbudgeted expenses associated with integrating the companies, and £2.4 million ($3.9 million) set aside to cover anticipated costs resulting from the U.K. Financial Services Authority's investigation of improper U.K. pension sales.

While Mr. Margrett is pleased with how the merged entity is performing, he said he is never totally satisfied with the status quo. "I'm never happy with any of the businesses," he said. "I want more out of all of them."

To fuel further growth, Lambert Fenchurch is retaining more cash within the business. Despite the increase in earnings, Lambert Fenchurch's board recently announced a final dividend of 2.75 pence (4.5 cents) per share, which is 50% lower compared with the previous year's dividend.

Mr. Margrett said the additional cash not distributed to shareholders will be used to initiate or capitalize on new business opportunities, whether they be acquisitions, new products or new business ventures.

More opportunities are likely to be identified by the broker now that the integration process of Lowndes Lambert and Fenchurch is complete.

"Inevitably, there are distractions while that (the merger) is going on," Mr. Margrett said. "All our senior executives are involved in the insurance broking business and have their own clients. They have had their eye taken off the ball a little bit. It hasn't impacted on the performance, but we think there is more to come through in the coming 12 months."

Several of the broker's competitors, having digested mergers of their own, are also likely to be more focused, making the brokerage business even more competitive, Mr. Margrett predicted.

"Others (competitors) have had more change to deal with and have probably been a little bit more distracted than we have, so we expect them to fight through more strongly in the coming year too," he said.

While the integration process created inevitable distractions, the overall response from Lambert Fenchurch clients has been very positive, said Mr. Margrett, who was previously chief executive of Lowndes Lambert.

"The pleasing thing for us is whenever you put two businesses together there is always an assumption that something is going to fall out of the equation, but the retention has been far better than we expected," he said.

Mr. Margrett said the star performer in Lambert Fenchurch during the past year has been its U.K. Group, which had the greatest amount of integration to contend with and accounts for approximately one-third of the group's revenues.

The U.K. Group is responsible for all general commercial lines business, both in London and throughout the broker's network of branches. It also comprises U.K. non-marine professional liability risks, captive management services, financial services and personal lines business.

During 1997, the group "blended" 37 U.K. offices into one. As a result, 294 jobs were lost, though 94 new staff members were also hired.

"We have welded together a very coherent team and have had some striking new business wins," Mr. Margrett said.

One of the U.K. Group's major new accounts in the past year was satellite television broadcaster British Sky Broadcasting, a division of News Corp. Lambert Fenchurch won the account, a multiline insurance program excluding satellite coverage, against seven other brokers.

The BSkyB account was attracted to the services that the merged Lambert Fenchurch group could offer, according to Michael A. Barnfield, chairman of the U.K. Group.

Mr. Barnfield said that the group's size allows team members with various areas of expertise to work closely together. "Our size and the environment we are creating also fosters an entrepreneurial and creative spirit on

Continued on next page



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Continued from previous page
the broking side."

One emerging area of expertise for Lambert Fenchurch's U.K. Group is placing coverage for new corporate ventures, or management buyouts. The company was recently named the preferred broker by the British Venture Capital Assn.

Mr. Margrett said providing brokerage services to management buyouts is a high-pressure area. "You have a company that didn't exist before that needs very swiftly to have insurance coverage in place," he said.

Lambert Fenchurch is focusing on more than just placing insurance for the new entities. "We go through the due diligence stage with them and help advise them on issues they should be looking for," said Mr. Margrett. "Rather than just saying yes, we can insure it, we actually help them avoid certain things."

Lambert Fenchurch recently announced a major restructuring designed to improve the efficiency of its services for international clients in London. Although Lambert Fenchurch's London market businesses are strong performers, particularly in aviation and wholesale construction accounts, Mr. Margrett said the company recognized the need to eliminate some duplication among three of its five divisions.

As a result, Lambert Fenchurch created a new International Group, which will handle business coming into the London market and oversee three of its formerly distinct business groups:

- Specialities, which included North American business, fine arts and entertainment, oil and energy, special risks and aviation.
- Marine, which included marine hull, protection and indemnity, cargo and political risks.
- International, which included international wholesale, reinsurance brokerage and construction accounts.

Michael J. Caley is chairman of the new International Group. The broker's remaining two divisions—the U.K. Group and the Overseas Group, which comprises non-U.K. operations and partners—are unaffected by the change.

Mr. Margrett said the restructuring will maintain the identity and profile of its various international businesses, but it is effectively a "shunting together' of management and back-office support so that business flows more freely into the company.

"We will still maintain specific areas of expertise, but we recognized that there was quite a lot of duplication in either back office support and some of the technical claims functions," he explained.

Mr. Margrett would not rule out additional changes to Lambert Fenchurch's structure in the future. "I don't think we are ever going to be in this industry free from a certain number of redundancies and restructuring," he said.

"We don't sit still," he explained. "Everything we do is aimed at transacting more efficiently and effectively the business we have."

Lambert Fenchurch has also not been sitting still on the acquisition front, acquiring three new businesses in recent months, and now looking out for more opportunities.

What, and where, those opportunities are remains to be seen, according to Mr. Margrett. "While we are keen to expand in a number of areas, which ones we do is a function of opportunity and price relative to other opportunities and prices," he said.

In May, Lambert Fenchurch completed its acquisition of Swedish marine broker Delta Insurance Services A.B., based in Stockholm. The Delta purchase is not reflected in the broker's results for fiscal 1997/98.

Mr. Margrett said Delta is one of Sweden's leading marine brokers and is likely to increase the volume of marine business placed by Lambert Fenchurch. "It also provides us with our own direct access to the Scandinavian marine and energy market," he said.

Delta, which has been renamed Delta Lambert A.B., will also be used as a platform for Lambert Fenchurch to expand into the non-marine market in Sweden, said Mr. Margrett.

In February, Lambert Fenchurch's New Zealand subsidiary, Lowndes Lambert NZ Ltd., acquired independent retail broker Westrays New Zealand Ltd. Mr. Margrett said Westrays is a small operation, but it will give Lambert more local presence in the New Zealand market.

In November, Lambert Fenchurch acquired New York-based employee benefit consultant Michael Kooper Enterprises Inc. The goal of that purchase was to create cross-selling opportunities for Lambert Fenchurch's fledgling U.S. brokerage operation, Lambert Fenchurch US Holdings Inc., according to Mr. Margrett. The Dallas-based U.S. holding company has retail brokerage branches in Dallas and Gulfport, Miss.

Another U.S. venture is Dallas-based managing general agent and wholesale broker New Century Global Inc., in which Lambert Fenchurch holds a 40% stake. New Century is a partnership with New York-based Reliance National Insurance Co. and Chatsworth, Calif.-based MTS Insurance Services. The surplus lines venture offers property/casualty coverage nationwide; it has offices in Dallas; Houston; McGaheys-ville, Va.; Chatsworth, Calif.; and New York.

Mr. Margrett said Lambert Fenchurch's U.S. operations as a whole are growing steadily, though he was non-committal on further expansion in the market. "The U.S. is a market we want exposure to, and it is obviously a very big market," he said. "But it has to compete for our investment against other opportunities elsewhere in the world."

Lambert Fenchurch is eager to promote greater sharing of business ideas throughout its international operations. The group has held several overseas conferences during the last year to promote the international exchange of new business and product ideas, said Mr. Barnfield, whose U.K. Group is driving the initiative.

"One of the things as a group we are doing is recognizing the potential that exists for the retail operations around the world to talk to each other more, to discuss and intermingle their retail ideas," he said.

William Wilks, finance director, said Lambert Fenchurch is focused on developing in-house, intranet usage, including global facilities and policy wordings interchange. The company eventually plans to develop electronic placement services for clients.

During the past year, there have been several changes among the broker's executives. Two members of the board—Brian Blackshields, formerly head of the oil and energy division, and John Champness, who was head of the marine hull division—have retired. Two more board members—Barry Blacker, formerly a co-chairman of the overseas division, and Sir Robert Clark, chairman of Lowndes Lambert since 1995 and chairman of Lambert Fenchurch since its inception—are retiring at the broker's annual general meeting on July 28. Current board member Bernard Myers will become chairman.

Lambert Fenchurch stock was trading at 102.5 pence ($1.67) per share as of July 10. For the 12 months ending March 31, the stock traded at a high of 137.5 pence ($2.25) per share and a low of 107.5 pence ($1.76) per share.

—By Matthew MacDermott



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	1997/8	1996/7
Gross revenues	$270.8 million	$161.5 million
Brokerage revenues	$249.1 million	$161.5 million
Brokerage: Retail	52%	68%
Wholesale	14%	0%
Reinsurance	3%	2%
Personal	9%	14%
Services	14%	10%
Investment income	3%	2%
Other	5%	4%
Employees	4,100	3,325
Rev./Employee	$64,067	$47,608
Offices	63	35

Converted at applicable exchange rates. Fiscal year ends March 31.

Forbes Group Ltd. has catapulted into the ranks of the world's 10 largest insurance brokers for the first time with last year's acquisition of London broker Nelson Hurst P.L.C.

The acquisition substantially increased Forbes' international presence, particularly in the Far East and Latin America, bringing its total to 63 offices from 35. Forbes also strengthened its presence in Africa through acquisitions and joint ventures.

The broker also has entered into a series of reciprocal agreements to service clients in territories not covered by the Forbes network of offices.

Johannesburg, South Africa-based Forbes saw total corporate gross revenues soar 75.6% to 1.28 billion rand for the fiscal year ended March 31, 1998.

Converted to U.S. dollars using average exchange rates, total gross revenues rose 67.7% to $270.8 million.

Forbes' brokerage revenues jumped 61.5% to 1.18 billion rand. Converted to dollars, brokerage revenues totaled $249.1 million, making Forbes Group the world's ninth-largest broker.

Before the Nelson Hurst acquisition last August, Forbes already owned almost 10% of the broker and was in a joint venture with its U.K. retail business, holding almost half the stock in Nelson Hurst UK Holdings Ltd.

"Nelson Hurst was a very important strategic acquisition, because before that, 95% of our revenue was from South Africa," said Graeme Kerrigan, Forbes' group chief executive. Now, that percentage has dropped to 75%.

As the largest broker in South Africa, Forbes previously had had a significant market share in a very well-developed insurance market. Now the broker can benefit from geographical diversification, said Mr. Kerrigan.



'Nelson Hurst was a very important strategic acquisition, because before that, 95% of our revenue was from South Africa.'

— Graeme Kerrigan

Latin America has been identified as a hot spot for development. These emerging markets have growing economies and are "not too dissimilar to South Africa," he said. Forbes understands the internal structure of these markets and is looking at "particular opportunities in niche-market business," such as health care, certain liability coverages and defined contribution pension plans.

Already having an established local presence is a distinct advantage over entering a market cold, according to Mr. Kerrigan. Although the Latin American offices represent relatively small businesses, they are efficiently run and constantly looking for new opportunities, he said.

Taking Nelson Hurst under the Forbes wing also added 13 offices in nine Southeast Asian countries.

Mr. Kerrigan is undisturbed about the recent economic slump in the area. His faith is sufficiently strong that Forbes is actively looking at acquiring new businesses in the region, particularly in Hong Kong and Singapore. Already, the broker is in a number of joint ventures, Mr. Kerrigan said. In particular, he sees opportunities in expanding Forbes' employee benefits consulting in the region.

Employee benefits consulting is one of the two main strings to Forbes' bow, with subsidiary Alexander Forbes, the fastest-growing division in the group. Last year, the benefits subsidiary's revenues soared 69%.

This meteoric growth is expected to continue, and Forbes has launched a number of new strategies, including a black empowerment benefits consulting company, NBC Consultants & Actuaries Ltd., started in March of this year (*BI*, April 13).

Empowerment strategies have been working inward as well as outward. In April, a consortium of three black investment companies, Worldwide African Investment Holdings, Malesela Holdings and Women Investment Portfolio Holdings, bought an 18.5% stake in Forbes for 571.5 million rand ($113 million), at Forbes' invitation. An immediate benefit of the deal was earmarking 291 million rand ($61.7 million) to fund new acquisitions and reduce the debt Forbes incurred in buying Nelson Hurst.

Risk management consulting and insurance brokering form Forbes' second major string under Nelson Hurst Ltd.

The risk management consulting and insurance brokering operations have been divided into:

- Price Forbes, providing insurance brokering and risk management services for large corporate and smaller commercial clients in Africa, as well as personal insurance brokering services. It also includes The Claims Management Co., a new third-party claims administrator.
- Wholesale group, comprising Nelson Hurst Aviation, Nelson Hurst Broker Services, Nelson Hurst International, Nelson Hurst Marine and Nelson Hurst North America, operating out of London.
- Physical and financial risk management, including reinsurance business in London, South Africa, Hong Kong and Mauritius under Nelson Hurst Reinsurance; Integrated Risk Consultants (Pty) Ltd., specializing in alternative risk financing; CRM International Group, providing integrated risk management strategies; and cell captive companies Euroguard Insurance Co. Ltd. and Guardrisk Insurance Co. Ltd.
- Asia and Latin America, comprising the Nelson Hurst operations in those territories and a joint venture with the Hopewell Group for South China business.
- U.K. and Europe, including Nelson Hurst Risk Services, combining the professional indemnity, financial institutions and U.K. retail operations.
- Robert Gordon Group, providing captive management and associated services and employee benefits consulting in Jersey.

Forbes also has a number of associated companies, including Thebe Hosken Group, South Africa's largest black-controlled insurance broker, in which Forbes holds 49.99% of the stock.

Seamus Casserly, managing director of Price Forbes, characterized the group's latest financial year as "highly competitive."

The competition has forced companies to innovate in order to grow, he said. Initiatives such as Euroguard, a Gibraltar-based captive operation set up in 1996 to provide professional indemnity coverage, have been designed to promote expansion. Euroguard should start showing profits within the next 18 months. "It has huge potential," he said.

Last year "was characterized by the continuation and increase in those investments, recognizing that the market is becoming more competitive as we move forward," Mr. Casserly said.

In the South African market, Price Forbes remains dominant in corporate business, he said. It remains small in the personal lines sector, which is increasingly competitive in the country, he added, though Price Forbes has launched some initiatives to increase its market share in that sector.

Forbes' office network also is under constant review.

The company now has an extensive network of offices across South Africa and has been increasing its network across the African continent with Afrinet. Forbes has a majority stake in all the companies involved in the network, which Mr. Casserly foresees as being "consolidated" in the future.

Recent additions to the network have included Malawi Insurance Brokers, based in Blantyre, Malawi, and Lumley Namibia in Namibia (*BI*, March 9; Oct. 13, 1997). It added Willis Corroon (Pvt) Zimbabwe last September as a managed joint venture, and a specialist credit broker, Johannesburg-based Owens & Davern Credit Insurance Brokers, at the beginning of this year.

Forbes set up new operations in Angola and Mozambique last year as a joint venture with Jardine Lloyd Thompson P.L.C. and also added a new claims management operation to its South African business.

In addition, Price Forbes (Mauritius) was established to deal with wholesale and reinsurance business.

"Trade in other (African territories) is through correspondent arrangements," said Mr. Casserly. For example, Forbes has informal arrangements with French broker Gras Savoye & Cie. in Francophone African countries, and Willis Corroon P.L.C. is Forbes' second preferred wholesaler, he said.

Forbes is also beefing up its international relationships. Late last year it entered a reciprocal service agreement with Lockton Cos. of Prairie Village, Kan., to provide services to both groups' clients in their various operating territories (*BI*, Oct. 6, 1997). And last month it increased its involvement with FDG S.A., a Luxembourg-based network of European brokers (*BI*, June 29).

"We need representation in Europe," said Mr. Casserly. FDG "is a non-aligned network that concentrates on the corporate market," which can provide Forbes with both servicing of its clients and new business opportunities—in a reciprocal arrangement. By entering the arrangement, "we are not exposing our flanks to the broker groups that exist," he added.

FDG describes itself as "Europe's leading truly independent insurance broking and risk consultancy organizations." It operates in 16 countries through its four European partners, Funk Group GmbH of Germany, Diot S.A. of France, GrECo International AG of Austria and J. Van Breda & Co. g.c.v in Belgium. Forbes' involvement adds another 25 countries represented through the network.

Networks are one sort of initiative Forbes will continue to pursue, said Mr. Kerrigan. "The large brokers'. . .strategies are to buy in big business elsewhere," he said. "We don't have the funds, so our strategy is to partner rather than purchase." This course substantially reduces the risk of entering new territories where the language and business culture may represent "a huge barrier," he added.

Forbes also is reluctant to enter the U.S. market in any form other than its involvement with Lockton.

Earlier this year saw a change in the executive structure of Forbes, with the retirement of Paul Heinamann as group chief executive and Mr. Kerrigan taking over the role from his previous post as joint managing director of Alexander Forbes.

Leon Lewis assumes full responsibility as managing director of the employee benefits business, while Mr. Heinamann currently remains as deputy chairman. That post will become non-executive at the end of March 1999. John Percy-Davis was appointed the chairman of Nelson Hurst Ltd. after the acquisition.

In the 52-week period that ended March 31, 1998, Forbes shares reach a high of 15.25 rand ($3.23) and a low of 7.10 rand ($1.50) on the Johannesburg Stock exchange.

—By Sarah Goddard

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701 Pennsylvania Avenue, NW, Suite 750
202-783-4400 • Fax 202-783-4410
ciab@ciab.com • www.ciab.com

10 Gras Savoye & Cie.

2-8 Rue Ancelle, 92200 Neuilly-sur-Seine, France; 331-41-43-5000;
fax: 331-41-43-5555
Internet: www.grassavoye.com

	1997	1996
Gross revenues	$247,950,000	$226,968,000
Brokerage revenues	$244,230,750	$225,833,160
Brokerage retail	87.6%	86.7%
Reinsurance	1.8%	1.2%
Personal	7.4%	9.4%
Services	1.7%	2.2%
Investment income	1.2%	0%
Other	0.3%	0.5%
Employees	1,896	1,793
Rev./employee	$128,814	$125,953
Offices	86	76

Converted at applicable exchange rates.

Gras Savoye & Cie., France's largest independent insurance broker, is quick to grant some of the credit for its 24% increase in brokerage revenues last year to its new alliance with the world's fourth-largest broker, Willis Corroon Group P.L.C.

An agreement for London-based Willis Corroon to buy 31.72% of voting rights in Gras Savoye was the most significant event of the year for the French broker. Willis Corroon also has indicated that it plans to increase its stake to a majority interest in the French broker over time.

As stated at the time of the investment, the aim of the partnership is to help the two brokers jointly secure leadership positions in chosen market sectors and to create a powerful combination in the French marketplace–and one that is especially capable of servicing multinational clients.

The alliance is all the more important to Gras Savoye after the collapse of the UNISON brokerage network, in which it was one of the leading members.

On a global basis, the new alliance combines Willis Corroon's presence in 74 countries with Gras Savoye's 33 foreign subsidiaries.

Gras Savoye, based in the Paris suburb Neuilly-sur-Seine, already serves about 5,000 corporate clients and approximately 1,000 local government authorities.

The investment by Willis Corroon renewed a long-standing relationship between the two brokers that had ended only in 1990, when Willis Corroon left the UNISON brokering network. Gras Savoye remained a member of UNISON until last year, when it dissolved after the acquisitions of its largest member, Johnson & Higgins, and many other members.

Gras Savoye's strong revenue growth last year outstripped the expectations even of its chairman and chief executive officer, Patrick Lucas, who a year ago had said he expected 1997's growth would not match the previous year's 14% improvement.

Gras Savoye's total gross revenues soared 25.2% to 1.45 billion French francs in 1997. Brokerage revenues increased 24% to 1.43 billion French francs.

When converted to U.S. dollars using average exchange rates, Gras Savoye's 1997 brokerage revenues totaled $244.2 million, up 8.1% from 1996, ranking it as the world's 10th-largest broker.

Mr. Lucas maintains that he had been overly conservative in his forecast last year because, at the time, competition was fierce, insurance rates were depressed and the French economy was having its share of problems, leaving him doubtful that the previous year's rate of growth could be maintained.

In fact, he said his forecast was correct, in a sense, because revenue growth from existing operations did amount to only 13% in 1997. Most of this increase came about through existing clients in all geographic locations placing more business with Gras Savoye.

However, approximately 11% of revenue growth came from acquisitions, including a 2.7% gain in gross revenues from Gras Savoye's absorption of Willis Corroon France S.A. in late 1997. In previous years, acquisitions had added only a few percentage points to Gras Savoye's annual revenue gains.

Other acquisitions last year include 100% of HIPCover, a French broker specializing in bloodstock insurance; 60% of Auxi Assurance, a French broker to medium-sized commercial clients; and 60% of OAAGA, a non-aviation retail broker. Gras Savoye previously had owned 40% of OAAGC, France's largest aviation insurance broker. In 1997, Gras Savoye also acquired a 35% stake in NSA, a French company that arranges warranties for used automobiles.



'Since we have done this operation with Willis, we have been able to continue our growth and get new business against the top competitors in France and elsewhere.'
— Patrick Lucas

Mr. Lucas said that, with such acquisitions and its new links to Willis Corroon, Gras Savoye does not miss the UNISON network.

While he maintains that Gras Savoye's 23-year relationship with its UNISON partners had worked very well for the French broker, Mr. Lucas said one advantage of its association with Willis Corroon is that the U.K. broker provides it with much better access to the important London insurance market for its

Continued on next page

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Continued from previous page
clients than did its previous UNISON partner, Johnson & Higgins.

J&H had "mainly concentrated on their U.S. business, which we were handling in France," he said.

Willis Corroon has been "extremely helpful, extremely reactive, extremely fast in responding to our needs," added Mr. Lucas.

In other markets, he cited Willis Corroon's acquisition of a substantial minority stake in the third-largest German broker, Jaspers Wuppesahl Industrie Assekuranz, and plans announced by Willis last month to acquire a 50% stake in Grupo Ital Brokers in Italy as signs of its partner's commitment to becoming one of the top three brokers in major countries where it operates.

This has been achieved in France, Germany and soon will be in Italy—three of the major economies in Europe. Ascendancy should take place in Spain with the planned merger of the Gras Savoye and Willis Corroon operations there. Poland is another targeted country where merging the two companies' operations should strengthen the positions of both Gras Savoye and Willis Corroon.

Only this month, Willis Corroon unveiled an agreement that will expand the network further with its acquisition of a 30% stake in the leading Danish insurance broker and employee benefits consultant Assurandorgruppen, also with the right to increase the stake to a majority shareholding over time. Willis Corroon said, after this deal was announced, that it is among the top three brokers in each of the major economies of Western Europe.

Willis Corroon's stronger presence in North America is another benefit cited by Mr. Lucas. This is particularly useful in arranging coverage for the U.S. exposures of French multinational clients, although Mr. Lucas said Gras Savoye now expects to receive business handling the French accounts of Willis Corroon's North American clients.

Mr. Lucas maintains that this growing network of Gras Savoye and Willis Corroon is enough to keep them in competition against the major global brokers.

"If we see what has happened in the last six months, or since we have done this operation with Willis, obviously we have been able to continue our growth and get new business," he said.

Major clients also are satisfied with the Gras Savoye/Willis Corroon network, he believes. "They like the network as it is—the clients, the market, insurance and reinsurance, and even competitors—for some of them say that we have made a pretty good network with a lot of potential," Mr. Lucas stated.

As with its other recent acquisitions, Willis Corroon has ensured that it can increase its shareholding in Gras Savoye to a majority stake over time.

Under the terms of the July 1997 agreement with Gras Savoye, Willis Corroon can increase its shareholding to more than 50% after 12 years, though it can do so after three years with the consent of existing owners. These owners include the managing partners, Patrick Lucas, Emmanuel Gras and Daniel Naftalski, and family descendants of the founders, who together hold 43.36%.

Two French insurers, AXA Group and Athena Assurances, each hold 10.01%. The remaining 4.9% is held by GS Euro Finance, a Belgian company controlled by the owning families.

Mr. Lucas maintains that, with cooperation developing between the two brokers to the mutual advantage of all concerned, the prospect of Willis Corroon gaining control is not one that concerns him.

Nor, he maintains, does it worry Gras Savoye's clients.

"Our multinationals are extremely happy with the decision we have made. ...I've seen a number of them in the last month, as we do every year with our big clients, and they are all very pleased with the way the business has been developing for them," Mr. Lucas said.

Because Willis Corroon completed the acquisition of its stake in Gras Savoye only toward the end of 1997, Mr. Lucas maintains it is in 1998 that the real benefits of the partnership should become apparent.

While Mr. Lucas once again predicted that continued strong competition will not allow revenue growth this year to match last year's exceptional gains, he nevertheless expects Gras Savoye to produce "a nice increase in growth."

Among those areas where the partnership should start showing benefits, Mr. Lucas singled out Inspace France, an alliance with Willis Corroon that was launched in January. Inspace offers insurance and reinsurance brokerage services, as well as risk management consulting, for satellites and other space-related risks.

Mr. Lucas predicted that Inspace France will significantly enhance Gras Savoye's presence in the space insurance marketplace. Although hesitant to name new clients, he said a number are "in the pipeline."

On the reinsurance side, the merger of Gras Savoye's operations in France with Willis Corroon "gives a pretty good size and a pretty efficient team" and has resulted in an increase in business with the 1998 renewal round.

Mr. Lucas forecast that reinsurance brokering revenues could reach almost 40 million francs ($6.6 million) in 1998, nearly double their level for 1997 and well ahead of the 14 million francs ($2.7 million) achieved in 1996 by Gras Savoye Reassurances on its own.

Gras Savoye also has done considerable business this summer as brokers for France 98, the World Cup soccer competition that took place at stadiums throughout France during June and July.

The broker has considerable experience in arranging insurance for major sporting events and already was the broker for the new Stade de France sports stadium in Paris, which was the location for a number of this year's World Cup matches. For France 98, Gras Savoye arranged the insurance coverage on liability risks, property, the motor fleet used to ferry players and officials, and on spectators attending all the soccer games throughout the country.

Gras Savoye reported a total of 86 offices for 1997, up from 76 in 1996. Of those, it has 19 regional French offices, the same as a year ago. It increased the number of its overseas subsidiaries by four to 33. These include a 45% stake in Gestassur, a general commercial broker in Geneva, Switzerland, and three more African offices—in Equatorial Guinea, Malawi and Niger—to give it a total of 14 African offices.

—By Edwin Unsworth

27th annual international directory of agents and brokers

A

ABN AMRO Verzekeringen

Prins Bernhardstraat 1,
Zwolle, Holland; 31-38-499-2106;
fax: 31-38-499-2084

	1997	1996
Premium volume	$970,000,000*	$940,800,000*
Gross revenues	$165,988,641*	$169,067,052*
Brokerage rev.	$163,565,207*	$166,700,113*
Non-U.S. clients	100%	100%
Brokerage: Retail	32.06%	36.46%
Non-U.S. offices	$53,215,959*	$61,641,847*
Wholesale	7.41%	9.06%
Personal lines	59.07%	53.08%
Invstmt. income	1.46%	1.40%
Employees	1,249	1,160
Retail offices	11	33

** Converted at applicable exchange rates.*

Retail brokerage: 100% commissions.

Officers: C.H. Sipsma, J.F. Haverkort, L. van Herk.

Contact: J.F. Haverkort.

AIA Inc. dba Alliance Insurance Agency

21515 Van Owen St., Suite 103,
Canoga Park, Calif. 91356;
818-999-6014; fax: 818-999-1688
http://www.ins-solver.com

	1997	1996
Premium volume	$25,000,000	$28,000,000
Gross revenues	$2,900,000	$3,300,000
Brokerage rev.	$2,900,000	$3,300,000
U.S. clients	100%	100%
Brokerage: Retail	100%	100%
U.S. offices	$2,900,000	$3,300,000
Employees	29	30
Retail offices	1	1

Founded: 1985.

Retail brokerage: 95% commissions, 5% fees.

Contact: William A. White, president.

Acordia Inc.

111 Monument Circle, Suite 3200,
Indianapolis, Ind. 46204;
317-488-2500; fax: 317-488-2512

Founded: 1989.

Officers: Frank Witthun, president/CEO; Bob Nevins, executive vp/COO; John C. Crane, CFO; Charles Ruoff, senior vp/chief marketing officer; John J. O'Connor, vp/chief human resource officer.

Contact: Frank Witthun.

See profile on page 38.
See geographical listing on page 60.

AirSure Ltd.

25548 Genesee Trail Road,
Golden, Colo. 80401;
303-526-5300; fax: 303-526-5303

	1997	1996
Premium volume	$37,939,868	$31,813,448
Gross revenues	$4,757,096	$3,846,731
Brokerage rev.	$4,426,728	$3,670,713
U.S. clients	93%	95%
Non-U.S. clients	7%	5%
Brokerage: Retail	85%	86%
U.S. offices	$4,043,532	$3,308,189
Wholesale	4%	5%
Personal	3%	3%
Services	1%	1%
Invstmt. income	7%	5%
Employees	20	17
Retail offices	3	3

Founded: 1984.

Parent: AirSure Ltd. Holdings Inc.

Retail brokerage: 97% commissions, 3% fees.

Retail brokerage offices: Boise, Idaho; Philadelphia.

Licensed excess/surplus broker in: Colorado, Idaho, Pennsylvania.

Officers: Bill Behan, president; Anne Salemmo, senior vp; Trish Courtney, CFO; Todd Guelich, vp-sales; Bill Tabbert, general manager.

Contact: Bill Behan.

Alburger Basso de Grosz Insurance Services Inc.

301 Island Parkway,
Belmont, Calif. 94002;
650-598-0900; fax: 650-508-4263
http://www.abdi.com

	1997*	1996*
Premium volume	$600,000,000	$560,000,000
Gross revenues	$48,043,000	$44,000,000
Brokerage rev.	$46,601,710	$42,768,000
U.S. clients	100%	100%
Brokerage: Retail	89%	84.9%
U.S. offices	$42,758,270	$37,350,000
Personal	4.7%	5.1%
Services	3.3%	7.2%
Invstmt. income	3.0%	2.8%
Employees	364	335
Retail offices	5	6

** Fiscal years ending 1/31/98 and 1/31/97.*

Founded: 1946.

Employee benefits: 24.1% of revenues in 1997.

Acquisitions: Alexander & Alexander, Stockton, Calif., January 1997; Minet, Palo Alto, Calif., June 1997.

Retail brokerage offices: Capitola, Orange, Petaluma and Sacramento, Calif.

Licensed excess/surplus broker in: California.

Officers: Frederick J. de Grosz, president/CEO; Bruce Basso, chairman; Samuel Jones, George Jaynes, Andrew Sterngold, James Mizell, executive vps.

Contact: Frederick J. de Grosz.

Allied American Insurance Agency Inc.

233 W. Central St.,
Natick, Mass. 01760;
508-651-7700; fax: 508-647-3242

	1997	1996
Premium volume	$92,000,000	$102,000,000
Gross revenues	$13,778,000	$13,437,686
Brokerage rev.	$13,709,110	$13,370,498
U.S. clients	100%	100%
Brokerage: Retail	27.8%	28%
U.S. offices	$3,830,284	$3,762,552
Personal lines	71.7%	71.5%
Invstmt. income	0.5%	0.5%
Employees	187	195
Retail offices	23	23

Founded: 1993.

Retail brokerage: 100% commissions.

Employee benefits: 1.5% of revenues in 1997.

Retail brokerage offices: 23 locations in Massachusetts and Vermont.

Licensed excess/surplus broker in: Massachusetts.

Officers: Hope A. Aldrich, president/CEO; Mark Levine, John F. Koegel, senior vps; Mark S. Molloy, vp.

Contact: John F. Koegel.

Allied Coverage Corp.

390 N. Broadway,
Jericho, N.Y. 11753;
516-733-9200; fax: 516-681-7460
http://www.alliedcompanies.com

	1997*	1996*
Premium volume	$150,000,000	$140,000,000
Gross revenues	$16,850,000	$14,790,000
Brokerage rev.	$16,500,000	$14,500,000
U.S. clients	100%	100%
Brokerage: Retail	91%	91%
U.S. offices	$15,015,000	$13,195,000
Wholesale	6%	5%
Personal	1%	2%
Invstmt. income	2%	2%
Employees	130	115
Retail offices	7	5

** Fiscal years ending 11/30/97 and 11/30/96.*

Founded: 1979.

Retail brokerage: 87% commissions, 13% fees.

Employee benefits: 1% of revenues in 1997.

Retail brokerage offices: Allied Brokerage Services Group Inc., Cranford, N.J.; Allied Coverage Corp. (CIC), Tarrytown, N.Y.; Allied Coverage Corp. (UTCA), Lakewood, N.J.; Allied Coverage Corp. of Georgia, Atlanta; Allied Coverage Corp. of Texas, Dallas; Project Technologies International L.L.C., Atlanta.

Non-retail brokerage subsidiaries: Atlantic Star Intermediaries Inc., Jericho, N.Y.

Officers: William A. Marino, CEO-The Allied Group; Henry C. Lombardi, president-The Allied Group; Anthony J. Auliano, CFO-The Allied Group; David H. Stevenson, executive vp-Allied Coverage Corp.; Nicholas E. Castellano, president-Allied Brokerage Services Group Inc.; David Marino, executive vp-Atlantic Star Intermediaries Inc.; Edward McCormick, president-Project Technologies International L.L.C.; Parker Hix, president-Allied Coverage Corp. of Georgia; Steve Davies, president-Allied Coverage Corp. of Texas.

Contact: Henry C. Lombardi.

Alper Services Inc.

60 W. Superior St.,
Chicago, Ill. 60610;
312-642-1000; fax: 312-944-7000

	1997	1996
Premium volume	$32,000,000	$31,000,000
Gross revenues	$5,000,000	$4,900,000
Brokerage rev.	$4,800,000	$4,704,000
U.S. clients	99%	99%
Non-U.S. clients	1%	1%
Brokerage: Retail	76%	76%
U.S. offices	$3,800,000	$3,725,000
Personal	5%	5%
Services	15%	15%
Invstmt. income	3%	3%
Other	1%	1%
Employees	49	49
Retail offices	1	1

Founded: 1966.

Retail brokerage: 95% commissions, 5% fees.

Employee benefits: 6% of revenues in 1997.

Licensed excess/surplus broker in: Illinois.

Officers: Howard C. Alper, president/CEO; Craig A. Kanter, executive vp/COO; John A. Hamilton, executive vp-sales; Herbert M. Singer, Russell M. Cortino, executive vps.

Contact: Howard C. Alper.

American Phoenix Corp.

10 State House Square,
Hartford, Conn. 06103;
860-247-1811; fax: 860-278-8620
http://www.americanphoenix.com

	1997	1996
Premium volume	$645,127,000	$602,185,000
Gross revenues	$70,964,000	$66,240,437
Brokerage rev.	$70,964,000	$65,578,033
U.S. clients	97.5%	98%
Non-U.S. clients	2.5%	2%
Brokerage: Retail	81%	80%
U.S. offices	$57,480,840	$52,992,350
Wholesale	1%	1%
Reinsurance	3%	3%
Personal	15%	15%
Invstmt. income	NA	1%
Employees	620	602
Retail offices	16	17

Founded: 1981.

Parent: Phoenix Home Life Mutual Insurance Co.

Retail brokerage: 96% commissions, 4% fees.

Employee benefits: 10% of revenues in 1997.

Acquisitions: McCay Corp., Bordentown, N.J., September 1997.

Retail brokerage offices: Hartford, Conn.; Gainesville, Miami, Orlando, St. Petersburg and Sarasota, Fla.; Atlanta; Baltimore, Md.; Lowell, Mass.; Bordentown and Fairfield, N.J.; Jamestown and New York, N.Y.; Chambersburg and Philadelphia, Pa.; London; Howard Hall Agency, Gainesville, Fla.; McCay Corp., Bordentown, N.J.

Non-retail brokerage subsidiaries: American Phoenix Managing Agency Group, Hartford, Conn.; Premium Funding Assn., Hartford, Conn.; Lees Preston Fairy Ltd., London.

Licensed excess/surplus broker in: Connecticut, Florida, Pennsylvania.

Officers: Martin L. Vaughan III, president; Paul J. Zimmerman, executive vp-operations; Karl E. Manke, vp-sales/marketing; David R. Pellerin, vp-finance.

Contact: Martin L. (Mell) Vaughan.

Anchor Pacific Underwriters Inc.

1800 Sutter St., Suite 400,
Concord, Calif. 94520;
925-682-7707; fax: 925-356-2400
or 925-677-3210

	1997	1996
Premium volume	$190,000,000	$113,000,000
Gross revenues	$16,100,000	$9,922,000
Brokerage rev.	$15,617,000	$9,624,340
U.S. clients	100%	100%
Brokerage: Retail	18%	30%
U.S. offices	$2,898,000	$2,977,000
Personal	4%	6%
Services	75%	61%
Invstmt. income	3%	3%
Employees	248	115
Retail offices	5	3

Founded: 1986.

Retail brokerage: 95% commissions, 5% fees.

Employee benefits: 75% of revenues in 1997.

Acquisitions: Pacific Heritage Administrators, Portland, Ore., December 1997.

Retail brokerage offices: Putnam, Knudsen & Wieking Inc., Concord, Calif.

Non-retail brokerage subsidiaries: Harden & Co. of Arizona, Scottsdale, Ariz.; Harden & Co. of California, Concord, Calif.; Pacific Heritage Administrators of Nevada, Las Vegas; Pacific Heritage Administrators of Oregon, Portland, Ore.

Officers: James R. Dunathan, president/CEO; Earl Wiklund, CEO-TPA division; Carol Haynosch, senior vp; Lynn Boyd, president-California operations; Thomas Hedford, president-Oregon operations; Robert Rath, president-Arizona operations; Chris Behrens, COO-P&C operations.

Contact: James R. Dunathan.

Continued on next page

Explanation of directory terms

Listings in the 1998 directory of agents and brokers are based upon each company's response to a *Business Insurance* questionnaire.

The directory is published as an editorial service; there is no charge to be included. However, companies must generate at least $500,000 in gross revenues from commercial retail brokerage in order to be listed in the directory.

Listings begin with the address, telephone and fax number of the company.

Next, **premium volume**, **gross revenues** and **brokerage revenues** for both 1997 and 1996 are listed. The brokerage revenue figures are new to the directory this year. Brokerage revenues include all revenues generated by insurance brokerage, consulting and related services, as well as any income from funds held in a fiduciary capacity. Investment income on corporate funds and revenues from services such as underwriting, investment services and real estate were excluded from the brokerage revenues.

The percentage of brokerage revenues generated from **U.S.-based clients** and **non-U.S.-based clients** is also provided. The percentage of gross revenues generated from commercial **retail brokerage** is listed next, followed by a breakdown in dollars as generated through **U.S. offices** vs. **non-U.S. offices**. In addition, the percentages of gross revenues generated from **wholesale** brokerage, **reinsurance** brokerage, **personal lines** brokerage, fee-based services, **investment income** (earned on corporate funds) and **other** activities are reported.

The number of **employees** in insurance brokerage, consulting and related services is reported in full-time equivalent for both 1997 and 1996, as well as the number commercial retail brokerage **offices** for both years.

Each listing also indicates the year that the company was **founded**, the **parent** company and a breakout of the commercial retail brokerage revenues into the percentage from commissions vs. the percentage from fees. The percentage of revenues derived from employee benefit business in 1997 is also provided.

Acquisitions and mergers in 1997 and 1998 are detailed next, including the name and location of the companies involved and the month and year that the merger or acquisition took place. The names and locations of **retail brokerage branch offices** and **non-retail brokerage subsidiaries** are provided next, followed by a list of the states in which companies are **licensed as excess/surplus lines brokers**. Principal **officers** and a **contact** for readers seeking more information complete each listing.

If you wish to locate a company by state or country, refer to the geographical indexes at the end of the directory. Locations of home offices and retail brokerage branch offices are included in the indexes.

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 1 chart, except the following: Austrian schilling=$0.082 (FYE 12/31/97), $0.094 (FYE 12/31/96); Brazilian real=$0.926 (FYE 12/31/97), $0.990 (FYE 12/31/96); Canadian dollar=$0.720 (FYE 12/31/97), $0.733 (FYE 12/31/96), $0.712 (FYE 3/31/98), $0.734 (FYE 3/31/97), $0.731 (FYE 7/31/97), $0.735 (FYE 7/31/96), $0.729 (FYE 9/30/97), $0.733 (FYE 9/30/96); Colombian peso=$0.001 (FYE 12/31/97), $0.001 (FYE 12/31/96); Dutch guilder=$0.511 (FYE 12/31/97), $0.588 (FYE 12/31/96); German mark=$0.575 (12/31/97), $0.665 (FYE 12/31/96); Japanese yen=$0.008 (FYE 3/31/98), $0.009 (FYE 3/31/97); Mexican peso=$0.126 (FYE 12/31/97), $0.131 (FYE 12/31/96).

The information in each listing was compiled by *BI* based on data supplied by the agents and brokers. Although every effort is made to publish complete and accurate information, no public records are available against which to verify the information supplied by privately held brokers.

If your company generates at least $500,000 in revenues from commercial retail brokerage but was not included in this year's directory, please contact Assistant Directory Editor Matt Scroggins at 312-649-5483 and request a questionnaire for next year.

Continued from previous page

Anco Insurance Managers Inc.

1733 Briarcrest Drive,
Bryan, Texas 77802;
409-776-2626; fax: 409-776-1308
http://www.anco.com

	1997	1996
Premium volume	**$96,904,393**	$76,023,426
Gross revenues	**$11,842,165**	$12,014,284
Brokerage rev.	**$11,250,057**	$11,173,284
U.S. clients	**100%**	100%
Brokerage: Retail	**52%**	46%
U.S. offices	**$6,157,926**	$5,526,572
Wholesale	**6%**	7%
Personal	**36%**	35%
Services	**1%**	5%
Invstmt. income	**2%**	4%
Other	**3%**	3%
Employees	**145**	148
Retail offices	**11**	11

Founded: 1873.
Retail brokerage: 100% commissions.
Employee benefits: 2% of revenues in 1997.
Retail brokerage offices: Anco Alliance, Fort Worth and Grand Prairie, Texas; Anco Insurance Capitol City, Austin, Texas; Anco DFW, Dallas; Anco Jernigan-Dabney, Livingston, Texas; Anco Metroplex, Arlington, Texas; Anco Pioneer Mart, Mart, Texas; Anco Insurance of The Woodlands, The Woodlands, Texas; Anco U.S. Producers Group, Lubbock, Texas; Anco Wessendorff, Richmond, Texas.
Non-retail brokerage subsidiaries: AIM Premium Finance Inc.
Licensed excess/surplus broker in: Texas.
Officers: M.L. Cashion, chairman emeritus; Norman Kiecke, president; Dick Haddox, chairman; Adrian McDonald, senior vp; Joyce Pankonien, senior vp/CFO.
Contact: Joyce Pankonien.

Andreini & Co.

220 W. 20th Ave.,
San Mateo, Calif. 94403,
650-573-1111; fax: 650-378-4361

	1997	1996
Gross revenues	**$21,076,000**	$20,767,000
Brokerage rev.	**$20,654,480**	$20,351,660
U.S. clients	**100%**	100%
Brokerage: Retail	**96%**	96%
U.S. offices	**$20,232,960**	$19,936,320
Personal	**2%**	2%
Invstmt. income	**2%**	2%
Employees	**157**	160
Retail offices	**9**	9

Founded: 1951.
Retail brokerage: 98% commissions, 2% fees.
Employee benefits: 20% of revenues in 1997.
Retail brokerage offices: Scottsdale, Ariz; Irvine, Modesto, Oxnard, Salinas, San Mateo, Santa Monica, Stockton and Visalia, Calif.
Officers: John A. Andreini, chairman; Michael J. Colzani, CEO; Daniel L. Centoni, COO; David Hoskins, senior vp.
Contact: John A. Andreini.

Aon Corp.

123 N. Wacker Drive,
Chicago, Ill. 60606;
312-701-3000; fax: 312-845-1294
http://www.aon.com

Officers: Patrick G. Ryan, chairman/president/CEO-Aon Corp.; Harvey N. Medvin, executive vp/CFO/treasurer; Raymond I. Skilling, executive vp/chief counsel; Charles H. Chapman, executive vp-business systems solutions; Michael D. O'Halleran, president-Aon Group Inc.; Daniel T. Cox, chairman-Aon Consulting Worldwide Inc.; Ronald A. Iles, chairman-Aon Re Worldwide Inc.; Dennis L. Mahoney, chairman-Aon Group Ltd.; Michael D. Rice, chairman-Aon Services Group Inc.; Dirk P.M. Verbeek, chairman-Aon Risk Services Cos. Inc.
Contact: Joan E. Steel, 312-701-3016.

See profile on page 24.
See geographical listing on page 60.

Associated Agencies Inc.

1701 Golf Road, 3 Continental Towers, Suite 700,
Rolling Meadows, Ill. 60008;
847-427-8400; fax: 847-427-3559

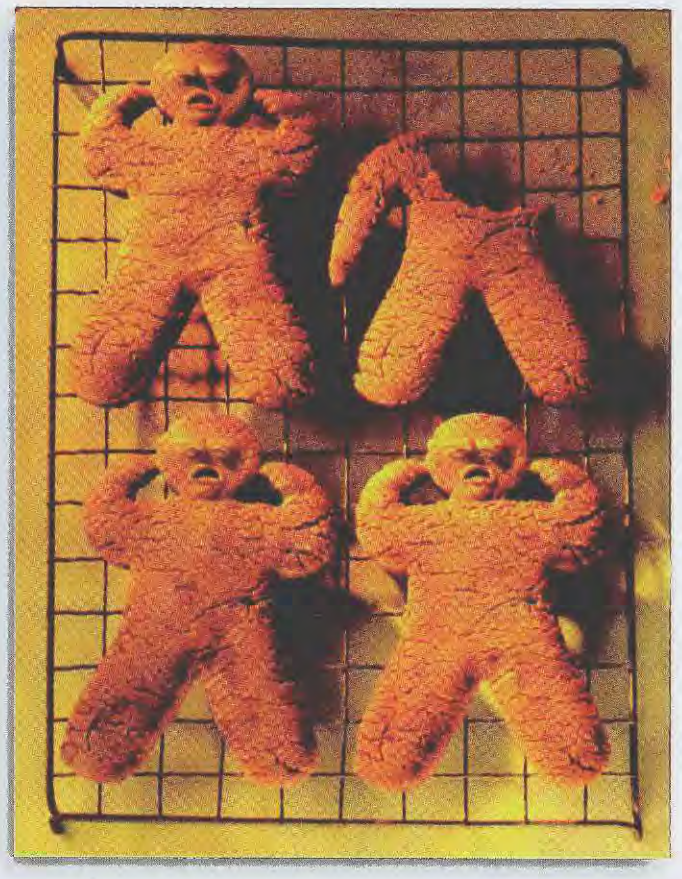
	1997	1996
Premium volume	**$125,000,000**	$124,000,000
Gross revenues	**$14,650,000**	$14,700,000
Brokerage rev.	**$14,210,500**	$14,700,000
U.S. clients	**100%**	100%
Brokerage: Retail	**64%**	65%
U.S. offices	**$9,376,000**	$9,555,000
Personal	**24%**	25%
Services	**9%**	10%
Invstmt. income	**3%**	NA
Employees	**90**	92
Retail offices	**3**	3

Founded: 1889.
Retail brokerage: 90% commissions, 10% fees.
Employee benefits: 44% of revenues in 1997.
Retail brokerage offices: Chicago and Downers Grove, Ill.

Continued on next page

ATLANTA BOSTON CHICAGO
MINNEAPOLIS NEW YORK PHILADELPHIA SEATTLE
SAN FRANCISCO TORONTO CHARLOTTE

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Umbrella
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Accident & Health
Property Catastrophe
Workers Compensation

DALLAS HARTFORD LOS ANGELES

Continued from previous page

Officers: Robert M. Schrayer, president; Max R. Schrayer II, Karen Z. Vacko, Arthur B. Friedman, executive vps.; Thomas J. Schaffler, senior vp.

Contact: Robert M. Schrayer, 847-427-3500.

Associated Insurance Group

150 Weldon Parkway,
St. Louis, Mo. 63043;
800-737-0100; fax: 314-432-3100

	1997	1996
Premium volume	$32,000,000	$21,000,000
Gross revenues	$2,700,000	$1,800,000
Brokerage rev.	$2,673,000	$1,800,000
U.S. clients	100%	100%
Brokerage: Retail	84%	80%
U.S. offices	$2,700,000	$1,440,000
Personal	10%	20%
Services	5%	NA
Invstmt. income	1%	NA
Employees	39	32
Retail offices	3	3

Founded: 1958.

Retail brokerage: 98% commissions, 2% fees.

Employee benefits: 5% of revenues in 1997.

Retail brokerage offices: Associated Insurance Group/ISC, Granite City, Ill.; Associated Insurance Group, Crystal City, Mo.

Licensed excess/surplus broker in: Missouri.

Officers: George S. Wherry, president; Gregory G. Wherry, vp.

Contact: Gregory G. Wherry.

Aviation Insurance Services

333 N. Rancho Drive, Suite 400,
Las Vegas, Calif. 89106;
702-647-2333; fax: 702-647-5433

	1997*	1996*
Premium volume	$45,000,000	$42,000,000
Gross revenues	$4,075,000	$4,025,000
Brokerage rev.	$4,075,000	$4,025,000
U.S. clients	83%	90%
Non-U.S. clients	17%	10%
Brokerage: Retail	91.7%	89.6%
U.S. offices	$3,736,775	$3,606,400
Wholesale	1%	1%
Reinsurance	7%	9%
Services	0.3%	0.4%
Employees	25	20
Retail offices	3	3

** Fiscal years ending 6/30/97 and 6/30/96.*

Founded: 1977.

Parent: Aviation Insurance Holdings Inc.

Retail brokerage: 90% commissions, 10% fees.

Retail brokerage offices: Miami; Las Vegas; Salt Lake City.

Licensed excess/surplus broker in: Florida, Nevada, Utah.

Officers: Ronald A. Hill, chairman/CEO; Richard R. Gorsuch, vice chairman; Leslie C. De Wald, president-Utah; William F. Willer, president-Florida; Teresa K. Heckart, vp-finance/CFO.

Contact: Richard R. Gorsuch.

B

BB&T Insurance Services Inc.

P.O. Box 31128,
Raleigh, N.C. 27622;
919-716-9777; fax: 919-716-9783
http://www.bbandt.com

	1997	1996
Premium volume	$568,184,000	$387,770,000*
Gross revenues	$79,315,300	$66,961,800*
Brokerage rev.	$65,584,000	$53,416,000*
U.S. clients	100%	100%
Brokerage: Retail	38%	34%*
U.S. offices	$30,168,640	$22,852,780*
Personal lines	44%	45%*
Services	1%	1%
Other	17%	20%*
Employees	381	349
Retail offices	37	27

** Restated.*

Founded: 1922.

Parent: BB&T Corp.

Retail brokerage: 97% commissions, 3% fees.

Employee benefits: 3.5% of revenues in 1997.

Acquisitions: W.C. Brown Insurance Services, Rocky Mountain, Va., March 1998; Century Title Insurance, Woodbridge, Va., April 1998; Consumers Title, Fayetteville, N.C., September 1997; DeJarnette & Paul, Richmond, Va., January 1998; McPhail Bray Insurance, Center, July 1997.

Retail brokerage offices: 31 locations in North Carolina, South Carolina and Virginia.

Non-retail brokerage subsidiaries: Wilson, N.C.; Greenville, S.C.; Century Title, Woodbridge, Va.; Consumers Title, Fayetteville, N.C.; Prime Rate Premium Finance, Florence, S.C.

Licensed excess/surplus broker in: North Carolina, South Carolina, Virginia.

Officers: H. Wade Reece, president; Paula J. Farrell, David M. Wells, Thomas M. Fields, Michael N. Cockerham, Bill West, James F. Farmer, Walter Robertson, senior vps.

Contact: H. Wade Reece.

The BGS&G Cos.

44 Baltimore St.,
Cumberland, Md. 21502;
301-777-1500; fax: 301-724-3953
http://www.bgsg.com

	1997	1996
Premium volume	$58,000,000	$60,500,000
Gross revenues	$14,300,000	$14,500,000
Brokerage rev.	$14,157,000	$14,355,000
U.S. clients	99%	99%
Non-U.S. clients	1%	1%
Brokerage: Retail	40%	44%
U.S. offices	$5,720,000	$6,380,000
Wholesale	4%	4%
Personal lines	10%	10%
Services	45%	41%
Invstmt. income	1%	1%
Employees	150	156
Retail offices	8	9

Retail brokerage: 90% commissions, 10% fees.

Employee benefits: 23% of revenues in 1997.

Acquisitions: Dunn Agency, Uniontown, Pa., November 1997; Gibson Agency, Windber, Pa., September 1997.

Retail brokerage offices: Cumberland, Hagerstown, Oakland and Silver Spring, Md.; Johnstown and Uniontown, Pa.; Keyser and Wheeling, W.Va.

Licensed excess/surplus broker in: Maryland, Pennsylvania.

Officers: Marc E. Zanger, chairman/CEO; Robert H. Garner, vice chairman/CFO; Randolph B. Screen, senior vp/director-property casualty operations; Jon E. Ketzner, senior vp/director-consulting services operations; H. Glenn Twigg, senior vp.

Contact: Randy Screen, 814-532-8300.

BWD Group Ltd.

3000 Marcus Ave.,
Lake Success, N.Y. 11042;
516-327-2700; fax: 516-327-2770

	1997	1996
Premium volume	$190,000,000	$185,000,000
Gross revenues	$17,350,000	$16,500,000
Brokerage rev.	$17,176,500	$16,335,000
U.S. clients	99%	99.5%
Non-U.S. clients	1%	0.5%
Brokerage: Retail	73%	75%
U.S. offices	$12,665,500	$12,375,000
Wholesale	15%	15%
Personal	10%	9%
Services	1%	NA
Invstmt. income	1%	1%
Employees	136	135
Retail offices	2	2

Founded: 1929.

Retail brokerage: 90% commissions, 10% fees.

Employee benefits: 12% of revenues in 1997.

Retail brokerage offices: Stamford, Conn.; Lake Success, N.Y.

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

Officers: Roger A. Blumencranz, CEO; Stuart B. Wilkins, COO; Marc J. Blumencranz, Eric S. Blumencranz, vps; Robert L. Dubofsky, managing director.

Contact: Marc J. Blumencranz, 516-327-2730.

Sid Banack Insurance

P.O. Box 130,
Vero Beach, Fla. 32961;
561-562-3369; fax: 561-562-3466
http://www.banack.com

	1997	1996
Premium volume	$35,000,000	$32,000,000
Gross revenues	$3,896,064	$3,227,751
Brokerage rev.	$3,311,654	$2,743,588
U.S. clients	100%	100%
Brokerage: Retail	77%	77%
U.S. offices	$2,999,969	$2,485,368
Personal	8%	8%
Other	15%	15%
Employees	48	44
Retail offices	3	4

Founded: 1983.

Retail brokerage: 100% commissions.

Employee benefits: 10% of revenues in 1997.

Retail brokerage offices: Melbourne, North Palm Beach and Vero Beach, Fla.

Officers: Sidney M. Banack Jr., president; Michael W. Harris, George G. Thistle, vps; Cheryl B. Roseland, secretary/treasurer.

Contact: Cheryl B. Roseland.

Beam, Cooper, Gainey & Associates

810 Arendell St., P.O. Box 2000,
Morehead City, N.C. 28557;
252-726-4131; fax: 252-726-8801
http://www.bcginsurance.com

	1997	1996
Premium volume	$68,613,427	$63,659,946
Gross revenues	$7,623,714	$6,701,047
Brokerage rev.	$7,318,765	$6,500,016
U.S. clients	99%	99%
Non-U.S. clients	1%	1%
Brokerage: Retail	39%	42%
U.S. offices	$2,973,248	$2,814,440
Wholesale	42%	40%
Personal	15%	15%
Invstmt. income	1.5%	1%
Other	2.5%	2%
Employees	74	70
Retail offices	4	4

Founded: 1937.

Retail brokerage: 99% commissions, 1% fees.

Employee benefits: 11% of revenues in 1997.

Retail brokerage offices: Emerald Isle, Greenville, Louisburg and Morehead, N.C.

Licensed excess/surplus broker in: Georgia, New Jersey, North Carolina, South Carolina and Virginia.

Officers: John W. Gainey III, president; T. Morton Menaugh, senior vp/COO.

Contact: T. Morton Menaugh.

Beauchamp & McSpadden Inc.

231 W. Canal St., P.O. Box 687,
Wabash, Ind. 46992;
219-563-8821; fax: 219-563-3226
http://www.bmins.com

	1997	1996
Premium volume	$20,492,000	$21,338,000
Gross revenues	$2,776,115	$2,803,000
Brokerage rev.	$2,381,907	$2,404,974
U.S. clients	100%	100%
Brokerage: Retail	50.8%	57.5%
U.S. offices	$1,410,266	$1,611,700
Personal	35%	28.3%
Invstmt. income	3.7%	1.6%
Other	10.5%	12.6%
Employees	40	44
Retail offices	4	4

Founded: 1927.

Retail brokerage: 95.5% commissions, 4.5% fees.

Employee benefits: 4.9% of revenues in 1997.

Retail brokerage offices: North Manchester and Warsaw, Ind.; Morrison Gallilher Inc., Muncie, Ind.

Licensed excess/surplus broker in: Indiana.

Officers: Robert W. Beauchamp, president; Joseph W. McSpadden, vp/secretary; Larry D. McSpadden, vp; Michael J. Beauchamp, vp/treasurer.

Contact: Robert W. Beauchamp.

Berwanger Overmyer Associates

2245 Northbank Drive,
Columbus, Ohio 43220;
614-457-7000; fax: 614-457-1507
http://www.boa-ins.com

	1997	1996
Premium volume	$158,500,000	$150,000,000
Gross revenues	$15,049,385	$14,108,683
Brokerage rev.	$14,597,903	$13,685,422
U.S. clients	100%	100%
Brokerage: Retail	78.5%	80.9%
U.S. offices	$11,813,767	$11,413,925
Wholesale	1.5%	1.5%
Personal	5.4%	5.1%
Services	12%	9.5%
Invstmt. income	2.6%	2.8%
Other	NA	0.2%
Employees	157	153
Retail offices	2	2

Founded: 1973.

Retail brokerage: 90% commissions, 10% fees.

Employee benefits: 40% of revenues in 1997.

Acquisitions: InsuranceOhio, Columbus, Ohio, April 1998.

Retail brokerage offices: Cincinnati.

Licensed excess/surplus broker in: Ohio.

Officers: Edwin L. Overmyer, president/CEO; Joseph M. Berwanger, executive vp/secretary; Jerry L. Esselstein, COO/treasurer; Richard H. Moore, Richard W. Daley, executive vps.

Contact: Edwin L. Overmyer.

The geographical index of agents and brokers begins on page 60.

Grupo Bobadilla y Rehder Agente de Seguros y de Fianzas S.A. de C.V.

Av. Cuauhtemoc 1217-202,
Col. Letran Valle,
Mexico City, DF 03610, Mexico;
525-605-9601; fax: 525-688-7743

	1997	1996
Premium volume	$11,255,537*	$11,664,375*
Gross revenues	$1,266,557*	$1,529,260*
Brokerage rev.	$1,266,304*	$1,500,969*
U.S. clients	19%	19%
Non-U.S. clients	81%	81%
Brokerage: Retail	95.79%	96.15%
Non-U.S. offices	$1,213,235*	$1,470,383*
Personal lines	4.19%	2%
Invstmt. income	0.02%	1.85%
Employees	17	25
Retail offices	1	1

** Converted at applicable exchange rates.*

Founded: 1988.

Retail brokerage: 100% commissions.

Employee benefits: 13.37% of revenues in 1997.

Officers: Oscar Bobadilla, president/CEO; Armando Mata, COO; Abelardo Angulo, technical director; Enrique Barragan, senior account executive; Gerardo Camarena, senior account executive-international.

Contact: Oscar Bobadilla.

Bollinger Fowler Co.

830 Morris Turnpike,
Short Hills, N.J. 07078;
973-467-0444; fax: 973-467-0190
http://www.bollingerfowler.com

	1997	1996
Premium volume	$180,000,000	$160,000,000
Gross revenues	$27,565,753	$25,774,710
Brokerage rev.	$27,565,753	$25,774,710
U.S. clients	100%	100%
Brokerage: Retail	35%	45%
U.S. offices	$9,648,014	$11,598,620
Wholesale	39%	37%
Personal lines	21%	18%
Services	5%	NA
Invstmt. income	0%	0%
Employees	170	177
Retail offices	2	2

Founded: 1876.

Retail brokerage: 90% commissions, 10% fees.

Employee benefits: 15% of revenues in 1997.

Retail brokerage offices: Greenwich, Conn.; Short Hills, N.J.

Licensed excess/surplus broker in: New Jersey.

Officers: John A. Windolf, chairman/CEO/president; Douglas T. Cook, executive vp; G. Alex Crispo, vp/general counsel; Christopher H. Wetzel, treasurer.

Contact: G. Alex Crispo.

Bolton & Co.

1100 El Centro St.,
South Pasadena, Calif. 91030;
626-799-7000; fax: 626-441-3233
http://www.boltonco.com

	1997	1996
Premium volume	$105,000,000	$84,500,000
Gross revenues	$11,700,000	$9,910,000
Brokerage rev.	$11,278,800	$10,378,800
U.S. clients	100%	100%
Brokerage: Retail	86%	85.4%
U.S. offices	$10,062,000	$8,463,140
Personal	9.4%	9.7%
Services	1%	1%
Invstmt. income	3.6%	3.9%
Employees	100	102
Retail offices	2	2

Founded: 1931.

Retail brokerage: 97% commissions, 3% fees.

Employee benefits: 12.6% of revenues in 1997.

Retail brokerage offices: Oxnard, Calif.

Officers: William D. Bolton, chairman/CEO; James A. Bolton, president; William T. Redell, COO; Ronald Wanglin, executive vp; Steve Brockmeyer, senior vp.

Contact: William D. Bolton.

Bowers Schuman & Welch

P.O. Box 978,
Washington, N.J. 07882;
908-689-1092; fax: 908-689-0694
http://www.bswinsurance.com

	1997	1996
Premium volume	$45,350,743	$40,000,000
Gross revenues	$5,500,000	$5,476,000
Brokerage rev.	$5,461,500	$5,371,956
U.S. clients	100%	100%
Brokerage: Retail	86%	84%
U.S. offices	$4,730,000	$4,599,840
Wholesale	0.3%	0.5%
Personal lines	13%	13.6%
Invstmt. income	0.7%	1.9%
Employees	63	75
Retail offices	2	2

Founded: 1967.

Employee benefits: 4.7% of revenues in 1997.

Acquisitions: Robertson/Welch, Bethlehem,

Continued on next page



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www.brownyard.com

Continued from previous page

Pa., July 1998.

Retail brokerage offices: Bethlehem, Pa.

Licensed excess/surplus broker in: New Jersey.

Officers: Scott Welch, chairman; Henrietta Welch, Glen Welch, vps; Todd Welch, CEO; Patricia A. Cowley, CFO.

Contact: Patricia A. Cowley.

Brady & Co. Inc.

1031 W. Fourth Ave., Suite 400;
P.O. Box 107502;
Anchorage, Alaska 99510-7502;
907-276-5617; fax: 907-276-6292

	1997	1996
Premium volume	**$70,000,000**	$67,000,000
Gross revenues	**$6,000,000**	$5,200,000
Brokerage rev.	**$6,000,000**	$5,200,000
U.S. clients	**100%**	100%
Brokerage: Retail	**89%**	91%
U.S. offices	**$5,340,000**	$4,732,000
Wholesale	**2%**	NA
Personal	**8%**	9%
Services	**1%**	NA
Employees	**48**	48
Retail offices	**2**	2

Founded: 1977.

Retail brokerage: 80% commissions, 20% fees.

Employee benefits: 11% of revenues in 1997.

Retail brokerage offices: Anchorage, Alaska.

Licensed excess/surplus broker in: Alaska.

Officers: Carl F. Brady Jr., chairman/CEO; Fred D. Chadwick, president/COO.

Contact: Fred Chadwick.

Braley & Wellington Insurance Agency Corp.

P.O. Box 15127,
Worchester, Mass. 01615-0127;
508-754-7255; fax: 508-797-3507
http://www.bandwins.com

	1997	1996
Premium volume	**$16,847,000**	$16,723,000
Gross revenues	**$2,241,000**	$2,314,000
Brokerage rev.	**$2,218,590**	$2,267,720
U.S. clients	**100%**	100%
Brokerage: Retail	**59%**	55%
U.S. offices	**$1,322,200**	$1,272,700
Personal	**40%**	43%
Invstmt. income	**NA**	1%
Other	**1%**	1%
Employees	**25**	25
Retail offices	**1**	1

Founded: 1987.

Retail brokerage: 99% commissions, 1% fees.

Employee benefits: 1% of revenues in 1997.

Retail brokerage offices: Worchester, Mass.

Licensed excess/surplus broker in: Massachusetts.

Officers: Parker Wellington, Jr, president; Craig F. Stanovich, vp/COO; John W. Braley III, vp/CFO.

Contact: John W. "Bill" Braley III.

Breckles Insurance Brokers Ltd.

100 Cowdray Court, Suite 200,
Toronto, Ontario, Canada M1S 5C8;
416-292-2020; fax: 416-292-8523

	1997	1996
Premium volume	**$16,040,191***	$17,135,540*
Gross revenues	**$2,689,019***	$2,819,449*
Brokerage rev.	**$2,581,458***	$2,706,671*
U.S. clients	**2%**	2%
Non-U.S. clients	**98%**	98%
Brokerage: Retail	**46%**	44%
Non-U.S. offices	**$1,236,949***	$1,240,558*
Personal	**50%**	52%
Invstmt. income	**1%**	1%
Other	**3%**	3%
Employees	**47**	47
Retail offices	**1**	1

** Converted at applicable exchange rates.*

Founded: 1950.

Retail brokerage: 100% commissions.

Employee benefits: 3% of revenues in 1997.

Officers: T.M. Hannan, president; S.M. Marsh, general manager; K. Kiely, marketing manager; B.M. Hamastein, commercial manager.

Contact: T.M. Hannan.

Brown-Hiller-Clark & Associates

5500 Euper Lane, P.O. Box 3529,
Fort Smith, Ariz. 72913;
501-452-4000; fax: 501-484-5185

	1997*	1996*
Premium volume	**$13,278,066**	$13,706,475
Gross revenues	**$2,157,717**	$2,338,474
Brokerage rev.	**$1,812,482**	$1,964,318
U.S. clients	**100%**	100%
Brokerage: Retail	**65%**	68%
U.S. offices	**$1,402,516**	$1,590,162
Personal	**19%**	16%
Invstmt. income	**NA**	1%
Other	**16%**	15%
Employees	**32**	34
Retail offices	**3**	4

** Fiscal years ending 9/30/97 and 9/30/96.*

Founded: 1915.

Retail brokerage: 100% commissions.

Employee benefits: 10% of revenues in 1997.

Retail brokerage offices: BHC of Oklahoma Inc., Sallisaw, Okla.; BHC Life & Group Specialists Inc., Eureka Springs and Fort Smith, Ark.

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.

John Burnham & Co.

610 W. Ash St.,
San Diego, Calif. 92101;
619-525-2800; fax: 619-236-9134
http://www.johnburnham.com

	1997	1996
Premium volume	**$87,000,000**	$92,000,000
Gross revenues	**$11,600,000**	$10,610,000
Brokerage rev.	**$11,600,000**	$10,610,000
U.S. clients	**100%**	90%
Non-U.S. clients	**NA**	10%
Brokerage: Retail	**95%**	97%
U.S. offices	**$11,020,000**	$10,291,700
Wholesale	**2%**	NA
Personal	**3%**	3%
Employees	**98**	100
Retail offices	**2**	2

Founded: 1891.

Retail brokerage: 89% commissions, 11% fees.

Employee benefits: 22.5% of revenues in 1997.

Acquisitions: LUC, San Diego, August 1997; K&M Inc., San Diego, February 1997.

Retail brokerage offices: Irvine, Calif.

Licensed excess/surplus broker in: California.

Officers: Brad Orr, president/CEO; Kit Sparks, CFO; Bill Pope, executive vp; Randy Williams, Jack Lupien, senior vps.

Contact: Ernie Torgeson.

Byas Mosley & Co. Ltd.

William Byas House, 14-18,
St. Clare St., London EC3N 1JX,
England; 44-171-481-0101;
fax: 44-171-480-5305

	1997*	1996*
Gross revenues	**$15,948,337****	$16,775,206**
Brokerage rev.	**$14,512,986****	$15,265,437**
U.S. clients	**46%**	47%
Non-U.S. clients	**54%**	53%
Brokerage: Retail	**39%**	38%
Non-U.S. offices	**$5,219,852****	$6,374,578**
Wholesale	**52%**	53%
Invstmt. income	**7%**	7%
Other	**2%**	2%
Employees	**173**	164
Retail offices	**1**	1

** Fiscal years ending 3/31/98 and 3/31/97. ** Converted at applicable exchange rates.*

Founded: 1862.

Parent: Byas Mosley Grcup Ltd.

Retail brokerage: 95% commissions, 5% fees.

Employee benefits: 2.5% of revenues in 1997.

Officers: A.J. Hamilton, chairman; A. Mirza, finance director; E.G. Rossdale, group managing director; J. Elliott, A.J. Ellison, directors.

Contact: J. Elliott.

Byrne, Byrne and Co.

101 N. Wacker Drive,
Chicago, Ill. 60606;
312-346-2150; fax: 312-346-4637

	1997	1996
Premium volume	**$36,100,000**	$35,200,000
Gross revenues	**$2,050,000**	$1,925,000
Brokerage rev.	**$2,050,000**	$1,925,000
U.S. clients	**100%**	98%
Non-U.S. clients	**NA**	2%
Brokerage: Retail	**90%**	80%
U.S. offices	**$1,600,000**	$1,415,000
Non-U.S. offices	**$245,000**	$125,000
Personal	**5%**	10%
Services	**5%**	10%
Employees	**17**	17
Retail offices	**1**	1

Founded: 1898.

Retail brokerage: 85% commissions, 15% fees.

Employee benefits: 30% of revenues in 1997.

Officers: Stephen J. Byrne, chairman/president; Daniel A. Byrne, William J. Reif, William E. McLaughlin, Keith E. Daly, vps.

Contact: Stephen J. Byrne.

C

CDA Group

Av. beira Mar, 200, Eighth Floor,
Centro, Rio de Janeiro 20021-060,
Brazil; 55-21-533-3563;
fax: 55-21-262-0846

	1997	1996
Premium volume	**$7,590,366***	$6,632,720*

Continued on next page



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Continued from previous page

	1997	1996
Gross revenues	$1,869,013*	$1,151,654*
Brokerage revenues	$1,752,387*	$821,130*
U.S. clients	5%	5%
Non-U.S. clients	95%	95%
Brokerage: Retail	30.42%	28.75%
Non-U.S. offices	$568,554*	$331,101*
Wholesale	14.7%	16.9%
Reinsurance	12.49%	5.9%
Services	36.15%	19.75%
Invstmt. income	6.24%	28.7%
Employees	20	18
Retail offices	3	3

** Converted at applicable exchange rates.*

Founded: 1989.

Retail brokerage: 100% commissions.

Acquisitions: VMD Administracao e Corretagem, 1997.

Retail brokerage offices: Goiania, Rio de Janeiro and Sao Paulo, Brazil.

Non-retail brokerage subsidiaries: Orypaba, Curitiba and Rio de Janeiro, Brazil; PSI, British Virgin Islands.

Licensed excess/surplus broker in: Brazil.

Officers: Rodrigo de Oliveira Franco Protasio, executive director; Carlos Alberto Protasio, general director; Joao Luiz C. Lustosa-administrative director; Luiz Phillipe F. de Melo, John H.A. Lowndes, directors.

Contact: Paula Malafaia-reinsurance division; Beatriz Manfredi, marketing division.

CFG Insurance Services Inc.

9800 Bren Road E., Minnetonka, Minn. 55343; 612-945-0200; fax: 612-945-9477

	1997*	1996*
Premium volume	$93,000,000	$75,000,000
Gross revenues	$8,535,313	$7,122,876
Brokerage rev.	$8,449,960	$7,051,647
U.S. clients	100%	100%
Brokerage: Retail	85.2%	86%
U.S. offices	$7,272,087	$6,125,673
Wholesale	1%	1%
Personal	4.7%	6%
Services	8.1%	6%
Invstmt. income	1%	1%
Employees	101	80
Retail offices	1	1

** Fiscal years ending 3/31/98 and 3/31/97.*

Founded: 1974.

Retail brokerage: 99% commissions, 1% fees.

Employee benefits: 8.1% of revenues in 1997.

Licensed excess/surplus broker.

Officers: Eldon Oldie, president; A.J. Dordel, executive vp; Scott Drew, vp.

Contact: A.J. Dordel.

CFR*

4501 E. 31st, Tulsa, Okla. 74135; 918-747-8631; fax: 918-747-8619 http://www.cfr-ins.com

	1997**	1996**
Premium volume	$58,000,000	$55,000,000
Gross revenues	$7,544,681	$6,709,168
Brokerage rev.	$7,401,332	$6,595,112
U.S. clients	98%	98%
Non-U.S. clients	2%	2%
Brokerage: Retail	88.1%	88.3%
U.S. offices	$6,646,864	$5,924,195
Wholesale	0.5%	0.5%
Reinsurance	0.5%	0.5%
Personal	5%	7%
Services	4%	2%
Invstmt. income	1.9%	1.7%
Employees	78	77
Retail offices	2	2

*** Fiscal years ending 2/28/98 and 2/28/97.*

Founded: 1935.

Retail brokerage: 92.5% commissions, 7.5% fees.

Employee benefits: 17.2% of revenues in 1997.

Retail brokerage offices: Oklahoma City.

Licensed excess/surplus broker in: Oklahoma.

Officers: Jack H. Allen Jr., chairman; Robert Gardner, president; Charles M. Taylor, executive vp; Sherry Burks, vp.

Contact: Robert Gardner.

** Formerly Chandler-Frates & Reitz Inc.*

Cal-Central Insurance & Management Services Inc.

2455 W. Shaw, Suite 101, Fresno, Calif. 93711; 209-222-4471; fax: 209-225-5041

	1997*	1996*
Premium volume	$13,000,000	$11,483,858
Gross revenues	$1,524,000	$1,619,000
Brokerage rev.	$1,478,280	$1,570,430
U.S. clients	100%	100%
Brokerage: Retail	50%	64%
U.S. offices	$762,000	$1,036,160
Wholesale	43%	30%
Services	4%	3%
Invstmt. income	3%	3%
Employees	9	10
Retail offices	1	1

** Fiscal years ending 6/30/97 and 6/30/96.*

Founded: 1983.

Retail brokerage: 98% commissions, 2% fees.

Employee benefits: 17% of revenues in 1997.

Officers: Ronald J. Stewart, president; Cathy A. Adams, Daniel B. Frainer, David M. Stewart, vps; Janice K. Fike, assistant vp.

Contact: Ronald J. Stewart.

Cal-Surance Associates Inc.

333 City Blvd. W., Suite 400, Orange, Calif. 92868; 714-939-0800; fax: 714-939-7445

	1997	1996
Premium volume	$108,914,000	$85,600,000
Gross revenues	$17,065,000	$12,783,000
Brokerage rev.	$16,723,700	$12,783,000
U.S. clients	100%	100%
Brokerage: Retail	62%	78%
U.S. offices	$10,580,300	$9,970,740
Wholesale	21%	8%
Services	15%	14%
Other	2%	NA
Employees	128	90
Retail offices	1	1

Founded: 1962.

Parent: Chartered Financial Services Corp.

Retail brokerage: 91% commissions, 9% fees.

Non-retail brokerage subsidiaries: Lancer Claims Services Inc., Orange, Calif.; Sterling Insurance Co. Ltd., Hamilton, Bermuda; Sterling Reinsurance Intermediaries Inc., Orange, Calif.; Trans Asian Insurance Services, Orange, Calif.; United Network of Insurance Services Inc., Orange, Calif.

Licensed excess/surplus broker in: California.

Officers: Donald E. Martin, president/CEO; Thomas R. Linn, executive vp/CFO.

Contact: Donald E. Martin.

Calco Insurance Brokers & Agents Inc

2000 Alameda de las Pulgas, San Mateo, Calif. 94403-1298; 650-574-0773; fax: 650-572-4622 http://www.calcoins.com/calco

	1997	1996
Premium volume	$292,920,559	$211,000,000
Gross revenues	$18,790,755	$20,070,000
Brokerage rev.	$18,602,847	$19,869,300
U.S. clients	99%	99%
Non-U.S. clients	1%	1%
Brokerage: Retail	97%	97%
U.S. offices	$18,227,032	$19,467,900
Wholesale	1%	1%
Personal	1%	1%
Invstmt. income	1%	1%
Employees	180	167
Retail offices	5	5

Founded: 1937.

Parent: California Casualty Management Co.

Retail brokerage: 99% commissions, 1% fees.

Employee benefits: 21% of revenues in 1997.

Retail brokerage offices: Glendale, Orange, Sacramento, San Diego and San Mateo, Calif.

Licensed excess/surplus broker in: California.

Officers: Peter Goldberg, chairman; Donald Fey, president; Kai Anderson, vice chairman; Beau Brown, CFO.

Contact: Donald Fey.

Caledonian Insurance Group Inc.

3023 80th Ave. S.E., Suite 300, Mercer Island, Wash. 98040; 206-232-9870; fax: 206-232-9515

	1997	1996
Premium volume	$17,500,000	$14,500,000
Gross revenues	$1,700,000	$1,500,000
Brokerage rev.	$1,700,000	$1,500,000
U.S. clients	85%	90%
Non-U.S. clients	15%	10%
Brokerage: Retail	91%	91%
U.S. offices	$1,547,000	$1,365,000
Wholesale	4.0%	4.0%
Services	1.5%	1.5%
Invstmt. income	3.5%	3.5%
Employees	15	14
Retail offices	2	2

Founded: 1988.

Retail brokerage: 94% commissions, 6% fees.

Retail brokerage offices: Spokane, Wash.

Licensed excess/surplus broker in: Alaska, Pennsylvania, Utah, Washington.

Officers: Anthony H. Cowan, president; Larry Maloney, senior vp; Jo Ann Trimble, David Barder, vps.

Contact: Anthony H. Cowan.

Cambridge Underwriters Ltd.

15415 Middlebelt Road, Livonia, Mich. 48154; 734-525-2412; fax: 734-525-0612

	1997*	1996*
Premium volume	$30,000,000	$28,835,646
Gross revenues	$5,004,965	$4,711,123
Brokerage rev.	$4,504,469	$4,240,011
U.S. clients	100%	100%
Brokerage: Retail	83%	83%
U.S. offices	$4,154,121	$3,910,232
Personal	6%	6%
Services	1%	1%
Invstmt. income	2%	2%
Other	8%	8%
Employees	45	43
Retail offices	1	1

** Fiscal years ending 9/30/97 and 9/30/96.*

Founded: 1974.

Licensed excess/surplus broker in: Michigan.

Contact: Kenneth R. Hale, president/CEO.

The Capacity Group of Cos.

120 Pleasant Ave., Upper Saddle River, N.J. 07458; 201-236-9800; fax: 201-236-0480 http://www.capcoverage.com

	1997	1996
Premium volume	$39,998,512	$39,926,325
Gross revenues	$5,006,320	$5,041,089
Brokerage rev.	$4,956,257	$4,990,678
U.S. clients	100%	100%
Brokerage: Retail	69%	70%
U.S. offices	$3,454,361	$3,528,762
Wholesale	8%	7%
Personal	21%	21%
Services	1%	1%
Invstmt. income	1%	1%
Employees	37	36
Retail offices	5	15

Founded: 1980.

Retail brokerage: 95% commissions, 5% fees.

Employee benefits: 1% of revenues in 1997.

Acquisitions: Accusure, Dover, N.J., November 1997; Jersey State Insurance, Hamilton Square, N.J., November 1997; Kuh Services, New Rochelle, N.Y., September 1997.

Retail Brokerage Offices: Hamilton Square, Lakewood and Pitman, N.J.; Alliano Insurance, Hammonton, N.J.; AVA Insurance Agency, Cherry Hill, N.J.; Capacity Insurance & Surety Group Inc., Lighthouse Point, Fla.; Capsure Inc., Dover, N.J.; Lind Clark Agency, Woodbridge, N.J.; D&D Insurance Agency, South Amboy, N.J.; Davis Insurance Services, Williamstown, N.J.; The Eagle Agency, Sommerdale, N.J.; James Insurance Agency, Highland Park, N.J.; Mike LaCorte Insurance, Clifton, N.J.; The Leigh Agency, Freehold, N.J.; Luzi Insurance Services, West Berlin, N.J.; McFadden Agency, Dumont, N.J.; The Noble Group, Englewood, N.J.; P.A. Spinelli Inc., Williamstown, N.J.; The 300 Group, Montvale, N.J.; The Wright Agency, East Brunswick, N.J.

Licensed excess/surplus broker in: New Jersey.

Officers: Mark B. Weinraub, chairman/CEO; Robert G. Lull, president/CFO/COO; Debra Lynn Stanton, executive vp.

Contact: Robert G. Lull.

Clair Odell Group

120 W. Germantown Pike, Plymouth Meeting, Pa. 19462; 610-825-5555; fax: 610-825-8149 http://www.clairodell.com

	1997	1996
Premium volume	$71,065,000	$81,407,000
Gross revenues	$9,950,000	$11,082,545
Brokerage rev.	$9,472,400	$10,406,510
U.S. clients	100%	100%
Brokerage: Retail	90.3%	89.7%
U.S. offices	$8,985,000	$9,941,043
Personal lines	4.9%	4.2%
Invstmt. income	4.8%	6.1%
Employees	86	103
Retail offices	1	1

Founded: 1932.

Retail brokerage: 80% commissions, 20% fees.

Licensed excess/surplus broker in: Pennsylvania.

Officers: Frank D. Svitek, president/CEO; David A. Collins, executive vp/COO; Steven Odell, senior vp; Judith A. Criniti, Christina Madden, vps.

Contact: Frank D. Svitek.

Grupo Cassab Machaen Agente de Seguros S.A. de C.V.

Avenida Presidente Masaryk, Fourth Floor, Suite 501, Colonia Chapultepec Morales, Mexico City, Mexico 11570; 52-5-255-4615; fax: 52-5-531-2751

	1997	1996
Premium volume	$3,577,140	$3,410,978
Gross revenues	$1,797,012	$1,968,668
Brokerage rev.	$1,797,012	$1,968,668
U.S. clients	6.6%	3%
Non-U.S. clients	93.4%	97%
Brokerage: Retail	38.8%	41.9%
U.S. offices	$118,566	$58,819
Non-U.S. offices	$578,844	$766,612
Services	61.2%	58.1%
Employees	26	25
Retail offices	1	1

** Converted at applicable exchange rates.*

Founded: 1982.

Retail brokerage: 69.2% commissions, 30.8% fees.

Employee benefits: 100% of revenues in 1997.

Officers: Alfonso Cassab Tirado, Alfonso Victoria Soto, Jose Antonio Serrano, Jorge Serrano Lomelin, Arturo Suarez Gonzalez.

Contact: Alfonso Victoria Soto, Fabian Verastegui Vega.

Commerce National Insurance Services Inc.

1701 Route 70 East, Cherry Hill, N.J. 08034; 609-795-9700; fax: 609-795-9783 http://www.YESbank.com

	1997	1996
Gross revenues	$24,745,359	$15,067,000
Brokerage rev.	$24,497,905	$14,614,990
U.S. clients	100%	100%
Brokerage: Retail	72%	76%
U.S. offices	$17,816,658	$11,451,000
Wholesale	1%	1%
Personal	19%	19%
Services	7%	1%
Invstmt. income	1%	1%
Other	NA	2%
Employees	220	136
Retail offices	10	7

Continued on next page

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GLOBAL FOCUS

Cleanup of Spanish dam disaster under way

By MARIA KIELMAS

Multinational mining company Boliden Ltd. and the government of Andalusia, Spain, are proceeding with cleanup plans, even though they have yet to determine the cause of an April accident that resulted in Europe's biggest ecological disaster in the past decade.

Although the public has been critical of the company and local government, a Boliden executive said an investigation into the accident points to a geological cause rather than any degree of negligence. Even so, the company is undertaking a review of all of its safety procedures.

A tailings dam at the Los Frailes mine, nearly 30 miles west of Seville and near wetlands, national parks and historic sites, collapsed April 25. Approximately 5,100 acres of land was flooded by 175 million cubic feet of acidic water and solid materials from a tailings pond between the mine site and the town of Sanlucar la Mayor, which is 9 miles away. Heavy metals in the waste discharge included lead, cadmium and thallium.

Local experts believe the thallium had been carried by the wind from an oil refining and industrial complex near the city of Huelva, west of the mine in southern Spain, and had accumulated in the tailings pond.

Work at the Los Frailes open pit mine, which produces zinc, lead, copper and silver, began in February 1997 after ore from the adjacent Aznalcollar open pit mine was depleted in late 1996. Mining at this location has been conducted since Roman times.

Estimates of the initial cleanup and remediation cost following the failure of the Los Frailes dam are 25 billion pesetas ($162.5 million), said Javier Serrano Aguilar, director of a cleanup action group created by the environmental agency of the Junta de Andalusia, the autonomous Andalusian government.

"We are now cleaning up all of the mud from the area and reclaiming the Guadiamar River basin," Mr. Serrano said.

The area affected is mainly an agricultural zone of both wetlands, where the chief activity is fishing, and a dry area predominantly dedicated to peach orchards. Debris from the tailings pond penetrated the soil by some 8 to 20 inches. The local government and Boliden decided the best remedy was to excavate the polluted soil. As the topsoil in this area is so thin and the excavation could remove all of the productive soil, the local government and Boliden decided to compensate the farmers for the loss of their land and upcoming harvest.

The Junta de Andalusia is paying the farmers the pre-accident market value plus 25% for their land, and the farmers are receiving compensation for the loss of their harvest from Boliden, Mr. Serrano said.

So far, Boliden has paid about $6.5 million in compensation to the farmers, said Bill Fisher, exploration manager for Boliden in Toronto, where the company is based. Boliden has not accepted liability for the damage, he said, noting that this ultimately will be decided by the Spanish courts.

Boliden Vp James Borland said that, in addition to the payments to farmers, the company expects to pay $13 million to clean up an area within an 8-mile radius of the mine.

Mr. Serrano said it is important that the cleanup work be completed before the rainy season in the fall to avoid the danger of heavy metals being transported via the Guadiamar River to the Guadalquivir River, one of the largest rivers in Spain and a tributary that flows into the Gulf of Cadiz.

"We cannot wait for the judges to make up their minds," Mr. Serrano said of the court's role in apportioning liability for the disaster.

Once cleaned up, the excavated land will be converted into a "green corridor" that will connect nearby mountains with the Donana wetlands. "This will allow animals in the mountains an access route to the Donana and the coast," Mr. Serrano said.

The decision to create a "green corridor" is part of a larger reclamation program of the Junta de Andalusia to remediate pollution to the west and southwest of Seville, the region's largest city. This includes tackling the effects of pesticides used by farmers in the area as well as industrial pollution.

In addition to Boliden's expected contributions of $13 million, the Junta de Andalusia is paying 8 billion pesetas ($52 million) toward the cleanup, and the Spanish federal government in Madrid is paying 4 billion pesetas ($26 million). Mr. Serrano said the Andalusian government also will apply to the European Commission for financial assistance for the work.

An official in the Environmental Affairs Directorate at the European Commission in Brussels, Belgium, said his office is collecting all technical data relating to the accident before it makes a determination on assistance.

"The Spanish courts will decide on the matter of liability. We have to investigate whether any (European Community) legislation was breached. We are concerned with a special protection area some 60 kilometers (37 miles) away and a river course which will take the debris to the sea," the official said.

Boliden CEO Anders Bullow said in a statement that the company has sufficient liability and business interruption insurance to cover its costs from the accident. He did not give any coverage details.

The Los Frailes mine is owned by Boliden Apirsa, a Seville-based wholly owned unit of Boliden Ltd. Boliden acquired Apirsa in 1987 from Madrid-based Banco Central.

Boliden Ltd.'s property/casualty insurance is underwritten by Trygg Hansa Insurance Co. of Stockholm, Sweden, and Storebrand Insurance Co. Ltd. of Oslo, Norway, said Mr. Borland, who could not detail their participation on individual policies. The company's limits are $65 million for property damage and business interruption risks and $13 million for third-party liability.

Boliden previously was owned by Swedish manufacturing conglomerate Trelleborg A.B. Boliden was the dominant base metal mining company in Sweden until 1993, when the Swedish government permitted foreign mining companies to enter the country.

In 1997, Trelleborg A.B. floated 55% of Boliden on the Toronto Stock Exchange and established the company's head office there.

Last month, a preliminary report from Madrid-based engineering group EPIRSA Servicios de Ingeneria S.A. stated that the tailings dam failure at the Los Frailes mine probably was caused by slippage in a share zone within a marl formation 50 to 66 feet below the surface.

Mr. Fisher, the Boliden exploration manager, said he believes the depth of the slippage was probably between 26 and 33 feet below the surface.

"Basically the dam shifted on its footing. The water (in the tailings pond) found a gap in the wall, and the tailing. . .got out," he said.

"The company's position is that this was an accident. The dam was tested just a few days before. This was due to geology and not to negligence," Mr. Fisher added.

The EPIRSA study was carried out on behalf of Boliden. The preliminary report was issued in June, and a final report is due at the end of summer. The study is being scrutinized by a team of independent engineering consultants from Sweden, Canada and Spain.

The Junta de Andalusia is carrying out its own independent study of the dam failure, Mr. Serrano said.

It is not clear yet what caused the underground slippage, but Mr. Fisher said he thinks it could have been caused by stresses created by a small earthquake, though none was recorded at the time of the failure.



PHOTO: AFP

One of Europe's worst ecological disasters occurred in late April when a tailings dam at a mine in southern Spain, above, failed. The breach released heavy metals that polluted a major river and agricultural area. Cleanup activities, right, are expected to cost the mine operator and local government millions of dollars.

Mr. Fisher said the dam had been designed to withstand the equivalent of an earthquake of force 7 on the Richter scale. "Most of Seville would be destroyed in an earthquake like that. The dam was overdesigned," he added.

However, the general public reaction to the disaster in Spain has been fiercely critical of the company and the local government in Andalusia.

"We do think there is a problem with the attitude of various professionals in the mining field in the management of their risks. Also the local government does not seem to have exerted the control necessary," said an insurance broker in Madrid.

Immediately after the accident there was much confusion about who was in charge of addressing the disaster: the central government, the ministry of environment or the local government.

"There are a number of autonomous regions in Spain, and you must know what is in an autonomous community's competence," said Maria Jose Menendez, a specialist in environmental law at the Madrid office of London-based law firm Clifford Chance. Ms. Menendez added that the initial cleanup was within the purview of the local government.

But as some of the spillage was heading for a river, that was also within the responsibility of federal environmental authorities, he said. In addition, there is a special "heritage site," or historic landmark, nearby, which means the European Commission in Brussels also has an interest.

Because of the initial confusion over which agency should take the lead in containing and cleaning up the disaster, both Boliden and the Junta de Andalusia came under severe criticism in the Spanish media.

Mr. Fisher rebutted criticism of Boliden, however, saying the company maintains high standards of environmental protection in all its operations.

"Sweden has environmental standards second to none, and that's where Boliden is coming from. We have to have the same standards everywhere in the group, otherwise we cannot get finance for a project," he said.

As a result of the accident, the company is reviewing every single step of its operating procedures. This includes an examination of past work at the mine when it was owned solely by Apirsa, the Spanish company.

Mr. Serrano also rejected criticism that the local authorities did not carry out a thorough inspection of the mine and the dam that could have identified the risk.

"That is not right. Everything was controlled. It was not possible to foresee what happened," he said.

Clifford Chance's Ms. Menendez said it is difficult to predict what the effect of the accident will be on Spanish environmental legislation. The Spanish courts have been making ever-tougher rulings on pollution cases, she said.

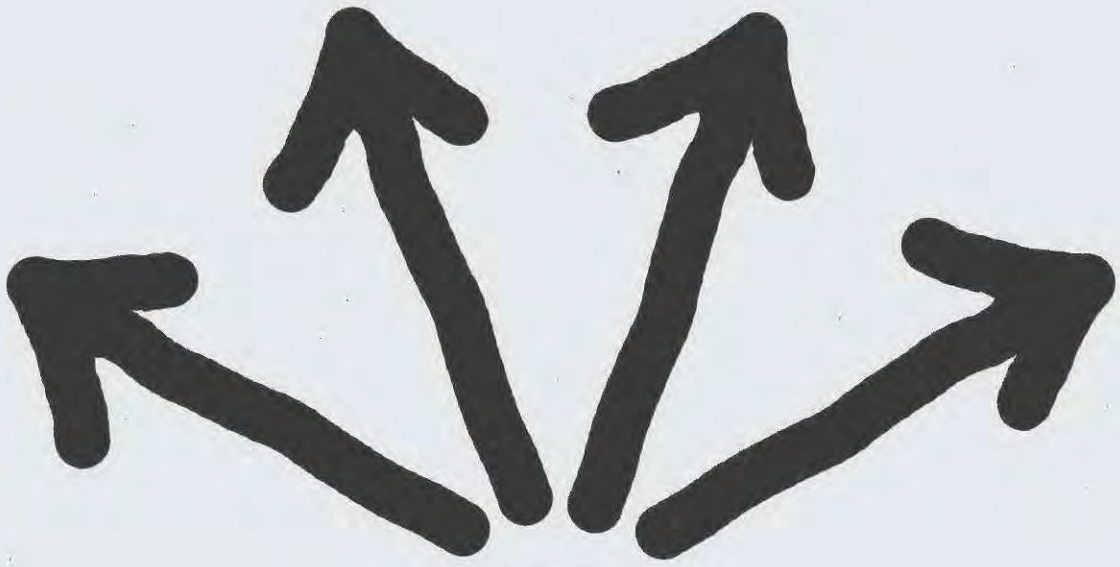
"There is no legislation in Spain that applies a strict liability (to polluters) except in specific cases, such as a nuclear accident. But the courts are becoming tougher in the way they apply the civil code. Unless you take every possible procedure to avoid damage, you are liable. You have to prove that you were very, very diligent to avoid liability," Ms. Menendez said.

An amendment to existing environmental legislation in Spain is being studied by the Spanish Parliament. Currently, it exists only in draft form and has not yet been introduced for approval by lawmakers. Among other things, it proposes a statute of limitation on environmental liability of three years and a cap on liability to 15 billion pesetas ($97.5 million), Ms. Menendez said.

"This would be third-party liability after any accident. But we do not know to what extent this experience at the mine will affect the new law," she added. BI



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Little demand for EIL cover in Mexico

Despite high pollution, low liability exposure curbs demand for insurance protection

By GAVIN SOUTER

Stricter environmental regulations in Mexico have not yet translated into increased sales of environmental liability insurance in the country.

While some multinational policyholders buy environmental coverage for their Mexican operations as part of their global insurance programs, most local companies buy minimal or no coverage, insurers and brokers say.

Civil damages in Mexico are nowhere near the levels of those in the United States, so polluters have little stimulus from the legal system to buy liability insurance protection for pollution damage. And although strict new environmental regulations were put in place as part the of 1993 North American Free Trade Agreement, those regulations are not effectively enforced.

Insurers offering environmental impairment liability coverage in Mexico are more often supplying educational facilities and engineering services than insurance coverage. However, the mood is changing, and enforcement of the regulations is gradually increasing. That, say observers, should lead to more demand for pollution liability protection.

Strict environmental regulations were imposed in Mexico through a series of existing laws that were amended with the signing of NAFTA. The laws were designed to bring regulations in Mexico, whose capital city has a huge pollution problem, into line with those in the United States and Canada, the other two signatories to the agreement. The amendments included requirements such as environmental audits.

The NAFTA agreement has combined with Mexico City's woes to bring the issue sharply into focus over the past few years, said Roman Iglesias, a New York-based vp in the international division of Seguros Comercial America, the large Mexican insurer.

Concern over the pollution in Mexico City has led to the formation of several environmental protection and lobbying groups in the country, and that has put pressure on companies to clean up the environment, he said.

While the laws compelling industry to keep the environment clean are in place, the mechanisms to enforce the laws seem to be ineffective, said Rose Gershon, a manager at Aon Risk Services in Mexico City. "The laws are strict, but the monitoring is not, and because of the poor implementation of the law, there is no pressure to buy insurance," she said.

Several insurers in Mexico offer EIL products that are very similar to EIL products available in the United States, but there is not the same demand for the coverage, Ms. Gershon said. "It exists, but people don't have the mentality to buy it yet, and until they see some significant fines or plants closing down, they won't buy it," she said.

Bruce Cohen, a vp at J&H Marsh & McLennan in Miami, concurred.

Mexican companies are increasingly trying to compete in world markets and are reluctant to spend money on anything not deemed necessary, he said.

And because the enforcement of the environmental laws is limited, there is little impetus to spend money on environmental issues, Mr. Cohen said. "People want to know: Is it really a new game, and are they really going to come after me?" he said.

Many industrial companies do not yet see any need for the coverage, agreed Didier Serrano, commercial lines director at American International Underwriters in Mexico. "In the current legal environment, people do not perceive a need to buy high levels of liability insur-

See **Mexico** *on page G6*

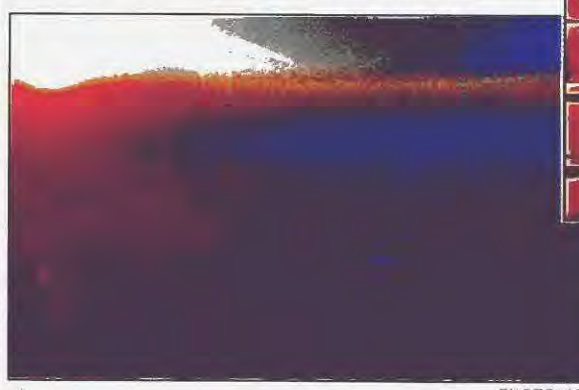


PHOTO: AP

PHOTO: AFP

A 1996 photo (left) shows smog in Mexico City, whose air pollution levels are among the world's highest. A sign shows a high ozone reading in May in the city (above).

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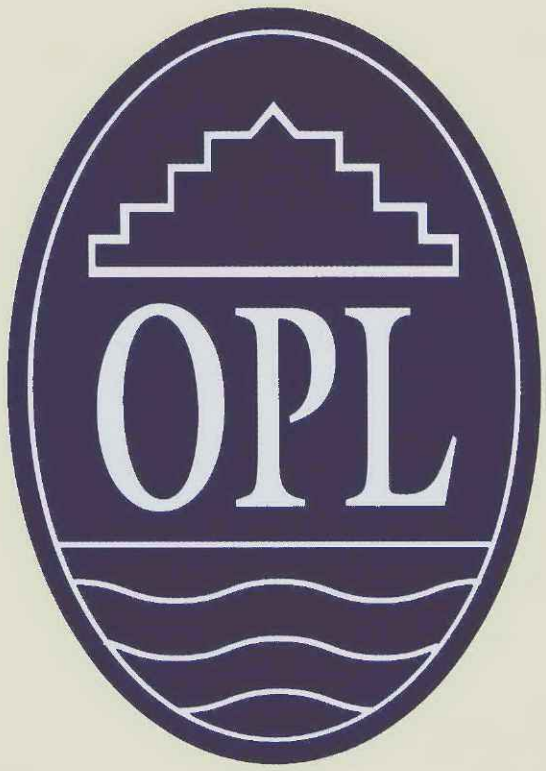


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Mexico

Continued from page G4

ance," he said.

In Mexico there are no punitive damages or jury awards and, in general, the society is less litigious than is the United States. That legal environment affects demand for both traditional liability insurance and EIL insurance, Mr. Serrano said.

And while there is some increasing demand for insurance coverages, such as owner spill liability insurance for transporters of hazardous waste who are complying with the new laws, the limits bought are often very low, he said. "We think the fundamentals are there with the new laws, but it will take a few years for the market to develop," Mr. Serrano said.

AIU offers a wide range of pollution products in Mexico, including pollution legal liability, owners spill liability, and a comprehensive EIL policy that includes third- and first-party coverage, he said.

The whole liability insurance market in Mexico is much smaller than the U.S. market, both in terms of premiums and its percentage of the total insurance market, said Mr. Iglesias of Seguros Comercial America. And environmental insurance makes up only a tiny part of that liability market, he said.

"But the line of business that has the least market share is going to be the line of business that has the potential to grow the most," Mr. Iglesias added.

> '...So far we have only sold some risk engineering services and very few policies.'
>
> — Rolf Gafner

Zurich Mexico also offers EIL coverage, said Rolf Gafner, chief executive officer of the Mexico unit of Zurich Insurance Group. Many of the current customers of Zurich that buy EIL coverage in Mexico are units of multinational companies that buy the coverage for all of their units, he said.

"Local companies are interested in the products, but so far we have only sold some risk engineering services and very few policies," Mr. Gafner said. Of the companies that have had Zurich conduct environmental analyses, about 50% go on to take corrective action, though only 10% of those companies that take corrective action go on to buy insurance, he said.

"But we don't mind, because the important thing is to analyze the problem and prevent it," Mr. Gafner said. Zurich also sets up seminars for risk managers to inform them about environmental issues, he said.

Seguros Comercial America also has environmental engineers within its loss prevention department to assist policyholders in environmental assessments, said Mr. Iglesias. The service is provided free to the insurer's policyholders, he said.

"The market is so soft that we cannot charge for the additional service, but we do not mind too much, because if we go in and do the environmental assessments, we also get a lot of underwriting information," Mr. Iglesias said. BI

EIL insurers tap into U.K. pollution awareness

Parties linked to the development of industrial property are the biggest source of interest, insurers say

By CAROLYN ALDRED

The combination of legislation that will force polluters to clean up contaminated land and the development of former industrial sites is resulting in a growing environmental liability insurance market in the United Kingdom.

Although many insurers still refuse to offer pollution liability coverage except on a very limited basis, several insurers that offer specialized environmental liability policies claim that demand for their products is increasing.

"We are starting to see a marked increase in interest (in EIL insurance) from companies," said Tony Lennon, operations manager of ECS Underwriting in London, a subsidiary of U.S. underwriting manager ECS Inc.

ECS, which underwrites on behalf of Reliance National Insurance Co. (Europe) Ltd., has been at the forefront of EIL underwriting in the London market during the past decade.

Mr. Lennon and other underwriters note a distinct upturn in demand for EIL coverage, particularly new coverage options for contaminated land.

EIL coverage generally covers liability and sometimes cleanup costs associated with pollution. In the United States, EIL insurers are starting to market products that, for a premium, will assume the liability and costs associated with cleaning up an existing pollution site (*BI*, May 25).

Providing liability insurance for the development of contaminated land "has become a significant source of income" for ECS as government policy and limited land resources in the United Kingdom have resulted in the increased development of so-called brownfield sites, or former industrial locations, said Mr. Lennon.

"Concern about the liability regime for people who hold and own contaminated land has tended to make developers more conscious of what they're doing," he said, noting that "insurance has become a valid tool in allaying fears."

As a result, ECS and other specialist EIL insurers are increasingly being approached for coverage by developers and their lawyers and financiers, as well as industrial companies.

In many cases, the sale and development of brownfield sites is possible only if an insurance policy can be arranged, noted Mr. Lennon.

"Awareness is increasing, and every day we are getting more and more inquiries," agreed Richard Davies, environmental underwriter for AIG Europe (UK) Ltd. in London, a subsidiary of American International Group Inc. that underwrites EIL coverage.

"Government initiatives to develop brownfield sites and the high real estate value of former industrial land in prime (city) locations" is resulting in a demand for insurance policies to cover contaminated land liabilities, observed Mr. Davies.

Even though anticipated U.K. environmental legislation has yet to take effect, "people are aware of its intent and are looking to protect themselves for the future," said Mr. Davies.

The legislation, the Contaminated Land Legislation, was published in the Environment Act 1995 but still is being reviewed by the Department of the Environment. The legislation will make local government authorities responsible for identifying contaminated sites in their areas. Identified sites then must be cleaned up by the polluter to a standard suitable for its future use or, if the original polluter cannot be identified, cleanup falls on any developer, purchaser, present owner or occupier of the land.

"Over the last 18 months, people have become more aware of EIL and understanding of how risks can be covered by insurance," noted Mr. Davies.

One relatively new EIL insurer that is specializing in coverage of contaminated land insurance solutions is Certa (UK) Ltd., an underwriting agent set up by London-based Thomas Miller & Co. Ltd. to write pollution insurance on behalf of Allianz Cornhill International P.L.C.

Stephen Sykes, company secretary and legal director of Certa, agreed that much of the growth in demand in recent months has come from land development projects.

"Big utilities are slowly but surely beginning to realize the value of their land as well as the legal framework surrounding land contamination," said Mr. Sykes.

> 'We are starting to see a marked increase in interest (in EIL insurance) from companies.'
>
> — Tony Lennon

For example, a recent deal arranged by Certa involved a large U.K. company selling a £5 million ($8.2 million) site to a U.S. pension fund for development.

"The U.S. company asked for a 12-year indemnity of £7.5 million for environmental risk, which put the U.K. company on the spot even though they felt it was a low-risk site. A claim on the indemnity could have put the wealth of the U.K. subsidiary at stake," noted Mr. Sykes.

An environmental indemnity insurance policy allowed the seller to shift the risk. The seller bought the policy.

Another deal by Certa involves a more-than-100-acre housing and commercial development on known contaminated land. The development would be cost-effective only if cleanup costs are minimized. As a result, the developers decided to keep the pollution on site by building a containment cell, which in law is defined as a landfill site. A developer can obtain a landfill license only if it can prove it has enough money to maintain the landfill site in the future. Rather than tie up a pot of money in the form of a bank bond for possible future cleanup costs, Certa is designing a risk-funding solution that includes an element of insurance as an alternative safeguard.

Mr. Sykes pointed out that EIL insurers are learning to give clients what they need, such as "long-term comfort."

Certa offers up to £20 million ($32.7 million) in coverage per site for up to 25 years, with more capacity available through reinsurance, said Mr. Sykes.

"The key to unlocking the market is to be flexible and offer tailored solutions," he said.

Before the Certa's launch last year, "we were aware of the skepticism (toward EIL products), because existing products fell short of clients' needs."

However, insurers "are getting closer to their clients' needs. They are less paranoid because of the experience in the U.S. and are going in with their eyes open," he said.

"As a result, insurers are getting more comfortable with the risks and are beginning to realize the opportunities" offered by pollution risk, said Mr. Sykes.

Certa has developed a system of contamination assessment and land certification—which it calls its CALC(TM) system—which is a computer-based environmental audit system devised by a panel of leading U.K. scientists involved in contaminated land issues. Completion of an audit allows the owner of the site a 12-month guaranteed option to buy insurance coverage. This option can be transferred to a new owner, thus providing greater comfort for developers and their investors, said Mr. Sykes.

Zurich International (UK) Ltd., which has been working closely with its U.S. operation to devise products for the U.K. market, is likely to offer products for U.K. financial institutions first, noted Nigel Tocknell, assistant underwriter for global specialities with Zurich in London.

"Lawyers, banks and building societies are concerned about the new guidelines" to take effect perhaps later this year on contaminated land, he noted.

As a result, the insurer is developing EIL insurance for financial institutions for any land they own that is found to be contaminated and where the mortgagee defaults.

However, the company currently has no plans to offer other environmental liability insurance products, because the level of "awareness and knowledge of environmental risk of brokers and policyholders" is not sufficient yet to sustain an EIL market in the United Kingdom, according to Mr. Tocknell.

"We are just looking at financial lender liability, because that's the area where there's most interest," he said.

ECS's Mr. Lennon also observed that while industrial companies are becoming more aware of the liabilities attached to historic contamination, many remain complacent about the liabilities of future contamination.

"Today's general manufacturing activities could be the cause of tomorrow's contaminated land," said Mr. Lennon.

"Companies are causing damage to the environment every day, which could give rise to substantial claims in the future. But a lot of companies assume that because they are complying with regulations, they can't be causing damage to the environment. That is not true," he warned.

Meanwhile, "a lot of companies do not realize that their general liability insurance policy does not pay for first-party cleanup even if the cause of the pollution is sudden and accidental," he said.

As a result, while ECS and other specialist insurers are beginning to sell more and more policies, the numbers are "insignificant compared to the potential" of companies currently uninsured for future clean up liabilities, he noted. BI

GLOBAL FOCUS

U.K. risk managers take pollution prevention measures

Emphasis on loss control driven by social and economic pressures, as well as impending legislation

By CAROLYN ALDRED

British companies are beefing up their environmental risk management procedures, risk managers agree.

"There has been a vast improvement in environmental risk management over the last five years," said Graeme Lee, chairman of the Assn. of Risk & Insurance Managers' environmental task group.

The main driving forces for greater environmental responsibility have been social and economic pressures, followed by new pollution legislation in the United Kingdom, said Mr. Lee, who is director of risk management for London-based Waste Management International P.L.C.

"No large companies would wish, in this day and age, to have their name associated with sloppy environmental practices," he said.

And while public image has been a driving force behind many of the environmental risk management practices adopted, "a lot of companies have surprised themselves with the economic benefits" to be obtained, Mr. Lee added. Those benefits could include saving on energy costs, for example.

British companies, particularly large multinational companies, are taking environmental issues much more seriously, agreed Jenny Barker, policy adviser on the environment and health and safety for the Confederation of British Industry in London, a trade group that represents British industry.

This has been largely driven by public pressure, she said.

"There is increasing public and corporate awareness of the environment. For a company to survive and succeed, it needs to have good relations with its customers and community. The environment has become a bottom-line issue for many companies. They have to be perceived to be doing a good job environmentally," Ms. Barker observed.

During the past decade, about 80% of the country's 100 largest companies have introduced publicly available environmental reports, she said. This move has been encouraged by the government, though no legislation mandates companies to provide such environmental disclosure, Ms. Barker pointed out.

One major British company keenly aware of its environmental responsibilities is British Telecommunications P.L.C.

The London-based international telecommunications company is fully aware of the beneficial publicity associated with good environmental practices.

And "there is a fine difference between public relations and business. We're defending our position in a heavily competitive industry, and good PR is good for business," said Kevin Currie, BT's environment manager.

BT, which publishes an annual environmental report, participates in several environmental organizations, such as Forum for the Future, Greenpeace and Friends of the Earth.

It is very important for companies to avoid a "them and us" situation with environmental pressure groups, as several companies already have found out to their cost, said Mr. Currie.

"The tide is turning; green issues are very important. Companies are aware that a lot of business depends on their image," he noted.

> *'The tide is turning; green issues are very important. Companies are aware that a lot of business depends on their image.'*
>
> — Kevin Currie

Environmentally friendly policies also can offer companies cost savings, he noted, pointing out that BT's decision to remove chlorofluorocarbons from its telephone exchanges because of concerns over CFCs' effect on the atmosphere "saved our energy bills as well as being good for the environment."

Mr. Currie pointed out that U.K. environmental legislation also has influenced corporate behavior.

BT, he said, "spends time looking at legislation coming up and tries to get ahead of it."

The group also works closely with the Environment Agency, the U.K. government's principal environmental enforcement agency.

"There is no doubt about it: The Environment Agency is working well with industry. We are happy with our relationship with them," said Mr. Currie.

Environmental legislation and enforcement is putting more pressure on companies, said Peter Kerridge, a member of AIRMIC's environmental task force.

Mr. Kerridge, a risk manager of a chemical company he did not want named in this story, is visited regularly by the Environment Agency because of the company's business.

Regulation and enforcement is "getting more complex and becoming more rigorous," he said.

"Regulations are changing company practice," observed Mr. Kerridge, noting that it often makes a risk manager's jobs easier because new legislation "helped persuade management to fund changes, and the fear of prosecution of directors has a sobering effect."

Evidence of corporate awareness of environmental issues can be found in the huge acceptance of a recently introduced international environmental management standard. Since the British Standards Institution adopted ISO 14001 on environmental management systems in 1996, more than 500 companies in the United Kingdom have been accredited, according to the Confederation of British Industry.

And many of those accredited companies also are encouraging their suppliers to adopt similar environmental management systems.

The standard is designed to help companies evaluate and control their impact on the environment as cost effectively as possible, according to the British Standards Institution. It requires companies to set up an environmental policy; introduce planning with targets for environmental improvement; establish implementation and operation procedures; employ checking and corrective action, including regular environmental audits; and undertake management reviews of the system.

One company that already has adopted ISO 14001 is Warwick-based car manufacturer Rover Group Ltd. The company also is encouraging its suppliers to adopt it.

"We have run ISO 14001 workshops for our key suppliers and have been undertaking regular reviews of our suppliers to see how they are implementing the standard," said Roger Twiney, director of environmental programs for the Rover group.

Mr. Twiney, who noted that several other auto manufacturers also are encouraging suppliers to adopt the system, said adoption of the environmental standard has "been good for the company in terms of risk reduction and cost benefit." BI

Execs take wait-and-see stance toward legislation

By CAROLYN ALDRED

Uncertainty surrounding the United Kingdom's contaminated land legislation is leading many risk managers to wait for final rules outlining their responsibilities before tackling the cleanup of contaminated land.

But companies that totally ignore their potential cleanup liability do so at their peril, some lawyers warn. When the complex legislation is finalized, possibly before the end of the year, it will create significant cleanup expense for polluters, and those expenses could increase with time, they say.

Even without the new rules, though, the increasing development of Britain's former industrial land—or so called brownfield sites—has made awareness of potential liability for contamination an issue in real estate transactions and is encouraging interest in growth in the environmental impairment liability insurance market (see related story).

The Environment Act, which set up the Environment Agency and establishes a "polluter pays" liability system, was passed in 1995, though regulations forcing polluters to pay for contaminated land remediation have yet to be finalized.

"At the moment, because the regulations have not come into force, companies are deliberately not doing anything" about their historic contamination, said Graeme Lee, director of risk management for London based Waste Management International P.L.C.

The "lack of clarity" over liability for contaminated land has resulted in a "great deal of inertia" among companies, said Mr. Lee. If companies "discover contaminated land, they will be under an obligation to clear it up" under the proposed legislation, he noted.

Companies are "frightened that they might prejudice their future position and are waiting for the legislation (to be finalized) to see what they are going to be required to do," said Mr. Lee, chairman of the Assn. of Insurance & Risk Managers' environmental task group.

Risk managers and lawyers fear that the final legislation on contaminated land will be overly complex, lead to litigation and require massive funding both by local authorities, which are required to identify contaminated sites within their jurisdiction, and also by companies, which will be forced to clean up the sites.

"The guidance notes are so complex a lot of companies and lawyers reckon (the legislation) to be unworkable," said Peter Kerridge, a member of AIRMIC's environmental task force. Mr. Kerridge is the risk manager of a chemical manufacturer.

But while Mr. Kerridge predicted that most large companies will be able to cope with the "Draconian" legislation, "small companies won't," he warned.

Stephen Tromans, a partner with London law firm Symonds & Symonds, pointed out that while "bigger companies are aware" of their potential liability for contaminated land, "smaller and medium-sized companies are not so aware."

Companies should "be getting legal advice and managing the risk," said Mr. Tromans.

Whether compliance with the legislation itself proves workable for companies will depend, in Mr. Tromans' view, on whether the liability is adequately funded.

The contaminated-land legislation, which now consists of 32 pages of primary legislation and three volumes of draft guidance notes, is overly complex, according to Valerie Fogleman, a partner and head of the environmental liability group of London law firm Barlow Lyde & Gilbert.

As a result, Ms. Fogleman predicts that implementation of the legislation in its current draft form will result in considerable litigation, particularly as plans are to suspend any remediation order during any litigation, meaning even if a party loses a case, it can avoid adhering to the regulation until it loses its case.

Until the environmental legislation is finalized, many companies are "putting their heads in the sand and waiting," said Ms. Fogleman.

Not all U.K. companies have been ignoring their environmental liability exposures.

"We have been carrying out environmental assessments on any land we sell or buy for the past six years," said Simon Boyle, a lawyer with London-based electronics group General Electric Co. P.L.C.

Mr. Boyle pointed out that while GEC was "in the minority conducting environmental surveys six years ago, it is now becoming standard practice."

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Founded: 1996.
Parent: Commerce Bank/North.
Retail brokerage: 87% commissions, 13% fees.
Employee benefits: 26% of revenues in 1997.
Acquisitions: Associated Insurance Management Inc., Haddonfield, N.J., December 1997; Joseph J. Reinhart & Associates, Cherry Hill, N.J., December 1997.
Retail brokerage offices: Cherry Hill, Forked River, Haddonfield, Hawthorne, Mercerville, Mount Holly, Northfield and Toms River, N.J.
Officers: Joseph Buckelew, chairman; George E. Norcross III, president; Frank K. Monaghan, executive vp; Joseph J. Morrissey, Carole A. Mack, John J. Tarditi, senior vps.
Contact: Thomas J. Sukay.

Companias DeLima S.A.

Avenida Eldorado No. 69A-51,
Bogota, Colombia; 571-412-4111;
fax: 571-410-9451

	1997	1996
Premium volume	$244,089,000*	$193,605,000*
Gross revenues	$31,632,000*	$24,923,000*
Brokerage rev.	$29,825,000*	$23,700,000*
Non-U.S. clients	100%	100%
Brokerage: Retail	90%	91%
Non-U.S. offices	$28,469,000*	$22,680,000*
Personal	4%	5%
Invstmt. income	6%	4%
Employees	633	627
Retail offices	10	10

** Converted at applicable exchange rates.*

Founded: 1953.
Retail brokerage: 98% commissions, 2% fees.
Employee benefits: 20% of revenues in 1997.
Retail brokerage offices: Barranquilla, Bucaramanga, Cali, Cartagena, Ibague, Manizales, Medellin and Pereira, Colombia.
Non-retail brokerage subsidiaries: Ancor Ltda., Consultores de Proteccion 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, Terry Factor, Jorge Alberto Uribe Jr.

Connolly, Ford, Bower & Leppert Inc.

429 N. Pennsylvania St., Suite 202,
Indianapolis, Ind. 46204;
317-236-6161; fax: 317-236-6149

	1997*	1996*
Premium volume	$20,039,425	$19,708,909
Gross revenues	$2,894,136	$2,560,187
Brokerage rev.	$2,737,653	$2,424,497
U.S. clients	100%	100%
Brokerage: Retail	57.1%	74.6%
U.S. offices	$1,652,552	$1,909,900
Wholesale	0.6%	0.5%
Personal	36.8%	19.6%
Services	0.1%	NA
Invstmt. income	4.6%	4.4%
Other	0.8%	0.9%
Employees	19	18
Retail offices	1	1

** Fiscal years ending 6/30/97 and 6/30/96.*

Founded: 1981.
Retail brokerage: 98% commissions, 2% fees.
Employee benefits: 5% of revenues in 1997.
Retail brokerage offices: Indianapolis.
Licensed excess/surplus broker in: Indiana.
Officers: John M. Ford, chairman; Lawrence L. Connolly, president; R. Michael Leppert, William Patrick Bower, executive vps.
Contact: John M. Ford.

Cook, Hall & Hyde Inc.

461 Pantigo Road,
East Hampton, N.Y. 11937;
516-324-1440; fax: 516-324-3980
http://www.cookagency.com

	1997	1996
Premium volume	$66,200,000	$60,400,000
Gross revenues	$9,814,000	$8,920,000
Brokerage rev.	$8,047,480	$7,225,200
U.S. clients	100%	100%
Brokerage: Retail	60%	59%
U.S. offices	$5,888,000	$5,262,800
Wholesale	2.5%	2%
Personal	27%	27%
Services	1.5%	2%
Invstmt. income	5%	5%
Other	4%	5%
Employees	89	87
Retail offices	4	4

** Fiscal years ending 2/28/98 and 2/28/97.*

Founded: 1947.
Retail brokerage: 96% commissions, 4% fees.
Employee benefits: 6% of revenues in 1997.
Acquisitions: Edward F. Cook Agency, East Hampton, N.Y., July 1998; The Hall Agency, Valley Stream, N.Y., July 1998; Charles E. Hyde Agency, Port Washington, N.Y., July 1998.
Retail brokerage offices: East Hampton, Islip, Port Washington and Valley Stream, N.Y.
Licensed excess/surplus broker in: New York.
Officers: Robert F. Denny, chairman/CEO; John E. Hardy, Leonard Scioscia, Donald Hall Jr., Thomas G. McMahon, managing directors.
Contact: Leonard Scioscia.

Corporate Benefit Consultants Inc.

2200 E. Devon Ave., Suite 317,
Des Plaines, Ill. 60018;
847-827-7030; fax: 847-827-7031
http://www.ppcs.com/cbc/

	1997	1996
Premium volume	$36,250,000	$21,250,000
Gross revenues	$1,450,000	$850,000
Brokerage rev.	$1,450,000	$850,000
U.S. clients	100%	100%
Brokerage: Retail	71%	79%
U.S. offices	$1,029,500	$671,500
Wholesale	4%	5%
Reinsurance	20%	15%
Services	5%	1%
Employees	12	4
Retail offices	1	1

Retail brokerage: 100% commissions.
Employee benefits: 98.5% of revenues in 1997.
Officers: Ted A. Reese, president; Michael A. Traina, principal; James M. Cornelius, principal.

Cosburn, Griffiths & Brandham Insurance Brokers

120 S. Town Centre Blvd.,
Markham, Ontario L6G 1C3,
Canada; 905-479-6670;
fax: 905-479-9164

	1997*	1996*
Premium volume	$23,496,000**	$26,424,000**
Gross revenues	$5,197,600**	$5,505,000**
Brokerage rev.	$4,210,056**	$4,404,000**
U.S. clients	1%	1%
Non-U.S. clients	99%	99%
Brokerage: Retail	60%	63%
Non-U.S. offices	$3,118,560**	$3,468,150**
Wholesale	1%	1%
Personal lines	20%	15%
Services	NA	1%
Invstmt. income	1%	1%
Other	18%	19%
Employees	60	65
Retail offices	1	1

** Fiscal years ending 3/31/98 and 3/31/97. ** Converted at applicable exchange rates.*

Founded: 1973.
Retail brokerage: 99% commissions, 1% fees.
Employee benefits: 15% of revenues in 1997.
Retail brokerage offices: Cosburn, Griffiths & Brandham Financial Services Inc., Markham, Ontario; Cosburn, Griffiths & Brandham Professional Liability Inc., Markham, Ontario.
Officers: Barry Cosburn, president; Jeffrey Brandham, Kevin Goranson, Roderick Findlayson, David Yeates, vps; Darryl D. Ticknor, vp-international.
Contact: Darryl D. Ticknor.

Charles L. Crane Agency Co.

100 S. Fourth St., Suite 800,
St. Louis, Mo. 63102-1820;
314-241-8700; fax: 314-444-4970
http://www.craneagency.com

	1997	1996
Premium volume	$85,826,025	$83,949,066
Gross revenues	$10,842,496	$10,213,623
Brokerage rev.	$10,625,646	$10,009,351
U.S. clients	100%	100%
Brokerage: Retail	80.4%	81.6%
U.S. offices	$8,717,367	$8,334,316
Personal	17.5%	16.3%
Services	0.1%	0.1%
Invstmt. income	1%	1%
Other	1%	1%
Employees	130	124
Retail offices	2	2

Founded: 1885.
Retail brokerage: 99.9% commissions, 0.1% fees.
Employee benefits: 14% of revenues in 1997.
Licensed excess/surplus broker in: Illinois, Missouri.
Officers: Michael T. Reedy, president; R. Christopher Imbs, chairman; W. Elliot Benoist, secretary; Edwin A. Lips, vice chairman; Darryl Berkbuegler, treasurer.
Contact: Jerry Burnett.

Frank Crystal & Co. Inc.

40 Broad St.,
New York, N.Y. 10004;
212-344-2444; fax: 212-952-1095

	1997	1996
Gross revenues	$48,864,000	$44,021,000
Brokerage rev.	$48,864,000	$44,021,000
U.S. clients	100%	100%
Brokerage: Retail	91%	89%
U.S. offices	$44,466,240	$39,178,600
Personal	6%	7%
Services	3%	4%
Employees	227	227
Retail offices	5	5

Founded: 1933.
Retail brokerage: 97% commissions, 3% fees.
Retail brokerage offices: Frank Crystal & Co. Inc. (Midwest), Lenexa, Kan.; Frank Crystal

Continued on next page



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Continued from previous page

& Co. of California Inc., San Francisco; Frank Crystal & Co. of Florida Inc., Fort Lauderdale, Fla.; Frank Crystal & Co. of Texas Inc., Houston.

Licensed excess/surplus broker in: Florida, New York, Texas.

Officers: James W. Crystal, chairman/CEO; Arthur H. Littmann, executive vp/CFO; Mark Freitas, Vincent Gandolfo, senior managing directors; Scott Heldfond, president-Frank Crystal & Co. of Calif. Inc.

Contact: James W. Crystal.

D

The Daniel & Henry Co.

2350 Market St., Suite 400,
St. Louis, Mo. 63103;
314-421-1525; fax: 314-444-1990
http://www.daniel-henry.com

	1997	1996
Premium volume	**$132,300,000**	$122,600,000
Gross revenues	**$17,423,000**	$16,235,000
Brokerage rev.	**$17,068,000**	$15,973,000
U.S. clients	**100%**	100%
Brokerage: Retail	**83.6%***	83.4%*
U.S. offices	**$14,566,000**	$13,540,000
Personal	**14.2%**	14.7%
Services	**0.2%**	0.2%
Invstmt. income	**1.7%**	1.6%
Other	**0.3%**	0.1%
Employees	**195.5**	186.5
Retail offices	**1**	1

** Includes financial risk and group commissions.*

Founded: 1921.

Retail brokerage: 94.2% commissions, 5.8% fees.

Employee benefits: 15.2%** of revenues in 1997.

Licensed excess/surplus broker in: Missouri.

Officers: Charles S. Drew Jr., chairman/president; Michael W. Cremins, COO/executive vp; M. Henry Johnson, John S. Childress, executive vps; Thomas J. Purcell Jr., senior vp.

Contact: James A. Samson, 314-444-1735.

*** Includes life insurance commissions.*

Dann Insurance*

1500 S. Lakeside Drive,
Bannockburn, Ill. 60015;
847-509-3600; fax: 847-509-3601

	1997	1996
Gross revenues	**$10,404,000**	$12,024,000
Brokerage rev.	**$10,091,880**	$11,663,280
U.S. clients	**100%**	100%
Brokerage: Retail	**87%**	90%
U.S. offices	**$9,098,800**	$10,821,600
Personal	**6%**	4%
Services	**4%**	3%
Invstmt. income	**2%**	2%
Other	**1%**	1%
Employees	**97**	111
Retail offices	**3**	3

Founded: 1948.

Retail brokerage: 91% commissions, 9% fees.

Employee benefits: 15% of revenues in 1997.

Retail brokerage offices: Evergreen, Colo.; Edwardsville, Ill.

Licensed excess/surplus broker in: Alaska, Illinois.

Officers: Scott Dann, president/director; Russell Dann, chairman/director; Julie Dann, Marvin Rotstein, executive vps/directors.

Contact: Scott Dann.

** Formerly Dann Brothers Inc.*

Davis Baldwin Inc.

4600 W. Cypress St., Suite 200,
Tampa, Fla. 33607;
813-287-1936; fax: 813-287-1020
http://www.davisbaldwin.com

	1997	1996
Premium volume	**$165,000,000**	$146,875,000
Gross revenues	**$12,222,716**	$10,695,447
Brokerage rev.	**$12,124,934**	$10,299,715
U.S. clients	**100%**	100%
Brokerage: Retail	**92.3%**	91.1%
U.S. offices	**$11,261,567**	$9,743,552
Personal	**3.5%**	4.2%
Services	**3.4%**	1%
Invstmt. income	**0.3%**	3.5%
Other	**0.5%**	0.2%
Employees	**87**	78
Retail offices	**1**	1

Founded: 1936.

Retail brokerage: 82.7% commissions, 17.3% fees.

Employee benefits: 15.8% of revenues in 1997.

Acquisitions: Allen Trammell, Orlando, Fla., February 1998; Joel Williams, Tampa, Fla., May 1997.

Retail brokerage offices: Orlando, Fla.

Licensed excess/surplus broker in: Florida.

Officers: Lowry Baldwin, president; Charles Davis Jr., CEO; John Baldwin, John Neu, Michael Ortoll, executive vps.

Contact: Lowry Baldwin.

J. Rolfe Davis Insurance Agency Inc.

11 S. Bumby Ave.,
Orlando, Fla. 32803;
407-896-0550; fax: 407-896-6926
http://www.jrdavis.com

	1997*	1996*
Premium volume	**$70,000,000**	$45,000,000
Gross revenues	**$9,797,445**	$7,616,775
Brokerage rev.	**$9,699,471**	$7,517,757
U.S. clients	**100%**	100%
Brokerage: Retail	**89%**	85.5%
U.S. offices	**$8,719,726**	$6,512,342
Personal	**8%**	11%
Services	**2%**	2.2%
Invstmt. income	**1%**	1.3%
Employees	**82**	71
Retail offices	**2**	2

** Fiscal years ending 9/30/97 and 9/30/96.*

Founded: 1942.

Retail brokerage: 98% commissions, 2% fees.

Employee benefits: 24% of revenues in 1997.

Acquisitions: McGriff Seibels & Williams (branch office), Orlando, Fla., July 1997.

Retail brokerage offices: Longwood, Fla.

Licensed excess/surplus broker in: Florida.

Officers: F. David McKinney, president/CEO; L. Kipp Minter, Donald B. Boone, C.D. McBryde, senior vps; M.F. Hatcher.

Contact: John F. Watson Jr., senior vp; 407-897-7418.

debis Assekuranz Makler GmbH

debis-Haus am Potsdamer
Platz, Eichhornstrasse 3, 10875
Berlin, Germany; 49-30-2554-4602;
fax: 49-30-2554-4609
http://www.debis.de

	1997	1996
Premium volume	**$592,250,000***	$622,046,320*
Gross revenues	**$67,850,000***	$68,936,560*
Brokerage rev.	**$67,850,000***	$68,936,560*
U.S. clients	**1%**	0.9%
Non-U.S. clients	**99%**	99.1%
Brokerage: Retail	**83%**	86%
U.S. offices	**$690,000****	$606,480*
Non-U.S. offices	**$55,625,500****	$58,678,962*
Reinsurance	**2%**	2%
Personal lines	**15%**	12%
Employees	**528**	465

** Converted at applicable exchange rates. ** BI estimates converted at applicable exchange rates.*

Founded: 1990.

Parent: Daimler-Benz Group.

Retail brokerage: 100% commissions.

Acquisitions: Theoreme S.A., Paris, France.

Retail brokerage offices: 22 locations worldwide.

Officers: Egon Schubert, chairman; Dieter Beck, Hadubrand R. Jungklaus, Lothar Schwarz.

Contact: Bert H. Stahlmann.

Robert F. Driver Co. Inc.

1620 Fifth Ave.,
San Diego, Calif. 92101;
619-238-1828; fax: 619-699-1327
http://www.rfdriver.com

	1997*	1996*
Premium volume	**$344,600,000**	$290,000,000
Gross revenues	**$29,000,000**	$27,700,000
Brokerage rev.	**$27,840,000**	$26,592,000
U.S. clients	**100%**	100%
Brokerage: Retail	**91%**	91%
U.S. offices	**$26,390,000**	$25,207,000
Wholesale	**3%**	2%
Personal	**2%**	3%
Invstmt. income	**2%**	2%
Other	**2%**	2%
Employees	**250**	240
Retail offices	**5**	4

** Fiscal years ending 7/31/97 and 7/31/96.*

Founded: 1925.

Retail brokerage: 92% commissions, 8% fees.

Employee benefits: 24% of revenues in 1997.

Acquisitions: Cal-Central, Fresno, Calif., October 1997.

Retail brokerage offices: Escondido, Fresno, Newport Beach, Sacramento and San Diego, Calif.

Officers: Thomas Corbett, CEO; Richard Gulley, vice chairman; Jerold Hall, COO; Roger Combe, Ron Stewart, executive vps.

Contact: Richard Gulley, 619-699-1304.

E

James Econn & Co.

445 S. Figueroa St., 36th Floor,
Los Angeles, Calif. 90071;
213-629-3131; fax: 213-629-4440

	1997	1996
Premium volume	**$44,744,998**	$44,933,846
Gross revenues	**$5,732,839**	$5,611,844
Brokerage rev.	**$5,540,470**	$5,429,769
U.S. clients	**100%**	100%
Brokerage: Retail	**94%**	93%
U.S. offices	**$5,388,869**	$5,219,015
Personal	**3%**	4%
Invstmt. income	**3%**	3%
Employees	**32**	35
Retail offices	**2**	2

Founded: 1919.

Retail brokerage: 95% commissions, 5% fees.

Employee benefits: 3% of revenues in 1997.

Retail brokerage offices: Seattle.

Officers: James Econn, chairman/CEO; Gregory W. Econn, president; B.F. Grier, executive vp/COO; Donna McClain, corporate secretary.

Contact: B.F. Grier.

Employee Benefit Specialists Inc.

9351 Grant St., Suite 300, P.O. Box 29999, Denver, Colo. 80229;
303-280-1215; fax: 303-280-1821

	1997*	1996*
Premium volume	**$44,660,000**	$41,000,000
Gross revenues	**$2,233,003**	$2,056,736
Brokerage rev.	**$2,210,673**	$2,036,169
U.S. clients	**100%**	100%
Brokerage: Retail	**69%**	66%
U.S. offices	**$1,540,772**	$1,357,446
Reinsurance	**19%**	21%
Services	**11%**	12%
Other	**1%**	1%
Employees	**23**	20
Retail offices	**1**	1

** Fiscal years ending 3/31/98 and 3/31/97.*

Founded: 1976.

Retail brokerage: 77% commissions, 23% fees.

Employee benefits: 100% of revenues in 1997.

Licensed excess/surplus broker in: Colorado.

Officers: Alan M. Curtis, president; Lynn M. Dobbs, senior vp.

Contact: Alan M. Curtis.

F

Falkins Insurance Group Ltd.

911 Baker St., Cranbrook,
British Columbia V1C 1A4, Canada;
250-426-2205; fax: 250-426-7499

	1997*	1996*
Premium volume	**$17,544,000****	$14,700,000**
Gross revenues	**$1,973,700****	$1,653,750**
Brokerage rev.	**$1,973,700****	$1,653,750**
Non-U.S. clients	**100%**	100%
Brokerage: Retail	**55%**	57.5%
Non-U.S. offices	**$1,085,535****	$951,825**
Personal	**45%**	42.5%
Employees	**34**	28
Retail offices	**9**	7

** Fiscal years ending 7/31/97 and 7/31/96.*
*** Converted at applicable exchange rates.*

Founded: 1897.

Retail brokerage: 100% commissions.

Retail brokerage offices: Cranbrook, Elkford, Fernie, Fruitvale, Invermere, Kimberley, Salmo and Sparwood, British Columbia.

Officers: Simon Murphy, president; Sandra Westover, secretary/treasurer; Bob McGill, vp.

Contact: Simon Murphy.

Fickling & Clement Insurance

105 Arlington Blvd., P.O. Box 1626,
Greenville, N.C. 27835;
252-756-8300; fax: 252-756-9092
http://www.greenvilleinsurance.com

	1997	1996
Premium volume	**$6,436,371**	$6,822,903
Gross revenues	**$1,002,188**	$1,109,098
Brokerage rev.	**$877,917**	$939,517
U.S. clients	**100%**	100%
Brokerage: Retail	**69.9%**	67.7%
U.S. offices	**$700,529**	$750,859
Personal	**17.7%**	17.01%
Invstmt. income	**12.4%**	11.89%
Other	**NA**	3.4%
Employees	**14**	14
Retail offices	**1**	1

Founded: 1979.

Retail brokerage: 99% commissions, 1% fees.

Employee benefits: 6% of revenues in 1997.

Licensed excess/surplus broker in: North Carolina.

Officers: W. Kurt Fickling, president; James E. Clement Jr., executive vp; Sherry B. Edwards, vp; Barbara D. Matthews, secretary.

Contact: Barbara D. Matthews.

First Chicago NBD Insurance Services

1 First National Plaza,
Chicago, Ill. 60670;
312-732-4000; fax: 312-732-1775
http://www.fcnbd.com

	1997	1996
Premium volume	**$410,000,000**	$395,000,000
Gross revenues	**$80,031,653**	$78,165,000
Brokerage rev.	**$77,630,703**	$75,820,050
U.S. clients	**100%**	100%
Brokerage: Retail	**8%**	10.38%
U.S. offices	**$6,402,532**	$8,113,527
Personal	**86%**	81.62%
Services	**3%**	5%
Invstmt. income	**3%**	3%
Employees	**209**	178
Retail offices	**5**	5

Founded: 1910.

Parent: First Chicago NBD Bank.

Retail brokerage: 99% commissions, 1% fees.

Employee benefits: 3% of revenues in 1997.

Retail brokerage offices: First Card Insurance, Chicago; First Chicago Insurance Services, Northfield, Ill.; NBD Insurance Co., Phoenix; NBD Insurance Agency, Troy, Mich.; NBD Insurance Services: Carmel, Elkhart and Jeffersonville, Ind.; Birmingham, Mich.

Licensed excess/surplus broker in: Illinois, Indiana, Michigan.

Officers: Scott Bates, senior vp; Kathy Wilcox, Ron Braun, Bill Brunett, Cathy Balentine, Jim Stringfellow, first vps.

Contact: Trisha Bark, communications officer, 312-732-4024.

J.P. Flanagan Corp.

150 N. Wacker Drive, Suite 700,
Chicago, Ill. 60606;
312-236-4500; fax: 312-236-4525
http://www.jpflanagan.com

	1997	1996
Premium volume	**$29,000,000**	$20,000,000
Gross revenues	**$3,000,000**	$2,100,000
Brokerage rev.	**$2,970,000**	$2,079,000
U.S. clients	**100%**	100%
Brokerage: Retail	**95%**	96%
U.S. offices	**$2,850,000**	$2,016,000
Wholesale	**3%**	3%
Personal	**1%**	NA
Invstmt. income	**1%**	1%
Employees	**25**	19
Retail offices	**3**	2

Founded: 1992.

Retail brokerage: 98% commissions, 2% fees.

Employee benefits: 9% of revenues in 1997.

Retail brokerage offices: Denver, Chicago, Cleveland, Philadelphia.

Licensed excess/surplus broker in: Colorado, Illinois, Ohio.

Contact: Joseph P. Flanagan.

Forbes Group Ltd.

P.O. Box 61689,
Marshalltown 2107, South Africa;
27-11-378-4225 or 27-11-269-1283;
fax: 27-11-378-4222
http://www.forbesgroup.co.za

Founded: 1935.

Officers: Graeme Kerrigan, CEO; Paul Heinamann, deputy chairman; Leon Lewis, managing director-Alexander Forbes; John Percy-Davis, managing director-Nelson Hurst Ltd.; Seamus Casserly, managing director-Price Forbes; Quintin Heaney, group finance director.

Contact: Insurance brokerage, Africa: Seamus Casserly, 27-11-378-3431; insurance brokerage, UK/international: John Percy-Davis, 44-171-962-2155.

See profile on page 42.
See geographical listing on page 60.

Forrest Sherer Inc.

24 N. Sixth St., P.O. Box 900,
Terre Haute, Ind. 47808;
812-232-0441; fax: 812-232-1783

	1997	1996
Premium volume	**$45,221,260**	$43,567,400
Gross revenues	**$5,251,605**	$5,009,500
Brokerage rev.	**$4,980,097**	$4,938,867
U.S. clients	**100%**	100%
Brokerage: Retail	**81.71%**	86%
U.S. offices	**$4,291,086**	$4,308,170
Wholesale	**3%**	2.9%
Personal	**9.54%**	9.17%
Services	**0.58%**	0.52%
Invstmt. income	**4.97%**	1.21%
Other	**0.2%**	0.2%
Employees	**61**	60
Retail offices	**2**	2

Founded: 1920.

Retail brokerage: 98% commissions, 2% fees.

Employee benefits: 14.22% of revenues in

Continued on next page

Thank you,
Don and Pat



INDIANA STATE UNIVERSITY recently announced a $5 million gift from two friends of the University: Donald and Patricia Gongaware.

The Gongaware's gift will be used to establish the Gongaware Center for Insurance Management Development within the ISU School of Business. The center will serve as a resource for ISU's efforts to recruit high-ability students to the insurance and risk management program, one of the top in the nation, and offer service programs to professionals already working in the insurance industry.

The Gongawares believe that ISU's insurance program has been a primary source of professional talent in the industry, and they want to help continue that legacy. "We have great hopes for the future of the already impressive Department of Insurance and Risk Management. We look forward to great things from the program."

As the retired executive vice president and chief operations officer of Conseco, Don Gongaware understands the importance of training students who are the future leaders of the insurance industry. He and Pat are committed to that endeavor, as is Indiana State University.

Thank you, Don and Pat, for choosing Indiana State University as the recipient of your abundant gift.

Indiana State University

Office of the Vice President for University Advancement
Indiana State University
Terre Haute, Indiana 47809

Continued from previous page

1997.

Acquisitions: Bowsher Agency, Terre Haute, Ind., March 1997.

Retail brokerage offices: German American/Forrest Sherer Agency, Jasper, Ind.

Licensed excess/surplus broker in: Indiana.

Officers: John W. Dinkel, president/treasurer; John S. Lukens, executive vp; Dennis S. Michael, vp/secretary; John B. Douglas, Jerome R. Mueller, Robert F. Prox III, vps.

Contact: John W. Dinkel.

Frenkel & Co. Inc.

2 World Trade Center, 36th Floor,
New York, N.Y. 10048;
212-488-0200; fax: 212-488-1800
http://www.frenkel.com

	1997	1996
Premium volume	$321,100,000	$347,100,000
Gross revenues	$35,100,000	$36,500,000
Brokerage rev.	$33,345,000	$34,675,000
U.S. clients	99%	97%
Non-U.S. clients	1%	3%
Brokerage: Retail	86%	86%
U.S. offices	$30,186,000	$31,390,000
Wholesale	1%	NA
Reinsurance	NA	1%
Personal	7%	7%
Services	1%	1%
Invstmt. income	5%	5%
Employees	245	248
Retail offices	4	4

Founded: 1878.

Retail brokerage: 90% commissions, 10% fees.

Employee benefits: 8% of revenues in 1997.

Acquisitions: Franco & Son Inc., New York, February 1998; Oppenheim Insurance Agency, Los Angeles, December 1997.

Retail brokerage offices: Bay Shore, N.Y.; Frenkel of California Inc., Burbank, Calif.; Frenkel of New Jersey Inc., Franklin Township, N.J.

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

Officers: Robert E. Shunk, president/CEO; John F. Kelly, executive vp; Raymond F. Courtien, Gerald I. Benson, executive vps.; Michael H. Feinstein, senior vp.

Contact: Robert E. Shunk.

Fringe Benefits Management Co.

1720 S. Gradsden St., Tallahassee, Fla.
32301; 850-425-6200; fax: 850-425-6220
http://www.supernet.net\~FBMC

	1997	1996
Premium volume	$190,000,000	$210,000,000
Gross revenues	$13,990,149	$12,748,854
Brokerage rev.	$13,990,149	$12,748,854
U.S. clients	100%	100%
Brokerage: Retail	53.75%	42.75%
U.S. offices	$7,519,676	$5,450,763
Services	46.25%	57.25%
Employees	5	5

Founded: 1976.

Retail brokerage: 100% commissions.

Employee benefits: 100% of revenues in 1997.

Non-retail brokerage subsidiaries: Vista Management Co., Tallahassee, Fla.

Officers: Michael Sheridan, chairman; Lorraine Ritch, president; Agnes McMurray, senior vp; William Bischoff, vp/general counsel; Debra Tougas, vp/comptroller.

Contact: Harry McCall, broker and alliance relations, 800-872-0345.

G

Arthur J. Gallagher & Co.

2 Pierce Place, Itasca, Ill. 60143;
630-773-3800; fax: 630-773-4000
http://www.ajg.com

Founded: 1927.

Officers: Robert E. Gallagher, chairman; J. Patrick Gallagher Jr., president/CEO; Michael J. Cloherty, executive vp/CFO; Gary M. Van der Voort, Peter J. Durkalski, James W. Durkin Jr., vps.; Walter F. McClure senior vp.

Contact: Michael J. Cloherty.

See profile on page 34.
See geographical listing on page 60.

Gersten-Hillman Agency Inc.

P.O. Box 1150, 20 Anawana Lake
Road, Monticello, N.Y. 12701-8150;
914-794-5544; fax: 914-794-0430

	1997	1996
Premium volume	$6,393,684	$6,443,338
Gross revenues	$904,585	$855,755
Brokerage rev.	$881,923	$832,203
U.S. clients	100%	100%
Brokerage: Retail	70%	71%
U.S. offices	$633,209	$607,600
Wholesale	1%	1%
Personal	27%	26%
Invstmt. income	0.5%	1%
Other	1.5%	1%
Employees	14	14
Retail offices	1	1

Founded: 1932.

Retail brokerage: 100% commissions.

Employee benefits: 1% of revenues in 1997.

Officers: Joyce A. Salimeno, CEO/secretary/treasurer; Julius Cohen, president.

Contact: Joyce A. Salimeno.

The Gleason Agency Inc.

BT Financial Plaza, Suite 204,
P.O. Box 8, Johnstown, Pa. 15901;
814-532-0200; fax: 814-536-5554

	1997	1996
Premium volume	$40,200,000	$44,300,000
Gross revenues	$4,900,000	$5,300,000
Brokerage rev.	$4,600,000	$4,600,000
U.S. clients	100%	100%
Brokerage: Retail	88.9%	82.1%
U.S. offices	$4,356,100	$4,351,300
Personal	1.9%	1.7%
Invstmt. income	2.5%	2%
Other	6.7%	14.2%
Employees	46	46

Founded: 1924.

Retail brokerage: 91.8% commissions, 8.2% fees.

Retail brokerage offices: Philadelphia, Pittsburgh.

Licensed excess/surplus broker in: Pennsylvania.

Officers: Robert A. Gleason Jr., chairman/CEO; Christopher K. Gleason, president; Tony Kamnikar, Robert F. Zedreck, William E. Rogers, Gregg Murawsky, vps; Michele Baker, corporate controller.

Contact: Robert A. Gleason Jr.

Richard N. Goldman & Co.

1 Bush St., Ninth Floor,
San Francisco, Calif. 94104;
415-981-1141; fax: 415-398-4986
http://www.goldmanins.com

	1997*	1996*
Gross revenues	$11,000,000	$10,600,000
Brokerage rev.	$9,400,000	$9,600,000
U.S. clients	100%	100%
Brokerage: Retail	84.4%	86.5%
U.S. offices	$7,933,600	$8,304,000
Personal	10.2%	9.1%
Services	1.8%	1.2%
Invstmt. income	3.6%	3.2%
Employees	70	74
Retail offices	1	1

** Fiscal years ending 1/31/98 and 1/31/97.*

Founded: 1949.

Retail brokerage: 83.4% commissions, 16.6% fees.

Employee benefits: 12% of revenues in 1997.

Licensed excess/surplus broker in: California.

Officers: Richard N. Goldman, chairman; Stuart W. Seiler, vice chairman; John D. Goldman, CEO; Laurence A. Colton, president; Steve Vilas, senior vp/controller.

Contact: Laurence A. Colton.

The Graham Co.

1 Penn Square W.,
Philadelphia, Pa. 19102;
215-567-6300; fax: 215-567-3203
http://www.grahamco.com

	1997	1996
Premium volume	$91,762,400	$93,476,200
Gross revenues	$19,995,000	$18,647,000
Brokerage rev.	$19,895,000	$18,552,500
U.S. clients	100%	100%
Brokerage: Retail	98.5%	98.5%
U.S. offices	$19,695,000	$18,367,300
Personal	1%	1%
Invstmt. income	0.5%	0.5%
Employees	127	130
Retail offices	1	1

Founded: 1950.

Retail brokerage: 65% commissions, 35% fees.

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; Kenneth L. Ewell, vp-marketing.

Gras Savoye & Cie.

2-8 Rue Ancelle, 92200
Neuilly-sur-Seine, France;
331-41-43-5000;
fax: 331-41-43-5555
http://www.grassavoye.com

Founded: 1967.

Officers: Patrick Lucas, chairman/CEO; Daniel Naftalski, COO; Emmanuel Gras, COO; Jean-Herve Lorenzi, deputy operating officer.

Contact: Hubert Moreno.

See profile on page 43.
See geographical listing on page 60.

GrECo International A.G.

Gymnasiumstrasse 54,
Vienna 1191, Austria;
43-1-31334-0; fax: 43-1-31334-71
http://www.greco.co.at

	1997	1996
Premium volume	$147,600,000*	$151,716,000*

Continued on next page

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Continued from previous page

	1997	1996
Gross revenues	$18,860,000*	$20,680,000*
Brokerage rev.	$18,482,800*	$20,266,400*
U.S. clients	3%	3%
Non-U.S. clients	97%	97%
Brokerage: Retail	92%	94%
Non-U.S. offices	$17,351,200*	$19,439,200*
Reinsurance	1%	1%
Personal lines	2%	NA
Services	3%	3%
Invstmt. income	2%	2%
Employees	205	196
Retail offices	21	20

** Converted at applicable exchange rates.*

Founded: 1925.

Retail brokerage: 88% commissions, 12% fees.

Employee benefits: 5% of revenues in 1997.

Retail brokerage offices: FDG Eastern Insurance Services S.A., Romania; FDG-Polska Sp.z o.o., Poland; FDG-Zagreb d.o.o., Croatia; GrECo International d.o.o., Slovenia; GrECo International Kft., Hungary; GrECo International spol.s r.o.; Czech Republic and Slovak Republic.

Non-retail brokerage subsidiaries: GrECo Consult, Vienna, Austria; GrECo Data, Vienna, Austria.

Officers: Friedrich Neubrand, chairman; Friedrich Neubrand Jr., Walter Scherk, Peter Fuchs, board members.

Contact: Friedrich Neubrand Jr., 43-1-31334-35.

H

HCM Benefits Inc.

2250 Hawthorne Blvd., Suite 600,
Torrance, Calif. 90503;
310-543-9995; fax: 310-543-9905

	1997	1996
Premium volume	$300,000,000	$275,000,000
Gross revenues	$6,843,578	$6,196,200
Brokerage rev.	$6,843,578	$6,196,200
U.S. clients	100%	100%
Brokerage: Retail	100%	100%
U.S. offices	$6,843,578	$6,196,200
Employees	44	35
Retail offices	2	1

Founded: 1986.

Retail brokerage: 94% commissions, 6% fees.

Employee benefits: 100% of revenues in 1997.

Acquisitions: MacAller & Co., Westlake Village, Calif., January 1997.

Retail brokerage offices: Torrance and Westlake Village, Calif.

Officers: Jim Hall, president/CEO; Jim Czesak, senior vp.

Contact: Jim Hall, president/CEO.

The HDH Group Inc.

USX Tower, Suite 5900, 600
Grant St., Pittsburgh, Pa. 15219;
412-391-7300; fax: 412-391-7322
http://www.hdhgroup.com

	1997	1996
Premium volume	$170,000,000	$165,000,000
Gross revenues	$8,873,096	$8,469,196
Brokerage rev.	$8,740,000	$8,342,158
U.S. clients	100%	100%
Brokerage: Retail	81.5%	81.5%
U.S. offices	$7,231,573	$6,902,395
Wholesale	13%	12%
Reinsurance	3%	4%
Services	1%	1%
Invstmt. income	0.5%	0.5%
Other	1%	1%
Employees	61	55
Retail offices	1	1

Founded: 1982.

Retail brokerage: 91% commissions, 9% fees.

Employee benefits: 47% of revenues in 1997.

Licensed excess/surplus broker in: Pennsylvania.

Officers: Bryan Hondru, president; Wallace Merrell, Frank Mikan, William Hartz, executive vps; Kay Turnbull, assistant secretary/treasurer.

Contact: Bryan Hondru.

H&R Phillips Inc.

Empire State Building, 350
Fifth Ave., Suite 5400,
New York, N.Y. 10118;
212-239-5353; fax: 212-239-5484

	1997	1996
Gross revenues	$2,500,000	$2,300,000
Brokerage rev.	$2,200,000	$2,116,000
U.S. clients	100%	100%
Brokerage: Retail	66%	70%
U.S. offices	$1,650,000	$1,610,000
Personal	15%	14%
Services	7%	8%
Invstmt. income	1%	2%
Other	11%	6%
Employees	20	23
Retail offices	1	1

Founded: 1964.

Retail brokerage: 93% commissions, 7% fees.

Employee benefits: 50% of revenues in 1997.

Licensed excess/surplus broker in: New York.

Officers: Judith L. Robinson, president; Carmen Barros, vp.

Contact: Judith L. Robinson, 212-239-5462.

Haas & Wilkerson Inc.

4300 Shawnee Mission Parkway,
Shawnee Mission, Kan. 66205;
913-432-4400; fax: 913-432-6159

	1997*	1996*
Premium volume	$66,889,000	$66,430,000
Gross revenues	$10,760,000	$10,580,000
Brokerage rev.	$10,437,200	$10,156,800
U.S. clients	100%	100%
Brokerage: Retail	90%	91%
U.S. offices	$9,684,000	$9,627,800
Wholesale	2%	1%
Personal	4%	3%
Services	1%	1%
Invstmt. income	3%	4%
Employees	95	95
Retail offices	5	5

** Fiscal years ending 1/31/98 and 1/31/97.*

Founded: 1939.

Retail brokerage: 94% commissions, 6% fees.

Employee benefits: 6% of revenues in 1997.

Retail brokerage offices: Los Angeles; St. Petersburg, Fla.; St. Louis; Philadelphia; Nashville, Tenn.

Licensed excess/surplus broker in: Kansas, Missouri.

Officers: William R. Wilkerson, CEO/chairman; James Philip Coulson, president; Frederick P. Dunn, executive vp; L'Mitchell Castor, CFO/COO; Dan Allen, vp.

Contact: L'Mitchell Castor.

Hamilton Dorsey Alston Co.

4401 Northside Parkway,
Suite 400, Atlanta, Ga. 30327;
770-850-0050; fax: 770-850-9375
http://www.hdains.com

	1997*	1996*
Premium volume	$92,000,000	$85,000,000
Gross revenues	$11,391,758	$10,289,631
Brokerage rev.	$10,708,253	$9,672,253
U.S. clients	95%	95%
Non-U.S. clients	5%	5%
Brokerage: Retail	76%	75%
U.S. offices	$8,657,736	$7,717,223
Personal	16%	18%
Services	2%	1%
Invstmt. income	4%	4%
Other	2%	2%
Employees	94	85
Retail offices	1	1

** Fiscal years ending 10/31/97 and 10/31/96.*

Founded: 1972.

Retail brokerage: 75% commissions, 25% fees.

Employee benefits: 25% of revenues in 1997.

Retail brokerage offices: Atlanta.

Licensed excess/surplus broker in: Georgia.

Officers: John C. Hamilton, president; Robert C. Smith, executive vp; Stephen F. Fallon, senior vp-employee benefits practices group; Dayna M. Carney, commercial risk management group; Curt L. Goetsch, personal risk management group.

Contact: John C. Hamilton.

Cameron M. Harris & Co.

P.O. Box 220748,
Charlotte, N.C. 28222;
704-366-8834; fax: 704-366-8245
http://www.camharris.com

	1997	1996
Premium volume	$133,318,763	$136,127,153
Gross revenues	$17,766,025	$16,444,064
Brokerage rev.	$15,989,422	$14,520,109
U.S. clients	100%	100%
Brokerage: Retail	65.85%	66.4%
U.S. offices	$11,698,927	$10,918,859
Personal	12.3%	12%
Services	1.8%	1.2%
Other	20.05%	20.4%
Employees	202	185
Retail offices	7	5

Founded: 1979.

Parent: C.M. Harris Holding Co.

Retail brokerage: 89.4% commissions, 10.6% fees.

Employee benefits: 11.36% of revenues in 1997.

Retail brokerage offices: Boone, Greensboro, Morganton and Raleigh, N.C.; Columbia and Greenville, S.C.

Licensed excess/surplus broker in: North Carolina.

Officers: Cameron Harris, president/CEO; James F. Walker, executive vp; M. Eugene Link, executive vp/COO; William A. Richard Jr., CFO/secretary/treasurer; Harold J. Wilkerson, vp.

Contact: Harold J. Wilkerson.

Hastings-Tapley Insurance Agency Inc.

271 Cambridge St.,
Cambridge, Mass. 02141;
617-876-7510; fax: 617-876-7155

	1997*	1996*
Premium volume	$95,076,467**	$95,059,922**
Gross revenues	$16,323,909	$15,307,076
Brokerage rev.	$15,445,683	$14,449,880
U.S. clients	100%	100%
Brokerage: Retail	50.4%	50.35%
U.S. offices	$8,227,250	$7,707,113
Services	44.22%	44.05%
Invstmt. income	5.38%	5.6%
Employees	191	177
Retail offices	5	4

** Fiscal years ending 9/30/97 and 9/30/96.*
*** Does not include life and group premiums.*

Founded: 1866.

Retail brokerage: 94.33% commissions, 5.67% fees.

Employee benefits: 4% of revenues in 1997.

Acquisitions: Brown, Howe & Robichaud Insurance Agency, Leominster, Mass., October 1997.

Retail brokerage offices: Fairfield, Conn.; Brown, Howe & Robichaud Commercial Lines, Leominster, Mass; Governmental Entities Management Services Inc., Albany, N.Y.

Non-retail brokerage subsidiaries: Governmental Entities Management Services Inc., Albany, N.Y., and Glen Allen, Va. Lane-England Associates Inc., Cambridge, Mass.; NetCare Services Inc., Cambridge, Mass.

Licensed excess/surplus broker in: Massachusetts.

Officers: Frederick J. England Jr., chairman; E. Donald Lewis, president; Marsha K. Burridge, Jennifer L. Decker, executive vps.

Contact: Daniel A. Leone, senior vp/treasurer.

Healthcare Insurance Services Inc.

820 Gessner, Suite 1000,
Houston, Texas 77024;
713-461-4000; fax: 713-461-4334
http://www.histx.com

	1997	1996
Premium volume	$299,660,276	$354,188,685
Gross revenues	$43,335,455	$39,759,206
Brokerage rev.	$43,335,455	$39,759,206
U.S. clients	100%	100%
Brokerage: Retail	58.6%	51.1%
U.S. offices	$25,394,577	$20,316,934
Wholesale	17.7%	18.1%
Reinsurance	3.1%	6.8%
Services	20.6%	24%
Employees	180	188
Retail offices	7	7

Founded: 1983.

Parent: The Galtney Group Inc.

Retail brokerage: 89% commissions, 11% fees.

Acquisitions: Dennis Bartlett Insurance Agency, Plantation, Fla., March 1997.

Retail brokerage offices: Lafayette, La.; Nashville, Tenn.; Falls Church, Va.; HIS Insurance Agency of Florida Inc., Plantation, Fla.; Healthcare Risk Management Services Inc., Houston; Healthcare West Insurance Services Inc., Alamo, Calif.

Non-retail brokerage subsidiaries: Professional Risk Management Services Inc., Arlington, Va.; Western Litigation Specialists Inc., Houston; WorkCare Inc., Houston; WorkCare Southeast Inc., Birmingham, Ala.

Licensed excess/surplus broker in: Arizona, California, Colorado, District of Columbia, Florida, Indiana, Iowa, Kansas, Maryland, Michigan, Minnesota, Nebraska, New York, North Carolina, Oregon, Pennsylvania, South Dakota, Tennessee, Texas, Utah, Virginia, Wisconsin, Wyoming.

Officers: William F. Galtney Jr., chairman; William V. Larkin, COO; William J. Reese, president-Healthcare Insurance Services Inc.,retail/wholesale operations; Phillip E. Reischman, president-Healthcare Insurance Services Inc., risk concepts division; Robert Blasio, president-Western Litigation Specialists Inc.; Michael Nadler, president-WorkCare Inc.

Heath Group P.L.C.

133 Houndsditch, London EC3A
7AH, England; 44-171-234-4000;
fax: 44-171-234-4111
http://www.heathgroup.com

	1997*	1996*
Gross revenues	$231,522,000**	$233,850,672**

** Fiscal years ending 3/31/98 and 3/31/97. ** Converted at applicable exchange rates. 1997 revenues are BI estimate.*

Continued on next page

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A SERVICE OFFICE FOR AGENTS AND BROKERS

Continued from previous page

Founded: 1880.

Officers: John J.G. Mackenzie-Green, group chief executive; Michael H. Kier, chairman; Hamish Mackay, deputy chairman.

Joseph Held Co. Inc.

Wall Street Plaza,
Seventh Floor, 88 Pine St.,
New York, N.Y. 10005-1801;
800-221-9940 or 212-732-3508;
fax: 212-797-5413

	1997	1996
Premium volume	$19,500,000	$19,250,000
Gross revenues	$2,625,000	$2,525,000
Brokerage rev.	$2,550,000	$2,475,000
U.S. clients	97%	97%
Non-U.S. clients	3%	3%
Brokerage: Retail	85%	87%
U.S. offices	$2,231,250	$2,196,750
Wholesale	7%	7.5%
Personal	1%	1%
Services	1%	1%
Invstmt. income	6%	3.5%
Employees	8	8
Retail offices	1	1

Founded: 1897.

Retail brokerage: 97.5% commissions, 2.5% fees.

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

Officers: Kenneth S. Held, president/CEO; Renee Held, vp/secretary.

Contact: Kenneth Held.

Paul Hertel & Co. Inc.

243 Chestnut St.,
Philadelphia, Pa. 19106;
215-925-7657; fax: 215-923-0342

	1997	1996
Premium volume	$38,000,000	$45,000,000
Gross revenues	$3,600,000	$4,000,000
Brokerage rev.	$3,420,000	$3,800,000
U.S. clients	100%	100%
Brokerage: Retail	73%	75%
U.S. offices	$2,628,000	$3,000,000
Wholesale	5%	5%
Personal	16%	15%
Services	1%	NA
Invstmt. income	5%	5%
Employees	30	32
Retail offices	1	1

Founded: 1908.

Retail brokerage: 98% commissions, 2% fees.

Retail brokerage offices: Philadelphia.

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

Officers: James J. McLaughlin, chairman; Robert J. Bush, president.

Hibbs-Hallmark & Co.

P.O. Box 8357, 501 Shelley Drive,
Tyler, Texas 75711;
903-561-8484; fax: 903-581-8988

	1997	1996
Premium volume	$28,056,501	$28,089,587
Gross revenues	$12,388,037	$11,437,962
Brokerage rev.	$12,225,754	$11,240,085
U.S. clients	100%	100%
Brokerage: Retail	27.92%	30.57%
U.S. offices	$3,458,740	$3,496,585
Reinsurance	2.44%	1.45%
Personal	2.42%	2.81%
Services	65.91%	63.44%
Invstmt. income	0.94%	0.89%
Other	0.37%	0.84%
Employees	130	117
Retail offices	2	2

Founded: 1970.

Retail brokerage: 97.7% commissions, 2.3% fees.

Employee benefits: 10.10% of revenues in 1997.

Retail brokerage offices: Forney, Texas.

Non-retail brokerage subsidiaries: Claims Administrative Services Inc., Tyler, Texas.

Licensed excess/surplus broker in: Texas.

Officers: Billy E. Hibbs Sr., chairman/CEO; Billy Hibbs Jr., president; Mary Smith, secretary/treasurer; Barry Jones, executive vp; Gary Howell, executive vp-sales.

Contact: Billy E. Hibbs Sr.

Hilb, Rogal & Hamilton Co.

P.O. Box 1220, 4235 Innslake Drive,
Glen Allen, Va. 23060;
804-747-6500; fax: 804-747-6046
http://www.hrh.com

	1997	1996
Premium volume	$1,100,000,000	$1,000,000,000
Gross revenues	$173,709,000	$158,200,000
Brokerage rev.	$168,497,730	$153,454,000
U.S. clients	96%	96%
Non-U.S. clients	4%	4%
Brokerage: Retail	76%	78%
U.S. offices	$125,264,000	$116,654,000
Non-U.S. offices	$6,755,000	$6,742,000
Personal	16%	16%
Services	5%	3%
Invstmt. income	3%	3%
Employees	1,700	1,750
Retail offices	66	67

Founded: 1982.

Retail brokerage: 98% commissions, 2% fees.

Employee benefits: 13% of revenues in 1997.

Acquisitions: S.H. Gow & Co. Inc., Buffalo, N.Y., January 1997; Gow Management Services Inc., Buffalo, N.Y., January 1997; Lynam Insurance Agency Inc., Birmingham, Ala., January 1997; The Mark Agency, Tulsa, Okla., October 1997; Professional Insurance Associates, Atlanta, September 1997; Professional Practice Insurance Brokers, Redwood City, Calif., October 1997.

Retail brokerage offices: 66 offices nationwide.

Licensed excess/surplus broker in: Most states.

Officers: Robert H. Hilb, chairman; Andrew L. Rogal, president/CEO; Timothy J. Korman, executive vp-finance/administration; John C. Adams Jr., executive vp; Carolyn Jones, senior vp/CFO/treasurer.

Contact: Andrew L. Rogal or Carolyn Jones.

If your company generates at least $500,000 in commercial retail brokerage revenues but was not included this year, please call Assistant Directory Editor Matt Scroggins at 312-649-5483.

Hirsch Wolf & Co.

1505 Coney Island Ave.,
Brooklyn, N.Y. 11230;
718-252-2800; fax: 718-253-9682

	1997	1996
Premium volume	$38,000,000	$28,000,000
Gross revenues	$2,300,000	$2,100,000
Brokerage rev.	$2,254,000	$2,037,000
U.S. clients	100%	100%
Brokerage: Retail	74%	73%
U.S. offices	$1,702,000	$1,533,000
Wholesale	1%	4%
Personal lines	13%	11%
Services	10%	9%
Invstmt. income	2%	3%
Employees	28	33
Retail offices	2	1

Founded: 1958.

Retail brokerage: 98% commissions, 2% fees.

Employee benefits: 26% of revenues in 1997.

Retail brokerage offices: Passaic, N.J.

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

Officers: Hirsch Wolf, president; Raquel Wolf, secretary.

Hitachi Insurance Services Ltd.

11-1, Marunouchi 1-Chome,
Chiyodaku, Tokyo 100-0005,
Japan; 81-3-3636-5521;
fax: 81-3-3636-4051

	1997	1996
Premium volume	$507,552,512	$585,779,085
Gross revenues	$60,838,648	$69,059,574
Brokerage rev.	$58,891,808	$66,780,612
U.S. clients	0.7%	0.6%
Non-U.S. clients	99.3%	99.4%
Brokerage: Retail	28.1%	27.1%
U.S. offices	$407,536	$383,229
Non-U.S. offices	$16,666,096	$18,331,920
Reinsurance	0.1%	0.1%
Personal lines	68.6%	69.5%
Invstmt. income	1.9%	1.9%
Other	1.3%	1.4%
Employees	406	403
Retail offices	33	34

Founded: 1949.

Parent: Hitachi Ltd.

Retail brokerage: 100% commissions.

Employee benefits: 23.8% of revenues in 1997.

Retail brokerage offices: 33 offices in Japan.

Non-retail brokerage subsidiaries: Hitachi Insurance Services, Hong Kong; Concord Enterprise Insurance Co. Ltd., Bermuda.

Officers: N. Fukuma, president; F. Ishizaki, senior executive managing director; R. Takuhara, executive managing director; K. Warishi, H. Idogawa, board directors.

Contact: M. Funakubo, general manager-international department.

Holmes, Murphy & Associates Inc.

420 Keo Way,
Des Moines, Iowa 50309;
515-286-4400; fax: 515-286-4494

	1997*	1996*
Premium volume	$208,630,473	$197,182,670
Gross revenues	$23,675,319	$20,672,066
Brokerage rev.	$23,415,790	$20,341,312
U.S. clients	100%	100%
Brokerage: Retail	79%	85%
U.S. offices	$18,703,502	$17,571,256
Personal	1%	1%
Services	19%	13%
Invstmt. income	1%	1%
Employees	210.5	177.5
Retail offices	4	5

** Fiscal years ending 6/30/97 and 6/30/96.*

Founded: 1930.

Parent: HMA Inc.

Continued on next page



Continued from previous page

Retail brokerage: 80% commissions, 20% fees.

Employee benefits: 26% of revenues in 1997.

Retail brokerage offices: Bloomington, Ill.; Cedar Rapids and West Des Moines, Iowa; Dallas.

Licensed excess/surplus broker in: Illinois, Iowa, Texas.

Officers: J. Douglas Reichardt, chairman/director; James S. Swift, president/director; Nickolas J. Henderson, senior vp/secretary/director; Marlin C. Willis, senior vp/director; Carl P. Drautz, senior vp.

Contact: Nick Henderson.

Hylant-MacLean Group

1505 Jefferson Ave.,
Toledo, Ohio 43624;
419-255-1020; fax: 419-255-7557
http://www.hylant.com

	1997	1996
Premium volume	**$200,000,000**	$185,000,000
Gross revenues	**$18,500,000**	$17,000,000
Brokerage rev.	**$18,315,000**	$16,830,000
U.S. clients	**100%**	100%
Brokerage: Retail	**91%**	93%
U.S. offices	**$16,835,000**	$15,810,000
Personal	**1%**	1%
Services	**7%**	5%
Invstmt. income	**1%**	1%
Employees	**230**	157
Retail offices	**6**	6

Founded: 1935.

Retail brokerage: 57% commissions, 43% fees.

Employee benefits: 13% of revenues in 1997.

Retail brokerage offices: Portland, Maine; Detroit; Cincinnati, Cleveland and Columbus Ohio; National Insurance Specialists, Toledo, Ohio.

Non-retail brokerage subsidiaries: Hylant Administrative Services, Toledo, Ohio; Hylant Health Management, Toledo, Ohio.

Licensed excess/surplus broker in: Michigan, Ohio.

Officers: Patrick R. Hylant, president; William F. Buckley, vp/COO; J. Scott Stewart, Richard C. Hylant, Michael M. Hylant, vps.

Contact: Dianne Cameron.

I

ISU/The May Agency Inc.

1327 N. Walnut St., P.O. Box 1669,
Bloomington, Ind. 47402;
812-334-2400; fax: 812-332-3646
http://www.watercraftinsurance.com

	1997	1996
Premium volume	**$8,637,000**	$8,054,000
Gross revenues	**$1,333,000**	$1,265,000
Brokerage rev.	**$1,306,340**	$1,214,400
U.S. clients	**100%**	100%
Brokerage: Retail	**75%**	77%
U.S. offices	**$999,000**	$974,000
Personal	**23%**	19%
Invstmt. income	**2%**	4%
Total employees	**12**	12
Total offices	**1**	1

Founded: 1949.

Retail brokerage: 100% commissions.

Employee benefits: 6.9% of revenues in 1997.

Licensed excess/surplus broker in: All states.

Officers: Paul May, president; John May, vp; Regina Haverly, secretary/treasurer.

Contact: Paul May.

ISU/Valley Insurance Service

861 S. Oak Park Road,
Covina, Calif. 91723;
626-966-3664; fax: 626-966-3895

	1997*	1996*
Premium volume	**$28,000,000**	$22,000,000
Gross revenues	**$3,000,000**	$2,400,000
Brokerage rev.	**$3,000,000**	$2,400,000
U.S. clients	**100%**	100%
Brokerage: Retail	**87%**	83%
U.S. offices	**$2,610,000**	$1,992,000
Personal	**12%**	16%
Services	**1%**	1%
Total employees	**30**	26
Total offices	**5**	5

** Fiscal years ending 5/31/98 and 5/31/97.*

Founded: 1940.

Retail brokerage: 99% commissions, 1% fees.

Employee benefits: 20% of revenues in 1997.

Acquisitions: R.G. Business Insurance Agency, Covina, Calif., May 1997.

Retail brokerage offices: Escondido, Laguna Hills, Palm Desert and Ventura, Calif.

Officers: Harold J. Borak, president; Dennis Monahan, Steve Greenspan, Barbara Borak, vps; Cindy Cole, treasurer.

Contact: Harold J. Borak.

Insurance Management Associates Inc.

P.O. Box 2992,
Wichita, Kan. 67201-2992;
316-267-9221; fax: 316-266-6254

	1997	1996
Premium volume	**$300,000,000**	$270,000,000
Gross revenues	**$25,979,731**	$22,984,796
Brokerage rev.	**$24,680,744**	$22,042,419
U.S. clients	**100%**	100%
Brokerage: Retail	**86.3%**	88.4%
U.S. offices	**$22,420,507**	$20,318,559
Personal	**3.4%**	3.3%
Services	**5.3%**	4.2%
Invstmt. income	**5%**	4.1%
Total employees	**243**	237
Total offices	**5**	4

Founded: 1974.

Retail brokerage: 87.3% commissions, 12.7% fees.

Employee benefits: 12.2% of revenues in 1997.

Retail brokerage offices: Denver; Atlanta; Topeka, Kan.

Licensed excess/surplus broker in: All states.

Officers: W.C. Cohen Jr., CEO; Kurt D. Watson, COO; Joseph C. Lukens, president-IMA Wichita; Velma Pollock, president-IMA Topeka; Ray Merz, president-RMA; Mike Price, president-ESIX; Robert L. Cohen, president-IMA Colorado.

Contact: W.C. Cohen Jr.

Insurance Management Co.

123 W. Ninth St., P.O. Box 1133,
Erie, Pa. 16512-1133;
814-452-3200; fax: 814-454-5598
http://www.imcerie.com

	1997*	1996*
Premium volume	**$22,200,000**	$22,300,000
Gross revenues	**$2,700,000**	$2,400,000
Brokerage rev.	**$2,700,000**	$2,400,000
U.S. clients	**100%**	100%
Brokerage: Retail	**91%**	91%
U.S. offices	**$2,457,000**	$2,184,000
Services	**9%**	9%
Total employees	**26**	26
Total offices	**1**	1

** Fiscal years ending 6/30/97 and 6/30/96.*

Founded: 1933.

Retail brokerage: 100% commissions.

Licensed excess/surplus broker in: Pennsylvania.

Officers: John C. Bloomstine, president; Beth A. Dubik, vp/treasurer; Chris W. Bloomstine, vp/secretary.

Contact: John C. Bloomstine.

Insurance Marketing Agencies Inc.

306 Main St.,
Worcester, Mass. 01608;
508-753-7233; fax: 508-754-0487

	1997*	1996*
Premium volume	**$28,000,000**	$27,000,000
Gross revenues	**$3,800,000**	$3,700,000
Brokerage rev.	**$3,306,000**	$3,219,000
U.S. clients	**100%**	100%
Brokerage: Retail	**65%**	67%
U.S. offices	**$2,470,000**	$2,479,000
Wholesale	**4%**	3%
Personal	**18%**	17%
Invstmt. income	**2%**	2%
Other	**11%**	11%
Total employees	**42**	41
Total offices	**2**	2

** Fiscal years ending 9/30/97 and 9/30/96.*

Founded: 1924.

Retail brokerage: 99% commissions, 1% fees.

Employee benefits: 9% of revenues in 1997.

Retail brokerage offices: Boston.

Licensed excess/surplus broker in: Massachusetts.

Officers: Sumner W. Herman, president/treasurer; Arnold J. Horowitz, executive vp; John J. Kelly, vp; Laura Herman-Strohecker, vp-marketing; Kenneth W. Eddy, vp-sales.

Contact: Sumner W. Herman.

Insurance & Risk Management

3811 Illinois Road,
Fort Wayne, Ind. 46804;
219-436-1616; fax: 219-432-4083
http://www.insuranceriskmgmt.com

	1997	1996
Premium volume	**$86,000,000**	$87,000,000
Gross revenues	**$12,294,000**	$12,639,000
Brokerage rev.	**$12,171,060**	$12,512,610
U.S. clients	**100%**	100%
Brokerage: Retail	**81%**	81%
U.S. offices	**$9,958,000**	$10,238,000
Personal	**16%**	17%
Services	**2%**	1%
Invstmt. income	**1%**	1%
Total employees	**178**	173
Total offices	**6**	6

Founded: 1963.

Retail brokerage: 78% commissions, 22% fees.

Employee benefits: 40% of revenues in 1997.

Retail brokerage offices: Indianapolis and Warsaw, Ind.; Defiance and Sylvania, Ohio.

Officers: James Van Dyck, chairman; Duwan Tagtmeyer, John Hettwer, Carol Fuelling and Harold Everett, managing partners.

Contact: Steve Goss, 317-257-9191.

InterWest Insurance Services Inc.

401 Watt Ave.,
Sacramento, Calif. 95864;
916-488-3100; fax: 916-488-7143
http://www.iwins.com

	1997	1996
Premium volume	**$157,000,000**	$150,000,000
Gross revenues	**$16,280,000**	$15,500,000
Brokerage rev.	**$16,117,200**	$15,345,000
U.S. clients	**100%**	100%
Brokerage: Retail	**89%**	88%
U.S. offices	**$14,489,000**	$13,640,000
Personal	**9%**	9%
Services	**1%**	2%
Invstmt. income	**1%**	1%
Total employees	**155**	153
Total offices	**4**	4

Founded: 1992.

Retail brokerage: 99% commissions, 1% fees.

Employee benefits: 9% of revenues in 1997.

Retail brokerage offices: Insurance Associates of Redding, Redding, Calif; Insurance Center of Merced: Fresno and Merced, Calif.; Lindo-Hanna & Abbott, Chico, Calif.; Noack & Dean Insurance Agents & Brokers, Nevada City and Sacramento, Calif.

Licensed excess/surplus broker in: California.

Officers: Tom Williams, chairman/CEO; Bill O'Keefe, Keith Schuler, Steve Azevedo, Steve Williams, executive vps/directors.

Contact: Tom Williams or Dan Carroll, director-marketing.

J

The Jacobs Co. Inc.

8955 Guilford Road, Suite 260,
Columbia, Md. 21046;
301-621-8858; fax: 301-621-3043

	1997	1996
Premium volume	**$23,000,000**	$22,640,000
Gross revenues	**$3,150,000**	$2,943,000
Brokerage rev.	**$3,102,750**	$2,907,684
U.S. clients	**99%**	99%
Non-U.S. clients	**1%**	1%
Brokerage: Retail	**92.5%**	92.8%
U.S. offices	**$2,884,612**	$2,703,793
Non-U.S. offices	**$29,138**	$27,311
Wholesale	**1%**	1%
Personal	**3%**	3%
Services	**2%**	2%
Invstmt. income	**1.5%**	1.2%
Total employees	**19**	22
Total offices	**2**	3

Founded: 1989.

Retail brokerage: 99% commissions, 1% fees.

Employee benefits: 6% of revenues in 1997.

Retail brokerage offices: Columbia and Upper Marlboro, Md.

Officers: Frank L. Jacobs Jr., president; John L. Voigt Jr., vp.

Contact: Frank L. Jacobs Jr., 301-596-2460

Jardine Lloyd Thompson Group P.L.C.

Jardine House, 6 Crutched Friars,
London EC3N 2HT, England;
44-171-528-4444;
fax: 44-171-528-4185

Founded: 1970.

Officers: R.J.O. Barton, chairman; G.W. Stuart-Clarke, group finance director; Ken Carter, CEO; J. Hastins-Bass, CEO-specialty business group; A.D.J.B. Collins, CEO-international insurance; S.P. McGill, CEO-Asia; D.E. Corben, CEO-international reinsurance; R.D. Guy, CEO-Australia.

See profile on page 35.
See geographical listing on page 60.

L. Calvin Jones & Co.*

565 N. Broad St., P.O. Box 159,
Canfield, Ohio 44406-0159;
330-533-1195; fax: 330-533-7583

	1997**	1996**
Premium volume	**$6,461,000**	$7,447,000
Gross revenues	**$1,200,000**	$1,359,000
Brokerage rev.	**$1,200,000**	$1,359,000
U.S. clients	**100%**	100%
Brokerage: Retail	**78%**	80%
U.S. offices	**$936,000**	$1,087,000
Personal	**22%**	20%
Total employees	**19**	19
Total offices	**1**	1

*** Fiscal years ending 10/31/97 and 10/31/96.*

Founded: 1911.

Retail brokerage: 100% commissions.

Employee benefits: 2% of revenues in 1997.

Licensed excess/surplus broker.

Officers: Edward L. Gluck, president; Wendell L. Jones, senior vp/treasurer; Alvin A. Miller Jr., Mark A. Zeidenstein, vps; James M. Klingensmith, vp/secretary.

Contact: Edward L. Gluck.

** Formerly ISU/L. Calvin Jones.*

K

Kaye Group Inc.

122 E. 42nd St.,
New York, N.Y. 10168;
212-338-2100; fax: 212-867-0368
http://www.kayegroup.com

	1997	1996
Premium volume	**$430,000,000**	$400,000,000
Gross revenues	**$65,589,000**	$60,658,000
Brokerage rev.	**$39,729,000**	$38,264,000
U.S. clients	**100%**	100%
Brokerage: Retail	**47%**	50%
U.S. offices	**$30,827,000**	$30,329,000
Wholesale	**11%**	9%
Personal	**2%**	2%
Services	**2%**	2%
Invstmt. income	**5%**	4%
Other	**33%**	33%
Employees	**239**	229
Retail offices	**3**	4

Founded: 1952.

Retail brokerage: 91% commissions, 9% fees.

Employee benefits: 9% of revenues in 1997.

Acquisitions: Western Insurance Associates Inc., Pasadena, Calif., July 1997.

Retail brokerage offices: Kaye Corp. of Connecticut, Westport, Conn.; Kaye Insurance Associates, New York; Kaye-Western Insurance & Risk Services Inc., Pasadena, Calif.

Non-retail brokerage subsidiaries: Claims Administration Corp., New York; Old Lyme Bermuda, Hamilton, Bermuda; Old Lyme Insurance Co. of Rhode Island, Warwick R.I.; Program Brokerage Corp., Warwick, R.I.

Licensed excess/surplus broker in: California, Connecticut, Michigan, New York, Rhode Island.

Officers: Bruce D. Guthart, chairman/president/CEO; Michael P. Sabanos, senior vp/CFO.

Contact: Bruce D. Guthart, 212-338-2259.

Keenan & Associates

P.O. Box 4328, 2355
Crenshaw Blvd., Suite 200,
Torrance, Calif. 90510;
310-212-3344; fax: 310-212-0354
http://www.keenanassoc.com

	1997	1996
Gross revenues	**$46,900,000**	$42,000,000
Brokerage rev.	**$45,493,000**	$41,160,000
U.S. clients	**100%**	100%
Brokerage: Retail	**40%**	42%
U.S. offices	**$18,760,000**	$17,640,000
Services	**57%**	56%
Invstmt. income	**2%**	1%
Other	**1%**	1%
Employees	**421**	435
Retail offices	**12**	9

Founded: 1972.

Retail brokerage: 60% commissions, 40% fees.

Employee benefits: 33% of revenues in 1997.

Retail brokerage offices: Campbell, Chico, El Dorado Hills, Fresno, Irvine, Oakland, Pasadena, Riverside, Sacramento, San Diego and Westlake Village, Calif.

Licensed excess/surplus broker in: California.

Officers: John R. Keenan, CEO; David J. De Wenter, executive vp/COO; Sean K. Smith, president-schools; Dick Stewart, executive vp; Keith R. Pippard, CFO.

Contact: David J. De Wenter.

Kelter-Thorner Inc.

210 S. Old Woodward Ave., Suite
200, Birmingham, Mich. 48009;
248-540-3131; fax: 248-540-2002

	1997*	1996*
Premium volume	**$124,447,000**	$111,692,000
Gross revenues	**$14,908,000**	$13,380,000
Brokerage rev.	**$13,864,440**	$12,443,400
U.S. clients	**100%**	100%
Brokerage: Retail	**73.5%**	75%
U.S. offices	**$10,957,400**	$10,035,000
Wholesale	**8.5%**	8%
Personal	**10%**	9%
Services	**1%**	1%
Invstmt. income	**3%**	3%
Other	**4%**	4%
Employees	**97**	97
Retail offices	**6**	6

** Fiscal years ending 9/30/97 and 9/30/96.*

Founded: 1930.

Retail brokerage: 100% commissions.

Employee benefits: 3% of revenues in 1997.

Retail brokerage offices: Newport Beach and Redwood City, Calif.; Chicago; Birmingham, Mich.; Fords, N.J.; Middleburg Heights, Ohio.

Non-retail brokerage subsidiaries: Atlantic Underwriters Inc., Birmingham, Mich.

Licensed excess/surplus broker in: Michigan, Ohio.

Officers: Theodore R. Kelter, chairman; Marilyn Chernoff, president; John B. Washburn, Jeffrey G. Swarbrick, Anthony J. Benedetto Jr., executive vps.

Contact: Lisa Arthur.

R.C. Knox & Co. Inc.

1 Goodwin Square,
Hartford, Conn. 06103-4305;
860-524-7600; fax: 860-240-1587
http://www.rcknox.com

	1997	1996
Premium volume	**$115,000,000**	$105,000,000
Gross revenues	**$11,479,398**	$11,050,254
Brokerage rev.	**$11,249,810**	$10,829,248
U.S. clients	**100%**	100%
Brokerage: Retail	**85%**	84%
U.S. offices	**$9,757,488**	$9,282,213
Personal	**12%**	13%
Services	**1%**	1%
Invstmt. income	**2%**	2%
Employees	**82**	82
Retail offices	**1**	1

Founded: 1893.

Retail brokerage: 95% commissions, 5% fees.

Employee benefits: 6% of revenues in 1997.

Licensed excess/surplus broker in: Connecticut.

Officers: Norman C. Kayser, chairman; John F. Byrnes, president/CEO; Harold A. Smullen Jr., executive vp/COO; John J. Kalbacher, senior vp/CFO; Timothy H. Coppage, senior vp.

Contact: Norman C. Kayser, 860-524-7601.

L

LaGere & Walkingstick Insurance Agency Inc.

1010 Manuel, P.O. Box 409,
Chandler, Okla. 74834;
405-258-0804; fax: 405-258-4220

	1997	1996
Premium volume	**$100,372,941**	$92,185,968
Gross revenues	**$9,143,975**	$8,606,482
Brokerage rev.	**$9,052,535**	$8,520,417
U.S. clients	**100%**	100%
Brokerage: Retail	**47%**	47%
U.S. offices	**$4,297,668**	$4,045,047
Wholesale	**52%**	52%
Invstmt. income	**1%**	1%
Employees	**53**	57
Retail offices	**1**	1

Founded: 1964.

Parent: Chandler (USA) Inc.

Retail brokerage: 96% commissions, 4% fees.

Licensed excess/surplus broker in: Oklahoma.

Officers: Brent LaGere, president/CEO; Ernie Pierce, vp; Robert Crum, secretary.

Contact: Ernie Pierce, 405-256-4236.

Lamb, Little & Co.

5301 Keystone Court,
Rolling Meadows, Ill. 60008;
847-398-7060; fax: 847-398-7077

	1997	1996
Premium volume	**$48,992,000**	$47,494,000
Gross revenues	**$7,518,061**	$6,900,000
Brokerage rev.	**$7,518,061**	$6,900,000
U.S. clients	**100%**	100%
Brokerage: Retail	**85%**	85%
U.S. offices	**$6,390,352**	$5,865,000
Services	**15%**	15%
Total employees	**86**	81
Total offices	**2**	2

Founded: 1947.

Retail brokerage: 92% commissions, 2% fees.

Employee benefits: 13% of revenues in 1997.

Retail brokerage offices: Chicago.

Licensed excess/surplus broker in: Illinois.

Officers: Roy Holle, chairman; Bruce Whalborg, vp/treasurer; Bernard Napolski, president; Rick Rubner, vp/secretary; Frank Hoffeller, executive vp.

Contact: Robert J. Power.

Lambert Fenchurch Group P.L.C.

Friary Court, Crutched Friars,
London EC3N 2NP, England;
44-171-560-3000;
fax: 44-171-560-3502

Officers: D.B. Margrett, CEO; S.R.D. Wilson, COO; W.H.G. Wilks, finance director; M.A. Barnfield, chairman-U.K. group; M.J. Caley, chairman-international group; R.K. Kerr, CEO-U.S. holdings.

Contact: D.B. Margrett, 44-171-560-3573.

See profile on page 40.
See geographical listing on page 60.

W.A. Lang Co.

800 LaSalle Ave., Suite 2100,
Minneapolis, Minn. 55402;
612-371-9000; fax: 612-371-0804
http://www.walangco.com

	1997	1996
Premium volume	**$170,000,000**	$160,000,000

Continued on next page

Continued from previous page

	1997	1996
Gross revenues	$11,300,000	$10,800,000
Brokerage rev.	$11,300,000	$10,800,000
U.S. clients	100%	100%
Brokerage: Retail	94%	94%
U.S. offices	$10,622,000	$10,152,000
Wholesale	2%	2%
Personal	4%	4%
Employees	86	88
Retail offices	2	2

Founded: 1909.
Retail brokerage: 90% commissions, 10% fees.
Employee benefits: 28% of revenues in 1997.
Retail brokerage offices: St. Paul, Minn.
Licensed excess/surplus broker in: Minnesota.
Officers: Gary K. Wefel, president/CEO; James Rechtiene, executive vp; Robert Kranz, vp-finance; VeNita Schnebele, vp-marketing; Ronald Davis, vp-benefits.
Contact: Gary K. Wefel.

J. Smith Lanier & Co.

300 W. 10th St., P.O. Box 70,
West Point, Ga. 31833;
706-645-2211; fax: 706-643-0606
http://www.jsmithlanier.com

	1997	1996
Premium volume	$160,000,000	$134,200,000
Gross revenues	$23,462,677	$21,265,245
Brokerage rev.	$23,110,737	$20,946,266
U.S. clients	100%	100%
Brokerage: Retail	84.1%	82.7%
U.S. offices	$19,732,111	$17,586,358
Wholesale	0.5%	0.5%
Personal	13.4%	14.8%
Services	0.5%	0.5%
Invstmt. income	1.5%	1.5%
Employees	200	194
Retail offices	15	13

Founded: 1868.
Retail brokerage: 93% commissions, 7% fees.
Employee benefits: 15.6% of revenues in 1997.
Acquisitions: James Adams & McClelland, Waycross, Ga., January 1998; Quality Service Administrators, Newnan, Ga., January 1998.
Retail brokerage offices: Huntsville, Lafayette and Opelika, Ala.; Atlanta, Carrollton, Columbus, Manchester, Newnan, Tifton, Waycross and West Point, Ga.; Jackson, Miss.
Licensed excess/surplus broker in: Alabama, Georgia, Mississippi.
Officers: J. Smith Lanier II, chairman/CEO; D. Gaines Lanier, president/COO; William T. Parr Jr., vice chairman; Gary Ivey, executive vp; Frank E. Plan, CFO/secretary.
Contact: D. Gaines Lanier.

Lawley Service Inc.

120 Delaware Ave.,
Buffalo, N.Y. 14202;
716-849-8618; fax: 716-849-0360
http://www.lawleyinsurance.com

	1997	1996
Premium volume	$84,111,385	$80,446,000
Gross revenues	$14,189,326	$13,436,371
Brokerage rev.	$14,004,865	$13,127,334
U.S. clients	100%	100%
Brokerage: Retail	66.67%	68.5%
U.S. offices	$9,460,024	$9,203,914
Wholesale	0.03%	0.2%
Personal	32.0%	29%
Invstmt. income	1.3%	2.3%
Employees	163	142
Retail offices	5	5

Founded: 1945.
Retail brokerage: 96% commissions, 4% fees.
Employee benefits: 4.1% of revenues in 1997.
Acquisitions: The Tradition Agency, January 1997; Lawley-Richwood L.L.C., Hawthorne, N.Y., January 1998.
Retail brokerage offices: The Genesee Agency, Batavia, N.Y.; The Tradition Agency, Dunkirk, Fredonia and Jamestown, N.Y.
Officers: William J. Lawley Sr., president; William J. Lawley Jr., vp/secretary; Christopher D. Ross, vp/treasurer; Todd F. Best, vp; Michael R. Lawley, vp.
Contact: Todd F. Best, 716-849-8278.

The Leavitt Group

216 South 200 West, P.O.
Box 130, Cedar City, Utah 84720;
435-586-6553; fax: 435-586-1510
http://www.leavitt.com

	1997	1996
Premium volume	$206,000,000	$180,000,000
Gross revenues	$26,800,000	$23,600,000
Brokerage rev.	$26,532,000	$23,364,000
U.S. clients	99%	99%
Non-U.S. clients	1%	1%
Brokerage: Retail	64%	64%
U.S. offices	$17,152,000	$15,104,000
Personal	35%	35%
Invstmt. income	1%	1%
Employees	412	365
Retail offices	65	56

Founded: 1952.
Retail brokerage: 98% commissions, 2% fees.
Employee benefits: 5% of revenues in 1997.
Non-retail brokerage subsidiaries: Leavitt Group Enterprises L.P. and Leavitt Group Agency Assn. Inc., Cedar City, Utah.
Officers: Dixie Leavitt, founder; Dane O. Leavitt, CEO; Kelly Russell, CFO; Eric Leavitt, COO; Sandra Mansell, director of training.
Contact: Dennis Freire, director of marketing.

Lockton Cos. Inc.

7400 State Line Road,
Prairie Village, Kan. 66208;
913-676-9000; fax: 913-676-9180

	1997*	1996*
Premium volume	$1,350,000,000	$1,200,000,000
Gross revenues	$94,200,000	$82,125,000
Brokerage rev.	$93,446,400	$81,468,000
U.S. clients	98%	98%
Non-U.S. clients	2%	2%
Brokerage: Retail	96.2%	96.2%
U.S. offices	$90,620,400	$79,004,250
Personal	1%	1%
Services	2%	2%
Invstmt. income	0.8%	0.8%
Employees	800	716
Retail offices	9	8

** Fiscal years ending 04/30/97 and 4/30/96.*

Founded: 1966.
Retail brokerage: 65% commissions, 35% fees.
Employee benefits: 13% of revenues in 1997.
Retail brokerage offices: Los Angeles; Denver; Chicago; Kansas City and St. Louis, Mo.; New York; Nashville, Tenn.; Houston.
Licensed excess/surplus broker in: California, Colorado, Florida, Illinois, Kansas, Missouri, Texas.
Officers: John T. Lockton III, chairman/CEO; David M. Lockton, president; Michael C. Frost, executive vp/secretary/treasurer; Mark Angers, Gary Hambright, executive vps.
Contact: Michael C. Frost.

The Loomis Co.

850 Park Road, P.O. Box 7011,
Wyomissing, Pa. 19610;
610-374-4040; fax: 610-374-6578
http://www.loomisco.com

	1997	1996
Premium volume	$101,000,000	$98,000,000
Gross revenues	$12,950,000	$12,307,000
Brokerage rev.	$12,561,500	$11,937,790
U.S. clients	99.8%	99.8%
Non-U.S. clients	0.2%	0.2%
Brokerage: Retail	48%	51%
U.S. offices	$6,216,000	$6,276,570
Wholesale	1%	1%
Reinsurance	3%	3%
Personal	12%	12%
Services	33%	30%
Invstmt. income	2%	2%
Other	1%	1%
Employees	175	151
Retail offices	4	5

Founded: 1952.
Retail brokerage: 98% commissions, 2% fees.
Employee benefits: 43% of revenues in 1997.
Retail brokerage offices: Fort Lauderdale, Fla.; Annapolis, Md.; Lancaster and Wyomissing, Pa.
Licensed excess/surplus broker in: Florida, Maryland, Pennsylvania, Virginia.
Officers: James R. Loomis, president/CEO; H. Edwin Smith, Edward Cavanaugh, Gerald F. Blaum, vps; Kathy Schlegel, treasurer.
Contact: James R. Loomis, 610-374-4040 ext. 2201.

Lovitt & Touche Inc.

7202 E. Rosewood St.,
Tucson, Ariz. 85710;
520-722-3000; fax: 520-722-7106
http://www.lovitt-touche.com

	1997	1996
Premium volume	$111,135,512	$108,956,821
Gross revenues	$11,171,638	$10,970,834
Brokerage rev.	$11,037,578	$10,839,184
U.S. clients	100%	100%
Brokerage: Retail	84.2%	87%
U.S. offices	$9,406,519	$9,544,626
Personal	6.1%	6.1%
Services	8.5%	5.7%
Invstmt. income	1.2%	1.2%
Employees	98	102
Retail offices	3	4

Founded: 1911.
Parent: Financial Services Group.
Retail brokerage: 97% commissions, 3% fees.
Employee benefits: 15.2% of revenues in 1997.
Retail brokerage offices: Phoenix and Taylor, Ariz.
Non-retail brokerage subsidiaries: Mountain States Adjusting Agency: Phoenix, Taylor and Tucson, Ariz.; Mountain States Administrative Services Inc.: Phoenix, Taylor and Tucson, Ariz.
Licensed excess/surplus broker in: Arizona.
Officers: Carlos G. Touche, chairman/CEO; Charles A. Touche, president; Steven D. Touche, James R. Spring, executive vps; Gordon Gotzinger, senior vp.
Contact: James R. Spring.

M

MLW Services Inc.

100 William St.,
New York, N.Y. 10038;
212-797-9600; fax: 212-425-0719

	1997	1996
Premium volume	$74,000,000	$78,000,000
Gross revenues	$11,200,000	$11,500,000
Brokerage rev.	$11,088,000	$11,385,000
U.S. clients	96%	96%
Non-U.S. clients	4%	4%
Brokerage: Retail	61%	58%
U.S. offices	$6,832,000	$6,670,000
Wholesale	33%	37%
Personal	3%	2%
Services	2%	2%
Invstmt. income	1%	1%
Employees	64	65
Retail offices	1	1

Founded: 1986.
Retail brokerage: 95% commissions, 5% fees.
Employee benefits: 2% of revenues in 1997.
Retail brokerage offices: French American Risk Advisors Inc., New York.
Non-retail brokerage subsidiaries: Barkley Coverage Corp., New York.
Licensed excess/surplus broker in: New York.
Officers: Andrew H. Marks, president; Bert Linder, executive vp; Charles J. Weisblum, chairman; Silvana A. Vlacich, Bruce D. Tindal, senior vps.; Catherine Pipitone, vp.
Contact: Andrew H. Marks.

Mack & Parker Inc.

55 E. Jackson Blvd.,
Chicago, Ill. 60604;
312-922-5000; fax: 312-922-5358

	1997*	1996*
Gross revenues	$11,000,000	$10,100,000
Brokerage rev.	$10,673,300	$9,797,000
U.S. clients	100%	100%
Brokerage: Retail	80.15%	84.1%
U.S. offices	$8,816,500	$8,500,000
Reinsurance	4.01%	1%
Personal	3.04%	3.20%
Services	9.83%	8.7%
Invstmt. income	2.97%	3%
Employees	106	104
Retail offices	2	2

** Fiscal years ending 9/30/97 and 9/30/96.*

Founded: 1935.
Retail brokerage: 80% commissions, 20% fees.
Employee benefits: 19.34% of revenues in 1997.
Retail brokerage offices: Albuquerque, N.M.
Licensed excess/surplus broker in: Illinois.
Officers: Edward E. Mack III, Marie E. Raninger, Michael J. Ahlert, Martin P. Hughes, Robert J. Jonak, Veronica E. Campbell.
Contact: Edward E. Mack III, chairman or Martin P. Hughes, president.

Madero, Maldonado y Rehder Ltda.

Calle 26, 4A-45, Fourth Floor,
Bogota, Colombia; 571-286-0366 or
571-282-5000; fax: 571-282-8863

	1997	1996
Premium volume	$13,556,000*	$9,102,000*
Gross revenues	$1,220,000*	$772,000*
Brokerage rev.	$1,220,000*	$772,000*
Non-U.S. clients	100%	100%
Brokerage: Retail	65%	75%
Non-U.S. offices	$793,000*	$579,000*
Personal lines	35%	25%
Employees	40	36
Retail offices	4	3

** Converted at applicable exchange rates.*

Founded: 1978.
Retail brokerage: 100% commissions.
Officers: Jose Alberto Madero, president; Miguel Miro-Quesada, executive director; Jose Ricaurte, product manager; Gladys Izquierdo, assistant manager; Ernesto Maldonado, manager.
Contact: Miguel Miro-Quesada.

Marcotte Insurance Agency Inc.

366 Regency Parkway,
Omaha, Neb. 68114;
402-398-9009; fax: 402-398-0917

	1997*	1996*
Premium volume	$20,000,000	$21,000,000
Gross revenues	$2,245,062	$2,238,099
Brokerage rev.	$2,021,455	$2,014,289
U.S. clients	100%	100%
Brokerage: Retail	80%	81%
U.S. offices	$1,796,850	$1,812,860
Personal	18%	17%
Invstmt. income	2%	2%
Employees	25	25
Retail offices	1	1

** Fiscal years ending 7/31/97 and 7/31/96.*

Founded: 1927.
Employee benefits: 10% of revenues in 1997.
Licensed excess/surplus broker.
Officers: Carol J. Casey, president; Bernard J. Akromis, executive vp/secretary; Robert E. Linden, Thomas J. Welborn, vps; Joseph H. Bushey, treasurer.
Contact: Carol J. Casey.

Marsh & McLennan Cos. Inc.

1166 Ave. of the Americas,
New York, N.Y. 10036;
212-345-5000; fax: 212-345-4802
http://marshmac.com

Founded: 1871.
Officers: A.J.C. Smith, chairman/CEO; Frank J. Borelli, senior vp/CFO; Greg Van Gundy, general counsel; Francis N. Bonsignore, senior vp-human resources.
Contact: Erin Brownfield, 212-345-5648.
See profile on page 20.
See geographical listing on page 60.

Marshall & Sterling Enterprises Inc.

110 Main St.,
Poughkeepsie, N.Y. 12601;
914-454-0800; fax: 914-454-0880

	1997	1996
Premium volume	$177,000,000	$160,000,000
Gross revenues	$27,475,886	$25,870,748
Brokerage rev.	$27,475,886	$23,542,381
U.S. clients	100%	100%
Brokerage: Retail	65%	64%
U.S. offices	$17,859,326	$16,557,279
Wholesale	5%	2%
Personal	30%	25%
Other	NA	9%
Employees	247	249
Retail offices	12	13

Founded: 1864.
Retail brokerage: 99% commissions, 1% fees.
Employee benefits: 1% of revenues in 1997.
Acquisitions: Insurance Unlimited Inc., St. Thomas, U.S. Virgin Islands, February 1997.
Retail brokerage offices: Catskill, Greenville, Middletown, Newburgh, Poughkeepsie, Schenectady, Syracuse, Wappingers Falls and West Coxsackie, N.Y.; Christiansted and St. Croix, U.S. Virgin Islands; George T. Whalen Agency, Millbrook, N.Y.; Theodore Tunick & Co., Charlotte Amalie and St. Thomas, U.S. Virgin Islands.
Licensed excess/surplus broker in: New York, U.S. Virgin Islands.
Officers: John P. O'Shea, president-Marshall & Sterling Enterprises Inc.; Ben Round, president-Marshall & Sterling Upstate Inc.; David G. Ridgway, president-Marshall & Sterling St. Croix Inc.; James D. Tunick, president-Marshall & Sterling St. Thomas Inc.; Frank Maranto, president-Marshall & Sterling Programs Inc.

May-Davis Inc.

5227 E. Trent, P.O. Box 11589,
Spokane, Wash. 99211;
509-535-8783; fax: 509-534-0318

	1997*	1996*
Premium volume	$4,000,000	$4,000,000
Gross revenues	$750,000	$750,000
Brokerage rev.	$750,000	$750,000
U.S. clients	100%	100%
Brokerage: Retail	97%	97%
U.S. offices	$727,500	$727,500
Personal	3%	3%
Employees	5	6
Retail offices	1	1

** Fiscal years ending 6/30/97 and 6/30/96.*

Founded: 1974.
Retail brokerage: 100% commissions.
Employee benefits: 2% of revenues in 1997.
Officers: William H. Davis, president; William A. May, vp.
Contact: William H. Davis.

McGriff, Seibels & Williams Inc.

2211 Seventh Ave. S.,
Birmingham, Ala. 35233;
205-252-9871; fax: 205-581-9293

	1997	1996
Premium volume	$491,815,992	$446,219,370
Gross revenues	$58,831,057	$52,603,821
Brokerage rev.	$54,165,754	$48,895,252
U.S. clients	100%	100%
Brokerage: Retail	81.11%	82.06%
U.S. offices	$47,717,870	$43,166,696
Wholesale	7.07%	7.41%
Personal	0.99%	1.03%
Services	2.90%	2.45%
Invstmt. income	4.44%	4.43%
Other	3.49%	2.62%
Employees	442	419
Retail offices	6	7

Founded: 1983.
Retail brokerage: 95.86% commissions, 4.14% fees.
Employee benefits: 3.78% of revenues in 1997.
Retail brokerage offices: Atlanta; Columbia, Md.; Jackson, Miss.; Raleigh, N.C.; Houston.
Non-retail brokerage subsidiaries: Atlanta.
Licensed excess/surplus broker in: Alabama, Georgia, Maryland, Texas, Virginia.
Officers: Bruce C. Dunbar Jr., president/chairman/CEO; Gary M. Cooney, vice chairman; Thomas A. Lambert III, treasurer/senior vp/CFO; Fay G. Schuchman, secretary; Ralph T. Cleage Jr., assistant secretary.
Contact: Paul L. Barber, controller.

Meadowbrook Insurance Group

26600 Telegraph Road,
Southfield, Mich. 48034-2438;
248-358-1100; fax: 248-358-4665
http://www.meadowbrookinsgrp.com

	1997	1996
Premium volume	$295,781,084	$243,351,427
Gross revenues	$50,078,828*	$38,154,133*
Brokerage rev.	$50,025,538	$37,672,214
U.S. clients	100%	100%
Brokerage: Retail	53.9%	47.7%
U.S. offices	$26,338,045	$17,661,548
Non-U.S. offices	$654,443	$537,973
Reinsurance	1%	2%
Personal	1%	1%
Services	44%	48%
Invstmt. income	0.1%	1.3%
Employees	570	464
Retail offices	13	9

** Figures do not include revenue from underwriting.*

Founded: 1955.
Retail brokerage: 100% commissions.
Employee benefits: 61% of revenues in 1997.
Acquisitions: Acordia, Saginaw, Mich., December 1997; Crest Financial Corp., Cerritos, Calif., July 1997; Florida Preferred, Sarasota, Fla., May 1998; Villari & Associates, Deerfield Beach, Fla., May 1998.
Retail brokerage offices: Montgomery, Ala.; Cerritos, Calif.; Deerfield Beach and Miami, Fla.; Overland Park, Kan.; Grand Rapids, Saginaw and Traverse City, Mich.; Bloomington, Minn.; New York.
Non-retail brokerage subsidiaries: Bridgetown, Barbados; Hamilton, Bermuda.
Licensed excess/surplus broker.
Officers: Merton J. Segal, chairman/CEO; Warren Gardner, vice chairman; James R. Parry Sr., Robert S. Cubbin, Joseph C. Henry, executive vps.
Contact: Jeff Bowlby, senior vp/director-national programs.

Meeker-Magner Co.

2360 E. Devon Ave., Suite 3010,
Des Plaines, Ill. 60018;
847-699-1400; fax: 847-699-6383
http://www.m-mc.com

	1997	1996
Premium volume	$25,000,000	$23,500,000
Gross revenues	$2,800,000	$2,891,000
Brokerage rev.	$2,716,000	$2,804,270
U.S. clients	100%	100%
Brokerage: Retail	84%	83%
U.S. offices	$2,352,000	$2,399,000
Wholesale	3%	4%
Personal	10%	10%
Invstmt. income	3%	3%
Employees	26	25
Retail offices	1	1

Founded: 1902.
Retail brokerage: 92% commissions, 8% fees.
Employee benefits: 30% of revenues in 1997.
Licensed excess/surplus broker in: Illinois.
Officers: T. Gerald Magner Jr., president; Silvio D. DeSerto, executive vp; Gregory P. Disparte, T. Gerald Magner III, vps.
Contact: T. Gerald (Gerry) Magner Jr.

Meeker Sharkey Financial Group Inc.

14 Commerce Drive,
Cranford, N.J. 07016;
908-272-8100; fax: 908-272-6337
http://www.meekersharkey.com

	1997	1996
Premium volume	$265,644,000	$177,533,488
Gross revenues	$28,408,956	$26,422,000
Brokerage rev.	$26,988,508	$25,365,120
U.S. clients	97%	98%
Non-U.S. clients	3%	2%
Brokerage: Retail	83%	81%
U.S. offices	$23,579,433	$21,401,820
Personal lines	9%	9%
Services	3%	4%
Invstmt. income	2%	1%
Other	3%	3%
Employees	285	256
Retail offices	4	3

Founded: 1864.
Retail brokerage: 95% commissions, 5% fees.
Employee benefits: 18% of revenues in 1997.
Acquisitions: E.H. Devine Co. Inc., Wayne, Pa.
Retail brokerage offices: Burlington, N.J.; Meeker Sharkey Gervasio & Lane; Cranford, N.J.: Manhardt, Sharkey, Gorman Inc., Meeker Sharkey Benefit Consultants, Meeker Sharkey Bonding, Meeker Sharkey Public Entities Group, Meeker Sharkey Risk Management; Wall, N.J.: Kurmin Marine Insurance Agency, Meeker Sharkey & Moffatt; Wayne, Pa.: Meeker Sharkey & Devine.
Licensed excess/surplus broker in: New

Continued on next page

Continued from previous page

Jersey.

Officers: Thomas J. Sharkey Sr., chairman; Brian P. Leddy, vice chairman; Thomas J. Sharkey Jr., president-property/casualty; Peter S. Gruenberg, president-benefits; Kenneth Spencer, president-pensions; John F. Jennings, president-risk management.

Contact: Thomas J. Sharkey Jr., 908-931-3002.

Mesirow Insurance Services

321 N. Clark St., Suite 1200,
Chicago, Ill. 60610;
312-595-6200; fax: 312-595-7205
http://www.mesirow.com

	1997	1996
Premium volume	$200,000,000	$250,000,000
Gross revenues	$24,508,936	$20,234,148
Brokerage rev.	$23,655,867	$19,986,159
U.S. clients	100%	100%
Brokerage: Retail	90.5%	88.5%
U.S. offices	$22,180,587	$17,907,221
Personal	6%	10%
Other	3.5%	1.5%
Employees	146	172
Retail offices	3	4

Founded: 1972.

Parent: Mesirow Financial.

Retail brokerage: 88% commissions, 12% fees.

Employee benefits: 31% of revenues in 1997.

Acquisitions: Bookford & Co., Oakbrook Terrace, Ill., February 1997.

Retail brokerage offices: Highland Park and Oakbrook Terrace, Ill.

Licensed excess/surplus broker in: Illinois, South Dakota.

Contact: Richard S. Price, president.

Fred A. Moreton & Co.

P.O. Box 58139,
Salt Lake City, Utah 84158-0139;
801-531-1234; fax: 801-531-6117
http://www.famoreton.com

	1997	1996
Premium volume	$180,000,000	$160,000,000
Gross revenues	$13,141,547	$11,793,549
Brokerage rev.	$13,079,065	$11,683,959
U.S. clients	100%	100%
Brokerage: Retail	97.2%	93.4%
U.S. offices	$12,773,584	$11,015,175
Wholesale	0.4%	0.8%
Personal	1.3%	4.2%
Services	0.6%	0.6%
Invstmt. income	0.1%	0.9%
Other	0.4%	0.1%
Employees	105	94
Retail offices	2	2

Founded: 1910.

Retail brokerage: 97.8% commissions, 2.2% fees.

Employee benefits: 22.3% of revenues in 1997.

Retail brokerage offices: Boise, Idaho.

Non-retail brokerage subsidiaries: Moreton Financial Corp. Risk Services, Salt Lake City.

Licensed excess/surplus broker in: Idaho, Utah.

Officers: Edward B. Moreton, president; William R. Moreton, executive vp/treasurer; Craig L. Smith, executive vp; Jonathan M. Jepsen, senior vp; C. Scott Smith, vp-risk management.

Contact: Craig L. Smith.

Morris & MacKenzie Inc.

3500 de Maisonneuve Blvd. W.,
Suite 2400, Montreal, Quebec H32
3C1, Canada; 514-925-3222;
fax: 514-989-9981
http://www.morrismackenzie.ca

	1997*	1996*
Gross revenues	$12,101,400**	$11,508,100**
Brokerage rev.	$12,101,400**	$11,508,100**
U.S. clients	5%	5%
Non-U.S. clients	95%	95%
Brokerage: Retail	72%	74%
Non-U.S. offices	$8,713,008**	$8,515,994**
Personal	28%	26%
Employees	164	160
Retail offices	4	4

** Fiscal years ending 9/30/97 and 9/30/96. ** Converted at applicable exchange rates.*

Founded: 1939.

Parent: Macknor Ltd.

Retail brokerage: 90% commissions, 10% fees.

Employee benefits: 87% of revenues in 1997.

Retail brokerage offices: Calgary, Alberta; Montreal, Quebec; Toronto, Ontario; Vancouver, British Columbia.

Contact: Frank Dougan, president/CEO.

N

The NIA/Kornreich Group

66 Route 17, Paramus, N.J. 07652;
201-845-6600; fax: 201-845-0061
http://www.niagroup.com

	1997*	1996
Gross revenues	$48,097,000	$36,327,000
Brokerage rev.	$47,616,030	$35,600,460
U.S. clients	100%	100%
Brokerage: Retail	59%	69%
U.S. offices	$28,377,230	$25,065,000
Wholesale	3.5%	7%
Personal	33%	20%
Services	3.5%	2%
Invstmt. income	1%	1%
Other	NA	1%
Employees	430	345
Retail offices	12	9

** 1997 figures reported on an annualized basis.*

Founded: 1926.

Parent: The NIA Group L.L.C.

Retail brokerage: 96% commissions, 4% fees.

Employee benefits: 12% of revenues in 1997.

Acquisitions: Allen Russell & Allen, Hartford, Conn., March 1998; Kislak Insurance Agency, Miami Lakes, Fla., January 1997; Ulrich, Voorhees, Warner/Elizabeth Agency, Somerset, N.J., February 1998.

Retail brokerage offices: Hartford, Conn.; Miami Lakes and West Palm Beach, Fla.; Cranford, Elmwood Park, Freehold, Randolph, Somerset and Trenton, N.J.; Monticello, New York and White Plains, N.Y.

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

Officers: Paul L. Gross, chairman; Don Redlinger II, Roger Gross, Steve Grossberg, John Voorhees, J.T.W. Kornreich.

Contact: Paul L. Gross.

Near North Insurance Brokerage Inc.

875 N. Michigan Ave.,
Chicago, Ill. 60611;
312-280-5600; fax: 312-280-5602
http://www.nnng.com

	1997	1996
Premium volume	$590,000,000	$532,000,000
Gross revenues	$69,500,000	$62,550,000
Brokerage rev.	$66,720,000	$60,048,000
U.S. clients	100%	100%
Brokerage: Retail	84%	85%
U.S. offices	$58,380,000	$53,167,500
Wholesale	1%	NA
Reinsurance	4%	4%
Personal	2%	2%
Services	5%	5%
Invstmt. income	4%	4%
Employees	586	511
Retail offices	12	12

Founded: 1962.

Parent: Near North National Group.

Retail brokerage: 89% commissions, 11% fees.

Employee benefits: 6% of revenues in 1997.

Retail brokerage offices: Los Angeles; Washington; Chicago; New York; Dallas; Fine Arts Risk Management: Los Angeles; Washington; Chicago; New York. International Film Guarantors Inc.: Los Angeles. Near North Entertainment Ltd., London. Near North Entertainment Insurance Services L.L.C., Los Angeles. Near North National Title Corp., Chicago. National Professional Group, Chicago. Settlement Planning Associates: Chicago; Washington; Tampa, Fla.; Dallas.

Non-retail brokerage subsidiaries: THB Intermediaries: Los Angeles, Chicago, New York; Michael, William, Stevens & Co., Chicago.

Licensed excess/surplus broker in: Alaska, District of Columbia, Florida, Illinois, Iowa, Maryland, Minnesota, Montana, New York, Virginia, Texas, Wisconsin.

Officers: Michael Segal, president/CEO; Steve Coleman, Sheila Kelly, Ruth Tave, Matt Walsh, executive vps/managing directors.

Contact: Kristen Restivo, 312-280-7243.

Norwest Insurance Inc.

IDS Tower, Suite 355, 80 S. Eighth St., Minneapolis, Minn. 55479-2119;
612-667-5600; fax: 612-667-2681

	1997	1996
Premium volume	$568,300,000	$576,700,000
Gross revenues	$141,000,000	$87,300,000
Brokerage rev.	$126,900,000	$78,133,500
U.S. clients	100%	100%
Brokerage: Retail	80.7%	77.5%
U.S. offices	$113,700,000	$67,700,000
Personal lines	9.3%	12%
Invstmt. income	1.2%	1%
Other	8.8%	9.5%
Employees	676	612
Retail offices	56	48

Founded: 1929.

Parent: Norwest Corp.

Retail brokerage: 95% commissions, 5% fees.

Employee benefits: 1% of revenues in 1997.

Acquisitions: Oahe, Pierre, S.D., January 1998.

Licensed excess/surplus broker in: Colorado, Iowa, Minnesota, Nebraska, North Dakota, South Dakota.

Officers: Timothy J. King, president; Steven C. Veno, executive vp/COO; Kevin P. Berg, senior vp/CFO.

Contact: Michelle Leschisin, 612-667-5596.

O

O'Gorman & Young Inc.

159 Main St., Chatham, N.J. 07928;
973-635-1800; fax: 973-635-3437

	1997	1996
Gross revenues	$5,372,000	$5,194,000
Brokerage rev.	$5,318,280	$5,142,060
U.S. clients	100%	100%
Brokerage: Retail	83%	84%
U.S. offices	$4,458,760	$4,362,960
Personal	16%	15%
Invstmt. income	1%	1%
Employees	45	46
Retail offices	2	2

Founded: 1894.

Retail brokerage: 95% commissions, 5% fees.

Employee benefits: 12% of revenues in 1997.

Retail brokerage offices: G.R. Murray Insurance, Princeton, N.J.

Officers: E.V. Tracey, chairman; E.J. Lawton III, president/CEO; Richard Farnow, CFO; Rodger Imfeld, John Danna, John Forrester, Robert Laudati, Michael Sabbagh, vps.

Contact: E.V. Tracey.

Old Kent Insurance Group

333 Bridge St. N.W.,
Grand Rapids, Mich. 49503;
616-653-4203; fax: 616-653-4293

	1997*	1996
Premium volume	$97,000,000	$52,000,000
Gross revenues	$13,200,000	$8,669,000
Brokerage rev.	$13,068,000	$8,582,310
U.S. clients	100%	100%
Brokerage: Retail	78%	82%
U.S. offices	$10,300,000	$7,100,000
Personal	21%	17%
Invstmt. income	1%	1%
Employees	180	102
Retail offices	10	6

** 1997 figures reported on an annualized basis.*

Founded: 1870.

Parent: Old Kent Bank.

Retail brokerage: 98% commissions, 2% fees.

Employee benefits: 12% of revenues in 1997.

Acquisitions: Grand Rapids Holland Insurance, Grand Rapids, Mich., August 1997; Thomas J. Borns Agency, Holland, Mich., May 1998.

Retail brokerage offices: Charlevoix, Grand Rapids, Holland, Kalamazoo, Kalkaska and Traverse City, Mich.

Licensed excess/surplus broker in: Michigan.

Officers: William C. Anderson, CEO/president; Kenneth Lesperance, COO/executive vp; Wayne A. Walkotten, CFO; Michael Poggia, Tod Beynon, vps-commercial; J. Patrick McLaughlin, vp-financial services; David Powers, vp-personal lines.

Contact: Michael Poggi, 616-683-4202; Tod Beynon, 616-947-0331 ext. 504.

Oliver Insurance Agency

6920 W. 79th St.,
Overland Park, Kan. 66204;
913-341-1900; fax: 913-649-4624

	1997*	1996*
Premium volume	$10,000,000	$10,500,000
Gross revenues	$1,272,000	$1,266,000
Brokerage rev.	$1,265,640	$1,259,670
U.S. clients	100%	100%
Brokerage: Retail	62%	60%
U.S. offices	$788,640	$759,600
Personal	37.5%	39.5%
Invstmt. income	0.5%	0.5%
Employees	17	16.5

** Fiscal years ending 4/30/98 and 4/30/97.*

Founded: 1967.

Retail brokerage: 100% commissions.

Employee benefits: 2% of revenues in 1997.

Licensed excess/surplus broker in: Kansas, Missouri.

Officers: Keith C. Oliver, president; Marcia Kim Oliver Acton, vp; E. Jearn Oliver, secretary/treasurer.

Contact: Keith C. Oliver.

The James B. Oswald Co.

1360 E. Ninth St.,
Cleveland, Ohio 44145;
216-622-7400; fax: 216-241-4520

	1997	1996*
Premium volume	$90,000,000	$80,000,000
Gross revenues	$13,023,000	$11,916,000
Brokerage rev.	$12,892,770	$11,796,840
U.S. clients	100%	100%
Brokerage: Retail	83%	83%
U.S. offices	$10,809,000	$9,890,000
Wholesale	3%	3%
Personal	13%	13%
Invstmt. income	1%	1%
Employees	129	128
Retail offices	6	6

** Restated.*

Founded: 1893.

Retail brokerage: 95% commissions, 5% fees.

Employee benefits: 11% of revenues in 1997.

Retail brokerage offices: Bradenton, Cape Coral, Fort Myers, Miami and Naples, Fla.; Cleveland.

Licensed excess/surplus broker in: Ohio.

Officers: James R. Pender, chairman; John E. Warfer, vice chairman; Marc S. Byrnes, president/CEO; William J. Leonard, chief administrative officer.

Contact: Marc S. Byrnes.

P

Palley Simon Associates Inc.

P.O. Box 508, 165 Township Line Road, Jenkintown, Pa. 19046;
215-884-2100; fax: 215-881-2473

	1997	1996
Premium volume	$18,786,399	$19,058,699
Gross revenues	$3,259,800	$3,118,837
Brokerage rev.	$3,197,864	$3,072,054
U.S. clients	100%	100%
Brokerage: Retail	78.3%	77.6%
U.S. offices	$2,552,423	$2,420,218
Personal	17.2%	18.1%
Services	2.6%	2.8%
Invstmt. income	1.8%	1.5%
Other	0.1%	NA
Employees	32	30
Retail offices	1	1

Founded: 1974.

Retail brokerage: 95% commissions, 5% fees.

Employee benefits: 4% of revenues in 1997.

Officers: Samuel M. Palley, president; Reid B. Sandner, vp; Donna F. Weinraub, asst. vp; Glen E. Hartenbaum, treasurer; Elaine S. Greenwald, secretary.

Contact: Samuel M. Palley.

Palmer & Cay Inc.

25 Bull St., Savannah, Ga. 31402;
912-234-6621; fax: 912-234-3001
http://www.palmercay.com

	1997*	1996*
Premium volume	$469,078,714	$419,156,850
Gross revenues	$47,841,338	$42,745,244
Brokerage rev.	$47,280,414	$42,690,181
U.S. clients	100%	100%
Brokerage: Retail	87%	86%
U.S. offices	$41,621,964	$36,760,910
Personal	7%	8%
Services	5%	5%
Invstmt. income	1%	1%
Employees	438	431
Retail offices	22	18

** Figures are reported on a calendar year basis; fiscal years ends 6/30.*

Founded: 1868.

Retail brokerage: 82% commissions, 18% fees.

Employee benefits: 14% of revenues in 1997.

Acquisitions: Certain assets of Poe & Brown, Palm Beach, Fla., March 1998 and Charlotte, N.C., January 1998; certain assets of Kaplan-Walker, Macon, Ga., November 1997.

Retail brokerage offices: 22 locations, primarily in the Southeast.

Licensed excess/surplus broker in: Georgia, Virginia.

Officers: John E. Cay III, CEO; Lewis H. Oden III, vice chairman; F. Michael Crowley, president-Holding Co., Georgia and Virginia Corp.; E. Blake Graeber III, president-Carolina Corp.; Richard W. Stein, president-Florida Corp.; David F. Bruenner, president-South Carolina Corp.; R. Fred McMurray, president-Tennessee Corp.

Contact: Kavin Smith, vp-marketing, Savannah.

Parker, Smith & Feek Inc.

999 Third Ave., Suite 1700,
Seattle, Wash. 98104;
206-382-7900; fax: 206-382-4015
http://www.psfins.com

	1997	1996
Premium volume	$109,000,000	$111,000,000
Gross revenues	$13,045,000	$12,743,000
Brokerage rev.	$12,734,000	$12,525,000
U.S. clients	100%	100%
Brokerage: Retail	92%	92%
U.S. offices	$12,001,000	$11,724,000
Personal	6%	6%
Invstmt. income	2%	2%
Employees	126	120
Retail offices	2	2

Founded: 1937.

Retail brokerage: 91% commissions, 9% fees.

Employee benefits: 17% of revenues in 1997.

Retail brokerage offices: Anchorage, Alaska.

Licensed excess/surplus broker in: Alaska, Washington.

Officers: V. Parker, CEO; J. Zefkeles, chairman; J. Tracey, C. Szopa, senior vps.; G. Collins, COO.

Contact: Steve Wolf, director-information services.

Poe & Brown Inc.

220 S. Ridgewood Ave.,
Daytona Beach, Fla. 32114;
904-239-7250; fax: 904-239-7252
http://www.poebrown.com

	1997	1996
Premium volume	$1,020,599,000	$988,082,000*
Gross revenues	$129,190,000	$118,680,000
Brokerage rev.	$124,365,000	$114,378,000
U.S. clients	100%	100%
Brokerage: Retail	52%	50%
U.S. offices	$67,179,000	$59,340,000
Wholesale	19%	22%
Reinsurance	10%	8%
Personal	5%	6%
Services	10%	10%
Invstmt. income	3%	3%
Other	1%	1%
Employees	1,083	1,075
Retail offices	23	23

** Restated.*

Founded: 1956.

Continued on next page



Continued from previous page

Retail brokerage: 98% commissions, 2% fees.

Employee benefits: 10% of revenues in 1997.

Acquisitions: Arizona General Insurance, Tucson, Ariz., January 1998; Azcott Insurance Inc., Prescott, Ariz., December 1997; Boynton Brothers, Perth Amboy, N.J., January 1998; Dade Underwriters, Aventura, Fla., January, 1997; Great Northern Insurance, Phoenix, January 1998; Harris Insurance Services, Las Vegas, April 1998; Heine-Miles Insurance, Phoenix, March 1998; Daniel James Insurance, Toledo, Ohio, April 1998; John F. Phillips Insurance, Prescott, Ariz., April 1998; SWEST Assurance, Fort. Meyers, Fla., April 1998; Shanahan, McGrath & Bradley Inc., Phoenix, August 1997; Thim Insurance, Tucson, Ariz., March 1998; Willets Insurance Agency, Fort Lauderdale, Fla., January 1997.

Retail brokerage offices: Giblon & Claffey Agency, Clark, N.J.; Poe & Brown of Arizona, Phoenix; Prescott and Tucson, Ariz.; Poe & Brown of California, San Francisco; Brooksville, Daytona Beach, Fort Lauderdale, Fort Meyers, Jacksonville, Kissimmee, Leesburg, Melbourne, Miami, Naples, Orlando, Sarasota, Tampa, West Palm Beach and Winterhaven, Fla.; Poe & Brown of Georgia, Atlanta; Indianapolis; Las Vegas; Toledo, Ohio; Poe & Brown of Pennsylvania, Philadelphia; Poe & Brown of Texas, Houston.

Non-retail brokerage subsidiaries: Florida Intercoastal Underwriters Ltd., Miami Lakes, Fla.; Halcyon Underwriters Inc., Orlando, Fla.; Poe & Brown Benefits, Daytona Beach, Fla.; Roehrig & MacDuff, Daytona Beach and St. Petersburg, Fla.; United Self-Insured Services, Orlando, Fla.

Licensed excess/surplus broker in: Florida.

Officers: J. Hyatt Brown, president/CEO; Jim Henderson, Ken Hill, executive vps.; William A. Zimmer, CFO; Laurel L. Grammig, vp/general counsel.

Contact: William A. Zimmer.

Posse Walsh Buckman Van Buren Inc.

4 Sentry Parkway, Suite 300,
Blue Bell, Pa. 19422;
610-834-1410; fax: 610-834-2078
http://www.pwbvb.com

	1997	1996
Premium volume	$63,000,000	$60,000,000
Gross revenues	$11,654,713	$10,200,000
Brokerage rev.	$11,421,619	$9,985,800
U.S. clients	100%	100%
Brokerage: Retail	82.4%	84.4%
U.S. offices	$9,603,348	$8,608,800
Wholesale	0.6%	0.5%
Personal	10%	10%
Services	5%	3%
Invstmt. income	2%	2.1%
Employees	80	80
Retail offices	1	1

Founded: 1866.

Retail brokerage: 85% commissions, 15% fees.

Employee benefits: 40% of revenues in 1997.

Acquisitions: J. Sigel Insurance, Pennsylvania, December 1997.

Retail brokerage offices: Lancaster, Pa.

Licensed excess/surplus broker in: Pennsylvania.

Officers: Daniel J. Walsh III, president/CEO; Walter H. Van Buren, executive vp.

Contact: Daniel J. Walsh III.

Cecil W. Powell & Co.

P.O. Box 41490,
Jacksonville, Fla. 32203;
904-353-3181; fax: 904-353-5722

	1997*	1996*
Premium volume	$70,000,000	$60,000,000
Gross revenues	$5,700,000	$5,100,000
Brokerage rev.	$5,586,000	$4,998,000
U.S. clients	98%	98%
Non-U.S. clients	2%	2%
Brokerage: Retail	85%	85%
U.S. offices	$4,845,000	$4,335,000
Personal lines	5%	5%
Services	8%	8%
Invstmt. income	2%	2%
Employees	43	41
Retail offices	1	1

** Fiscal years ending 5/31/98 and 5/31/97.*

Founded: 1934.

Retail brokerage: 90% commissions, 10% fees.

Employee benefits: 15% of revenues in 1997.

Licensed excess/surplus broker in: Florida.

Officers: Fitzhugh K. Powell, chairman; Fitzhugh K. Powell Jr., president; Stanley Storey, vp; Richard Abis, vp-benefits; Robert Theus, vp-surety.

Praxis Associates Inc.

P.O. Box 70122,
San Juan, Puerto Rico 00936-8122;
787-764-0369; fax: 787-765-2366
http://www.praxis-pr.com

	1997	1996*
Premium volume	$30,000,000	NA
Gross revenues	$6,500,000	NA
Brokerage rev.	$6,500,000	NA
U.S. clients	90%	NA
Non-U.S. clients	10%	NA
Brokerage: Retail	10%	NA
U.S. offices	$650,000	NA
Wholesale	80%	NA
Reinsurance	5%	NA
Personal lines	5%	NA
Employees	40	NA
Retail offices	1	NA

** Praxis Associates Inc. began brokerage business in 1997.*

Founded: 1846.

Parent: Praxis Holdings Inc.

Retail brokerage: 100% commissions.

Employee benefits: 10% of revenues in 1997.

Retail brokerage offices: Mayaguez, Puerto Rico.

Licensed excess/surplus broker in: Puerto Rico.

Officers: Enrique Gomez-Monagas, president; Enrique Reyes-Martinez, vp-operations/controller; Juan J. Jaramillo-Medina, treasurer; Nelson J. Perea, secretary; Evelia E. Fina, vp-underwriting.

Contact: Enrique Gomez-Monagas.

Preferred Benefits Inc.

975 Spaulding Ave. S.E.,
Grand Rapids, Mich. 49546;
616-956-1199; fax: 616-956-1214
http://www.preferredbenefits.com

	1997	1996
Premium volume	$9,000,000	$7,500,000
Gross revenues	$592,123	$503,352
Brokerage rev.	$592,123	$503,352
U.S. clients	100%	100%
Brokerage: Retail	100%	100%
U.S. offices	$592,123	$503,352
Employees	5	6
Retail offices	1	1

Founded: 1975.

Retail brokerage: 95% commissions, 5% fees.

Employee benefits: 95% of revenues in 1997.

Officers: Susan Mason, president; Kathleen Noom, vp; Jeffrey Noom, secretary.

Contact: Susan Mason.

Proctor Homer Warren Inc.

295 Kirts Blvd., Suite 100,
Troy, Mich. 48084;
248-269-5700; fax: 248-269-5031
http://www.pfic.com

	1997	1996
Premium volume	$43,000,000	$39,000,000
Gross revenues	$19,634,000	$17,200,000
Brokerage rev.	$19,634,000	$17,200,000
U.S. clients	100%	100%
Brokerage: Retail	3%	5%
U.S. offices	$590,000	$860,000
Wholesale	64%	61%
Personal lines	1%	2%
Services	32%	32%
Employees	103	135
Retail offices	1	1

Founded: 1884.

Retail brokerage: 100% commissions.

Employee benefits: 1% of revenues in 1997.

Non-retail brokerage subsidiaries: Mid-Atlantic Reinsurance Co. Ltd., Hamilton, Bermuda; Western Flood Inc., Thousand Oaks, Calif.

Licensed excess/surplus broker in: California, Georgia, Michigan, Virginia, Wisconsin.

Officers: Woods Proctor, chairman; Thomas W. Proctor, president/CEO; Paul A. Glantz, vp/secretary/treasurer; Robert R. Laird, Karen I. Schickel, Mark M. Leidlein, Craig D. Butler, Ronald F. George, Timothy M. Milz, vps.

Contact: Thomas W. Proctor.

R

Rebsamen Insurance Inc.

1500 Riverfront Drive,
Little Rock, Ark. 72202;
501-661-4800; fax: 501-666-9592
http://www.rebsamen.com

	1997	1996
Premium volume	$152,689,425	$127,210,022
Gross revenues	$22,643,605	$21,397,878
Brokerage rev.	$21,906,556	$20,656,371
U.S. clients	100%	100%
Brokerage: Retail	65.48%	66.69%
U.S. offices	$14,827,033	$14,270,245
Wholesale	15.39%	15.21%
Personal	4.14%	4.02%
Services	11.73%	10.61%
Invstmt. income	3.26%	3.47%
Employees	179	159
Retail offices	5	3

Founded: 1929.

Retail brokerage: 88% commissions, 12% fees.

Employee benefits: 10.95% of revenues in 1997.

Acquisitions: Carlisle Adjustment, Fort Smith and Jonesboro, Ark., January 1997; Employer's Self-Insured Services, Little Rock, Ark., January 1997; Thornison Insurors, Springfield, Mo., April 1998.

Retail brokerage offices: Fort Smith and Springdale, Ark.

Non-retail brokerage subsidiaries: Insurisk Excess and Surplus Lines, Little Rock, Ark.

Licensed excess/surplus broker in: Arkansas.

Officers: Allen McDowell, president/CEO; William R. Stringfellow, general counsel/senior vp; Linda Hogg, CFO; William R. Fisher, senior vp-marketing; Joe H. Stafford, senior vp-sales.

Contact: Linda Hogg.

Rehder y Asociados S.A.

Las Begonias 441, 7mo. piso
San Isidro, Lima 27, Peru;
51-1-442-4435; fax: 51-1-422-9099
http://www.rcp.net.pe/rehder

	1997	1996
Premium volume	$40,000,000	$35,000,000
Gross revenues	$5,549,000	$4,500,000
Brokerage rev.	$5,438,000	$4,365,000
U.S. clients	11%	10%
Non-U.S. clients	89%	90%
Brokerage: Retail	68%	70%
U.S. offices	$3,773,320	$3,150,000
Reinsurance	8%	7%
Personal lines	16%	15%
Services	6%	5%
Invstmt. income	2%	3%
Employees	90	85
Retail offices	4	4

Founded: 1977.

Employee benefits: 22% of revenues in 1997.

Retail brokerage offices: Corporacion Rehder y Asociados, Lima, Peru.

Officers: Bernardo Rehder, chairman; Jaime Grana, vice chairman; Javier Rehder, director/general manager; Jorge Rehder, director; Jose Inurritegui, director.

Contact: Javier Rehder.

Ricci Associates Inc.

1910 Pine St., St. Louis, Mo. 63103;
314-231-2277; fax: 314-231-1641

	1997	1996
Premium volume	$15,565,284	$14,465,878
Gross revenues	$1,748,915	$1,657,645
Brokerage rev.	$1,748,915	$1,657,645
U.S. clients	100%	100%
Brokerage: Retail	92.3%	91.5%
U.S. offices	$1,614,249	$1,516,745
Wholesale	1.2%	0.7%
Personal lines	5%	5.7%
Services	0.5%	0.6%
Invstmt. income	1%	1.5%
Employees	19	19
Retail offices	2	2

Founded: 1985.

Retail brokerage: 94% commissions, 6% fees.

Employee benefits: 15% of revenues in 1997.

Licensed excess/surplus broker in: Illinois, Missouri.

Officers: Thomas C. Ricci Jr., chairman; Stephen E. Ricci, president; John D. Wittenberg, executive vp; H.A. Miller, vp.

Contact: Stephen E. Ricci.

If your company generates at least $500,000 in revenues from commercial retail brokerage but was not included in this year's directory, please contact Assistant Directory Editor Matt Scroggins at 312-649-5483 and request a questionnaire for next year.

Riedman Corp.

45 East Ave.,
Rochester, N.Y. 14604;
716-232-4424; fax: 716-232-7802

	1997	1996
Gross revenues	$47,517,000	$41,446,000
Brokerage rev.	$46,640,000	$40,570,000
U.S. clients	100%	100%
Brokerage: Retail	80%	75%
U.S. offices	$38,013,600	$31,084,500
Personal	18%	22%
Invstmt. income	2%	3%
Employees	605	570

Founded: 1938.

Retail brokerage: 95% commissions, 5% fees.

Employee benefits: 10% of revenues in 1997.

Acquisitions: Bishop Insurance Agency, Brandon, Fla., January 1997; Gulf Wind Insurors, Englewood, Fla., March 1998; Hall & Kennedy Inc., Jackson, Mich., March 1998; John Knapp Insurance Associates, Fort Pierce and Port St. Lucie, Fla., April 1998; James Lee & Associates, Pensacola, Fla., October 1997; Mutual Insurance Agency, Bluefield, W.Va., February 1997; Palmer-Hammond-Hodges Agency, Des Moines, Iowa, April 1998; Prindle-Jones Co., Duluth, Minn., June 1998; Schmith & Witkowski Agency, Englewood, Fla., December 1997; Vision Financial; E.H. Wheeler Agency Inc., Wolcott, N.Y., May 1998.

Retail brokerage offices: 68 locations.

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

Officers: John R. Riedman, chairman; Geoffrey M. Weaver, CFO; James R. Riedman, president.

Wm. Rigg Cos.

309 W. Seventh, Suite 200,
Fort Worth, Texas 76102;
817-335-4444; fax: 817-336-5944

	1997	1996
Premium volume	$95,000,000	$94,512,169
Gross revenues	$23,928,728	$22,552,616
Brokerage rev.	$22,732,292	$20,297,354
U.S. clients	99%	99%
Non-U.S. clients	1%	1%
Brokerage: Retail	73%	55%
U.S. offices	$17,467,971	$12,403,939
Wholesale	18%	31%
Personal	1%	2%
Services	3%	2%
Invstmt. income	2%	NA
Other	3%	10%
Employees	121	119
Retail offices	4	5

Founded: 1895.

Retail brokerage: 92% commissions, 8% fees.

Employee benefits: 2% of revenues in 1997.

Retail brokerage offices: Austin, Dallas, Fort Worth and Houston, Texas.

Non-retail brokerage subsidiaries: American Financial Services Inc.; Wm. Rigg Inc. Realty; RISC Inc.

Licensed excess/surplus broker in: Texas.

Officers: Cecil Y. Ray Jr., chairman; Wade T. Nowlin, managing director; George Kane, marketing director; Charles Reynolds, Tom Gillis, executive vps.

Contact: Cecil Y. Ray Jr.

Robertson-Ryan & Associates Inc.

660 E. Mason St.,
Milwaukee, Wis. 53202;
414-271-3575; fax: 414-271-0196

	1997	1996
Premium volume	$53,041,031	$54,353,594
Gross revenues	$9,631,669	$10,140,687
Brokerage rev.	$9,631,669	$10,140,687
U.S. clients	100%	100%
Brokerage: Retail	85%	87%
U.S. offices	$8,186,919	$8,822,398
Personal	15%	13%
Employees	80	80
Retail offices	1	1

Founded: 1960.

Employee benefits: 35% of revenues in 1997.

Licensed excess/surplus broker.

Officers: Jay H. Robertson, chairman; John S. Borges, president; Charles V. Johnson, executive vp; James C. Boyce, Steven R. Kuhnmuench, James H. Ryan, vps/directors.

Contact: Charles V. Johnson.

The Rutherfoord Cos.

P.O. Box 12748,
Roanoke, Va. 24028;
540-982-3511; fax: 540-342-9747
http://www.rutherfoord.com

	1997*	1996*
Premium volume	$109,000,000	$95,000,000
Gross revenues	$12,750,000	$11,610,000
Brokerage rev.	$12,450,000	$11,261,000
U.S. clients	97%	97%
Non-U.S. clients	3%	3%
Brokerage: Retail	90%	90%
U.S. offices	$11,130,750	$10,135,530
Non-U.S. offices	$344,250	$313,470
Personal	2.5%	2.5%
Services	5%	5%
Invstmt. income	2.5%	2.5%
Employees	114	104
Retail offices	9	7

** Fiscal years ending 6/30/97 and 6/30/96.*

Founded: 1916.

Retail brokerage: 95% commissions, 5% fees.

Employee benefits: 2% of revenues in 1997.

Retail brokerage offices: Charlotte and Raleigh, N.C.; Alexandria, Norfolk, Richmond and Roanoke, Va.; Assurance Services Corp., Richmond, Va.; Rutherfoord Benefits Services, Richmond, Va.; Rutherfoord International Inc., Alexandria, Va.

Licensed excess/surplus broker in: North Carolina, Virginia.

Officers: Thomas Rutherfoord, president; George Steadman, executive vp; Thomas Brown, executive vp; Brad Buie, David Keys, senior vps.

Contact: George A. Steadman.

S

Saldana & Associates Inc.

701 Ponce de Leon Ave., Centro de Seguros Building, Suite 303,
Miramar, Puerto Rico;
787-721-2600; fax: 787-721-1093
http://www.saldana.net

	1997	1996
Premium volume	$144,000,000	$143,000,000

Continued on next page

MERGER & ACQUISITION/CORPORATE FINANCE

McCay Corporation, Bordentown, New Jersey
has been acquired by
American Phoenix Corporation, Hartford, Connecticut

The undersigned initiated this transaction and acted as financial advisor to McCay Corporation

Rewards Plus of America Corporation, Baltimore, Maryland
has sold $8,000,000 of Series B Preferred Stock to
Century Capital Partners II, L.P., Boston, Massachusetts

The undersigned initiated this transaction and acted as financial advisor to Rewards Plus of America Corporation

Harbor Capital Advisors, Inc.

Financial Consultants to the Insurance Industry

Email: harborcapitaladvisors@banet.net
800-858-2732

Continued from previous page

	1997	1996
Gross revenues	$17,807,000	$16,469,000
Brokerage rev.	$17,807,000	$16,469,000
U.S. clients	100%	100%
Brokerage: Retail	97%	97%
U.S. offices	$17,272,790	$15,974,930
Personal lines	3%	3%
Employees	154	132
Retail offices	3	3

Founded: 1972.
Retail brokerage: 100% commissions.
Employee benefits: 17% of revenues in 1997.
Acquisitions: Frank Fournier & Co., San Juan, Puerto Rico, July 1997; The Murray Group, San Juan, Puerto Rico, July 1997.
Retail brokerage offices: Riverdale, N.J.; Ponce and San Juan, Puerto Rico.
Licensed excess/surplus broker in: Puerto Rico.
Officers: Ralph G. Christiansen Jr., president; Eduardo Emanuelli, executive vp; Ruben Jordan, treasurer/senior vp; Manuel Mendez, secretary/senior vp; Joseph Murray, senior vp.
Contact: Ralph G. Christiansen Jr., 787-289-5533.

Schwartz Brothers Insurance Agency Inc.

135 S. LaSalle St., Suite 2035,
Chicago, Ill. 60603;
312-630-0800; fax: 312-630-0833

	1997	1996
Premium volume	$60,074,000	$61,300,000
Gross revenues	$7,771,000	$7,850,000
Brokerage rev.	$7,693,290	$7,771,500
U.S. clients	100%	100%
Brokerage: Retail	91%	91%
U.S. offices	$7,071,610	$7,143,500
Personal	8%	8%
Invstmt. income	1%	1%
Employees	60	62
Retail offices	1	1

Founded: 1919.
Retail brokerage: 99% commissions, 1% fees.
Employee benefits: 5% of revenues in 1997.
Licensed excess/surplus broker in: Illinois.
Officers: Ed Schwartz, president; Bob Schwartz, executive vp; J. Spencer Miller, Mark P. Nahin, Howard Sharfman, vps.
Contact: Ed Schwartz, 312-630-0810 or Bob Schwartz, 312-630-0852.

Scott Insurance

P.O. Box 10489,
Lynchburg, Va. 24506;
804-832-2100; fax: 804-832-2190

	1997	1996
Premium volume	$72,500,000	$73,673,000
Gross revenues	$9,648,995	$9,020,001
Brokerage rev.	$8,627,166	$8,042,233
U.S. clients	100%	100%
Brokerage: Retail	77.11%	77.16%
U.S. offices	$7,440,340	$6,959,833
Personal lines	9.3%	10%
Services	3%	2%
Invstmt. income	4.2%	3.2%
Other	6.39%	7.64%
Employees	81	74
Retail offices	5	5

Founded: 1864.
Retail brokerage: 79.7% commissions, 20.3% fees.
Employee benefits: 6.5% of revenues in 1997.
Retail brokerage offices: Danville, Lynchburg, Richmond and Roanoke, Va.; Greensboro, N.C.; Dominion Captive Services, Hamilton, Bermuda.
Licensed excess/surplus broker in: North Carolina, Virginia.
Officers: Walker P. Sydnor Jr., president; Craig K. Ryder, COO/CFO; Erik A. Koroneos, Joel A. Nichols, senior vps; Everette B. Wilsie Jr., vp.
Contact: Walker P. Sydnor Jr.

Seaman Ross & Wiener Inc.

130 Crossways Park Drive,
Woodbury, N.Y. 11797;
516-921-9100; fax: 516-496-4040

	1997	1996
Premium volume	$15,600,000	$15,600,000
Gross revenues	$3,100,000	$3,014,512
Brokerage rev.	$3,100,000	$3,014,512
U.S. clients	100%	100%
Brokerage: Retail	81%	87%
U.S. offices	$2,511,000	$2,622,625
Personal lines	15%	10%
Services	4%	3%
Total employees	15	14
Total offices	1	1

Founded: 1950.
Retail brokerage: 95% commissions, 5% fees.
Employee benefits: 20% of revenues in 1997.
Officers: Doug Schenendorf, chairman/CEO; Alex Seaman, president; Mary Jean Feeley, Christopher Brady, vps.
Contact: Doug Schenendorf.

Sedgwick Group P.L.C.

Sackville House,
143-149 Fenchurch St.,
London EC3M 6BN, England;
44-171-377-3456;
fax: 44-171-377-3199
http://www.sedgwick.com

Founded: 1825.
Officers: Saxon Riley, chairman; W.R. White-Cooper, chief executive; Stuart Tarrant, finance director; Quill Healey, vp/CEO-Sedgwick North America; Richard Titley, vp.
Contact: Julia C. Fish, director-corporate communications.
See profile on page 28.
See geographical listing on page 60.

Seitlin

2001 N.W. 107th Ave.,
Suite 200, Miami, Fla. 33172;
305-591-0090; fax: 305-593-6993
http://www.seitlin.com

	1997	1996
Premium volume	$122,091,172	$121,000,000
Gross revenues	$12,069,380	$10,548,000
Brokerage rev.	$11,791,784	$10,305,396
U.S. clients	100%	100%
Brokerage: Retail	90.5%	88.9%
U.S. offices	$10,922,789	$9,377,172
Personal	6%	7.8%
Services	1.2%	1%
Invstmt. income	2.3%	1.7%
Other	NA	0.6%
Employees	125	105
Retail offices	2	2

Founded: 1945.
Retail brokerage: 95% commissions, 5% fees.
Employee benefits: 15.7% of revenues in 1997.
Retail brokerage offices: Fort Lauderdale, Fla.
Licensed excess/surplus broker in: Florida.
Officers: M. Stephen Jackman, president; Barry Ladis, executive vp; John Harrold, Ned Black, Richard Johnson, senior vps.; Steve Solomon, vp.
Contact: M. Stephen Jackman, president, 954-938-8788.

Silverstone Group Inc.

11516 Miracle Hills Drive,
Omaha, Neb. 68154;
402-964-5400; fax: 402-964-5454
http://www.silverstonegroup.com

	1997	1996
Premium volume	$130,000,000	$120,000,000
Gross revenues	$13,000,000	$12,000,000
Brokerage rev.	$12,870,000	$11,880,000
U.S. clients	100%	100%
Brokerage: Retail	54%	56%
U.S. offices	$7,020,000	$6,720,000
Personal lines	9%	9%
Services	36%	34%
Invstmt. income	1%	1%
Employees	153	154
Retail offices	3	4

Founded: 1945.
Parent: Silverstone Holding Co.
Retail brokerage: 90% commissions, 10% fees.
Employee benefits: 63% of revenues in 1997.
Retail brokerage offices: Council Bluffs, Iowa; Independent Claims Management, Lincoln, Neb.
Licensed excess/surplus broker in: Iowa, Nebraska.
Officers: Lew Trowbridge, Tony Sorrentino, Jeff Barrett.
Contact: Pam Stene.

The Simkiss Cos.

150 Radnor-Chester Road,
St. Davids, Pa. 19087;
610-902-5000; fax: 610-902-5016

	1997*	1996*
Premium volume	$73,355,000	$71,924,000
Gross revenues	$9,962,000	$9,893,000
Brokerage rev.	$9,862,000	$9,794,000
U.S. clients	99%	99%
Non-U.S. clients	1%	1%
Brokerage: Retail	93%	93%
U.S. offices	$9,265,000	$9,200,000
Personal	5%	5%
Services	1%	1%
Invstmt. income	1%	1%
Employees	62	62
Retail offices	1	1

** Fiscal years ending 3/31/98 and 3/31/97.*

Founded: 1965.
Retail brokerage: 82% commissions, 18% fees.
Employee benefits: 5% of revenues in 1997.
Licensed excess/surplus broker in: Pennsylvania.
Officers: John A. Simkiss Jr., president; William F. Simkiss, Richard J. Decker, William F. O'Brien, executive vps.
Contact: Daniel B. Norris, vp-finance.

The directory begins on page 44.

The Sklover Group Inc.

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

	1997	1996
Premium volume	$19,000,000	$19,000,000
Gross revenues	$1,900,000	$1,900,000
Brokerage rev.	$1,843,000	$1,843,000
U.S. clients	90%	95%
Non-U.S. clients	10%	5%
Brokerage: Retail	67%	75%
U.S. offices	$1,273,000	$1,425,000
Wholesale	5%	2.0%
Reinsurance	10%	5%
Personal	10%	15%
Services	5%	NA
Invstmt. income	3%	3%
Employees	8	8
Retail offices	2	2

Founded: 1964.
Retail brokerage: 95% commissions, 5% fees.
Employee benefits: 7% of revenues in 1997.
Retail brokerage offices: New York.
Officers: Richard Sklover, chairman; Andrew Sklover, president; Steven Dennis, vp.
Contact: Richard Sklover.

Smith Benefit Services/ DFS&A Insurance Agency

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

	1997	1996*
Premium volume	$25,150,000	NA
Gross revenues	$875,000	NA
Brokerage rev.	$866,250	NA
U.S. clients	97%	NA
Non-U.S. clients	3%	NA
Brokerage: Retail	79%	NA
U.S. offices	$682,500	NA
Wholesale	1%	NA
Services	19%	NA
Invstmt. income	1%	NA
Employees	7	NA
Retail offices	1	NA

** Brokerage business began June 1997.*

Founded: 1997.
Retail brokerage: 81% commissions, 19% fees.
Employee benefits: 50% of revenues in 1997.
Acquisitions: Donald F. Smith Insurance Services Inc., Wellesley, Mass., January 1998.
Retail brokerage offices: Guilford, Conn.; Donald F. Smith Insurance Benefit Services Inc., Lawrenceville, N.J.
Officers: Robert M. Neumann, president; Ronald G. Keefe, executive vp; Susan Edelstein, William G. Bloor, Stephen J. Reagan, assistant vps.
Contact: Robert M. Neumann.

Smith Watson Parker

2590 Hollywood Blvd.,
Hollywood, Fla. 33020;
954-925-2590; fax: 954-920-0641

	1997	1996
Premium volume	$39,166,000	$38,333,000
Gross revenues	$4,700,000	$4,600,000
Brokerage rev.	$4,700,000	$4,600,000
U.S. clients	100%	100%
Brokerage: Retail	80%	80%
U.S. offices	$3,760,000	$3,680,000
Personal	20%	20%
Employees	40	34
Retail offices	1	1

Founded: 1934.
Retail brokerage: 100% commissions.
Acquisitions: Harrison Insurance, Fort Lauderdale, Fla., January 1998.
Licensed excess/surplus broker in: Florida.
Officers: Thomas Cotter, president; Larry Vaught, vp; Andrew Spargo, COO.
Contact: Andrew Spargo.

Starkweather & Shepley Inc.

60 Catamore Blvd.,
East Providence, R.I. 02914;
401-435-3600; fax: 401-438-0150
http://www.starkweathershepley.com

	1997	1996
Premium volume	$91,386,000	$91,240,000
Gross revenues	$11,488,000	$10,493,000
Brokerage rev.	$11,028,480	$10,073,280
U.S. clients	100%	100%
Brokerage: Retail	72%	71%
U.S. offices	$8,271,360	$7,450,030
Wholesale	6%	8%
Personal	15%	16%
Services	3%	1%
Invstmt. income	4%	4%
Employees	100	104
Retail offices	2	3

Founded: 1879.
Retail brokerage: 93% commissions, 7% fees.
Employee benefits: 7% of revenues in 1997.
Acquisitions: Insurance Underwriters Inc., Providence, R.I., August 1997.
Retail brokerage offices: Starkweather & Shepley Insurance Inc., Westerly, R.I.
Licensed excess/surplus broker in: Massachusetts, Rhode Island.
Officers: Fred R. Tripp, president; Natale P. Calamis, executive vp; William P. McGillivary, executive vp/treasurer.
Contact: William P. McGillivary.

Sterling & Sterling Inc.

161 Great Neck Road,
Great Neck, N.Y. 11021;
516-487-0300

	1997	1996
Premium volume	$93,000,000	$80,000,000
Gross revenues	$9,200,000	$9,000,000
Brokerage rev.	$9,200,000	$9,000,000
U.S. clients	100%	100%
Brokerage: Retail	67%	67%
U.S. offices	$6,256,000	$6,030,000
Personal lines	23%	23%
Services	10%	10%
Employees	71	71
Retail offices	1	1

Founded: 1932.
Retail brokerage: 90% commissions, 10% fees.
Employee benefits: 15% of revenues in 1997.
Licensed excess/surplus broker in: New York.
Officers: David Sterling, president; Howard Meyers, senior vp-sales; Ann Frantzen, vp-operations; Joseph Sciarrino, vp-finance; Carol Schindell, vp-human resources.

DeWitt Stern Group Inc.

420 Lexington Ave.,
New York, N.Y. 10170;
212-867-3550; fax: 212-983-6483

	1997*	1996*
Gross revenues	$8,470,000	$4,670,000
Brokerage rev.	$7,875,000	$4,670,000
U.S. clients	90%	100%
Brokerage: Retail	68%	78%
U.S. offices	$5,259,600	$5,779,000
Non-U.S. offices	$500,000	$500,000
Wholesale	3%	1%
Personal lines	23%	20%
Services	1%	1%
Invstmt. income	3%	NA
Other	2%	NA
Employees	86	85
Retail offices	4	3

** Fiscal years ending 3/31/98 and 3/31/97.*

Founded: 1899.
Retail brokerage: 99% commissions, 1% fees.
Employee benefits: 12% of revenues in 1997.
Retail brokerage offices: DeWitt Stern of California L.L.C. t/a DeWitt Stern Insurance Services, North Hollywood, Calif.; DeWitt Stern Crow L.L.C., Coral Gables, Fla.; DeWitt Stern Imperatore Ltd., Weehawken, N.J.; DeWitt Stern of Tennessee L.L.C., Nashville, Tenn.
Licensed excess/surplus broker in: New Jersey, New York.
Officers: Jolyon F. Stern, president/CEO; Gilbert Andrus, executive vp; James L. Lippe, senior vp; Bertram B. Fisher, vp.
Contact: Gilbert Andrus.

Sullivan & Curtis Insurance Brokers

2100 Main St., Suite 350,
Irvine, Calif. 92714;
949-250-7172; fax: 949-852-9762
http://www.sullivan-curtis.com

	1997	1996
Premium volume	$151,000,000	$129,000,000
Gross revenues	$17,356,736	$14,065,001
Brokerage rev.	$16,488,899	$13,361,751
U.S. clients	98%	98%
Non-U.S. clients	2%	2%
Brokerage: Retail	85%	86%
U.S. offices	$14,753,226	$12,095,901
Personal	5%	5%
Services	5%	4%
Other	5%	5%
Employees	121	112
Retail offices	4	4

Founded: 1937.
Retail brokerage: 95% commissions, 5% fees.
Employee benefits: 12% of revenues in 1997.
Acquisitions: Solid Waste Insurance Managers, Pasadena, Calif., May 1998.
Retail brokerage offices: Irvine and Pasadena, Calif.; Honolulu; Seattle.
Licensed excess/surplus broker in: Hawaii.
Officers: William R. Curtis, CEO; John F. Monroe, president; Edward Shumaker, executive vp.
Contact: Susan Ballou, 714-477-3070.

Summit Global Partners Inc.

500 N. Akard, Suite 2500,
Dallas, Texas 75201;
214-740-2750; fax: 214-740-2752
http://www.sgp.net

	1997*	1996*
Premium volume	$324,000,000	$155,400,000
Gross revenues	$40,110,000	$20,510,000
Brokerage rev.	$36,906,700	$19,894,700
U.S. clients	96%	97%
Non-U.S. clients	4%	3%
Brokerage: Retail	63%	83%
U.S. offices	$25,110,300	$16,218,300
Non-U.S. offices	$159,000	$805,000
Wholesale	24%	NA
Personal	6%	8%
Services	4%	6%
Invstmt. income	3%	3%
Employees	365	206
Retail offices	14	13

** Fiscal years ending 3/31/98 and 3/31/97.*

Founded: 1995.
Retail brokerage: 87% commissions, 13% fees.
Employee benefits: 8% of revenues in 1997.
Acquisitions: Century Financial Services, Boca Raton, Fla., July 1997; NOEL/GREAVES Inc., Dallas, September 1997; Richards Insurance Agency, Temple, Texas, December 1997; Specialist Insurance Services Inc., Houston, September 1997.
Retail brokerage offices: Chicago; Essex Fells, N.J.; Albuquerque, N.M.; Chandler, Okla.; Austin, Dallas, Houston, San Angelo and Temple, Texas; Milwaukee; Hamilton, Bermuda.
Non-retail brokerage subsidiaries: Fort Smith, Ark.; Shreveport, La.; Tulsa, Okla.; Memphis, Tenn.; Dallas, Houston and San Antonio, Texas.
Licensed excess/surplus broker in: Illinois, New Jersey, New Mexico, Texas.
Officers: Gary R. Griffith, chairman/CEO; C. Jeff Pan, executive vp/CFO; Stephanie Bowman, vp-finance/planning; Robert J. Hogan Jr., president/COO; Roger Santone, senior vp/chief technology officer; Sandra Valiquette, vp/corporate controller.
Contact: Gary R. Griffith.

Swantner & Gordon Insurance Agency

P.O. Box 870,
Corpus Christi, Texas 78403-0870;
512-883-1711; fax: 512-844-0101

	1997	1996
Premium volume	$50,000,000	$40,000,000
Gross revenues	$5,200,000	$4,670,000
Brokerage rev.	$5,200,000	$4,670,000
U.S. clients	100%	100%
Brokerage: Retail	98%	98%
U.S. offices	$5,096,000	$4,576,600
Personal	1%	1%
Services	1%	1%
Employees	52	52
Retail offices	3	3

Founded: 1936.
Retail brokerage: 99% commissions, 1% fees.
Employee benefits: 2% of revenues in 1997.
Acquisitions: National Insurance Agency, Corpus Christi, July 1998.
Retail brokerage offices: Corpus Christi, Houston and Kingsville, Texas.
Licensed excess/surplus broker.
Officers: Randal M. Lee, managing partner; Steve Addkison, Jerry Crider, Trey Tollett, partners.
Contact: Randal M. Lee.

Talbot Financial Corp.

7770 Jefferson N.E., Suite 200,
Albuquerque, N.M. 87109;
505-828-4000; fax: 505-828-0732

	1997	1996
Premium volume	$1,357,000,000	$1,200,000,000
Gross revenues	$49,700,000	$38,458,000
Brokerage rev.	$49,153,300	$37,919,588
U.S. clients	100%	100%
Brokerage: Retail	57.1%	42%
U.S. offices	$28,378,700	$16,152,360
Wholesale	30.7%	41.6%
Personal	11.1%	14%
Services	NA	1%
Invstmt. income	1.1%	1.4%
Employees	461	407
Retail offices	27	18

Founded: 1957.
Parent: SAFECO Corp.
Retail brokerage: 98% commissions, 2% fees.
Employee benefits: 14.9% of revenues in 1997.
Acquisitions: BHJ Inc., Wyoming, February 1997; Bishop Insurance, Whitefish, Mont., January 1998; Boulder Insurance Associates, Boulder, Colo., January 1998; EBC Inc., Las Vegas, June 1997; MedComp Inc., Las Vegas, June 1997; John Stuart & Co., Las Vegas, June 1997.
Non-retail brokerage subsidiaries: EBC Inc., Las Vegas; NFC Consulting Group, Chicago; PNMR Securities Inc., Seattle.
Officers: David E. Weymouth, president/CEO; Matthew J. Chavez, vp/CFO-Talbot Financial Corp.; Robert I. Machacek, president-Talbot Agency Inc.; Thomas F. Streitt, president/CEO-Talbot Financial Services; Kirk C. Crist, president-Talbot of California Inc.
Contact: Matthew J. Chavez.

Tanenbaum-Harber Co. Inc.

320 W. 57th St.,
New York, N.Y. 10019;
212-603-0204; fax: 212-603-0397

	1997	1996
Premium volume	$215,000,000	$210,600,000

Continued on next page

Continued from previous page

	1997	1996
Gross revenues	$21,600,000	$21,500,000
Brokerage rev.	$21,168,000	$21,070,000
U.S. clients	99%	99%
Non-U.S. clients	1%	1%
Brokerage: Retail	83%	83%
U.S. offices	$16,750,000	$17,545,000
Non-U.S. offices	$250,000	$300,000
Wholesale	5%	5%
Reinsurance	2%	2%
Personal	4%	4%
Services	4%	4%
Invstmt. income	2%	2%
Employees	180	184
Retail offices	5	6

Founded: 1860.
Retail brokerage: 90% commissions, 10% fees.
Employee benefits: 14% of revenues in 1997.
Retail brokerage offices: San Diego; Miami; D.R. Reiff & Associates, New York; Ralph Giordano and Associates Inc., Monticello, N.Y.
Non-retail brokerage subsidiaries: Common Market Agency, 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 N. Rovin, executive vp; James V. Mannino, Robert V. Donovan, Ronald S. Hanstein, Robert J. Pulver, senior vps; Randa Globerman, treasurer; Fred Jove, president-Tanenbaum-Harber of Florida; Richard J. Fleder, president-Thesco Consulting Actuaries Inc.
Contact: Walter L. Harris or Robert K. Harris.

Thilman & Filippini

1 E. Wacker Drive, Suite 1800,
Chicago, Ill. 60601;
312-527-9500; fax: 312-527-9509
http://www.tandf.com

	1997	1996
Premium volume	$70,000,000	$65,000,000
Gross revenues	$7,646,000	$6,800,000
Brokerage rev.	$7,531,310	$6,732,000
U.S. clients	93%	95%
Non-U.S. clients	7%	5%
Brokerage: Retail	84.5%	85%
U.S. offices	$6,460,870	$5,780,000
Personal	4%	4%
Services	10%	10%
Invstmt. income	1.5%	1%
Employees	65	62
Retail offices	1	1

Founded: 1980.
Retail brokerage: 82% commissions, 18% fees.
Employee benefits: 20% of revenues in 1997.
Officers: E. Thomas Thilman, Thomas W. Filippini, Eric Mezmar, John Atkinson, Peter Kunz, partners.
Contact: E. Thomas Thilman.

Thoits Insurance Service Inc.

250 Cambridge Ave., Third Floor,
Palo Alto, Calif. 94306-0190;
650-324-0606; fax: 650-853-3882
http://www2.iix.com/ca/thoits

	1997*	1996*
Premium volume	$62,000,000	$60,000,000
Gross revenues	$5,600,000	$5,200,000
Brokerage rev.	$5,488,000	$5,044,000
U.S. clients	100%	100%
Brokerage: Retail	88%	87%
U.S. offices	$4,928,000	$4,524,000
Personal	6%	8%
Services	2%	2%
Invstmt. income	2%	3%
Employees	50	50
Retail offices	1	1

** Fiscal years ending 1/31/98 and 1/31/97.*
Founded: 1891.
Retail brokerage: 94% commissions, 6% fees.
Employee benefits: 19% of revenues in 1997.
Licensed excess/surplus broker in: California.
Officers: Donald A. Way, chairman/CEO; Kenneth K. Peterson, executive vp/COO; George Descalso, executive vp.
Contact: Don Way, 650-617-0600.

Timberline Insurance Managers Inc.

1300 Mopac Expressway S.,
Fourth Floor, Austin, Texas 78746;
512-434-8464; fax: 512-434-8647

	1997	1996
Premium volume	$290,000,000	$269,000,000
Gross revenues	$30,542,817	$24,551,290
Brokerage rev.	$29,657,075	$23,667,444
U.S. clients	100%	100%
Brokerage: Retail	41.9%	44.1%
U.S. offices	$12,797,440	$10,827,119
Wholesale	15.6%	6.9%
Personal	39.6%	44.8%
Services	NA	0.6%
Invstmt. income	1.3%	1.8%
Other	1.6%	1.8%
Employees	207	171
Retail offices	7	5

Founded: 1957.
Parent: Lumbermans Investment Corp.
Retail brokerage: 84.4% commissions, 15.6% fees.
Employee benefits: 0.1% of revenues in 1997.
Acquisitions: American E&S-Texas, Dallas, August 1997; Texas National Agency Inc., Austin, Houston and San Antonio, Texas, August 1997.
Retail brokerage offices: The Insurance MarketPlace/Criterion International Managers, Austin and Dallas, Texas; Timberline Insurance Services Inc., Arlington, Austin, El Paso, Houston and San Antonio, Texas.
Licensed excess/surplus broker in: Texas.
Officers: Hal Shults, president; Nick Grant, senior vp; M. Richard Warner, vp; J. Bradley Johnston, secretary; Nick Grant, treasurer.
Contact: Brian Elkouri.

Transportation Insurance Managers

11300 N. Central Expressway,
Suite 510, Dallas, Texas 75243;
214-373-4566; fax: 214-373-4572

	1997*	1996*
Premium volume	$12,000,000	$13,000,000
Gross revenues	$1,073,929	$1,172,786
Brokerage rev.	$1,008,419	$1,124,701
U.S. clients	100%	100%
Brokerage: Retail	87.2%	90.1%
U.S. offices	$936,466	$1,056,680
Services	6.7%	5.8%
Invstmt. income	6.1%	4.1%
Employees	9	9
Retail offices	3	3

** Fiscal years ending 3/31/98 and 3/31/97.*
Founded: 1983.
Retail brokerage: 100% commissions.
Employee benefits: 1% of revenues in 1997.
Retail brokerage offices: Ventura, Calif.; Houston.
Licensed excess/surplus broker in: Texas.
Officers: Dale Weatheread, president; Robert D. Hunt, vp/secretary; Jerry Gillikin, vp.
Contact: Bob Hunt.

The Tribus Cos.

65 Willowbrook Blvd.,
Fifth Floor, Wayne, N.J. 07470;
973-890-1818; fax: 973-890-7841
http://www.tribus.com

	1997*	1996*
Premium volume	$322,000,000	$252,000,000
Gross revenues	$16,100,000	$12,600,000
Brokerage rev.	$16,100,000	$12,600,000
U.S. clients	100%	100%
Brokerage: Retail	98%	99%
U.S. offices	$15,778,000	$12,474,000
Reinsurance	1%	NA
Personal	1%	1%
Employees	148	149
Retail offices	3	3

** Fiscal years ending 3/31/98 and 3/31/97.*
Founded: 1967.
Retail brokerage: 90% commissions, 10% fees.
Employee benefits: 80% of revenues in 1997.
Acquisitions: Tribus Advantage Payroll, Wayne, N.J., November 1997.
Retail brokerage offices: Jamesburg and Lakewood, N.J.
Non-retail brokerage subsidiaries: Agency Resources Inc., Wayne, N.J.; MagnaMarketing Inc., Wayne, N.J.
Officers: Donald M. Tribus, CEO; Howard Maltzman, president; John Petillo, chairman; Jeff Schwarzwaelder, Robert Musto, William Bittner, senior vps.
Contact: Jack E. Appleman, director-communications.

USI Insurance Services Corp.

235 Pine St., 10th Floor,
San Francisco, Calif. 94104;
415-983-0100; fax: 415-983-0101

	1997*	1996*
Premium volume	$2,000,000,000	$1,250,000,000
Gross revenues	$236,200,000	$163,300,000
Brokerage rev.	$236,200,000	$161,993,600
U.S. clients	100%	100%
Brokerage: Retail	65.9%	62.5%
U.S. offices	$155,655,800	$102,062,500
Wholesale	1.8%	2.8%
Personal	8.2%	8.9%
Services	24.1%	25%
Other	NA	0.8%
Employees	2,336	1,647
Retail offices	58	33

**Figures reported on an annualized basis.*
Founded: 1994.
Parent: USI Holdings Corp.
Retail brokerage: 85% commissions, 15% fees.
Employee benefits: 48.2% of revenues in 1997.
Acquisitions: AIMS, New York, March 1998; Advanced Benefits, Santa Rosa, Calif., November 1997; BAC Risk Management Inc., Plantation, Fla., April 1997; Benefit Plan Concepts, Houston, March 1998; Braishfield Associates, New York, July 1997; Butler Haratsell, Richmond, Va., April 1998; Stephen H. Douglas, New York, December 1997; E.W. Shippee & Co., North Kingstown, R.I., June 1997; Encore Entertainment, Sherman Oaks, Calif., January 1998; Hargrove Insurance Agency, Richmond, Va., July 1997; Henderson & Whaland, Manchester, N.H., May 1997; Horizon Financial Group, Plantation, Fla., May 1997; Hyatt Agency, Virginia Beach, Va., May 1998; InLine Financial Group, Boca Raton, Fla., May 1998; Johnson & Porter, Contoocook, N.H., February 1997; Robert C. Koch Inc., Vienna, Va., June 1997; Marine Insurance Services, Atlanta, July 1997; Member Benefit Services, Columbia, Md., December 1997; Morgan & Cheves Insurance, Alexandria, Va., July 1997; Morrill Koslow Associates, Boston, March 1998; Premier Insurance Group, West Palm Beach, Fla., February 1997; Riverside Insurance Associates, Westport, Conn., March 1997; SJA Brokerage, Fort Worth, Texas, June 1997; Spadaccia, Ryan & Haas, Yorktown Heights, N.Y., February 1998; Strategic Benefit Planning Corp., Houston, July 1997; Technical Risks of Louisiana, New Orleans, April 1998; Boyd A. Williams, Metairie, La., February 1998; Wood-Mena, Houston, April 1998.
Licensed excess/surplus broker.
Officers: Bernard H. Mizel, chairman/CEO; John A. Addeo, president/COO; David L. Eslick, executive vp.
Contact: Rebecca V. Cardamone, vp-planning/marketing/communications.

Van Beurden Insurance Services Inc.

1600 Draper St., P.O. Box 67,
Kingsburg, Calif. 93631;
209-897-2975; fax: 209-897-4070
http://www.vanbeurden.com

	1997	1996
Premium volume	$179,603,239	$159,707,751
Gross revenues	$17,293,931	$15,289,398
Brokerage rev.	$16,083,356	$14,524,928
U.S. clients	100%	100%
Brokerage: Retail	60%	70%
U.S. offices	$10,376,359	$10,702,579
Wholesale	28%	17%
Personal	5%	8%
Invstmt. income	3%	2%
Other	4%	3%
Employees	97	95
Retail offices	12	12

Founded: 1934.
Retail brokerage: 100% commissions.
Employee benefits: 8% of revenues in 1997.
Retail brokerage offices: Ketchikan, Alaska; Caruthers, Corona, Los Osos, Paso Robles, Visalia and Woodland, Calif.; Denver; Atlanta; Portland, Ore.; Seattle.
Licensed excess/surplus broker in: California.
Officers: William J. Van Beurden, president; Steven C. Wigh, senior vp; Donald K. Bingham, president-Van Beurden-Wa. Corp.; Charles R. Hayes, president, Van Beurden-Hayes, Ore. Corp.
Contact: Steven C. Wigh.

Truman Van Dyke Co.

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

	1997	1996
Premium volume	$9,534,663	$8,929,805
Gross revenues	$2,048,378	$1,943,801
Brokerage rev.	$2,048,378	$1,943,801
U.S. clients	99%	98%
Non-U.S. clients	1%	2%
Brokerage: Retail	72%	82%
U.S. offices	$1,474,832	$1,593,917
Wholesale	28%	18%
Employees	19	17
Retail offices	1	1

Founded: 1953.
Retail brokerage: 95% commissions, 5% fees.
Licensed excess/surplus broker in: California.
Officers: Truman Van Dyke Jr., president; Kent Hamilton, executive vp; Tanya Applegate, secretary.
Contact: Truman Van Dyke Jr.

Van Gilder Insurance Corp.

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

	1997	1996
Premium volume	$104,012,000	$105,426,000
Gross revenues	$16,234,000	$16,535,000
Brokerage rev.	$15,097,620	$14,451,590
U.S. clients	100%	100%
Brokerage: Retail	82.2%	78.8%
U.S. offices	$13,344,348	$13,029,580
Personal	10.8%	9.6%
Invstmt. income	7.0%	12.6%
Employees	160	160
Retail offices	4	4

Founded: 1905.
Retail brokerage: 98% commissions, 2% fees.
Employee benefits: 8.2% of revenues in 1997.
Retail brokerage offices: Sterling, Colo.; Kansas City, Kan.; Casper, Wyo.
Non-retail brokerage subsidiaries: Denver.
Licensed excess/surplus broker.
Officers: Dell Van Gilder, president/CEO; Henry Higginbottom, CFO; Jerry Ray, COO; Velma Lane, Jim Hayes, Bob Mikkelson, senior vps.
Contact: Dell Van Gilder.

Van Meter Insurance

1240 Fair Way St.,
Bowling Green, Ky. 42103;
502-781-2020; fax: 502-843-8808
http://www.vanmeterins.com

	1997	1996
Premium volume	$58,955,000	$64,775,000
Gross revenues	$13,068,700	$10,792,000
Brokerage rev.	$12,676,639	$10,468,240
U.S. clients	100%	100%
Brokerage: Retail	60%	73%
U.S. offices	$7,841,220	$7,878,160
Personal	5%	5%
Services	32%	19%
Invstmt. income	1%	1%
Other	2%	2%
Employees	127	127
Retail offices	4	5

Founded: 1977.
Retail brokerage: 93% commissions, 7% fees.
Employee benefits: 11% of revenues in 1997.
Retail brokerage offices: Lexington and Owensboro, Ky.; Brentwood, Tenn.
Officers: William B. Van Meter, chairman; Louis M. Berman, president; Tim A. Renfro, Gerald R. Herning, vps.

Vidal & Rodriguez Inc.

239 Ave. Arterial Hostos,
Capital Center Building,
South Tower, Suite 501,
San Juan, Puerto Rico 00918-1475;
787-751-7610; fax: 787-763-2810

	1997*	1996*
Premium volume	$18,233,767	$20,189,440
Corporate gross revenues	$2,700,000	$2,600,000
Non-U.S. clients	100%	100%
Brokerage rev.	$2,673,000	$2,574,000
Brokerage: Retail	89.5%	89.5%
Non-U.S. offices	$2,416,500	$2,327,000
Wholesale	5%	5%
Personal lines	3%	3%
Services	1.5%	1.5%
Invstmt. income	1%	1%
Employees	21	20
Retail offices	2	2

** Fiscal years ending 6/30/97 and 6/30/96.*
Founded: 1986.
Retail brokerage: 98.5% commissions, 1.5% fees.
Employee benefits: 13% of revenues in 1997.
Retail brokerage offices: Capital Insurance Agency Inc., St. Thomas, U.S. Virgin Islands.
Licensed excess/surplus broker in: Puerto Rico, U.S. Virgin Islands.
Officers: Luis Rodriguez, president; Diego Vidal, executive vp; Eduardo Sierra, Cynthia Roman, vps; Rocio Brinez, controller.
Contact: Luis Rodriguez or Diego Vidal.

VistaNational Insurance Group Inc.

1300 W. Higgins Road,
Suite 220, Park Ridge, Ill. 60068;
847-823-8095; fax: 847-823-8120
http://www.vistanational.com

	1997	1996
Premium volume	$30,072,023	$28,389,490
Gross revenues	$1,293,097	$1,212,993
Brokerage rev.	$1,280,166	$1,188,733
U.S. clients	100%	100%
Brokerage: Retail	94%	93%
U.S. offices	$1,215,511	$1,128,083
Reinsurance	4%	5%
Services	1%	NA
Invstmt. income	1%	2%
Employees	14	10
Retail offices	1	1

Founded: 1996.
Retail brokerage: 100% commissions.
Employee benefits: 100% of revenues in

Continued on next page

FRENKEL & CO., INC

INTERNATIONAL INSURANCE BROKERS

COMMITMENT TO EXCELLENCE

WORLD TRADE CENTER, NEW YORK, BURBANK, CALIFORNIA,
LONG ISLAND, NEW JERSEY

FOUNDED 1878

(212) 488-0200

http://www.frenkel.com

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Continued from previous page

1997.

Retail brokerage offices: Park Ridge, Ill.

Contact: Terita Smith, business development manager.

The Watson Group

225 Spring St.,
Wethersfield, Conn. 06109;
860-563-8111; fax: 860-563-6336
http://www.watsongroup.com

	1997	1996
Premium volume	$92,000,000	$82,500,000
Gross revenues	$8,321,478	$9,076,552
Brokerage rev.	$8,238,263	$8,823,722
U.S. clients	100%	100%
Brokerage: Retail	75%	76%
U.S. offices	$6,241,109	$6,898,180
Personal	24%	23%
Invstmt. income	1%	1%
Employees	80	82.5
Retail offices	1	1

Founded: 1929.

Retail brokerage: 91% commissions, 9% fees.

Employee benefits: 19% of revenues in 1997.

Licensed excess/surplus broker.

Officers: Thomas A. Willsey, president; Peter E. Peterson, executive vp; Alan S. Currie, CFO; Robert M. Briggs, senior vp.

Contact: Thomas A. Willsey.

Watson Insurance Agency Inc.

Box 879, 245 E. Second Ave.,
Gastonia, N.C. 28053-0879;
704-865-8584; fax: 704-866-9866

	1997	1996
Premium volume	$40,886,000	$40,298,000
Gross revenues	$6,218,000	$5,807,000
Brokerage rev.	$6,160,915	$5,765,937
U.S. clients	100%	100%
Brokerage: Retail	62%	62%
U.S. offices	$3,855,000	$3,600,000
Personal	37%	37%
Invstmt. income	1%	1%
Employees	78	79
Retail offices	5	5

Founded: 1934.

Retail brokerage: 100% commissions.

Employee benefits: 9% of revenues in 1997.

Retail brokerage offices: Belmont, Cherryville, Gastonia and Lincolnton, N.C.; Lake Wylie, S.C.

Licensed excess/surplus broker in: North Carolina.

Officers: Thomas C. Watson Jr., president; Thomas C. Watson III, vp/assistant secretary; Robert P. Watson, vp/secretary; Hugh R.F. Campbell, executive vp; Charles D. Sellers, vp-finance.

Contact: Robert P. Watson.

Welsch, Flatness & Lutz Inc.

701 Market St., Suite 600,
St. Louis, Mo. 63101;
314-436-2399; fax: 314-342-7170
http://www.wfl-stl.com

	1997*	1996*
Premium volume	$63,000,000	$60,000,000
Gross revenues	$6,700,000	$6,600,000
Brokerage rev.	$6,579,400	$6,494,400
U.S. clients	99%	99%
Non-U.S. clients	1%	1%
Brokerage: Retail	87.2%	87.4%
U.S. offices	$5,842,400	$5,768,400
Wholesale	5%	5%
Personal	4%	4%
Services	2%	2%
Invstmt. income	1.8%	1.6%
Employees	54	50
Retail offices	1	1

** Fiscal years ending 5/31/97 and 5/31/96.*

Founded: 1979.

Retail brokerage: 85% commissions, 15% fees.

Employee benefits: 8% of revenues in 1997.

Licensed excess/surplus broker in: Illinois, Missouri.

Officers: Dennis D. Flatness, chairman/president; Dennis W. Lutz, executive vp/secretary; Thomas H. Etling, executive vp/COO/treasurer.

Contact: Tom Etling.

Wharton/Lyon & Lyon

101 S. Livingston Ave.,
Livingston, N.J. 07039;
973-992-5775; fax: 973-992-6660

	1997*	1996*
Gross revenues	$10,806,000	$10,779,272
Brokerage rev.	$10,697,940	$10,671,479
U.S. clients	100%	100%
Brokerage: Retail	86%	86%
U.S. offices	$9,293,160	$9,270,173
Personal	12%	12%
Services	1%	1%
Invstmt. income	1%	1%
Employees	92	92
Retail offices	4	4

** Fiscal years ending 6/30/97 and 6/30/96.*

Founded: 1912.

Employee benefits: 12% of revenues in 1997.

Acquisitions: Kroh Agency Inc., Williamstown, N.J., August 1997.

Retail brokerage offices: Wharton/Atlantic, Oakhurst, N.J.; Wharton/Delaware Valley, Voorhees, N.J.; Wharton Financial, Livingston, N.J.

Officers: Dennis F. Klein, president/CEO; Bruce D. Gilson, executive vp; Andrew F. Stillo, Robert L. Sileno, Arthur Hanebury, senior vps.

Contact: Dennis F. Klein.

Willis Corroon Group P.L.C.

10 Trinity Square,
London EC3P 3AX, England;
44-171-488-8111; fax: 44-171-488-8223; http://www.williscorroon.com

Founded: 1824.

Officers: John Reeve, executive chairman; Ken Pinkston, chairman-Willis Corroon Corp.; Tom Colraine, finance director; George Nixon, chairman-Willis Corroon Ltd.; Brian Johnson, COO-Willis Corroon Corp.

Contact: Peter Stevens, 44-171-481-7045.

See profile on page 32.

See geographical listing on this page.

The Wood Insurance Group Inc.

1430 E. Missouri, Suite 225,
Phoenix, Ariz. 85014;
602-230-8200; fax: 602-230-8207

	1997	1996
Premium volume	$13,000,000	$16,200,000
Gross revenues	$2,058,000	$2,423,133
Brokerage rev.	$2,016,840	$2,350,439
U.S. clients	100%	100%
Brokerage: Retail	98%	97%
U.S. offices	$2,016,840	$2,350,439
Invstmt. income	2%	3%
Employees	9	12
Retail offices	1	1

Founded: 1986.

Retail brokerage: 100% commissions.

Licensed excess/surplus broker.

Officers: David A. Wood, president; Robert J. Gano, executive vp; Philip W. Hamilton, senior vp.

Contact: David A. Wood.

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

2727 Allen Parkway, P.O. Box 1388,
Houston, Texas 77019;
713-526-3366; fax: 713-522-3056
http://www.jwortham.com

	1997	1996
Premium volume	$374,000,000	$388,000,000
Gross revenues	$36,120,000	$37,175,000
Brokerage rev.	$35,758,800	$36,803,250
U.S. clients	100%	100%
Brokerage: Retail	97%	97%
U.S. offices	$35,036,000	$36,059,000
Personal	2%	2%
Invstmt. income	1%	1%
Employees	245	251
Retail offices	1	1

Founded: 1915.

Retail brokerage: 100% commissions.

Employee benefits: 10% of revenues in 1997.

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

Licensed excess/surplus broker in: Texas.

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

Contact: Fred C. Burns.

BI

Geographical listing of agents and brokers by state

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 companies are indexed under the parent company's name. If a branch office name is significantly different from that of the parent, the office name will be followed by the parent company name in parentheses.

Alabama

Birmingham
Hilb, Rogal & Hamilton
J&H Marsh & McLennan
McGriff, Seibels & Williams
Sedgwick
Willis Corroon
Fairbanks
Willis Corroon
Fort Payne
Hilb, Rogal & Hamilton
Huntsville
Personal Insurance Services Inc. (J. Smith Lanier & Co.)
Lafayette
J. Smith Lanier & Co.
Mobile
Hilb, Rogal & Hamilton
Sedgwick
Willis Corroon
Montgomery
Meadowbrook Insurance Group
Willis Corroon
Opelika
J. Smith Lanier & Co.

Alaska

Anchorage
Brady & Co.
J&H Marsh & McLennan
Parker, Smith & Feek
Willis Corroon
Ketchikan
Van Beruden Insurance Services

Arizona

Avondale
Powers-Leavitt Insurance Agency (The Leavitt Group)
Buckeye
Powers-Leavitt Insurance Agency (The Leavitt Group)
Bullhead City
Wickersham-Farmer-Leavitt Insurance Agency Inc. (The Leavitt Group)
Cottonwood
Butler-Leavitt Insurance Agency (The Leavitt Group)
Flagstaff
Hilb, Rogal & Hamilton
Ogden-Farmer-Leavitt Insurance Agency (The Leavitt Group)
Lake Havasu
ABC-Leavitt Insurance Agency Inc. (The Leavitt Group)
Mesa
Hilb, Rogal & Hamilton
Paul Dickey & Leavitt Insurance Agency (The Leavitt Group)
Phoenix
Acordia
Aon Risk Services Group
Farmer-Butler-Leavitt Insurance Agency Inc. (The Leavitt Group)
Arthur J. Gallagher
Hilb, Rogal & Hamilton
J&H Marsh & McLennan
Lovitt & Touche Inc.
NBD Insurance Co. (First Chicago NBD)
Poe & Brown
Sedgwick
Willis Corroon
The Wood Insurance Group
Prescott
Poe & Brown
Scottsdale
Andreini & Co.
Liebig-Leavitt Insurance Agency Inc. (The Leavitt Group)
Taylor
Lovitt & Touche Inc.
Tempe
Hilb, Rogal & Hamilton
Tucson
Hilb, Rogal & Hamilton
Lovitt & Touche Inc.
Koty Leavitt Insurance Agency (The Leavitt Group)
Lovitt & Touche Inc.
Poe & Brown
Sedgwick
Wickenburg
CB-Leavitt Insurance Agency (The Leavitt Group)
Winslow
Leavitt Group of Winslow Inc.

Arkansas

Eureka Springs
BHC Life & Group Specialists (Brown-Hiller-Clark & Associates)
Fort Smith
BHC Life & Group Specialists (Brown-Hiller-Clark & Associates)
Brown-Hiller-Clark & Associates
Rebsamen Insurance
Little Rock
Aon Risk Services Group
Arthur J. Gallagher
J&H Marsh & McLennan
Rebsamen Insurance
Sedgwick
Springdale
Rebsamen Insurance

California

Alamo
Arthur J. Gallagher
Healthcare-West Insurance Services Inc.(Healthcare Insurance Services Inc.)
Bakersfield
Hilb, Rogal & Hamilton Insurance Services of Central California
Belmont
Alburger Basso de Grosz Insurance Services
Burbank
Frenkel of California (Frenkel & Co.)
Campbell
Keenan & Associates
Canoga Park
Alliance Insurance Agency
Capitola
Alburger Basso de Grosz Insurance Services
Caruthers
Van Beurden Insurance Services
Cerritos
Meadowbrook Insurance Group
Chico
Keenan & Associates
Lindo-Hanna & Abbott (InterWest Insurance Services)
Colton
Norwest Insurance
Concord
Anchor Pacific Underwriters
Putnam, Knudsen & Wieking (Anchor Pacific Underwriters)
Conna
ISU/Valley Insurance Service
Corona
Van Beurden Insurance Services
Costa Mesa
Aon Risk Services Group
Davis
Norwest Insurance
Dinuba
Hilb, Rogal & Hamilton Insurance Services of Central California
El Dorado Hills
Keenan & Associates
Encino
Acordia
Escondido
Robert F. Driver Co.
ISU/Valley Insurance Service
Fresno
Acordia
Aon Risk Services Group
Cal-Central Insurance & Management Services
Robert F. Driver Co.
Hilb, Rogal & Hamilton Insurance Services of Central California
Insurance Center of Merced (InterWest Services)
Keenan & Associates
Glendale
Calco Insurance Brokers & Agents
Willis Corroon
Grass Valley
Acordia
Hollywood
Truman Van Dyke Co.
Irvine
Andreini & Co.
Aon Risk Services Group
John Burnham & Co.
Arthur J. Gallagher
Keenan & Associates
Sullivan & Curtis Insurance Brokers
Kingsburg
Van Beurden Insurance Services
Laguna Hills
Acordia
ISU/Valley Insurance Service
Lodi
Acordia
Los Angeles
Aon Risk Services Group
Fine Arts Risk Management Inc. (Near North Insurance Brokerage)
Arthur J. Gallagher
Haas & Wilkerson
International Film Guarantors (Near North Insurance Brokerage)
J&H Marsh & McLennan
James Econn & Co.
Lockton Cos. Inc.
Near North Entertainment Insurance Services L.L.C. (Near North Insurance Brokerage)
Near North Insurance Brokerage of California
Sedgwick
Los Osos
Van Beurden Insurance Services
Merced
Insurance Center of Merced (InterWest Services)
Modesto
Andreini & Co.
Nevada City
Noack & Dean Insurance Agents and Brokers (InterWest Insurance Services)
Newport Beach
Robert F. Driver Co.
J&H Marsh & McLennan
Kelter-Thorner of Southern California
Professional Practice Insurance Brokers Inc. (Hilb, Rogal & Hamilton)
North Hollywood
DeWitt Stern Insurance Services
Oakland
Black/White & Associates (USI Insurance Services)
Keenan & Associates
Ontario
Clover Insurance Agency (Hilb, Rogal & Hamilton)
HRH Insurance Ontario (Hilb, Rogal & Hamilton)
Orange
Alburger Basso de Grosz Insurance Services
Cal-Surance Associates
Calco Insurance Brokers & Agents
Sedgwick
Oxnard
Andreini & Co.
Bolton & Co.
Palm Desert
HRH Insurance Services of the Coachella Valley (Hilb, Rogal & Hamilton)
ISU/Valley Insurance Service
Palo Alto
Thoits Insurance Service
Pasadena
Kaye-Western Insurance & Risk Services Inc. (Kaye Group)
Keenan & Associates
Sullivan & Curtis Insurance Brokers
Paso Robles
Van Beurden Insurance Services
Petaluma
Alburger Basso de Grosz Insurance Services
Pleasanton
Arthur J. Gallagher
Redding
Insurance Associates of Redding (InterWest Services)
Redwood City
Kelter-Thorner of Northern California
Professional Practice Insurance Brokers Inc. (Hilb, Rogal & Hamilton)
Riverside
Keenan & Associates
Shared Medical Alternatives (USI Insurance Services)
Sacramento
Acordia
Alburger Basso de Grosz Insurance Services
Aon Risk Services Group
Calco Insurance Brokers & Agents
Robert F. Driver Co.
HRH of Northern California Insurance Services Inc. (Hilb, Rogal & Hamilton)
InterWest Insurance Services
J&H Marsh & McLennan
Keenan & Associates
Noack & Dean Insurance Agents and Brokers (InterWest Insurance Services)
Sedgwick
Salinas
Andreini & Co.
Aon Risk Services Group
San Clemente
InterNational Rental Insurance (USI Insurance Services)
Rental Industry Services (USI Insurance Services)
San Diego
Calco Insurance Brokers & Agents
Robert F. Driver Co.
J&H Marsh & McLennan
John Burnham & Co.
Keenan & Associates
Sedgwick
Tanenbaum-Harber Co.
Willis Corroon
San Francisco
Acordia
Aon Risk Services Group
Frank Crystal & Co.
Arthur J. Gallagher
J&H Marsh & McLennan
Poe & Brown of California
Richard N. Goldman & Co.
Sedgwick
USI California Insurance Services (USI Insurance Services)
USI Insurance Services
Willis Corroon

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San Jose
Aon Risk Services Group
J&H Marsh & McLennan
Willis Corroon
San Mateo
Andreini & Co.
Calco Insurance Brokers & Agents
San Rafael
HRH of Northern California Insurance Services Inc. (Hilb, Rogal & Hamilton)
Santa Ana
Willis Corroon
Santa Monica
Andreini & Co.
Santa Rosa
Advanced Benefits (USI Insurance Services)
HRH of Northern California Insurance Services Inc. (Hilb, Rogal & Hamilton)
Sherman Oaks
Encore Entertainment (USI Insurance Services)
TriWest Insurance Services (USI Insurance Services)
South Pasadena
Bolton & Co.
Stockton
Andreini & Co.
Daugherty & Co. (USI Insurance Services)
Torrance
HCM Benefits
Keenan & Associates
Truckee
Acordia
HRH of Northern California Insurance Services Inc. (Hilb, Rogal & Hamilton)
Vallejo
HRH of Northern California Insurance Services Inc. (Hilb, Rogal & Hamilton)
Ventura
ISU/Valley Insurance Service
Visalia
Andreini & Co.
Van Beurden Insurance Services
Vista
El Camino Insurance Agency (USI Insurance Services)
Vista Insurance Professionals (USI Insurance Services)
Westlake Village
HCM Benefits
Keenan & Associates
Woodland
Van Beurden Insurance Services
Woodland Hills
Near North Entertainment Insurance Services L.L.C. (Near North Insurance Brokerage)

Colorado

Colorado Springs
Acordia
Denver
Aon Risk Services Group
Employee Benefit Specialists
J.P. Flanagan Corp.
Arthur J. Gallagher
Hilb, Rogal & Hamilton
Insurance Management Associates
J&H Marsh & McLennan
Jardine Lloyd Thompson
Lockton Cos. Inc.
Norwest Insurance
Sedgwick
Van Gilder Insurance
Willis Corroon
Durango
Acordia
Schield-Leavitt Insurance Agency (The Leavitt Group)
Englewood
Arthur J. Gallagher
Evergreen
Dann Insurance
Fort Collins
Borrett-Leavitt Insurance Agency Inc. (The Leavitt Group)
Golden
AirSure
Lakewood
Acordia
Sterling
Kellogg-Ewing-Leavitt Insurance Agency Inc. (The Leavitt Group)
Van Gilder Insurance

Connecticut

Clinton
Insurance Management (Hilb, Rogal & Hamilton)
Derby
Insurance Management (Hilb, Rogal & Hamilton)
East Hartford
Aon Risk Services Group
Fairfield
Hastings-Tapley Insurance Agency
Farmington
Willis Corroon
Glastonbury
Benefit Concepts (USI Insurance Services)
Greenwich
Aon Risk Services Group
Bollinger Fowler Co.
Guilford
Smith Benefit Services /DFS&A Insurance Agency Inc.
Hartford
American Phoenix
J&H Marsh & McLennan
R.C. Knox & Co.
NIA/Kornreich Group of Cos.
Sedgwick
Madison
Insurance Management (Hilb, Rogal & Hamilton)
Middletown
Insurance Management (Hilb, Rogal & Hamilton)
New Haven
The Burton Co. (Hilb, Rogal & Hamilton)
Insurance Management (Hilb, Rogal & Hamilton)
Old Saybrook
Insurance Management (Hilb, Rogal & Hamilton)
Stamford
BWD Group Ltd.
J&H Marsh & McLennan
Sedgwick
Westport
Kaye of Connecticut
Riverside Agency (USI Insurance Services)
Wethersfield
The Watson Group

Delaware

Wilmington
J&H Marsh & McLennan
Sedgwick

District of Columbia

Aon Risk Services Group
Fine Arts Risk Management Inc. (Near North Insurance Brokerage)
Ms. Linda Hammond (Palmer & Cay)
J&H Marsh & McLennan
Near North Insurance Brokerage
Sedgwick
Settlement Planning Associates (Near North Insurance Brokerage)

Florida

Boca Raton
Acordia
Arthur J. Gallagher
InLine Financial Group (USI Insurance Services)
Bradenton
The James B. Oswald Co.
Brooksville
Poe & Brown
Cape Coral
The James B. Oswald Co.
Clearwater
Acordia
Coconut Grove
Acordia
Coral Gables
DeWitt Stern Crow (DeWitt Stern Group)
J&H Marsh & McLennan
Daytona Beach
Hilb, Rogal & Hamilton
Poe & Brown
Deerfield Beach
Meadowbrook Insurance Group
Fort Lauderdale
Frank Crystal & Co.
Hilb, Rogal & Hamilton
J&H Marsh & McLennan
The Loomis Co.
Poe & Brown
Sedgwick
Seitlin & Co.
Fort Myers
Hilb, Rogal & Hamilton
The James B. Oswald Co.
Poe & Brown
Sedgwick
Gainesville
Howard Hall Agency (American Phoenix)
Hilb, Rogal & Hamilton
Hollywood
Smith Watson Parker
Jacksonville
Aon Risk Services Group
J&H Marsh & McLennan
Palmer & Cay of Florida
Poe & Brown
Cecil W. Powell & Co.
Sedgwick
Kissimmee
Poe & Brown
Leesburg
Poe & Brown
Lighthouse Point
Capacity Insurance & Surety Group (Capacity Coverage Group of Cos.)
Longwood
J. Rolfe Davis Insurance Agency
Maitland
Acordia
Sedgwick
Melbourne
Sid Banack Insurance
Poe & Brown
Miami
American Phoenix
Aon Risk Services Group
Aviation Insurance Services
Arthur J. Gallagher
J&H Marsh & McLennan
Meadowbrook Insurance Group
The James B. Oswald Co.
Poe & Brown
Seitlin & Co.
Tanenbaum-Harber Co.
Naples
The James B. Oswald Co.
Poe & Brown
Sedgwick
North Miami Lakes
NIA/Kornreich Group of Cos.
North Palm Beach
Sid Banack Insurance
Orlando
American Phoenix
Davis Baldwin Inc.
Arthur J. Gallagher
Hilb, Rogal & Hamilton
J&H Marsh & McLennan
J. Rolfe Davis Insurance Agency
Poe & Brown
Palm Beach
J&H Marsh & McLennan
Palmer & Cay
Palm Beach Gardens
Aon Risk Services Group
Pensacola
Sedgwick
Plantation
HIS Insurance Agency of Florida Inc. (Healthcare Insurance Services Inc.)
Horizon Financial Group (USI Insurance Services)
USI Florida-Karp Insurance Consultants
Sarasota
American Phoenix
Poe & Brown
St. Petersburg
American Phoenix of Tampa Bay
Haas & Wilkerson
Tallahassee
Fringe Benefits Management Co.
Palmer & Cay of Georgia
Tampa
Aon Risk Services Group
Davis Baldwin Inc.
Arthur J. Gallagher
Hilb, Rogal & Hamilton
J&H Marsh & McLennan
Poe & Brown
Sedgwick
Settlement Planning Associates (Near North Insurance Brokerage)
Willis Corroon
Vero Beach
Sid Banack Insurance
West Palm Beach
Acordia
NIA/Kornreich Group of Cos.
Poe & Brown
USI Florida-Premier Insurance Group
Sedgwick
Winter Haven
Poe & Brown

Georgia

Atlanta
Acordia
Allied Coverage Corp. of Georgia
American Phoenix of Georgia
Aon Risk Services Group
Arthur J. Gallagher
Hamilton Dorsey Alston Co.
Hilb, Rogal & Hamilton
Insurance Management Associates
J&H Marsh & McLennan
J. Smith Lanier & Co.
Marine Insurance Services (USI Insurance Services)
McGriff, Seibels & Williams
Palmer & Cay of Georgia
Poe & Brown of Georgia
Project Technologies International (Allied Coverage)
Sedgwick
Van Beurden Insurance Services
Augusta
Palmer & Cay of Georgia
Brunswick
Palmer & Cay of Georgia
Carrollton
J. Smith Lanier & Co.
Columbus
Jordan/Woolfolk Insurance (Palmer & Cay)
J. Smith Lanier & Co.
Cordele
Sedgwick
Gainesville
Hilb, Rogal & Hamilton
Macon
Palmer & Cay
Manchester
J. Smith Lanier & Co.
Newnan
J. Smith Lanier & Co.
Quality Service Administrators Inc. (J. Smith Lanier & Co.)
Roswell
Willis Corroon
Savannah
Hilb, Rogal & Hamilton
Palmer & Cay
St. Simons Island
Hilb, Rogal & Hamilton
Tifton
J. Smith Lanier & Co.
Vidalia
Palmer & Cay of Georgia
Waycross
J. Smith Lanier & Co.
West Point
J. Smith Lanier & Co.

Hawaii

Honolulu
Acordia
Aon Risk Services Group
J&H Marsh & McLennan
Sedgwick
Sullivan & Curtis Insurance Brokers
Kaula-Kona
Aon Risk Services Group
Wailuku
Aon Risk Services Group

Idaho

Boise
AirSure
Fuhriman, Black & Leavitt Insurance Agency Inc. (The Leavitt Group)
J&H Marsh & McLennan
Fred A. Moreton & Co.
Sedgwick
Speegle-Leavitt Insurance Agency Inc. (The Leavitt Group)
Emmett
Jensen-Leavitt Insurance Agency Inc. (The Leavitt Group)
Fruitland
Bergquist-Leavitt Insurance Agency Inc. (The Leavitt Group)
Mountain Home
Mooso-Leavitt Insurance Agency Inc. (The Leavitt Group)
Twin Falls
Strollberg-Leavitt Insurance Agency Inc. (The Leavitt Group)

Illinois

Bannockburn
Dann Insurance

Continued on next page

Carvill

Reinsurance Intermediary

INDEPENDENCE
INTEGRITY
SERVICE

CONSISTENT PHILOSOPHY & PERFORMANCE
SINCE 1977

Atlanta Bermuda Chicago London Stamford

Continued from previous page

Bloomington
Holmes, Murphy & Associates
Burr Ridge
Affiliated Insurance Consultants (USI Insurance Services)
Chicago
Alper Services
Aon Risk Services Group
Associated Agencies
Byrne, Byrne & Co.
Fine Arts Risk Management (Near North Insurance Brokerage)
First Card Insurance (First Chicago NBD)
First Chicago NBD Insurance Services
J.P. Flanagan Corp.
Arthur J. Gallagher
Hilb, Rogal & Hamilton of the Quad Cities
J&H Marsh & McLennan
Jardine Lloyd Thompson
Kelter-Thorner of Illinois
Lamb, Little & Co.
Mack & Parker
Mesirow Insurance Services
Julius Moll & Son (USI Insurance Services)
National Professional Group Risk Management Services (Near North Insurance Brokerage)
Near North Insurance Brokerage
Near North National Title (Near North Insurance Brokerage)
Schwartz Brothers Insurance Agency
Sedgwick
Settlement Planning Associates (Near North Insurance Brokerage)
Summit Global Partners Inc.
Thilman & Filippini
Willis Corroon
Des Plaines
Corporate Benefit Consultants Inc.
Meeker Magner
Downers Grove
Associated Agencies
Arthur J. Gallagher
Edwardsville
Dann Insurance
Granite City
Associated Insurance Group (A.I.G)/ISC
Highland Park
Mesirow Insurance Services
Itasca
Arthur J. Gallagher
Moline
Hilb, Rogal & Hamilton of the Quad Cities
Naperville
Aon Risk Services Group
Willis Corroon
Northfield
First Chicago Insurance Services (First Chicago NBD)
Oak Brook
Jardine Lloyd Thompson
Oakbrook Terrace
Mesirow Insurance Services
Park Ridge
Vista National Insurance Group Inc.
Rolling Meadows
Associated Agencies
Lamb, Little & Co.
Schaumburg
Acordia
Aon Risk Services Group
Arthur J. Gallagher

Indiana

Bloomington
ISU/The May Agency
Carmel
NBD Insurance Services (First Chicago NBD)
Elkhart
NBD Insurance Services (First Chicago NBD)
Evansville
Acordia
Fort Wayne
Acordia
Insurance & Risk Management
Greenwood
Acordia
Indianapolis
Acordia
Aon Risk Services Group
Connolly, Ford, Bower & Leppert Insurance & Risk Management
J&H Marsh & McLennan
Jasper
German American/Forrest Sherer Agency (Forrest Sherer)
Jeffersonville
NBD Insurance Services (First Chicago NBD)
Muncie
Morrison Galliher (Beauchamp & McSpadden)
North Manchester
Beauchamp & McSpadden
Terre Haute
Forrest Sherer
Wabash
Beauchamp & McSpadden
Warsaw
Beauchamp & McSpadden
Insurance & Risk Management

Iowa

Cedar Rapids
Holmes, Murphy & Associates
Council Bluffs
Silverstone Group
Des Moines
Holmes, Murphy & Associates
Norwest Insurance
Metrowest
Norwest Insurance
Sioux City
Norwest Insurance
Spirit Lake
Arthur J. Gallagher
West Des Moines
Aon Risk Services Group
Holmes, Murphy & Associates

Kansas

Kansas City
Van Gilder Insurance
Lenexa
Frank Crystal & Co.
Overland Park
Acordia
Meadowbrook Insurance Group
Oliver Insurance Agency Inc.
Prairie Village
Lockton Cos. Inc.
Shawnee Mission
Haas & Wilkerson
Topeka
Insurance Management Associates
Wichita
Aon Risk Services Group
Insurance Management Associates
Willis Corroon

Kentucky

Ashland
Acordia
Barbourville
Acordia
Bowling Green
Van Meter Insurance
Fort Wright
Acordia
Inez
Acordia
Lexington
Acordia
Aon Risk Services Group
J&H Marsh & McLennan
Van Meter Insurance
London
Acordia
Louisville
Aon Risk Services Group
J&H Marsh & McLennan
Middlesboro
Acordia
Owensboro
Employers Risk Services (Van Meter Insurance)
Pikeville
Acordia
Pineville
Acordia

Louisiana

Baton Rouge
Arthur J. Gallagher
Houma
Coastal Insurance Services (USI Insurance Services)
Lafayette
Healthcare Insurance Services of Louisiana
Metairie
Boyd A. Williams (USI Insurance Services)
Monroe
Arthur J. Gallagher
New Orleans
Aon Risk Services Group
Arthur J. Gallagher
Hilb, Rogal & Hamilton of Louisiana
J&H Marsh & McLennan
Sedgwick
Technical Risks of Louisiana (USI Insurance Services)
Willis Corroon
Roseland
Sedgwick
Shreveport
Aon Risk Services Group

Maine

Bangor
Sedgwick
Portland
Hylant-MacLean Group
J&H Marsh & McLennan
Sedgwick

Maryland

Annapolis
The Loomis Co.
Baltimore
American Phoenix of Maryland
Aon Risk Services Group
Hilb, Rogal & Hamilton
J&H Marsh & McLennan
Bethesda
Willis Corroon
Columbia
Aon Risk Services Group
The Jacobs Co.
McGriff, Seibels & Williams
Member Benefit Services (USI Insurance Services)
Sedgwick
Cumberland
Beall, Garner, Screen & Geare Inc.
Hagerstown
Beall, Garner, Screen & Geare Inc.
Hunt Valley
Willis Corroon
Oakland
Beall, Garner, Screen & Geare Inc.
Rockville
Acordia
Hilb, Rogal & Hamilton of the District of Columbia
Silver Springs
Beall, Garner, Screen & Geare Inc.
Springdale
Association Growth Enterprises (USI Insurance Services)
Upper Marlboro
The Jacobs Co.

Massachusetts

Andover
Allied American Agency
Bedford
Sedgwick
Boston
Acordia
Allied American Agency
Aon Risk Services Group
Arthur J. Gallagher
Insurance Marketing Agencies
J&H Marsh & McLennan
Morrill Koslow Associates (USI Insurance Services)
Sedgwick
Willis Corroon
Braintree
Allied American Agency
Cambridge
Hastings-Tapley Insurance Agency
Cohasset
Allied American Agency
Dedham
Allied American Agency
Haverhill
Allied American Agency
Leominster
Brown, Howe & Robichaud Commercial Lines (Hastings-Tapley Insurance Agency)
Lowell
American Phoenix of Massachusetts
Middleboro
Allied American Agency
Natick
Allied American Agency
New Bedford
Mariners Insurance Agency (Sedgwick)
Maritime Adjusters (Sedgwick)
Newton
Allied American Agency
North Attleboro
Allied American Agency
Peabody
Allied American Agency
Plymouth
Allied American Agency
Rockland
Allied American Agency
Scituate
Allied American Agency
Tewksbury
Allied American Agency
Wakefield
Allied American Agency
Westboro
Allied American Agency
Westborough
Arthur J. Gallagher
Weymouth
Allied American Agency
Worcester
Allied American Agency
Braley & Wellington Insurance Agency
Insurance Marketing Agencies
Wrentham
Allied American Agency
Yarmouth
Allied American Agency

Michigan

Birmingham
Kelter-Thorner
NBD Insurance Services (First Chicago NBD)
Charlevoix
Old Kent Insurance Group
Detroit
Aon Risk Services Group
Hylant-MacLean Group
J&H Marsh & McLennan
Sedgwick
Grand Rapids
Acordia
Aon Risk Services Group
Arthur J. Gallagher
Hilb, Rogal & Hamilton
J&H Marsh & McLennan
Meadowbrook Insurance Group
Old Kent Insurance Group
Preferred Benefits
Willis Corroon
Holland
Old Kent Insurance Group
Kalamazoo
Old Kent Insurance Group
Kalkaska
Old Kent Insurance Group
Livonia
Cambridge Underwriters
Port Huron
Hilb, Rogal & Hamilton
Richmond
Hilb, Rogal & Hamilton of Port Huron
Saginaw
Meadowbrook Insurance Group
Southfield
Acordia
Meadowbrook Insurance Group
Willis Corroon
Traverse City
Meadowbrook Insurance Group
Old Kent Insurance Group
Troy
Arthur J. Gallagher
NBD Insurance Agency (First Chicago NBD)
Proctor Homer Warren

Minnesota

Anoka
Norwest Insurance
Bloomington
Meadowbrook Insurance Group
Duluth
Norwest Insurance
Edina
Arthur J. Gallagher
Norwest Insurance
Ely
Norwest Insurance
Fergus Falls
Norwest Insurance
Grand Rapids
Norwest Insurance
Hibbing
Norwest Insurance
Litchfield
Norwest Insurance
Mankato
Norwest Insurance
Marshall
Norwest Insurance
Minneapolis
Acordia
Aon Risk Services Group
Arthur J. Gallagher
J&H Marsh & McLennan
W.A. Lang Co.
Norwest Insurance
Sedgwick
Willis Corroon
Minnetonka
CFG Insurance Services
St. Cloud
Norwest Insurance
St. Paul
W.A. Lang Co.
Thief River Falls
Norwest Insurance
Virginia
Norwest Insurance

Mississippi

Jackson
Arthur J. Gallagher
J&H Marsh & McLennan
J. Smith Lanier & Co.
McGriff, Seibels & Williams
Sedgwick

Missouri

Crystal City
Associated Insurance Group
Kansas City
Aon Risk Services Group
Arthur J. Gallagher
J&H Marsh & McLennan
Lockton Cos. Inc.
Sedgwick
Springfield
Public Entity Risk Managers (Ricci Associates)
St. Louis
Aon Risk Services Group
Associated Insurance Group
Charles L. Crane Agency
The Daniel & Henry Co.
Arthur J. Gallagher
Haas & Wilkerson
J&H Marsh & McLennan
Lockton Cos. Inc.
Ricci Associates
Sedgwick
Welsch, Flatness & Lutz
Willis Corroon

Nebraska

Lincoln
Independent Claims Management (Silverstone Group)
Omaha
Aon Risk Services Group
J&H Marsh & McLennan
Marcotte Insurance Agency
Norwest Insurance
Sedgwick
Silverstone Group

Nevada

Las Vegas
Aon Risk Services Group
Aviation Insurance Services
Bracken-Leavitt Insurance Agency Inc. (The Leavitt Group)
J&H Marsh & McLennan
LaPorta-Clark-Leavitt Insurance Agency (The Leavitt Group)
Leavitt Insurance Agency
LGAA Programs & Large Accounts Division (The Leavitt Group)
LGAA Underwriting Management Division (The Leavitt Group)
Poe & Brown
Sedgwick
Wegener-Leavitt Insurance Agency Inc. (The Leavitt Group)
Willis Corroon
Mesquite
Valley-Leavitt Insurance Agency Inc. (The Leavitt Group)
Minden
Ferguson-Leavitt Insurance Agency Inc. (The Leavitt Group)
Overton
Valley-Leavitt Insurance Agency Inc. (The Leavitt Group)
Reno
Leavitt Group of Reno L.L.C.
Sedgwick

New Hampshire

Goffstown
Benefit Strategies (USI Insurance Services)
Manchester
Insurance Exchange (USI Insurance Services)
Rochester
Willis Corroon

New Jersey

Beverly
Sedgwick
Bordentown
McCay Corp. (American Phoenix)
Burlington
Meeker Sharkey Gervasio & Lane
Chatham
O'Gorman & Young Inc.
Cherry Hill
AVA Insurance Agency (Capacity Coverage Group of Cos.)
Commerce National Insurance Services
Willis Corroon
Clark
Giblon & Claffey Agency (Poe & Brown)
Clifton
Mike LaCorte Insurance (Capacity Coverage Group of Cos.)
Cranford
Allied Brokerage Services Group Inc. (Allied Coverage)
Manhardt, Sharkey, Gorman Inc. (Meeker Sharkey Financial Group)
Meeker Sharkey
NIA/Kornreich Group of Cos.
Dover
Capsure Inc. (Capacity Coverage Group of Cos.)
Dumont
McFadden Agency (Capacity Coverage Group of Cos.)
East Brunswick
The Wright Agency (Capacity Coverage Group of Cos.)
Elmwood Park
NIA/Kornreich Group of Cos.
Englewood
The Noble Group (Capacity

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Coverage Group of Cos.)
Essex Falls
Summit Global Partners Inc.
Fairfield
American Phoenix of Northern New Jersey
Fords
Kelter-Thorner of New Jersey
Forked River
Commerce National Insurance Services
Franklin Township
Frenkel of New Jersey (Frenkel & Co.)
Freehold
The Leigh Agency (Capacity Coverage Group of Cos.)
NIA/Kornreich Group of Cos.
Haddonfield
Commerce National Insurance Services
Hamilton Square
Capacity Coverage Group of Cos.
Hammonton
Alliano Insurance (Capacity Coverage Group of Cos.)
Highland Park
James Insurance Agency (Capacity Coverage Group of Cos.)
Jamesburg
The Tribus Cos.
Jersey City
Arthur J. Gallagher
Lakewood
Allied Coverage
Capacity Coverage Group of Cos.
The Tribus Cos.
Lawrenceville
Smith Benefit Services/DFS&A Insurance Agency Inc.
Livingston
Wharton/Lyon & Lyon
Mercerville
Commerce National Insurance Services
Montvale
The 300 Group (Capacity Coverage Group of Cos.)
Morris Plains
Willis Corroon
Morristown
Acordia
J&H Marsh & McLennan
Mount Holly
Commerce National Insurance Services
Northfield
Commerce National Insurance Services
Oakhurst
Wharton/Atlantic (Wharton/Lyon & Lyon)
Paramus
NIA/Kornreich Group of Cos.
Parsippany
Aon Risk Services Group
J&H Marsh & McLennan
Passaic
Hirsch Wolf & Co.
Piscataway
Willis Corroon
Pitman
Capacity Coverage Group of Cos.
Princeton
J&H Marsh & McLennan
G.R. Murray Insurance (O'Gorman & Young Inc.)
Randolph
NIA/Kornreich Group of Cos.
Riverdale
Saldana & Associates
Short Hills
Bollinger Fowler Co.
Somerdale
The Eagle Agency (Capacity Coverage Group of Cos.)
Somerset
NIA/Kornreich Group of Cos.
South Amboy
D&D Insurance Agency (Capacity Coverage Group of Cos.)
Toms River
Commerce National Insurance Services
Trenton
NIA/Kornreich Group of Cos.
Upper Saddle River
Capacity Coverage Group of Cos.
Voorhees
Wharton/Delaware Valley (Wharton/Lyon & Lyon)
Wall
Kurmin Marine Insurance Agency (Meeker Sharkey Financial Group)
Meeker Sharkey & Moffatt
Washington
Bowers, Schumann & Welch
Wayne
Arthur J. Gallagher
The Tribus Cos.
Weehawken
Dewitt Stern Imperatore (Dewitt Stern Group)
West Atlantic City
Aon Risk Services Group
West Berlin
Luzi Insurance Services (Capacity Coverage Group of Cos.)
Williamstown
Davis Insurance Services (Capacity Coverage Group of Cos.)
P.A. Spinelli Inc. (Capacity Coverage Group of Cos.)
Woodbridge
Lind Clark Agency (Capacity Coverage Group of Cos.)

New Mexico

Albuquerque
Aon Risk Services Group
Leavitt Group of Albuquerque Inc.
Mack & Parker
Summit Global Partners Inc.
Talbot Financial Corp.
Hatch
Leavitt Group Southwest Inc.
Truth or Consequences
Leavitt Group Southwest Inc.

New York

Albany
Governmental Entities Management Services (Hastings-Tapley Insurance Agency)
Batavia
The Genesse Agency (Lawley Service Inc.)
Bay Shore
Frenkel & Co.
Brooklyn
Hirsch Wolf & Co.
Buffalo
J&H Marsh & McLennan
Lawley Service Inc.
S.H. Gow & Co. (Hilb, Rogal & Hamilton)
Catskill
Marshall & Sterling Enterprises Inc.
Coxsackie
Marshall & Sterling Enterprises Inc.
Dunkirk
The Tradition Agency (Lawley Service Inc.)
East Hampton
Cook, Hall & Hyde Inc.
Elmsford
Aon Risk Services Group
Fredonia
The Tradition Agency (Lawley Service Inc.)
Great Neck
Sterling & Sterling
Greenville
Marshall & Sterling Enterprises Inc.
Islip
Cook, Hall & Hyde Inc.
Jamestown
American Phoenix of Western New York
The Tradition Agency (Lawley Service Inc.)
Jericho
Allied Coverage
Lake Success
BWD Group Ltd.
Latham
Jardine Lloyd Thompson
Melville
Aon Risk Services Group
Benefit Plan Administrators (USI Insurance Services)
J&H Marsh & McLennan
Sedgwick
Middletown
Marshall & Sterling Enterprises Inc.
Millbrook
George T. Whalen Agency (Marshall & Sterling Enterprises Inc.)
Mineola
Aon Risk Services Group
Monticello
Gersten-Hillman Agency
Ralph Giordano & Associates Inc. (Tanenbaum-Harber Co.)
NIA/Kornreich Group of Cos.
Mount Kisco
USI Northeast-Carpenter & Pelton
New York
Acordia
AIMS (USI Insurance Services)
American Phoenix of New York
Aon Risk Services Group
Frank Crystal & Co.
Emerson Reid & Co. (USI Insurance Services)
Fine Arts Risk Management (Near North Insurance Brokerage)
French American Risk Advisors (MLW Services)
Frenkel & Co.
Arthur J. Gallagher
H&R Philips Inc.
Hilb, Rogal & Hamilton of Pittsburgh
J&H Marsh & McLennan
Jardine Lloyd Thompson
Joseph Held Co.
Kaye Insurance Associates (Kaye Group)
Lockton Cos. Inc.
Meadowbrook Insurance Group
MLW Services
Near North Insurance Brokerage of New York
NIA/Kornreich Group of Cos.
Progressive Plan Administrators (USI Insurance Services)
D.R. Reiff & Associates (Tanenbaum-Harber Co.)
Sedgwick
The Sklover Group Inc.
Dewitt Stern Group Inc.
Tanenbaum-Harber Co.
Willis Corroon
Newburgh
Marshall & Sterling Enterprises Inc.
Port Washington
Cook, Hall & Hyde Inc.
Poughkeepsie
Marshall & Sterling Enterprises Inc.
Rochester
S.H. Gow & Co. Inc. (Hilb, Rogal & Hamilton)
J&H Marsh & McLennan
Riedman Corp.
Sedgwick
Schenectady
Marshall & Sterling Enterprises Inc.
Syracuse
S.H. Gow & Co. Inc. (Hilb, Rogal & Hamilton)
J&H Marsh & McLennan
Marshall & Sterling Enterprises Inc.
Tarrytown
Allied Coverage
Uniondale
J&H Marsh & McLennan
Valley Stream
Cook, Hall & Hyde Inc.
Westbury
The Sklover Group Inc.
White Plains
Arthur J. Gallagher
NIA/Kornreich Group of Cos.
Woodbury
Seaman Ross & Wiener Inc.
Wappingers Falls
Marshall & Sterling Enterprises Inc.
Yonkers
Arthur J. Gallagher
Yorktown Heights
Spadaccia, Ryan & Haas (USI Insurance Services)

North Carolina

Aberdeen
BB&T Insurance Services-Moore County
Asheville
Acordia
BB&T-Wright Dobbins (BB&T Insurance Services)
Belmont
Watson Insurance Agency
Boone
Cameron M. Harris & Co.
Chapel Hill
Acordia
Willis Corroon
Charlotte
Acordia
Aon Risk Services Group
BB&T-Westbrook Insurance (BB&T Insurance Services)
Cameron M. Harris & Co.
J&H Marsh & McLennan
Palmer & Cay of North Carolina
Professional Practice Insurance Brokers Inc. (Hilb, Rogal & Hamilton)
The Rutherfoord Cos.
Sedgwick
Willis Corroon
Cherryville
Watson Insurance Agency
Eden
BB&T-Wall Insurance (BB&T Insurance Services)
Emerald Isle
Beam, Cooper, Gainey & Associates
Fayetteville
BB&T-West Boyette Insurance (BB&T Insurance Services)
Gastonia
Watson Insurance Agency
Goldsboro
BB&T-Underwood Dawson (BB&T Insurance Services)
Greensboro
Acordia
BB&T-Poole Insurance (BB&T Insurance Services)
Cameron M. Harris & Co.
Ms. Phyllis Brookbank (Palmer & Cay)
Scott Insurance
Greenville
BB&T-Parsons Insurance (BB&T Insurance Services)
Beam, Cooper, Gainey & Associates
Fickling & Clement Insurance
Sedgwick
Hickory
BB&T-Cline Southern (BB&T Insurance Services)
High Point
BB&T Ervin-Haywood-Rankin (BB&T Insurance Services)
Professional Liability Consultants (BB&T Insurance Services)
King
Norwest Insurance
Lincolnton
Watson Insurance Agency
Louisburg
Beam, Cooper, Gainey & Associates
Lumberton
BB&T-McLean Brady McLean (BB&T Insurance Services)
Morehead City
Beam, Cooper, Gainey & Associates
Morgantown
Cameron M. Harris & Co.
Raleigh
Aon Risk Services Group
BB&T Insurance Services
Cameron M. Harris & Co.
J&H Marsh & McLennan
McGriff, Seibels & Williams
The Rutherfoord Cos.
Sedgwick
Roanoke Rapids
BB&T-Procter Owen Insurance (BB&T Insurance Services)
Rocky Mount
BB&T-Wilkinson Bulluck (BB&T Insurance Services)
Sanford
BB&T-Regional Insurance (BB&T Insurance Services)
Shelby
BB&T-Cummings LeGrand (BB&T Insurance Services)
Statesville
BB&T-Webb Insurance (BB&T Insurance Services)
Wallace
BB&T-Carlton Wells Insurance (BB&T Insurance Services)
Whiteville
BB&T Insurance Services
Wilmington
BB&T Insurance Services
Wilson
BB&T Insurance Services
Winston-Salem
Aon Risk Services Group

North Dakota

Bismarck
Norwest Insurance
Fargo
Norwest Insurance
Grafton
Norwest Insurance
Jamestown
Norwest Insurance
Minot
Norwest Insurance
Valley City
Norwest Insurance
Wahpeton
Norwest Insurance

Ohio

Akron
Aon Risk Services Group
Canfield
L. Calvin Jones & Co.
Cincinnati
Acordia
Aon Risk Services Group
Berwanger Overmyer Associates
Hylant-MacLean Group
J&H Marsh & McLennan
Thomas E. Wood (USI Insurance Services)
Cleveland
Acordia
Aon Risk Services Group
J.P. Flanagan Corp.
Arthur J. Gallagher
Hylant-MacLean Group
J&H Marsh & McLennan
The James B. Oswald Co.
Willis Corroon
Columbus
Acordia
Aon Risk Services Group
Arthur J. Gallagher
Berwanger Overmyer Associates
Hylant-MacLean Group
J&H Marsh & McLennan
Sedgwick
Defiance
Insurance & Risk Management
Dublin
Willis Corroon
Middleburg Heights
Kelter-Thorner Insurance Agency of Ohio
Newark
Acordia
Portsmouth
Acordia
Sylvania
Insurance & Risk Management
Toledo
Hylant-MacLean Group
Poe & Brown
Sedgwick
Youngstown
Acordia
Arthur J. Gallagher

Oklahoma

Chandler
LaGere & Walkingstick Insurance Agency
Summit Global Partners Inc.
Oklahoma City
CFR
Hilb, Rogal & Hamilton of Oklahoma
J&H Marsh & McLennan
Sedgwick
Sallisaw
BHC of Oklahoma
(Brown-Hiller-Clark & Associates)
Tulsa
Aon Risk Services Group
Arthur J. Gallagher
CFR
Hilb, Rogal & Hamilton of Oklahoma
J&H Marsh & McLennan
Sedgwick

Oregon

Eugene
Willis Corroon
Hermiston
Ferranti-Leavitt Insurance Agency Inc. (The Leavitt Group)
Medford
Sedgwick
Newport
Acordia
Portland
Acordia
Aon Risk Services Group
Campbell, Galt & Newlands (USI Insurance Services)
J&H Marsh & McLennan
Sedgwick
Van Beurden Hayes Insurance Services (Van Beurden Insurance Services)
Willis Corroon
Salem
Acordia
Capitol Insurance Center L.L.C. (The Leavitt Group)
Sedgwick

Pennsylvania

Bala Cynwyd
Acordia
Bethlehem
Bowers, Schumann & Welch
Sedgwick
Willis Corroon
Blue Bell
Posse Walsh Buckman Van Buren
Chambersburg
American Phoenix
Erie
Acordia
Insurance Management Co.
Harrisburg
J&H Marsh & McLennan
Sedgwick
Hermitage
Acordia
Hershey
Aon Risk Services Group
Jenkintown
Palley Simon Associates
Johnstown
Beall, Garner, Screen & Geare Inc.
The Gleason Agency
Lancaster
The Loomis Co.
Posse Walsh Buckman Van Buren
Mechanicsburg
Acordia
Philadelphia
AirSure
American Phoenix of Philadelphia
Aon Risk Services Group
J.P. Flanagan Corp.
Arthur J. Gallagher
The Gleason Agency
Haas & Wilkerson
J&H Marsh & McLennan
Paul Hertel & Co.
Poe & Brown of Pennsylvania
Sedgwick
Pittsburgh
Acordia
Aon Risk Services Group
The Gleason Agency
The HDH Group
Hilb, Rogal & Hamilton
J&H Marsh & McLennan
Sedgwick
Willis Corroon
Plymouth Meeting
Clair Odell Group
Radnor
Willis Corroon
St. Davids
The Simkiss Cos.
Trooper
USI Mid Atlantic
Uniontown
Beall, Garner, Screen & Geare Inc.
Wayne
Meeker Sharkey & Devine Inc.
Williamsport
Sedgwick
Wyomissing
The Loomis Co.

Puerto Rico

Hato Rey
Aon Risk Services Group
Miramar
Saldana & Associates
Ponce
Saldana & Associates

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San Juan
Saldana & Associates

Rhode Island

East Providence
Starkweather & Shepley Inc.
North Kingston
E.W. Shippee & Co.
(USI Insurance Services)
Providence
Aon Risk Services Group
Arthur J. Gallagher
Warwick
J&H Marsh & McLennan
Westerly
Starkweather & Shepley Insurance Inc.

South Carolina

Charleston
Palmer & Cay of South Carolina
Columbia
BB&T-Boyle Vaughan
(BB&T Insurance Services)
Cameron M. Harris & Co.
Palmer & Cay of South Carolina
Sedgwick
Willis Corroon
Florence
Agency Technologies
(BB&T Insurance Services)
Palmer & Cay of South Carolina
Prime Rate Premium Finance
(BB&T Insurance Services)
Reliable Policy Management
(BB&T Insurance Services)
Greenville
Arthur J. Gallagher
BB&T-Goldsmith Joyner
(BB&T Insurance Services)
Cameron M. Harris & Co.
J&H Marsh & McLennan
Ms. Chris Schriver (Palmer & Cay)
Title Insurance
(BB&T Insurance Services)
Willis Corroon
Lake Wylie
Watson Insurance Agency

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
Norwest Insurance
Watertown
Norwest Insurance
Yankton
Norwest Insurance

Tennessee

Brentwood
Van Meter Insurance
Chattanooga
Willis Corroon
Hendersonville
Acordia
Knoxville
Acordia
Aon Risk Services Group
Palmer & Cay of Tennessee Inc.
Sedgwick
Willis Corroon
Memphis
Sedgwick
Nashville
Aon Risk Services Group
Arthur J. Gallagher
Haas & Wilkerson
Healthcare Insurance Services Inc.
J&H Marsh & McLennan
Lockton Cos. Inc.
Palmer & Cay of Tennessee
Sedgwick
DeWitt Stern of Tennessee L.L.C.
Willis Corroon

Texas

Abilene
Hilb, Rogal & Hamilton
Amarillo
Hilb, Rogal & Hamilton
Arlington
Anco Insurance Metroplex
Austin
Anco Capitol City
(Anco Insurance Managers)
Arthur J. Gallagher
The Insurance MarketPlace/
Critron International Managers
(Timberline Insurance Managers)
J&H Marsh & McLennan
Wm. Rigg Cos.
Sedgwick
Summit Global Partners Inc.
Timberline Insurance Managers
Bryan
Anco Insurance Managers
Corpus Christi
Hilb, Rogal & Hamilton
Swanter & Gordon Insurance Agency
Cuero
Hilb, Rogal & Hamilton of Victoria
Dallas
Allied Coverage Corp. of Texas
Anco Dallas-Fort Worth
(Anco Insurance Managers)
Aon Risk Services Group
Arthur J. Gallagher
Hilb, Rogal & Hamilton
Holmes, Murphy & Associates
IMS of Texas (Palmer & Cay)
The Insurance MarketPlace/
Critron International Managers
(Timberline Insurance Managers)
J&H Marsh & McLennan
Lambert Fenchurch Group
Lockton Cos. Inc.
Near North Insurance
Brokerage of Texas
Wm. Rigg Cos.
Sedgwick
Settlement Planning Associates
(Near North Insurance Brokerage)
Summit Global Partners Inc.
Timberline Insurance Managers
Transportation Insurance Managers
Willis Corroon
Edna
Hilb, Rogal & Hamilton of Victoria
El Paso
Timberline Insurance Services
Forney
Hibbs-Hallmark & Co.
Fort Worth
Anco Alliance
Aon Risk Services Group
International Benefit Services
(USI Insurance Services)
Wm. Rigg Co.
SJA Brokerage
(USI Insurance Services)
Willis Corroon
Grand Prairie
Anco Alliance
Hereford
Hilb, Rogal & Hamilton of Amarillo
Houston
AmBrit (Lambert Fenchurch Group)
The Anderson Co.
(USI Insurance Services)
Aon Risk Services Group
Benefit Plan Concepts
(USI Insurance Services)
Frank Crystal & Co.
Arthur J. Gallagher
Harris & Co. (Swanter &
Gordon Insurance Agency)
Healthcare Insurance Services Inc.
Healthcare Risk Management Services
(Healthcare Insurance Services)
Hilb, Rogal & Hamilton
J&H Marsh & McLennan
Lockton Cos. Inc.
McGriff, Seibels & Williams
Poe & Brown of Texas
Wm. Rigg Cos.
Sedgwick
Strategic Benefit Planning Corp.
(USI Insurance Services)
Summit Global Partners Inc.
Timberline Insurance Services
Transportation Insurance Managers
Willis Corroon
Wood-Menna (USI Insurance Services)
John L. Wortham & Son L.L.P.
Kingsville
Klegburg Co. (Swanter &
Gordon Insurance Agency)
Livingston
Anco Jernigan-Dabney
(Anco Insurance Managers)
Lubbock
Acordia
Mart
Anco Pioneer-Mart
(Anco Insurance Managers)
McAllen
Hilb, Rogal & Hamilton
Midland
Aon Risk Services Group
San Angelo
Summit Global Partners Inc.
San Antonio
Aon Risk Services Group

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Business Insurance

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PLEASE CHECK ONE ITEM FOR EACH CATEGORY:

1. My organization is best described as:
A ❑ Mfg/Svcs
B ❑ Association
C ❑ Union
D ❑ Government
E ❑ Educational Inst
F ❑ Ins Agent
G ❑ Ins Broker
H ❑ Ins/Reins Co
I ❑ Consultant
J ❑ Actry/Attorney
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:
A ❑ Administrative Mgt
B ❑ Financial Mgt
C ❑ Risk Mgt
D ❑ Benefits Mgt
E ❑ Loss Prevention Mgt
F ❑ Other_____

4. My purchasing involvement for the requested products is to:
1 ❑ recommend only
2 ❑ specify
3 ❑ approve

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B ❑ No, so please send subscription info

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Name_____

Title_____

Company_____

Address_____

City_____ State_____ Zip_____

Phone ( )_____ Fax ( )_____

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J&H Marsh & McLennan
Timberline Insurance Services
Temple
Summit Global Partners Inc.
Tyler
Hibbs-Hallmark & Co.
Ventura
Transportation Insurance Managers
Victoria
Hilb, Rogal & Hamilton
The Woodlands
Anco Insurance of The Woodlands

U.S. Virgin Islands

St. Croix
Aon Risk Services Group
Marshall & Sterling Enterprises Inc.
St. Thomas
J&H Marsh & McLennan
Theodore Tunick & Co. (Marshall & Sterling Enterprises Inc.)

Utah

American Fork
Bowen-Dean-Leavitt Insurance Agency Inc. (The Leavitt Group)
Brigham City
Leavitt Group of Northern Utah
Castle Dale
Chipman-Leavitt Insurance Agency Inc. (The Leavitt Group)
Cedar City
Dixie Leavitt Agency (The Leavitt Group)
InsurWorld (The Leavitt Group)
Leavitt Group Systems Administration
Coalville
Leavitt Insurance Agency of Coalville Inc. (The Leavitt Group)
Delta
Day-Leavitt Insurance Agency Inc. (The Leavitt Group)
Ephraim
Worthington-Leavitt Insurance Agency Inc. (The Leavitt Group)
Heber City
Leavitt Group of Heber City Inc.
Hurricane
Bringhurst-Leavitt Insurance Agency Inc. (The Leavitt Group)
Kanab
Bringhurst-Leavitt Insurance Agency Inc. (The Leavitt Group)
Logan
Hall-Leavitt Insurance Agency Inc. (The Leavitt Group)
Nephi
Nebo-Leavitt Insurance Agency Inc. (The Leavitt Group)
Orem
Atkinson-Leavitt Insurance Agency Inc. (The Leavitt Group)
Bowen-Leavitt Insurance Agency Inc. (The Leavitt Group)
Park City
Leavitt Group of Park City
Price
Chipman-Leavitt Insurance Agency Inc. (The Leavitt Group)
Richfield
Okerlund-Leavitt Insurance Agency Inc. (The Leavitt Group)
Salina
Briggs-Leavitt Insurance Agency Inc. (The Leavitt Group)
Salt Lake City
Aon Risk Services Group
Aviation Insurance Services
Bigler-Leavitt Insurance Agency Inc. (The Leavitt Group)
Great Way-Leavitt Insurance Agency Inc. (The Leavitt Group)
J&H Marsh & McLennan
King-Leavitt Insurance Agency Inc. (The Leavitt Group)
LGAA Health Benefits Division (The Leavitt Group)
Fred A. Moreton & Co.
Platt-Leavitt Insurance Agency Inc. (The Leavitt Group)
Seaman-Leavitt Insurance Agency Inc. (The Leavitt Group)
Willis Corroon
Wittwer-Leavitt Insurance Agency Inc. (The Leavitt Group)
Spanish Fork
Leavitt Group of Spanish Fork Inc.
St. George
Hunt-Leavitt Insurance Agency Inc. (The Leavitt Group)
LGAA Markets & Programs Division (The Leavitt Group)
Leavitt Group of St. George Inc.
Tooele
Leavitt Insurance Agency of Tooele Inc. (The Leavitt Group)
Tremonton
Huber-Leavitt Insurance Agency Inc. (The Leavitt Group)
Vernal
Schaefermeyer-Sheedy-Leavitt Insurance Agency Inc. (The Leavitt Group)
West Jordan
Lym-Leavitt Insurance Agency Inc. (The Leavitt Group)

Vermont

Bristol
Bristol Insurance Agency (Allied American Agency)
Burlington
J&H Marsh & McLennan
Woodstock
Dana Insurance Agency (Allied American Agency)

Virginia

Alexandria
Acordia
Aon Risk Services Group
Robert C. Koch Inc. (USI Insurance Services)
Morgan & Cheves Insurance (USI Insurance Services)
The Rutherfoord Cos.
Rutherfoord International
Bedford
BB&T Insurance Services
Chatham
BB&T Insurance Services
Danville
Scott Insurance
Falls Church
Healthcare Insurance Services of Virginia
Glen Allen
Hilb, Rogal & Hamilton
Palmer & Cay of Virginia
Grundy
Acordia
Lynchburgh
Scott Insurance
Norfolk
Henderson & Philips Insurance (USI Insurance Services)
Hilb, Rogal & Hamilton
J&H Marsh & McLennan
The Rutherfoord Cos.
Notron
Acordia
Reston
Arthur J. Gallagher
Richmond
Acordia
Aon Risk Services Group
Assurance Services Corp. (The Rutherfoord Cos.)
Arthur J. Gallagher
Butler Haratsell (USI Insurance Services)
DeJarnette & Paul (BB&T Insurance Services)
Hargrove Insurance Agency (USI Insurance Services)
Hilb, Rogal & Hamilton of Virginia
J&H Marsh & McLennan
Rutherfoord Benefits Services (The Rutherfoord Cos.)
The Rutherfoord Cos.
Scott Insurance
Ridgeway
BB&T Insurance Services
Roanoke
Acordia
BB&T Insurance Services
The Rutherfoord Cos.
Scott Insurance
Rocky Mount
James A. Hurd Sr. (BB&T Insurance Services)
Vienna
Willis Corroon
Virginia Beach
Acordia
Hyatt Agency (USI Insurance Services)

Washington

Kirkland
Acordia
Mercer Island
Caledonian Insurance Group
Seattle
Acordia
Aon Risk Services Group
Arthur J. Gallagher
Hurley, Atkins & Stewart (USI Insurance Services)
J&H Marsh & McLennan
James Econn & Co.
Parker, Smith & Feek
Sedgwick
Sullivan & Curtis Insurance Brokers
Van Beurden Insurance Services of Washington
Willis Corroon
Spokane
Caledonian Insurance Group
May-Davis Inc.
Sedgwick
Wenatchee
Sedgwick
Yakima
Sedgwick

West Virginia

Beckley
Acordia
Bluefield
Acordia
Buckhannon
Acordia
Charleston
Acordia
Clarksburg
Acordia
Cross Lanes
Acordia
Elkins
Acordia
Hamlin
Acordia
Huntington
Acordia
Keyser
Beall, Garner, Screen & Geare Inc.
Lewisburg
Acordia
Man
Acordia
Morgantown
Acordia
Parkersburg
Acordia
Wheeling
Acordia
Beall, Garner, Screen & Geare Inc.

Wisconsin

Appleton
J&H Marsh & McLennan
Green Bay
Aon Risk Services Group
Madison
Aon Risk Services Group
Milwaukee
Aon Risk Services Group
Arthur J. Gallagher
J&H Marsh & McLennan
Robertson-Ryan & Associates
Summit Global Partners Inc.
Willis Corroon

Wyoming

Casper
Van Gilder Insurance

Geographical listing of international brokerage locations

Angola

Luanda
Jardine Lloyd Thompson
Jardine PF Angola LDA (Forbes Group)

Antigua

St. John's
Sedgwick

Argentina

Buenos Aires
Aon Risk Services Group
Ayling, Marsh & McLennan (J&H Marsh & McLennan)
J&H Marsh & McLennan
Jardine Lloyd Thompson
Nelson Hurst Corredores de Reaseguros SA (Forbes Group)
Sedgwick

Aruba

Oranjestad
Aon Risk Services Group

Australia

Adelaide
Aon Risk Services Group
J&H Marsh & McLennan
Jardine Australian Insurance Brokers (Jardine Lloyd Thompson)
Lambert Fenchurch Group
Sedgwick
Willis Corroon
Albury
Jardine Australian Insurance Brokers (Jardine Lloyd Thompson)
Brisbane
Aon Risk Services Group
J&H Marsh & McLennan
Jardine Australian Insurance Brokers (Jardine Lloyd Thompson)
Lambert Fenchurch Group
Sedgwick MacDermott
Willis Corroon
Cairns
Aon Risk Services Group
Jardine Australian Insurance Brokers (Jardine Lloyd Thompson)
Canberra
Aon Risk Services Group
J&H Marsh & McLennan
Sedgwick
Darwin
Aon Risk Services Group
Lambert Fenchurch Group
Devonport
Lambert Fenchurch Group
Dulwich
Aon Risk Services Group
Gold Coast
Aon Risk Services Group
Hobart
Aon Risk Services Group
J&H Marsh & McLennan
Lambert Fenchurch Group
Sedgwick
Willis Corroon
Launceston
Aon Risk Services Group
J&H Marsh & McLennan
Lambert Fenchurch Group
Melbourne
Aon Risk Services Group
J&H Marsh & McLennan
Jardine Australian Insurance Brokers (Jardine Lloyd Thompson)
Lambert Fenchurch Group
Sedgwick
Willis Corroon
Perth
Aon Risk Services Group
J&H Marsh & McLennan
Jardine Australian Insurance Brokers (Jardine Lloyd Thompson)
Lambert Fenchurch Group
Sedgwick
Willis Corroon
Rockhampton
Aon Risk Services Group
Sydney
Aon Risk Services Group
J&H Marsh & McLennan
Jardine Australian Insurance Brokers (Jardine Lloyd Thompson)
Lambert Fenchurch Group
Sedgwick
Willis Corroon
Toowoomba
Aon Risk Services Group
Sedgwick
Townsville
Aon Risk Services Group
Jardine Australian Insurance Brokers (Jardine Lloyd Thompson)

Austria

Graz
Aon Risk Services Group
Innsbruck
Aon Risk Services Group
Linz
Aon Risk Services Group
Salzburg
Aon Risk Services Group
Vienna
Aon Risk Services Group
Gradman & Holler & Kiefhaber (J&H Marsh & McLennan)
GrECo International
MVM Versicherungsmakler GES M.B.H. (Sedgwick)
Sedgwick
Hohenems
Aon Risk Services Group

Azerbaijan

Baku
Sedgwick

Bahrain

Manama
Arab Commercial Enterprises (Bahrain) WLL (Sedgwick)
Lambert Fenchurch Group
Sharjah
Lambert Fenchurch Group

Barbados

Bridgetown
J&H Marsh & McLennan
Sedgwick
St. Michael
Aon Risk Services Group

Belgium

Antwerp
Aon Risk Services Group
Continental Insurance & Reinsurance Agency (Sedgwick)
Henrijean (J&H Marsh & McLennan)
Menage & Jowa (Gras Savoye)
Sedgwick
TCD (Lambert Fenchurch Group)
Thilly Van Eessel (Sedgwick)
Willis Corroon
Brussels
Aon Risk Services Group
Henrijean (J&H Marsh & McLennan)
Jardine SIACI & Partners (Jardine Lloyd Thompson)
Menage & Jowa (Gras Savoye)
TCD (Lambert Fenchurch Group)
Thilly Van Eessel (Sedgwick)
Willis Corroon
Charleroi
Aon Risk Services Group
Menage & Jowa (Gras Savoye)
TCD (Lambert Fenchurch Group)
Thilly Van Eessel (Sedgwick)
Ghent
Menage & Jowa (Gras Savoye)
TCD (Lambert Fenchurch Group)
Hasselt
Menage & Jowa (Gras Savoye)
TCD (Lambert Fenchurch Group)
Kortrijk
Aon Risk Services Group
Willis Corroon
Liege
Aon Risk Services Group
Henrijean (J&H Marsh & McLennan)
Menage & Jowa (Gras Savoye)
TCD (Lambert Fenchurch Group)
Thilly Van Eessel Liege (Sedgwick)
Willis Corroon
Roeselare
Thilly Van Eessel (Sedgwick)
Verviers
Menage & Jowa (Gras Savoye)
Waterloo
Willis Corroon

Benin

Cotonou
Gras Savoye

Bermuda

Hamilton
Acordia
Aon Risk Services Group
Dominion Captive Services Ltd (Scott Insurance)
Arthur J. Gallagher
J&H Marsh & McLennan
Sedgwick
Summit Global Partners Inc.
Willis Corroon

Botswana

Francistown
Aon Risk Services Group
Sedgwick
Gabarone
Alexander Forbes Botswana (Forbes Group)
Aon Risk Services Group
PF Botswana Ltd. (Forbes Group)
Sedgwick
Selebi Phike
Aon Risk Services Group

Brazil

Belo Horizonte
Aon Risk Services Group

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J&H Marsh & McLennan
York Willis Corroon

Campinas
Aon Risk Services Group
J&H Marsh & McLennan
York Willis Corroon

Curitiba
J&H Marsh & McLennan

Goiania
CDA Administracao e Corretagem de Seguros Ltda.-Orypaba/CDA Group

Joinville
J&H Marsh & McLennan

Porto Alegre
J&H Marsh & McLennan

Portominas
Portominas-Administradora e Corretora de Seguros Ltda. (Sedgwick)

Recife
York Willis Corroon

Rio de Janeiro
Aon Risk Services Group
CDA Administracao e Corretagem de Seguros Ltda.-Orypaba/CDA Group
Jardine Corretagem de Seguros (Jardine Lloyd Thompson)
J&H Marsh & McLennan
York Willis Corroon

Salvador
J&H Marsh & McLennan
York Willis Corroon

Sao Paulo
Aon Risk Services Group
Brichetto Assessoria Technica Ltda. (Sedgwick)
Brichetto Corretora de Seguros S/C Ltda. (Sedgwick)
CDA Administracao e Corretagem de Seguros Ltda.-Orypaba/CDA Group
Clement de Brasil Corretora de Seguros Ltda. (Sedgwick)
J&H Marsh & McLennan
Jardine Corretagem de Seguros (Jardine Lloyd Thompson)
Nelson Hurst Corretora de Seguros (Forbes Group)
Sedgwick
York Willis Corroon

Brunei

Kuala Belait
Shariffuddin Sedgwick (Sedgwick)

Burkina Faso

Ouagadougou
Gras Savoye

Cameroon

Douala
Gras Savoye

Yaounde
Gras Savoye

Cayman Islands

Georgetown
J&H Marsh & McLennan
Sedgwick

Chile

Santiago
Andueza y Compania (Sedgwick)
Aon Risk Services Group
Excess Corredores de Reaseguros S.A. (Sedgwick)
Inversiones Andeuza y Sedgwick S.A.
J&H Marsh & McLennan
Jardine Lloyd Thompson
Nikols Chile S.A.
Sedgwick
Willis Faber Insurance Services Ltd. (Willis Corroon)

China

Beijing
Aon Risk Services Group
Gras Savoye
J&H Marsh & McLennan
Nelson Hurst Insurance Brokers (Forbes Group)
Sedgwick
Willis Corroon

Hong Kong
Aon Risk Services Group
Gras Savoye
Lambert Brothers (Lambert Fenchurch Group)
Sedgwick
Sedgwick Asia Pacific Ltd.
Sedgwick Construction Asia Ltd.
Willis Faber (Willis Corroon)

Kowloon
J&H Marsh & McLennan

Shanghai
J&H Marsh & McLennan
Sedgwick
Willis Corroon

Colombia

Barranquilla
Aon Risk Services Group
Companias de Lima

Bogota
Aon Risk Services Group
Companias de Lima
J&H Marsh & McLennan
Lambert Fenchurch Group
Madero, Maldonadoy Rehder Ltda.

Bucaramanga
Companias de Lima

Cali
Aon Risk Services Group
Companias de Lima
J&H Marsh & McLennan

Cartagena
Companias de Lima

Ibague
Companias de Lima

Manizales
Companias de Lima

Medellin
Aon Risk Services Group
Companias de Lima
J&H Marsh & McLennan

Pereira
Companias de Lima

Santa Fe de Bogata
Centurion Corredores de Seguros (Sedgwick)

Congo

Brazzaville
Gras Savoye

Pointe Noire
Gras Savoye

Croatia

Zagreb
FDG-Zagreb (GrECo International)
Kininmonth Lambert (Lambert Fenchurch Group)

Curacao

Willemstad
Aon Risk Services Group

Czech Republic

Brno
Aon Risk Services Group
J&H Marsh & McLennan

Liberec
Sedgwick

Olomouc
Aon Risk Services Group

Ostrava
Sedgwick

Prague
Aon Risk Services Group
GrECo International
J&H Marsh & McLennan
Sedgwick
Willis Corroon

Denmark

Aarhus
Aon Risk Services Group

Copenhagen
Aon Risk Services Group
Sedgwick
Willis Corroon

Virum
J&H Marsh & McLennan

Egypt

Alexandria
Gras Savoye Haddad & Co.

Cairo
Gras Savoye Haddad & Co.
J&H Marsh & McLennan

England

Abingdon
Willis Corroon

Banbury
Lambert Fenchurch Group

Barking
Roger Lark (Sedgwick)

Birmingham
Aon Risk Services Group
Arthur J. Gallagher
J&H Marsh & McLennan
Jardine Lloyd Thompson
Sedgwick
Willis Corroon

Bradford
Jardine Lloyd Thompson

Brierley Hill
Lambert Fenchurch Group

Bristol
Aon Risk Services Group
J&H Marsh & McLennan
Lambert Fenchurch Group
Sedgwick
Willis Corroon

Canterbury
Aon Risk Services Group

Carlisle
J&H Marsh & McLennan

Caterham
Lambert Fenchurch Group

Chelmsford
Aon Risk Services Group
Jardine Lloyd Thompson
Lambert Fenchurch Group

Cheltenham
Willis Corroon

Colchester
Aon Risk Services Group

Derby
Nelson Hurst Financial Services (Forbes Group)

Exeter
J&H Marsh & McLennan

Hitchin
J&H Marsh & McLennan

Hull
Lambert Fenchurch Group

Ipswich
Willis Corroon

Kingston upon Thames
Willis Corroon

Leeds
Aon Risk Services Group
J&H Marsh & McLennan
Lambert Fenchurch Group
Sedgwick
Willis Corroon

Leicester
Aon Risk Services Group
Lambert Fenchurch Group
Sedgwick
Willis Corroon

Liverpool
J&H Marsh & McLennan
Lambert Fenchurch Group

London
Aon Risk Services Group
Arthur J. Gallagher
BMA Services (Jardine Lloyd Thompson)
Byas Mosley & Co.
Cosmoa Jardine (Jardine Lloyd Thompson)
CRM International (Forbes Group)
Integrated Risk Consultants International Ltd. (Forbes Group)
J&H Marsh & McLennan
Jardine Group Services
Jardine Lloyd Thompson
Lambert Fenchurch Group
Lees Preston Fairy Ltd. (American Phoenix)
Near North Insurance Brokerage
Nelson Hurst Financial Services (Forbes Group)
Professional Affinity Group Services Ltd. (Jardine Lloyd Thompson)
Sedgwick
Willis Corroon

Maidstone
Willis Corroon

Manchester
Aon Risk Services Group
J&H Marsh & McLennan
Jardine Lloyd Thompson
Lambert Fenchurch Group
Sedgwick
Willis Corroon

Milton Keynes
debis Assekuranz Vermittlungs
J&H Marsh & McLennan

Newcastle
J&H Marsh & McLennan
Willis Corroon

Newcastle upon Tyne
Aon Risk Services Group
Lambert Fenchurch Group
Sedgwick

Newmarket
Willis Corroon

Norwich
Aon Risk Services Group
Lambert Fenchurch Group
Sedgwick

Nottingham
Lambert Fenchurch Group

Plymouth
Aon Risk Services Group

Potters Bar
Aon Risk Services Group

Preston
WHH Life & Pensions
(Lambert Fenchurch Group)
Willis Corroon

Reading
Aon Risk Services Group
Sedgwick
Willis Corroon

Redditch
Sedgwick

Redhill
Aon Risk Services Group
Sedgwick

Romford
J&H Marsh & McLennan

Ruislip
Lambert Fenchurch Group

Salford
J&H Marsh & McLennan

Sheffield
Aon Risk Services Group
Lambert Fenchurch Group
Sedgwick
Willis Corroon

Shrewsbury
Aon Risk Services Group

Sidcup
J&H Marsh & McLennan

South Woodford
Lambert Fenchurch Group

Southampton
Aon Risk Services Group
J&H Marsh & McLennan
Jardine Lloyd Thompson
Jardine Maritime Insurance Services
Nelson Hurst Financial Services (Forbes Group)

Stoke
Lambert Fenchurch Group

Swindon
Lambert Fenchurch Group

Tunbridge Wells
J&H Marsh & McLennan

Watford
Sedgwick

Witham
Sedgwick

Woking
Jardine Lloyd Thompson

Equatorial Guinea

Malabo
Gras Savoye

Estonia

Tallinn
Aon Risk Services Group
Lambert Fenchurch Group

Fiji

Lautoka
J&H Marsh & McLennan
Sedgwick

Nadi
Aon Risk Services Group

Suva
Aon Risk Services Group
J&H Marsh & McLennan
Sedgwick

Finland

Espoo
J&H Marsh & McLennan

Helsinki
Aon Risk Services Group
Lambert Fenchurch Group
Sedgwick
Willis Corroon

Turku
J&H Marsh & McLennan

France

Aix-en-Provence
Sedgwick

Bayonne
Segma (Gras Savoye)

Bordeaux
Gras Savoye
La Securite Nouvelle (Lambert Fenchurch Group)

Brest
Aon Risk Services Group

Caen
Gras Savoye

Clermont-Ferrand
Aon Risk Services Group

Douai
Gras Savoye

Grenoble
Gras Savoye

Lille
Gras Savoye
La Securite Nouvelle (Lambert Fenchurch Group)

Lyon
Aon Risk Services Group
Faugere & Jutheau (J&H Marsh & McLennan)
N.S.A. (Gras Savoye)
Sedgwick

Marseille
Aon Risk Services Group
Faugere & Jutheau (J&H Marsh & McLennan)
Gras Savoye
Groupe Eyssautier (Gras Savoye)

Marseilles
La Securite Nouvelle (Lambert Fenchurch Group)

Metz
Gras Savoye

Montpellier
Aon Risk Services Group
Gras Savoye

Nancy
Gras Savoye

Nantes
Gras Savoye

Neuilly-sur-Seine
Gras Savoye

Noisy Le Grand
Gras Savoye

Orange
CECAR (J&H Marsh & McLennan)

Orleans
Gras Savoye

Paris
Aon Risk Services Group
Auxi Assurances (Gras Savoye)
Cabinet Billet et Cie (Sedgwick)
debis Assekuranz Vermittlungs
Faugere & Jutheau (J&H Marsh & McLennan)
Grieg Offshore (Gras Savoye)
Groupe Eyssautier (Gras Savoye)
J&H Marsh & McLennan
La Securite Nouvelle (Lambert Fenchurch Group)
Sedgwick
Segma (Gras Savoye)
Societe Intercontinental d'Assurances pour le Commerce et l'Industrie (Jardine Lloyd Thompson)
Tetard Gras Savoye

Rouen
Gras Savoye

Saint Dizier
Aon Risk Services Group

Saint Etienne
Gras Savoye

Strasbourg
Aon Risk Services Group
Gras Savoye

Toulouse
Gras Savoye

Valence
Gras Savoye
GSaD (Gras Savoye)

Gabon

Franceville
Gras Savoye

Libreville
Gras Savoye

Port Gentil
Gras Savoye

Georgia

Tbilisi
Gras Savoye
Sedgwick

Germany

Baden-Baden
Aon Risk Services Group

Beckum
Aon Risk Services Group

Bergisch Gladbach
debis Assekuranz Vermittlungs

Berlin
Aon Risk Services Group
debis Assekuranz Vermittlungs
Gradmann & Holler (J&H Marsh & McLennan)
Sedgwick

Bielefeld
Aon Risk Services Group

Bremen
debis Assekuranz Vermittlungs

Cologne
Aon Risk Services Group
Sedgwick

Cologne (Deutschland)
Sedgwick

Dresden
Aon Risk Services Group
Sedgwick

Duesseldorf
Aon Risk Services Group
Gradmann & Holler (J&H Marsh & McLeannan)
Pantaenius (Lambert Fenchurch Group)

Frankfurt
Aon Risk Services Group
Gradmann & Holler (J&H Marsh & McLennan)
Sedgwick

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Frankfurt/Main
debis Assekuranz Vermittlungs
Hamburg
Aon Risk Services Group
debis Assekuranz Vermittlungs
Gradmann & Holler
(J&H Marsh & McLennan)
Pantaenius (Lambert
Fenchurch Group)
Sedgwick
Hannover
debis Assekuranz Vermittlungs
Karlsruhe
Sedgwick
Koblenz
debis Assekuranz Vermittlungs
Leipzig
Aon Risk Services Group
debis Assekuranz Vermittlungs
Gradmann & Holler
(J&H Marsh & McLennan)
Lambert Fenchurch Group
Monheim
Aon Risk Services Group
Muelheim
Aon Risk Services Group
debis Assekuranz Vermittlungs
Muenster
debis Assekuranz Vermittlungs
Munich
Aon Risk Services Group
debis Assekuranz Vermittlungs
Gradmann & Holler
(J&H Marsh & McLennan)
Pantaenius (Lambert
Fenchurch Group)
Sedgwick
Nurenberg
Aon Risk Services Group
debis Assekuranz Vermittlungs
Pforzheim
Sedgwick
Rostock
Aon Risk Services Group
Saarbrucken
Aon Risk Services Group
Stuttgart
Aon Risk Services Group
debis Assekuranz Vermittlungs
Gradmann & Holler
(J&H Marsh & McLennan)
Sedgwick
Wiesbaden
Sedgwick

Greece

Athens
ACE Europe (Sedgwick)
ACE Insurance (Sedgwick)
Aon Risk Services Group
Fenchurch Faris
(Lambert Fenchurch Group)
J&H Marsh & McLennan
Mercury Insurance (Gras Savoye)
Tarpohzy (Gras Savoye)
Willis Corroon
Piraeus
Aon Risk Services Group
Lambert Fenchurch Group

Guadaloupe

Pointe-a-Pitre
Gras Savoye

Guam

Tamuning
Aon Risk Services Group

Guernsey

St. Peter Port
Aon Risk Services Group
Flint, Eastwood, LLIM
(Lambet Fenchurch Group)
J&H Marsh & McLennan
Jardine Lloyd Thompson
Sedgwick

Hungary

Budapest
Aon Risk Services Group
GrECo International
J&H Marsh & McLennan
Polip Insurance
(Lambert Fenchurch Group)
Sedgwick
Willis Corroon

India

Bombay
Jardine Lloyd Thompson
Sedgwick
New Dehli
Aon Risk Services Group
Jardine Lloyd Thompson

Indonesia

Jakarta
Aon Risk Services Group
IBS Insurance Brokering
Services (Forbes Group)
P.T. Jardine Insurance
Brokers (Jardine Lloyd Thompson)
P.T. Peranas Agung
(J&H MArsh & McLennan)
P.T. Sedgwick Dharmala
Rismanido Kreasi Lestari
(Forbes Group)
Willis Corroon
Jawa Timur
IBS Insurance Brokering
Services (Forbes Group)
Surabaya
Aon Risk Services Group

Iran

Tehran
Assureurs-Conseils Inrano-Francais
(Gras Savoye)

Ireland

Cork
Aon Risk Services Group
J&H Marsh & McLennan
Jardine Lloyd Thompson
Sedgwick
Dublin
Aon Risk Services Group
J&H Marsh & McLennan
Jardine Lloyd Thompson
Sedgwick
Sedgwick Management Services Ltd.
Willis Corroon
Galway
Sedgwick
Limerick
Aon Risk Services Group
J&H Marsh & McLennan

Isle of Man

Douglas
Aon Risk Services Group
J&H Marsh & McLennan
Jardine Lloyd Thompson
Sedgwick
Willis Corroon

Italy

Ancona
Nikols Sedgwick
Adriatica Srl (Sedgwick)
Nikols Sedgwick Roma S.p.A.
(Sedgwick)
Arezzo
Aon Risk Services Group
Bergamo
Nikols Sedgwick Brokers
Italia S.p.A. (Sedgwick)
Nikols Sedgwick NBB Srl
(Sedgwick)
Bolanzo
MVM Italia (Sedgwick)
Nikols CGA (Sedgwick)
Bologna
J&H Marsh & McLennan
Nikols Sedgwick Centro
Nord S.p.A. (Sedgwick)
Brecia
J&H Marsh & McLennan
Nikols Sedgwick NBB Srl
(Sedgwick)
Catania
Nikols (Sedgwick)
Cene
Nikols Sedgwick NBB Srl
(Sedgwick)
Cremona
J&H Marsh & McLennan
Florence
Aon Risk Services Group
Firenze
Nikols P.V.A. (Sedgwick)
Genoa
Aon Risk Services Group
Genova
Asscre (Sedgwick)
Cambiaso Risso & Co. (Sedgwick)
Mantova
Nikols Sedgwick Brokers
Italia S.p.A. (Sedgwick)
Nikols Sedgwick Centro
Nord S.p.A. (Sedgwick)
Milan
Aon Risk Services Group
Asscre (Sedgwick)
Assieb (Sedgwick)
J&H Marsh & McLennan
Lambert Fenchurch Group
Nikols Sedgwick (Sedgwick)
Nikols Sedgwick Brothers
Italia S.p.A. (Sedgwick)
Nikols-Delegazione
Ufficale Assicurazioni
Fiera di Milano (Sedgwick)
Mirano
Assidoge (Sedgwick)
Monza
Eura (Sedgwick)
Nikols (Sedgwick)
Padova
Asscre (Sedgwick)
Nikols CGA (Sedgwick)
Padua
J&H Marsh & McLennan
Palermo
Nikols (Sedgwick)
Parma
Nikols Sedgwick Centro
Nord S.p.A. (Sedgwick)
Pescara
Nikols Sedgwick Adriatica
Srl (Sedgwick)
Pordenone
Socaf Nikois (Sedgwick)
Rome
Aon Risk Services Group
debis Assekuranz Vermittlungs
J&H Marsh & McLennan
Nikols Sedgwick Roma
S.p.A. (Sedgwick)
Nikols Srl (Sedgwick)
Sedgwick
Torino
Nikols Sedgwick Brichetto
Srl (Sedgwick)
Treviso
Aon Risk Services Group
Turin
Aon Risk Services Group
J&H Marsh & McLennan
Udine
Socaf Nikols (Sedgwick)
Varese
Nikols Sedgwick NBB
Srl (Sedgwick)
Verona
Nickols CGA (Sedgwick)
Vicenza
Nickols CGA (Sedgwick)

Ivory Coast

Abidjan
Gras Savoye
Segma Cote d'Ivoire (Gras Savoye)

Japan

Fukuoka
Hitachi Insurance Services
Haranomachi
Hitachi Insurance Services
Hiratsuka
Hitachi Insurance Services
Hiroshima
Hitachi Insurance Services
Hitachi
Hitachi Insurance Services
Hitachinaka
Hitachi Insurance Services
Kanagawa
Aon Risk Services Group
Kashiwa
Hitachi Insurance Services
Kawasaki
Hitachi Insurance Services
Kitakyushu
Hitachi Insurance Services
Kokubunji
Hitachi Insurance Services
Koriyama
Hitachi Insurance Services
Kudamatsu
Hitachi Insurance Services
Kure
Hitachi Insurance Services
Kuwana
Hitachi Insurance Services
Mobara
Hitachi Insurance Services
Mouka
Hitachi Insurance Services
Nagoya
Hitachi Insurance Services
Narashino
Hitachi Insurance Services
Niigata
Hitachi Insurance Services
Odate
Hitachi Insurance Services
Osaka
Hitachi Insurance Services
J&H Marsh & McLennan
Sapporo
Hitachi Insurance Services
Sendai
Hitachi Insurance Services
Shimizu
Hitachi Insurance Services
Shimodate
Hitachi Insurance Services
Takamatsu
Hitachi Insurance Services
Takasaki
Hitachi Insurance Services
Tochigi
Hitachi Insurance Services
Tokyo
Aon Risk Services Group
CIB Inc. (Forbes Group)
debis Assekuranz Vermittlungs
Hitachi Insurance Services
J&H Marsh & McLennan
Jardine Lloyd Thompson
Sedgwick
Sedgwick International
Risk Management
Willis Corroon
Toyama
Hitachi Insurance Services
Toyokawa
Hitachi Insurance Services
Tsuchiura
Hitachi Insurance Services
Yamanashi
Hitachi Insurance Services
Yokohama
Hitachi Insurance Services

Jersey

St. Helier
Robert Gordon Financial
Consultants Ltd. (Forbes Group)
Robert Gordon Jersey Ltd.
(Forbes Group)
St. Hilier
Aon Risk Services Group

Kazakhstan

Almaty
Aon Risk Services Group
J&H Marsh & McLennan

Kenya

Eldoret
Aon Risk Services Group
Monbassa
Aon Risk Services Group
Nairobi
Aon Risk Services Group
CRM Risk Engineering
(Forbes Group)
Sedgwick

Korea

Seoul
Insurance Management Inc.
(Forbes Group)
J&H Marsh & McLennan

Kuwait

Kuwait
Arab Commercial
Enterprises (Sedgwick)
Intercontinental Insurance
Brokers (Sedgwick)
Safat
Fenchurch Management Bureau
(Lambert Fenchurch Group)

La Reunion

St. Dennis
Gras Savoye

Lebanon

Beirut
Aon Risk Services Group
Arab Commercial
Enterprises (Sedgwick)
Gras Savoye
Willis Corroon
Jounieh
Aon Risk Services Group

Lesotho

Maseru
Aon Risk Services Group
Thebe Hosken Lesotho
Insurance Brokers
(Forbes Group)

Luxembourg

Aon Risk Services Group
Gras Savoye
GS Re (Gras Savoye)
J&H Marsh & McLennan
Sedgwick
TCD Management S.A.
(Lambert Fenchurch Group)
UNISON Management
(Gras Savoye)

Macau

Aon Risk Services Group

Malawi

Blantyre
Aon Risk Services Group
PFG Wright Insurance
Brokers Ltd. (Forbes Group)
Lilongwe
Aon Risk Services Group

Malaysia

Ipoh
Aon Risk Services Group
Johor Bharu
Antah Sedgwick Chartered
Insurance Brokers (Sedgwick)
Aon Risk Services Group
Kuala Lumpur
Amanah (Lambert
Fenchurch Group)
Antah Sedgwick Chartered
Insurance Brokers (Sedgwick)
Aon Risk Services Group
Asli-Jardine Insurance
Brokers (Jardine Lloyd Thompson)
J&H Marsh & McLennan
Nelson Hurst (Malaysia)
Sdn Bhd (Forbes Group)
Kuching
Antah Sedgwick Chartered
Insurance Brokers (Sedgwick)
Penang
Antah Sedgwick Chartered
Insurance Brokers (Sedgwick)
Aon Risk Services Group
J&H Marsh & McLennan
Perak
Aon Risk Services Group

Mali

Bamako
Gras Savoye Mali

Malta

Ta'Xbiex
Aon Risk Services Group

Martinique

Fort de France
Gras Savoye

Mauritius

Port Louis
PF Ltd. (Forbes Group)

Mexico

Aguascalientes
J&H Marsh & McLennan
Chihuahua
Aon Risk Services Group
J&H Marsh & McLennan
Guadalajara
Aon Risk Services Group
J&H Marsh & McLennan
Juarez
Aon Risk Services Group
J&H Marsh & McLennan
Matameros
Aon Risk Services Group
Mexico City
Aon Risk Services Group
Codissa Nelson Hurst
(Forbes Group)
Grupo Bobadilla y Rehder
Grupo Cassab Machaen
Agente de Seguros
J&H Marsh & McLennan
Monterrey
Aon Risk Services Group
J&H Marsh & McLennan
Puebla
Aon Risk Services Group
Reynosa
Aon Risk Services Group
J&H Marsh & McLennan

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Tijuana
Aon Risk Services Group
J&H Marsh & McLennan

Morocco

Casa Blanca
Gras Savoye

Mozambique

Maputo
PF Jardine Mocambique LDA (Forbes Group)

Namibia

Walvis Bay
Alexander Forbes Namibia (Forbes Group)
Windhoek
Alexander Forbes Namibia (Forbes Group)

Netherlands

Amsterdam
Aon Risk Services Group
Sedgwick
Sedgwick European Risk Services B.V.
Sedgwick Nederland B.V.
Willis Corroon Scheuer
Beverijk
Willis Corroon Scheuer
Groningen
Aon Risk Services Group
The Hague
Aon Risk Services Group
Hengelo
Aon Risk Services Group
Maastricht
Aon Risk Services Group
Nieuwegein
debis Assekuranz Vermittlungs
Nijmegen
Aon Risk Services Group
Noordwijk
Aon Risk Services Group
Rotterdam
Aon Risk Services Group
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Sedgwick
Tilburg
Aon Risk Services Group
Venlo
Aon Risk Services Group

New Zealand

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Blenheim
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Christchurch
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Sedgwick
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Dunedin
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Jardine Lloyd Thompson
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Sedgwick
Gisborne
Aon Risk Services Group
Hamilton
Aon Risk Services Group
J&H Marsh & McLennan
Jardine Lloyd Thompson
Hastings
Aon Risk Services Group
Masterton
Aon Risk Services Group
Napier
J&H Marsh & McLennan
Nelson
Aon Risk Services Group
New Plymouth
Aon Risk Services Group
Sedgwick
Takapuna
Aon Risk Services Group
Tauranga
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Wellington
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J&H Marsh & McLennan
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Sedgwick
Willis Corroon

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Ibadan
Aon Risk Services Group
Kaduna
Aon Risk Services Group
Kano
Aon Risk Services Group
Lagos
Aon Risk Services Group
Glanvill Enthoven & Co. (Jardine Lloyd Thompson)
Niamey
Gras Savoye
Port Harcourt
Aon Risk Services Group
Warri
Aon Risk Services Group

Northern Ireland

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Aon Risk Services Group
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Sedgwick
Willis Corroon

Norway

Alesund
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Bergen
Aon Risk Services Group
Kristiansand
Aon Risk Services Group
Melbu
Lambert Fenchurch Group
Oslo
Aon Risk Services Group
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Sandvika
Lambert Fenchurch Group
Trondheim
Aon Risk Services Group

Oman

Muscat
Sedgwick

Panama

Panama City
Aon Risk Services Group

Papua New Guinea

Lae
Aon Risk Services Group
Port Moresby
Aon Risk Services Group
Kila Bowring Insurance (J&H Marsh & McLennan)
Sedgwick

Peru

Lima
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Rehder y Asociados S.A.

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H.I. Group-J&H Marsh & McLennan
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NHV Insurance Brokers (Forbes Group)
Davao City
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H.I. Group-J&H Marsh & McLennan
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NHV Insurance Brokers (Forbes Group)
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Gdansk
Gras Savoye
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J&H Marsh & McLennan
Szczecin
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Lisbon
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Nikols Segiber Ltda. (Sedgwick)
Sedgwick
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Oporto
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Willis Faber (Willis Corroon)

Puerto Rico

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Praxis Associates Inc.
Vidal & Rodriguez Inc.

Qatar

Doha
Arab Commercial Enterprises (Qatar) (Sedgwick)

Romania

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FDG-Eastern Insurance Services S.A. (GrECO International)
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Sedgwick

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Sedgwick
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St. Petersburg
Aon Risk Services Group
Vladivostok
Willis Corroon

Saipan

San Jose
Aon Risk Services Group

Saudi Arabia

Al Khobar
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Dammam
Aon Risk Services Group
Arab Commercial Enterprises (Sedgwick)
Jeddah
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Jubail
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Mecca
Arab Commercial Enterprises (Sedgwick)
Riyadh
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Arab Commercial Enterprises (Sedgwick)
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Yanbu al Sinaiyah
Arab Commercial Enterprises (Sedgwick)

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Stirling
Arthur J. Gallagher

Senegal

Dakar
Gras Savoye

Singapore

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GrECo International
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Sedgwick
Prague
Willis Corroon
Proprad
Sedgwick

Slovenia

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GrECo International

Solomon Islands

Honiara
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Bloemfontein
Aon Risk Services Group
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Cape Town
Alexander Forbes Consultants & Actuaries (Forbes Group)
Alexander Forbes Disability Management Services (Forbes Group)
Aon Risk Services Group
CRM Risk Engineering (Forbes Group)
Price Forbes (Forbes Group)
Durban
Alexander Forbes Consultants & Actuaries (Forbes Group)
Aon Risk Services Group
CRM Risk Engineering (Forbes Group)
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Environmental Risk Consultants (Forbes Group)
Forbes Direct (Forbes Group)
Forbes Group
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Aon Risk Services Group
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Klerksdorp
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Mossel Bay
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Nelspruit
Price Forbes (Forbes Group)
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Pietersburg
Price Forbes (Forbes Group)
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Pretoria
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CRM Risk Engineering (Forbes Group)
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Richards Bay
Alexander Forbes Consultants & Actuaries (Forbes Group)
Price Forbes (Forbes Group)
Rustenburg
Price Forbes (Forbes Group)
Sandton
Alexander Forbes Asset Consultants (Forbes Group)
Alexander Forbes Consultants & Actuaries (Forbes Group)
Alexander Forbes Disability Management Services (Forbes Group)
Price Forbes (Forbes Group)
Secunda
Price Forbes (Forbes Group)
Somerset West
Aon Risk Services Group
Stellenbosch
Alexander Forbes Consultants & Actuaries (Forbes Group)
Price Forbes (Forbes Group)
Upington
Price Forbes (Forbes Group)
Welkom
Price Forbes (Forbes Group)
Witbank
Price Forbes (Forbes Group)

South Korea

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Jardine Lloyd Thompson
Seoul
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Sedgwick
Taegu
Aon Risk Services Group

Spain

Badajoz
Aon Risk Services Group
Barcelona
Aon Risk Services Group
Gras Savoye
Interbroker Correduria de Reaseguros (Lambert Fenchurch Group)
J&H Marsh & McLennan
Nikols Iberia S.A. (Sedgwick)
Bilbao
Aon Risk Services Group
Burgos
Aon Risk Services Group
Coruna
Aon Risk Services Group
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Central Tecnica (Sedgwick)
Las Palmas
Aon Risk Services Group
Madrid
Aon Risk Services Group
Central Tecnica (Sedgwick)
Gras Savoye
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J&H Marsh & McLennan
Nelson Hurst Espana SA Correduria de Seguros y Reaseguros (Forbes Group)
Nikols Galicia S.A. (Sedgwick)
Sedgwick

The United States geographical index by state begins on page 60.

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Malaga
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Manesa
Aon Risk Services Group
Marcia
Aon Risk Services Group
Ovieda
Aon Risk Services Group
Palma de Mallorca
Aon Risk Services Group
Panplona
Aon Risk Services Group
San Sebastian
Gras Savoye
Aon Risk Services Group
Santander
Aon Risk Services Group
Sevilla
Aon Risk Services Group
J&H Marsh & McLennan
Tarragona
Aon Risk Services Group
Tenerife
Aon Risk Services Group
Valencia
Aon Risk Services Group
Valladolia
Aon Risk Services Group
Gras Savoye
Veigo
Aon Risk Services Group
Victoria
Aon Risk Services Group
Zaragoza
Aon Risk Services Group

Swaziland

Manzini
Aon Risk Services Group
Mbabane
Aon Risk Services Group
CRM Risk Engineering (Forbes Group)
Swaziland Employee Benefits (Forbes Group)
Tibiyo Insurance Brokers (Forbes Group)

Sweden

Gavle
J&H Marsh & McLennan
Goteborg
Aon Risk Services Group
Gothenburg
J&H Marsh & McLennan
Willis Faber (Willis Corroon)
Helsingborg
Aon Risk Services Group
Kalmar
J&H Marsh & McLennan
Malmo
J&H Marsh & McLennan
Willis Faber (Willia Corroon)
Orebro
J&H Marsh & McLennan
Stockholm
Aon Risk Services Group
J&H Marsh & McLennan
Sedgwick
Willis Faber (Willis Corroon)
Sundsvall
J&H Marsh & McLennan
Uppsala
J&H Marsh & McLennan
Vaxjo
Aon Risk Services Group

Switzerland

Geneva
Aon Risk Services Group
J&H Marsh & McLennan
Sedgwick
Lausanne
Nikols S.A. (Sedgwick)
Lugano
MVM Versicherungsmakler (Sedgwick)
Luzern
debis Assekuranz Vermittlungs
St. Gallen
MVM Versicherungsmakler (Sedgwick)
Winterthur
Schmidt (Lowndes Fenchurch Group)
Zurich
Aon Risk Services Group
J&H Marsh & McLennan
Sedgwick

Taiwan

Taipei
Aon Risk Services Group
J&H Marsh & McLennan
Jardine Lloyd Thompson
Sedgwick
Willis Corroon

Thailand

Bangkok
Aon Risk Services Group
J&H Marsh & McLennan
Jardine Lloyd Thompson
Sedgwick
Wattana Associates Co. (Forbes Group)

Togo

Lome
Sicar Gras Savoye (Gras Savoye)

Tunisia

Nouvelle Ariana
Aon Risk Services Group
Tunis
CECAR Tunisie (J&H Marsh & McLennan)
Gras Savoye

Turkey

Ankara
CECAR Turkey (J&H Marsh & McLennan)
Istanbul
J&H Marsh & McLennan
Sedgwick
Izmir
J&H Marsh & McLennan

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Kampala
Aon Risk Services Group

Ukraine

Kiev
Aon Risk Services Group

United Arab Emirates

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Dubai
Aon Risk Services Group
Arab Commercial Enterprises (Sedgwick)
International Insurance Services Gulf (J&H Marsh & McLennan)
Sedgwick
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Montevideo
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EWD Centrasia (Forbes Group)

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Port Vila
Aon Risk Services Group

Venezuela

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Nelson Hurst Venezuela CA Corredoros de Reaseguros (Forbes Group)
Maracaibo
J&H Marsh & McLennan
Puerto la Cruz
J&H Marsh & McLennan
Valencia
J&H Marsh & McLennan

Vietnam

Hanoi
Aon Risk Services Group
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Jardine Lloyd Thompson
Ho Chi Minh City
Aon Risk Services Group
Gras Savoye
Jardine Lloyd Thompson
Sedgwick

Wales

Cardiff
Aon Risk Services Group
Sedgwick
Willis Corroon

Zambia

Kitwe
Aon Risk Services Group
LIB Insurance Brokers Zambia Ltd. (Forbes Group)
LIB Zambia (Forbes Group)
Lusaka
Aon Risk Services Group
LIB Insurance Brokers Zambia Ltd. (Forbes Group)
LIB Zambia (Forbes Group)

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Gweru
Aon Risk Services Group
Harare
Aon Risk Services Group
Sedgwick
Willis Corroon Ltd. (Forbes Group)
Mutare
Aon Risk Services Group

BI

Listing of offices in Canada

Alberta

Calgary
Aon Risk Services Group
J&H Marsh & McLennan
Jardine Lloyd Thompson
Lambert Fenchurch Group
Morris & Mackenzie
Sedgwick
Willis Corroon
Edmonton
Aon Risk Services Group
Hayhurst Elias Dudek Inc. (Hilb, Rogal & Hamilton)
J&H Marsh & McLennan
Jardine Lloyd Thompson
Lambert Fenchurch Group
Sedgwick
Willis Corroon
Grand Prairie
Aon Risk Services Group

British Columbia

Cranbrook
Falkins Insurance Group
Elkford
Falkins Insurance Group
Fernie
Falkins Insurance Group
Fruitvale
John's Insurance (Falkins Insurance Group)
Invermere
Falkins Insurance Group
Kamloops
Sedgwick
Kimberley
Fred W. Holmes (Falkins Insurance Group)
Prince George
Aon Risk Services Group
Salmo
John's Insurance (Falkins Insurance Group)
Sparwood
Aon Risk Services Group
Falkins Insurance Group
Hayhurst Elias Dudek Inc. (Hilb, Rogal & Hamilton)
Jardine Lloyd Thompson
Jardine Risk Management Ltd.
Lambert Fenchurch Group
Morris & Mackenzie
Sedgwick
Willis Corroon
Vancouver
J&H Marsh & McLennan
Victoria
Jardine Lloyd Thompson
Aon Risk Services Group

Manitoba

Winnipeg
Aon Risk Services Group
Hayhurst Elias Dudek Inc. (Hilb, Rogal & Hamilton)
Lambert Fenchurch Group
J&H Marsh & McLennan

Newfoundland

St. John's
Aon Risk Services Group
J&H Marsh & McLennan

Northwest Territories

Yellowknife
Aon Risk Services Group

Nova Scotia

Halifax
Aon Risk Services Group
J&H Marsh & McLennan
Lambert Fenchurch Group
Sedgwick

Ontario

Etobicoke
Lambert Fenchurch Group
Hamilton
Aon Risk Services Group
Sedgwick
London
Aon Risk Services Group
J&H Marsh & McLennan
Markham
Cosburn, Griffiths & Brandham Financial Services
Cosburn, Griffiths & Brandham Insurance Brokers
Cosburn, Griffiths & Brandham Professional Liability
Niagara Falls
Aon Risk Services Group
Ottawa
Aon Risk Services Group
J&H Marsh & McLennan
Sedgwick
Willis Corroon
Sudbury
Sedgwick
Thunder Bay
Aon Risk Services Group
Toronto
Aon Risk Services Group
Arthur J. Gallagher
Breckles Insurance Brokers
Hayhurst Elias Dudek Inc. (Hilb, Rogal & Hamilton)
J&H Marsh & McLennan
Jardine Lloyd Thompson
Jardine OME Ltd.
Morris & Mackenzie
Sedgwick
Sedgwick Global, Canada
Willis Corroon
Windsor
Aon Risk Services Group

Quebec

Beauport
Lambert Fenchurch Group
Montreal
Aon Risk Services Group
Hayhurst Elias Dudek Inc. (Hilb, Rogal & Hamilton)
J&H Marsh & McLennan
Lamarre, Caty, Houle (Sedgwick)
Lambert Fenchurch Group
Morris & Mackenzie
Willis Corroon
Quebec City
Aon Risk Services Group
Lamarre, Caty, Houle (Sedgwick)
Pratte-Morrissette (J&H Marsh & McLennan)
Sarnia
Aon Risk Services Group

Saskatchewan

Regina
Aon Risk Services Group
J&H Marsh & McLennan
Saskatoon
Aon Risk Services Group
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Sedgwick

Yukon Territory

Whitehorse
Aon Risk Services Group

Upcoming directories

International Reinsurers

Reinsurance companies must report net reinsurance premiums written and capital and surplus figures; consolidated worldwide net reinsurance premiums written must exceed $100 million (U.S.).

To be published Aug. 31

Surplus Lines Insurers & Wholesalers

Surplus Lines Insurers: Non-admitted surplus lines insurers must receive at least 50% or $10 million of gross premiums from non-admitted commercial risk policies. Excess lines specialty insurers must receive at least 50% or $50 million of gross premiums from writing excess liability insurance policies on either an admitted or non-admitted basis. Companies must be U.S.-based or, if an alien non-admitted insurer, be currently listed by the NAIC's Non-Admitted Insurers Information Office as having met its criteria.

Wholesalers: Companies must act as a wholesale broker, a managing general agent or an underwriting manager for retail brokers.

To be published Sept. 7

International Insurers & Benefit Networks

Companies must conduct property/casualty or benefit network management business in countries other than the one in which they are headquartered.

To be published Oct. 5

Summit Global Partners is
pleased to announce the acquisition of
Wright Mains
Albuquerque, New Mexico
with a specialty in
Risk Management and Employee Benefits
for Middle Market Companies.

Summit Global Partners is
pleased to announce the acquisition of
Century Financial Services
Boca Raton, Florida
with a specialty in
Risk Management and Employee Benefits
for the Healthcare Industry.

Summit Global Partners is
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Fields-Stewart-Dolliver
San Angelo and Dallas, Texas
with a specialty in
Risk Management and Employee Benefits
for Middle Market Companies.

Summit Global Partners is
pleased to announce the acquisition of
Pitts, Rolling, Schnell & Wagner
Austin, Texas
with a specialty in
Risk Management and Employee Benefits
for the Technology Industry.

Summit Global Partners is
pleased to announce the acquisition of
Ben A. Reid & Associates
Houston, Texas
with a specialty in
Risk Management and Employee Benefits
in the Mergers and Acquisitions Field.

Summit Global Partners is
pleased to announce the acquisition of
AMICON
Essex Fells, New Jersey
with a specialty in
Risk Management and Employee Benefits
for Middle Market Companies.

Summit Global Partners is
pleased to announce the acquisition of
Premiere Risk Management
Chicago, Illinois,
with a specialty in Risk Management and
Employee Benefits for Transportation Companies
and Professional Employer Organizations.

Summit Global Partners is
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NOEL/GREAVES
Dallas, Texas and Oklahoma City, Oklahoma
with a specialty in
Risk Management for the Transportation
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INTERNATIONAL

Global Briefs

Timothy J. Carroll has been elected chairman-designate of the International Underwriting Assn. of London. The IUA, a new trade association being formed by the merger of the London International Insurance & Reinsurance Market Assn. and the Institute of London Underwriters, is expected to take effect by the end of the summer (*BI*, June 29). Mr. Carroll has been deputy chairman of LIRMA since 1996 and is managing director of ERC Frankona (U.K.), the London-based subsidiary of German insurer Frankona Ruckversicherungs A.G. of Munich. . . .U.K.-based insurance companies achieved a combined 6.5% **increase in worldwide profit** from all operations to £3.14 billion ($5.18 billion) in 1997, according to new statistics from the Assn. of British Insurers. Worldwide net written premiums were £35.33 billion ($58.32 billion), up from £35.17 billion ($60.23 billion) in 1996. Exchange rate differences are responsible for the drop in profits in U.S. dollars. Worldwide underwriting losses narrowed to £1.63 billion ($2.69 billion) in 1997 from £1.88 billion ($3.22 billion) in 1996. However, underwriting losses in the United Kingdom and European Union increased to £1.42 billion ($2.34 billion) in 1997 from £895 million ($1.53 billion) in 1996. "There is scope for a better performance nearer to home, but competition remains very strong," commented ABI Director General Mark Boleat. . . .**Zurich Group** has announced plans to form a pension fund business in Poland in conjunction with Polish workers' association Solidarnosc NSZZ. Zurich, Switzerland-based Zurich and Gdansk, Poland-based Solidarnosc, which has 1.6 million members throughout Poland, have applied for a joint license to operate in Poland's new, privatized pension system, which starts in early 1999. . . .Standard & Poor's has affirmed its A+ financial strength rating of the **Lloyd's of London** insurance market. The rating initially was assigned in October 1997. In May, A.M. Best Co. affirmed its A rating of Lloyd's, assigned last autumn. The ratings, the first assigned to the Lloyd's market, apply to all of Lloyd's syndicates. Max Taylor, Lloyd's chairman, said the ratings demonstrate the continued confidence in Lloyd's underlying security. . . .**Munchener Ruck Italia S.p.A.**, the Milan, Italy-based Italian subsidiary of Germany's Munich Re, has completed its 400 billion lire ($224 million) acquisition of Italian reinsurer Reale Riassicurazioni S.p.A. of Turin. Reale, which will be renamed Torino Riassicurazioni S.p.A., wrote premiums of 566 billion lire ($317 million) in 1997. Munchener Ruck Italia had 1997 premium volume of 529 billion lire ($296.2 million). Hans-Jurgen Schinzler, chairman of Munich Re's board of management, said the bulk of Reale's business comes from Italy and that the purchase will substantially strengthen Munich Re's presence in the market. . . .**Hunter Devine** will retire Sept. 30 as chairman of Aon Consulting, the U.K. employee benefits and human resources subsidiary of Aon Group Ltd. of London. He will be replaced by current deputy chairman Ron Amy. . . .In its third purchase this year, U.K.-based **HSB Haughton Engineering Inspection & Insurance Services Ltd.** has acquired Inspection Quality Ltd., the engineering inspection subsidiary of London-based Imperial Chemical Industries P.L.C. The purchase follows HSB Haughton's June purchases of independent inspection companies EMSS (U.K.), of East Anglia, England, and EMSS (Ireland), of Mallow, Ireland. Terms of the purchases were not disclosed. Tim Cramphorn, HSB Haughton managing director, said the purchases are focused on improving the range and level of engineering inspection services available to HSB Haughton's insurance clients.

Bids up for capacity options

Lloyd's Market Board to continue looking at allowing dual accounting system

By SARAH GODDARD

LONDON—The first auction of 1999 capacity at Lloyd's of London last week found capacity options being sold at more than double the price won for capacity options a year ago.

The auction registered an average purchase price of 12.4 pence per pound of capacity. That figure is more than double the average price of 5.2 pence per pound paid for capacity during the entire 1998 auction process, which was made up of eight capacity auctions.

Also last week, the Lloyd's Market Board announced it is continuing to explore ways of allowing a dual reporting system, whereby syndicates could use either annual accounting or the current three-year accounting system.

At its monthly meeting last week, the Lloyd's Market Board said that it is investigating both the feasibility of a dual syndicate reporting system and also the possibility of introducing annual accounting for all



syndicates.

By exploring ways of enabling the market to move to annual accounting, the LMB appears to be considering the possibility of Lloyd's moving toward a continuous trading environment.

Introducing continuous capacity would mean syndicates could more readily write certain types of business, such as multiyear contracts.

Lloyd's Chairman Max Taylor has publicly stated on several occasions that the market would not change its trading structure to stop certain groups of members trading as long as traditional unlimited liability names wish to continue with their current arrangements.

But names may find themselves in that situation if their numbers fall: Lloyd's has the right to change the trading structure should the capacity provided by traditional names fall to less than 10% of the overall market capacity.

Last week's auction suggests that many names are willing to sell their capacity to the highest bidders.

A total of £111 million ($184.6 million) of capacity on 90 syndicates was traded last week, costing purchasers £13.8 million

See **Capacity** *on next page*

Profitable 1996, 1997 predicted for Lloyd's

By SARAH GODDARD

LONDON—The 1996 and 1997 underwriting accounts will be profitable ones for Lloyd's of London, predicts syndicate analyst Chatset Ltd.

In its annual Lloyd's League Tables publication, this year supplemented with a review of the auction process that allows members to trade their capacity participation, Chatset forecasts that Lloyd's will produce a profit of £574 million ($954.6 million) for the 1996 year of account and £366 million ($608.7 million) for 1997.

The 1996 and 1997 years will close at year-end 1998 and 1999, respectively, under Lloyd's three-year accounting system.

For 1997, Chatset says its projected result is "significantly more optimistic than Lloyd's." This is because "underwriters are very cautious about making predictions after only 12 months trading and are not required to do so by Lloyd's until the sixth quarter," explains the analyst's commentary.

Despite this forecast of good news for Lloyd's, Chatset warns that the market currently is suffering because business is leaving the market while rates continue to decline, shown by the fall in both gross and net premiums received by Lloyd's underwriters.

In 1993, gross premium income was £10.5

See **Lloyd's** *on next page*

Stock index to track Bermuda industry

By EDWIN UNSWORTH

LONDON—Policyholders and investors may gain a clearer idea of the performance and worth of Bermuda-based insurance and reinsurance companies with the launch last week of a Bermuda Insurance Index.

The index is a joint initiative of the Bermuda Stock Exchange and FTSE International, a company jointly owned by the Financial Times publishing group and the London Stock Exchange to provide share indices and data services.

After a trial period lasting about two weeks, a Bermuda Insurance Index Fund will be launched to trade in a portfolio of stocks that matches the index. Minimum investment will be $5,000. The index fund will be managed by Bermuda-based Kast Investment Management and Mutual Risk Management Ltd.

The index tracks the stock performance of 11 Bermuda-based companies: ACE Ltd., Annuity & Life Re Ltd., EXEL Ltd., IPC Re Ltd., La Salle Re Ltd., Mid Ocean Reinsurance Ltd., Mutual Risk Management Ltd., Partner Re Ltd., Stirling Cooke Brown, Terra Nova (Bermuda) Insurance Co. Ltd., and Renaissance Reinsurance Co. Ltd.

William Woods, chief executive officer of the BSX, said in London at the launch of the index that he believes it will act not only as an indicator of the state of the Bermuda insurance market but also should demonstrate the financial advantages of operating an insurance business from Bermuda. These advantages include a zero corporate income tax rate on insurance companies and a flexible regulatory regime, he said.

The index will provide not only a benchmark against which investors and analysts will judge the performance of individual insurance and reinsurance companies in Bermuda but also will al-

See **Bermuda** *on next page*

Taking stock of Bermuda

The London and Bermuda stock exchanges are launching a fund indexed to 11 Bermuda insurance industry stocks:

ACE Ltd.
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EXEL Ltd.
IPC Re Ltd.
La Salle Re Ltd.
Mid Ocean Reinsurance Ltd.
Mutual Risk Management Ltd.
Partner Re Ltd.
Stirling Cooke Brown Holdings Ltd.
Terra Nova (Bermuda) Insurance Co. Ltd.
Renaissance Reinsurance Co. Ltd.

Study sees growth in E.U. markets

By EDWIN UNSWORTH

Europe's leading insurance markets can expect further growth over the next few years, despite no anticipated let-up in competition, according to a study.

The study by independent business researcher Clive Rassam also examines the implications of the introduction of the euro, the single European currency, in 11 of the European Union countries next Jan. 1. Mr. Rassam forecasts that the creation of the euro will make it easier for insurers to set up offices and buy companies in other E.U. countries, and, as the market becomes more competitive, should lead to an increase in insurance mergers and acquisitions.

The study deals with the six largest European insurance markets—Germany, France, the United Kingdom, Italy, the Netherlands and Switzerland—which together in 1995 produced total gross premium volume of about $540 billion.

Germany, by far the largest European insurance market, with 1996 gross premium volume of 232.7 billion deutsche marks ($151.12 billion), should see annual growth in non-life insurance premiums of about 6% annually to 2001, according to the study.

The principal components with which Mr. Rassam makes his projections are research, talking with industry executives, and looking at the economic prospects in each country and cutbacks in state social security systems. His study includes commercial and personal lines for all the countries.

Mr. Rassam says that, as in every other major European country, this growth in Germany will be fueled in part by doubts about future state provision of pension and social security. While he believes tied agents—those working directly for insurers—will remain the principal source of distribution, he adds that banks also will make inroads into the German insurance market.

Mr. Rassam expects Germany's reinsurance sector to attract U.S.-owned reinsurers wanting to increase their market share. However, he believes the U.S. companies may be hampered in their expansion ambitions by the fact that they must answer to shareholders and so generally have to take a short-term view of profits. German reinsurers, whose major shareholders tend to be banks with long-term views on profitability, are selling themselves on their ability to take the long-term view of risks.

France, Europe's second-biggest insurance market, producing 1996 gross premium volume of 775.1 billion francs ($149.36 billion), is likely to experience strong growth over the next five years, according to the study. Total premiums are forecast to grow by at least 12% a year to

See **Europe** *on page 73*

Capacity

Continued from previous page
($22.9 million).

About one-sixth of syndicate 33's capacity, or 64 million ($106.4 million), was bought during the auction process for just over 16 pence per pound of capacity. Hiscox P.L.C. previously had stated its intention to move toward acquiring all the capacity on its syndicates.

The highest price offered at last week's auction was for capacity on Cox Insurance P.L.C. syndicate 1176.

The agency made an offer of 50 pence per pound of capacity, though only £10,500 ($17,462) of capacity was traded last week.

Hardy Underwriting Group P.L.C. also has made an offer to names to buy all of the capacity it doesn't own on syndicate 382, at a price of 25 pence per pound, funding its offer through a share placement that aims to raise £21.2 million ($32.3 million).

Alternatively, the company offered names resident in the United Kingdom, Ireland, Jersey and South Africa the option of swapping their capacity for shares in Hardy.

Chief Executive Peter Hardy said he hoped names would continue their association with the syndicate by taking up the share offer, adding "in time, we hope to obtain the benefits deriving from a fully integrated company, including one year accounting."

Wellington Underwriting P.L.C. is following the same route, offering names on syndicate 2020 18.5 pence per pound in cash or the equivalent of 22 pence per pound capacity in shares.

Wellington aims to acquire up to £175 million ($291 million) of syndicate 2020's capacity for 1999 onwards, so that Wellington Underwriting Subsidiaries will provide up to 67% of the syndicate's estimated £400 million ($665.2 million) capacity for next year.

Wellington Chairman Ian Agnew said in a statement: "The initiatives. . .mark a major step forward in the implementation of our stated strategy to transform Wellington into a specialist insurance company. They will put in place an appropriate capital structure to enable Wellington to compete with increasing effectiveness in international insurance and reinsurance markets." BI

Lloyd's

Continued from previous page
billion ($17.46 billion), with net income after brokerage and outward reinsurance of £6.3 billion ($10.48 billion). This has fallen in succeeding years, resulting in gross premium income in 1997 of £7.8 billion ($12.97 billion) and net premiums of £4.6 billion ($7.65 billion).

The steady decline in premium income could force additional charges on Lloyd's capital providers, warns Chatset. As part of the financing of its reconstruction and renewal plan, Lloyd's took out a £300 million ($498.9 million) syndicated loan with a consortium of banks, to be paid back over five years using a 1.1% levy on premium income. Last year, this raised just £42.5 million ($70.7 million), and according to Chatset, "it would look as though the rate of 1.1% will have to be increased," effectively increasing the costs of trading in the market. Chatset speculates that corporate capital providers may find the London company market a more attractive option than Lloyd's when faced with additional levies and could exit Lloyd's.

Corporate capital providers may find the London company market a more attractive option than Lloyd's when faced with additional levies, says analyst Chatset Ltd.

Chatset said Lloyd's already suffers from high acquisition costs for its business, which must enter the market via Lloyd's brokers. Direct marketing initiatives set up by some syndicates "have as yet made no impact" on reducing the cost of getting business into the market, contends the analyst.

It further warns that while the current buyers' market continues, Lloyd's underwriters—who traditionally rely on brokers to bring business into the market—will not be able to force cuts in brokerage payments.

Orphan syndicates, so called because they had no successor syndicates to close their business into, also have suffered from high costs, states the report. Several of the 1993 and 1994 orphan syndicates have been closed into three current syndicates, 282/1232, 2021 and 1227, in what Chatset calls the "orphan scam." Deals for running off these syndicates cost £32 million ($53.2 million), according to Chatset, adding "it does seem strange that the orphan syndicates, which only had the 1993 year left open and in some cases 1994, have suffered a poor runoff whilst the market as a whole has thrown up good surpluses."

These surpluses have released £176 million ($292.7 million) from reserves for those two years, though the Inland Revenue is viewing this as an underestimate of the surplus on reserves, and names are being taxed accordingly. Chatset blames the reinsuring syndicates, saying it suspects they have charged "exorbitant premiums" for closing the orphan accounts.

Moves continue toward Lloyd's becoming a marketplace of insurance companies, with traditional unlimited liability names being squeezed out by various pressures, Chatset stated. In addition to referring to Lloyd's Chief Executive Ron Sandler's comments earlier this year that the days of the annual venture, whereby Lloyd's regenerates its capital every year, are numbered, Chatset also identified other factors diminishing Lloyd's attraction to individual names. These include increased charges, "with managing agents nudging their profit commissions up towards 20% and annual fees from the norm of 0.5% to 0.6% and higher."

In addition, underwriting agencies are moving toward corporate capital for their syndicates, citing concern about the security of capital from unlimited liability names. They are merging separate syndicates into one composite syndicate, so that names have a smaller choice of syndicates to underwrite on in the short term, and in the longer term, the agencies can become an insurance company "with no need for the (unlimited liability) name or perhaps even Lloyd's," according to the analyst.

Lloyd's is moving away from its traditional structure as a subscription market, asserts Chatset, with the larger syndicates able to write 100% of a risk, and electronic trading systems being introduced.

"These might be moves towards great efficiency, but there was always much to be said for the traditional subscription market with the face-to-face contact with the broker, with the opportunity for juniors to learn the trade and the comfort that, if the lead underwriter made a mistake, somewhere down the slip a following underwriter would pick it up," the report says.

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Copies of Lloyd's League Tables and 1998 Auction Review are available for £75 plus postage for overseas orders from Chatset Ltd., Peninsular House, 36 Monument St., London EC3R 8LJ.

Bermuda

Continued from previous page
low them to gauge the performance of the Bermuda insurance and reinsurance market against other indices or markets.

Mr. Woods said the index should also highlight the "tremendous success" of stock in the Bermuda-based insurance and reinsurance sector, which during the past 4½ years has outperformed the NASDAQ Insurance Index by 75% and the S&P 500 Index by almost 24%.

The index is weighted according to the market capitalization of the companies included. At its outset, the index is being based at a value of 1,000.

Although ACE and EXEL together will account for 56.15% of the index's weighting, Mr. Woods maintained this would not distort the index.

"We believe its sufficiently spread over the 11 companies to be a meaningful index," he said.

Mark Makepeace, chairman of FTSE International, added that it is typical of many of the major share tracking indices around to world to be dominated by a few major companies.

New companies will be added to the index as they go public.

Criteria for inclusion include: a corporate headquarters in Bermuda, market capitalization greater than 1% of the total capitalization of the index, stock denominated in U.S. dollars and listed on either the New York Stock Exchange, NASDAQ, American Stock Exchange or the Bermuda Stock Exchange. BI

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Europe

Continued from page 71

2003, though in the non-life sector, it will be a more moderate 5% annual rate of growth as the market becomes "ever more competitive," the study says. As in Germany, the study expects banks in France to take an increasing share of business away from direct agents.

The United Kingdom produced gross premium volume in 1996 totaling £83.8 billion ($143.51 billion), making it Europe's third-largest insurance market. While the study forecasts "some" growth in the U.K. non-life sector—mainly in accident, liability and pecuniary loss (a personal lines product that covers, for example, the inability to make a mortgage payment)—this will not match the 8% annual growth anticipated for life insurance. The author expects "much more consolidation in the industry," with the non-life sector experiencing it particularly in motor and household insurance, as companies either merge or quit the market. Regarding the distribution of insurance, the study expects brokers to lose ground to banks and direct insurers, though it does not predict the extent of the anticipated shift.

Much further down the list of major European insurance markets comes Italy, with 1996 gross premiums of 68 trillion lire ($44.20 billion).

In Italy, the life sector is expected to grow by 10% annually over the next five years, and the non-life sector is expected to grow by 5% a year. Foreign penetration of the Italian market is forecast to increase still further, particularly on the life side, as European life insurers see Italy as ripe for development.

Regarding prospects for the Netherlands, which lies in fifth position with 1996 gross premiums of 61.7 billion Dutch guilders ($35.44 billion), the study says only that the market as a whole should grow by about 7% a year to 2002.

The report also examines the growing popularity of direct marketing of insurance, which it believes poses the greatest challenge, after the single currency, to Europe's insurers over the coming decade. Direct marketing has taken off strongly in the United Kingdom, the Netherlands and Sweden. It also exists in France and Denmark, and, to a lesser extent, in Germany and Italy. Its growth has resulted from the deregulation of financial markets, improved communications technology, the growth of telephone selling, and the entry of new competitors from the banking and retail industry.

While direct marketing exists mainly in personal lines, Mr. Rassam expects it to expand to life and pensions and, more gradually, into the commercial insurance sector.

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Insurance Industry in Europe is available from The Stationery Office, P.O. Box 276, London SW8 5DT, U.K; 44-171-873-9090. The cost is £350 ($572).

Flex benefits gain ground in U.K.

By CAROLYN ALDRED

LONDON—Flexible benefit packages are taking off in the United Kingdom as companies recognize that traditional benefits no longer meet the needs of today's employees, benefit consultants say.

In the past few months, consulting firm Towers Perrin has begun to receive far more inquiries from U.K. companies wanting to put together flexible benefit options for employees, noted Tammy Mattson, a principal with Towers Perrin in London.

Alan Mackay, director of flexible benefits at Sedgwick Noble Lowndes Ltd. in Croydon, England, a unit of Sedgwick Group P.L.C., said: "U.K. employers started talking about flexible benefits about 10 years ago, but the first few to implement them did so about four or five years ago. The numbers who are now introducing flexible benefits are increasing enormously."

Companies are looking at introducing flexible benefits as a means of recruiting and retaining staff, he noted. "It would seem that even the most established and conservative of companies are now looking at flexing their benefits package, and if this trend continues, it will become the norm rather than the exception," he predicted.

"I have been in the U.K. about a year and a half, and in the last three to five months the interest in broad-based flexible benefit programs has increased substantially," Ms. Mattson observed.

Most companies have traditional benefit packages in place that can be several decades old and do not reflect current employee needs, she said.

Flexible benefit programs taken up by U.K. companies differ from packages offered by U.S. employers in several ways, according to Ms. Mattson. Most notably, health care benefits are much more important in the United States, as the United Kingdom still has an extensive National Health Service, and U.S. flexible benefit programs do not incorporate pension provisions, she said.

Although "the administration of flexible benefits has in the past been an inhibiting factor, Sedgwick Noble Lowndes and other consultants have addressed that problem," making it much easier for companies to make benefits flexible, Mr. Mackay said.

Last month, for example, a flex benefit and pension model was unveiled by The Employers Forum on Age, an employer-backed group that promotes the role of older workers. The model, called FlexPlan, was developed by Towers Perrin. The EFA's members include many of the United Kingdom's largest employers.

"A FlexPlan operates by offering the individual employee a high degree of flexibility around the three main components that make up their reward—base pay, benefits allowance and pensions contribution. Instead of being given a standard company package, within guidelines, an employee can develop a tailor-made package relevant to their current stage of life and needs," according to a statement issued by the EFA.

Choices are up to each employer but include, for example, boosting a pension, funds for child-care needs or cash instead of benefits.

"Not only is the FlexPlan a pensions and benefits package that truly reflects the changes in the modern workplace, it is exactly what employers need to encourage a mixed-age work force," said Howard Davies, chairman of the EFA and chairman of the Financial Services Authority.

The FSA, the U.K. financial services regulator, is one of the first organizations to implement the Towers Perrin FlexPlan model.

The authority has 1,300 employees but is expected to grow as the government plans to merge other existing regulators, such as those covering insurance and personal investment, into the FSA.

Other U.K. companies introducing their own flexible benefit packages include U.K. chocolate manufacturer Cadbury Ltd., a subsidiary of Cadbury Schweppes P.L.C.

Bournville, Birmingham-based Cadbury launched a pilot program for management in April. The voluntary package, designed to complement existing benefits, offers several other options for employees, said Neil Smart, the subsidiary's personnel manager responsible for reward programs.

The additional benefits offered include travel insurance, dental insurance, critical illness insurance, child-care vouchers, membership in a health club, discount membership in a local cricket club, and services to assist employees in filling out government tax forms. So far, some 10% of the company's 600 managers have taken up the additional benefits, which is in line with initial expectations, said Mr. Smart.

The company now is examining whether to extend the program to the remaining members of its 5,000-person work force, as well as adding other benefits or flexible working arrangements, said Mr. Smart.

Mr. Smart predicts British employers increasingly will offer flexible benefits.

"The way forward will be to make benefits more flexible to meet the needs of the employees and workplace," he said. BI

HSE releases chemical safety guide

By MATTHEW MacDERMOTT

LONDON—The U.K. Health & Safety Executive has issued a set of risk management guidelines to help companies better control health risks arising from the use of hazardous chemicals.

It is the first time the government-run HSE has issued generic risk management guidance on chemicals.

The guidelines, currently in draft form, are targeted at small enterprises, or those without full-time health and safety or risk management staff. Those companies tend not to have formal risk management or safety guidelines.

The HSE said there have been requests from small companies for guidance to help them comply with health and safety regulations. The HSE said such companies need particular help to better control health risks—such as respiratory disease, skin disease and cancer—that emanate from the use of hazardous chemicals.

Chemical suppliers and trade union health and safety representatives will also be encouraged to consult the guidelines to help companies using chemicals identify the controls needed to reduce their health risks.

The draft guidelines are open to comment until Sept. 11. The final guidance package is expected to be issued in spring 1999.

The guidelines are not enforceable by law but are designed to assist companies to comply with health and safety regulations.

Jeanie Cruickshank, head of the HSE's chemical policy division, said the HSE has recognized that many small companies need practical help in reducing health risks associated with the use of chemicals in the workplace.

Therefore, the guidelines are presented in a simple, non-technical format. They do not mention insurance or risk transfer.

"The guidance is intended to help firms easily complete risk assessments and put the adequate controls in place," Ms. Cruickshank said.

The HSE guidelines initially ask companies to examine two key factors that determine the risk to employee health from hazardous chemicals: how harmful the substance is and how much of it is likely to be inhaled or come in contact with the skin or eyes of employees—this, in turn, depends on the dustiness or volatility of the substance.

The HSE recommends that companies investigate whether they can reduce their risks by using less-hazardous substances.

Companies also are encouraged to examine whether they can reduce their risks by cutting down on the dustiness or volatility of the chemicals used. This could include replacing a fine powder with granules or pellets, or using liquids with lower process temperatures or boiling points.

The guidelines identify four key control areas that must be managed:

- General ventilation.
- Engineering control.
- Containment and enclosure of chemicals.
- Special controls that require more specific and specialized advice.

The guidelines then recommend that each control area be subject to a step-by-step risk assessment based on:

- Access, including restricting access to certain working areas.
- Engineering control, including monitoring dusts, vapors, air supply, discharges and containment systems.
- Maintenance that ensures all equipment is in good working order.
- Examination and testing, including visually inspecting all equipment at least once a week, testing against performance standards every 14 months, and keeping records of all tests for at least five years.
- Cleaning and housekeeping, including cleaning work areas daily, dealing with spillages immediately, safely disposing of packages and containers, and putting lids on containers immediately after use.
- Selecting personal protective equipment and ensuring it is kept clean and replaced when necessary.
- Employee training, including informing employees of the harmful nature of substances, and training employees to handle the materials safely.
- Supervision, including a system to check that all control measures are in place and being followed.

To comment on the guidelines, contact Rachel Russell, Health Directorate, Chemicals Policy Division, Health & Safety Executive, Sixth Floor, South Wing, Rose Court, 2 Southwark Bridge, London, U.K. SE1.

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Brokerage Services-Environmental Protection/ Closure/Post Closure Exposures-Brooks Landfill, Wichita, KS.

The City of Wichita will be releasing a Request for Proposal on July 20, 1998 for qualified firms interested in competing to be selected as the City's broker to provide financial/insurance alternatives for closure and post closure exposures regarding the Brooks Landfill. The City of Wichita will be closing Brooks landfill in approximately three years. As a result of this closure, the City will have certain responsibilities concerning the closure costs and post closure monitoring expenses of this facility. In addition, there is contingent liability for future unknown remediation.

The purpose of this proposal is to select a broker/agent to provide alternative financial and risk management options to the City for the funding of the known and unknown expenses involved in the closure of the landfill. These options may include, but are not limited to, fronting, prefunding, retrospective rating, large deductible, traditional insurance, or finite risk programs.

No prospective proposer is authorized to lock any markets. The purpose of this RFP is to select the best agent/broker to represent the City to all available markets.

Proposals are due: August 21, 1998 by 3:00 pm. To request a copy of the RFP and a landfill fact sheet, contact Melinda Walker, Purchasing Manager (316)268-4636.

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Commercial Consumers

Administrative:	
CEO's, Presidents, and Owners	2,710
Vice Presidents, General Managers and Other Administrative Personnel	5,122
Financial:	
Chief Financial Officers and Vice Presidents of Finance	5,429
Secretaries, Treasurers, controllers and other Financial Personnel	4,145
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	14,748
Sub-total	32,154
Associations	286
Government, Unions and Educational Institutions	1,019
Commercial Consumers	
Sub-total	33,459
Insurance Agents and Brokers	8,083
Insurance Companies	6,933
Accountants, Actuaries, Attorneys & Consultants	2,705
Adjusters, Appraisers, TPA's, Captive Managers & Health Care Providers	1,578
Others Allied to the Field	757
Total Qualified	53,515
Non-qualified/Paid Subscriptions	14
Single Copy Sales	27
TOTAL CIRCULATION	53,556

★ *Source Business/Occupational breakdown of qualified circulation, November 24, 1997 issue, as submitted to BPA for Decenber 1997 BPA Publisher's Statement*

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CONFERENCE PROGRAM:

Monday, October 26, 1998

- GOLF TOURNAMENT: MALIBU COUNTRY CLUB
  Hosted by Deloitte & Touche and SAC³
- EARLY REGISTRATION AND WELCOME RECEPTION
- EMPLOYER'S PRIVATE ROUNDTABLE

Tuesday, October 27, 1998

- CHALLENGING TRADITIONAL WORKERS COMPENSATION PARADIGMS
- THE NEW WORLD OF WORKERS COMPENSATION
- REFRESHMENTS IN EXHIBIT HALL:
  Hosted by Paradigm Health Corporation
- THE DECISION WHETHER TO IMPLEMENT AN INTEGRATED DISABILITY MANAGEMENT PROGRAM
- MEETING THE CHALLENGES CREATED BY THE AMERICANS WITH DISABILITIES ACT AND FAMILY MEDICAL LEAVE ACT
- LUNCHEON: *Hosted by Intracorp*
- ALTERNATIVE DISPUTE RESOLUTION
- ARE YOU USING THE RIGHT REPORT CARD?
- REFRESHMENTS IN EXHIBIT HALL:
  Hosted by Wausau Insurance Companies
- FUNDING MECHANISMS
- EVALUATING ERGONOMICS PROGRAMS
- COCKTAIL RECEPTION: *Hosted by GENEX Services, Inc.*

Wednesday, October 28, 1998

- KEYS TO RESPONSIVE RETURN-TO-WORK PROGRAMS
- REFRESHMENTS IN EXHIBIT HALL:
  Hosted by Specialty Risk Services/The Hartford
- DOING WHAT'S BEST FOR THE WORKER: CAUGHT BETWEEN THE EMPLOYER, THE TPA, INSURANCE COMPANY AND THE OCCUPATIONAL HEALTH PROVIDER
- WORKERS COMPENSATION INSURANCE FRAUD: SPECIFIC STEPS AND SOLUTIONS TO COMBATING FRAUD
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WCBIFP

Ads target healthy seniors: Study

BY JENELL TALLEY

Medicare-risk health maintenance organizations appear to target healthy seniors in their advertising and marketing rather than beneficiaries in poor health or non-elderly, disabled persons eligible for Medicare, according to a study.

But that advertising is not thwarting employer efforts to shift retirees to Medicare-risk HMOs, a benefit consultant and a corporate benefit manager maintain.

"Employers don't rely on this marketing process (to recruit retirees)," said Joseph Martingale, a principal at New York-based benefit consultant Towers Perrin. "Employers do their own marketing, which is much more thorough."

The study, released last week and conducted by the Henry J. Kaiser Family Foundation, a Menlo Park, Calif.-based philanthropic organization that sponsors health care research, and the Washington office of Porter Novelli, a public relations firm, examined Medicare risk HMO marketing in Cleveland, Los Angeles, Miami and New York between Jan. 1 and March 31, 1997. Researchers reviewed 70 newspaper ads and 27 television ads and attended 21 Medicare-risk HMO marketing seminars.

The study found that most ads pitch lower costs and better benefits, and that marketing seminars are not consistently accessible to beneficiaries with physical disabilities. The study also found that much important information in ads is in fine print that is difficult for older people to read.

The study concluded HMO "marketing materials could be improved to help beneficiaries with these critical health insurance choices."

But Medicare-risk HMO advertising and marketing approaches did not discourage 25% of Bethlehem Steel Corp.'s 70,000 eligible retirees from joining Medicare-risk HMOs, said Jack Romeo, director of health care systems for Bethlehem Steel in Bethlehem, Pa. He acknowledges, though, that the ads may affect an employer's ability to encourage beneficiaries in poor health to join such plans.

"If Kaiser says to retirees, 'HMOs don't advertise to sick people,' then people will think HMOs don't want sick people," said Mr. Romeo. "But I don't think HMOs are hindering our recruitment efforts. They don't advertise to sick people, but I don't know how you could do that anyway."

He said employers should worry about being held liable if an HMO doesn't deliver all the services its ad indicates it will. "We should be concerned that (retirees) might complain," he said. "Certainly employers can be sued. But I hope a court of law wouldn't hold employers responsible for what an HMO printed."

Santa Ana, Calif.-based PacifiCare Health Systems Inc., the nation's largest Medicare-risk HMO with nearly 1 million enrollees in 10 states, disputes the study's results.

"The findings say that we are erroneously depicting the state of health care," said a PacifiCare spokesman, adding that the survey's conclusions detract from beneficiaries' ability to weigh the facts for themselves.

"When you consider that most people aspire to good health," is it logical to assume advertisements will depict a sick or physically challenged senior? "When I look at allergy ads, do I honestly think I can run through a field of flowers like the guy in the ad? Our goal is to help people improve their health, or at least maintain it," the PacifiCare spokesman said.

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Free single copies of "Marketing HMOs to Medicare Beneficiaries" are available from the Henry J. Kaiser Family Foundation publication request line, at 1-800-656-4533. Specify publication number 1417.

Y2K plight worse abroad: Bennett

By MARK A. HOFMANN

WASHINGTON—The Year 2000 computer problem likely will have a more serious impact overseas than it will in the United States, according to the Senate's leading Y2K expert.

That isn't to say the computer problem is not likely to have severe ramifications domestically, said Sen. Robert Bennett, R-Utah. Sen. Bennett is chairman of the Senate's Special Committee on the Year 2000 Technology Problem. He also drafted a controversial bill that would amend the Employee Retirement Income Security Act of 1974 to put on pension plan fiduciaries the burden of assuring that the issuers of any securities in which the plan invests are either Year 2000-compliant or are taking steps to minimize the risk of computer-glitch losses (*BI*, May 18).



"We have tried to be Paul Revere, but we're not yet Chicken Little," Sen. Bennett said during a speech to the National Press Club in Washington last week, after having been introduced as "the Paul Revere of the Information Age." He praised President Clinton for announcing a proposal on July 14 that would give businesses some degree of immunity from lawsuits if information they exchanged about fixing the bug inadvertently turned out to be inaccurate. Such safe harbors are "absolutely essential," he said.

Sen. Bennett said he does not believe Jan. 1, 2000, will bring the end of civilization as we know it, but only because 17 months still remain to deal with the Year 2000 problem. Even so, "the problem we face, of course, is time," he said, noting that Congress cannot legislate Jan. 1, 2000, out of existence or even delay its appearance.

Computers have "smoothed out the curves of the business cycle," said Sen. Bennett. But during the past 25 years, they have become "absolutely pervasive" throughout the economy, which means that even a failure of 2% to 5% of all microprocessors on Jan. 1, 2000—the percentage currently projected by the special Senate committee—will send shock waves through the nation's economy. The failures will interrupt essential public and private services, he said.

"What I have described in the U.S. applies in spades abroad," he said. Only four other countries—Australia, Canada, Singapore and the United Kingdom—have taken the problem as seriously as has the United States, with a handful of other nations, such as the Netherlands, taking first steps toward addressing the issue, he said. Such U.S. allies as Japan, Germany and France lag far behind, he said.

When asked to predict how major industries would fare on Jan. 1, 2000, Sen. Bennett offered his own guesses, with the caveat that he reserved the right to change his mind within 24 hours.

He said he believes the U.S. power grid will work, with some brownouts and regional blackouts. The water system also will generally work, he said.

The domestic financial system should continue to function, though some banks and credit unions will be driven into bankruptcy because of the glitch, he predicted. "I believe you could trade stocks on the New York Stock Exchange. I wouldn't want to trade on the Nikkei," he said, referring to Japan's stock market.

He also predicted the telephone system will work, but he added, "I wouldn't guarantee you'll get a dial tone to Taiwan." Businesses dependent on imported components will need to have contingency plans, he said.

Sen. Bennett said he is "very concerned" about how the nation's health care delivery system will fare. He predicted that some providers will be driven out of business because they won't receive timely Medicare and Medicaid reimbursement. Some medical devices will fail because of the glitch, and some providers may find themselves unable to get necessary supplies, he said.

He also expressed some concern about the nation's air traffic system. Flights will continue, but probably not as many flights as needed, which could lead to the rationing of air travel, he said.

For businesses to survive, chief executive officers will have to deal with the problem, he said. CEOs cannot write off the issue as a mere "computer problem," turn it over to the "techies" and focus on other matters, or they will be doomed, he said.

"This is a management problem," he said. The CEO must set priorities, including engaging in corporate triage by deciding which operations or products will be allowed to fail to protect more critical operations. A top officer also will have to decide at what point a company has gone beyond the point where a fix is possible in time and must instead draft contingency plans, he said.

Sen. Bennett warned his listeners that all would not be well come Jan. 2, 2000, or even soon after. "The year 2000 problem will not end in the year 2000," he said. Cleaning up its effects will take years, he predicted.

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Commentary

Business casual is a hairy situation

Summertime, and the dress code is sleazy.

It's too hot right now in much of the northern hemisphere to dress up for work. Even so, some people need to take a second look in the mirror before heading for the office, the airport or anywhere in public in their preferred garb.

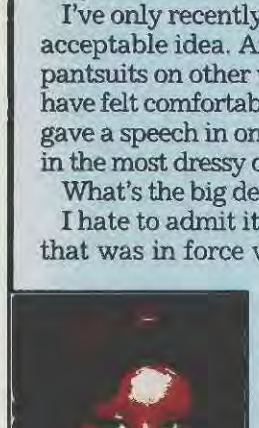
Americans, especially, have embraced the "business casual" dress code, first for Fridays during the summer, then often for Fridays all year long and in some companies every day now is "business casual." Many managements have decided that a "business casual" dress code is a highly valued employee benefit. And it costs the company nothing—in dollars and cents, that is.

I will admit to being somewhat of a stuffed shirt—or should I say skirt—on this issue.

I've only recently acknowledged that casual Fridays are an acceptable idea. And while I have long admired fashionable pantsuits on other women, it's only in the last year or so that I have felt comfortable wearing them to work (and recently even gave a speech in one). Yet I still feel a little underdressed even in the most dressy of pantsuits.

What's the big deal, my friends and colleagues ask me.

I hate to admit it, but it must be my age and the dress code that was in force when I entered the workforce in the mid-1970s. Women then were not only reading "Dress for Success" but also adhering to it. While I can brag that it didn't take me too long to throw away those dreadful little blouse ties that were fashionable for working women, my closet remains full of suits with matching skirts for work days and pants for weekends.


Kathryn J. McIntyre

Don't think me too stuffy. I don't subscribe to the theory that you have to be dressed in the corporate uniform of suit and tie and skirt and jacket to concentrate on business. I never believed that; certainly not in college when I lived in blue jeans, and not when I come into the office to work on weekends.

I also know that a more relaxed dress code does not relax the mind, because no one's mind is relaxed at *Business Insurance* on Fridays, which is our casual dress day for the editorial staff and one of our busiest and most productive days of the week.

My problem with "business casual" is that each summer what people wear to their jobs is less and less "business" and more and more "casual." Some people even believe "business casual" includes tank tops and shorts, which are more appropriate for the beach blanket than the public streets, let alone the office.

Let me quickly say that this column was in no way inspired by how the *Business Insurance* staff dresses on our casual Fridays. Instead, it was triggered by the assortment of outfits and exposed flesh and body hair I observed on people boarding an airplane recently. This flight was mid-week, heading for Chicago, so odds are not all those people were on vacation.

Can I be the only who does not want to sit in cramped quarters next to a half-dressed stranger?

With my sensitivities heightened to what some people will wear in public, I did more people-watching on the streets of Chicago on my way to work and thanked my lucky stars that some of those people—male and female—carrying briefcases weren't coming to work in our office in their skimpy and slovenly attire. I would be passing out cover-ups.

I am not the only one to think that some people need to take a second look in the mirror before venturing out in public places. Just last month The Union League Club of Chicago reinstated its requirement that members and guests must be attired in "business casual" for walking through the main lobby. The letter also stated that "business casual attire is defined as collared shirts and slacks without a tie or jacket for men and similar attire for women. . . .Shorts are defined as less than business casual."

I agree.

I also agree with the club's stated objective for returning to the "business casual" dress rule: "The intent of the above is to maintain your club's decorum."

Maybe the "business casual" employee benefit should be redefined as "business casual dress—with decorum."

And I know I am dreaming, but I wish it could be applied to how people dress for air travel as well.

Publisher and Editorial Director Kathryn J. McIntyre and Editor Paul D. Winston publish columns on alternate weeks.

Study

Continued from page 2

with the issue, said Janice Gregory, vp and legislative director of ERIC.

Social Security reform that does not take employer plans into account could impede the ability of employers to offer plans, endanger employers' ability to manage their workforces and actually endanger employees' ability to retire, said Mr. Sauvigne.

"The national debate must expand its vision to include the impact of Social Security reform on other key components of retirement security—most critically on employer-sponsored retirement plans. . . .Employer-sponsored retirement plans are adaptable: They adapted to ERISA, to the advent of 401(k) plans, and the general expansion of defined contribution plans. They can thrive under Social Security reform *if* that reform thoughtfully takes their needs into account," according to the analysis.

The report draws five key conclusions:

- Early action on reform will be critical to its success.
- Many proposals impose financial costs that have not been fully examined.
- Both reductions in the Social Security defined benefit and the creation of Social Security individual savings accounts can reshape the plans employers offer to employees in the future.
- Imposition of a means test would undermine the attractiveness of employer plans.
- Administrative issues may prove the most critical and the most intractable in carrying out a successful reform program.

Determining exactly how a given proposal would affect plans is extremely difficult to determine, said Olivia S. Mitchell, professor of insurance and risk management at the University of Pennsylvania's Wharton School in Philadelphia, during a panel discussion immediately after the report was presented.

"We simply never have experienced an overhaul of the Social Security system of the size and magnitude that we're talking about," she said.

To illustrate the ambiguities of the situation, Ms. Mitchell presented several possible responses to a reform that would maintain Social Security's current pay-as-you-go defined benefit system paid for by benefit cuts and higher taxes.

Workers at companies that don't currently offer pensions would push for pensions and probably delay retirement, she said. Employees of companies with defined contribution plans would probably react much the same way and create demand for defined benefit plans. Workers covered by defined benefit plans would react similarly, though the defined benefit plans would probably become more attractive, she said.

Ms. Mitchell praised the ERIC study for highlighting the difficulty in predicting the outcome of particular responses to reform. She called on ERIC to sponsor further research, particularly in regard to how international companies design their pension plans to fit into different national social security systems.

Another speaker spelled out some of the considerations Congress will be taking into account as it debates reform. Charles P. Blahous, policy director to Sen. Judd Gregg, R-N.H., a key player in the Social Security debate, said any reform would have to be implemented in a way that increased net national savings, rather than simply shifting money from the treasury bills Social Security currently invests in to individual retirement savings accounts. He also warned that the term "means testing," or making a benefit contingent on a beneficiary's income, means different things to different people and that instituting such a system could cause serious problems.

Mr. Blahous also said the retirement age must increase.

"We are playing with fire if we don't recognize the fact that we're all going to have to work a little longer," he said, adding that the current system does not reward beneficiaries who choose to continue working past retirement age.

Administrative questions associated with the overhaul of the system must also be thought out carefully, he said. They should not be "left on the doorstep of the employer" to answer, said Mr. Blahous.

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Single copies of "The Vital Connection: An Analysis of the Impact of Social Security Reform on Employer-Sponsored Retirement Plans" cost $40. Written requests can be faxed to the ERISA Industry Committee at 202-789-1120 or mailed to the ERISA Industry Committee, 1400 L St. N.W., Suite 350, Washington, D.C. 20005.

PROMUS

Continued from page 2

employee health plan eligibility data to assure that the HMOs PROMUS has contracted with are accurately loading the employee information into their enrollment systems. NMS does so by contacting the health plans by phone and comparing the plan's records with the employer's data. In that way, things such as the accurate and timely issuance of health plan identification cards can be tracked.

NMS also helps PROMUS track such things as how long it may take for employees to arrange a doctor visit or how long it might take them to actually reach someone in customer assistance departments, Mr. Creasy said.

NMS also will make telephone contact with HMOs without alerting the plan that it is really a vendor calling and not an employee using the system. That way it gets a more accurate picture of how the health plan really treats plan enrollees, NMS says.

PROMUS has been using the NMS service for 6,000 covered lives, but next year it will expand use of the service to serve the additional 14,000 covered employees that came with the acquisition of Doubletree.

"It's a great way for us to pre-emptively see where problems are cropping up and try to correct them before they become a problem on a mass scale," Mr. Creasy said.

With employees and HMOs in several states, PROMUS relies on NMS report cards to gauge the quality of service in different geographical areas, Mr. Creasy said. A particular HMO may be good in some states but weak in others, he explained.

"Some of the national carriers will be very strong here and somewhat weaker there, and as a result of these reports, they will make changes or adjust their operations, and if they don't do it, then we certainly take that into consideration during the rebidding process," Mr. Creasy said. "It is causing them to perform."

The additional clout the performance data brings during the negotiating process can be helpful to the employer.

"When I am talking to our account manager, I am talking about these issues and saying, 'Hey, you're wanting this fee and that fee for this, that and the other,' and this gives me some ammunition other than just the number of covered lines that I am representing," Mr. Creasy said.

As interest in health plan quality continues to build, employers are increasingly turning to two types of auditing practices, albeit with some overlap, explained Lonny Reisman, a doctor and principal specializing in health care system re-engineering and evaluation for William M. Mercer Inc. in New York.

Some employers focus on the quality of clinical care delivery. Others look more at health plans' administrative sides, as the NMS CheckUp service does.

While both sides are getting more attention, Dr. Reisman argues that it is pointless to assure the administrative or operational side is operating smoothly if the clinical side is failing.

"Obviously, you can't do the clinical piece if the operations stuff isn't going well," he said. "But I would argue that if the operational side is going well and the clinical care is poor, then perhaps you haven't really accomplished much."

To test the quality of care at managed care companies for employer clients, Dr. Reisman said Mercer presents HMOs with scenarios of simulated health cases and then evaluates their process for handling them. The attention needed to treat the hypothetical cases can vary greatly, with some needing only nurse attention while others may have complications or call for specialist referrals.

"We get a sense of the orientation, the focus, what the priorities of the plan are with regard to evaluating different types of clinical situations," he said.

An employer could also have Mercer check up on a health plan without revealing that the consultant is actually testing the service.

"If the employer wanted it to be done blind to the managed care organization, then we basically add a few names to the (plan) eligibility tapes that are sent to the plan every month and say, "We hired this new guy; here is the Social Security number,' " Dr. Reisman said.

The health plan can then be contacted openly to see how it has handled the enrollment service or prepared for the potential care of someone they thought was a real employee with a particular condition, not just a test case.

Most employers, however, prefer to conduct the testing openly in a cooperative spirit, alerting the HMO of their intent, according to Dr. Reisman. That method works just as well, even though the HMO has an additional incentive to put its best foot forward when it knows it is being tested, he added.

Measuring a plan's health care quality is important, and NMS does provide that service for clients, said Mike Bingham, president of the company in Minneapolis. The CheckUp product it offers is designed to only measure service quality, not to be a comprehensive evaluation including quality of medical care, he noted.

Along with checking the health plan's access records, postcard-size satisfaction surveys also are sent to employees who have recently used an HMO's services. NMS send results of those satisfaction surveys to the employer.

"Not every client will buy the service," Mr. Bingham said. "It's not cheap. It is fairly labor-intensive to have people on the phone. We think a lot of clients will buy it for HMOs that they are having a problem with and focus on them." BI

CNA

Continued from page 1

Mr. Chookaszian said Continental had had much higher expense ratios for its businesses than did CNA. In the period since completion of the deal, though, the merged company has in most cases brought down those ratios to about the level they were previously for CNA alone, said Mr. Chookaszian.

CNA posted a 109% combined ratio for 1997, including a 30.7% expense ratio. This compares with the 102.2% average combined ratio reported by other major property/casualty insurers who participated in the *Business Insurance* survey (*BI*, March 23).

"In many of our businesses today we have expense ratios that are better than the average company, but they're not all at the top level," said Mr. Chookaszian. "Our intention is to try to get ourselves to the point where we can compete with the low-cost producer in every line that we're in."

Mr. Chookaszian said of the remaining strategic business units besides Commercial Insurance, 21 are already "in a very strong position."

"They have a strong market share, and we have plans in place to bring those businesses to another level, to essentially take them to a stronger position."

Five others, including its securitization business, still are in a start-up mode, said Mr. Chookaszian.

But, "We need to do something to improve the strategic position" of the remaining three: group health/major medical, personal auto and homeowners, and entertainment insurance, said Mr. Chookaszian.

Mr. Chookaszian said CNA already has exited several businesses over the past three years, including its announcement this year that it was leaving the agricultural insurance business. "These are businesses that we exited because we feel that we couldn't achieve a dominant market position," he said.

For the future, Mr. Chookaszian said CNA has five "transformational ideas that we feel are extremely important in the changing nature of the insurance business, and we have activities to strengthen" its position in each of these areas (*BI*, March 9; Oct. 30, 1997).

These are: banks selling insurance; securitization; Internet or electronic sale of insurance; business process outsourcing; and employee leasing or professional employer organizations.

Analysts view CNA's move as a response both to general market conditions as well as its own circumstances.

'It wouldn't surprise me to see (other companies) examine their expenses more closely,' says Jay Cohen of Merrill Lynch.

Mr. Chookaszian has known for some time that "the ante is rising in terms of size, scale and efficiency," said Ronald Frank, an analyst with Salomon Smith Barney in New York. "It's why CNA bought Continental. . .and from my way of thinking, it's why they're doing this."

Matthew T. Coyle, director at New York-based rating agency Standard & Poor's Corp., said: "I think it's about time, to be honest with you."

S&P last year changed CNA's ratings outlook to negative from stable, citing a significant decrease in operating margins.

CNA's expense ratio is high relative to other industry peers, said Mr. Coyle, and in today's environment, being efficient in terms of writing premiums and keeping the cost down "is a big positive."

"I think we need to see what the results of this are going to be long-term," he added.

"The restructuring efforts they're undertaking appear to be a response to the very challenging market conditions in commercial lines," said Jay Cohen, an analyst with Merrill Lynch in New York. "I would say it's mainly driven by the need to reduce expenses because of the adverse market conditions," he said of CNA's review.

Pointing to CNA's moves in its Commercial Insurance unit in particular, Gary Ransom, senior vp at Conning & Co. in Hartford, Conn., said "that broad, middle-market American business has been very competitive and very difficult to make money at for lots of insurance companies, not just CNA."

"It seems like CNA is trying to have another attempt at increasing profit through expense cuts," added Mr. Ransom. "That might help. It seems to me most of it has just been premiums are too low compared to the losses, so cutting expenses may not be a sufficient response."

However, looking at its strategic business units is a "real smart way to look at the whole company" and at how it operates and to examine ways to "make it leaner, meaner, more efficient," said John L. Ward, CEO of the Cincinnati-based Ward Financial Group.

Other companies are expected to do the same, analysts say.

"It wouldn't surprise me to see others examine their expenses more closely," said Mr. Cohen of Merrill Lynch.

"I think it's fair to say most insurance companies are looking at their cost structure and ways they can improve upon it, particularly in today's environment, with pricing what it is," said S&P's Mr. Coyle.

"To my knowledge, everybody's watching costs," said Gloria Vogel, senior vp at Advest Inc. in New York. "I think being efficient is part of what's important in keeping the margins up, particularly with pricing under so much pressure.

"Everybody's got to watch their expenses, and it seems to be an ongoing process," said Ms. Vogel. She added that she does not expect other insurers to institute mass layoffs, which many have done in years past, because "it's pretty lean at this point." However, "new technologies are clearly creating new efficiencies and sometimes require fewer people." BI

Internet

Continued from page 2

sued any of those who posted the messages.

Among the ISPs affected by the court orders were America Online Inc., CompuServe, PsiNet Inc., and Canadian-based Internet service provider Weslink Data Corp.

"The whole issue has been kind of brewing for a while when people realized it was easy to achieve some degree of anonymity on the Net," said Paul F. Lewis, a partner with the Moye, Giles, O'Keefe, Vermeire & Garrell L.L.P. law firm in Denver.

The lawyer noted that, while law enforcement authorities have been able to use search warrants to obtain Internet user information in criminal cases, "this is relatively new in the civil context."

"The real issue that companies are going to deal with, particularly Internet service providers, is to make sure that their users are aware that the company may get subpoenaed for the user information and the ISP is not in a position to guarantee the privacy of the user information," Mr. Lewis said.

Though the recent ruling was handed down in Canada, Nicole Wong of the Menlo Park, Calif.-based law firm Hosie, Wes, Sacks & Brelsford, which represents Yahoo and other Internet businesses, thinks the global nature of the Internet makes the ruling relevant everywhere.

"What we do about user privacy is one of the biggest issues on the Internet right now," Ms. Wong said.

"In the United States, federal law protects content of information and user information that are stored by an Internet service provider," she said. That information can be obtained with a court order, however, and "the way to trace (users) is through an ISP," Ms. Wong said.

ISPs need to make sure their users know the ISPs can't guarantee those users' privacy, says lawyer Paul F. Lewis.

But while the court is forcing ISPs to identify the users responsible for the remarks that Philip Services says are defamatory, the Internet service providers themselves generally enjoy immunity for any defamation claims stemming from such messages.

"As regards defamation, the law is developing that there is kind of an immunity for the Internet service providers, which kind of just act as a conduit for defamatory information," noted Chad Milton, a senior vp at liability insurance underwriter Media/Professional Insurance in Kansas City, Mo.

"Online disseminators are being treated like magazine stands rather than publishers and not being held liable for the content," Mr. Milton said. In that context it follows that the ISPs have not been given protection from disclosing user names, he suggested.

"In this case, the Internet service providers sort of take themselves out of the publishing chain," Mr. Milton said. "If they want to be treated like third parties and not be liable for the content, then they probably ought to be required to disclose information."

In addition, he noted, the ISPs' situation differs from a confidential reporter-source relationship, in which the reporter guarantees the source's confidentiality in order to get information for a story.

"That doesn't happen with an anonymous (Internet) poster," Mr. Milton said. "So, for that reason, too, it seems less compelling to protect the Internet service provider. So I guess I'm not shocked by this."

In the United States, that immunity from liability arising from statements made by third parties is provided to Internet service providers under the Communications Decency Act and is essential if they are to function as intended, Ms. Wong contends.

"The Internet is about freedom of information, and the Internet service providers make that possible," she said. "And they cannot, as a practical matter, double-check, as a newspaper does, every statement that is made through their service." BI

Updates

Cendant sticking with deal

Continued from page 2

30-day extension of time to file financial statements regulators need to review the proposed ABIG deal.

Meanwhile, A.M. Best Co. revised the "under review" status of ABIG's ratings to negative from "developing." Best noted that the accounting debacle has affected the "currency value" of Cendant's stock and could affect Cendant's cost of financing the cash part of the deal.

P/C premium growth down

OLDWICK, N.J.—Net written premiums for the top 250 property/casualty insurers grew only 3.1% in 1997, according to A.M. Best Co.

That premium growth is down from 3.4% in 1996 and 3.6% in 1995, according to the Oldwick, N.J.-based rating agency.

Growth rates varied widely among the 250 insurers.

State Farm Group remains the nation's largest insurer by far, with $34.8 billion in premiums in 1997, but premiums grew only 0.8% over 1996, whereas Liberty Mutual Group, ranked eighth, saw premiums grow 13.7% to $5.9 billion.

No. 3-ranked CNA Financial Corp.'s premiums fell 2.2% to $9.9 billion, and at No. 4, American International Group Inc.'s premiums increased 1.7% to $9.4 billion. Allstate Corp. is ranked No. 2.

The biggest drop in premiums was at No. 10-ranked Zurich Insurance Group-U.S., where premiums fell 2.4% to $5 billion.

Illinois Blues plan settles

CHICAGO—An agreement by the Illinois Blues plan to pay $144 million to settle a federal suit alleging it mishandled Medicare claims is not expected to hinder the insurer's ability to pay claims.

Chicago-based Health Care Service Corp., also known as Blue Cross & Blue Shield of Illinois, settled with the government Thursday. Under the settlement terms, the insurer will pay $140 million to settle civil charges and an additional $4 million in criminal fines.

The case stemmed from HCSC's handling of Medicare Part B claims in the insurer's Marion, Ill., office from 1984 to 1995. HCSC pleaded guilty to eight felony counts, including conspiracy to obstruct a federal audit, in U.S. District Court for the Southern District of Illinois in East St. Louis, Ill., though senior management denied it had any knowledge of the misconduct. Five current or former employees have been indicted; another two already have pleaded guilty in the case.

"The settlement will not impact in any way our ability to pay claims. We have adequate reserves to handle this and continue in our normal course of business, nor will it affect premiums or any other financial aspect of our business," said a spokesman for the insurer in Chicago.

$30.6 million award in drug error

SANTA ANA, Calif.—Thrifty Payless Inc. will pay $30.6 million for the care of a 10-year-old California girl left with brain damage after being given a medication nearly seven times more powerful than what her doctor had prescribed.

The drugstore chain admitted during trial last week in Orange County Superior Court that one of its pharmacists had erroneously filled Bryn Cabanillas' prescription with 100-milligram phenobarbital tablets instead of the 15-milligram tablets her doctor had prescribed and that was indicated on the prescription bottle.

A spokeswoman for Camp Hill, Pa.-based Rite Aid Corp., which owns Thrifty Payless, said the company is insured for the jury award but declined to provide details.

A company statement pointed out that the incident took place in 1994—three years before its acquisition of Thrifty Payless.

"We want to assure our customers that we take patient safety very seriously. We set strict quality control guidelines for our pharmacists, and our No. 1 priority is promoting and ensuring the health and safety of our customers," the statement said.

Briefly noted

MBL Life Assurance Corp., formerly Mutual Benefit Life Insurance Co. (*BI*, Sept. 22, 1997), has reached an agreement to sell its individual life insurance and individual and group annuity businesses to Los Angeles-based SunAmerica Inc. for about $130 million in cash. . . .New York Gov. George E. Pataki has announced a 6% cut in **workers comp rates** to be effective Oct. 1. This is the fourth consecutive year rates have dropped in New York. . . .Minnetonka, Minn.-based **United HealthCare Corp.** said that as anticipated, the U.S. Department of Justice has asked for more information on the managed care firm's proposed merger with Louisville, Ky.-based Humana Inc. (*BI*, June 1). Shareholders of both firms are set to vote on the stock deal at separate meetings Aug. 27. . . .Hartford, Conn.-based **Aetna Inc.** has completed its acquisition of New York-based NYLCare Health Plans, the health business unit of New York Life Insurance Co. (*BI*, March 23). . . .**Fund American Enterprises Holdings Inc.** is buying the 50% it does not already own of Folksamerica Holding Co. Inc., a New York-based reinsurer. . . .Santa Ana, Calif.-based **PacifiCare Health Systems Inc.** said it has signed a letter of agreement to sell its Utah business unit, which has 115,000 commercial members, to an investment group for an undisclosed amount. PacifiCare had acquired the Utah plan in February 1997 as part of its purchase of FHP International Corp (*BI*, Aug. 12, 1996). . . .American International Group Inc. has acquired a controlling interest in **20th Century Industries**, an objective announced earlier this year (*BI*, April 20). . . .Gov. Pete Wilson vetoed a bill that would have nullified a California appellate court decision allowing employers to make economic decisions that result in **younger workers replacing older ones.** Employers strongly opposed S.B. 1098, fearing it would have gone beyond nullifying the 4th Appellate District's decision in *Michael J. Marks vs. Loral Corp.*

OSHA

Continued from page 1

Essentially, both inspectors failed to cite the now-defunct shoe manufacturer in Somerset for the unguarded drive shaft—a "flagrant and serious" violation of OSHA rules—that caused the "gruesome" accident, the court said. After the accident, OSHA inspectors found additional safety violations related to that machine, according to court papers.

When Ms. Irving, then 21, bent to pick up a glove, her hair became entangled in the machine. Her serious head injuries left her temporarily paralyzed and with permanent nerve damage, though extensive physical therapy has helped her recovery.

Although predictions vary, observers agree that the outcome of the case may significantly affect the employer-OSHA relationship, which some consider strained.

"The business community is awfully concerned today about the efficacy of both the OSHA act and the way it is administered," said Eric J. Oxfeld, president of UWC Inc., a Washington-based business advocacy and research organization. "Employers believe OSHA is far too bureaucratic, and that the statute is enforced in a way that is already far too rigid and focused too much on mindless and rigid compliance with legalistic requirements, with too little concern about cooperation to detect and correct hazards."

'Government liability moves us further away from developing a stronger safety culture among employers, employees and government,' says Lance J. Ewing.

"The whole issue (governmental liability) moves us further away from developing a stronger safety culture among three groups: employers, employees and government," said Lance J. Ewing, chairman of the Risk & Insurance Management Society Inc.'s External Affairs Team and loss control administrator for the Philadelphia public schools. He said RIMS' representatives want to discuss issues in the case with OSHA's head, Charles Jeffress, at a meeting planned for next month.

Ms. Irving's lawsuit, which she filed about 18 years ago, has been the subject of protracted litigation. During the interim, she married a shoe factory co-worker who came to her aid the day of the accident. In addition, she has worked full-time in a federal government office for at least the past 10 years.

The 1st Circuit's 2-to-1 April decision—since withdrawn—marked the fourth time that the appeals court considered issues in the case. From 1981 to 1995, the federal district court ruled for the government three times, and each time, the appeals court vacated the ruling and sent the case back for further proceedings.

Fueling the U.S. government's persistence is the fact that OSHA has never been found liable for the actions of its inspectors, according to U.S. attorneys' statements in court papers. A finding of liability would have a "prohibitive social cost" attached to it because of the "enormous" potential liability from millions of workers in OSHA-inspected work sites, they said in their latest brief. In addition, OSHA's need to respond to lawsuits would create a "substantial" drain on agency resources and may even lead to OSHA inspecting fewer work sites, they added.

"It's a very, very limited window of liability," countered Mr. Cox, the plaintiff's attorney. It stems from the fact that both OSHA inspectors were engaged in official "wall to wall" reviews of the entire shoe manufacturing plant and both missed citing the unguarded machine, he said. Given the government's resistance, it may take a ruling by the U.S. Supreme Court to resolve the case, he said.

The latest round of briefs for the en banc review focuses on two key legal issues.

The first is a provision in the Federal Tort Claims Act that exempts from liability a federal agency or employee engaged in a "discretionary function or duty." U.S. attorneys say the exemption should apply, while Ms. Irving's attorney disagrees because OSHA inspectors had decided to do a wall-to-wall inspection prior to visiting the shoe factory.

The other key issue is an FTCA requirement that the plaintiff has to be able to allege a state law tort that can apply to parties other than the government. In this case, Ms. Irving's attorney relies on New Hampshire's "Good Samaritan" doctrine, which requires that anyone must use at least ordinary care when intervening. He argues that the OSHA inspectors used less-than-ordinary care in their inspections of the shoe factory prior to the accident.

The U.S. government should be liable under the FTCA because the negligent inspections by OSHA inspectors did not meet the standard of ordinary care, Ms. Irving's attorney said.

However, U.S. attorneys argue that doctrine does not impose liability in this case, because the inspections did not increase the risk of harm and the shoe manufacturer should not have relied on OSHA's inspections to cover all violations. In addition, they point out that insurers are no longer subject to liability for loss control inspections conducted by their employees.

Business representatives generally support the idea of government immunity for OSHA inspectors.

"The public policy concern. . .in making the federal government responsible for damages because of the failure or alleged failure of an OSHA safety inspection is that it will take OSHA in exactly the wrong direction from effective enforcement," warned Mr. Oxfeld.

It would tend to make inspections more rigid and legalistic, rather than reinforcing the ability of OSHA to try and develop more cooperative efforts with employers, he added.

As RIMS' Mr. Ewing sees it: "I think it would be both impractical and arduous to have an OSHA compliance officer inspect every single piece of equipment in a factory, down to the last nut and bolt. As a taxpayer, I don't think that is a good use of time or dollars, and as an employer, I'm not sure that I want to baby-sit an OSHA compliance officer going through my factory who has to look at every single piece of equipment."

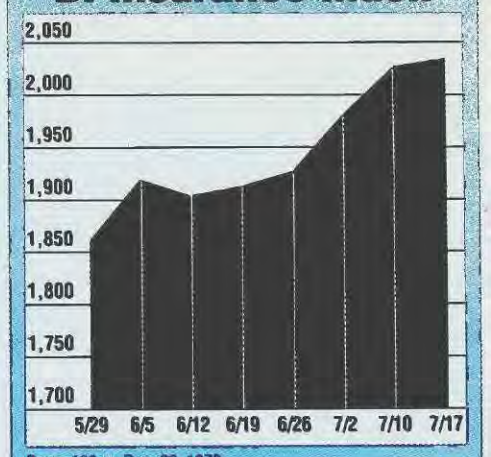
If the U.S. government loses, the case will create a precedent for an injured worker to sue the federal government after a workplace accident, Mr. Oxfeld said.

"It will open the floodgates of plaintiffs' attorneys running to injured employees," Mr. Ewing said. In addition, it may encourage "a laissez-faire attitude" among some employers, who may justify their attitude by saying that an injured employee can go sue OSHA, he added.

A labor spokesman disagrees and emphasizes that OSHA's liability would be limited to similar situations.

"We think this is a situation where an agency conducting a wall-to-wall inspection should be found liable," said Bill Kojola, an industrial hygienist with the Occupational Safety & Health Department of the AFL-CIO. "Failure to find the hazard and notify the employer contributed to the tragic accident." BI

BI Insurance Index



Base=100 on Dec. 29, 1978
Source: *Nordby International Inc.* (nordby.com) Boulder, Colo.

PCS catastrophe options

As of July 17

Call spread	Price bid/ask
National Annual 1998	
40/60	6.0/10.0
100/120	3.5/6.0
120/140	1.0/5.5
Southeastern September 1998	
40/60	2.1/3.3
Northeastern September 1998	
100/150	NA
Florida September 1998	
40/60	1.0/2.4
California Annual 1998	
150C	0.9/—
Western Annual 1998	
40/60	1.4/—
80/100	1.0/2.0
150C	1.0/—
Eastern September 1998	
20/40	3.0/—
40/60	2.4/3.5

Total volume: 0 Total open interest: 18,615

For information on PCS cat options, call the Chicago Board of Trade at 312-435-3674.
Source: Chicago Board of Trade

British Issues

Companies	Price pence	P/E	Div. pence	Yield %	52-week high-low
Gdn Royal Exch	362	5.2	12.1	3.4	495-266
Legal & Gen	729	18.6	12.7	2.2	785-400
Royal & Sun	678	18.1	22.8	3.4	825-474
Brokers					
Lmbrt Fenchurch	101	7.8	5.7	7.1	138-101
Lloyd Thmpson	179	12.1	10.0	6.9	194-151
Sedgwick Grp	134	11.9	7.0	5.2	171-115
Willis Corroon	177	14.6	6.8	4.9	181-116

Note: Prices are July 17 closings; other numbers from July 16.

Source: *Nordby International Inc.*(nordby.com) Boulder, Colo.

BI Industry Stock Report JULY 13, 1998, THROUGH JULY 17, 1998

BROKERS		Price	Weekly % change	Year to date % change	52-week High	52-week Low	Vol.(000)
Aon Corp.	NYS	71.50	-3.13	21.96	75.56	50.00	1067
E.W. Blanch Holdings Inc.	NYS	36.56	-2.82	6.17	38.75	27.94	232
Gallagher Arthur J. & Co.	NYS	45.31	2.26	31.58	46.56	33.56	56
Hilb, Rogal & Hamilton	NYS	18.75	5.63	-2.91	19.63	15.38	288
Kaye Group Inc.	NDQ	6.88	-3.51	3.77	9.00	5.38	8
Marsh & McLennan	NYS	63.63	2.52	28.00	64.31	44.00	2155
Poe & Brown	NYS	41.38	4.09	39.08	41.63	23.88	22
Sedgwick Group PLC	NYS	11.13	-6.32	-9.64	14.44	9.38	30
Willis Corroon Corp.	NYS	14.50	1.75	17.77	15.19	9.75	192
BROKERS	**AVERAGE**		**0.45**	**14.23**			
INSURERS/REINSURERS							
ACE Ltd.	NYS	41.38	0.91	28.63	43.00	25.06	1100
Acceptance Insurance Cos.	NYS	23.81	-3.54	-1.55	28.63	21.13	79
AEGON N.V.	NYS	102.63	6.62	129.01	102.63	34.00	283
Aetna Life & Casualty	NYS	79.56	1.35	12.75	118.13	66.31	1736
AFLAC Inc.	NYS	37.88	1.68	48.17	37.88	22.13	5870
Allied Group Inc.	NYS	47.06	0.13	64.41	47.13	25.00	224
Allstate Corp.	NYS	50.50	-1.34	11.60	52.38	35.44	7931
AMBAC Indemnity Corp.	NYS	63.88	-1.45	38.86	65.94	38.94	783
American Bankers Ins.	NDQ	58.13	-3.93	26.53	66.06	32.19	4045
American Financial Group	NYS	43.56	-1.97	8.06	49.25	34.56	181
American General	NYS	73.00	-1.93	35.03	75.69	46.56	1425
American Heritage Life Ins.	NYS	25.63	5.67	42.36	26.00	17.06	74
American Indemnity/Fin'l	NDQ	11.50	1.10	-17.12	15.50	9.50	#N/A
American International	NYS	151.69	1.80	39.48	152.25	93.75	5246
Argonaut Group	NDQ	30.25	-6.92	-10.70	38.13	29.63	116
AXA-UAP Group	NYS	70.50	14.87	80.77	70.50	31.13	366
Baldwin & Lyons Inc.	NDQ	24.00	3.23	-0.52	28.75	18.50	6
Berkley W.R. Corp.	NDQ	39.13	0.64	-10.83	49.88	35.69	1042
Berkshire Hathaway Inc.	NYS	75500.00	-2.27	64.13	84000.00	41300.00	4
Capital RE Corporation	NYS	37.75	7.86	21.65	38.69	24.94	237
Capitol Transamerica Corp.	NAS	21.25	-2.30	-0.29	28.13	19.00	83
Centris Group Inc.	NYS	12.25	-0.51	9.80	14.81	9.69	49
Chartwell Re	NYS	30.00	2.35	-11.11	36.25	28.25	156
Chubb Corp.	NYS	86.94	0.29	14.96	88.81	63.50	2335
CIGNA Corp.	NYS	72.25	-0.94	25.74	74.50	45.63	1743
CNA Financial Corp.	NYS	44.81	-2.45	5.23	53.25	36.44	201
CNA Surety	NYS	14.63	-1.27	-5.26	16.75	12.88	369
EMC Insurance Group Inc.	NDQ	13.94	0.00	5.19	15.88	12.25	20
ESG Re Limited	NDQ	23.00	0.00	-2.13	28.88	19.88	86
Enhance Financial Services	NYS	36.13	-2.03	21.43	37.56	22.75	228
Everest Reinsurance	NYS	38.19	-1.93	-7.42	45.25	33.00	939
Executive Risk Inc.	NYS	62.50	1.83	-10.47	75.75	49.31	724
EXEL Ltd.	NYS	82.44	0.61	30.08	84.00	52.75	791
Fremont General Corp.	NYS	58.81	4.09	7.42	62.13	36.75	298
Frontier Insurance Group	NYS	21.38	-7.57	-6.56	35.69	18.19	800
Gainsco Inc.	NYS	6.31	-3.81	-25.74	10.19	6.00	147
General RE Corp.	NYS	256.38	0.17	20.93	275.00	189.00	2501
Gryphon Holdings	NDQ	16.06	1.18	-4.10	19.38	14.75	117
Harleysville Group	NDQ	21.50	-2.55	-10.42	28.50	18.38	198
Hartford Steam Boiler	NYS	57.19	0.00	55.44	58.00	33.25	343
HCC Insurance Holdings	NYS	22.38	1.70	5.29	32.69	15.63	272
ING Groep N.V.	NYS	74.63	7.96	76.37	74.75	38.88	388
IPC Holdings Ltd.	NDQ	28.25	-2.59	-12.23	33.25	28.00	274
Hartford Financial Services	NYS	58.94	0.91	25.99	60.00	39.25	2031
4LaSalle Re Holdings Ltd.	NYS	36.38	-3.32	2.83	42.94	30.50	352
Life Re Corp.	NYS	85.06	2.02	30.49	85.75	49.75	189
Lincoln National	NYS	94.19	-1.37	20.56	96.38	63.81	1079
MAIC Holdings Inc.	NYS	27.56	-2.22	2.90	30.38	19.81	55
Markel Corp.	NYS	183.06	-0.24	17.25	186.88	129.00	15
MBIA Insurance Group	NYS	77.25	-2.37	15.62	80.94	56.50	1090
Meadowbrook Insur. Group	NYS	30.38	0.00	16.55	35.00	21.88	13
Mid Ocean Ltd.	NYS	83.38	1.21	53.69	84.88	52.75	221
MMI Cos. Inc.	NYS	22.81	2.24	-9.20	27.88	20.75	31
Mutual Risk Mgmt. Ltd.	NYS	38.69	0.98	29.23	39.94	22.63	1061
NAC Re Corp.	NYS	53.25	-2.52	9.09	55.88	43.50	307
Navigators Group	NDQ	18.75	0.33	-0.17	22.50	17.00	80
Nobel Insurance Ltd.	NDQ	0.56	-25.00	-95.71	1.00	0.40	139
NYMagic Inc.	NYS	28.00	3.70	1.59	34.25	21.63	8
Ohio Casualty Corp.	NDQ	46.25	0.14	3.64	51.75	41.56	257
Old Republic Int'l	NYS	29.50	-4.26	18.99	32.25	20.44	783
Orion Capital Corp.	NYS	58.75	2.84	26.51	59.25	37.75	409
Partner Re Ltd.	NYS	51.44	-0.24	10.92	52.50	39.44	149
Penn-America Group Inc.	NDQ	13.00	0.00	-36.59	23.00	12.25	224
Pennsylvania Manufacturer's Co	NDQ	20.75	-3.77	23.88	23.75	16.25	41
Philadelphia Cons. Holding	NDQ	21.06	1.51	18.66	24.38	15.50	242
PXRE Corp.	NYS	29.81	-0.42	-10.17	35.25	29.00	33
Reliance Group Holdings	NYS	18.56	0.00	31.42	19.81	11.63	690
Reliastar Financial Corp.	NYS	51.69	2.73	25.49	51.69	33.63	887
RenaissanceRe Holdings Ltd.	NYS	45.56	-1.09	3.26	50.75	38.19	179
Risk Capital Holdings	NDQ	24.75	-1.00	11.24	25.50	19.75	107
RLI Corp.	NYS	45.00	6.98	12.92	45.44	28.38	91
St. Paul Companies	NYS	41.88	-0.30	2.06	47.19	36.25	2962
SCOR	NYS	71.50	5.34	49.74	72.75	39.25	17
SAFECO Corp.	NDQ	47.13	-0.26	-3.33	56.00	42.50	3249
SCPIE Holdings Inc.	NYS	34.50	-0.72	19.22	38.38	24.31	NA
Seibels Bruce Group	NDQ	7.00	0.00	-6.67	8.94	6.63	61
Selective Ins. Group	NDQ	21.88	-3.05	-18.98	29.25	21.88	511
Terra Nova Insurance Co. Ltd.	NYS	33.00	-4.17	25.71	35.00	22.25	80
TIG Holdings	NYS	23.06	-2.12	-30.51	36.56	22.63	437
Tokio Marine & Fire	NDQ	50.81	0.62	-12.01	66.00	41.25	149
Torchmark Corp.	NYS	45.94	1.38	8.89	49.81	34.81	1224
Transatlantic Holdings	NYS	82.63	2.96	15.56	82.88	67.44	266
Travelers Property Casualty	NYS	44.63	2.00	1.42	46.06	34.88	888
Travelers Corp.	NYS	71.69	3.89	33.06	73.50	42.00	19282
Trenwick Group Inc.	NDQ	38.75	-1.43	2.99	41.75	33.38	48
Unico American Corp.	NDQ	14.75	6.31	20.41	18.13	10.75	72
United Fire & Casualty	NDQ	41.13	-0.90	-7.06	47.00	37.88	6
Unitrin	NDQ	68.75	0.82	6.38	74.13	56.25	1183
UNUM Corp.	NYS	58.94	-0.11	8.39	59.63	40.69	801
Vesta Insurance Co.	NYS	20.75	-4.60	-65.05	64.75	17.94	431
Zenith National Ins.	NYS	28.13	-1.32	9.22	30.50	24.50	24
INSURERS/REINSURERS	AVERAGE		-0.01	12.78			
HEALTH MAINTENANCE ORGANIZATIONS							
Foundation Health Systems Inc.	NYS	24.75	-5.04	11.24	33.94	22.00	2631
Humana Inc.	NYS	29.75	-3.84	43.37	32.13	18.44	5171
Oxford Health Plans	NDQ	14.06	-5.46	-9.64	89.00	13.75	3644
Pacificare Health Sys.	NDQ	86.69	0.80	72.51	88.88	46.75	48
Safeguard Health Enter.	NDQ	6.75	-3.57	-50.00	14.88	6.00	11
Sierra Health Services	NYS	22.94	-4.68	2.32	27.75	20.56	590
United Healthcare Corp.	NYS	62.13	-2.26	25.03	73.94	42.44	4626
Wellpoint Health Networks	NYS	73.56	3.61	74.11	75.00	38.63	1178
HMOs	AVERAGE		-2.55	21.12			
ALL COMPANIES	AVERAGE		-0.70	16.04			

Top advancing issues: AXA-UAP Group, ING Groep N.V., Capital RE Corp. Leading decliners: Nobel Insurance Ltd., Frontier Insurance Group, Argonaut Group. Most active issue: Travelers Corp. The *BI* Index rose 0.4%; the Dow Jones 30 Industrials increased 2.5%; the S&P 500 rose 1.9% and the NYSE Composite increased 1.5%. Average P/E: Brokers, 19.4; Insurers/reinsurers, 21.1; HMOs, 23.3.

Source: *Nordby International Inc.* (nordby.com), Boulder, Colo.

Patients

Continued from page 1

employers under state malpractice laws, the Republican bills would continue to protect employers from malpractice actions.

That difference has not gone unnoticed by legislators.

"You simply cannot sue your way to better health care quality," said Sen. Susan Collins, R-Maine, referring to the Democratic bill.

Democrats, for their part, have derided the Republican efforts. Sen. Edward Kennedy, D-Mass., for example, described the Republican patient protection bills as "notable for the nobility of sentiments expressed—and the emptiness of the proposals announced."

Still, amid the political sniping, some Washington observers see a potential for compromise that could lead to the enactment of patient protection legislation before the session expires in fall.

While there are many political obstacles to such legislation, "I think there is pressure on Congress to do something rather than nothing," said Frank McArdle, a consultant with Hewitt Associates L.L.C. in Washington.

"Both sides feel it is imperative to get something passed," concurred Henry Saveth, an attorney with William M. Mercer Inc. in Washington. "With the fall elections coming up, both parties have found that the public hates something—managed care abuses—as much as the IRS."

Democrats, while certain to continue to press for expanded employer and health care plan liability, ultimately could vote for a patient protection bill without that feature if they perceive it as helpful to health care plan enrollees, predicted Mr. McArdle.

As the majority party in the Senate and House, Republicans will take the lead in trying to get their versions of patient protection legislation passed. While there are common elements to the House and Senate Republicans' patient protection measures, there are significant differences that will have to be ironed out if both chambers pass measures.

For example, certain improved health care access provisions in the Senate Republican bill, such as giving enrollees an out-of-network option and direct access to OB/Gyns, would apply only to employers with self-funded plans. And the out-of-network mandate would not apply to employers with fewer than 50 employees.

Senate Republicans say such protections do not have to be extended to fully insured plans because insurers and health maintenance organizations offering health care plans to employers are regulated by the states and do not need to be subject to a new set of federal rules.

The structures of the POS requirements also differ in the bills.

Under the House Republican measure, closed-panel HMOs would be required to offer employers a POS option. Employers, though, could reject the POS option for their plans at the time they purchase coverage. If an employer declined the POS option, the HMO would be required to offer a POS as a supplemental coverage that could be purchased by employees.

By contrast, the Senate Republican bill would apply the POS mandate only to self-funded employers offering a closed-end provider network. In that situation, the employer would have to give employees another health plan option.

Another difference in the two measures is that the Senate Republican bill would repeal a 1984 Internal Revenue Service rule, often known as "use it or lose it," that requires employees to forfeit at the end of each year unused balances in their flexible spending accounts.

The Senate bill would allow employees to transfer up to $500 in unused funds in their FSAs at year-end to their 401(k) plans or individual retirement accounts. Alternatively, employees could roll over unused balances—up to $500—and apply the balance toward health care-related expenses in the following year. The House bill currently lacks a comparable provision.

The House Republican bill also differs from the Senate proposal by including a $250,000 cap on non-economic damage awards in medical malpractice suits as well as a provision that would allow employers to band together to cover their health care risks through trade association plans that would be exempt from state regulation. Neither provision is expected to survive.

Provisions in the Senate Republican patient protection bill that are not in the House measure include:

- Continuity of care. The bill would require health care plans to allow patients with certain extended medical conditions to be able to continue to receive care from a physician treating them after the physician left a network.
- Mastectomy. The Senate bill would leave it to physicians and patients to decide on an appropriate length of stay in a hospital after a mastectomy. BI

Pensions

Continued from page 1

the agency's reachout to benefit consultants for their views, cautiously notes that the Clinton administration has not yet formally embraced any suggested changes.

Mr. Strauss says his goal now is to solicit ideas for developing credible proposals to revitalize defined benefits plans. He already acknowledges, though, that complex government laws and rules have created serious impediments to the formation of new plans.

"Complexity has become a huge issue. We have created a regulatory minefield. This is one of the issues we have to address," he said.

Mr. Strauss' drive to elicit advice from the pension community is a startling change from years of federal indifference and, in some cases, outright hostility toward defined benefit plans.

Since the early 1980s, both the executive and legislative branches of the federal government have competed in heaping one complex rule after another on defined benefit plans.

During the past two congressional sessions, however, legislators have responded to a wave of employer protests and passed legislation that reduced some of the red tape associated with administering defined benefit and defined contribution plans.

And a group of senators currently is trying to craft a bipartisan bill that would ease pension administrative burdens (*BI*, July 13).

These modest reform efforts have taken place amid a decades-long decline in the number of defined benefit plans and employee participation in those plans.

Since 1985, the number of single-employer pension plans insured by the PBGC has fallen by more than 60% to 43,000 from 112,000, while the number of active participants has declined to 25 million from 29 million.

If current trends continue, the number of retirees in defined benefit plans could begin to overtake the number of active plan participants in 2006, a reflection of the lack of new defined benefit plan creation.

"Fewer and fewer defined benefit plans are being set up," said Dick Prey, a senior vp at The Principal Financial Group in Des Moines, Iowa.

It is not too late, though, to arrest the decline of defined benefit plans, Mr. Strauss says.

"What we are attempting to do is to send a wake-up call while there still is time," he says.

And with the secure, guaranteed benefits provided through defined benefit plans and the difficulty that many employees have in putting enough money in their 401(k) plans early in a career to provide adequate retirement income, defined benefit plans remain vital, Mr. Strauss says.

"Defined benefit plans must be a critical part of the mix if we are going to provide adequate retirement income for the vast majority of Americans," he said.

Pension experts agree that new government initiatives are needed to revitalize defined benefit plans.

"A fresh look has to be taken at all the rules in place," said Larry Sher, a principal at PwC Kwasha in Fort Lee, N.J.

Dennis Coleman, another PwC Kwasha principal, said: "Compliance can be a nightmare, and there are a lot of traps for the unwary. And traditional defined benefit plans often are not appreciated by employees. You don't get much bang for the buck."

Benefit experts say the idea of linking defined benefits and 401(k) plans is long overdue.

"This is something people have been talking about for a long time. It would go a long way to encourage the proliferation of defined benefit plans," Mr. Coleman said.

"This could encourage more retirement savings without employers spending additional dollars," said Frank Roque, a consultant with Hewitt Associates L.L.C. in Lincolnshire, Ill.

Others, though, say a change would face an uphill battle.

"As a practical matter, this would not have much hope of flying, because it would require such a tremendous statutory overhaul," said Mary Ann Arlt, a vp and consulting attorney at ASA Inc. in Somerset, N.J. BI

Deals

Continued from page 2

The Florida Insurance Department in 1994 ordered Mr. Vucenic to stop transacting insurance in the state after finding that he had placed business with two other offshore insurers that later collapsed. He is a former Michigan insurance agent whose license there was revoked in 1990; neither Mr. Vucenic nor Surplex is currently licensed as an agent or broker in Florida, an Insurance Department spokeswoman said.

Along with the federal proceedings, the Santa Cruz County district attorney's office has launched its own criminal investigation of the Kentfield notes and has seized Kentfield records, officials confirm.

Meanwhile, Lloyd's also is investigating another false claim that it wrote performance guarantees covering intended gold shipments by a Nevada company called Minerais Barexor USA Inc.

Mr. Vucenic acted as an intermediary on the purported Lloyd's placement, as did Peter Stewart Associates Ltd., a U.K. broker, court filings say. Federal prosecutors in Sacramento, Calif., earlier this year indicted Andre Cutress, a former Peter Stewart director, on charges that he produced fraudulent documents evidencing the purported Lloyd's coverage and collected thousands of dollars of Minerais premiums.

Mr. Cutress said in an interview that he was unaware of the indictment. He also denied wrongdoing and said he actually placed the Minerais coverage with Berkston.

Mr. Vucenic could not be reached.

What little information is available on Berkston may not inspire confidence among potential policyholders.

Reportedly formed in Oranjestad, Aruba, the insurer circulated a 1996 financial statement that showed revenues of $1.1 million for a six-month period ending May 5, 1996. The total includes $740,448 in earned premiums and $379,781 in interest income.

An accompanying interim balance sheet, however, shows no reserves and no liabilities. The balance sheet reports that Berkston has $23.3 million in assets, consisting of $114,000 in cash and $23.2 million in "certificates of deposit" that are not described further in the statement.

The Berkston statement also includes what appears to be an unqualified audit opinion from Peter Benson Malick, a certified public accountant in Woodland Hills, Calif.

In an interview, however, Mr. Malick said he never audited Berkston. Mr. Malick said Mr. Vucenic contacted him about a potential audit but first asked him to provide a sample unqualified opinion letter.

Mr. Malick said he sent Mr. Vucenic a sample letter stamped "tentative—subject to change" but that the letter later surfaced on Berkston financial statements with the stamp removed.

"I never performed any services whatsoever for these guys other than attempting to get hired," he said.

During 1996, Berkston bonds were being marketed by MGA Bonding & Assurance Services Inc., a now-defunct Phoenix agency. In an Aug. 27, 1996, letter to MGA Bonding, Mr. Vucenic claimed Berkston "has negotiated reinsurance contracts" with several widely known reinsurers, including General Re Corp.

A General Re official, though, said none of the company's U.S. reinsurance units assumed any business from Berkston.

Two former officers of MGA Bonding, David Novick and Joel Wisse, pleaded guilty last year to federal charges that they helped generate false documents to support bonds written for contractors working for the U.S. Army Corps of Engineers and the U.S. General Services Administration. The charges did not involve Berkston.

The Kentfield controversy surfaced in May, when a federal grand jury in Sacramento, Calif., indicted Mr. Bowman, a Kentfield principal.

According to the indictment, Mr. Bowman earlier this year organized seminars at which investors were solicited to buy Kentfield promissory notes purportedly backed by Lloyd's guarantees.

When a Lloyd's official contacted Mr. Bowman in March, Mr. Bowman explained that Berkston was issuing performance bonds to Kentfield and that Berkston had obtained Lloyd's backing through Peter Stewart Associates of Beckenham, Kent, and London-based Lloyd's broker Edgar Hamilton Ltd.

The Lloyd's official told Mr. Bowman on March 2 that Lloyd's was not involved in the coverage and that Lloyd's had confirmed with Edgar Hamilton, Peter Stewart and Berkston that they had not obtained any Lloyd's coverage, the indictment says.

Three weeks later, though, Mr. Bowman told an investor that Kentfield's notes were guaranteed by Berkston, which he said was 100% reinsured at Lloyd's, according to the indictment, which charges Mr. Bowman with mail fraud.

Those involved in the controversy offer various accounts of what happened.

Officials of Edgar Hamilton and Peter Stewart—including Peter Stewart Chairman Peter Bruce and Mr. Cutress—say they had never heard of Kentfield until they were contacted by Lloyd's about the purported Lloyd's placement.

Mr. Bruce also said that Mr. Vucenic confirmed in a July 9 phone conversation that Peter Stewart never placed any reinsurance for Berkston on the Kentfield notes.

However, Paul B. Meltzer, a Santa Cruz lawyer representing Mr. Bowman, provided a copy of a May 13 letter from Mr. Vucenic to Mr. Bowman in which Mr. Vucenic appears to confirm that he placed reinsurance for the "bond program" with Lloyd's through Peter Stewart and Edgar Hamilton.

"Berkston represented that they had reinsurance through Lloyd's of London, and my clients David Bowman and Kentfield Group paid for that insurance," Mr. Meltzer said.

Mr. Bowman, who was released on his own recognizance after pleading not guilty, could face a maximum of five years in jail if convicted on the mail fraud charge.

Shortly before the Kentfield situation erupted, some of the same people were involved in a separate controversy over purported Lloyd's performance guarantees covering Nevada-domiciled Minerais Barexor, described as a gold mining company.

In February, a Sacramento federal grand jury indicted Mr. Cutress of Peter Stewart on three counts wire fraud. Prosecutors charge that between 1996 and this year, Mr. Cutress defrauded Minerais of at least $25,000 in premiums, falsely claiming he had placed coverage at Lloyd's guaranteeing Minerais' delivery of gold to its customers and even claiming that Peter Stewart had binding authority for Lloyd's underwriters.

Mr. Cutress continued to confirm the purported Lloyd's coverage even after he acknowledged to a Lloyd's investigator that no such coverage was in place, the indictment says.

Mr. Vucenic acted as an intermediary between Minerais and Peter Stewart, the indictment says, and one of the three wire fraud counts against Mr. Cutress is based on a fax from Mr. Vucenic to Minerais regarding premium payments to Peter Stewart. Mr. Vucenic is not named as a defendant.

Those involved again offer differing accounts of what happened.

Dan Geiger, chief executive of Minerais, said MGA Bonding first offered to place the coverage with Berkston but that Minerais decided against it. Mr. Geiger said a business partner of Kentfield's Mr. Bowman then introduced him to Mr. Vucenic, who proposed arranging coverage at Lloyd's through Mr. Cutress.

Mr. Cutress, however, says he handled two bond deals for Minerais, one written by Berkston and the other—never completed—to be written by another insurer.

Peter Stewart officials acknowledge receiving $95,000 in Minerais premiums, which they say were divided among Peter Stewart, Mr. Vucenic and Ian McGuire. Mr. Cutress described Mr. McGuire as a longtime business acquaintance who introduced him to Mr. Vucenic.

Mr. McGuire—who could not be reached—was one of several brokers who handled a fraudulent reinsurance placement in the mid 1980s that bilked Occidental Petroleum Co. of $22.5 million (*BI*, Feb. 10, 1986). BI



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