JULY 21, 1997

Business Insurance®

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

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26th Annual Agent/Broker Profiles Issue

And then there were 10

Megamergers change complexion of brokerage industry

The world's largest brokers are fast becoming a smaller fraternity.

Unlike 1995, when consolidation in the brokerage industry left the top brokers relatively intact, five of the world's 20 largest brokers have been absorbed by other brokers in the past 12 months.

Aon Group Inc. alone has snapped up three of those companies: Alexander & Alexander Services Inc., Bain Hogg Group P L.C. and Minet Group. Marsh & McLennan Cos. Inc. bought the other two: Johnson & Higgins and CECAR.

As a result of the widespread consolidation, and the growing gulf between the revenues of the world's largest brokers and their smaller competitors, *Business Insurance* this year is ranking the world's 10 largest brokers.

In 1995, the difference between the gross revenues of the top broker and 20th largest broker was a vast $3.65 billion. In 1996, that difference would be about $5 billion.

In fact, as we report in this issue, the 1996 revenues of the 10 largest brokers fall only about $216 million, or 1.5%, shy of the 1995 revenues for the entire Top 20 brokers.

The Top 10 generated pro forma combined gross revenues of $13.91 billion in 1996, up 37.7% over 1995 revenues without the acquisitions.

Aon by far saw the largest increase, a 129.5% gain, followed by M&M, up 44%, and Lambert Fenchurch Group P.L.C., up 39.5%.

Two brokers actually saw revenues decline compared with 1995 after they separated themselves from unrelated operations to focus on property/casualty brokerage: Acordia Inc.'s revenues fell 38.1%, while C.E. Heath P.L.C. saw revenues decline 24.4%.

The two brokers conspicuously absent from the merger frenzy of the past year—Sedgwick Group P.L.C. and Willis Corroon Group P.L.C.—posted relatively flat revenue growth.

While London-based brokers are feeling exchange rate pressure in 1997 as the pound sterling strengthens, the value of the pound was relatively steady between 1996 and 1995.

BI uses average annual exchange rates to convert foreign currencies into U.S. dollars. For example, the average value of the British pound was $1.56 in 1996, compared with $1.58 in 1995 and $1.53 in 1994.

The strength of the German mark, for example, was one factor behind Jauch & Huebener KGaA's failure to achieve the *BI* rankings. Although Jauch & Huebener's revenues gained 2.6% in its home currency between 1996 and 1995, when converted to dollars the company's revenues slid 2.3%.

Revenue gains 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 219 brokers—including the top 10—that reported a total of $17.9 billion in gross revenues for 1996. A year ago, 240 brokers were listed that generated $16.93 billion in revenues.

BI's 26th Annual Agent/Broker Profiles report, which begins on page 3, also includes:

- Charts of the 100 largest brokers of U.S. business (page 3), the leading 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 14).
- In-depth profiles of the world's 10 largest brokers (pages 18-50).
- A directory of commercial insurance brokers, followed by a geographic index (pages 51-78).

World's 10 largest brokers

Ranking 1996	COMPANY	Ranking 1995	Gross revenues 1996	Gross revenues 1995	% Change	Employees 1996	Employees 1995	% Change
1	Marsh & McLennan Cos. Inc.	1	$5,455,500,000	$3,788,000,000	44	36,900	27,200	35.7
2	Aon Group Inc.	2	3,963,000,000	1,727,000,000[1]	129.5	33,000	13,400	146.3
3	Sedgwick Group P.L.C.	3	1,498,068,000[2]	1,469,907,000[2]	1.9	15,392	15,128	1.7
4	Willis Corroon Group P.L.C.	5	1,131,000,000[2]	1,114,699,200[2]	1.5	9,116	10,226	-10.9
5	Arthur J. Gallagher & Co.	8	456,679,000	411,998,000	10.8	3,939	3,739	5.3
6	Jardine Lloyd Thompson Group P.L.C.	10	379,860,000[2]	359,784,000[2]	5.6	3,500	3,076	13.8
7	Acordia Inc.	7	343,860,000[1]	555,064,000	-38.1	3,600	6,638	-45.8
8	C.E. Heath P.L.C.	12	233,850,672[3]	309,521,466[3]	-24.4	2,706	3,349	-19.2
9	Gras Savoye S.A.	14	226,968,000[4]	204,376,800[4]	11.1	1,793	1,710	4.9
10	Lambert Fenchurch Group P.L.C.	16	225,268,560[3]	161,437,374[3]	39.5	2,571	1,792	43.5
	TOTAL/AVERAGES		$13,914,054,232	$10,101,787,840	37.7	112,517	86,258	30.4

[1] Restated [2] British pound=$1.560 (1996), $1.578 (1995)
[3] Fiscal year ending 3/31; British pound=$1.584 (1996), $1.566 (1995) [4] French franc=$0.196 (1996), $0.2 (1995)
Source: *BI* survey

GRAPHIC BY TONY BUCCINI

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100 largest U.S. brokers . . . . . **page 3**

NEWSPAPER

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Updates

Last pharmaceutical cat program is withdrawn from the market

NEW YORK—PharMed, a proposed product liability catastrophe insurance program marketed by J&H Marsh & McLennan Inc., has been abandoned due to lack of interest.

The withdrawal of the product follows the demise of two similar facilities for the pharmaceutical industry, which also failed to obtain sufficient policyholders (*BI*, June 9).

"We could not get the critical mass we needed, and we decided to put it on the shelf until such time as market conditions change," said Robert Redmond, a managing director at

See **Updates** *on next page*

Senate panel criticizes tobacco settlement terms

By MARK A. HOFMANN

WASHINGTON—New questions about details of the proposed $368.5 billion tobacco settlement underscore how far the controversial proposal is from being a done deal.

As state attorneys general defended the proposed settlement to members of the Senate Judiciary Committee last week, several senators indicated they thought the proposed settlement relieved tobacco companies of liability at far too low a price.

In particular, the senators said any global settlement should not allow the tobacco companies to deduct the costs of punitive damages from their federal income taxes, as the Internal Revenue Code permits. One senator also questioned what impact the settlement might have on the victims of asbestos-related diseases who also happened to smoke, as they attempted to recover for their injuries.

And, as has been the case before, critics questioned whether Congress has the right to approve a settlement that would preempt any class-action suit brought against tobacco companies in state courts.

Meanwhile, House Speaker Newt Gingrich, R-Ga., is expressing serious doubts about the proposed settlement.

A spokesman for the speaker said Rep. Gingrich is particularly concerned over the amount of legal fees stemming from the settlement that will be awarded to private plaintiffs' attorneys involved in actions against the tobacco companies and about whether proposed restrictions on cigarette advertising violate the First Amendment.

In addition, Clinton administration officials continued to examine the deal last

See **Tobacco** *on page 84*

PHOTO: AFP

Mississippi Attorney General Michael Moore (right), and Robert Levy, senior fellow at the Cato Law Institute, debate the tobacco settlement during a break in Senate hearings last week.

Hawaii employers claim partner law extends benefit obligations too far

By ROBERTO CENICEROS

HONOLULU, Hawaii—A group of employers is challenging a state law that forces them to provide health care benefits to anyone an employee deems a "reciprocal beneficiary," regardless of whether the employee has a connection with the beneficiary.

The new law, say employers who are suing to stop its implementation on grounds that it is pre-empted by federal law, will significantly drive up their costs by opening up coverage in their health care plans to individuals unrelated to their employees.

The first-of-its-kind law resulted from a legislative compromise last spring aimed at limiting the impact of an awaited state Supreme Court ruling on whether gay couples have the right to marry in Hawaii. But the resulting law, which took effect earlier this month, is a legal, financial and administrative nightmare for employers, said the plaintiffs, which include some of the state's largest employers.

The law creates a much broader category of eligible beneficiaries than has resulted from other legislative efforts by public entities to provide benefits to same-sex domestic partners.

Under the Hawaii law, to qualify as a "reciprocal beneficiary," a party need only be an adult and be legally prohibited from marrying.

To qualify for such a reciprocal relationship the parties must register with the state. But registrants do not have to be in a financially or emotionally committed relationship, related to each other, live together, nor even be residents of Hawaii.

Under the law, an employee can designate a reciprocal beneficiary living in another state as a gesture of friendship or as a favor, said John J. D'Amato, of the Honolulu firm of D'Amato & Maloney, who represents the employers seeking to block the law.

"The concern is that Hawaiian employers are going to end up being the insurer for people all over the United States," said Mr. D'Amato.

His firm filed suit July 11 in federal court in Honolulu on behalf of Hawaiian Electric

See **Hawaii** *on page 87*

Managing all disability costs

Insurers, employers tout integration of workers comp, disability benefits

By DEBORAH SHALOWITZ COWANS

Increased productivity, decreased disability costs and streamlined claims administration are some of the advantages employers can gain from integrated benefits programs.

Integrated or coordinated benefits programs can range from coordination of short- and long-term disability benefits to complete integration of workers compensation, non-occupational disability benefits and group health benefits. Complete integration, however, is the least-common approach.

Integrated benefits programs are increasing dramatically, said Veronica Hellwig, a senior consultant in the Wellesley Hills, Mass., office of Watson Wyatt Worldwide.

Dwight E. Davis, president and chief executive officer of Wausau Insurance Cos. in Wausau, Wis., said he thinks integrated benefits have arrived and are here to stay. "We don't think it's a passing fad at all."

"There's a tremendous explosion in the marketplace" of coordinated benefits programs, said William Molmen, general counsel for the Integrated Benefits Institute Inc. IBI is a non-profit research and educational organization in San Francisco comprised of employers, insurers and brokers, consultants and health care providers. And this is "just the very beginning. We're on the ground floor of something that's going to be growing."

Insurers, third-party administrators, disability management companies, consultants and even brokers are now offering integrated benefits services, Mr. Molmen noted.

As of January, IBI had information on 46 programs or products that integrated at least two of the major benefit areas, Mr. Molmen said. He said more offerings are in the marketplace now.

Completely integrated programs that combine group health with workers compensation and other benefits—sometimes called 24-hour coverage—are the least common approach because of the administrative difficulty of coordinating numerous managed care options with other benefits.

"The health care delivery component, fully integrated, is enough to give you a migraine," Ms. Hellwig quipped. Also, the typical management structure within companies is one of the biggest obstacles to integrating workers compensation and disability benefits, experts agreed.

While workers compensation usually is handled within the risk management department, disability benefits usually are

See **Disability** *n page 88*

Versace is covered for death of designer

By SARAH GODDARD

LONDON—London insurers face a $21 million claim on a key man life insurance policy taken out by Gianni Versace S.p.A. covering designer Gianni Versace, who was killed last week.

The 50-year-old Italian fashion designer was gunned down last Tuesday morning outside his Miami Beach, Fla., home. As a mark of respect to the business' founder, hundreds of Versace stores around the world were shut Tuesday and Wednesday, and a fashion show scheduled for last Wednesday evening in Rome was canceled.

Last year, the Milan, Italy-based Versace business, which produces couture and pret-a-porter clothing, perfumes, fashion accessories and home wares, had estimated sales of 1.71 trillion lire ($1 billion). The company is family-owned: Mr. Versace held 45% of the shares, while his sister, Donatella Versace, owned 35%, and his brother, Santo Versace, held the balance. Plans to list the organization on the New York and Milan stock exchanges next spring may now be shelved.

Charles Boyd, an underwriter for the R.J. Kiln & Others syndicate at Lloyd's of London, confirmed the syndicate led the company's key man coverage. He said the syndicate had not received a formal notification of loss by the end of last week.

Mr. Boyd declined to give the policy limits., though London market sources confirmed the sum covered as 35 billion lire ($21 million).

Sylvestro de Besi, director of broker BDB Ltd., part of London broker Ballantyne, McKean & Sullivan Ltd., confirmed he had placed the key man policy in the London market.

Personal accident underwriters in London expect a surge of interest in key man coverage as a result of the slaying of Mr. Versace.

See **Versace** *on page 88*

PHOTO: AFP

Gianni Versace at show last March.

Updates

Third drug facility dropped

Continued from previous page
J&H Marsh & McLennan in New York. The program was developed before M&M's merger with Johnson & Higgins.

The same problem that beset the two earlier products caused PharMed to fail: plentiful, cheap capacity in the traditional insurance markets, he said.

Currently, pharmaceutical companies can purchase more than $800 million in product liability limits, and most companies think that is sufficient protection, Mr. Redmond said.

When the programs were launched in 1995 and 1996, about $600 million to $650 million in capacity was available in the world market.

PharMed—along with a facility launched by Capital Risk Strategies and one by the former J&H—offered significantly higher limits but at a price most risk managers were unwilling to pay.

Each program was structured differently, but they shared the goal of offering large-capacity, multiyear product liability coverage. PharMed, the smallest program, offered $500 million excess of $500 million; Swiss Reinsurance Co. would have led the coverage.

Forbes to buy Nelson Hurst

LONDON—Forbes Group Ltd. will become the world's eighth-largest broker if its offer last week to buy London broker Nelson Hurst P.L.C. is approved.

Johannesburg, South Africa-based Forbes, which ranked 15th in *Business Insurance*'s 1996 ranking of the world's 20 largest brokers, already holds about 10% of Nelson Hurst's stock. Forbes was not ranked in this year's issue as a result of the change to rank the top 10, rather than top 20. In addition, the rankings reflect acquisitions closed before the issue date; this deal is expected to close in August.

Forbes already owns almost 50% of Nelson Hurst U.K. Holdings Ltd., a joint venture with Nelson Hurst P.L.C.

For the year ending March 31, 1997, Forbes reported gross revenues of 807.6 million rand ($179.3 million). Nelson Hurst, whose fiscal year ends Dec. 31, reported £55.9 million ($87.2 million). Combining the two brokerages would have revenues of $266.5 million, placing Forbes Group ahead of C.E. Heath P.L.C. and bumping Lambert Fenchurch Group P.L.C. from its spot as the 10th- largest broker.

This is Forbes' first international brokerage acquisition, though Forbes has established a high profile in South Africa through aggressive acquisitions of both brokers and benefit consultants.

Nelson Hurst's network of offices across Europe, Asia and Latin America will allow Forbes to expand its international operations. "The proposed acquisition of Nelson Hurst will accelerate the achievement of Forbes' strategic objectives," said Forbes Group Managing Director Paul Heinamann. "We aim to remain competitive in our increasingly globalized industry sector, to build up the international network required to service our existing clients who are expanding abroad and those who are already effectively multinational, and to focus our activities in the emerging markets, where there is a significant opportunity for organic growth and greater added value."

Mistrial reversed in implant suit

NEW ORLEANS—A Louisiana Civil District Court judge's reversal of herself last week a day after declaring a mistrial only makes it more difficult for Dow Chemical Co. to get a fair trial in the country's first silicone breast implant class-action trial, the company claims.

Judge Yada T. Magee granted Midland, Mich.-based Dow Chemical's request for a mistrial after ruling that while neither plaintiffs nor counsel should be penalized for a plaintiffs attorney's "natural charisma," certain "gestures" and "non-verbal communications" the lawyer made to jurors prejudiced the defendant. After interviewing the jurors Thursday, however, the judge decided a fair trial still was possible and reversed herself.

Dow Chemical has complained repeatedly that the eye-rolling, laughing and hand gestures of attorney Tom Pirtle of O'Quinn & Laminack in Houston constitute prejudicial misconduct. While ultimately ruling against a mistrial last week, the judge did fine Mr. Pirtle and his partner Richard Laminack $2,500 each, even while commending Mr. Pirtle for his job in the case. Judge Magee also included him in the group for whom she said she "wept" while rethinking her original ruling.

The trial was to resume today, pending the results of Dow Chemical's request for relief from the Louisiana Circuit Court of Appeals in New Orleans. "Suffice it to say that we will be pretty aggressively pursuing that appeal of the reversal," the Dow spokesman said.

The class of women suing Dow Chemical are seeking damages from the company for allegedly failing to properly test silicone for use in the human body and concealing its dangers. Dow Chemical has denied the allegations.

See **Updates** *on page 86*

Errors & omissions

- Errors in calculation appear in the financial information at the top of two profiles in this issue: For Sedgwick Group P.L.C., on page 26, 1996 revenue per employee should be $97,328; for Lambert Fenchurch Group P.L.C., page 50, 1996 revenues per employee should be $87,619. The correct figures are contained in the articles and in charts on pages 1 and 6.
- Janet Snow is a principal in the Chicago office of William M. Mercer Inc. An article in the July 14 issue misstated her location.

Arbitration prompts Willis to liquidate insurer subsidiary

By STACY SHAPIRO

LONDON—Willis Corroon Group P.L.C.'s decision to put Sovereign Marine & General Insurance Co. Ltd. into provisional liquidation earlier this month could have ramifications for other underwriters and policyholders.

But the extent of such fallout is unknown until it is clearer what prompted Sovereign to exit an orderly runoff and enter provisional liquidation.

The answer lies in a recent arbitration decision against Sovereign that has not been made public.

As a result of the arbitration ruling—which favored one of Sovereign's reinsurers, AXA Reinsurance (U.K.) P.L.C.—Sovereign asked Willis for unlimited financial backing. Willis refused, having already pumped £72.8 million ($122.2 million) into Sovereign's reserves since the insurer entered runoff in 1991, as well as footing £20 million ($33.6 million) in runoff expenses.

Tony McMahon and Phil Wallace, partners in KPMG corporate recovery practice in London, were appointed provisional liquidators for Sovereign on July 11.

While the arbitration decision is sealed, it is known that the ruling hinged on a clause common to many standard reinsurance contracts.

The arbitration decision is not being appealed by Willis, though AXA Re is considering whether to appeal on two findings by the arbitrator that were not in its favor, according

See **Sovereign** *on page 86*

Congress close on pension rules

Other benefit issues remain

By JERRY GEISEL

WASHINGTON—Congressional conferees trying to hammer out a final tax bill are quickly reaching agreement on a slew of pension provisions but are still a long way from deciding the fate of more controversial benefit items.

The agreement informally reached on pension provisions last week as conferees worked out the differences between House and Senate tax bills won't become final until the conference committee approves the entire measure.

Pension provisions agreed upon include:

- Allowing employers to remove from their pension plans former employees whose accrued benefits have a present value of up to $5,000, an increase from the current cash-out limit of $3,500.

Employers welcome this change because it will reduce administrative costs. Increasing the cash-out limit allows an employer to remove more former employees from the company's pension plan. That saves money for employers by reducing Pension Benefit

See **Congress** *on page 86*

Lawmakers enter AIG fray in California

By DOUGLAS McLEOD

SACRAMENTO, Calif.—American International Group Inc.'s failed bid for Golden Eagle Insurance Co. is spawning an increasingly ugly battle with California regulators that is now spilling over into the state Legislature.

The Insurance Department announced July 11 it will investigate AIG's business practices in the state, citing allegations that AIG is "deliberately spreading false statements to third parties" about a proposed rehabilitation plan that awarded Golden Eagle's business to Liberty Mutual Insurance Co.

The investigation "will necessarily require the subpoena of witnesses, including officers, directors and agents" of AIG, the department said.

AIG last week labeled the move retaliation for its opposition to the Liberty Mutual deal: "The de-

See **AIG** *on page 85*

Consistency key in firings

Courts order trials in employment practices suits

By JUDY GREENWALD

SAN FRANCISCO—Two recent court victories by employees who were fired underscore the need for employer consistency in practice and policy when terminating employees.

A panel of the 9th U.S. Circuit Court of Appeals in San Francisco concluded in *RadLee F. Payne vs. Norwest Corp.* that because the company had given several different reasons for an employee's dismissal, the case was not subject to summary judgment and should be considered by a jury. The May 15 decision is not being appealed, and the case is scheduled for trial in February.

In a second case, the California Court of Appeals in San Francisco ruled in a 2-1 decision in *John Guz vs. Bechtel National Inc.* that it was improper for a lower court to grant summary judgment in Bechtel's favor, because the company may not have followed its own personnel policies. Bechtel is asking the California Supreme Court to review the May 9 decision.

In the Norwest case, Mr. Payne, a 44-year old white male who said he was disabled, was fired as a collection manager by Norwest in 1994, several days after he had filed complaints of race, gender, age and disability discrimination with the Montana Human Rights Commission.

See **Fired** *on page 85*

Inside

- Consolidation has altered the insurance broker landscape, though it could mean new services and benefits for risk managers, this week's editorial says. **PAGE 8**
- Rebuilding damaged property and infrastructure in a state in eastern Venezuela after an earthquake earlier this month will cost an estimated $81 million, the Venezuelan government says. **PAGE 79**

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100 largest brokers of U.S. business

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

COMPANY	1996 U.S. revenues
1. Marsh & McLennan Cos. Inc.	$3,751,876,000[1]
2. Aon Group Inc.	1,981,500,000
3. Sedgwick Group P.L.C.	639,675,036[2]
4. Willis Corroon Group P.L.C.	599,430,000[2]
5. Arthur J. Gallagher & Co.	411,011,100
6. Acordia Inc.	336,982,800
7. USI Insurance Services Corp.	163,300,000
8. Hilb, Rogal & Hamilton Co.	156,618,000
9. Poe & Brown Inc.	118,680,000
10. Jardine Lloyd Thompson Group P.L.C.	110,159,400[2]
11. Norwest Insurance Inc.	87,300,000
12. Lockton Cos.	80,482,500[3]
13. First Chicago NBD Insurance Services	78,165,000
14. American Phoenix Corp.	64,915,628
15. Near North Insurance Brokerage Inc.	62,550,000
16. McGriff, Seibels & Williams Inc.	52,603,821
17. Kaye Group Inc.	47,239,000
18. Frank Crystal & Co. Inc.	44,021,000
19. Alburger Basso de Grosz Insurance Services Inc.	44,000,000[4]
20. Palmer & Cay Inc.	42,745,244[5]
21. Keenan & Associates	42,000,000
22. Riedman Insurance	41,446,000
23. Lambert Fenchurch Group P.L.C.	40,548,341[2,6]
24. Healthcare Insurance Services Inc.	39,759,206
25. Talbot Financial Corp.	38,458,000
26. John L. Wortham & Son L.L.P.	37,175,000
27. Meadowbrook Insurance Group	37,009,509
28. NIA/Kornreich Group of Cos.	36,327,000
29. Frenkel & Co. Inc.	35,405,000
30. BB&T Insurance Services Inc.	32,423,621
31. Robert F. Driver Co. Inc.	27,700,000[7]
32. C.E. Heath P.L.C.	26,892,827[2,6]
33. Meeker Sharkey Financial Group Inc.	25,893,560
34. Marshall & Sterling Enterprises Inc.	25,870,748
35. Hobbs Group Inc.	25,786,800
36. Bollinger Fowler Co.	25,744,710
37. Timberline Insurance Managers Inc.	24,551,290
38. Insurance Management Associates Inc.	22,984,796
39. Wm. Rigg Cos.	22,326,480
40. Rebsamen Insurance Inc.	21,397,878
41. Tanenbaum-Harber Co. Inc.	21,285,000
42. J. Smith Lanier & Co. Inc.	21,265,245
43. Andreini & Co.	20,767,000
44. Holmes, Murphy & Associates Inc.	20,672,066[5]
45. Mesirow Insurance Services Inc.	20,234,148[6]
46. Summit Global Partners Inc.	19,894,700[6]
47. Calco Insurance Brokers & Agents Inc.	19,869,300
48. The Graham Co.	18,647,000
49. Proctor Homer Warren Inc.	17,200,000
50. Hylant-MacLean Group	17,000,000
51. Cameron M. Harris & Co.	16,444,064
52. BWD Group Ltd.	16,417,500
53. The Daniel & Henry Co.	16,235,000
54. Van Gilder Insurance Corp.	16,204,300
55. InterWest Insurance Services Inc.	15,500,000
56. Hastings-Tapley Insurance Agency Inc.	15,307,076[8]
57. Van Beurden Insurance Services Inc.	15,289,398
58. Commerce National Insurance Services Inc.	15,067,000
59. The BGS&G Cos.	14,750,584
60. Associated Agencies Inc.	14,700,000
61. Allied Coverage Corp.	14,500,000[9]
62. Berwanger Overmyer Associates	14,108,683
63. The James B. Oswald Co.	13,800,000
64. Allied American Agency Inc.	13,437,686
65. Lawley Service Inc.	13,436,371
66. Kelter-Thorner Inc.	13,380,000[8]
67. Anderson & Anderson Insurance Brokers Inc.	13,000,000[6]
68. UVW/Elizabeth Group L.L.C.	12,825,450
69. The Cal-Surance Cos.	12,783,000
70. Fringe Benefits Management Co.	12,748,855
71. Parker, Smith & Feek Inc.	12,717,000
72. Insurance & Risk Management	12,639,000
73. The Tribus Cos.	12,600,000[6]
74. The Loomis Co.	12,282,386
75. Daniel James Insurance	12,184,000
76. Dann Brothers Inc.	12,024,000
77. Anco Insurance Managers Inc.	12,014,288
78. Silverstone Group	12,000,000
79. Fred A. Moreton & Co.	11,793,549[10]
80. Hibbs-Hallmark & Co.	11,437,962
81. Starkweather & Shepley Inc.	11,100,000
82. Clair Odell Group	11,082,545
83. R.C. Knox & Co. Inc.	11,050,254
84. MLW Services Inc.	11,040,000
85. Lovitt & Touche Inc.	10,970,834
86. Van Meter Insurance	10,792,000
87. Wharton/Lyon & Lyon	10,779,272[5]
88. Davis Baldwin Inc.	10,695,447
89. Richard N. Goldman & Co.	10,600,000[4]
90. Haas & Wilkerson Inc.	10,580,000[4]
91. The Mathog & Moniello Cos. Inc.	10,552,000[10]
92. Seitlin & Co.	10,548,000
93. Thomas Rutherfoord Inc.	10,472,730[5]
94. McCay Corp.	10,439,000
95. Hamilton Dorsey Alston Co.	10,312,263
96. Conseco Risk Management Inc.	10,250,000
97. Charles L. Crane Agency Co.	10,213,623
98. Posse Walsh Buckman Van Buren Inc.	10,200,000
99. Robertson-Ryan Associates Inc.	10,140,687
100. Mack & Parker Inc.	10,100,000[8]
TOTAL	$10,323,335,562

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

Source: *BI* survey

GRAPHIC BY TONY BUCCINI

Consolidation creates opportunity

Dealmakers tout new capabilities, while other brokers see new chance to strut their stuff

By DAVE LENCKUS

Taking a cue from 19th Century essayist Ralph Waldo Emerson, property/casualty insurance brokers say they cannot complain of want of opportunity.

That is the case even in these turbulent days for the industry, as a confluence of trends make just surviving—let alone thriving—a tougher challenge than it has been in the past decade.

Consider:

• In the tidal wave of mergers and acquisitions that have swept over many of the world's largest brokers, big, strong competitors have become leviathans.

• Brokers that have not waded into mergers and acquisitions or only have obtained small agencies have not adequately buoyed revenues to spread over the huge cost of improving their computer systems without hurting earnings per share. Improving those systems is crucial for many brokers if they hope to compete more efficiently and effectively, industry observers agree.

• Brokers do not have much additional retail business to win. Because of the soft market and the increasing popularity of alternative risk financing mechanisms, annual gross premiums written by U.S. insurers over the past few years have grown at a skimpy rate of about 3%, according to A.M. Best Co. Plus, risk managers' increasing demands for fee-based services are further squeezing brokers' revenues.

Still, executive after executive interviewed for *Business Insurance*'s annual profiles of the world's largest brokers dwelled on the opportunities—not the challenges—that industry consolidation has proffered.

They view consolidation as a destabilizing force that will shake loose business on which they previously had no opportunity to bid. Executives at smaller, national boutique brokers say they are anxious to show off service capabilities that many risk managers never thought the brokers had.

These brokers also expect to be able to pick up some talented executives who either are squeezed out by the megadeals or who decide they do not want to toe the line at a large corporation.

For their part, the brokers involved in the megamergers point to instantaneous massive revenue gains and the deeper and richer service capabilities they now can offer clients.

Add to that the intention of many large and mid-market brokers to integrate their traditional services with new financial products so the brokers can become one-stop financial services shops for risk managers and the future holds great promise, broker executives say.

"The reality is that the face of the retail brokerage business is changing," observed John Wicher, managing director of San Francisco-based investment bank Russell Miller Corporate Finance Inc., which has played a role in several brokerage consolidations.

"The insurance policy is one of only several solutions" for risk managers these days, he said. Brokers that can adapt to this new environment can provide good rates of return on shareholders' investments, he said.

Some industry observers, though, say brokers' shareholders—not risk managers—stand to reap far bigger gains in the industry's metamorphosis.

To put the consolidation into perspective, one needs to look back only to last year's list of the world's largest brokers. Five of the Top 20 have been consumed in mergers and acquisitions.

Looking back to the beginning of the decade, half of the Top 20 are gone today. Seven were gobbled up by Aon Corp. after it acquired Rollins Burdick Hunter Group Inc., which ultimately was renamed Aon Group Inc.

As a result of broker consolidation, the combined $9.42 billion of 1996 gross revenues reported by Aon's brokerage subsidiary and the world's largest broker, Marsh & McLennan Cos. Inc., represents 89% of the total revenues that the world's Top 20 brokers reported in 1990. M&M's and Aon's 1996 revenues alone exceed the Top 20's 1989 total revenue by $300 million.

And, the combined 1996 revenues of the 10 largest brokers—$13.91 billion—fall only about $216 million, or 1.5%, shy of the 1995 revenues for the entire Top 20 brokers.

Given the sea change in the industry's makeup, *Business Insurance* this year ranks and profiles the world's Top 10 brokers.

On the strength of the torrid consolidation pace, the 1996 pro forma revenues for the Top 10 soared 37.7% compared with their 1995 revenues, which do not reflect the companies' recent mergers and acquisitions.

Likewise, the brokers' employee count soared 30.4% last year. Revenue per employee increased 5.6% to almost $123,700 in 1996 from about $117,000.

Still, three brokers reported single-digit revenue gains.

And two brokers, Acordia Inc. and C.E. Heath P.L.C., reported lower revenues, down 38.1% and 24.4%, respectively, as a result of separating themselves from operations they held in 1995. If just ongoing operations are compared, though, the brokers' revenues increased from 1995.

For the 219 agents and brokers—including the world's Top 10—listed in this year's directory, gross revenues in 1996 increased 22% to $17.9 billion from nearly $14.7 the year before. The revenues for both 1996 and 1995 reflect mergers and acquisitions.

Revenues per employee for that group increased 3.1% to $119,670 in 1996 from $116,028.

Meanwhile, the business enterprise value of brokers, stated as a multiple of earnings, dipped last year to 1.36 from 1.42 in 1995 for public brokers and to 1.22 from 1.25 for privately held brokers, according to Russell Miller. The firm defines business enterprise value as the sum of market capitalization and debt.

So far this year, public brokers' values have rebounded.

Now buried in the reshaped broker landscape are many of the once-familiar broker abbreviations that gave rise to the "alphabet house" moniker for the whole group of top brokers.

Those companies and the surviving brokerage giants expanded from regional companies to intermediaries of national prominence in the late 1960s and the 1970s by utilizing their own inflated stock prices in a superheated stock market to acquire local brokers in cities where the regionals were not represented.

Aon's Patrick G. Ryan, one of the leading architects of the current broker consolidation of international brokerages, says today's deals are reactions to insurance buyers' demands for more services, including investment advice. "The reason you get consolidation is because the end user demands it," said Mr. Ryan, chairman and chief executive officer of Aon Group and its parent.

Many observers, though, disagree.

"I think that's a small part of it," said Bill Weiland, managing director of Hales Capital Advisors L.L.C., an Oak Park, Ill.-based agency business consultant. "If a risk manager is demanding expertise from a broker, the broker can get it cheaper than through a major acquisition."

Most observers agreed that boosting revenue to give brokers a chance to bolster earnings per share is the driving force behind consolidation.

Without those deals and the development of new products, broker revenues "can't keep pace with the cost side," said Russell Miller's Mr. Wicher. "You build shareholder value by spreading cost across a broader revenue base. It's the only path A&A saw for building value for shareholders," he said, referring to the decision by Alexander & Alexander Services Inc. executives earlier this year to sell the broker to Aon.

Brokers tell analysts that consolidation can cut operating expenses for a newly combined company 5% to 8%, said stock analyst Jay Co-

See **Brokers** *on next page*

Spotlight report

Brokers

Continued from previous page
hen, a vp with Merrill Lynch & Co. of New York.

"That can be pretty significant," he said. "It's not as dramatic as in some industries, but there certainly are opportunities" to shave expenses.

New revenues from consolidation also can better absorb some significant new costs that brokers may need to incur to remain competitive.

For example, "buyers are increasingly global," which means brokers have to enter some new markets—like Asia—to service multinational clients, Mr. Cohen observed.

Consolidation can give one or more partners in a newly combined company access to a previously untapped market. Otherwise, "it would take a long time to build those markets from scratch," he said.

M&M's acquisition of Johnson & Higgins, which was building a strong Asian presence, immediately gives M&M "one of the strongest groups in that important emerging market," said Russell R. Miller, chairman of the investment bank.

Technology costs are another driving factor in consolidations.

Brokers must ensure a high level of service in areas such as underwriting and claims information and client communication "to gain and hold market share," said risk management consultant Richard Betterley, president of Betterley Risk Consultants Inc. of Sterling, Mass.

But brokers' technology to support these services typically is inadequate, industry observers agree.

"In general, the insurance brokerage industry has lagged behind the world in developing information systems," said Mr. Weiland, the agency consultant.

"There is so much (productivity) waste in the brokerage industry" because of its outdated technology, said Lisa C. Arsenault, who heads Etobicoke, Ontario-based IMC Strategic Development, an insurance and risk management industry marketing communications consulting firm. Ms. Arsenault's resume lists positions in the systems departments of M&M's and J&H's Canadian operations from 1988 through 1995.

"It's actually the smaller brokers that have more technological expertise," she said.

Technology enhancement was one of the issues in the M&M and J&H deal, Mr. Weiland said. J&H needed capital for a system, and M&M had it, he said.

And, as it did when regional brokers expanded nationally, the "phenomenal stock market" is playing an important role in broker consolidation, said John Ward, CEO of Ward Financial Group, a Cincinnati-based management consultant. "It induces more merger and acquisition activity because your stock can buy more."

In sum, with the exception of stock prices, broker consolidation "is being driven by weaknesses, not strengths," observed Bernard H. Mizel, chairman and CEO of USI Insurance Services Corp., the seventh-largest broker of U.S. business.

But, does broker consolidation offer risk managers as much as the industry's expansion did a generation ago?

Brokers—from those with billions of dollars of revenue to mid-market intermediaries that are a fraction of that size—see many opportunities to both enhance their capabilities and beef up their business.

Because consolidation has winnowed the largest brokers' competition, so-called second-tier, or smaller, national boutique brokers, expect they will get their first look from many risk managers intent on fostering broker competition.

Judy Lindenmayer, vp-Fidelity insurance and risk management at Boston-based FMR Corp., agreed. Many risk managers do not want to count on a single broker for research, market trends and expertise in a given area, she said. Before the consolidation this year, she had used separate brokers: M&M, J&H and Aon.

Mr. Weiland, the agency consultant, predicted that risk managers will find they have overlooked some expertise at second-tier brokers. Those companies also have been active, without as much fanfare, in acquiring brokers in much smaller deals that have added to the acquiring company's expertise, he said.

For example, fifth-ranked Arthur J. Gallagher & Co. has picked up accounts "that have not been happy with the consolidation, that have said, 'I chose not to be with X broker or Y broker—I'm not going to let them just buy my business,' " said J. Patrick Gallagher Jr., president and CEO.

Executives at smaller, national brokers also expect to get a closer look from Fortune 1,000 company risk managers if a consolidation squeezes out their account managers with their current brokers.

Tom Harvey, president and CEO of Assurex International, a network of 89 mid-sized brokers, said he already is seeing this among Assurex members. Assurex comprises 59 U.S. and eight Canadian brokers, which are full shareholders, as well as 25 international affiliate members in as many countries.

Mr. Weiland predicts that risk managers at large companies will split their business between large and smaller, national brokers, particularly for specialty exposures.

A "good example" is directors and officers liability insurance, he said. Some smaller, boutique brokers can arrange coverage with particularly favorable policy forms and provide special expertise in claims administration, Mr. Weiland said.

And, many second-tier brokers can provide services such as loss prevention, claims consulting, alternative risk financing and risk management information system consulting that equal those large brokers offer, Assurex's Mr. Harvey asserted.

"The second tier is still a viable option for risk managers," agreed Kevin M. Quinley, senior vp-risk services for MEDMARC Mutual Insurance Co. of Fairfax, Va. Mr. Quinley said he uses brokers for certain services rather than to place coverage.

One executive of a smaller, national broker, though, said boutique firms "have to be very clear about what we can and can't do." That way, risk managers "can take advantage of us for something we know how to do, and we're not wasting their time

See **Brokers** *on page 6*

Top brokers' revenue growth or loss in home currency

Broker	1996 revenue/ growth/loss
1. Aon Group	129.5%[1]
2. Marsh & McLennan	44.0
3. Lambert Fenchurch	38.0[2]
4. Gras Savoye	13.9
5. Arthur J. Gallagher	10.8
6. Jardine Lloyd Thompson	6.8
7. Sedgwick	3.1
8. Willis Corroon	2.7
9. C.E. Heath	-25.3[2]
10. Acordia	-38.1[1]

[1]Restated [2]Fiscal year ends 3/31
Source: *BI* survey

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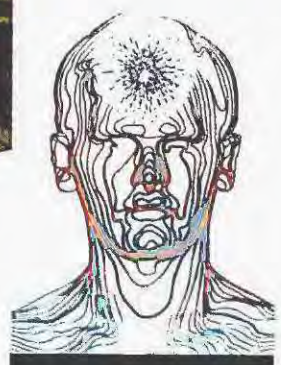

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Opinions

Partnerships bring farewells

THE UNRELENTING CONSOLIDATION of property/casualty insurance brokers over the past year has erased not only many venerable names from the business but also felled a 25-year tradition: The *Business Insurance* Top 20 Brokers.

Now, there is the *BI* Top 10.

The round of megamergers that began last year has altered the landscape of the insurance brokerage industry and will have repercussions for some time to come. Not only will buyers see changes as a result of the deals wrought by Aon Corp. and Marsh & McLennan Cos. Inc., but also as a result of the many smaller deals as other brokers jockey to position themselves in this new landscape.

In recognition of the consolidation and the dramatic gulf between the world's largest brokers and those in the second tier, *BI*, after 25 years of ranking the 20 largest brokers has chosen to rank only the Top 10.

Five of last year's top 20 are no more, and the difference in size between the top 10 and the next 10 is enormous, making comparisons nearly absurd. And, as a practical matter, we had little confidence that we could accurately identify which firms internationally would round out another top 20.

Closer to home, we feel more confident and are proud to present our Top 100 brokers of U.S. business. We freely admit there still are a few brokers in the United States that would qualify for our list but choose not to participate in our annual survey. We hope to welcome them in the years to come.

That is, if they still exist.

Right up to our deadline for this issue, deals continued to be made among the largest brokers in the industry.

Aon last month announced it would buy Sodarcan Inc. Willis Corroon P.L.C. earlier this month agreed to acquire a one-third stake in Gras Savoye S.A. Acordia last week announced plans for a management buyout of the broker from its health insurer parent. And Forbes Group Ltd. late last week offered to buy Nelson Hurst P.L.C., which when completed could position it as the world's eighth-largest broker.

These many changes are exciting to witness, not unlike waiting at the finish line of a marathon to see who emerges from the crowded pack and has the stamina to complete the grueling race.

For the buyers of brokerage services, the deals create some uncertainty. Will these larger brokers really deliver the enhanced services they promise? Or will service become more and more impersonal as the brokers strive to wring costs out of their operations to deliver more to

their shareholders? Will these megabrokers wield more power over the marketplace to the benefit of their customers, or will they lord over their customers, who have fewer choices?

The successful brokers, of course, will be those that do indeed seek to enhance services to their customers, that assist risk managers in breaking new ground in how they manage and finance the risks facing their organizations. The successful brokers will develop innovative solutions and approaches to help buyers meet their goals. The shift by commercial insurance buyers to alternative risk financing strategies means that simply being the biggest and having the most clout with insurance markets will not be enough.

Indeed, while we have chosen to rank and profile the world's 10 largest brokers, the successful brokers will not necessarily be the largest. In many cases, smaller brokers will differentiate themselves by their expertise in a given niche, or they may be more nimble at adapting to new technologies or ideas.

And, of course, with more time and more deal-making, even those firms could grow to rank among the largest someday.

But for now, it seems fitting to say:

Goodbye, Alexander & Alexander. Goodbye, Johnson & Higgins. Goodbye, Minet. Goodbye, Bain Hogg. Goodbye, CECAR.

Goodbye, Top 20.

Letters

Employers provide valuable input on safety

To the editor: It was refreshing to read in the May 26 editorial opinion, "Don't Duck an Opportunity," that the Labor Department is encouraging employers to help educate government about business issues and needs, including the area of employee safety.

It is also good to see the Occupational Safety and Health Administration soliciting input from employers about ergonomics and other important issues.

In the late '60s and early '70s, several influential consultants, educators and authors were publishing books and articles and were beginning to be heard by employers regarding employee involvement and the recognition that safety on the job is best implemented upstream at the behavioral level. It was felt that safety was just another management function and should be managed accordingly.

Then in 1971, the Occupational Safety and Health Act went into effect. Those most knowledgeable in this field recommended going in a certain direction, but OSHA said to go in the opposite direction. For most employers, the direction they had to go was quite obvious.

Fortunately, some major corporations followed the advice of the experts, and their well-documented results have been dramatic. For the smaller employers, efforts were directed toward complying with OSHA criteria and various state requirements. Unfortunately, this does not ensure a safe workplace. According to statistics, we are almost 50% worse off from the standpoint of lost-time injuries than we were 25 years ago.

Hopefully the interest in Washington of listening to employers and others experienced in the positive impact of behavior-based safety will help remove those involved from the vacuum in which decisions were made and standards were produced that have tended to impede progress in this area.

Donald L. Dildy
Visalia, Calif.

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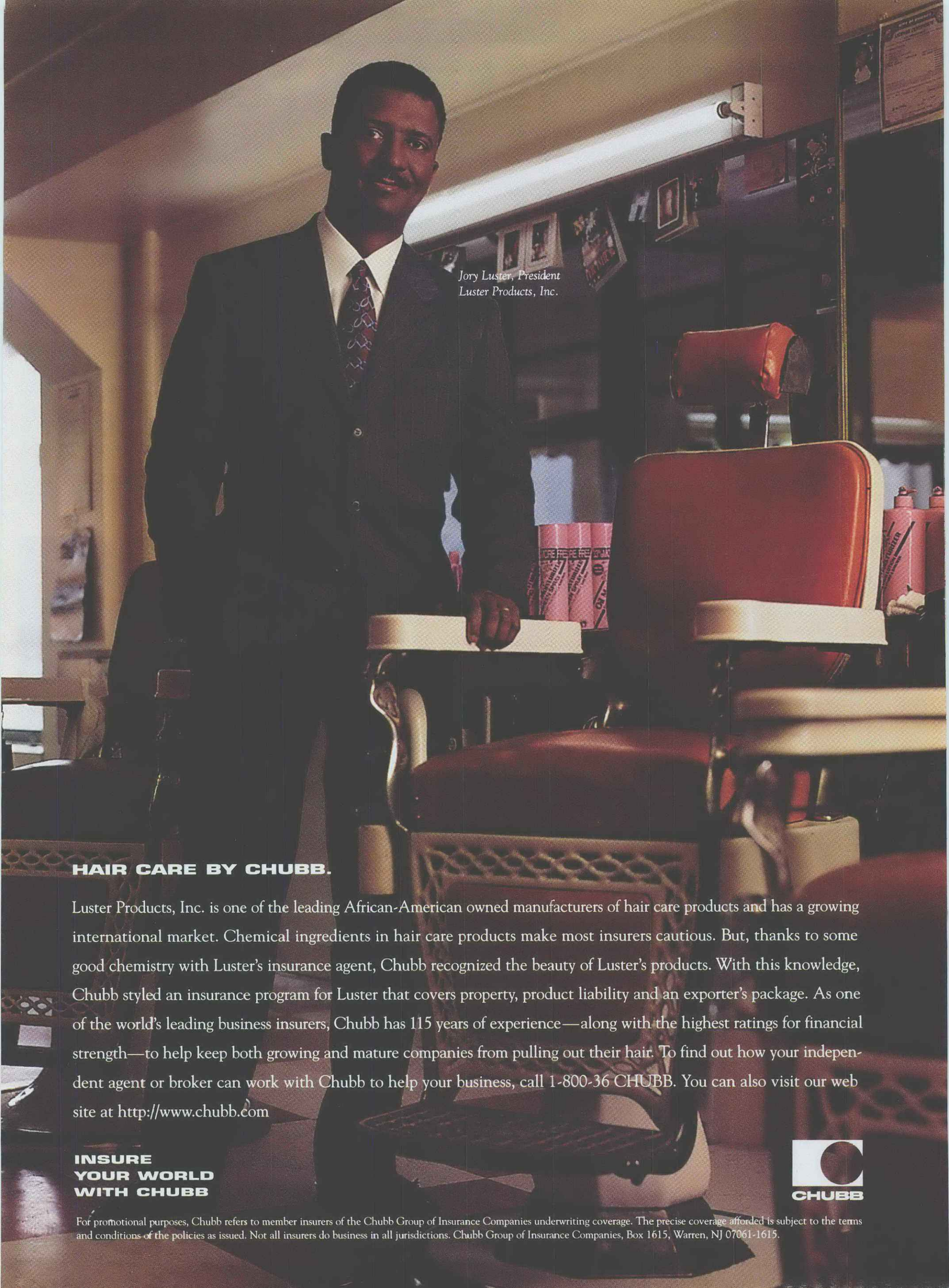

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Spotlight report

Consolidation opens the door to more

By SHANNON GALLAGHER

Mergers and acquisitions among the world's top agents and brokers made room for new companies in the ranking of the 1996 Top 100 brokers of U.S. business, as overall growth in revenues continued—but at a slower pace from the previous year.

The gross revenues generated from U.S. clients by the Top 100 brokers of U.S. business increased by 7.3% to $10.3 billion from $9.6 billion in 1995. That is only about half of last year's gross revenue gain of nearly 14% by the Top 100 brokers (*BI*, July 22, 1996).

Estimated 1996 revenues from the top 20 U.S. retail brokerages increased an impressive 47.2% to $5 billion from $3.39 billion.

The amount of estimated U.S. revenues necessary to make the ranking of the 100 largest brokers of U.S. business climbed only 4.3% to $10.1 million.

First Chicago NBD Insurance Services made the most significant climb on this year's Top 100 chart—to No. 13 from No. 42. First Chicago NBD's leap reflects a more precise accounting this year of the revenues First Chicago brought to its merger with NBD in late 1995.

Significant growth also was reflected in the leaps made by Procter Homer Warren Inc. to No. 49 from No. 74 after acquiring Western Flood in Thousand Oaks, Calif.; No. 19 Alburger Basso de Grosz Insurance Services Inc. from No. 30 after acquiring Metzger & Wilkey in Petaluma, Calif., and Willis Corroon in Sacramento, Calif.; and No. 62 Berwanger Overmyer Associates from No. 77 after acquiring Turner & Shepard Inc. in Columbus, Ohio.

Riedman Insurance was the most prominent of the 14 newcomers to the chart, entering at No. 22, with 1996 U.S. revenues of $41.4 million. If Riedman had submitted a form last year, it would have ranked No. 24.

BB&T Insurance Services Inc. joined the chart at No. 30 with revenues of $32.4 million. BB&T's four acquisitions in 1996 accounted for its growth from 1995 revenues of $16.9 million, which would have put it at No. 50 had it submitted a form last year.

Another company that would have made last year's chart—at No. 69—if it had submitted a form is No. 55 InterWest Insurance Services Inc.

Wm. Rigg Cos. joined the ranking at No. 39. Riggs would have been No. 45 in the 1996 chart had last year's questionnaire been submitted without errors in reported gross revenue.

Posse Walsh Buckman Van Buren Inc. broke into the Top 100 this year at No. 98.

Commerce National Insurance Services Inc., a company formed in 1996 through the merger of Buckelew & Associates, Chelsey & Cline, Keystone National Cos. Inc. and The Morrissey Agency, joined this year's ranking at No. 58.

Acquisitions and internal revenue increases pushed these companies into the rankings: Summit Global Partners Inc., No. 46; Allied American Agency Inc., No. 64; Van Meter Insurance, No. 86; Wharton/Lyon & Lyon, No. 87; Davis Baldwin Inc., No. 88; and Conseco Risk Management Inc., No. 96.

Of course, several big names—Johnson & Higgins, Alexander & Alexander Services Inc., Minet Group, Bain Hogg Henderson & Phillips Insurance and CECAR—dropped off the chart after being acquired.

The Pilgrim Organization, Anchor Pacific Underwriters Inc., and Bolton/RGV Insurance Brokers were noticeably absent as a result of their rivals' growth.

Ranked No. 47 last year, the Lawrence Agency Corp. falls from the chart after filing for bankruptcy earlier this year, while Gow & Hanna Inc. and Capax Management Insurance Services, which previously ranked Nos. 78 and 96 respectively, did not complete questionnaires this year.

Saldana & Associates Inc. mistakenly was ranked No. 53 last year due to an error on their questionnaire and did not make the Top 100 this year.

Several networks of individually

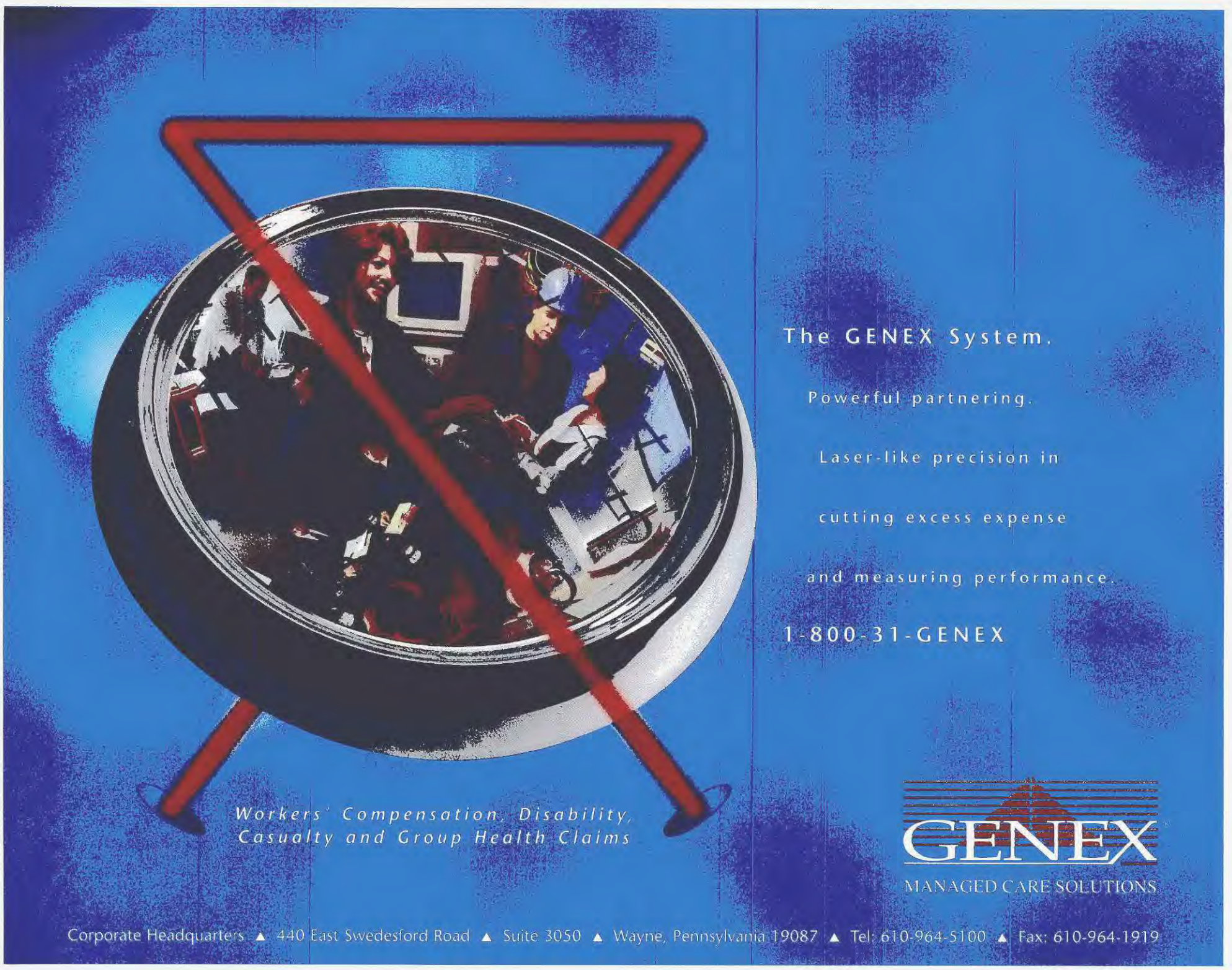
See **Retail** *on page 14*

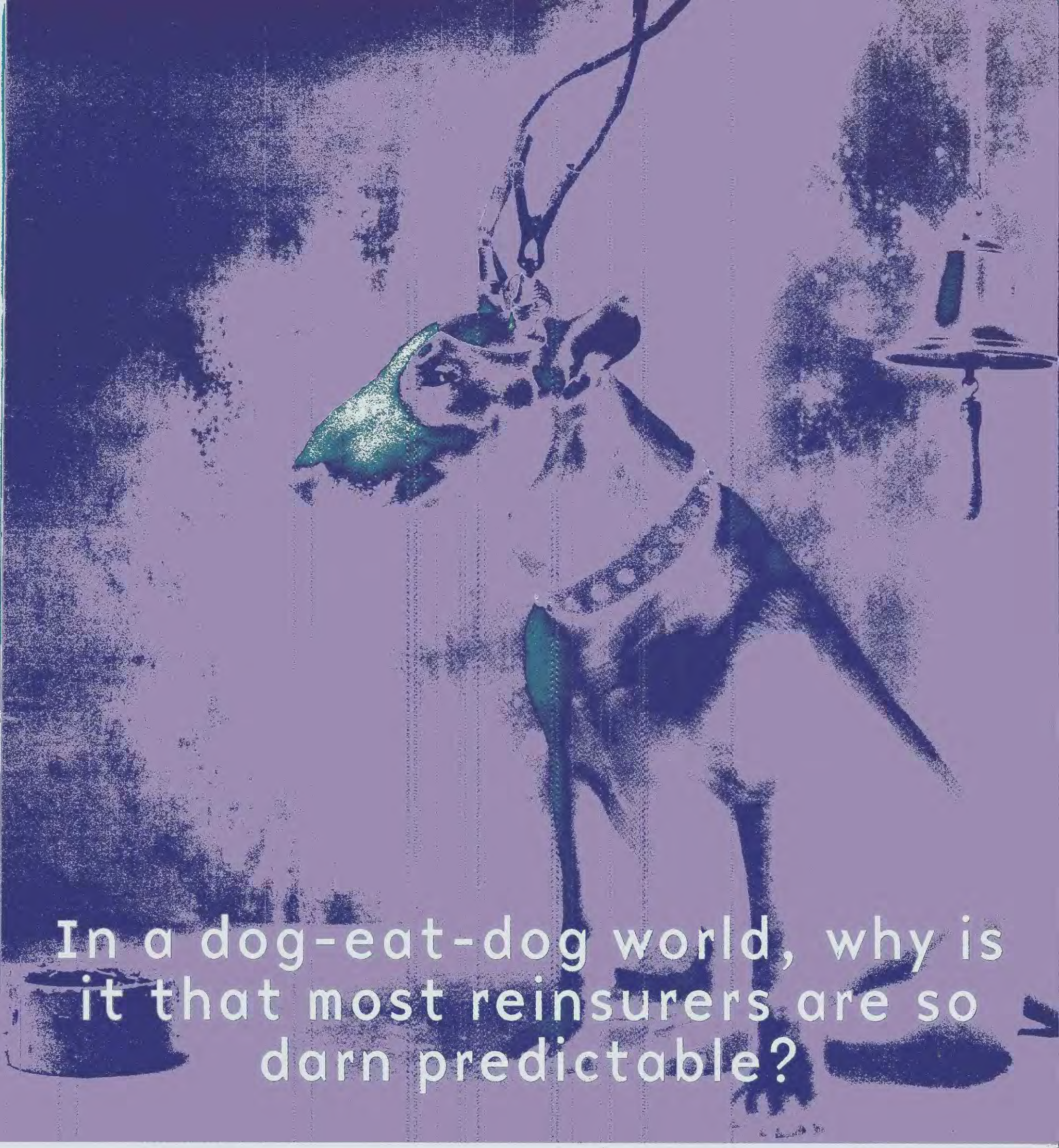
Leading U.S. retail brokers

Based on estimates of commercial retail brokerage revenues from U.S. offices. In millions of dollars.

Company	1996	1995	% change
Marsh & McLennan Cos. Inc.	$1,636,000,000[1]	$829,100,000	97.3%
Aon Group Inc.	1,379,124,000	739,935,000	86.4
Sedgwick Group P.L.C.	416,520,000	408,702,000	1.9
Willis Corroon Group P.L.C.	364,213,200	351,894,000	3.5
Acordia Inc.	226,885,590	190,608,978	19.0
Arthur J. Gallagher & Co.	224,707,000	211,800,000	6.1
Hilb, Rogal & Hamilton Co.	123,396,000	115,518,000	6.8
USI Insurance Services Corp.	99,613,000	58,016,000	71.7
Lockton Cos.	76,376,250	67,006,500	14.0
Poe & Brown Inc.	59,340,000	53,182,500	11.6
American Phoenix Corp.	52,992,350	51,692,580	2.5
Near North Insurance Brokerage Inc.	51,467,500	49,300,000	4.4
McGriff, Seibels & Williams Inc.	43,166,696	42,414,746	1.8
Frank Crystal & Co. Inc.	39,178,690	35,667,818	9.8
Kaye Group Inc.	38,263,590	41,614,000	-8.1
Alburger Basso de Grosz Insurance Services Inc.	37,356,000	25,859,838	44.5
Palmer & Cay Inc.	36,373,054	31,794,058	14.4
John L. Wortham & Son L.L.P.	36,059,750	36,364,330	-0.8
Frenkel & Co. Inc.	31,390,000	30,276,000	3.7
Riedman Insurance	31,084,500	27,300,000	13.9
TOTAL	$5,003,507,170	$3,398,046,348	47.2%

Source: *BI* survey [1] *BI* estimate





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Barney & Barney
Bolton/RGV Insurance Brokers
Woodruff-Sawyer & Co.

COLORADO
Van Gilder Insurance Corporation

CONNECTICUT
The Watson Group

FLORIDA
Davis Baldwin, Inc.
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Seitlin & Company

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Mack and Parker, Inc.

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Insurance & Risk Management

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Cottingham & Butler, Inc.
LaMair-Mulock-Condon Co.

KANSAS
Insurance Management Associates, Inc.

KENTUCKY
Powell-Walton-Milward, Inc.

LOUISIANA
Gillis, Ellis & Baker, Inc.

MAINE
Morse, Payson & Noyes Insurance

MARYLAND
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Riggs, Counselman, Michaels & Downes, Inc.

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Fox-Everett, Inc.

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Daniels Insurance Agency, Inc.

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Ryan Gateway Insurance Brokers Inc.

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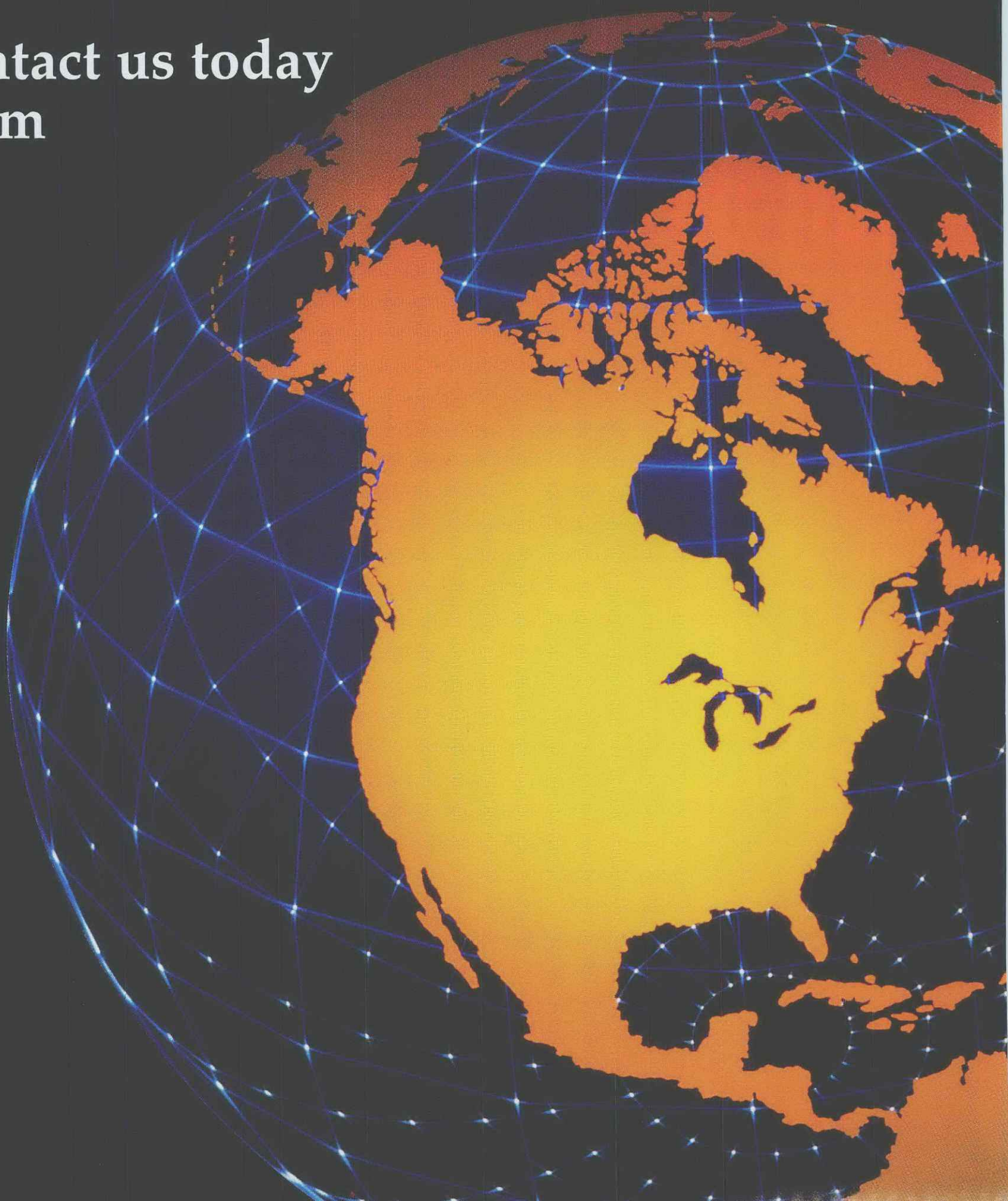

Spotlight report

Retail

Continued from page 10
owned companies are not included in the rankings.

The 57 members of Assurex International combined made $507 million in 1996 revenues, which would have made the Columbus, Ohio-based agency network No. 5 in the world.

And if the 60 franchises in independent agency franchise organization ISU Corp. could combine their 1996 revenues, the total would be $135.5 million, which would make the group the ninth-largest retail broker.

The 14-member UNISON network is in discussions regarding its future after Johnson & Higgins, its largest member, was acquired by Marsh & McLennan Cos. Inc. earlier this year. In 1995, UNISON had a combined $1.7 billion in revenues. 1996 revenues are unavailable, according to a spokesman.

Fifteen brokers slipped lower in the chart this year despite increasing their U.S. revenues. Dann Brothers Inc. witnessed a 9.8% increase in U.S. revenues from 1995 and still fell one notch to No. 76.

Ten brokers reported declines in retail brokerage revenues, resulting in a drop in ranking from the 1996 chart. Among them were Hastings-Tapley Insurance Agency Inc., down 7.9%, and MLW Services Inc., down 6.4%.

The Cal-Surance Cos. had the most significant drop in ranking: 20 spots to No. 69 after a 25.6% decline in U.S. revenue to $12.8 million. The decrease was attributed to an internal change in accounting for company units. Anco Insurance Managers Inc. had the next biggest drop: 14 spots to No. 77 as a result of the spinoff and sale of several books of business.

•

Sally Roberts contributed to this story.

Most broker CEOs see pay increase

Aon exec had highest compensation

By HOLLY SIMPSON

Aon Group Inc.'s Patrick G. Ryan is the highest paid insurance brokerage chief executive officer among the U.S. publicly traded insurance brokers.

The leader in the consolidation of insurance brokers, Mr. Ryan was awarded a 58.2% pay raise in 1996. His cash compensation of $2,577,692 bumped Marsh & McLennan Cos. Inc.'s A.J.C. Smith from the No. 1 spot he had held the last four years.

Mr. Ryan was paid a salary of $957,692 and a bonus of $1,620,000 in 1996. In 1995, he earned $886,968 in salary and $742,500 in bonus.

Mr. Ryan also is chairman, president and CEO of Aon Corp., which owns insurance companies as well as insurance brokerage and consulting operations. Consolidating the acquisition of three of last year's top 20 insurance brokers with its other insurance operations, Aon reports $5.8 billion in 1996 pro forma revenues, a 69% increase from 1995 revenues of $3.5 billion.

Business Insurance does not recognize underwriting revenues for its broker rankings, however, and therefore ranks Aon Group Inc. on its 1996 pro forma revenues of $3.96 billion, making it the second-largest broker in the world.

Aon Group's net income before taxes fell 14.1% in 1996 due to acquisition costs. Aon Corp.'s net income in 1996 similarly fell 16.8% to $335.2 million.

Mr. Ryan beneficially owns 13,015,447 shares of Aon Corp. stock, which, at a July 11 price of $54.50, were worth $709.3 million.

At M&M, still the world's largest broker, Mr. Smith's 1996 cash compensation increased 7.9%, to a combined salary and bonus of $2,050,000—$1.2 million in salary and and 850,000 bonus. In 1995 he received $1,125,000 in salary and a 775,000 bonus.

M&M's 1996 gross revenues, restated to reflect its $1.8 billion purchase of Johnson & Higgins in March, totaled $5.46 billion, up 44% from 1995.

M&M's net income for 1996, not restated to reflect J&H, rang up at $459.3 million, 14% higher than in 1995. Mr. Smith beneficially owns 102,697 shares of the company's stock, which, at a July 11 share price of $72.50, were worth $7.4 million.

But Mr. Smith was not the highest-paid executive at M&M. Lawrence J. Lasser, president of subsidiary Putnam Investments Inc., brought home an $870,000 base salary and a $9,500,000 bonus. Putnam's revenues increased 44% in 1996 to $1.1 billion.

Bruce D. Guthart, president and CEO of the Kaye Group Inc., the smallest of the publicly traded brokers, was the third-highest paid CEO in the group at $747,673 in 1996. He earned $589,007 in salary and $158,666 in bonus, up 9% from his combined salary and bonus in 1995 of $685,827.

Chairman Howard Kaye made a $674,972 salary and $192,334 bonus in 1996 for a total of $867,306, up 2.9% from his combined earnings of $843,042 in 1995.

Kaye's gross revenues from insurance brokerage fell 8% to $47.2 million in 1996. Net income, which includes earnings from underwriting operations, dropped 13.6% to $3.1 million from $3.6 million in 1995.

Frank Witthun, president and

See **Earnings** *on page 16*

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Top brokerage CEOs' 1996 compensation

Based on CEO's salaries and bonuses; compared with brokerages' net income

Name Broker	1996	1995	Percent change	1996 net income (in millions)	Percent change
Patrick G. Ryan Aon Corp.	$2,577,692	$1,629,468	58.2	$182.0[1]	-14.1
A.J.C. Smith Marsh & McLennan Cos. Inc.	2,050,000	1,900,000	7.9	459.3	14.0
Bruce D. Guthart Kaye Group Inc.	747,673	685,827	9.0	3.1	-13.6
Frank Witthun Acordia Inc.	624,987	230,002	171.7	29.9	27.0
J. Hyatt Brown Poe & Brown Inc.	564,450	505,850	11.6	16.5	11.5
J. Patrick Gallagher Arthur J. Gallagher & Co.	381,000	432,000	-11.8	45.8	7.7
Robert H. Hilb Hilb Rogal & Hamilton Co.	380,000	520,000	-26.9	11.4	-4.0

Source: Securities and Exchange Commission documents [1] Pretax

Earnings

Continued from page 14

CEO of Acordia since December 1996, is the fourth-highest paid CEO in the group and achieved the most significant jump in compensation. Acordia also saw the highest percentage increase in net income of the six companies surveyed, rising 26.7% in 1996 to $29.9 million.

Mr. Witthun's $327,971 salary and $297,016 bonus totaled $624,987, a 171.7% hike from his 1995 earnings of $230,002. Mr. Witthun did not receive a bonus in 1995.

L. Ben Lytle, chairman and former CEO of Acordia, was compensated with a sum of $127,232, a 47% drop from his earnings of $240,000 in 1995. Mr. Lytle did not receive bonuses for either year, but the salaries from Acordia are supplemental to his yearly compensation from Acordia's parent, Anthem Insurance Cos. Mr. Lytle also beneficially owns 105,000 shares of Acordia's stock, which were worth $4.2 million at a July 11 price of $39.88. Mr. Witthun's beneficial ownership of Acordia stock, totaling 6,087 shares, was worth $242,750.

J. Hyatt Brown, president and CEO of Poe & Brown Inc., enters as the fifth-highest paid brokerage CEO.

Mr. Brown's combined earnings in 1996 of $564,450 is an 11.6% pay raise compared with $505,850 from 1995.

Mr. Brown's salary was $377,000 and his annual bonus was $187,450.

Mr. Brown beneficially owns 1,819,766 shares, or 21.5%, of Poe & Brown stock. At a July 11 stock price of $37.50, the shares were worth $68.2 million.

Mr. Brown's pay increase reflects the 11.5% increase in Poe & Brown's 1996 net income to $16.5 million.

The figures for 1996 prove, however, that an increase in profits does not necessarily coincide with an increase in cash compensation. The CEO of Arthur J. Gallagher & Co. saw his cash compensation dip, though the company's net income rose.

J. Patrick Gallagher, president and CEO of Arthur J. Gallagher & Co., experienced an 11.8% drop in cash compensation from 1995 despite the company's net income rise of 7.7% to $45.8 million, and the acquisition of five brokers, a risk management services company and an investigation services firm in 1996.

Mr. Gallagher's $356,000 salary for 1996 remained unchanged from 1995, and his bonus of $25,000 was $51,000 less than his 1995 bonus, making him the sixth-highest paid in the group.

According to the company's proxy statement, the Compensation Committee recommended a significant increase for Mr. Gallagher's 1996 pay, considering the company's success since his assumption of the additional role of CEO in January 1995.

Mr. Gallagher voluntarily declined the offer, citing wage freezes that were imposed on certain management employees as part of a companywide expense control effort.

Mr. Gallagher beneficially owns 118,766 shares of stock in the company. At a July 11 price of $36, his shares totaled $4.3 million.

Hilb, Rogal & Hamilton Co. promoted Andrew L. Rogal to CEO this year, after Robert H. Hilb's retirement in May 1997.

Mr. Hilb, who in 1996 earned a combined cash compensation of $380,000 as chairman and CEO, will continue to serve the company for the next three years in consulting capacities.

Mr. Hilb's fee under this agreement is $134,000 during the first year, and $84,000 for the remaining two.

Mr. Rogal, who previously served as president and chief operating officer, earned $305,000 in salary for 1996, up 8.3% from the previous year. His bonus for last year, as yet undetermined in the company's proxy statement, will be awarded this year.

Mr. Rogal beneficially owns 38,500 shares of company stock. At a July 11 stock price of $16.75, those shares were worth $644,875. Mr. Hilb's 56,250 shares of company stock, at the same price on July 11, were worth $942,188. BI

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Spotlight report

1 Marsh & McLennan Cos. Inc.

1166 Ave. of the Americas, New York, N.Y. 10036; 212-345-5000;
fax: 212-345-4808;
Internet: www.marshmac.com

	1996	1995
Gross revenues	$5.46 billion	$3.79 billion
Brokerage: Retail	49%	40%
Wholesale	0%	1%
Reinsurance	6%	8%
Services	23%	28%
Investment income	2%	3%
Other	20%	20%
Employees	36,900	27,200
Rev./Employee	$147,846	$139,235
Offices	320	178

1996 figures reflect combined Marsh & McLennan Cos. Inc., Johnson & Higgins and CECAR; 1995 figures are Marsh & McLennan only.

The world's largest broker in 1997 actually is three of last year's top 20 rolled into one.

The mergers were driven by a need to grow in an increasingly demanding business environment, Marsh & McLennan Cos. Inc. senior executives say.

And M&M indeed has grown. Accounting for the mergers earlier this year, M&M's 1996 revenues vaulted 44% to $5.46 billion, compared with 1995 revenues of $3.79 billion for M&M alone.

On a pro forma basis, 1996 revenues are up 8.9% over the combined $5.01 billion the three brokerages posted in 1995.

The company's new insurance services arm, J&H Marsh & McLennan Inc., will be more able to meet the increasing international and global service requirements of commercial policyholders, executives say.

The insurance services unit comprises: M&M, the long-standing largest insurance broker in the world; Johnson & Higgins, formerly the world's largest privately held insurance brokerage and largest member of the UNISON brokerage network; and Cie. Europeene de Courtage d'Assurances et de Reassurances, or CECAR, formerly the 20th-largest brokerage in the world and the second-largest brokerage in France.

If the asking price for Minet Group, which was put into play last year, had been lower, M&M may have been made up of four of last year's top 20. While M&M had been looking at Minet, Aon Group Inc. acquired it.

For now, the drive for size has likely ended at M&M, said Chairman A.J.C. Smith, who is also chairman of J&H Marsh & McLennan.

While the group may look to purchase another investment management company to fit with Putnam Investments Inc. or a management consulting company to add to William M. Mercer Cos. Inc., any future purchases of insurance brokerages will likely be limited in size, Mr. Smith said.

"We are now at the size where we really don't need to make any strategic acquisitions," he said.

The combination of the three brokerages gives J&H Marsh & McLennan an office system that stretches through most developed and developing insurance markets, he said.

Some exceptions include countries where M&M had a minor presence and where Johnson & Higgins operated through a correspondent in the UNISON network. For example, J&H Marsh & McLennan might seek to increase its presence in Mexico, where J&H had only had a minority holding in Brockman y Schuh.

While executives emphasize the similarities between the two companies' business philosophies and their emphasis on quality service, the international networks and holdings of the two illustrate a difference between them.

They had long taken opposite positions on the need to own overseas offices. While M&M had advocated ownership and control of foreign offices, J&H held that a system of correspondent networks ensured that policyholders would be serviced by well-established local brokerages.

In the new company, the M&M philosophy prevails, and the UNISON network has lost its senior member.

J&H brokers are currently being trained in a new international program. The Global Broking Centre started deployment in the first quarter in the New York operations. The Centre is designed so account managers would deal directly with insurers and local J&H Marsh & McLennan offices rather than deal separately with different offices to place different coverages on a large account.

So far, about a dozen insurers are participating in the Centre.

Only a year ago, then-J&H chairman and chief executive officer David A. Olsen said the brokerage was "not for sale."

Since he made that assertion, the Aon-led merger-mania that gripped the insurance brokerage industry put J&H in the position of either raising money on the stock market by going public and making acquisitions of its own, or seeking an acquirer to compete in size with its rivals.

"When we looked to the future, we recognized that it was inevitable that we had to grow," said Norman Barham, the former J&H president and now one of four vice-chairmen of J&H Marsh & McLennan.

The chance to create J&H Marsh & McLennan provided the two firms with "the opportunity of a lifetime," he said.

"When the opportunity arose, it just made so much sense," Mr. Barham said.

M&M also was looking to increase in size, said John T. Sinnott, a vice chairman of J&H Marsh & McLennan and the former president and chief executive officer of retail brokerage unit Marsh & McLennan Inc.

"If you look into the future, you can't stand still," he said.

M&M decided about two years ago that if the opportunity to purchase another global insurance broker arose, it should be seriously considered, Mr. Sinnott said.

The purchase of J&H, however, was not made in reaction to Aon's purchase of Alexander & Alexander Services Inc. in December 1996, which at the time catapulted Aon past M&M and made Aon the largest commercial insurance broker, Mr. Sinnott said.

"We were already meeting a month before the Aon/A&A deal. From our standpoint, it was irrelevant," Mr. Sinnott said.

Combined, the three companies have 328 offices, which will be reduced to fewer than 300. Where the brokers had offices in the same cities, the two offices usually will be combined.

The staff of 36,900 also is likely to drop by up to 1,000 people, said Mr. Smith. About one-third of those people will retire, another third will leave through natural attrition, and another third will be laid off, he said.

Some former J&H employees will be significantly richer as a result of the purchase. According to Securities and Exchange Commission filings, the $1.8 billion paid for J&H will be shared among the brokerage's directors, retired directors or their estates, managing principals, principals and 600 key employees.

However, the influx of millionaires into the new company will not create tensions with M&M employees or former J&H staff who did not share in the bonanza, according to Mr. Smith. When M&M has purchased private companies in the past, those owners have become wealthy and remained with M&M. "We've never asked people their net worth before we hire them," Mr. Smith said.

Also, senior employees at M&M have been rewarded with stock options as well as their salaries, noted Mr. Sinnott. "There are forms of financial reward that a public company can offer which a private company cannot," he said.

Robert J. Newhouse III, formerly chairman of M&M's U.S. operations, will fill the same role for the merged companies, overseeing all seven U.S. regions.

Top managers for the seven regions of the merged U.S. operations include four former J&H executives and three from M&M.

William C. Bauman, a former J&H director, now heads the Mid-Atlantic region, based in Washington. Richard E. Valliere, head of the Detroit-based Midwest region, held a similar position with J&H. James W. McElvany, former chairman of J&H California and head of the broker's Los Angeles office, now heads the merged companies' Los Angeles-based Pacific South region. Gerald R. Swanson, former chairman of J&H Washington and Western regional director, oversees the Seattle-based Pacific North unit of the merged companies.

Roger E. Egan, head of the New York-based Northeast region, held a similar role at M&M. Donald E. Williams, head of the merged Southeast regional operation based in Nashville, Tenn., held a similar position at M&M. Lloyd C. Reid, who oversees the new Southwest regional unit based in Houston, held a similar position with M&M.

In Bermuda, M&M senior staff are taking the top positions in both the captive management and brokering sides of the operation.

Andrew D. Carr, will head the worldwide captive management operations for J&H Marsh & McLennan as president and CEO of Global Captive Management. Previously, Mr. Carr was president of M&M's captive operations. Brian R. Hall, who previously was chairman of J&H's captive operation, is retiring from the company.

J&H had been a strong advocate and manager of captives. The combined company claims to manage more than 750 captives worldwide.

Margaret J. Liptay is president and head of the office for J&H Marsh & McLennan's global brokering operations in Bermuda. Previously, she was head of U.S. National Client Development.

Other J&H senior managers, including Roger C. Gillett, a senior vp on the captive management side, and Sheila Nicholl, vp on the brokering side, are staying on with the new company.

In France, CECAR, which was purchased in January, is being merged into J&H Marsh & McLennan's existing French operation, Faugere & Jutheau.

"We now have a significant critical mass in France," Mr. Sinnott said.

CECAR, which had an estimated $144.5 million in 1996 revenues, also had offices in Brazil, Spain, Italy and Portugal, which have been integrated.

The integration of all three companies is accelerating the planned integration of M&M's insurance services units, Mr. Sinnott said.

The holding company has three units:

- J&H Marsh & McLennan, which contains all the insurance services units, including reinsurance broker Guy Carpenter & Co., the M&M unit that absorbed J&H's Willcox Inc., and Seabury & Smith, the program business unit.

It also includes Normandy Reinsurance Co. Ltd., which was established in 1994 as a unit of Guy Carpenter to design and market derivative contracts and other financial products that could be used to cover catastrophe risks.

Another Guy Carpenter subsidiary is IndexCo., which later this month will launch an index of homeowners' catastrophe losses, which can be used as a basis for insurance and reinsurance derivatives contracts.

- William M. Mercer Cos. Inc., which absorbed J&H's A. Foster Higgins & Co. Inc. benefit consulting subsidiary.
- Putnam Investments Inc.

Although Seabury & Smith and Guy Carpenter operate under their own names, the management structure of J&H Marsh & McLennan will bring all the insurance services under one umbrella, Mr. Sinnott said.

'We are now at the size where we really don't need to make any strategic acquisitions,' says A.J.C. Smith.

Another 1996 acquisition, Park Ridge, Ill.-based Albert H. Wohlers & Co., will become part of Seabury & Smith.

The integration of the units will benefit clients because they will be able to deal with one organization for all their insurance needs, said Mr. Barham.

"The lines between insurance, reinsurance and wholesale are now very blurred," so there is less need to have distinct organizations and managements governing each area, he said.

The merger has gone over well with clients, despite the reduction in choice that policyholders now have when they look for a large brokerage, Mr. Barham said.

"We have met with most of our major clients, and they say that as long as we don't change the teams and that we keep the same high level of service, they will be happy," he said.

So far, only one client has moved part of its account to another brokerage in order to retain a selection of brokerages, Mr. Barham said.

In terms of U.S. clients, the two brokerages generally complement each other, said Mr. Sinnott and Mr. Barham.

Both companies serviced large and middle-market accounts, but M&M was particularly strong in large accounts, while J&H had a significant amount of middle-market business.

While M&M acquired $1.3 billion in revenues with its purchases of CECAR, J&H and Wohlers, M&M's insurance services revenues before the acquisitions this year actually fell 2.9% to $1.91 billion in 1996 from $1.96 billion in 1995.

Of that, reinsurance brokering revenues fell 12.4% to $258.5 million in 1996. But insurance brokering revenues increased 4.8% to $1.32 billion in 1996.

The fall in insurance services revenues was due to the sale of The Frizzell Group Ltd. in the United Kingdom last June. Excluding the sale of Frizzell, insurance services revenues increased 1%.

The paltry growth is due to the soft insurance market and, in particular, falling reinsurance revenues, Mr. Sinnott said.

"The consolidation in the insurance market has reduced the number of clients, and the clients that have consolidated have increased their retentions," Mr. Sinnott said.

J&H on its own had revenues of $1.15 billion, up slightly from $1.08 in 1995.

J&H's reinsurance business suffered less from the consolidations as it concentrated more on middle-market insurers that are more reliant on reinsurance than many of the larger insurers, Mr. Barham said.

Geographically, M&M's insurance services business had mixed results.

Revenues in the United States increased 1.8% to $1.025 billion; in Europe, revenues fell 11.2% to $696.1 million; in Canada, revenues increased 2.7% to $96.4 million; and in the Pacific Rim and other areas, revenues increased 13.1% to $89.5 million.

The fall in revenues in Europe was largely attributable to drop in insurance rates in Germany, where the property insurance cartel ended, and the soft reinsurance market in London, Mr. Sinnott said.

Putnam turned in another stellar year, increasing revenues 44.3% to $1.08 billion in 1996 from $750 million in 1995.

Net income at M&M increased 14% to $459.3 million in 1996 from $402.9 million in 1995. J&H's operating income before taxes was $120.9 million, according to an M&M prospectus. Never before has J&H's operating income been publicly available.

And M&M's stock soared over the past year, to $104 per share at year-end 1996 from $88.75 in 1995. And after a two-for-one stock split at the end of June, the stock closed July 11 at $72.50.

The stock price went up partly due the acquisition of J&H but it also reflects the general strength of the stock market and the excellent performance of Putnam, said James English, an insurance analyst at J.P. Morgan Securities Inc. in New York.

The combination of the brokerages should help make M&M a stronger company, he said. In particular, the global reach of the company is significantly enhanced, Mr. English said.

Over the past year, some stock analysts have questioned whether M&M should spin off Putnam, suggesting that M&M's stock price is being held back by the poorer performing insurance business. Mr. English, however, disagrees with that analysis.

"I think the current price of the overall stock pretty well reflects the underlying values," he said.

The stock price correlates with the overall performance of the business, agreed Mr. Smith, who said M&M is not planning to spin off Putnam. "I've never understood the case for spinning it off. I don't think the argument stands up to analysis," he said.

Other senior personnel remaining with the combined brokerage include: Mr. Olsen, vice chairman of M&M; Richard H. Blum, the former chairman and CEO of Guy Carpenter, who is a vice chairman of J&H Marsh; and Richard A. Nielsen, the former chief operating officer and a vice chairman of J&H, who also is a vice chairman of J&H Marsh.

Joseph P. Platt and John W. Gussenhoven, two former J&H executive vps, do not have formal positions with J&H Marsh & McLennan. Their status still is "under review," Mr. Barham said.

Prior to the merger, Messrs. Barham, Gussenhoven and Platt were widely regarded as the leading candidates for the top positions at J&H on the retirement of Messrs. Olsen and Nielsen.

Other senior managers in J&H M&M include Dan Jones, the former head of Johnson & Higgins European operations, who will be chairman of the U.K. company.

Another senior executive of M&M, David D. Holbrook, will retire next summer. Mr. Holbrook was the chairman of M&M Inc., the former retail broking arm of Marsh & McLennan Cos. Inc.

Total cash compensation, including salaries and bonuses, paid to M&M's top five corporate officers in 1996 as reported to the SEC, follows:

Lawrence J. Lasser	$10,370,000.
A.J.C. Smith	$2,425,420.
Jeffrey W. Greenberg	$1,462,500.
Peter Coster	$1,289,598.
John T. Sinnott	$1,153,983.

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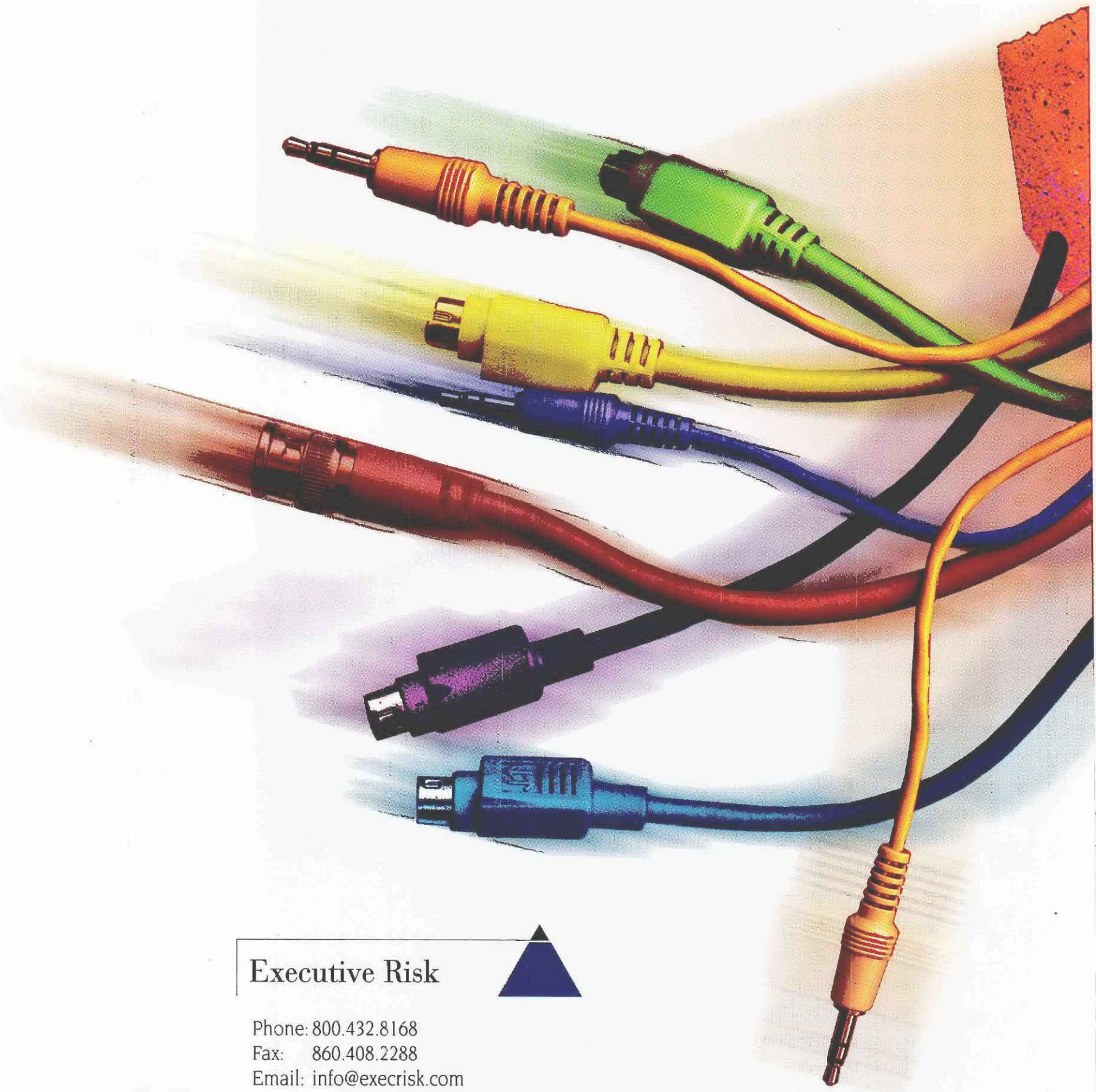

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Spotlight report

2 Aon Group Inc.

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	1996	1995
Gross revenues	$3.96 billion	$1.73 billion**
Brokerage: Retail	58%	57%
Wholesale	13%*	14%*
Reinsurance	10%*	11%*
Services	13%	14%
Investment income	6%	4%
Employees	33,000	13,400
Rev./Employee	$120,091	$126,340
Offices	550	350

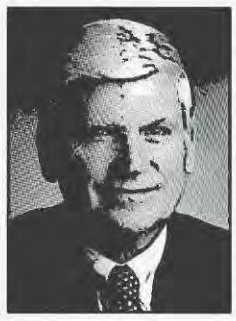
*BI estimates ** Restated.

To many in the insurance industry, the word "consolidation" is synonymous with Aon Group Inc.

And why shouldn't it be? The Chicago-based broker purchased three of the world's largest insurance brokers within the last year, touching off a wave of consolidation in the industry and further segregating the world's largest brokers by size.

But if one points the finger at Patrick G. Ryan, Aon Group's chairman and CEO, as the instigator of the consolidation movement, he'll be the first to deny it.

"People say to me often, 'You've changed the brokerage world,' and I honestly say that I don't agree with that. The fact is, the commercial industrial organizations have changed the market, and we've responded to it. They've changed the market by saying: 'We want more and more resources. We want better and higher quality investment advice. We don't want you to just place our business, we want you to provide more services for us and we're not going to pay for redundant costs.' All we've done is recognize that and reacted to it," Mr. Ryan said. "The reason you get consolidation is because the end user demands it."



'The fact is, the commercial industrial organizations have changed the market, and we've responded to it,' says Patrick Ryan.

At the same time, the acquisitions of Bain Hogg Group P.L.C. in October for $253 million, Alexander & Alexander Services Inc. in January for $1.23 billion, and Minet Group in May of this year for an undisclosed amount, fulfills Aon's goal of becoming a dominant global player in the brokerage industry.

They also make Aon one of two giants in the industry.

On a pro-forma basis, Aon reported combined gross revenues in 1996 of $3.96 billion. That's a 129.5% gain over Aon's restated 1995 revenue figure of $1.73 billion. Pretax profits fell 14% to $182 million as a result of its acquisition activity.

Over the last year, Aon's employee base has nearly tripled to roughly 33,000 people, and the company has gained 200 new offices around the world. The acquisitions also catapult Aon to the top of the world's largest reinsurance brokers, wholesale brokers and captive managers and significantly expand benefit consulting.

Despite its new girth, Aon remains the world's second-largest broker behind Marsh & McLennan Cos. Inc., whose acquisition of Johnson & Higgins and CECAR earlier this year helped secure its spot at the top with $5.5 billion in pro-forma revenues.

M&M's gross revenues include $1.08 billion generated by investment management subsidiary Putnam Investments Inc. If *BI* included revenue from Aon's underwriting operations, its total revenue would be $5.8 billion.

The past 12 months have "clearly been the year of the most dynamic change in our company's history, and it was the result of a lot of planning over the prior two years," Mr. Ryan said.

The addition of Bain Hogg, A&A and Minet bring a new or enhanced presence for Aon in such locations as The Netherlands, France, Belgium, Australia, Hong Kong, China, Malaysia, Singapore, South Korea, Africa and Scandinavia.

And the expansion effort continues.

Last month, Aon announced plans to acquire Canadian broker Sodarcan Inc., for $28.9 million (*BI*, June 16). Sodarcan's retail brokerage unit, Dale-Parizeau Inc., will be integrated with Aon Reed Stenhouse Inc., the Canadian brokerage unit that Aon picked up with its purchase of A&A. Sodarcan's reinsurance brokerage and benefit consulting units will be merged into Aon's respective units. Prior to the acquisitions, Aon had no significant presence in Canada.

"We're making acquisitions conscious of the organization's capacity to absorb," Mr. Ryan said. "Sodarcan is a good example of how we can take it on concurrently because very little in Canada is consolidating."

In the meantime, Aon continues with its integration process around the world. While this is not an easy task, it is a familiar one to Aon. Five years ago, the broker assimilated then-No. 14 Hudig-Langeveldt B.V., No. 6 Frank B. Hall Cos. Inc., and No. 7 Rollins Burdick Hunter Group Inc. That integration marked Aon's first global expansion effort and one Mr. Ryan describes as very similar in scope to Aon's task at hand.

Executives say the physical integration of Bain Hogg and A&A is progressing as planned. The process of integrating Minet has not begun.

Overall, Aon has trimmed 2,600 redundant positions globally among Aon, Bain Hogg and A&A, through a combination of early retirement incentives, attrition and layoffs.

Mr. Ryan said more head count reductions are expected with Minet, but he expects much of that will come through attrition.

"A fair amount was identified by St. Paul before we made the transaction," he added.

"In the U.S., all the management teams are in place and all the decisions have been made on office space, systems, back rooms, etc.," said Michael D. O'Halleran, president and chief operating officer of Aon Group Inc., who is in charge of the integration efforts.

"The biggest issue is physically moving the people together, and that has to do with when we can get the real estate ready," Mr. O'Halleran said. While all issues regarding systems have been made, "we can't just flip a switch," he said.

Aon took a $60 million charge in the fourth quarter of 1996 to cover costs associated with the consolidation. About $12 million of the charge was associated with workforce reductions.

Since mid-January, when Aon officially took over A&A, it has been integrating the broker with Aon's other operations worldwide.

Aon took a $145 million charge in the first quarter of 1997 to cover the costs of integrating A&A. Of the amount, $40 million covers costs associated with workforce reductions.

Continued on page 24

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In December, Ron W. Forrest, former chairman and CEO of Bain Hogg, was named chairman and CEO of Aon Risk Services Cos. Inc. of the Americas and was tapped to help integrate A&A's U.S retail brokerage operations into Aon's U.S. retail brokerage operations. In taking on that task, Mr. Forrest was working with a group he knew well, as he formerly had been chairman and CEO of A&A Inc., resigning that post in late 1993.

"Ron Forrest added tremendous presence and instantaneous trust in bringing the companies together," Mr. O'Halleran noted.

Mr. Forrest wanted to move back to London with his family, though, and now is assisting with the integration process in other parts of the world as vice chairman of Aon Risk Services Worldwide and chairman and CEO of Aon Risk Services Cos. Inc. of Europe, Asia, Africa and Australia.

Dirk P.M. Verbeek was named chairman and CEO of Aon Risk Services Worldwide and chairman of Aon Risk Services of Europe, Asia, Africa and Australia.

Richard A. Riley will oversee the U.S. retail operations as chairman and CEO of Aon Risk Services of the Americas. He also was named a vice chairman of Aon Risk Services Worldwide.

Peter Christie, former chairman and CEO of Minet, and Kenneth J. Davis, former executive vp of A&A, were named executive directors of Aon Risk Services Worldwide.

One Aon executive who would have played an integral part in the new company is Arthur F. Quern. Mr. Quern, former chairman and CEO of Aon Risk Services Cos. Inc., died in a plane crash last October (*BI*, Nov. 3, 1996).

Outside of North America, the integration of Aon, A&A and Bain Hogg's retail brokerage operations is "right in the middle of the execution stage," Mr. Verbeek said.

"Our goal is to create a very efficient organization that is client-accessible," he noted. To do this, the London retail operations are being segmented into five areas: major corporations; middle market; affinity business; personal lines; and commercial lines. Also, all the back-office operations are being consolidated into one office in Glasgow, Scotland.

Aon hopes all its retail brokerage operations will be integrated by the end of the year. The integration of Minet is currently being discussed. On July 1, Aon Risk Services moved into the former Bain Hogg building in London.

Also on July 1, Nicholson Jenner Leslie Group Ltd., Aon's London wholesale and reinsurance unit, was formally merged with Bain Hogg International Ltd. and Alexander Howden Group Ltd., creating Aon Group Ltd.

Alan H. Colls, former chairman of NJL, is chairman of the new operation and Dennis L. Mahoney, former chairman and CEO of Howden, is deputy chairman and CEO.

Aon Group Ltd. reports its reinsurance and wholesale revenues to Aon Re Worldwide and Aon Specialty Group, respectively.

As integration continues, Aon executives are looking at ways to bring more value to clients with all the company's new resources.

One way the broker is doing this is through a new global process called Strategic Account Management.

The process comprises roughly 60 senior client executives and account coordinators located all over the world that are known as strategic account managers, or SAMs. The SAMs work with all of Aon's resources, including local office professionals, specialized resources such as Aon Financial Services, and other Aon Group units, to bring seamless delivery of Aon's resources to clients.

"It is each SAM's job to ascertain the client's needs, then bring 100% of Aon to its clients," said Mr. O'Halleran, to whom the SAMs report.

SAMs focus solely on major sophisticated risk management business that requires organizing resources from many local facilities.

"As we look at the industry today, we're very pleased that we've had this expanded service approach as opposed to traditional brokering and placing of business," Mr. Ryan said.

In addition to its retail brokerage operations, Aon Group consists of three other units:

• Aon Re Worldwide Inc.

The combination of Aon Re, Alexander Reinsurance Intermediaries Inc. and most recently Minet Re creates the world's largest reinsurance broker, based on estimated 1996 reinsurance brokerage revenues of $396 million.

BI estimates that J&H Marsh & McLennan Inc. generated reinsurance brokerage revenues of approximately $378 million in 1996.

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

Ronald A. Iles, former chairman of Alexander Howden Group Ltd., is now chairman of Aon Re. H. Rocker Channell Jr. remains president.

Alexander Howden "brings incredible strength to our reinsurance strategy of expanding our global reach," Mr. O'Halleran said. "Combined with Aon Re, we've got every part of the world covered."

And with the recent addition of Sodarcan's reinsurance operations—BEP International Holding Inc.—Aon Re further strengthens its presence in the United States, Canada, Australia, the United Kingdom and the Far East, Mr. O'Halleran said.

Aon Re's captive management services have also expanded.

Combining A&A's captive business with Aon's, Aon Group has become the world's second-largest captive manager, with roughly 355 captives under management.

And as the soft property/casualty market continues to depress reinsurance rates, Aon Re continues to develop creative alternatives for clients, including capital market solutions.

Earlier this year, for instance, Aon and Centre Reinsurance (U.S.) sealed a $100 million catastrophe equity put program with Horace Mann Educators Corp. that will help recapitalize the Springfield, Ill-based insurer in the event of a large catastrophic loss (*BI*, April 7).

• Aon Consulting Worldwide Inc.

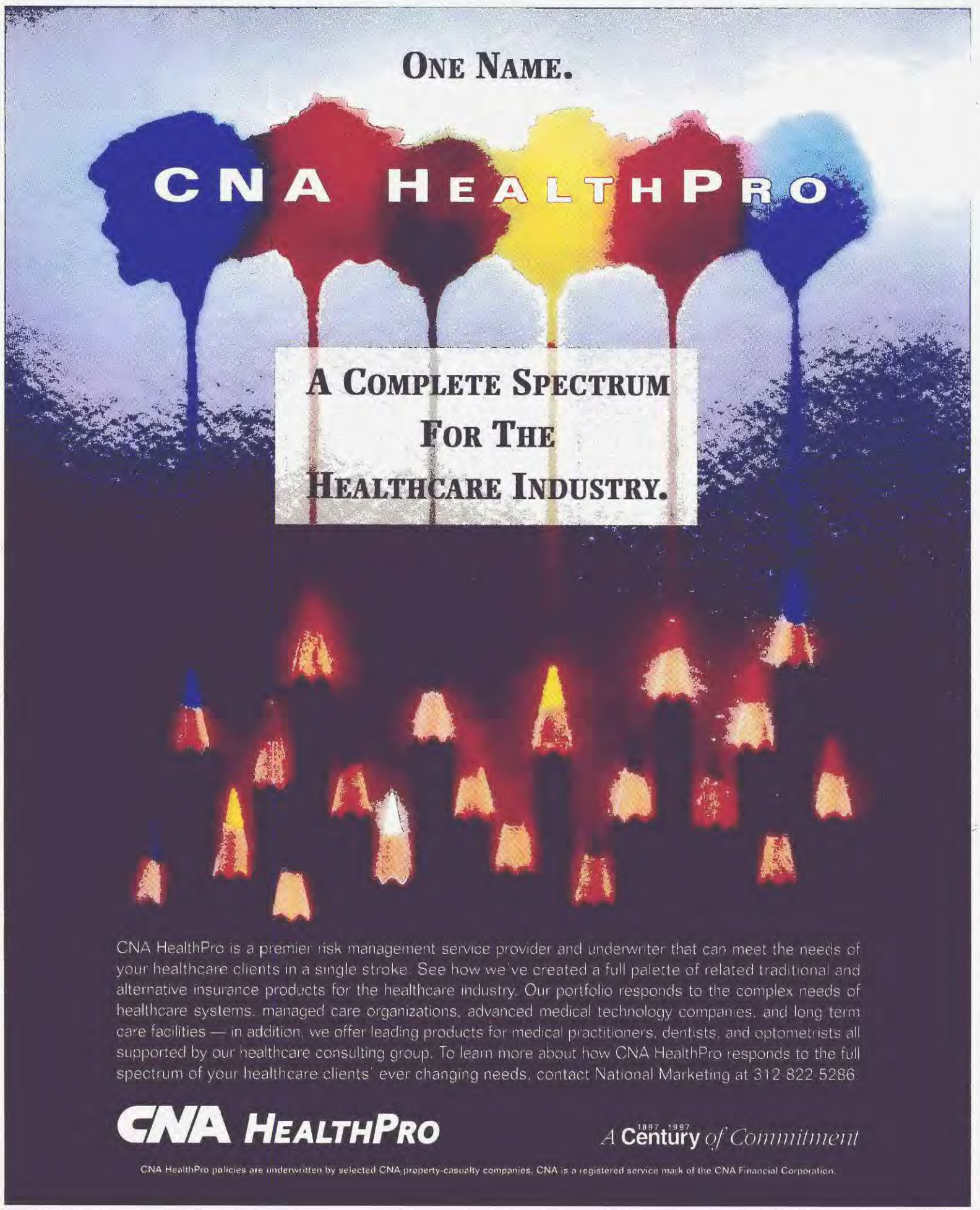
The combination of Aon Consulting Worldwide and The Alexander Consulting Group Inc. creates the world's fifth-largest benefit consulting company, with estimated 1996 revenues exceeding $400 million.

Aon Consulting offers clients employee benefits, human resources, compensation and change management services.

The addition of A&A's consulting arm, which has been merged with Aon Consulting Worldwide, not only doubles its size in terms of revenues, but also enhances compensation and human resources consulting practices in the United States and expands its global market position in the United Kingdom and Australia.

While Bain Hogg sold most of its benefits operations with the previous sale of Hogg Robinson Inc., Aon did pick up small benefits consulting operations in Hong Kong, Belgium and Australia, said Daniel T. Cox, chairman of Aon Consulting.

Continued on page 26



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Further quenching its global desires, Aon Consulting is now a dominant force in Canada as a result of the January acquisition of Martineau, Provencher & Associates Ltd., the largest independently owned actuarial, benefits and human resources consulting firm in Canada. Martineau has offices in Montreal, Toronto and Quebec City. The recent addition of Sodarcan's benefit consulting unit, MLH+A Inc., will further enhance Aon's presence in Canada.

Aon Group's 1995 acquisition of HHL (Holdings) Ltd. gave Aon Consulting a presence last year in Singapore; Bangkok, Thailand; and Hong Kong. Aon Consulting also increased its presence in South America with offices in Bogota, Columbia; and Sao Paulo, Brazil. It hopes to soon open an office in Santiago, Chile.

"Globalization still remains a very high priority for us," Mr. Cox said.

• Aon Specialty Group Inc.

Aon's acquisition of A&A and Minet also creates the world's largest insurance wholesale brokerage.

The combined 1995 volume of premiums placed by Minet's Swett & Crawford Group subsidiary, Alexander Howden North America and Aon's Sherwood Insurance Services unit totals more than $1.3 billion (*BI*, Sept. 16, 1996).

However, Aon's plans are not to integrate all of the wholesale operations into one behemoth. Instead, the unit is building on its existing three wholesale brokers and will create four equally strong wholesale operations that will compete against each other, explained Michael D. Rice, chairman of Aon Specialty.

He said the acquisition of Minet, while "significantly catapulting" Aon's wholesale operations to the top, "also presented a problem."

"We had three strong regional wholesale brokers, and (Swett & Crawford) was national in scope."

Aon Specialty is in the process of consolidating some of the offices of Swett & Crawford, Sherwood, Bryson Associates Inc. and Insurance Brokers Services Inc. The consolidation sometimes is determined by office location and other times by specialty. The process is expected to be complete by the end of the third quarter.

In addition to wholesale brokerage and managing general underwriting, Aon Specialty develops and provides highly specialized insurance products and services for professional groups, service businesses, governments, health care providers and commercial organizations.

Aon Specialty also is in the process of developing a new Washington-based company that will "develop new strategies for the benefit of national associations," Mr. Rice said.

The unit also is looking at expanding its program administration business into Western Europe and South America; its health care business into Western Europe and Southeast Asia; and its underwriting management business into a various international locations, Mr. Rice said.

During 1996, Aon's stock price ranged from a high of $50.875 to a low of $31.375. In March, the company approved a three-for-two stock split, payable May 14 in the form of a stock dividend of one common share for every two shares held. Aon stock was trading at $54.50 on July 11.

The cash compensation, including salary and bonuses, of the top five officers of Aon Corp. in 1996, as reported to the Securities and Exchange Commission, follows:

Patrick G. Ryan	$2,577,692
Michael D. O'Halleran	$1,600,000
Harvey N. Medvin	$1,100,962
Daniel T. Cox	$943,385
Michael A. Conway	$575,385

—By Sally Roberts

3 Sedgwick Group P.L.C.

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1000 Ridgeway Loop Road, Memphis, Tenn. 38120; 901-761-1550; fax: 901-684-3825. Internet: www.sedgwickna.com

	1996	1995
Premium volume	**$11.13 billion**	$11.03 billion
Gross revenues	**$1.5 billion**	$1.47 billion
Brokerage: Retail	**55%**	55%
Wholesale	**10%**	10%
Reinsurance	**7%**	7%
Services	**23%**	22%
Investment income	**5%**	5%
Employees	**15,392**	15,128
Rev./Employee	**$97,302**	$97,217
Offices	**252**	232

Converted at applicable exchange rates.

A week doesn't go by without another whisper that Sedgwick Group P.L.C. is about to merge or be sold to another broker.

Recently there was talk in the London and New York stock markets that Aon Group Inc. was interested in buying Sedgwick, despite having three other major brokers to absorb. Aon declined to comment, though it is still looking to make acquisitions.

Analysts believe that it's just a matter of time, though, before Sedgwick merges with one of its competitors, perhaps even with its London-based rival Willis Corroon Group P.L.C. Indeed, earlier this year Chicago-based investor David Herro—who led a shareholders' revolt against the Saatchi & Saatchi advertising agency board a few years ago—raised his stake in Sedgwick to 3.1%. That play gave rise to rumors that if management didn't force a deal between the two brokerages, then shareholders would (*BI*, April 14). But Mr. Herro, who upped his stake recently to 5.1%, said he has no plans to force the company's hand.

Even Sedgwick Chairman Sax Riley does not rule out any future mergers or acquisitions, though he acknowledges that it appears the first round of brokerage industry consolidation is complete.

Mr. Riley, formerly chief executive of Sedgwick, became group chairman earlier this year upon the retirement of Lord Fanshawe of Richmond. Rob White-Cooper, former vice chairman, succeeded Mr. Riley as chief executive and chairman of the executive management group.

Any mergers or acquisitions "would have to fit our strategy: to grow our consultancy business; to add distribution where we think it brings us the right answers," he said.

Sedgwick will not enter into any deal, Mr. Riley said in the broker's annual report, "unless we are convinced that it met our aim of increasing shareholder value in the longer term."

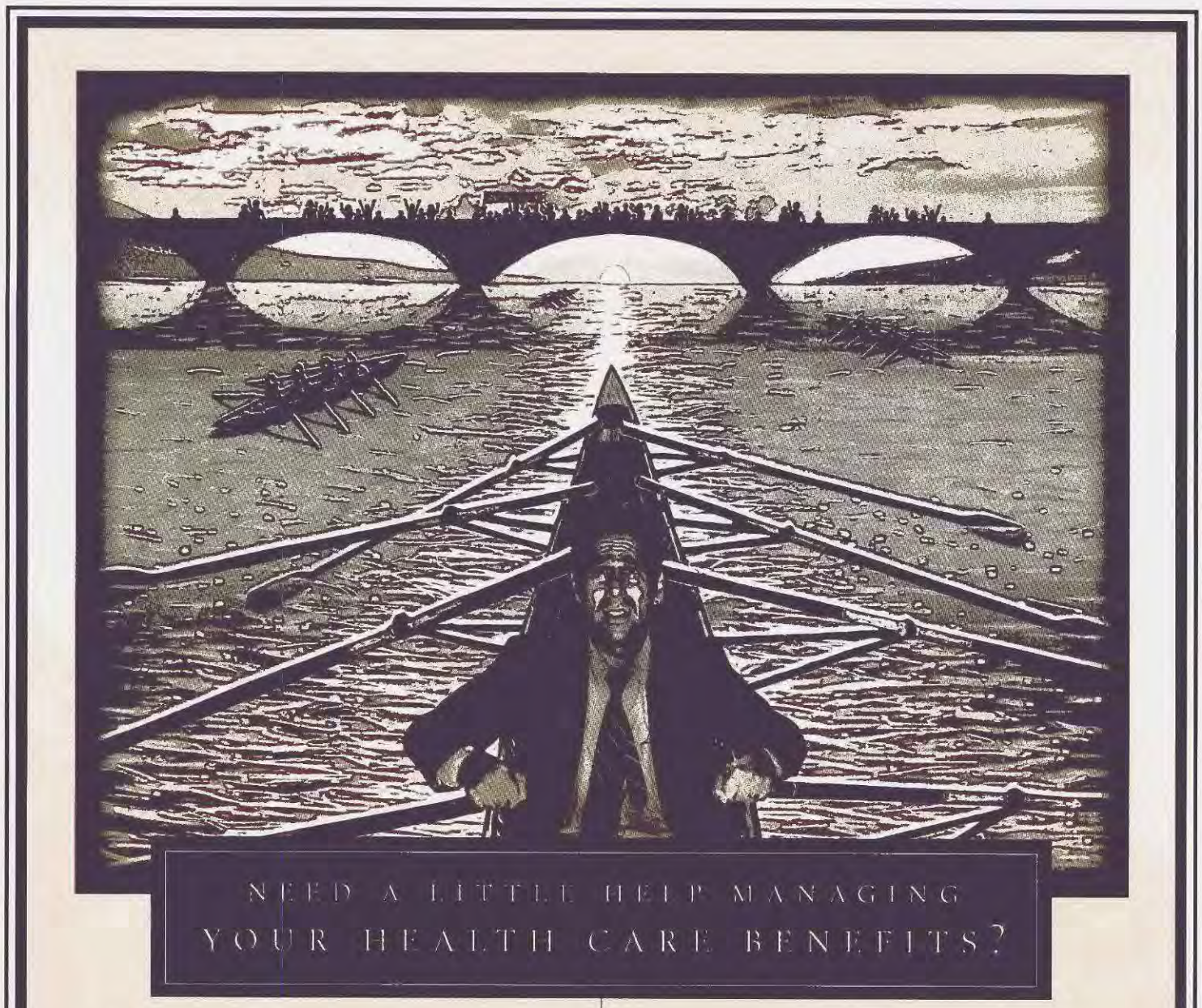
Mr. Riley doesn't rule out a merger some day with Willis, though Willis has maintained that it would prefer to remain independent (*BI*, April 21).

In spite of the big acquisitions made by its two larger competitors—Aon Group Inc. and Marsh & McLennan Cos. Inc.—in recent months, Sedgwick's position among the world's top brokers hasn't changed. The broker is still No. 3 in *Business Insurance*'s 1997 ranking of the world's largest brokers, based on 1996 gross revenues.

Sedgwick's gross revenues grew 3.1% last year to £960.3 million from £931.5 million at year-end 1995. In dollar terms, revenues inched up to $1.5 billion in 1996 from $1.47 billion in 1995.

The group's revenues are less than half those of the world's second-largest broker, Aon, and less than one-third of Marsh & McLennan.

Continued on page 28



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[1]HCIA, a healthcare information company and William Mercer, a human resources management consulting firm, cooperatively published a 1996 study: "100 Top Hospitals: Benchmarks for Success."

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Spotlight report

Continued from page 26

However, said Mr. Riley, "We don't necessarily want to be the biggest, but we want to be the highest-quality distributor of products and services. We have a single culture running right through our businesses worldwide, and we believe that being Europe-based makes us certainly an alternative player," Mr. Riley said.

Sedgwick last month decided for the first time to list its shares on the New York Stock Exchange. Sedgwick considers itself a global broker, and "the other two global broking houses are duly listed in both New York and London," said Mr. Riley. "I think that it's very important that our clients and our staff see that we're in the same mode as them."

Sedgwick also sought a listing because U.S. stock analysts are not familiar with the group. As a result, transatlantic acquisitions have proved "extremely difficult," said Mr. Riley. Hopefully, opportunities will improve once the investment community gets to know Sedgwick, he reasoned.

There hasn't been much interest yet in the NYSE stock. As of July 11, it closed at $10.81 per share, up only slightly from the $10.45 share price at which it was first listed on June 2.

"There's hardly any movement and hardly any purchase. But we've been told by our advisers that Rome was not built in a day," said Mr. Riley.

Sedgwick stock is primarily traded on the London Stock Exchange and closed at 124 pence ($2.10) per share on July 11, though it had traded as high as 144 pence ($2.44) during the previous 52 weeks.

In its presentation to U.S. investors, Sedgwick explains that it is "a powerful force well-positioned for long-term growth."

Sedgwick has shown analysts that, over the past five years, its commission and fee revenues have gained steadily to £914.9 million last year ($1.43 billion), from £631.9 million ($1.11 billion) in 1992.

A key factor in the growth during this five-year period has been Sedgwick's benefit consulting unit, Sedgwick Noble Lowndes Group, formed as a result of the 1993 acquisition of Noble Lowndes & Partners Ltd.

Operating profit also has steadily risen, reaching £100.3 million last year ($156.5 million), up 11% from £90.3 million ($142.5 million) in 1995, and 34.5% higher than 1992. Pretax profits increased 6% to £95.5 million last year ($149 million) from 1995 profits, and were 68% higher than 1992 earnings.

On paper, Sedgwick's first-quarter 1997 results don't run true to this trend. Commission and fee revenue dropped 3.5% to £234.7 million ($370.8 million) compared with the first quarter of 1996; while first-quarter investment income dropped 16% to £9.8 million ($15.5 million). First-quarter pretax profits also dropped 4% to £43.5 million ($68.7 million).

But Sedgwick's quarterly results were socked by a soaring British pound that has dampened income in other currencies, particularly European currencies, which Sedgwick doesn't hedge. At constant exchange rates, revenues increased 3% and pretax profit by 4%, the company claims.

Sedgwick's "strategy going forward" to achieve profitable revenue growth is to extract the maximum it can from "our so-called mature businesses, while at the same time laying a foundation for profitable growth in either developing countries or in new developing lines," said Mr. White-Cooper, Sedgwick's chief executive.

Sedgwick's main insurance and reinsurance services operations have seen healthy gains in new business. Overall, Sedgwick saw an 8% increase in revenue from new business to £191 million ($298 million) last year, compared with 1995, according to Mr. White-Cooper.

Sedgwick Group's main operating units are:

- Sedgwick Europe Risk Services Ltd., created last year by the merger of Sedgwick Europe and Sedgwick Payne and combines the group's European retail, wholesale and reinsurance businesses and its specialized global businesses.

SERS saw a 6.3% increase in new business in 1996. Overall, SERS's revenues increased 2% to £348.8 million ($544.1 million) last year. The unit, headed by Richard Titley, chairman of the unit and a group vice chairman, accounts for 38% of Sedgwick Group's commission and fee revenues.

Sedgwick Global Reinsurance Services, a division that includes the broker's North American and U.K. reinsurance operations, also falls within the scope of SERS.

Although Sedgwick has enjoyed good growth in continental Europe, larger gains have been held back by competitive conditions in the London market, which are "quite difficult," said Mr. White-Cooper.

Any mergers or acquisitions 'would have to fit our strategy...' says Sedgwick Chairman Sax Riley.

Including benefit consulting operations, about £466.5 million ($727.7 million), or nearly 49%, of Sedgwick Group's gross revenues are generated from Europe.

- Sedgwick North American retail, which includes U.S.-based retail brokerage subsidiary Sedgwick Inc., saw a 9.7% increase in new business last year. The unit's U.S. retail commission and fee revenues increased 3% last year to £290.1 million ($452.5 million); while in Canada, commission and fee revenues increased 14% to £22.7 million ($35.4 million), according to Sedgwick's annual report.

Altogether, North American retail accounts for 32% of the broker's commission and fee revenue.

Sedgwick Claims Management Services in the United States has been a particular success, according to Sedgwick executives, with revenues increasing 56% since 1992 to £77.3 million ($120.6 million) last year. 1996 revenues were up 12.5% from 1995.

As part of a Sedgwick strategy to establish alliances and partnerships to increase revenue, Sedgwick North America and Bermuda-based mutual insurer Associated Electrical & Gas Insurance Services last year formed a claims administration facility specializing in U.S. utilities and energy-related industries. The new company, Aegis Claims Management Services, provides multiline claims administration, 24-hour claims reporting and medical cost-containment programs.

North America's soft commercial insurance market generally has put a damper on growth, cutting commissions as much as 20% to 30% in the past year, executives acknowledged.

"There's no question that property/casualty commissions from renewals are down," said Quill Healey, chairman and chief executive officer of Sedgwick Inc. in Memphis and vice chairman of Sedgwick Group.

The U.S. workers compensation market has seen significant reductions in rates and commissions, due to legislative changes, added Mr. Healey. The once-$26 billion premium busi-

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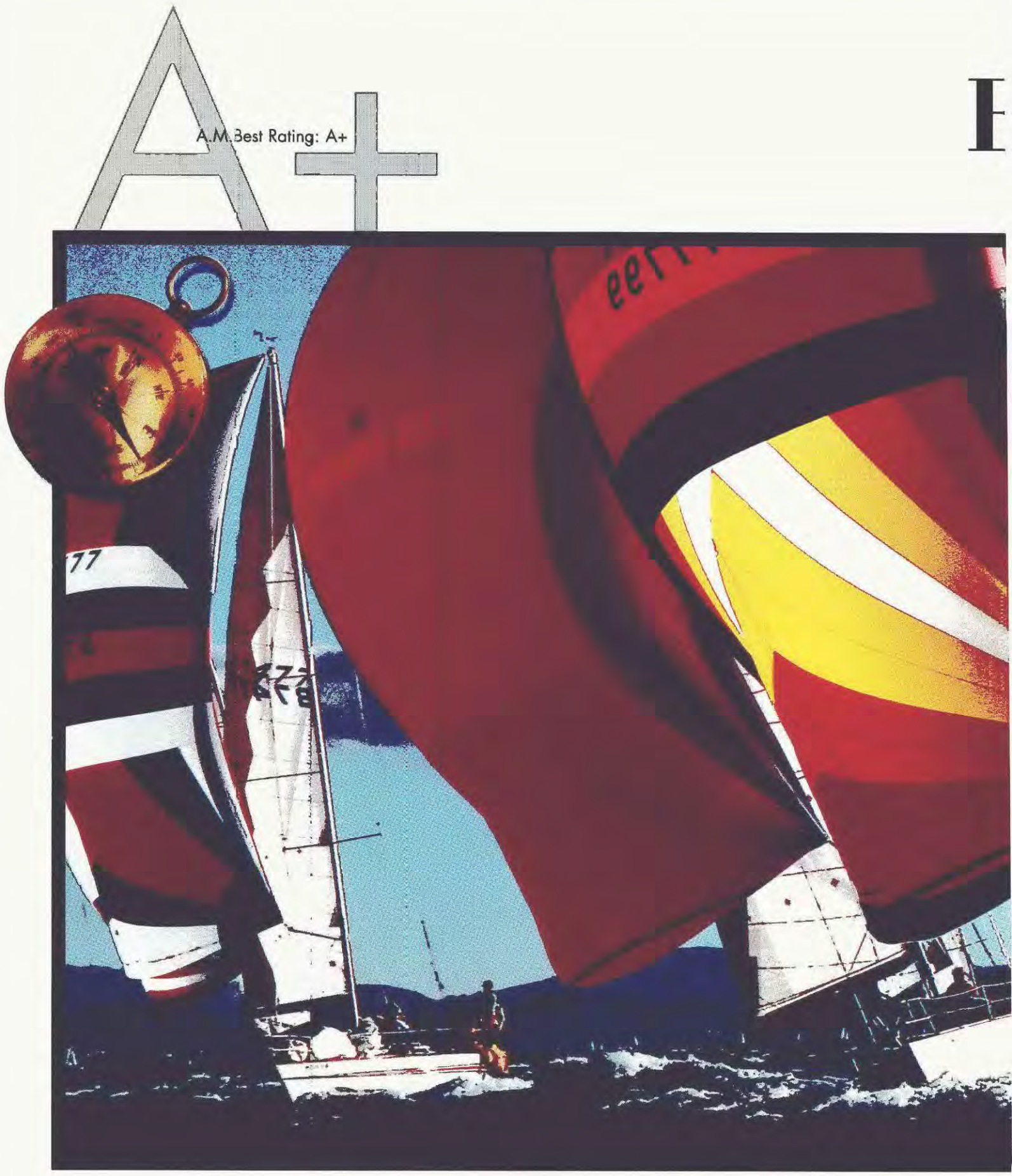

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ness in workers compensation now is $20 billion, he said.

"Commissions and everything connected with workers compensation is going through major change," he said.

However, Sedgwick has achieved its goal of generating 50% of its revenues in brokerage commissions and 50% in consulting fees in North America, which enhances the broker's results, said Mr. Healey.

"The new business that's coming through our risk consulting and claims management, and the major proportion of our revenue coming in on a fee basis, is helping us through the soft market," he said.

In all, North American retail, wholesale, reinsurance and employee benefit services generated £421.6 million ($657.7 million), or 44% of Sedgwick Group's gross revenues last year.

• Sedgwick Asia Pacific retail, which saw a 9.7% growth in new business in the past year. This unit, which accounts for 5% of total commission and fee revenues, grew 5% in revenues to £48.4 million ($75.5 million) last year. Revenue was up 16% in Asia, but difficult markets held back revenue growth in Australasia to 1%.

About 7% of Sedgwick Group's gross revenues is generated in the Asia Pacific region in insurance, reinsurance and employee benefit services.

• Sedgwick Noble Lowndes, which saw a 6.9% gain in new business last year. This unit's brokerage and fee revenues increased 2% to £208.5 million ($325.3 million) last year, accounting for 23% of total commission and fee revenue.

SNL is the largest Europe-based employee benefit consultant and the world's sixth-largest, said Mr. Riley.

In the past month, Sedgwick and other pension sellers and providers have come under fire from the British government's Economic Secretary to the Treasury, Helen Liddell, for failing to compensate people who were encouraged to move to personal pensions from employer-provided pensions after being given incorrect advice that personal pensions would accrue more money. Ms. Liddell recently listed 24 companies she said had failed to settle these cases. Sedgwick was No. 4 on the list, having settled only 1% out of 6,731 claims; but some companies on the list have more than 50,000 claims against them.

"We've made it pretty clear right the way through both internally and externally of the extreme seriousness and commitment of the Sedgwick Group in resolving this issue as quickly as possible," said Mr. White-Cooper.

The delay in part has been because Sedgwick has had to inform its professional liability insurers and make sure they agree to indemnify Sedgwick for any claims it pays, he added.

The government wants the situation resolved as soon as possible.

"And we recognize this fully, and we've said right along that our commitment is there," said Mr. White-Cooper. Cases are being settled according to a time limit agreed to by regulators and will be completed by the end of next year, he said.

An element in Sedgwick's long-term growth strategy is further development of the group's global network.

Including offices in which it does not have majority ownership, Sedgwick has 279 offices in 71 countries employing more than 15,000 people. This includes 102 offices with 7,200 employees in Europe and Scandinavia; 101 offices with 6,300 employees in North America; and 32 offices employing 1,200 in the Asia Pacific region. Sedgwick also has 44 offices in Africa, Latin America, the West Indies and the Middle East.

Last year, Sedgwick established offices in Azerbaijan, Namibia, South Africa, the Slovak Republic, Ukraine and Vietnam. Sedgwick acquired Wiesbaden, Germany-based broker Kurt Hamm & Sohn Versicherungsmakler GmbH last year and Minet Group's operations in the Czech and Slovak Republics.

When it comes to generating business outside North America and the United Kingdom, "Sedgwick is up there with Marsh and Aon," said Mr. White-Cooper. About 26% of its revenues are generated from the "rest of the world," in line with the other two global brokers, Sedgwick claims.

Sedgwick foresees growth in employee benefits, including private pension and health care plans, in Europe as more governments continue to break up their expensive social security systems, said Mr. White-Cooper.

The expanding role of the broker in the single European insurance market also presents opportunities, he said, causing Sedgwick to set up joint ventures in various European countries where necessary. For example, Sedgwick this year has signed a letter of intent to set up a joint venture with one of Italy's largest brokers, Milan-based Gruppo Nikols. Sedgwick will own 49% of the as-yet unnamed venture and will control the board. This will make Sedgwick one of the largest brokers in Italy with 600 employees, and will give it a stake in Latin America, where Nikols owned subsidiaries.

Under Sedgwick's growth plan, it also will seek to attain half its revenues from brokerage services and half its revenues from consulting within the next three to five years, Mr. Riley said. Although it achieved this 50-50 level in the United States, worldwide Sedgwick continues to derive about 63% of revenues from brokerage commissions.

Sedgwick now has a wide range of consulting and outsourcing businesses, including employee benefit consultant Sedgwick Noble Lowndes; runoff consultants Reinsurance Solutions Ltd. and ReSolutions International Ltd.; The Risk Strategies Group, a U.K.-based joint venture with Price Waterhouse to provide risk management consulting; and Lloyd's of London underwriting agency Sedgwick Oakwood Lloyd's Underwriting Agents Ltd., which was created in May 1996 when Oakwood Underwriting Agencies Ltd. was acquired and merged with Sedgwick Underwriting Agents Ltd.

In the United States, it also owns alternative risk financing consultant Sedgwick Lane Financial L.L.C. in Chicago. "Although it's an immature business, it's picking up steam," Mr. Healey said of Sedgwick Lane.

Underwriting no longer is part of Sedgwick's plans. In November 1996, the group's River Thames Insurance Co. Ltd. ceased underwriting and was placed into runoff. This completed Sedgwick's exit from active underwriting, which began when its Americas Insurance Co. unit was put into runoff in 1995 and Mendip Insurance & Reinsurance Co. was sold in 1994.

When Americas was put into runoff, its net assets were £35 million ($55.2 million). Since then, Sedgwick has released £12 million ($20.3 million) in cash to reduce corporate debt and hopes in the next four years the remaining funds will be recovered, according to Sedgwick's annual report.

In February, Sedgwick bought the remaining 49.9% share of River Thames from Transamerica Corp. for £12 million ($20.3 million) in cash plus £2 million ($4 million) to be based on profitability over the next five years ending Dec. 31, 2001.

Sedgwick has explained to shareholders that with efficient management runoff by ReSolutions, the group expects to receive over time cash at least equivalent to the net assets of River Thames of £57 million ($96.4 million).

—By Stacy Shapiro

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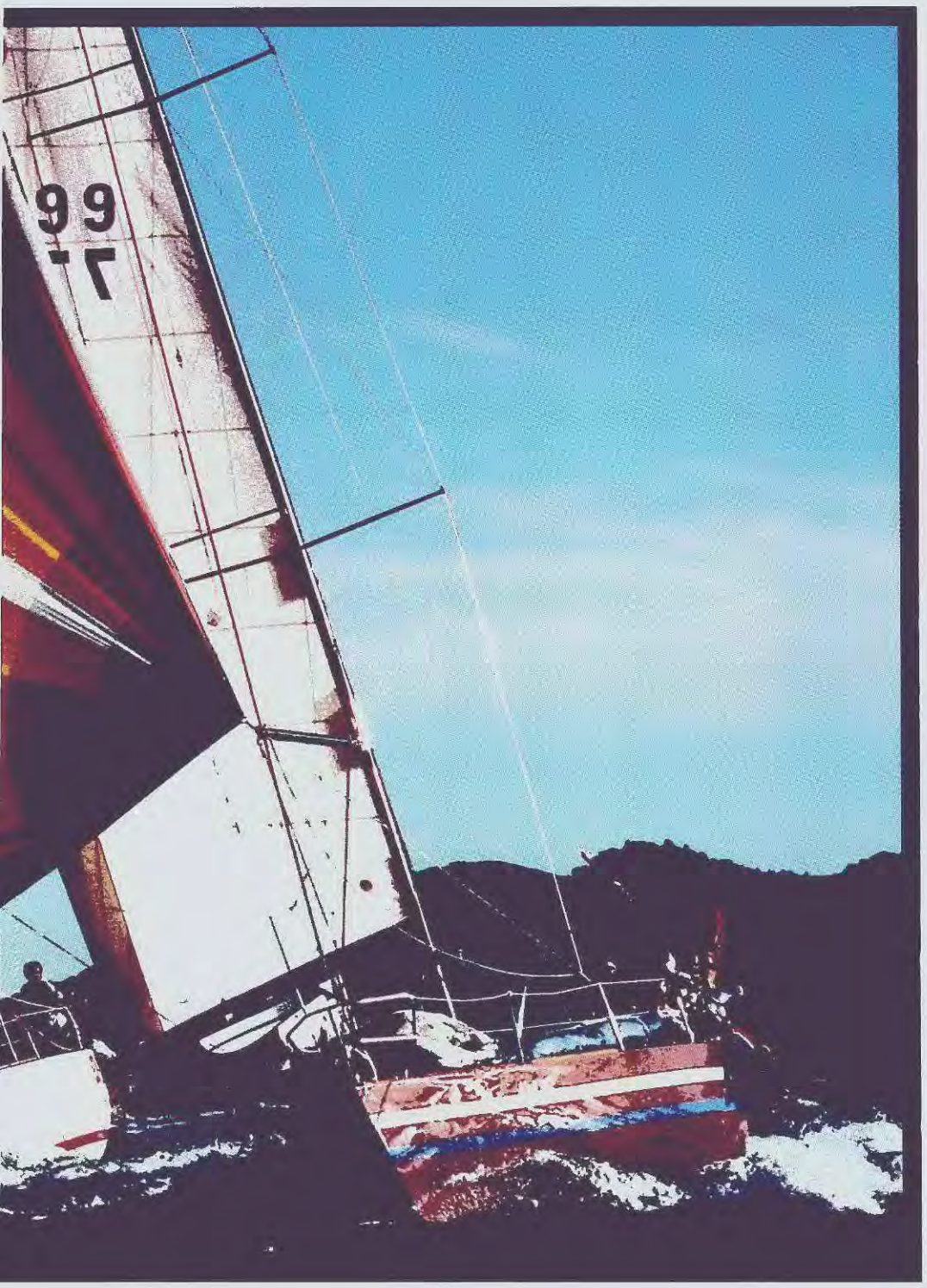

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Spotlight report

4 Willis Corroon Group P.L.C.

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Internet: www.wcg.co.uk
www.wilcor.com

	1996	1995
Premium volume	$10.92 billion	$11.05 billion
Gross revenues	$1.13 billion	$1.11 billion
Brokerage: Retail	51%	52%
Wholesale	12%	19%
Reinsurance	18%	17%
Personal	5%	5%
Services	8%	10%
Investment income	6%	7%
Employees	9,116	10,226
Rev./Employee	$124,036	$108,945
Offices	128	130

Willis Corroon saw its restructuring and expense control efforts begin to bear fruit in 1996.

Gross revenues increased 2.7% to £725 million from £706 million in 1995. Converted to U.S. dollars at applicable exchange rates, that reflects a 2% increase, to $1.13 billion from $1.11 billion in 1995.

Better news came in pretax profits, which, including discontinued operations, came in at £91.6 million ($142.9 million), up 82% on its 1995 level.

For 1995, Willis reported exceptional charges totaling £36.6 million ($57.8 million), and the broker faced other charges in 1996. A charge of £6.3 million ($9.8 million) related to Lloyd's of London's reconstruction and renewal plan; adverse exchange rate movements, which wiped £3.1 million ($4.8 million) off the bottom line; and £11.3 million ($17.6 million) in severance costs relating to restructuring, all cut into profits.

Staff numbers fell as part of Willis' restructuring while revenues per employee soared 14%, and Willis disposed of several non-core operations in the United States, adding £2.5 million ($3.9 million) to Willis' profits.

As part of the restructuring, Willis used the proceeds from sold operations to reduce debt to zero and strengthen the balance sheet.

In the first quarter of this year, revenues including discontinued operations fell 7% to £193.9 million ($323.1 million) compared with the same period last year. Pretax profits also declined 5% to £45.7 million ($77.3 million). This was "in line with expectations," Executive Chairman John Reeve said in a statement. The results reflected both the highly competitive conditions in the insurance market and the strength of the British pound against the dollar and other currencies.

The increase in 1996 gross revenues is attributable to internal growth. In addition, Willis in 1996 assumed 100% ownership of two associate offices, one in Australia and another in the Netherlands. Willis also opened offices in Sao Paulo, Brazil; Santiago, Chile; and Malmo, Sweden.

So far in 1997, Willis has acquired three small U.S. offices, raised its stake in its former associate office in Brazil to 100% from 30% and agreed to buy a one-third share in French broker Gras Savoye S.A., the world's ninth-largest broker. Willis also became a licensed insurance broker in Japan and opened a representative office in Shanghai, its second in China.

Three U.S. operations were sold last year, including employee benefit consulting firm WF Corroon to Buck Consultants Inc., now owned by Pittsburgh-based Mellon Bank Corp. Willis continues to broker employee benefit plans and has a mutual arrangement with Buck to service clients.

'(We) have been refocusing our business on the areas where we think we can truly succeed,' says Executive Chairman John Reeve.

Divestitures of non-core operations have been completed with Willis' recent announcement of the buyout of its Lloyd's members agent, Willis Faber & Dumas (Agencies) Ltd. by the agency's management. Willis Faber & Dumas contributed £14.5 million ($22.6 million) to the broker's 1996 profits.

"When we looked critically at our business, there were a number of areas where we did not have particularly strong positions and where to make them strong we would have had to invest enormous amounts of money and time and effort, and we were very unsure that we would get adequate rewards on that," Mr. Reeve explained in an interview. "So we have been refocusing our business on the areas where we think we can truly succeed, and activities that don't fit with that clear, sharp focus we would rather dispose of in order to concentrate our resources in the areas where we can be most effective."

Growth in 1996 was "against a generally pretty difficult industry background of declining premiums," said Mr. Reeve. Critical business areas for Willis Corroon, such as marine insurance and non-marine reinsurance, saw "sharp declines," he added.

Rate declines varied across the group, said Group Executive Director Max Taylor, who is expected to leave Willis next year to become chairman of Lloyd's.

The soft rating environment is a "major challenge," said Mr. Reeve, "but it's one that we are overcoming" by cutting expenses, increasing revenues and offering clients various risk financing solutions.

Willis has set performance targets and strategies for individual business units, though the company would not provide details.

Currently, 80% of Willis' revenues come from the United Kingdom and the United States, though the broker is looking to increase its share from other territories.

"We've been pretty consistent over the last few years in terms of our group strengths," said Mr. Taylor. "We've got a very prominent position. . .in the U.K. retail market, particularly with the upper end of the market. As far as the U.K. is concerned, we have both market share and a very high level of expertise and skill."

Willis' traditional U.S. business has come from middle-market companies, or those that typically do not have a full-time risk manager. In recent years, the broker has been trying to expand on its well-established middle-market presence, turning to other group strengths, such as aerospace, marine, energy, financial and professional risks, as well as reinsurance. These businesses now are "thriving," said Mr. Taylor.

This has been brought about partly by a restructuring program begun in the fall of 1994. "Early 1995 saw . . .implementation of that activity," explained Kenneth Pinkston, chairman of Willis Corroon Corp. of Nashville, Tenn., and group executive director of Willis Corroon Group P.L.C. "That resulted in improved results in 1995 and. . .again in 1996. And now what we are focusing on is a commercial brokerage approach—an initiative to find ways to improve the revenue, which is a challenge for all brokers in this environment."

The emphasis of the restructuring is to instigate a "best practice" environment throughout all North American operations. "We are trying to bring all offices up to a higher level of expertise and ability to deliver," said Mr. Pinkston.

Acquisitions form part of that program, but he and Mr. Reeve insisted that Willis is focused on internal revenue growth and bringing "quality people" into the organization.

The three acquisitions so far this year—the Nashville, Tenn., office of Lockton Cos., the Atlanta office of Arthur J. Gallagher & Co. and an unidentified "small independent brokerage firm" specializing in construction—had purchase prices in the region of $1.5 million to $3 million each.

More acquisitions are in the pipeline, and some have reached the evaluation stage, said Mr. Pinkston. He said he would be pleased if two more acquisitions were completed by the end of the year, and it could continue.

"As long as the environment is proper for that, we would certainly want to continue," he said. A proper environment includes willing sellers and a good fit with the Willis network and corporate philosophy.

"The key with acquisitions is that they have to fit our overall strategic focus—they have to really do something for us," said Mr. Reeve. "They have to be a very good cultural fit, particularly in terms of the quality and professionalism of the business. And they have to fit fairly stringent financial criteria we impose in that they have to be shareholder value-creating over time. . . .So acquisitions do have their place. They are a part of our strategy."

Willis continues to increase its international presence, and Mr. Taylor rebutted analysts' suggestion that the broker was historically focused on just North America and the United Kingdom.

"My view is that Willis has historically been the most geographically diversified of the brokers," he said. It's a mistake to confuse an international presence with revenues, he said, but Willis plans to increase its network of offices in 74 countries.

Although a relatively small proportion of revenues come from local operations, a much larger percentage is from clients from all over the world, he said. That substantial international client base has allowed Willis to expand into markets where it already has a presence in some form.

Since 1990, Willis has concentrated on expanding operations in three geographic regions: Europe, Asia and Latin America.

Continental European operations have spread to include a network of offices, ranging from France to Greece. "They are either owned or we have a substantial shareholding," said Mr. Taylor. Most recently, Willis agreed to buy a one-third stake in Gras Savoye, France's largest broker.

Mr. Reeve said investing in Gras Savoye fits Willis' strategy to "achieve leadership positions in particular markets." Historically, Willis and Gras Savoye had a close relationship as part of the UNISON network, in which Willis was the U.K.-based partner. That relationship was severed when Willis Faber Group P.L.C. merged with U.S. broker Corroon & Black Corp. in 1990, at which point Johnson & Higgins took over Willis' role.

However, Johnson & Higgins' acquisition by Marsh & McLennan Cos. Inc. this year removed J&H from UNISON, casting the network's future into uncertainty.

Mr. Reeve refused to say whether Willis will forge relationships with the remaining UNISON partners.

"Each former member of UNISON has to make a decision about what they want to do," he said, adding that Gras Savoye will continue to trade with UNISON members. "Ultimately, we will have to see who owns the individual members."

In any case, Willis routinely examines "a whole range of opportunities" for new business relationships, said Mr. Reeve.

The string of megamergers among the top brokers is creating opportunities for Willis in Europe. It has "made many other brokers. . .rethink their strategy, and as a result of that, we have had some opportunities that would not have occurred had the megamergers not taken place," said Mr. Reeve.

Also, Willis has attracted some

Continued on page 32

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Spotlight report

Continued from page 30

"very high-caliber people" in its U.S. operations, and the broker expects to continue hiring qualified individuals and teams, Mr. Reeve said.

The Asia-Pacific region continues to attract Willis' attention. In addition to its inroads into the Japanese and Chinese markets, the broker has built a network of offices from South Korea to New Zealand, and last year acquired full ownership of Australian associate Willis Corroon Richard Oliver Pty.

Latin America is the third geographic region to attract Willis' interest. "Our strategy in Latin America has been to establish very high-quality local reinsurance-based operations," said Mr. Taylor. Local staff members help cement relationships with local insurers, and the organization is in the process of building a retail network.

"There are a number of initiatives we are looking at in terms of how to move that forward," said Mr. Taylor.

Earlier this month, Willis bought out Brazilian broker York Willis Corroon Corretores de Seguros S.A., in which Willis previously held a 30% stake.

Through all this activity, Willis has been parrying rumors of a possible merger with rival Sedgwick Group P.L.C. Certain investment analysts have said both brokers could be digging their own graves if they don't merge, as Aon Group Inc. and Alexander & Alexander Services Inc., and J&H and M&M have done.

Willis has softened its previously hard line about the possibility of a large merger. "Well, you can never rule anything out absolutely, but that's not part of our strategy," said Mr. Reeve. "We have a clear strategy to add value on behalf of our shareholders and to develop this business further, and we think that we wish to pursue that strategy vigorously."

'It's a prudent planning assumption that there is excess capital in the global insurance markets,' says John Reeve.

"We have no major strategic alliances in process," said Mr. Pinkston, though "we might consider some of a global basis."

The concept of shareholder value is an important facet of Willis' strategy. Also high on the strategy list is providing added value to the customer. Willis is moving from being a broker of traditional insurance products to becoming an adviser on a client's total risk exposure. As a consequence, Mr. Reeve expects to see more revenue coming from fees rather than commissions.

"Certainly we regard ourselves as becoming increasingly more like a professional service firm over time and less and less like a pure transaction broker," said Mr. Reeve.

The restructuring also has resulted in an 11% drop in head count between 1995 and 1996, though Mr. Reeve does not anticipate more "around the corner." The reduction helped cut Willis Corroon's cost base "to a much better level than had existed previously," he said. Willis continues to look for new ways to increase efficiency and customer service.

Last year, as part of its customer service initiative, Willis conducted market research into the wants and needs of corporate risk managers. The results showed "that there are quite different buying characteristics exhibited by clients," said Mr. Taylor. That has enabled the organization to sharpen its focus.

"We think we have a pretty good understanding of the way the market segments and the different types of corporate buyer that exist out there," said Mr. Reeve, "and we have some fairly tailored value propositions for different groups of clients."

He also sees educating clients in risk management alternatives as part of Willis' role. "We are in the business fundamentally of meeting client needs, but we are also able to change the thinking—at least sometimes—about what their problem is and what they really need."

Willis has been seeing more business from new as well as current clients as the result of the recent broker megamergers, as clients want more choice. And more customers are turning to the company as Willis communicates its strategy, said Mr. Taylor.

"Whereas historically we have tended to look at the business in terms of size, in terms of scale, in terms of how much (we) can generate in revenue, by thinking of it completely differently—in terms of where we can differentiate ourselves, where are the opportunities—we are suddenly finding a whole lot of opportunities are opening up to us," he said.

But not all is so positive. Earlier this month, Willis decided to put its insurance subsidiary Sovereign Marine & General Insurance Co. Ltd. into provisional liquidation.

Sovereign had been in runoff since 1991, and reserve strengthening since then had cost Willis £72.8 million ($123.2 million), on top of runoff costs of £20 million ($33.8 million). The decision to stop supporting Sovereign was made "with great sadness," said Mr. Reeve, after it lost an arbitration with London-based reinsurer AXA Reinsurance (U.K.) P.L.C., which prevented Sovereign claiming reinsurance recoveries estimated at £10 million.

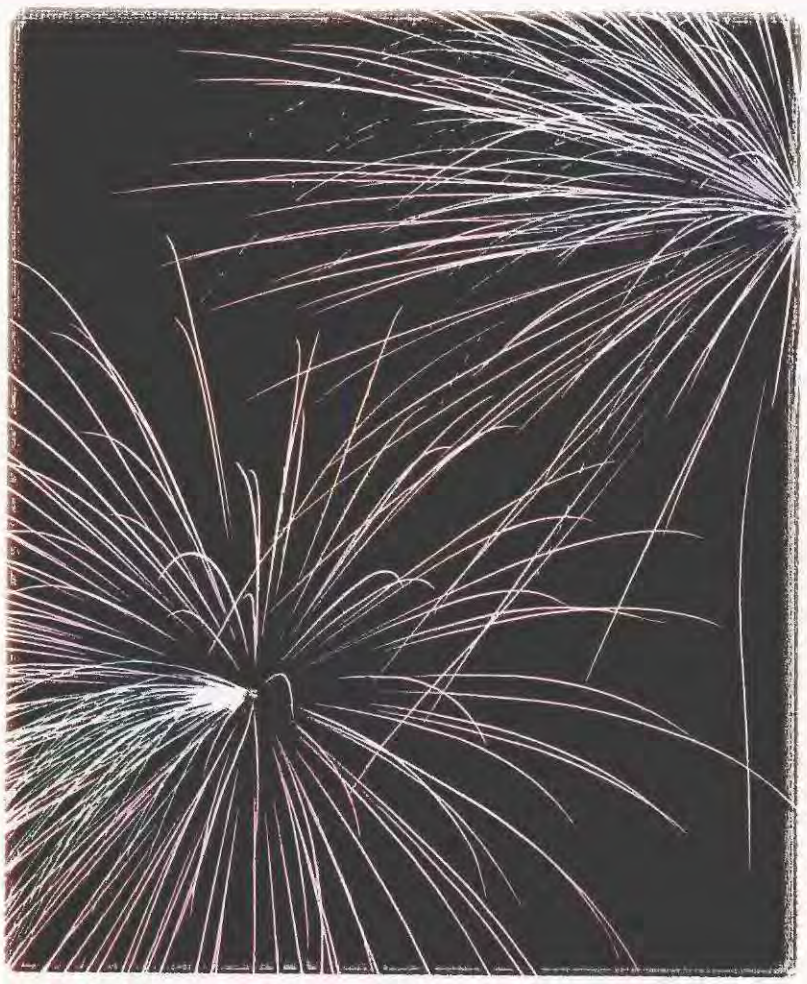
On examining the arbitration report, "it became clear that it could have very significant implications in terms of additional liabilities for Sovereign," explained Mr. Reeve, and an immediate consequence would have been to increase Sovereign's reserves substantially. AXA Re was only one of the reinsurers involved, said Mr. Reeve, and the arbitrator's decision could have serious implications for other reinsurance treaties held by Sovereign. London market executives say Willis' decision may have jeopardized its relationship with various companies in the London insurance market.

But, in the prevailing soft market, insurers and reinsurers are continuing to court brokers.

Willis is factoring a competitive insurance market into its plans for the next century.

"We think it's a prudent planning assumption that there is excess capital in the global insurance markets, that premium rates will continue under pressure," said Mr. Reeve. Consequently, Willis has broadened the spread of products and services it offers its clients. Willis' aim, said Mr. Reeve, is "to be innovative on behalf of the client and to seek proper reward for achieving what we think we can achieve, but it does require quite a lot of cultural change and change in the way we do our business."

—By Sarah Goddard



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Spotlight report

5 Arthur J. Gallagher & Co.

2 Pierce Place, Itasca, Ill. 60143; 630-773-3800; fax: 630-285-4000; Internet: www.ajg.com

	1996	1995
Gross revenues	**$456,679,000**	$411,998,000
Brokerage: Retail	**55%**	55%
Reinsurance	**1%**	1%
Personal	**1%**	1%
Services	**38%**	39%
Investment income	**5%**	4%
Employees	**3,939**	3,739
Rev./Employee	**$115,938**	$110,189
Offices	**64**	62

Openings created by recent megamergers among insurance brokers not only pulled Arthur J. Gallagher & Co. higher up the list of the world's largest brokers but also created new opportunities for growth.

Those opportunities include prospects for new retail brokerage accounts, the chance to bring additional talent into the Gallagher organization and access to new sorts of business and business relationships.

"There are tremendous opportunities for us right now. We are as turned on and as excited a company today as I think we ever have been," said J. Patrick Gallagher Jr., president and chief executive officer of the Itasca, Ill.-based broker.

"We have picked up accounts that have not been happy with the consolidation, that have said, 'I chose not to be with X broker or Y broker; I'm not going to let them just buy my business,' " he said.

While cautioning that the megamergers haven't prompted "wholesale defections of clients," they have given Gallagher "an opportunity for us to get out and tell our story."

"The second thing they've given us is a great opportunity to hire people," Mr. Gallagher said. The company recently picked up a "substantial team of people" from Minet Group in London, he noted, and is "talking to a whole host of other people in the London market and in this country."

That access to talent facilitated Gallagher's creation this spring of its Risk Placement Services wholesale unit.

For that unit, "we hired four people in Chicago that were not available to us until the megamergers," Mr. Gallagher said. "We're talking to people in Atlanta, New York, Los Angeles, San Francisco."

The new wholesale operation will be built as a separate business within the company, and "there will be a 'Chinese wall,' " he said. "We're not going to disrupt these people's relationships with outside brokers," he said. "And our property/casualty production force will not get access to other brokers' information."

Mr. Gallagher said he expects the new unit will be in the black after just its first three months in operation.

While the companies at the top of the broker heap—Marsh & McLennan Cos. Inc. and Aon Group Inc.—have been busy with acquisitions, Gallagher has proved no slouch in the M&A department itself.

"We have been part of the consolidation," Mr. Gallagher conceded. But, he said what distinguishes his company's approach to mergers and acquisitions through the years is that it isn't swinging for the fences with every deal.

"We want to hit singles and doubles, singles and doubles, pool interest, build our partnership," he said.

Over the years, the Gallagher family and the firm's original owners have taken their equity in the company down to about 20% from 100%, he noted, "And it's the old adage: We're much happier owning 20% of a watermelon than 100% of a pea."

In addition to last year's purchase of majority interest in Sydney, Australia-based National Risk Control Services Pty. Ltd. to create Gallagher Bassett Australia Ltd., in 1996 Gallagher used 1,115,000 of its common shares to acquire five brokerage firms and an investigation services firm.

Those companies included Levitt/Kristan Co. of Los Angeles; Phoenix-based Alliance Insurance Group; Lamberson Koster & Co. of San Francisco; Morgan, Read & Coleman (Holdings) Ltd. and Morgan Insurance Services Ltd. of London; Pasadena, Calif.-based R.W. Stephens & Co. Inc.; and Maitland, Fla.-based Beymer & Bond Investigations Inc.

"By doing that, using our currency, the stock of our company, we've built a marvelous partnership," Mr. Gallagher said.

So far this year, Gallagher has acquired Englewood, Colo.-based Byerly & Co. Inc. and Troy, Mich.-based Arnold & Co. Inc., both employee benefit consulting businesses.

Also this year, Gallagher divested itself of an office in Atlanta, selling it to Willis Corroon Group P.L.C. Terms of the transaction were "immaterial," Mr. Gallagher said.

'There are tremendous opportunities for us right now. We are as turned on and as excited a company today as I think we ever have been,' says J. Patrick Gallagher.

In approaching mergers, ultimately Gallagher is looking at the opportunities they bring for expanding the company's operations, rather than trying to capitalize on economies of scale.

"We're not a consolidator in the sense that we're eliminating expense in a merger," he said. "We're trying to create a growth dynamic."

But, Michael A. Smith, an analyst with Salomon Brothers Inc. in New York, said Gallagher has been successful at quickly squeezing down high-expense structures in many of the closely held companies it acquires. "I think they will have more opportunities to do that now, too, as the smaller independents become more and more discouraged with the direction of property/ casualty pricing," he said.

Mr. Gallagher also sees new partnering potential for his firm on the international front.

Numerous foreign brokers are contacting Gallagher about handling their U.S. business, he said.

And the international front is another area where Gallagher might be positioned to benefit from the megamergers fallout, particularly as members of the international UNISON broker network determine their response to M&M's acquisition of partner Johnson & Higgins.

"We are talking to UNISON partners," Mr. Gallagher said. "The UNISON partners have not decided what they're going to do."

"Let's face it: They'd prefer not to continue doing business with J&H," he said. "They may not be able to do that, but I'd like the opportunity to work with some of those guys on ac counts here."

Another development at Gallagher this year didn't stem from the megamergers but from a "strategy of changing and shifting ourselves," said Mr. Gallagher. That is the formation of its ARTEX rent-a-captive operation in Bermuda.

Mr. Gallagher said ARTEX gives Gallagher a chance to penetrate a

Continued on next page

In 1906, CNA was one of the first companies to insure working women against accidents and illnesses, occurring on the job or away.

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Continued from previous page
new market and better meet clients' needs, "and it gives us an opportunity to better control our program business."

The alternative market always has been an important aspect of Gallagher's business, Mr. Gallagher noted, and with the growth possibilities it offers, that's true now more than ever.

Clients with more risk awareness "want to be treated separately. They want and are willing to take their own risk to have control over the processes and their investment and their underwriting income," he said. "We started ARTEX to be able to facilitate that."

Gallagher will provide all of ARTEX's initial capital, though the facility's initial capitalization and other details are still being set.

Meanwhile, Gallagher continues to assist clients looking to establish captives through its Gallagher Captive Services unit. "It's not growing by 100% leaps and bounds because the market is very, very soft, and it gets difficult to just fight that on price."

But, he noted, while some alternative market participants are returning to a soft traditional market and obtaining first-dollar cover, Gallagher Captive Services clients are holding fast with their captives.

While emphasizing his company's opportunities and its "share of success," Mr. Gallagher said "none of that changes the underlying difficulty of the P/C business. This is a tough business. We are slugging it out."

Gallagher's 1996 commercial retail brokerage revenue of nearly $251.2 million was up about 2% from 1995, while overall revenue of nearly $456.7 million was up more than 10% from the about $412 million for 1995 that Gallagher reported last year. Overall revenue in 1996 rose 3.9% from a restated $439.5 million in 1995.

Those numbers rank Gallagher as the world's fifth-largest broker.

For 1996, Gallagher posted pretax earnings of nearly $69.4 million and net earnings of $45.8 million.

Just the same, "last year was tough" to achieve growth, Mr. Gallagher said.

"We did have a record year in earnings, but it was not the kind of growth we're used to, and that's very indicative of what's going on in the market," Mr. Gallagher continued. "The market is very tough on our property/casualty broking operation, very tough on our third-party administrative operation, Gallagher Bassett."

Gallagher Bassett Services Inc., the risk management services subsidiary, saw the workers compensation TPA market "really drop through the floor," he said. He is convinced the competitive workers comp market won't last forever, and an expected turnaround there, coupled with new niches, makes him optimistic about Gallagher Bassett Services. "This is a business we've taken from $30 million in 1988 to probably $125 million, $130 million this year," he said. "We see new market niches all over the place. We started out working with self-insureds. We moved from working with just self-insureds to being very good at fronted programs. And now we see a great opportunity with insurance company outsourcing because we pay claims for less."

Offsetting a difficult market for retail brokerage and workers comp TPA efforts is the performance of Gallagher Benefit Services, Mr. Gallagher said. The unit posted $55.1 million in 1996 revenue, an 11% jump from 1995, and has been Gallagher's fastest-growing operation over the past five years, he said.

The unit's services include benefit consulting and brokering, and pension consulting and record-keeping.

Mr. Gallagher also is excited about the company's new AJG Financial Services Inc. investment unit.

"In the second quarter we announced that our financial services group was able to restructure both a lease arrangement in London as well as a pension" to Gallagher, Mr. Gallagher said. "We put $7 million on the bottom line, $7 million in pretax in one quarter just from being able to get in and work our magic."

"And we're taking advantage in that business of the core competencies that we've developed over the last 10 years of managing our money and our balance sheet," he said.

That ability has seen Gallagher becoming "a real cash machine," the CEO said. Since 1990, Gallagher has retired a $20 million note, repurchased more than $100 million of its stock, paid more than $70 million in dividends and accumulated an additional $50 million to its tangible net worth, bringing it to more than $120 million, or about $7.50 per share.

"That's a lot of cash. And that's doing it in a real, real difficult environment," Mr. Gallagher said. "So we're proud of those results."

Underlying all of Gallagher's numbers last year is a statistic the CEO said makes him particularly proud: the improved productivity reflected in the company's per capita revenue.

"We're up 27% in revenue per employee since 1990," he said. Last year, the company's 3,939 employees generated $115,938 in per capita revenue, a 5% increase from 1995's $110,189 per capita posted by 3,739 employees. Based on restated figures for 1995 revenues and 3,926 employees, the revenue per employee last year increased nearly 3.6%.

The company's target of $1 billion in revenue by 2002 remains a very real goal, Mr. Gallagher said. "We will be a billion dollars on our 75th birthday is what I like to say."

"We double the company every three to five years and have for the last 35 years, and that's our goal," he said. "And it's not just about the revenue line. This is about career path growth, earnings per share growth for our shareholders and opportunity for our people.

"We could be a billion dollars tomorrow by just going out and buying every dog that exists," he said. "That's not the goal."

Gallagher stock, which hit a high of $37.75 a share and a low of $29.13 in the past year, closed July 11 at $36.

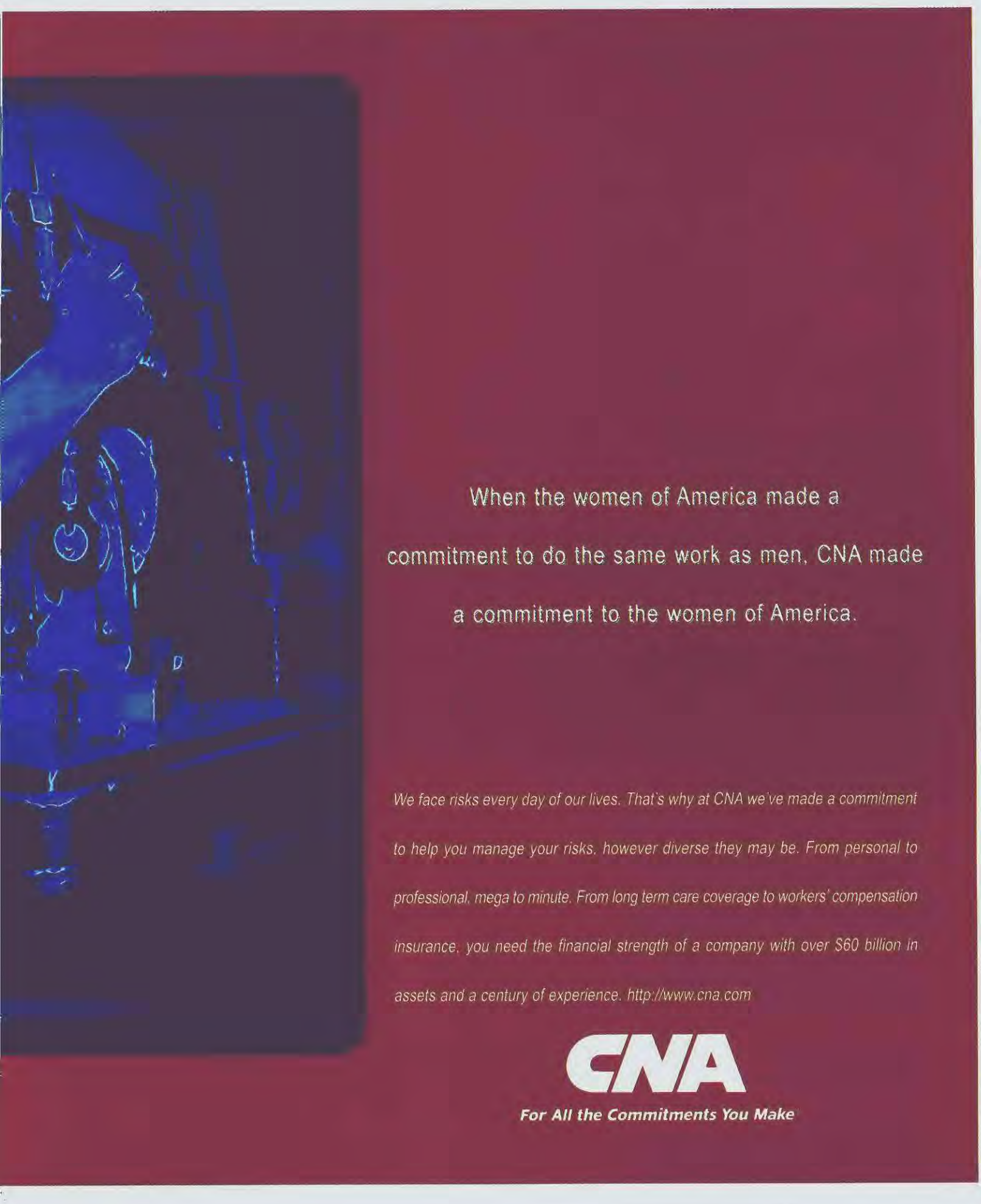
Other Arthur J. Gallagher & Co. units include:

- Gallagher Bassett International Ltd., the London-based Gallagher Bassett unit providing unbundled risk management services overseas.
- Arthur J. Gallagher & Co. (Bermuda) Ltd., an offshore subsidiary providing access to the Bermuda market 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.
- Reinsurance intermediary and surplus lines broker Arthur J. Gallagher Intermediaries Inc.
- Risk Management Partners Ltd., a venture owned jointly with Am-Re Managers Inc. that markets insurance and risk management services to public entities in the United Kingdom.

As reported to the Securities and Exchange Commission, Gallagher's six highest-paid officers in 1996 and their cash compensation, including bonuses, were:

J. Patrick Gallagher Jr.	$381,000
Michael J. Cloherty	$371,000
Gary M. Van der Voort	$320,760
Peter J. Durkalski	$281,500
Robert E. Gallagher	$275,000
Walter F. McClure	$275,000

—By Rodd Zolkos



Spotlight report

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

	1996*	1995
Premium volume	$3.12 billion	$2.88 billion
Gross revenues	$379,860,000	$359,784,000
Brokerage: Retail	47%	68%
Wholesale	27%	13%
Reinsurance	17%	12%
Investment income	9%	7%
Employees	3,500	3,076
Rev./Employee	$108,531	$116,965
Offices	66	71

Converted at applicable exchange rates.
** 1996 revenues are JLT estimate of pro forma combined JIB Group P.L.C. and Lloyd Thompson Group P.L.C.; all other 1996 figures BI estimate.*
1995 figures are for JIB only.

Not only did Feb. 6 herald the new Chinese Year of the Ox, but it also saw a marriage of London-based insurance brokers.

Having announced their intention to merge in December, in February JIB Group P.L.C. and Lloyd Thompson Group P.L.C. officially tied the knot.

Facing growing competition, the two brokers had been talking about a merger since late 1993. But it took JIB's 1995 disposal of its North American retail business to Alexander & Alexander Services Inc. and the successful conclusion of Lloyd's of London's reconstruction and renewal plan last September to put the talks into high gear.

The merger also gave JLT new status as an independent broker. Previously, JIB had been 61% owned by Bermuda-based Jardine Matheson Holdings Ltd. With the merger, that shareholding dropped to a 34% stake in the new company, though Jardine Matheson still is the largest minority shareholder.

Ken Carter, former chief executive of Lloyd Thompson, is now chief executive of JLT, while John Barton, formerly chief executive of JIB, is chairman of the new company.

Lloyd Thompson started looking at London brokers in 1993 for a potential merger partner. Mr. Carter said its search alighted on JIB because of its relatively small presence in the London market, its international operations, specialty business and large revenues.

'We've won business utilizing the Jardine network and the Lloyd Thompson London broking skills,' says Ken Carter

"Lloyd Thompson by comparison was much smaller; it had revenues of £45 million ($70.2 million), and it was highly profitable—it made £20 million ($31.2 million) in profit on that figure—but was essentially one operation all in London," he said.

The merger faced two major stumbling blocks, though. First, JIB perceived Lloyd Thompson as very dependent on the Lloyd's market, which then was going through its darkest hours. Second, Lloyd Thompson believed JIB's U.S. retail business would clash with Lloyd Thompson's own U.S. wholesale portfolio, "which remains important to JLT today," said Mr. Carter.

Once those problems were solved by the sale of JIB's retail business and improvement at Lloyd's, "the decks were therefore clear to relook at the logic of that merger." Although both brokerages had "flirted" with other potential partners in the meantime, Mr. Carter said the circumstances were compelling to proceed with the merger.

"What we saw was we would create a company that would aspire to be a world-class independent broker that would focus on businesses where it could be a market leader or among the top three operating anywhere it chose to in the world," he said.

In particular, Lloyd Thompson had identified Asia, Australia and Latin America as locations it wanted to get involved in, and the first two were fulfilled by JIB's network of offices in 14 countries. As for Latin America, JLT has established partnerships with operations in Argentina, Brazil and Chile.

"We've won business utilizing the Jardine network and the Lloyd Thompson London broking skills," said Mr. Carter. In particular, JLT has picked up two major corporate accounts from Asia. JLT also could win business from clients that want to use more than one broker and find that mergers have put all their business with one company.

At the same time, JLT has no aspirations to become a global broker in the same mold as giants J&H Marsh & McLennan or Aon Corp.

Instead, Mr. Carter wants the new company to continue focusing on specialty areas where it can be among the market leaders. These areas include: energy; construction; financial services; transportation, including shipping, aviation and cargo; major commercial accounts; affinity business; municipalities; and wholesale business.

Pooling the results of the two brokers on a pro forma basis, JLT estimated it generated 1996 gross revenues of £243.5 million and gross profits of £46.5 million ($72.5 million). JLT has not published any financial information related to the merged entity beyond the pro forma gross revenues and gross profits.

Converted to U.S. dollars using average exchange rates, JLT's 1996 gross revenues are an estimated $379.9 million, earning it the position of the world's sixth-largest broker, up from the No. 10 spot JIB reached last year alone with $359.8 million in gross revenue.

The merger overshadowed other developments in the two organizations last year. For JIB, 1996 was much quieter than 1995, when it shed its U.S. retail operations and restructured its retail business in the United Kingdom.

Among developments in 1996, JIB sold 51% of its Bermuda-based captive management company, Jardine Pinehurst Managing Co. Ltd., to Charles Taylor Group Ltd., a U.K. insurance management company, and upped its 27.5% shareholding in Jardine Aboitiz Insurance Brokers Inc., a Philippines retail broker, to 51% as part of its strategy to increase business from the Asia-Pacific region, traditionally a strong market for JIB.

Last year, JIB also increased its stake in French broker Societe Intercontinentale d'Assurances pour le Commerce et l'Industrie S.A., or SIACI, to 36.75% from 27%.

JIB's gross revenues for 1996 fell 6.1% to £214 million from £228 million (to $333.8 million from $359.8 million). Gross revenues for continuing operations, though, increased 8% to £193.6 million from £178.9 million (to $302 million from $282.3 million) in 1995.

JIB reported an even larger increase in pretax profits last year, up 29% to £27.5 million ($42.9 million), despite fierce competition in the brokerage sector. Those figures, however, are before exceptional items: In 1995, exceptional charges for JIB's U.K.

Continued on page 38

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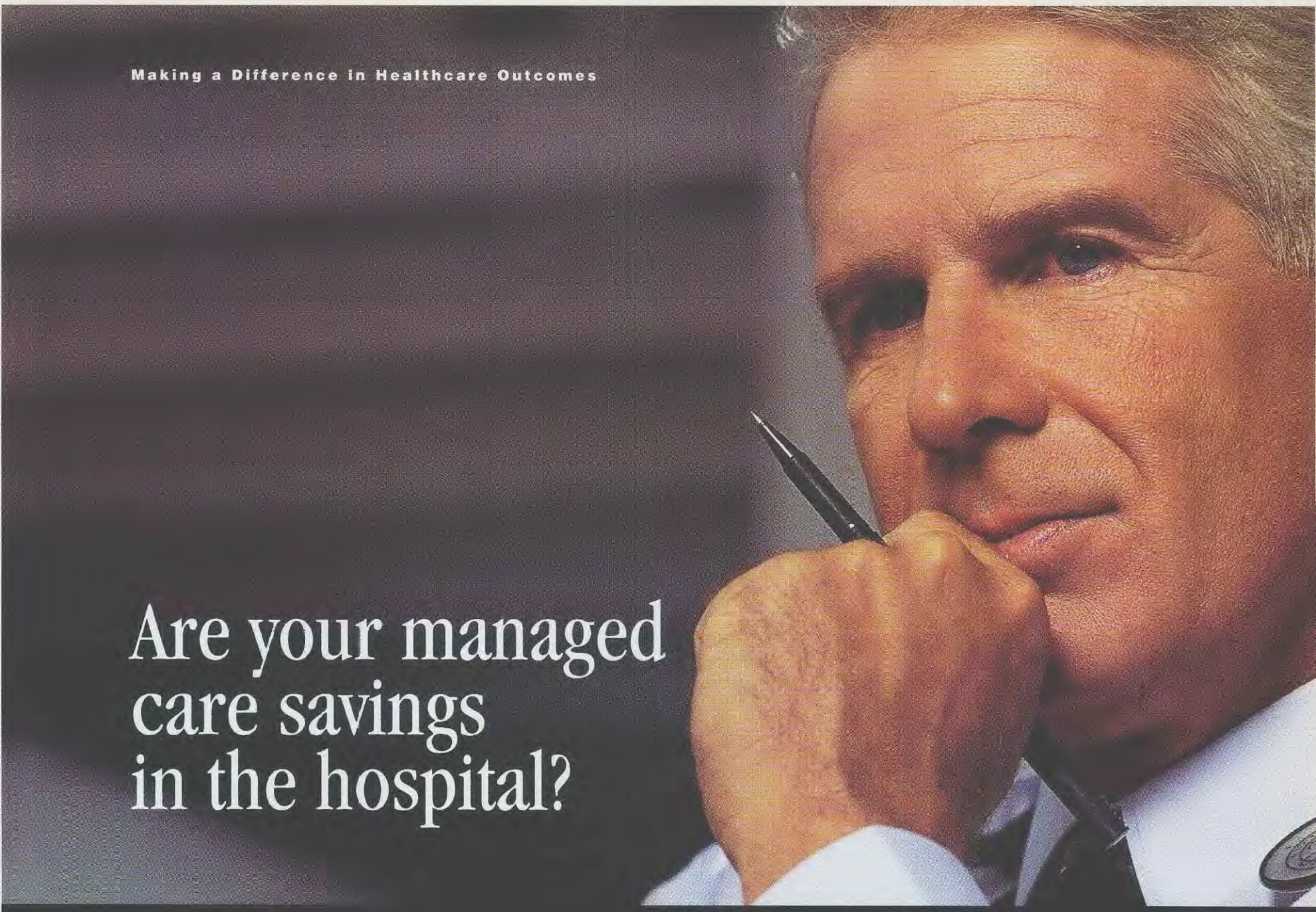

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Spotlight report

Continued from page 36

restructuring and its contribution to the Lloyd's R&R plan resulted in an overall loss of £49.6 million ($78.6 million). The sale of JIB's U.S. retail operations accounted for £32 million in income ($50.5 million) in 1995.

As a result of the sale, JIB saw a 37% drop in revenues from U.S. offices to £43.7 million ($68.2 million) in 1996. JIB's business in the United States includes personal lines, reinsurance, wholesale, marine and affinity programs.

Asia-Pacific, an area with which JIB has had long association through Jardine Matheson, produced increased revenues, up 15% to £49.2 million ($76.8 million).

U.K. operations produced revenues of £89.2 million ($139.2 million), up nearly 5% from the prior year. Although U.K. business saw lower expenses due to the restructuring in 1995, competition kept revenue growth low.

Lloyd Thompson's last full fiscal year also showed strong results. Gross revenues for the year ended June 30, 1996, came in at £55.8 million ($86.4 million), up almost 9% from the previous year. But £16.2 million ($25.1 million) worth of exceptional items hit earnings, cutting pretax profits by 74% to £5.3 million ($8.2 million) in fiscal 1995.

Among the exceptional items was a £4 million ($6.2 million) charge related to Lloyd's R&R plan. In addition, subsidiary Lloyd Thompson Ltd. found itself facing a £10 million ($15.5 million) errors and omissions claim from a group of insurance companies. JLT declined to specify the source of the claim because it was part of a confidential settlement. Lloyd Thompson settled the claim in 1996 for £4.6 million ($7.1 million), plus a contribution from its professional indemnity insurers. Lloyd Thompson also wrote off £7.6 million ($11.8 million) of surplus property holdings.

During 1996, Lloyd Thompson saw an increase in the operations of Traveltest Ltd., a broker specializing in protection and indemnity business, of which Lloyd Thompson holds 76% of voting shares.

Lloyd Thompson also entered into a joint venture with a Turkish broker to develop marine business from Turkey.

Combined, the business of Lloyd Thompson and JIB overlaps in few areas. Although both companies had similar specialty areas, they often focused on different geographical locations for their business, and as a consequence, the number of jobs cut was relatively low. However, JLT did lose a team of nine non-marine international reinsurance brokers to London brokerage Steel Burrill Jones Group P.L.C. earlier this year.

JLT sees opportunities to expand its business by taking on executives and brokering teams looking for new homes in the wake of the recent megamergers in the brokerage industry, which still are causing fallout in the London market.

As for making additional acquisitions, "it would be wrong to say we are on the acquisition trail, but there are a lot of companies obviously considering their future," said Mr. Carter. "We look at every opportunity on its merits."

One possible weakness in JLT's international operations is its European presence. Its relationship with French broker SIACI, which in turn has a small shareholding in JLT and is its only European partner, is a possible blueprint for JLT's expansion in Europe.

"I think the philosophy of partnering as opposed to totally owning in Europe is a way that we would choose to go forward if those opportunities arose," Mr. Carter explained, though he added that JLT is not looking to extend its network of partners.

Mr. Carter added there is little interest in JLT joining the UNISON network, both from JLT's point of view and that of the international network, which likely will want a U.S. retail broker to replace Johnson & Higgins. JLT does not intend to return to U.S. retail business, Mr. Carter noted.

Although JLT primarily targets large commercial clients, these are not the only organizations on the broker's list.

"Important clients can range from the company that pays £5,000 ($8,460) premium in one type of business to the client that pays £5 million or £20 million ($8.5 million or $33.8 million) in another type of business," said Mr. Carter.

Affinity business is one area in which JIB was particularly strong. JLT has a joint venture called BMAS with the British Medical Assn. that provides a variety of insurance policies to doctors in the United Kingdom.

JLT has not lost any clients as a result of the merger, though some have disappeared "in the way that you traditionally have turnover of business," said Mr. Carter. But client retention levels, which were high before Lloyd Thompson and JIB merged, have continued in the same way for the merged company.

JLT also is coping well despite the soft commercial insurance environment. While brokers' commissions are falling, more business is being processed, maintaining JLT's revenue stream.

Mr. Carter could not state the proportion of JLT's revenue coming from commissions rather than fees, though he noted that is a greater issue for predominantly retail brokers. Since the merger, JLT has derived an estimated 47% of revenues from commercial retail brokerage.

However, certain clients prefer paying fees, and "it doesn't worry us how we are remunerated as long as we receive the remuneration that we think we are entitled to for the services we give," he said.

JLT is consolidating its London employees, and the next step, which it aims to complete before the end of November, is to move most of the estimated 3,500 combined staff members into Jardine House, JLT's headquarters.

"That will re-create one of the characteristics I believe in Lloyd Thompson was very important in its success, in we had all the people who were working together in one building seeing each other all the time, continually communicating," said Mr. Carter. A small portion of JLT's staff will work in offices separate from the headquarters, which is not large enough for everyone.

In the meantime, he sees the London market as having a very strong position following its recent problems. Corporate investment in Lloyd's, consolidation in the market and the presence of numerous international insurers and reinsurers indicate the market has recovered.

But that's not to say the future doesn't hold challenges for a London-based broker.

Mr. Carter sees no signs that the market is going to harden, at least not before the end of 1998.

Also, the strength of the British pound against the dollar is causing concern to all brokerages in London with a large U.S. income, he said. The Jardine-Lloyd Thompson merger makes the unit stronger than either would have been on its own, Mr. Carter said.

—By Sarah Goddard

In a business where teamwork is everything, you're only as good as your backup. Who can you count on?

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Spotlight report

7 Acordia Inc.

120 Monument Circle,
Indianapolis, Ind. 46204-4903;
317-488-6666; fax: 317-656-3050;
Internet: www.acordia.com

	1996*	1995
Premium volume	$3.29 billion	$4.84 billion
Gross revenues	$343,860,000	$555,064,000
Brokerage: Retail	66.3%	34.34%
Wholesale	6.3%	6.24%
Reinsurance	0.2%	0.13%
Personal	10.6%	10.58%
Services	14.5%	46.76%
Investment income	1.5%	1.3%
Other	0.6%	0.65%
Employees	3,600	6,638
Rev./Employee	$95,517	$83,619
Offices	100	87

** 1996 numbers have been restated*

The management of Acordia Inc. is engineering a buyout of its predominately property/casualty insurance brokerage business, severing an eight-year ownership by Anthem Insurance Cos. Inc.

The two companies decided to part ways following a strategic analysis during 1996 that resulted in Anthem's decision to focus its business exclusively on health care.

To pave the way, Anthem, a mutual insurer that had floated Acordia's stock in 1992, this month repurchased the 33.2% of Acordia's outstanding common stock. Anthem is re-absorbing Acordia's health care business.

Frank C. Witthun, who became chief executive officer of Acordia in late 1996, expects the MBO to be completed in early August.

One lead investment banking group is supporting the MBO, Mr. Witthun said.

Anthem had announced earlier this month that it was in negotiations with a "financial buyer" for Acordia's property/casualty brokerage business, but the two had significant differences regarding terms of the transaction, including the purchase price. The prospective buyer's original indication of interest was $335 million, subject to various assumptions and contingencies, but Anthem said discussions at that time indicated the price would be less than that (*BI*, July 7).

Anthem and Acordia 'came to a conclusion that the businesses had to be pulled apart,' says Acordia CEO Frank Witthun.

Mr. Witthun, in New York last week negotiating with the lead investor, said all differences have been resolved, but he would not discuss the details.

The new Acordia will be a privately held broker focused predominately on property/casualty insurance products for the middle-market with $343.9 million in revenues and 3,600 employees.

The Indianapolis-based broker no longer will be the sole administrator of or be an exclusive channel to Anthem's health care products, which generated $326 million of Acordia's $661 million in 1996 gross revenues. Anthem, however, will remain one of Acordia's biggest markets for health care, Mr. Witthun noted.

Acordia appears in this year's *Business Insurance* rankings if it were operating as a stand-alone property/casualty insurance broker.

Compared with that same book of business, Acordia's predominately property/casualty revenues increased an acquisiton-fueled 21.8% in 1996 from $282.3 million the year before.

"It really was a situation where the marketplace drove the decision to separate the companies," stressed Mr. Witthun, who succeeded L. Ben Lytle, who remains CEO of Anthem.

"For the first four or five months of 1996, a process occurred where Anthem really looked at its business, its strategy and its future, and we in turn looked at Acordia's strategy and future and collectively came to a conclusion that the businesses had to be pulled apart," explained Mr. Witthun.

"The dream that Ben Lytle had for Acordia made all kinds of sense at the time," Mr. Witthun said.

Acordia was formed in 1989 by Anthem to serve as its administrative and distribution arm. Acordia diversified into property/casualty insurance with the purchase of Robinson-Conner Inc. in 1991.

However, "the health business has gone through a sea change, and having it as part of a brokerage operation that is separated off into a lot of decentralized companies simply made no sense long-term. It's not that the strategy was in any way wrong, it's that the marketplace changed and it was incumbent upon good CEOs at that point then to make the decisions necessary to deal with the reality that we are in now."

For Acordia, "we have gone through the process of spinning ourselves off, separating our business, and setting up the management of the company—a company that is a national property/casualty insurance broker that focuses on the mid-market," Mr. Witthun said.

The broker targets middle-market companies, or those with 150 to 4,000 employees or revenues of $10 million to $400 million.

"Even though the name of the specific investor in the new Acordia is probably interesting to some people, it's probably not that interesting to management at this point," he said, declining to identify the lead investor.

Mr. Witthun added that Acordia's network of regional companies remains client-focused despite all the change and uncertainty.

"We've restructured the company, in the sense of getting the Anthem-related business out of the company, but the (brokerage side) is still the same company it's been for six years. We don't see any reason why anybody should become inwardly focused right now for any reason, other than to keep doing business as it is," he said.

"Those operations have always been focused on servicing clients and selling new business, and that hasn't changed," he said.

Mr. Witthun points out, however,

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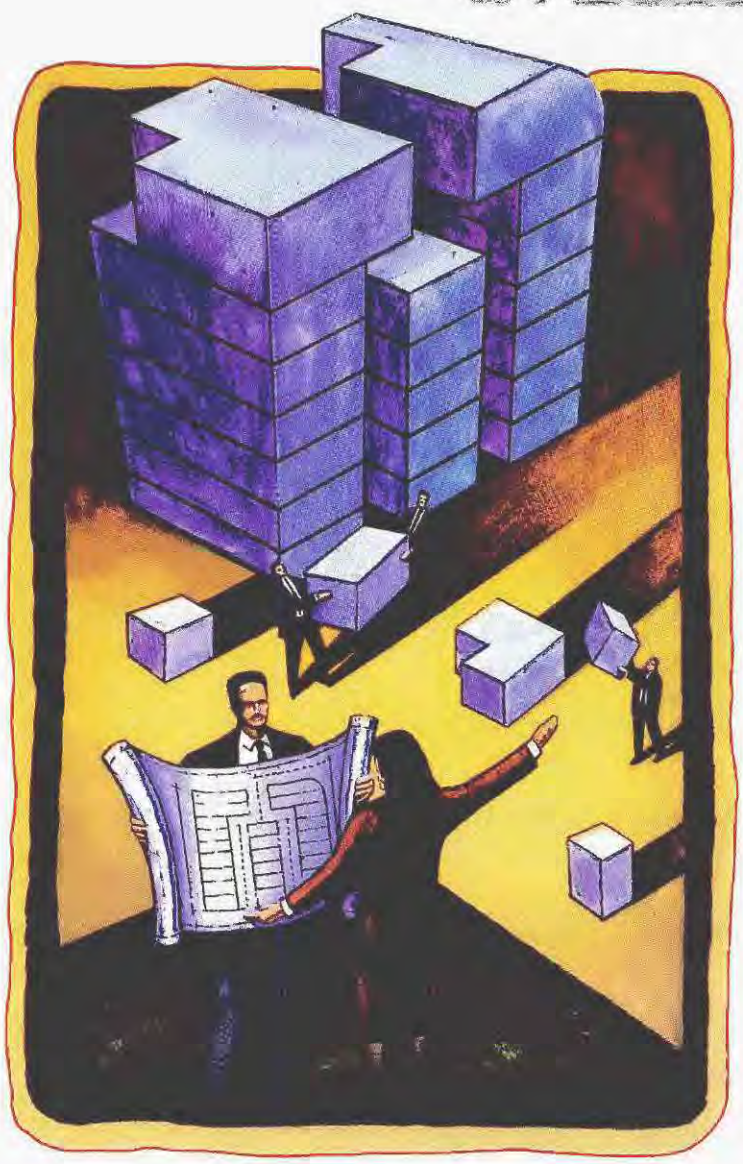

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Spotlight report

Continued from previous page

this would be a very different story if Acordia were acquired by another industry player.

"I learned you can never say never about anything," he said. "But at this time, there is no intent to sell this company to an industry buyer."

While the separation from Anthem nearly cuts Acordia's revenues in half, it still maintains the No. 7 spot among the world's largest insurance brokers with $343.9 million in revenues.

In spite of the lower revenues, Acordia retained its position because of the disappearances of Alexander & Alexander Services Inc. and Johnson & Higgins due to acquisitions earlier this year. The new Acordia was leapfrogged by Arthur J. Gallagher & Co. and Jardine Lloyd Thompson Group P.L.C. in the rankings.

"At one time, half our revenues were tied to highly labor-intensive, service-based third-party administration business," Mr. Witthun said. "Taking that business out dramatically changes what was the old Acordia."

The old Acordia also was structured differently. When Acordia was formed in 1989, it was built as a network of individual Acordia companies located in mid-sized cities, instead of a central corporate structure with sales offices around the country. Each Acordia company was able to deliver property/casualty coverage and managed health care services and had its own board of directors as well as a CEO who had strong incentives to grow the company.

The new Acordia will continue to be a holding company, but rather than having 35 Acordia companies, the broker has seven regional operations plus a stand-alone, multistate excess and surplus lines operation, American E&S Insurance Brokers.

Each regional operation consists of several states with several offices, except Ohio and California, which represent their own regions due to the amount of business Acordia generates there. Each region has a president or regional head, instead of its own CEO and board of directors.

Acordia has been in the process of regionalizing its operations since 1995 (*BI*, July 22, 1996), but the process was completed this year.

In addition to restructuring the company, Acordia plans on moving its headquarters out of Anthem's building in downtown Indianapolis by the end of the year. The broker will stay in Indianapolis and is in negotiations with a landlord over office space.

Anthem took Acordia public in 1992, raising $49 million after receiving authorization for an initial public offering of up to 5.5 million shares of Acordia stock. The shares were sold at an initial price of $14.50.

In June, Anthem, which owned 66.8% of the broker, announced its tender offer for all of Acordia's remaining outstanding common stock at $40 per share (*BI*, June 9). In 1996, Acordia stock ranged from $27.75 to $33.63 a share. On July 9, the last day Acordia shares were publicly traded, the share price closed at $39.88. Acordia traded this year as high as $40.13.

Prior to the restructuring, Acordia reported 1996 net income of $29.9 million, up 26.7% from 1995, on gross revenues of $661 million, up 19% from $555.1 million in 1995.

While Acordia is only half its previous size, its predominately property/casualty brokerage business remains very much the same.

"We do risk management, we represent numerous markets, we have clients nationwide and we sell and service property and casualty, workers comp and health and benefit insurance and insurance programs," Mr. Witthun said.

"And we still have a focus on a mid-market client base in secondary cities. We're convinced that market share is very important to be successful in our business, and we've really found that those cities that allow us to have significant market share are not New York, Chicago or Los Angeles," he said.

Being located in midsize cities allows the broker to have the local expertise to respond to the needs of clients, executives say.

"We're just more hands-on with our clients," Mr. Witthun said.

At the same time, Acordia's size allows it to have the expertise in a wide variety of specialized coverages and to have the resources and relationships with a variety of insurers necessary to meet clients needs.

"Because Acordia has been very sales-oriented and new client-focused, it always has been looked upon as an alternative to the alphabet houses," Mr. Witthun said.

Though Acordia's strategy is to focus on the mid-market, in many cities where it is the largest broker, it ends up writing large account business that requires international expertise and risk management expertise.

"We plan to continue to grow that business, just like we plan on continuing to grow our mid-market business," Mr. Witthun said.

Substantial international growth may come from of an acquisition or in reciprocal brokerage arrangements, Mr. Witthun said. In 1996, only 2% of gross revenues was generated by non-U.S. clients.

Acordia was well on its way to increasing its international exposure with the 1995 formation of ExcelNet, a joint reciprocal arrangement among 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.

The network, however, fell victim to brokerage consolidation in 1996 and 1997 when Bain Hogg, Boels & Begault and Dale-Parizeau sold to Aon Group Inc. and CECAR sold to Marsh & McLennan Cos. Inc.

"The first thing we've done, and what you always do in a sales organization where clients are No. 1, is we have made sure that those clients that require international presence and expertise are well taken care of," Mr. Witthun said. "We've worked with various agents and brokers in the (European Union) countries and in the Far East to continue to seamlessly handle the business that needs to be handled. That seems to be working just fine, because there are a lot of very, very good agents and brokers outside North America that are more than happy to work with us to the benefit of our clients and do it in a very professional way.

"Having said that, we would very much like to find a way to put together a network very similar to what we had with Bain Hogg. . . .We have been in the past six months looking at various opportunities to do that with partners that do not have a North American presence. But we will only do that if the individual offices that make up the network will be of the quality and the caliber of what we currently have or did have under ExcelNet," he said.

"We feel we should be successful in putting together another network very similar," he said, adding that he also does not rule out the possibility of international growth by acquisition.

"There are considerable opportunities outside of North America from an acquisition standpoint and we plan to be fairly aggressive in those areas in the near future," he said. He pointed to such areas of interest as Latin America, the European Union and the Far East.

Acordia also will continue with its acquisition strategy in the United States.

In 1996, Acordia acquired six brokers: Flat Top Insurance Agency in Charleston, W.Va.; Rothschild, Bell & Walseth Agency Inc. in Minneapolis; Reagar-Harris Inc. in Louisville, Ky.; Potts, Davis & Co. of Salem, Ore.; Chamberlain & Flowers Inc. of Bluefield, W.Va.; and Northwestern Agencies Inc. of Portland, Ore.

Acordia's acquisition strategy continued into 1997 with the purchases of Bush, Cotton Insurance Agency Inc. in Seattle; Dorsey Insurance Group in West Palm Beach, Fla.; and Simons & Rose Insurance Agency Inc. in Miami.

"We plan on continuing to grow. We've always grown every year, and we plan to continue to grow both internally and externally for the rest of 1997 and into 1998," Mr. Witthun said. "I think there is a lot of opportunity in a lot of areas in the country where we can provide added value to clients that the alphabet houses cannot," he said. "We plan on being very aggressive in exploiting that leverage we feel we have and to continue on our game plan."

The 1996 cash compensation paid to the five highest-paid Acordia officers, including salaries and bonuses, as reported in the prospectus, follows:

Frank C. Witthun	$624,987
Michael B. Henning	$357,469
Keith A. Maib	$251,263
Robert S. Schneider	$298,149
L. Ben Lytle	$127,232

—By Sally Roberts

8 C.E. Heath P.L.C.

133 Houndsditch, London EC3A 7AH, England; 44-171-234-4000; fax: 44-171-234-4111; Internet: www.ceheath.co.uk

	1996	1995
Gross revenues	$233,850,672	$309,521,466
Brokerage: Retail	35.1%	21.86%
Wholesale	23.5%	21.06%
Reinsurance	16.3%	11.66%
Personal	13.8%	7.88%
Services	0.7%	0.42%
Investment income	8.7%	7.73%
Other	0.9%	29.39%
Employees	2,706	3,349
Rev./Employee	$86,419	$92,422
Offices	70	63

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

C.E. Heath P.L.C. is adding an interesting twist to the mergers and buyouts that are all the rage in the international brokerage community: It is buying itself out.

After failing to merge with any other broker, a management buyout proposal went to shareholders late last month. If successful, the MBO would remove Heath as one the few remaining mid-sized brokers on the London Stock Exchange.

Although some stock analysts question whether Heath's strategy is the right one for the broker (*BI*, June 9), management says going private will halt damaging speculation over Heath's future as an independent company and will allow it to use equity to lock in key staff and undertake costly long-term restructuring.

Chief Executive John Mackenzie Green is confident that taking the company private "will remove the unhelpful speculation concerning C.E. Heath's independence and will allow management to undertake major restructuring, with its attendant risks, which is necessary to reposition the C.E. Heath group to withstand the highly competitive environment facing the insurance broking industry."

For the past year, Heath's senior management has examined what steps the company should take to survive in the changing and turbulent brokering fraternity.

"Project Destiny," led by Operations Director Paul Hughes, was launched July 1996 as a "fundamental review of U.K. administrative and processing functions aimed at increasing the group's profitability," according to Heath Chairman Michael Kier.

This "re-engineering process is expected to be implemented progressively over the next two years," Mr. Mackenzie Green wrote in a letter to employees during the MBO offer.

"Project Destiny is aimed at substantially improving the cost/income ratio within the group whilst better enabling us to meet the changing needs of our clients," he explained in the letter.

"In taking Project Destiny forward, it will be necessary to incur substantial up-front costs and as the project is still at a relatively early stage its implementation carries a number of significant risks, whilst at the same time the benefits cannot be quantified with any certainty," said Mr. Mackenzie Green.

The business risks from Project Destiny would have been "difficult for C.E. Heath to take as a listed company," said Mr. Mackenzie Green in his letter, adding that the investors involved in the buyout "will assist the group in implementing the restructuring that is required to restore our long-term competitiveness."

The new holding company will be called Erycinus. Venture capital for the buyout will come from DLJ Phoenix Private Equity Ltd., a fund of DLJ Phoenix Securities; Candover Partners, a provider of equity for larger buyouts in Europe; and investment management company Electra Fleming, as well as 14 U.K.-based senior executives of C.E. Heath and eight senior executives of C.E. Heath's overseas subsidiaries.

Management and overseas executives will subscribe for 13.69% of Erycinus's ordinary share capital, and an employee share ownership trust will be established to acquire a further 12.72%. Under the terms of the employee share ownership trust, 85 other executives of Heath will be given the opportunity to participate in 9.82% of the ordinary share capital of Erycinus. The remaining 2.91% of the ordinary share capital will be kept available to be allocated in the future to new executives who may join C.E. Heath.

The MBO offer values each Heath share at 143 pence ($2.42), and the entire issued share capital at about £96.1

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acquired
Riverside Insurance Associates
Westport, CT
January, 1997
Hales Capital Advisors initiated the transaction and advised the buyer.

ProBusiness, Inc.
Pleasanton, CA
acquired
BeneSphere, Inc.
Pleasanton, CA
January, 1997
Hales Capital Advisors initiated the transaction and advised the seller.

Acordia Southeast
Tampa, FL
acquired
Dorsey Insurance
West Palm Beach, FL
November, 1996
Hales Capital Advisors advised the buyer.

The Copeland Companies
East Brunswick, NJ
acquired
Donald F. Smith & Assoc.
Lawrenceville, NJ
March, 1997
Hales Capital Advisors advised the seller.

Julius Moll & Son
Chicago, IL
acquired
Affiliated Insurance Consultants
Burr Ridge, IL
January, 1997
Hales Capital Advisors initiated the transaction and advised the seller.

Arthur J. Gallagher & Co.
Itasca, IL
acquired
Byerly & Co.
Englewood, CO
January, 1997
Hales Capital Advisors initiated the transaction and advised the seller.

Mesirow Financial Services
Chicago, IL
acquired
Boockford and Company
Oakbrook, IL
January, 1997
Hales Capital Advisors initiated the transaction and advised the seller.

Acordia of Minnesota
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Rothschild, Bell & Walseth
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Hales Capital Advisors advised the buyer.

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Glastonbury, CT
acquired
Benefits Strategies
Manchester, NH
November, 1996
Hales Capital Advisors advised the buyer.

Ascension, Inc.
Salt Lake City, UT
acquired
Acordia of Utah
Salt Lake City, UT
December, 1996
Hales Capital Advisors initiated the transaction and advised the seller.

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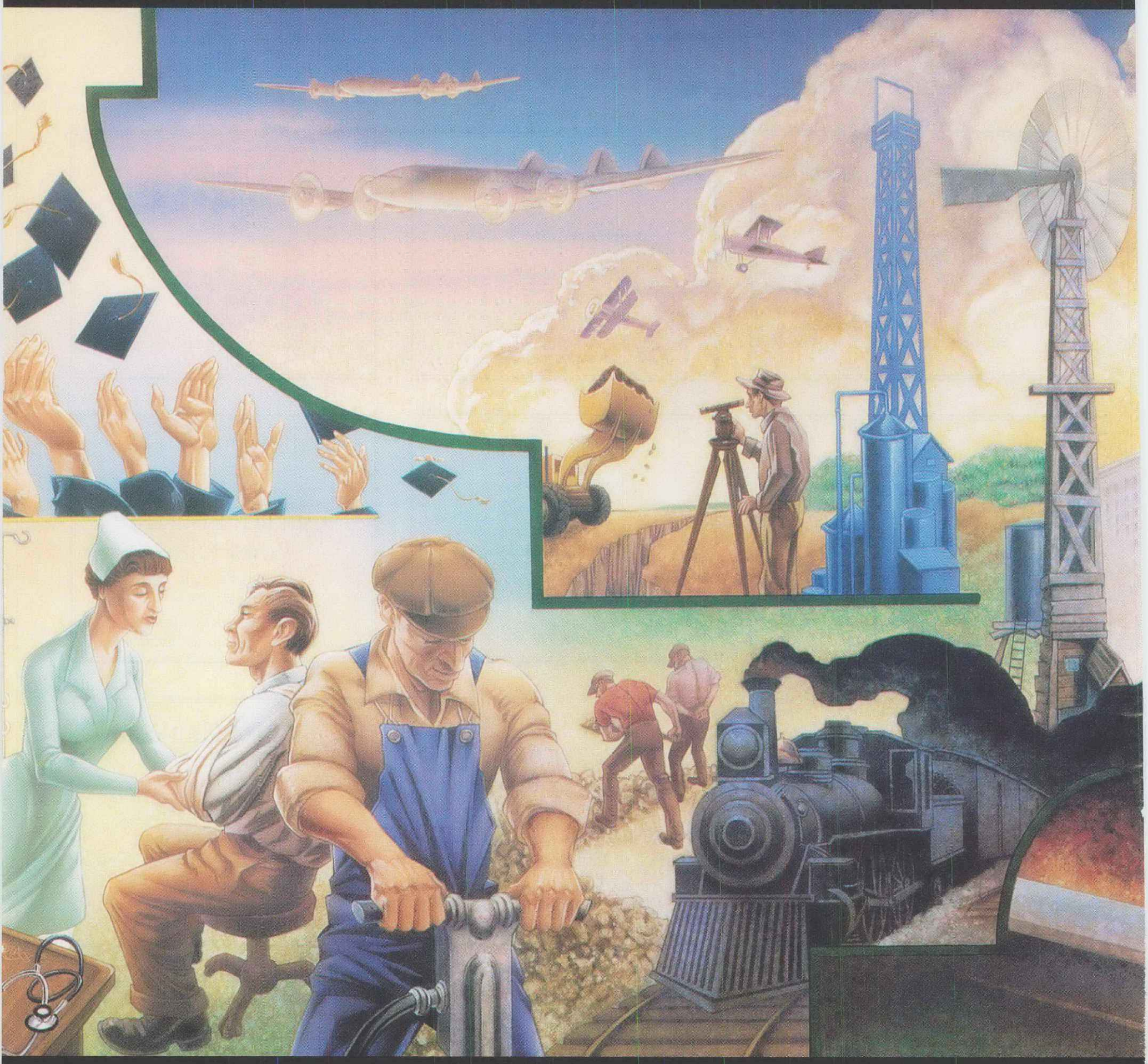

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Spotlight report

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million ($162.3 million). This represents a premium of 52% to the average price of a Heath share over the preceding six months.

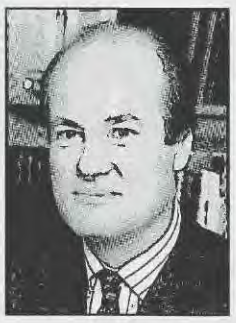
Among senior management, Mr. Mackenzie Green will invest about £750,000 ($1.27 million); Mr. Hughes about £150,000 ($253,275); Mr. Kier about £146,000 ($246,521); and Finance Director Tim Tookey about £67,000 ($113,130).

The decision to launch an MBO was in response to increasing uncertainties for C.E. Heath as a midsize insurance broker.

"In recent years, the insurance markets have been characterized by intense competition and excess capacity, leading to a harsh rating environment and consequent pressure on margins," Mr. Mackenzie Green explained.

"In addition, insurance brokers have faced further competition from direct insurers and have suffered from the increasing use of captive insurance companies and alternative risk transfer mechanisms by their larger corporate clients," he noted.

"These pressures have caused many of the major participants in the insurance industry to review their competitive positions, culminating in a number of mergers and acquisitions taking place over the last two years," Mr. Mackenzie Green said in his letter.



'In recent years, the insurance markets have been characterized by intense competition and excess capacity,' says John Mackenzie Green.

"The consolidation of the industry has intensified over the past 12 months, leaving C.E. Heath as one of the few remaining quoted medium-sized U.K. insurance brokers," he told employees this month.

"During this two-year period, C.E. Heath has held discussions with a number of parties concerning the possibility of participating in this consolidation process," he said, adding that "these discussions did not, however, result in any firm proposals."

Mr. Tookey said: "After the buyout we will be in a unique position. We will be able to offer clients a terrifically stable environment while other brokers are still busy integrating their (newly consolidated) companies."

"Many of our producing brokers and overseas suppliers will be shareholders, offering a worldwide enfranchisement," Mr. Tookey noted.

Named to the Erycinus board were Non-Executive Chairman Ian Martin and Deputy Chairman Hamish Mackay. Mr. Martin also is chairman of Unigate P.L.C., a dairy products company. Mr. Mackay previously was chief executive of broker The Frizzell Group P.L.C.

Heath management says taking the company private will:

- Better equip Heath to implement Project Destiny, which would have been difficult as a publicly listed company because of the costs. Mr. Mackay implemented a similar project as chief executive of the Frizzell Group.
- Bring an end to the "damaging speculation" on Heath's future, which has created an uncertain environment for Heath's producers and clients.
- Provide the management and other key business producers with a significant equity interest in the business during what will be a critical phase in the company's development.

"We believe that, as a privately owned insurance broking group in which management will have a significant equity participation, C.E. Heath will be better positioned to adapt to and benefit from the major changes that are affecting the insurance broking industry," Mr. Martin said.

Equity incentives also will help Heath "recruit high-quality insurance professionals who may be dissatisfied with the impact of the consolidation taking place elsewhere within the insurance broking industry."

Much of the groundwork for Heath's radical move was laid last year when the group downsized to just its core insurance brokering subsidiaries, splitting its computer services division into a separately quoted public company, Rebus Group P.L.C., and disposing of its remaining underwriting companies.

As a result, the group's revenues for the year ended March 31, 1997, are down significantly from the previous year. Gross revenues, including investment and other income, fell 25% to £147.6 million ($233.9 million) in fiscal 1996, compared with £197.7 million ($309.5 million) a year earlier.

Insurance brokerage revenues—including telephone marketing of personal insurance—increased 7% to £133.5 million ($211.5 million).

Although net profits picked up significantly, rising 57.9%, to £9 million ($14.3 million) for fiscal 1996, after a 45% slump in net profits the previous year, pretax profits fell 37% to £13.6 million ($21.5 million). This apparent inconsistency is due primarily to a £9.4 million ($16.1 million) tax payment made in the 1996 accounts for disposal of investments.

The number of employees fell 19% to 2,706, due to the de-merger of the group's computer operations and sales of its underwriting subsidiaries. However, the number of commercial retail brokerage offices increased to 70 from 63.

Mr. Tookey said Heath had refined its operations down to those of core brokering and will "continue to offer clients a full broking range."

Heath, like all brokers, has seen further reductions in rates in all areas over the last year and "significant reductions in certain areas," said Mr. Mackenzie Green. Yet, Heath recorded a 4% growth in property/casualty insurance and reinsurance brokerage revenues.

Areas where Heath has a particular strength as a broker are aviation, oil and gas, and international facultative business, Mr. Tookey said.

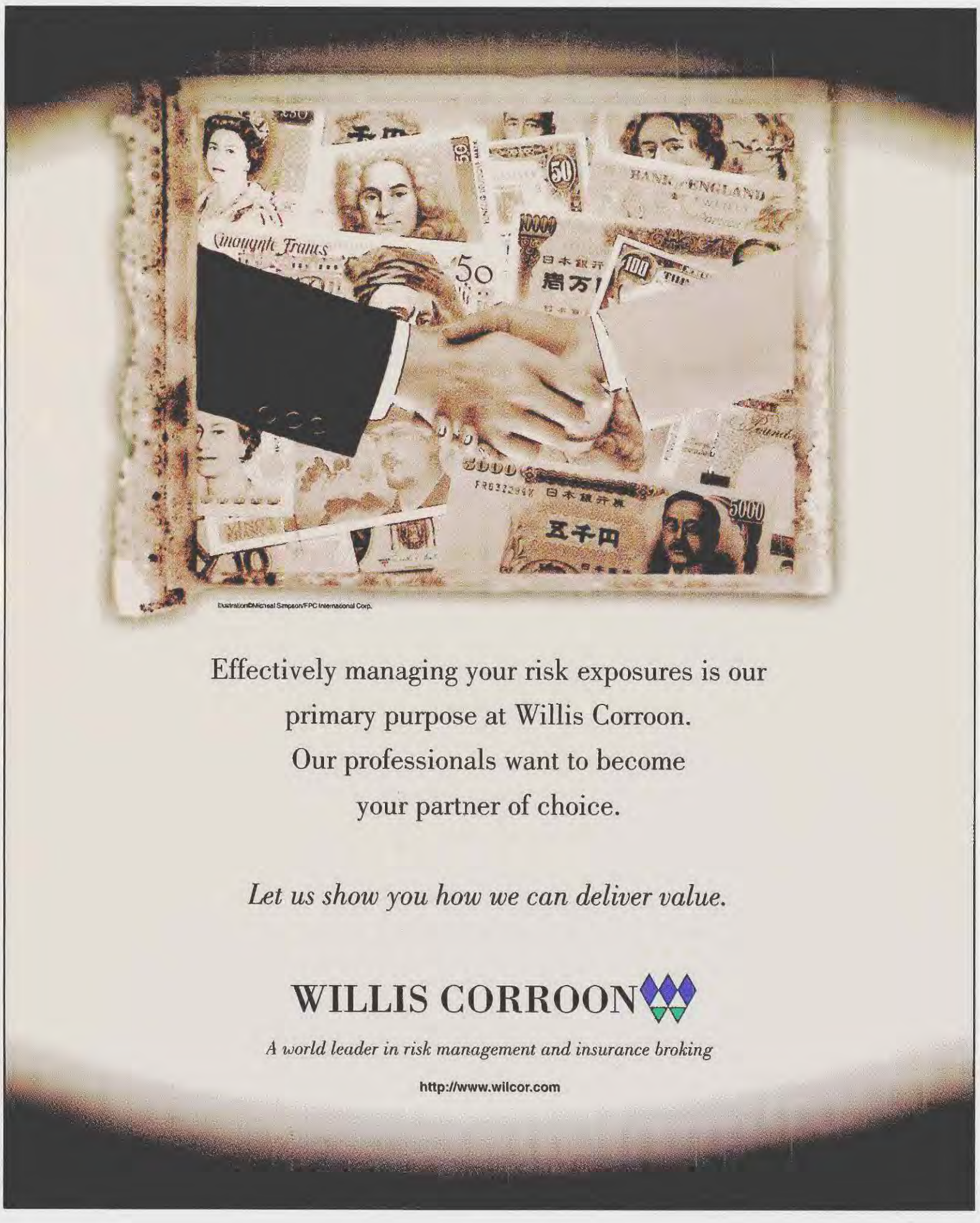
"We have tightened the control over expenses, especially in the U.K., where underlying expenses have been reduced by 2%, despite the continued pressures to retain and reward our strongest business performers," Mr. Mackenzie Green said.

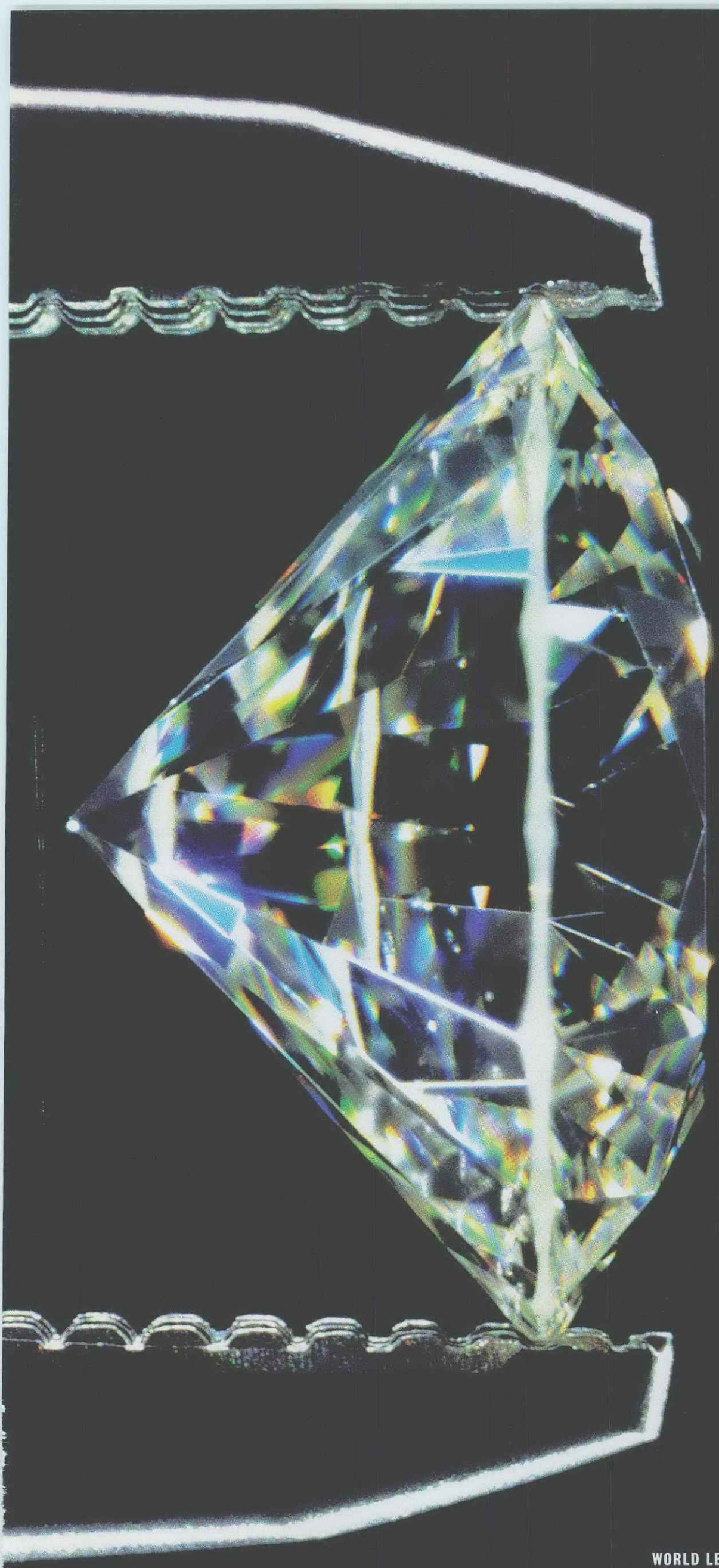
Premium Search, the group's recently established unit to telephone market personal lines auto and homeowners insurance in the United Kingdom, achieved a 78% growth in brokerage revenues to £10.6 million ($16.8 million), and incurred a pretax loss of £900,000 ($1.4 million), which compares favorably with the previous year's loss of £3.5 million ($5.5 million).

During the year the company also has "continued to invest in overseas offices" and has been "actively seeking joint venture opportunities in areas of the world where we can both add value locally and create opportunities for our London-based wholesale operations," said Mr. Mackenzie Green in the company's annual statement.

Mr. Tookey said the company is in final negotiations with several joint ventures in South America and Eastern Europe. He would not give details on the ventures.

—By Carolyn Aldred





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Spotlight report

9 Gras Savoye S.A.

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	1996	1995
Gross revenues	$226,968,000	$204,376,800
Brokerage retail	81.5%	78.4%
Reinsurance	1.2%	1.4%
Personal	9.4%	10.2%
Services	2.2%	2.2%
Investment income	5.2%	7.2%
Other	0.5%	0.7%
Employees	1,793	1,710
Rev./Employee	$126,586	$119,519
Offices	76	73

Converted at applicable exchange rates.

Patrick Lucas, chairman and chief executive of Gras Savoye S.A., France's largest insurance brokerage, is not in favor of the megamergers that have swept through the brokerage industry since last fall.

His 90-year-old company, Mr. Lucas said, prefers "steady and strong progression" rather than a single high-stakes move.

Just over a week ago, Gras Savoye announced that it would sell a one-third stake to London-based Willis Corroon Group P.L.C., pending approval of Willis shareholders. Both brokers said the arrangement will allow them to "create a very powerful combination in the French marketplace," and enhance the service they provide their multinational clients.

Details of the deal were not known early last week, though Gras Savoye emphasized that the terms of the agreement called for Gras Savoye to retain its existing management structure and French majority ownership for at least the next 12 years.

Gras Savoye is owned 70% by the Gras and Lucas families and 30% by three French insurance companies: AXA-UAP Group, Assurances Generales de France and Athena Assurances. As of early last week, it was not announced who was selling to Willis Corroon.

Insurance analysts' views were mixed when the deal was first announced.

Julianne Jessup, insurance brokerage analyst at London-based UBS Ltd., said it was a "logical" step for both brokers. She pointed to their historical relationship as partners in the UNISON brokering network before Willis left it in 1990. Ms. Jessup also said it was a sound move for Willis in building up its international operations.

But Nick Bunker, an analyst with London-based HSBC James Capel, said he was not impressed by the agreement. He thinks Willis gains little by having only a one-third stake in Gras Savoye, as Willis will gain neither control nor a dividend. Mr. Bunker also claims there is a long history of outsiders buying minority stakes in French brokers, "and it has never worked" because a small stake does not render enough control to be effective (*BI*, July 14).

Not many brokers are 'really in each line of insurance in a real way. So that gives us a lot of opportunities,' says Patrick Lucas.

However, Willis is gaining a stake in a company whose growth in 1996 includes a 13.9% increase in gross revenues to almost 1.16 billion francs from 1.02 billion francs in 1995.

In U.S. dollars converted at average exchange rates, Gras Savoye's revenues reached $227 million last year, up 11.1% from $204.4 million in 1995.

That performance, along with consolidation among brokers, pushes Gras Savoye up five notches to become the world's ninth-largest broker, up from No. 14 a year ago.

Revenue growth was achieved largely by winning new business. Gras Savoye's clients fall into four primary categories: large and multinational companies; mid-sized companies; personal lines; and municipalities and public authorities. Last year's revenue improvement was achieved across all these lines and in all geographic areas where Gras Savoye operates.

Gras Savoye has 19 regional commercial retail branches in France and 29 overseas subsidiaries, spanning Europe, Africa, Asia and the Middle East.

As he did last year, Mr. Lucas continues to praise Gras Savoye's Department of Development and Innovation for being instrumental in attracting new business and retaining existing clients. The department sets up a dedicated committee each time Gras Savoye is marketing itself to a potential client or preparing to renew an existing client's business. These special panels consist of people from different areas within the brokerage that bring together varying points of view and skills in the development of proposals to meet a client's or potential client's needs.

During renewal periods, new members join the committee to offer a fresh approach and assess Gras Savoye's performance on given accounts over the previous year.

Mr. Lucas said that as a result of the department's activities, there "are a large number of people wherever they are, whatever their function, which have been involved in getting new accounts."

Gras Savoye's involvement in brokering all lines of insurance and reinsurance and providing risk management services also is a factor in the company's growth, according to Mr. Lucas. "There are not many brokers who are really in each line of insurance in a real way. So that gives us a lot of opportunities" to work with clients on additional lines of insurance, he said.

In 1996, Gras Savoye's business was 81.5% commercial retail, generating revenues of 943.8 million francs ($185 million). Reinsurance brokerage accounted for 1.2% of revenues, personal lines accounted for 9.4%, and 2.2% of its revenue came from services.

The roster of new business includes placing property insurance for the Caisse des Monuments Historiques, the state institution that owns historical monuments across the country; arranging property coverage for a variety of municipal monuments; and handling the liability and personal accident coverage for all members of the French swimming, riding and petanque—a type of lawn bowling—sports federations.

Other clients signing on with Gras Savoye last year include: French bank Credit Mutuel du Centre, for which the broker places all property/casualty coverages; another bank, Credit Agricole, for liability coverage; Optorg, a large distribution and wholesale group; and Havas, a major Paris-based advertising agency.

Car manufacturer Peugeot Citroen S.A., which already has used Gras Savoye for its foreign operations, also turned over the property/casualty insurance program for all of its French operations to the broker last year.

The stream of new business is continuing this year. The 1997 list of new

Continued on next page

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Continued from previous page
clients includes: property insurance for Chargeurs, a major Paris-based diversified industrial group; creditor insurance for bank Societe Marseillaise du Credit; the property/casualty insurance program covering all high schools for the municipality of L'Aquitaine; and the professional liability program covering attorneys in the province of Isle de France.

Gras Savoye also has won the risk management and insurance brokering business for the Aug. 19-24 Journee Mondiale de la Jeunesse in Paris, when Pope John Paul II visits France and addresses a gathering of about 600,000 young people from around the world.

Other 1996 developments include setting up a new space, telecommunications and multimedia division and the hiring of a specialist Olivier Jacquinop to lead it.

Last November, Gras Savoye also set up a joint venture company, Ecopass, with Gauntlet Europe and Gauntlet's U.S. parent, ACI Environmental, a Los Angeles-based environmental systems management company. Ecopass, in which Gras Savoye has a 65% stake and Gauntlet a 35% share, started business this year as the first French company authorized to certify environmental management systems. Mr. Lucas is enthusiastic about growth prospects for Ecopass, pointing out that environmental and pollution concerns in France, as elsewhere, are becoming increasingly important for the industrial community. Gras Savoye views any industrial or manufacturing company with production activities that could be perceived as having a potential effect on the environment as potential clients.

Gras Savoye has made two acquisitions so far this year. In January, it beefed up its previously small aviation unit with the purchase of a 40% stake in OAA-GC, France's biggest aviation insurance broker. Then in the spring it bought HIP Cover, a broker that specializes in race horse insurance.

These acquisitions follow the January 1996 purchase of Ami, A Paris-based broker catering to medium-sized clients and CECAP, of Noisy, France, a broker involved in contingency fund insurance.

Globally, Gras Savoye is strongest throughout Europe and the former French colonies in Africa and the Far East. However, last October it opened a representative office in Beijing, which it hopes will follow the normal progression under Chinese insurance regulations to a full license in two years. Also, this year, it opened a small office in Equatorial Guinea to service an existing client, making it the first of 15 Gras Savoye African offices to be opened in a country that was not a former French colony.

Mr. Lucas is confident that in terms of opening further offices, "we'll do more this year in Africa and elsewhere," though he declined to be more specific on potential locations.

A major question mark on the global front is UNISON. Gras Savoye is the French partner for the international broker network, which is active in 70 countries. UNISON partners still are discussing what to do to replace key member Johnson & Higgins, which left the network as a result of its acquisition by Marsh & McLennan Cos. Inc.

Mr. Lucas said it is not necessary to find a partner as big as J&H. "We don't need a name, we need a network. Specifically, we need service in the U.S.," he said.

It is also unclear what Willis Corroon's acquisition of a one-third stake in Gras Savoye would mean to UNISON. Neither party would comment on whether Willis was considering rejoining UNISON or if Gras Savoye would leave it.

Mr. Lucas does not rule out Gras Savoye making additional smaller acquisitions and entering into joint ventures of the sort that have been key to the Paris-based company's recent growth.

While Mr. Lucas does not rule out the importance of size, he emphasizes that he does not think in those terms. "Our main preoccupation is the client," and so any other broker with the right product and geographic spread could be considered as a partner. Given too that Mr. Lucas says clients have expressed concern that the recent mega-mergers are reducing their choices, he believes that any ties that Gras Savoye forms should improve, rather than reduce, options the brokerage can offer to clients.

Mr. Lucas said that while it's difficult to predict the outcome for business this year, results for the first half have been comparable with last year's growth. With the new clients that have come aboard, the picture does look good, though he said it is unlikely Gras Savoye will match last year's near 14% revenue growth.

Gras Savoye has high hopes for an incentive plan for back-office staff that was started earlier this year, Mr. Lucas said. The plan, which operates apart from any incentive programs for brokers or managers, is designed specifically to reward personnel not directly involved in getting new accounts. But by rewarding the good work of technical, communications, accounting and administrative staff, Gras Savoye has improved the morale and performance of the support operations that service customers.

Growth could be slower this year in part due to the state of the French economy, which is hindered by one of the highest unemployment rates in Europe at 12.5%, and uncertainty regarding the consequences on the economy of the recently elected socialist government.

Of unemployment, Mr. Lucas said: "Of course there is an impact on insurance, because the purchasing power of the unemployed people is very minimal. And of course it does affect the employees' benefits."

However, he quickly added that the impact is unlikely to be very significant for any one broker, as none has so dominant a share of the relevant sectors of the market.

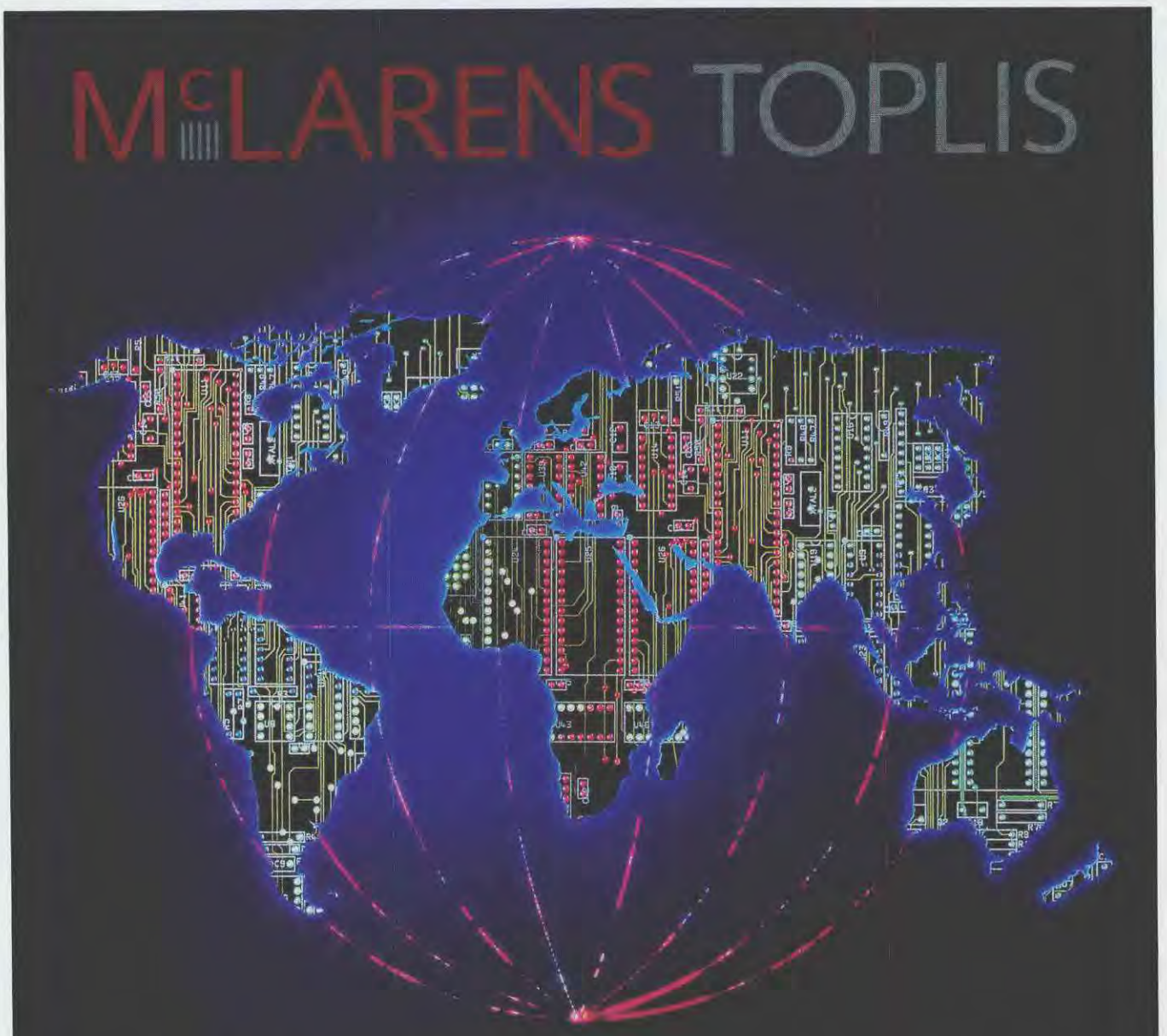
Commenting on France's shift to a socialist government in June, Mr. Lucas said he is not expecting any significant changes that would be detrimental to the economic environment. In the mid-term, he said he does not expect much shift away from policies of the previous government, with the emphasis again placed on dealing with unemployment—a problem that he notes no recent government has been able to solve.

Asked if, given the mergers taking place within the global brokering community, he is not tempted to sell his stake in Gras Savoye and retire to the good life in the south of France, Mr. Lucas smiled. "I'm not interested. I like the job. I think there is a lot of potential in this job, because there are a lot of things to be done. So, why should I sell?"

Referring to its main French broker rival, CECAR, which Marsh & McLennan acquired in January, Mr. Lucas said: "We always did it different from CECAR. They asked for their clients to become shareholders to get business. We never did that. They sold to a big giant; we won't do that, either. We've got a different philosophy. I'm not saying they have got the wrong one, it's just a different one."

In addition to Mr. Lucas, Gras Savoye's other principal officers are: Daniel Naftalski, chief operating officer; Emmanuel Gras, chief operating officer; and Jean-Herve Lorenzi, deputy operating officer.

—By Edwin Unsworth



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Spotlight report

10 Lambert Fenchurch Group P.L.C.

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	1996*	1995
Premium volume	$2.53 billion	$2.11 billion
Gross revenues	$225,268,560	$161,437,374
Brokerage: Retail	61%	70%
Wholesale	22%	14%
Reinsurance	12%	11%
Personal	2%	2%
Investment income	3%	3%
Employees	2,571	1,792
Rev./Employee	$87,599	$90,088
Offices	93	60

Converted at applicable exchange rates. Fiscal year ends March 31.
** Includes 12 months of Fenchurch P.L.C. on a pro forma basis; 1995 reflects Lowndes Lambert only.*

Executives of Lambert Fenchurch Group P.L.C. see no reason that significant growth should end with the gains from the February merger of Lowndes Lambert Group Holdings P.L.C. and Fenchurch P.L.C. that created the broker.

"We've always said that we'd like our business to carry on growing and that we believe we could be running something substantially larger," said David Margrett, chief executive of Lambert Fenchurch, who was chief executive of Lowndes Lambert. In fact, he'd like to see the broker's business double within three years. "I don't feel that the day of the medium-sized, international independent is gone. There are certainly a number of opportunities out there that we're very excited about," he said.

Nor does he believe that the merger and acquisition activity among global insurance brokers over the past nine months means that all of the best merger possibilities have been exhausted.

"At least some of the things that perhaps we might want to buy, or might want to enter into—it's a lot easier to do now given that the consolidation has already started to take place," Mr. Margrett said.

For Lambert Fenchurch to double in size, he sees both organic growth and acquisitions. Acquisitions mean not only buying other companies but also attracting new people.

Without providing specifics on such opportunities, he said: "We've never been shy of looking at bigger acquisitions and mergers, as long as we can bring to it what we think we're best at. I wouldn't rule anything out."

The merger of Lowndes Lambert and Fenchurch produces a broker with combined gross revenues of £142.2 million for fiscal 1996. That compares with £103.1 million posted by Lowndes Lambert for fiscal 1995 and £36.2 million that Fenchurch posted for the year ended Sept. 30, 1995.

Converted to U.S. dollars using average exchange rates, Lambert Fenchurch had $225.3 million in 1996 gross revenues, making it the world's No. 10 broker, up from Lowndes Lambert's position of 16th a year ago.

"One of the nicest things about the Fenchurch deal really is that it was a merger of very similar cultures—both independent firms, both the products of MBOs, both committed to being independent and both committed to looking after their clients," said Mr. Margrett. He said any other mergers or acquisitions must fit Lambert Fenchurch's philosophy of a direct relationship with the insurance buyer.

'We've never been shy of looking at bigger acquisitions and mergers, as long as we can bring to it what we think we're best at,' says David Margrett.

Five months into the merger, confidence about achieving the benefits initially envisioned remains strong.

Mr. Margrett said that Lambert Fenchurch is on target for meeting a £5 million ($8.5 million) reduction in expenses by March 31, 1998, a goal it set at the time of the merger.

Other anticipated benefits are materializing. The combination creates a larger independent broker, with a broad spread of commercial retail, wholesale and reinsurance business. Its size also means Lambert Fenchurch is better able to recruit and retain high-quality personnel.

The merger also gives Lambert Fenchurch's overseas offices greater access to London underwriters.

Last month, Lambert Fenchurch published its fiscal 1996 results. Including Fenchurch's contribution for the six weeks it was a part of the group before the close of the fiscal year, Lambert Fenchurch's total revenues rose 3.8% to £103.4 million ($163.8 million) from a restated £99.6 million ($156 million) for 1995.

Pretax profits dropped 87.9% to £1.7 million ($2.7 million) as a result of £12.9 million ($20.4 million) in nonrecurring charges. The extraordinary expenses consisted mainly of £11.1 million ($17.3 million) of merger-related charges and a £1.4 million ($2.2 million) contribution to Lloyd's of London's reorganization costs.

Mr. Margrett is "very pleased" with what Lambert Fenchurch calculates as a nearly 11% increase in revenues from organic growth, excluding the Fenchurch addition. That is especially pleasing, he said, given the competition in the industry and when compared with other brokers' growth.

The improvement also was achieved despite adverse consequences from the strength of the pound against other currencies. Lambert Fenchurch estimates exchange rate losses created a £3.8 million ($6 million) reduction in revenues.

Lambert Fenchurch saw strong organic growth in all of its U.K. businesses and continuing containment of costs, Mr. Margrett said.

Brokerage revenues from Lambert Fenchurch's three main U.K. brokering divisions—marine, non-marine and international—together increased 22.6% to £74.3 million ($117.7 million) last year.

The international group, which includes wholesale brokering, construction and reinsurance business underwritten in the London market, had a record year on its construction account after winning a number of new projects. This unit has been particularly successful in winning the brokerage business for the construction of power projects in England, Turkey and Taiwan, a spokesman said.

A protection and indemnity reinsurance unit performed especially well, partly offsetting the downturn in non-marine reinsurance business, after the recruitment of a P&I team.

U.K. professional indemnity business continued to suffer from extra capacity and strong competition. Revenues for Lambert Fenchurch's U.K. professional risks division were down 8.8% to £4.1 million ($6.5 million).

Restructuring since the merger of what Lambert Fenchurch calls its U.K. Group—which incorporates commercial and personal lines, financial services, captive management, risk management and professional indemnity operations—is "by and large complete in management terms," said Mr. Margrett.

A Specialties Group was created shortly after the merger to give a higher profile to several of Lambert Fenchurch's niche sectors: oil and energy, aviation, North American nonmarine, fine arts and kidnap and ransom insurance.

The number of U.K. branch offices is being reduced to 21 from 31, mainly through the merger of branches where both Lambert and Fenchurch had offices, resulting in the loss of about 200 jobs, or almost 8% of Lambert Fenchurch's global workforce.

However, Mr. Margrett said he expects a "net hire" because of development opportunities and the need to handle and service new business.

Outside the United Kingdom, Lambert Fenchurch's brokerage revenues from Europe, Asia Pacific and the Americas dipped 5.5% to £29.1 million ($46.1 million), due mainly to the competitive rating environment and the strength of the pound against currencies in those markets.

However, Mr. Margrett said Lambert Fenchurch "did very well in the U.S.," where its retail operations performed "very strongly." Lambert Fenchurch has retail operations in Texas, Louisiana, Mississippi, California and New York City.

North American brokerage contributed 15.6% of overseas brokerage last year, compared with 12.9% in 1995.

"For a grass-roots start-up, the results have been very good for us," said Richard Kerr, chief executive of the Dallas-based U.S. holding company, Lowndes Lambert U.S. Holdings Inc., soon to change its name to Lambert Fenchurch U.S. Holdings Inc.

"I feel like the luckiest man alive because of the fallout from the megamergers," he added, referring to the high-quality brokers wanting to change jobs and potential clients wanting to deal with a smaller broker.

In addition, four acquisitions of brokerages are expected within the next 90 days. "It will give us a real presence in the Midwest and West Coast, as well as in New York City," he said, declining to be more specific.

The group's U.S. unit became involved in two new ventures this year. In January it entered a joint venture with Hibbs-Hallmark & Co. of Tyler, Texas, setting up a third-party claims administrator, Platinum Safety & Claims Services L.L.C., to serve companies that self-insure or have high deductibles. With clients already including those among the Fortune 1,000 companies, it "has grown far better than we expected," Mr. Margrett said.

Platinum handles mainly workers compensation, general liability and auto claims. Mr. Kerr noted that this unit will make several acquisitions in the Northeast and on the West Coast, and "will be totally integrated nationwide in the next 12 months."

In March, Lambert Fenchurch also partnered with New York-based Reliance National Insurance Co. and MTS Insurance Services, a wholesale broker based in Chatsworth, Calif., to form New Century Global Inc., a Dallas-based managing general agent and wholesale broker. New Century offers property and casualty insurance products nationwide, with an exclusive relationship with Reliance on certain programs and similar relationships with many other insurers. Lambert Fenchurch has a 40% stake in the venture, into which it has merged its Houston-based oil and gas broker, Ambrit International Insurance Inc., and its armored car industry broker, Lambert Green Inc. in McGaheysville, Va.

Mr. Margrett believes this is "probably the most exciting" of Lambert Fenchurch's ventures. "I'm very excited about the potential there. It's done extremely well for us," he added.

Mr. Kerr said, "New Century is on a very rapid growth pace" and probably will open five to seven new offices in the next 12 months. Target cities for these offices are New York, Dallas, Atlanta, Los Angeles and Chicago. New Century's $9.5 million capitalization reflects those growth plans.

In April, Lambert Fenchurch expanded operations in continental Europe through a joint venture with Hamburg, Germany-based broker Pantaenius GmbH & Co., in which it also acquired a 40% stake.

Elsewhere, Lambert Fenchurch has offices in France, Spain, Greece, Norway, Finland, the Republic of Croatia, Belgium, Luxembourg, Estonia, Russia and Switzerland.

Looking at current and future prospects, Mr. Margrett foresees no immediate change in the soft market. However, he said the broker's results show there are opportunities for it to continue to increase its market share.

Consolidation "will give rise to a number of opportunities that only an independent of our size can grasp," he said. "It gives us opportunities to attract clients who don't necessarily want to be told that they're 15th in line to the biggest account in a particular office and who want to have senior-level contact," he said.

In the United States, Lambert Fenchurch is getting numerous inquiries from potential clients who want to re-evaluate their relationships with Aon Group Inc. and J&H Marsh & McLennan Inc. in view of their acquisitions, he said. As a result, Lambert Fenchurch sent to the United States what Mr. Margrett calls a "hit squad" of experts to explain the full package of services it can offer. This team, which began its road trip in late June, has been received with "a lot of enthusiasm," though it's too early to determine whether it will generate business, said William Wilks, finance director. The effort was aimed as much at meeting with producing brokers in the United States as with potential clients, he said.

Mr. Kerr added that the fallout of the large broker mergers has been so good for Lambert Fenchurch that "I hope there's another megamerger." He cites three main benefits: Many clients believe they will get more personal service from a smaller broker; employees at the mega-brokers cannot really exercise their entrepreneurial flair and so want to move; and "there are lots of regional brokers who feel they need to affiliate with someone, and Lambert Fenchurch is one of the only international brokers with which they can affiliate that does not already have an established infrastructure all over the world."

Even consolidation in the insurance and reinsurance markets offers opportunities, Mr. Margrett said, as underwriters with whom Lambert Fenchurch has had long-term relationships move up the corporate ladder or represent bigger companies.

Mr. Margrett noted that he expects Lambert Fenchurch to join the World Insurance Network, which became active this month.

Meanwhile, Lambert Fenchurch is seeking shareholder approval for a Long Term Incentive Plan aimed primarily at directors and executives to encourage growth. These key individuals will be offered the opportunity to accumulate stock in the company. Shares would be held in escrow for three years, and if both the brokerage and the employee meet certain performance targets, half of the shares are released to the employee at the end of the fourth year and half at the end of the fifth year. It is a proposal both to reward and to bind high-performance individuals to the company.

—By Edwin Unsworth

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26th annual international directory of agents and brokers

A

ABN-AMRO Verzekeringen B.V.

Prins Bernhardstraat 1, Zwolle, The Netherlands; 31-38-499-2106; fax: 31-38-499-2084

	1996	1995
Premium volume	$920,383,742*	$792,203,611*
Gross revenues	$161,051,451*	$154,344,030*
Non-U.S. clients	100%	100%
Brokerage: Retail	59.82%	60.87
Non-U.S. offices	$96,346,960*	$93,949,211*
Personal lines	32.84%	32.39%
Invstmt. income	7.34%	6.7%
Total employees	1,160	1,115
Total offices	33	33

** Converted at applicable exchange rates.*

Parent: ABN-AMRO Bank N.V.

Retail brokerage: 100% commissions.

Retail brokerage offices: Verzekerings Advies Kantoor: Alkmaar, Amersfoort, Amsterdam, Apeldoorn, Arnhem, Assen, Beek, Breda, Delft, Den Bosch, Den Haag, Dordrecht, Eindhoven, Groningen, Haarlem, Hengelo, Hilversum, Leeuwarden, Leiden, Middelburg, Nijmegen, Rotterdam, Terneuzen, Tilburg, Utrecht, Venlo, Zaandam and Zwolle, Netherlands.

Officers: C.H. Sipsma, J.F. Haverkort, K. van der Velde, L. van Herk.

Contact: J.F. Haverkort.

Acordia Inc.

120 Monument Circle, Indianapolis, Ind. 46204; 317-488-6666; fax: 317-656-3050

Founded: 1989.

Parent: Anthem Inc.

Officers: Frank C. Witthun, president/CEO; Keith A. Maib, executive vp/CFO; Michael B. Henning, Robert C. Nevins, executive vps; Ernest J. Newborn, vp/general counsel.

Contact: Keith A. Maib, 317-488-6220.

See profile on page 40.
See geographical listing on page 70.

T.J. Adams & Associates Inc.

2021 Spring Road, Oak Brook, Ill. 60521; 630-572-1550; fax: 630-574-3278

	1996	1995
Premium volume	$74,000,000	$68,000,000
Gross revenues	$7,149,072	$6,665,669
U.S. clients	100%	100%
Brokerage: Retail	96.6%	96.6%
U.S. offices	$6,955,200	$6,472,200
Personal lines	1.6%	1.5%
Invstmt. income	1.8%	1.9%
Total employees	68	64
Total offices	1	1

Founded: 1967.

Retail brokerage: 97.5% commissions, 2.5% fees.

Employee benefits: 15% of revenues in 1996.

Licensed excess/surplus broker in: Illinois.

Officers: Richard E. Miller, chairman/CEO; Dennis D. Gamache, president; John E. Adams, executive vp; Gregory Field, John Keagly, vps.

Contact: Dennis D. Gamache.

Airsure Ltd.

25548 Genesee Trail Road, Golden, Colo. 80401; 303-526-5300; fax: 303-526-5303

	1996	1995
Premium volume	$31,813,448	$26,114,000
Gross revenues	$3,846,731	$3,458,139
U.S. clients	95%	98%
Non-U.S. clients	5%	2%
Brokerage: Retail	66%	80%
U.S. offices	$3,308,189	$2,766,511
Wholesale	5%	9%
Personal lines	3%	3%
Services	1%	2%
Invstmt. income	5%	6%
Total employees	17	16
Total offices	3	3

Founded: 1984.

Parent: Airsure Ltd. Holdings Inc.

Retail brokerage: 98% commissions, 2% fees.

Retail brokerage offices: Boise, Idaho; Philadelphia.

Licensed excess/surplus broker in: Colorado, Idaho, Pennsylvania.

Officers: Bill Behan, president; Anne Salemmo, senior vp; Todd Gueclich, vp-sales; Bill Tabert, vp-administration; Trish Courtney, CFO.

Contact: Bill Behan.

Alburger Basso de Grosz Insurance Services Inc.

301 Island Parkway, Belmont, Calif. 94002; 415-598-0900; fax: 415-598-0370

	1996*	1995*
Premium volume	$560,000,000	$425,000,000
Gross revenues	$44,000,000	$31,007,000
U.S. clients	100%	100%
Brokerage: Retail	84.9%	83.4%
U.S. offices	$37,356,000	$25,859,838
Personal lines	5.1%	6.5%
Services	7.2%	7.1%
Invstmt. income	2.8%	3%
Total employees	335	240
Total offices	6	5

** Fiscal years ending 1/31/96 and 1/31/95.*

Founded: 1976.

Retail brokerage: 82.5% commissions, 17.5% fees.

Employee benefits: 25% of revenues in 1996.

Acquisitions: Alexander & Alexander, Stockton, Calif., January 1997; Metzger & Wilkey, Petaluma, Calif., March 1996; Minet, Palo Alto, Calif., May 1997; Willis Corroon, Sacramento, Calif., June 1996.

Retail brokerage offices: Capitola, Orange, Palo Alto, Petaluma and Sacramento, Calif.

Licensed excess/surplus broker in: California.

Officers: Frederick J. de Grosz, CEO; Bruse Basso, president; J. Douglas Alburger, chairman; Sam Jones, Andrew Sterngold, George Jaynes, James Mizell, executive vps.

Contact: Frederick J. de Grosz, 415-508-4312.

Allied American Agency Inc.

233 W. Central St., Natick, Mass. 01760; 508-651-7700; fax: 508-651-7701

	1996	1995
Premium volume	$102,000,000	$40,000,000
Gross revenues	$13,437,686	$5,400,000
U.S. clients	100%	100%
Brokerage: Retail	28%	24.5%
U.S. offices	$3,762,552	$1,323,000
Personal lines	71.5%	75%
Invstmt. income	0.5%	0.5%
Total employees	195	68
Total offices	23	6

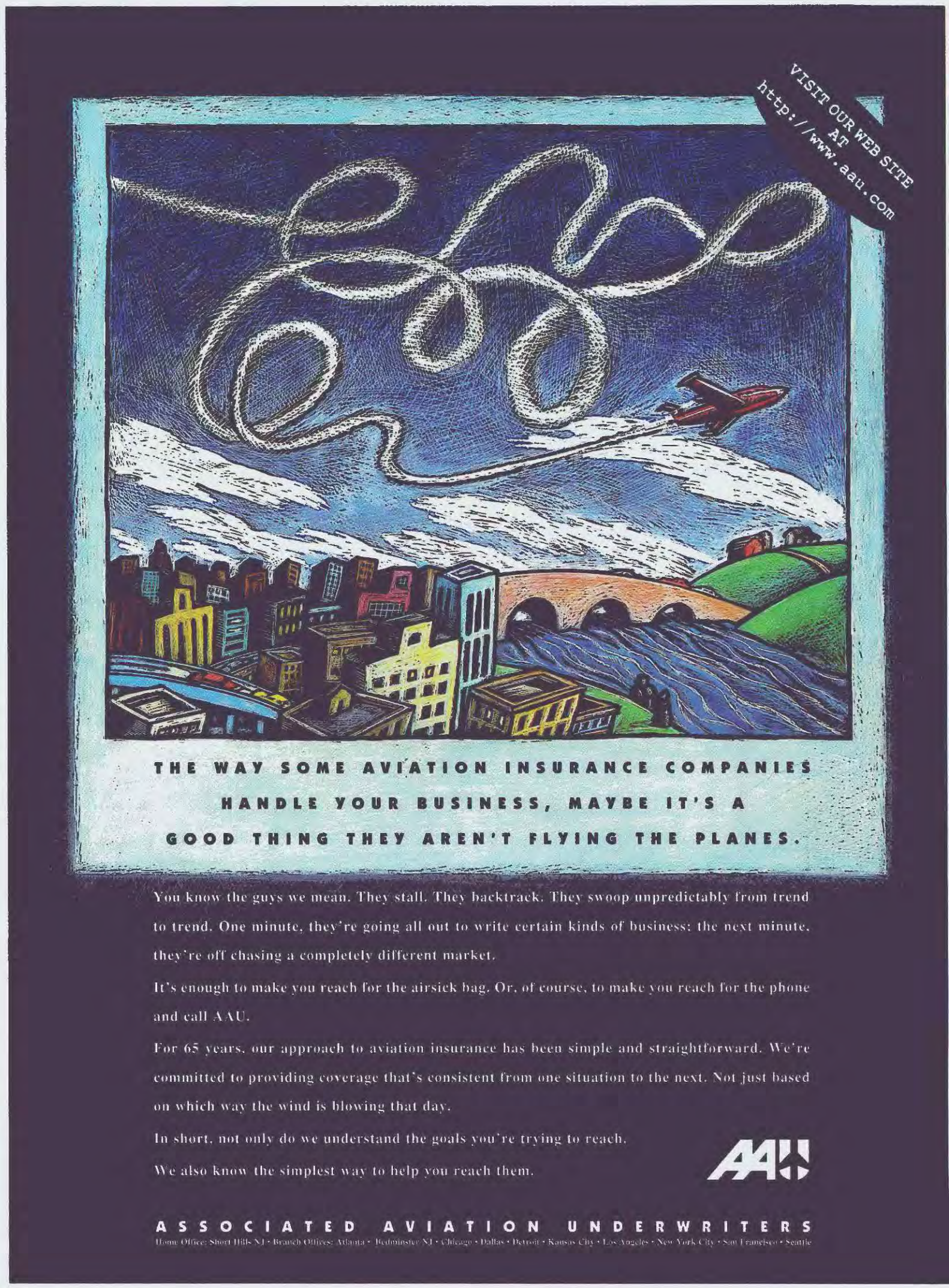
Founded: 1993.

Retail brokerage: 100% commissions.

Employee benefits: 2% of revenues in 1996.

Acquisitions: Bristol Insurance Agency, Bristol, Vt.; Dana Insurance Agency, Woodstock, Vt.; Mahoney & Wright, Boston.

Continued on next page



Continued from previous page

Retail brokerage offices: Andover, Boston, Braintree, Cohasset, Dedham, Haverhill, Middleboro, Natick, Newton, North Attleboro, Peabody, Plymouth, Rockland, Scituate, Tewksbury, Wakefield, Westboro, Weymouth, Worcester, Wrentham and Yarmouth, Mass.; Allied American Agency Inc. dba Bristol Insurance Agency, Bristol, Vt.; Allied American Agency Inc. dba Dana Insurance Agency, Woodstock, Vt.

Licensed excess/surplus broker in: Massachusetts.

Officers: Robert A. Morrissey, president; John F. Koegel, Mark S. Malloy, vps.

Contact: John F. Koegel.

Allied Coverage Corp.

390 N. Broadway, Jericho, N.Y. 11753; 516-733-9200; fax: 516-681-7460

	1996	1995
Premium volume	**$140,000,000**	$130,000,000
Gross revenues	**$14,500,000**	$13,000,000
U.S. clients	**100%**	100%
Brokerage: Retail	**91%**	93%
U.S. offices	**$13,195,000**	$12,090,000
Wholesale	**5%**	3%
Personal lines	**2%**	2%
Invstmt. income	**2%**	2%
Total employees	**115**	109
Total offices	**5**	6

Founded: 1979.

Retail brokerage: 72% commissions, 18% fees.

Employee benefits: 1% of revenues in 1996.

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.; Project Technologies International L.L.C., Duluth, Ga.

Non-retail brokerage subsidiaries: Atlantic Star Intermediaries Inc., Jericho, N.Y.

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

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 Group; 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.

Contact: Henry C. Lombardi.

Alper Services Inc.

60 W. Superior St., Chicago, Ill. 60610; 312-642-1000; fax: 312-944-7000

	1996	1995
Premium volume	**$31,000,000**	$30,000,000
Gross revenues	**$4,900,000**	$4,800,000
U.S. clients	**99%**	99%
Non-U.S. clients	**1%**	1%
Brokerage: Retail	**76%**	76%
U.S. offices	**$3,724,000**	$3,648,000
Personal lines	**5%**	5%
Services	**15%**	15%
Invstmt. income	**3%**	3%
Other	**1%**	1%
Total employees	**49**	48
Total offices	**1**	1

Founded: 1966.

Retail brokerage: 95% commissions, 5% fees.

Employee benefits: 6% of revenues in 1996.

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

	1996	1995
Premium volume	**$602,185,000**	$580,220,000
Gross revenues	**$66,240,437**	$63,818,000
U.S. clients	**98%**	100%
Non-U.S. clients	**2%**	NA
Brokerage: Retail	**80%**	81%
U.S. offices	**$52,992,350**	$51,692,580
Wholesale	**1%**	1%
Reinsurance	**3%**	NA
Personal lines	**15%**	15%
Services	**NA**	2%
Invstmt. income	**1%**	1%
Total employees	**602**	605
Total offices	**17**	16

Founded: 1981.

Parent: Phoenix Home Life Mutual Insurance Co.

Retail brokerage: 96% commissions, 4% fees.

Employee benefits: 11% of revenues in 1996.

Acquisitions: R.E. Bill Associates Inc., Farmingdale, N.Y., October 1996; Lees Preston Fairy Ltd., London, December 1996.

Retail brokerage offices: American Phoenix/Burkar Associates, Parsippany, N.J.; American Phoenix of Chambersburg, Chambersburg, Pa.; American Phoenix of Connecticut, Hartford, Conn.; American Phoenix of Georgia, Atlanta; American Phoenix of Maryland, Baltimore; American Phoenix of Massachusetts, Lowell, Mass.; American Phoenix of Miami, Miami; American Phoenix of New York, New York; American Phoenix of Orlando, Orlando, Fla.; American Phoenix of Philadelphia, Philadelphia; American Phoenix of Sarasota, Sarasota, Fla.; American Phoenix of Tampa Bay, St. Petersburg, Fla.; American Phoenix of Western New York, Jamestown, N.Y.; Robert E. Bill Associates, Farmingdale, N.Y.; Howard Hall Agency, Gainesville, Fla.; Lees Preston Fairy Ltd., London.

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; William E. Ryan, vp-finance.

Contact: Martin L. Vaughan III.

American Risk Associates Ltd.

1818 Market St., Philadelphia, Pa. 19103; 215-299-8750; fax: 215-299-2220

	1996	1995
Premium volume	**$12,710,000**	$14,105,000
Gross revenues	**$1,048,000**	$1,387,000
U.S. clients	**100%**	100%
Brokerage: Retail	**99%**	99%
U.S. offices	**$1,037,520**	$1,373,130
Wholesale	**1%**	1%
Total employees	**8**	10
Total offices	**1**	1

Founded: 1986.

Parent: Day & Zimmermann Inc.

Retail brokerage: 75% commissions, 25% fees.

Licensed excess/surplus broker in: Pennsylvania.

Officers: Stephen R. Kirkman, president; John Ercolavi, senior vp; Brian R. Schofield, vp.

Contact: Stephen R. Kirkman.

Anchor Pacific Underwriters Inc.

1800 Sutter St., Suite 400, Concord, Calif. 94520; 510-682-7707; fax: 510-356-2400

	1996	1995
Premium volume	**$113,000,000**	$115,000,000
Gross revenues	**$9,922,000**	$10,200,000
U.S. clients	**100%**	100%
Brokerage: Retail	**30%**	30.6%
U.S. offices	**$2,976,600**	$3,121,200
Personal lines	**6%**	6%
Services	**61%**	60%
Invstmt. income	**3%**	3.4%
Total employees	**115**	127
Total offices	**3**	2

Founded: 1986.

Retail brokerage: 95% commissions, 5% fees.

Employee benefits: 70% of revenues in 1996.

Acquisitions: R.L. Ferguson, Walnut Creek, Calif., February 1996; N. Robins, Walnut Creek, Calif., April 1996; J. McPherson, San Ramon, Calif., May 1996.

Retail brokerage offices: Putnam, Knudsen & Wieking Inc., Concord, Calif.

Non-retail brokerage subsidiaries: Benefit Administration Corp., Fresno, Calif.; Benefit Resources Inc., Scottsdale, Ariz.; Harden & Co., Concord, Calif.; Planned Benefit Services Inc., Scottsdale, Ariz.

Licensed excess/surplus broker in: California.

Officers: James R. Dunathan, president/CEO; Earl Wiklund, senior vp/CFO; Carol Haynosch, vp-corporate affairs; Donald B. Putnam, chairman-property/casualty operations; Lynn Boyd, president-California TPA operations; Robert Rath, president-Arizona TPA operations.

Contact: James R. Dunathan.

Anco Insurance Managers Inc.

1733 Briarcrest Drive, Bryan, Texas 77802; 409-776-2626; fax: 409-776-1308

	1996	1995
Premium volume	**$76,023,426**	$76,826,068
Gross revenues	**$12,014,288**	$13,051,436
U.S. clients	**100%**	100%
Brokerage: Retail	**46%**	48%
U.S. offices	**$5,526,572**	$6,264,689
Wholesale	**7%**	6%
Personal lines	**35%**	36%
Services	**5%**	5%
Invstmt. income	**4%**	4%
Other	**3%**	1%
Total employees	**148**	181
Total offices	**11**	8

Founded: 1873.

Retail brokerage: 100% commissions.

Employee benefits: 4% of revenues in 1996.

Retail brokerage offices: Anco Insurance Capital City, Austin Texas; Anco Insurance DFW, Dallas; Anco Insurance GSM, Rockport, Texas; Anco GSM of Victoria, Victoria, Texas; Anco Insurance Jernigan-Dabney, Livingston, Texas; Anco Metroplex, Arlington, Texas; Anco Insurance Pioneer-Mart, Mart, Texas; Anco Insurance Temple/Belton, Temple, Texas; Anco Insurance of Woodlands, The Woodlands, Texas; Anco Insurance Wessendorf, Richmond, Texas.

Non-retail brokerage subsidiaries: AIM Premium Finance, Bryan, Texas; Anco Insurance Services of Bryan/College Station, Bryan, Texas; Emerald Surplus Lines, Bryan, Texas; Keifer Marshall Insurance Agency, Temple, Texas.

Licensed excess/surplus broker in: Texas.

Officers: M.L. Cashion, chairman emeritus; Dick Haddox, chairman; Norman Keicke, president; Adrian McDonald, senior vp; Joyce Pankonien, senior vp/CFO.

Contact: Joyce Pankonien.

Anderson & Anderson Insurance Brokers Inc.

2495 Campus Drive, Irvine, Calif. 92612; 714-476-4300; fax: 714-752-0608

	1996*	1995*
Premium volume	**$122,000,000**	$130,000,000
Gross revenues	**$13,000,000**	$13,000,000
U.S. clients	**100%**	100%
Brokerage: Retail	**89.7%**	91.7%
U.S. offices	**$11,661,000**	$11,921,000
Personal lines	**4%**	3%
Services	**3.4%**	3.1%
Invstmt. income	**1.6%**	2.1%
Other	**1.3%**	0.1%
Total employees	**110**	113
Total offices	**3**	3

** Fiscal years ending 3/31/96 and 3/31/95.*

Founded: 1947.

Retail brokerage: 95% commissions, 5% fees.

Employee benefits: 14.4% of revenues in 1996.

Retail brokerage offices: Glendale and Stockton, Calif.

Officers: Robert M. Anderson, president/CEO; Everett R. Newman, COO; Ben F. Hernandez, CFO.

Contact: Ron Gwynn, senior vp-business development.

Andreini & Co.

220 W. 20th Ave., San Mateo, Calif. 94403; 415-573-1111; fax: 415-378-4361

	1996	1995
Gross revenues	**$20,767,000**	$20,220,000
U.S. clients	**100%**	100%
Brokerage: Retail	**96%**	96%
U.S. offices	**$19,936,320**	$19,411,200
Personal lines	**2%**	2%
Invstmt. income	**2%**	2%
Total employees	**160**	172
Total offices	**9**	9

Founded: 1951.

Retail brokerage: 98% commissions, 2% fees.

Employee benefits: 20% of revenues in 1996.

Retail brokerage offices: Scottsdale, Ariz.; Irvine, Modesto, Oxnard, Salinas, Santa Monica, Stockton and Visalia, Calif.

Licensed excess/surplus broker in: California.

Officers: John A. Andreini, chairman; Michael J. Colzani, CEO; Daniel L. Centoni, COO; David Hoskins, president.

Contact: John A. Andreini.

Andueza y Cia. Corredores de Seguros S.A.

Gertrudis Echenique 30, Piso 15, Las Condes, Santiago, Chile; 56-2-206-5533; fax: 56-2-206-5651

Continued on next page

Agent/broker directory explained

The 1997 directory of agents and brokers is based on companies' responses 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** and **gross revenues** for both 1996 and 1995 are listed, as well as the percentage of gross revenues generated from **U.S.-based clients** and **non-U.S.-based clients**. The percentage of gross revenues generated from commercial **retail brokerage** is next, followed by a breakdown in dollars as generated through **U.S. offices** versus **non-U.S. offices**. The percentages generated from **wholesale** brokerage, **reinsurance** brokerage, **personal lines** brokerage, fee-based **services**, **investment income** and **other** activities follow.

The number of **employees** in full-time equivalent and commercial retail brokerage **offices** for 1996 and 1995 also are included.

Next, the year **founded**, **parent** company and the percentage of commercial **retail brokerage** generated from commissions and fees are given.

Acquisitions, 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 the listing.

If you wish to locate a company by state or country, refer to the geographical index following the directory listings. Locations of home offices as well as retail brokerage branch offices are included.

All figures are listed in U.S. dollars. The applicable yearly average exchange rate was used to convert figures for non-U.S. based organizations. Exchange rates are noted on the page one chart, except the following: Argentinian peso=$1.001 (fiscal year ending 7/31/96), $1.003 (FYE 7/31/95); Austrian schilling=$0.094 (FYE 12/31/96), $0.100 (FYE 12/31/95); British pound=$1.560 (FYE 12/31/96), $1.578 (FYE 12/31/95), $1.548 (FYE 6/30/96), $1.584 (FYE 3/31/97), $1.566 (FYE 3/31/96); Canadian dollar=$0.733 (FYE 12/31/96), $0.731 (FYE 12/31/95), $0.734 (FYE 3/31/97), $0.735 (FYE 3/31/96), $0.735 (FYE 7/31/96), $0.728 (FYE 7/31/95), $0.734 (FYE 8/31/96), $0.730 (FYE 8/31/95), $0.733 (FYE 9/30/96), $0.728 (FYE 9/30/95); Chilean peso=$0.002 (FYE 12/31/96 and 12/31/95); Colombian peso=$0.001 (FYE 12/31/96 and 12/31/95); Dutch guilder=$0.588 (FYE 12/31/96), $0.623 (FYE 12/31/95); French franc=$.196 (FYE 12/31/96), $0.201 (FYE 12/31/95); German mark=$0.665 (FYE 12/31/96), $0.698 (FYE 12/31/95); Hong Kong dollar=$0.129 (FYE 6/30/96 and FYE 6/30/95); Japanese yen=$0.009 (FYE 3/31/97), $0.011 (FYE 3/31/96); Mexican peso=$0.131 (FYE 12/31/96), $0.155 (FYE 12/31/95); South African Rand=$0.222 (FYE 3/31/97), $0.271 (FYE 3/31/96).

The information in each entry was compiled by *Business Insurance* based on data supplied by the agents and brokers. Although every effort is made to publish complete and accurate information, no public records are available against which to verify the information supplied by privately-held brokers.

If you would like to receive a questionnaire to be listed next year, contact Matt Scroggins, *Business Insurance*, 740 N. Rush St., Chicago, Ill. 60611-2590; 312-649-5483.

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Continued from previous page

	1996	1995
Premium volume	$46,300,000	$63,100,000
Gross revenues	$4,300,000	$4,220,000
U.S. clients	10%	10%
Non-U.S. clients	90%	90%
Brokerage: Retail	100%	100%
Non-U.S. offices	$4,300,000	$4,220,000
Total employees	43	44
Total offices	1	1

Founded: 1958.

Retail brokerage: 90% commissions, 10% fees.

Non-retail brokerage subsidiaries: Excess Corredores de Reaseguros S.A., Santiago, Chile.

Officers: Victor Senoret, CEO; Andres Barahona, general manager; Patricio Cox, operations manager; Martin Senoret, international manager; Andres Alcalde, development manager.

Contact: Andres Alcalde or Martin Senoret.

Aon Group Inc.

123 N. Wacker Drive,
Chicago, Ill. 60606;
312-701-4000; fax: 312-701-3080

Parent: Aon Corp.

Officers: Patrick G. Ryan, chairman/CEO-Aon Group Inc.; Michael D. O'Halleran, president/COO-Aon Group Inc.; Dirk P.M. Verbeek, chairman-Aon Risk Services Worldwide; Michael D. Rice, chairman-Aon Specialty Group Inc.; Ronald A. Iles, chairman-Aon Re Worldwide Inc.; Daniel T. Cox, chairman-Aon Consulting Worldwide Inc.; Alan H.C. Colls, chairman-Aon Group Ltd.; Dennis L. Mahoney, deputy chairman/CEO-Aon Group Ltd.

Contact: Joan Steel, senior vp-corporate communications-Aon Group Inc., 312-701-3016.

See profile on page 22.
See geographical listing on page 70.

Associated Agencies Inc.

1701 Golf Road, 3 Continental Towers, Suite 700, Rolling Meadows, Ill. 60008; 847-427-8400;
fax: 847-427-3559

	1996	1995
Premium volume	$124,000,000	$122,000,000
Gross revenues	$14,700,000	$14,500,000
U.S. clients	100%	100%
Brokerage: Retail	65%	63%
U.S. offices	$9,555,000	$9,135,000
Personal lines	25%	27%
Services	10%	10%
Total employees	92	92
Total offices	3	3

Founded: 1889.

Retail brokerage: 90% commissions, 10% fees.

Employee benefits: 42% of revenues in 1996.

Acquisitions: LaSalle Financial Services, Chicago, May 1996.

Retail brokerage offices: Chicago and Downers Grove, Ill.

Licensed excess/surplus broker in: Illinois.

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 (A.I.G.)

150 Weldon Parkway, A.I.G. Building, St. Louis, Mo. 63043; 800-737-0100;
fax: 314-432-3100

	1996	1995
Premium volume	$21,000,000	$19,000,000
Gross revenues	$1,800,000	$1,700,000
U.S. clients	100%	100%
Brokerage: Retail	80%	80%
U.S. offices	$1,440,000	$1,360,000
Personal lines	20%	20%
Total employees	32	24
Total offices	3	1

Founded: 1959.

Retail brokerage: 100% commissions.

Employee benefits: 5% of revenues in 1996.

Licensed excess/surplus broker in: Missouri.

Officers: George S. Wherry, president; Gregory G. Wherry, senior vp.

Aviation Insurance Services of Nevada Inc.

333 N. Rancho Drive, Suite 400,
Las Vegas, Nev. 89106;
702-647-2333; fax: 702-647-5433

	1996*	1995*
Premium volume	$42,000,000	$42,000,000
Gross revenues	$4,025,000	$4,112,000
U.S. clients	90%	91%
Non-U.S. clients	10%	9%
Brokerage: Retail	88%	87.6%
U.S. offices	$3,622,500	$3,602,112
Wholesale	1%	2%
Reinsurance	9%	7.5%
Personal lines	NA	0.5%
Services	0.4%	0.5%
Invstmt. income	1.6%	1.9%
Total employees	20	20
Total offices	2	2

** Fiscal years ending 6/30/56 and 6/30/95.*

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: Nevada, Utah.

Officers: Ronald A. Hill, chairman/CEO; Richard R. Gorsuch, vice chairman; Leslie C. DeWald, president-Utah agency; William F. Willer, president-Florida agency; Teresa K. Heckart, vp-finance/CFO.

Contact: Richard R. Gorsuch.

B

BB&T Insurance Services Inc.

P.O. Box 31128,
Raleigh, N.C. 27622;
919-831-2165; fax: 919-831-2144

	1996	1995
Premium volume	$203,000,000	$135,000,000
Gross revenues	$32,423,621	$16,976,900
U.S. clients	100%	100%
Brokerage: Retail	70%	65%
U.S. offices	$22,696,535	$11,034,985
Personal lines	28%	34%
Services	1%	1%
Other	1%	NA
Total employees	329	259
Total offices	27	23

Founded: 1922.

Parent: BB&T Corp.

Retail brokerage: 90% commissions, 10% fees.

Employee benefits: 3% of revenues in 1996.

Acquisitions: Boyle-Vaughan Associates Inc., Columbia, S.C., November 1996; William Goldsmith Agency Inc., Greenville, S.C., November 1996; C. Dan Joyner Insurance Agency, Greenville, S.C., November 1996; James R. Lingle Agency Inc., Florence, S.C., June 1996; UCB Insurance Center, North Carolina, July 1997.

Retail brokerage offices: Agency Technologies, Florence, S.C.; BB&T-Boyle Vaughan, Columbia, S.C.; BB&T-Carlton Wells Insurance, Wallace, N.C.; BB&T-Cline Southern, Hickory, N.C.; BB&T-Cummings LeGrand, Shelby, N.C.; BB&T-Ervin-Haywood-Rankin, High Point, N.C.; BB&T-Goldsmith Joyner, Greenville, S.C.; BB&T-Insurance Services, Raleigh and Wilmington, N.C.; BB&T-Insurance Services-Moore County, Aberdeen, N.C.; BB&T-Insurance Services-Wilson, Wilson, N.C.; BB&T-McLean Brady McLean, Lumberton, N.C.; BB&T-Parsons Insurance, Greenville, S.C.; BB&T-Poole Insurance, Greensboro, N.C.; BB&T-Proctor Owen, Roanoke Rapids, N.C.; BB&T-Regional Insurance, Sanford, N.C.; BB&T-Underwood Dawson, Goldsboro, N.C.; BB&T-Wall Insurance, Eden, N.C.; BB&T-Webb Insurance, Statesville, N.C.; BB&T-West Boyette Insurance, Fayetteville, N.C.; BB&T-Westbrook Insurance, Charlotte, N.C.; BB&T-Wilkinson Bulluck, Rocky Mount, N.C.; BB&T-Wright Dobbins, Asheville, N.C.; Reliable Policy Management, Florence, S.C.; Title Insurance, Greenville, S.C.

Non-retail brokerage subsidiaries: Prime Rate Premium Finance Corp. Inc., Florence, S.C.

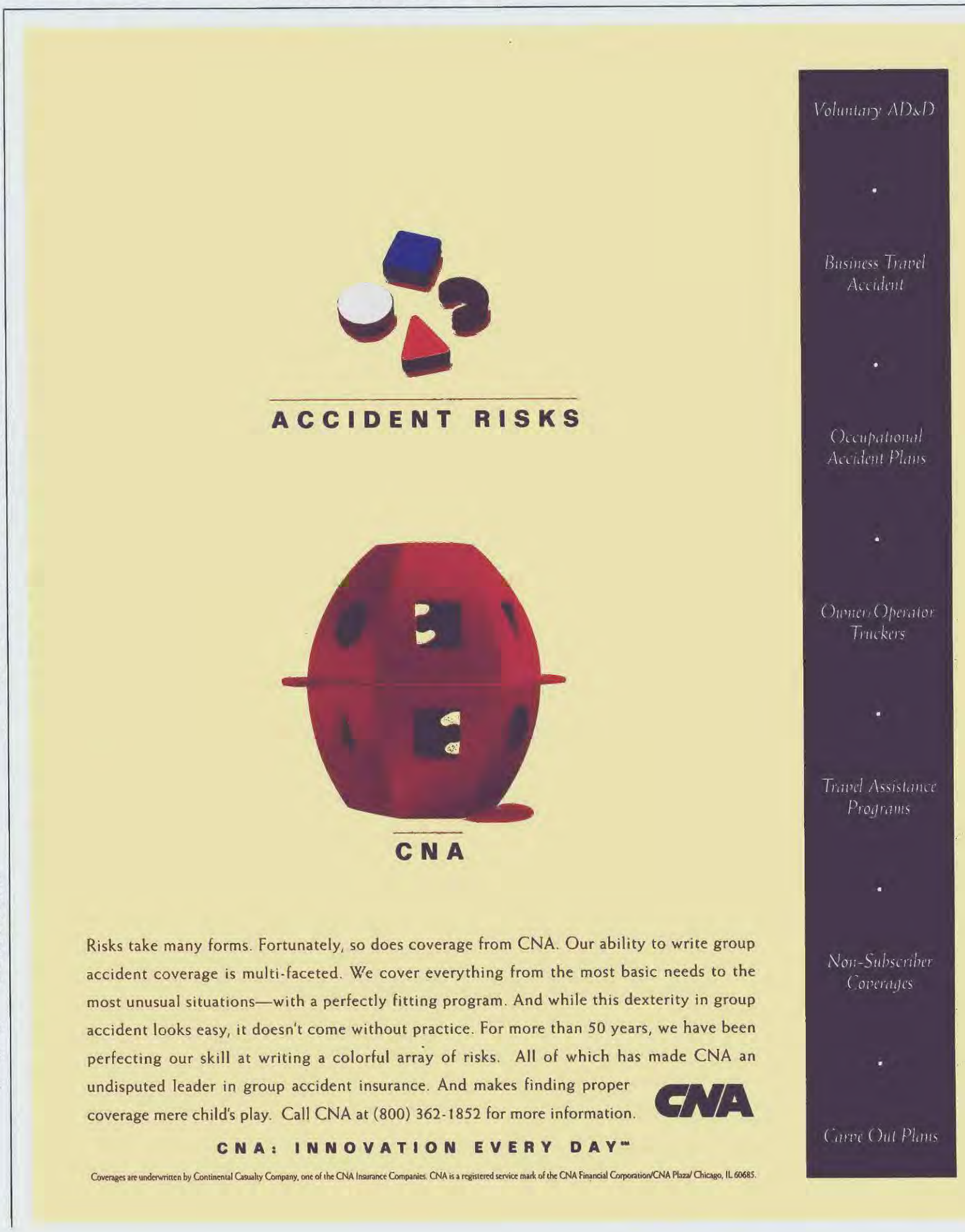
Licensed excess/surplus broker in: North Carolina, South Carolina.

Officers: H. Wade Reece, president; Paula J. Farrell, David M. Wells, Thomas M. Fields, Michael N. Cockerham, Bill West, James F. Farmer, senior vps.

Contact: H. Wade Reece.

Continued on next page

The geographical index of agents and brokers begins on page 70. The index lists organizations appearing in the directory and their commercial retail brokerage offices by city and state or country (if located outside the United States).



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The BGS&G Cos.

44 Baltimore St., Cumberland, Md. 21502; 301-777-1500; fax: 301-724-3953

	1996	1995
Premium volume	$61,485,439	$60,409,948
Gross revenues	$14,750,584	$13,894,429
U.S. clients	100%	100%
Brokerage: Retail	60%	58.7%
U.S. offices	$8,850,350	$8,156,030
Wholesale	4.5%	4.6%
Personal lines	11.1%	11.3%
Services	16%	17.8%
Invstmt. income	0.9%	0.8%
Other	7.5%	6.8%
Total employees	162.7	162.8
Total offices	9	8

Founded: 1965.
Retail brokerage: 100% commissions.
Employee benefits: 29.9% of revenues in 1996.
Acquisitions: Corporate Benefit Planning, Wheeling, W.Va., July 1996.
Retail brokerage offices: Cumberland, Hagerstown, Oakland and Silver Springs, Md.; Johnstown, Pittsburgh and Uniontown Pa.; Keysar and Wheeling, W.Va.
Licensed excess/surplus broker in: Maryland, Pennsylvania.
Officers: Marc E. Zanger, CEO; Robert H. Garner, CFO; Randolph B. Screen, Jon S. Ketzner, senior vps; Coleman P. Brown, secretary.
Contact: Randolph B. Screen.

BWD Group Ltd.

3000 Marcus Ave., P.O. Box 5028, Lake Success, N.Y. 11042; 516-327-2700; fax: 516-327-2770

	1996	1995
Premium volume	$185,000,000	$170,000,000
Gross revenues	$16,500,000	$15,856,000
U.S. clients	99.5%	99.5%
Non-U.S. clients	0.5%	0.5%
Brokerage: Retail	75%	76%
U.S. offices	$12,375,000	$12,050,560
Wholesale	15%	15%
Personal lines	9%	8%
Invstmt. income	1%	1%
Total employees	135	130
Total offices	2	2

Founded: 1929.
Retail brokerage: 92% commissions, 8% fees.
Employee benefits: 15% of revenues in 1996.
Acquisitions: BWD Connecticut Ltd., Stamford, Conn., January 1997.
Retail brokerage offices: Stamford, Conn.
Licensed excess/surplus broker in: Connecticut, 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: Roger A. Blumencranz.

Banack Insurance Agency Inc. dba Sid Banack Insurance

P.O. Box 130, Vero Beach, Fla. 32961; 561-562-3369; fax: 561-562-3466

	1996	1995
Premium volume	$27,000,000	$23,000,000
Gross revenues	$3,228,000	$2,655,000
U.S. clients	100%	100%
Brokerage: Retail	72%	71%
U.S. offices	$2,324,160	$1,885,050
Personal lines	8%	7%
Invstmt. income	5%	5%
Other	15%	17%
Total employees	44	41
Total offices	4	4

Founded: 1996.
Retail brokerage: 100% commissions.
Employee benefits: 20% of revenues in 1996.
Acquisitions: Wojtusik-Smith Agency, West Palm Beach, Fla., October 1996.
Retail brokerage offices: Melbourne, North Palm Beach and Winter Haven, Fla.
Officers: Sidney M. Banack Jr., president; Michael W. Harris, George G. Thistle, vps; Cheryl B. Roseland, secretary/ treasurer.
Contact: Cheryl B. Roseland.

Beauchamp & McSpadden Inc.

231 W. Canal St., P.O. Box 687, Wabash, Ind. 46992; 219-563-8821; fax: 219-563-7957

	1996	1995
Premium volume	$21,338,000	$22,935,000
Gross revenues	$2,803,000	$3,094,000
U.S. clients	100%	100%
Brokerage: Retail	57.5%	57.6%
U.S. offices	$1,611,725	$1,782,144
Personal lines	28.3%	24.7%
Invstmt. income	1.6%	12.2%
Other	12.6%	5.5%
Total employees	44	45
Total offices	4	4

Founded: 1927.
Retail brokerage: 100% commissions.
Employee benefits: 3.7% of revenues in 1996.
Retail brokerage offices: Morrison Gallaher Inc., Muncie, Ind.; North Manchester Inc., Warsaw, Ind.
Licensed excess/surplus broker in: Indiana.
Officers: Robert W. Beauchamp, president; Joseph W. McSpadden, secretary/ vp; Michael J. Beauchamp, treasurer/vp; Frederick H. Squires, Larry D. McSpadden, vps.
Contact: Robert W. Beauchamp.

Berwanger Overmyer Associates

2245 Northbank Drive, Columbus, Ohio 43220; 614-457-7000; fax: 614-457-1507

	1996	1995
Premium volume	$150,000,000	$65,000,000
Gross revenues	$14,108,683	$10,683,487
U.S. clients	100%	100%
Brokerage: Retail	80.9%	78.7%
U.S. offices	$11,413,925	$8,407,904
Wholesale	1.5%	1.5%
Personal lines	5.1%	6%
Services	9.5%	10%
Invstmt. income	2.8%	3.5%
Other	0.2%	0.3%
Total employees	153	113
Total offices	2	3

Founded: 1873.
Parent: BOAHC Inc.
Retail brokerage: 80% commissions, 20% fees.
Employee benefits: 41.2% of revenues in 1996.
Acquisitions: Turner & Shepard Inc., Columbus, Ohio, March 1996.
Retail brokerage offices: Cincinnati.
Licensed excess/surplus broker in: Ohio.
Officers: Edwin L. Overmyer, president/CEO; Richard H. Moore, Joseph M. Berwanger, Richard W. Daley, executive vps; Jerry L. Esselstein, COO/treasurer.
Contact: Edwin L. Overmyer.

Groupe Le Blanc de Nicolay

134 rue Danton, F 92300 Levallois-Perret, France; 331-47-59-11-11; fax: 331-47-59-93-82

	1996	1995
Premium volume	$1,078,000,000*	$1,145,700,000*
Gross revenues	$113,680,000*	$112,560,000*
U.S. clients	3%	3%
Non-U.S. clients	97%	97%
Brokerage: Retail	35%	35%
Non-U.S. offices*	$39,788,000*	$39,396,000*
Reinsurance	56%	58%
Invstmt. income	9%	7%
Total employees	548	502
Total offices	7	7

** Converted at applicable exchange rates.*
Founded: 1928.
Retail brokerage: 95% commissions, 5% fees.
Employee benefits: 14% of revenues in 1996.
Acquisitions: SGEA, Angouleme and Paris, France, September 1996.
Retail brokerage offices: ASA, Bologna, Italy; Le Blanc de Nicolay Assurances REA Consultant, Levallois-Perret, France; Le Blanc de Nicolay Espanola, Madrid, Spain; GLN Lux, Luxembourg; ISB, Rosslyn, Va.; ISB Asia/Pacific, Singapore; ISB France, Levallois-Perret, France; SGEA, Angouleme and Levallois-Perret, France; Societe Centrale de Courtage D'Assurance, Levallois-Perret, France; Tarrazi Recoing, Marseille, France.
Non-retail brokerage subsidiaries: Le Blanc de Nicolay Catalunya, Barcelona, Spain; Le Blanc de Nicolay Iberica, Madrid, Spain; Le Blanc de Nicolay Reassurance, Levallois-Perret, France; Le Blanc de Nicolay Riassicurazione SRL, Bologna, Italy; Le Blanc de Nicolay U.S. Inc., New York; Le Blanc de Nicolay Zurich A.G., Zurich, Switzerland; LBN Asia, Singapore; LBN Norcica, Stockholm, Sweden; LBN Tokyo, Tokyo; Suys & Janssens, Brussels, Belgium.
Officers: Vincent Redier, chairman/ CEO; Claude Marie, vice chairman/general director; Olivier du Passage, executive vp.
Contact: Eric Bocquet.

Terms and methodology are detailed on page 52. The geographical index of agents and brokers' retail brokerage offices begins on page 70.

Grupo Bobadilla y Rehder, Agente de Seguros y de Fianzas, S.A. de CV

Ave. Cuauhtemoc 1217-202, Mexico City, DF 03610, Mexico; 525-605-9601 or 525-688-3322; fax: 525-688-7743

	1996	1995
Premium volume	$11,664,375*	$12,543,375*
Gross revenues	$1,529,260*	$1,568,678*
U.S. clients	19%	16%
Non-U.S. clients	81%	84%
Brokerage: Retail	96.15%	96.9%
Non-U.S. offices	$1,394,810*	$1,520,049*
Personal lines	2%	1.2%
Services	NA	0.1%
Invstmt. income	1.85%	1.2%
Other	NA	0.6%
Total employees	25	25
Total offices	1	1

** Converted at applicable exchange rates.*
Founded: 1988.
Retail brokerage: 99.9% commissions, 0.1% fees.
Employee benefits: 19% of revenues in 1996.
Officers: Oscar Bobadilla, president; Armando Mata, director-operations; Abelardo Angulo, director-technical/engineering; Enrique Barragan, senior account executive; Gerardo Camarena, international accounts.
Contact: Oscar Bobadilla.

Bollinger Fowler Co.

830 Morris Turnpike, Short Hills, N.J. 07078; 201-467-0444; fax: 201-467-0190

	1996	1995
Premium volume	$160,000,000	$155,600,000
Gross revenues	$25,774,710	$25,165,000
U.S. clients	100%	100%
Brokerage: Retail	44%	45%
U.S. offices	$11,340,872	$11,576,000
Wholesale	36%	35%
Personal lines	18%	18%
Invstmt. income	2%	2%
Total employees	177	183
Total offices	2	2

Founded: 1876.
Retail brokerage: 95% commissions, 5% fees.
Employee benefits: 22% of revenues in 1996.
Retail brokerage offices: Greenwich, Conn.
Licensed excess/surplus broker in: New Jersey.
Officers: John A. Windolf, CEO; Richard C. Fowler Jr., president; Douglas T. Cook, John L. Dana, executive vps.
Contact: G. Alex Crispo, vp/general counsel.

Bolton/RGV Insurance Brokers

1100 El Centro St., South Pasadena, Calif. 91030; 818-799-7000; fax: 818-441-3233

	1996	1995
Premium volume	$84,500,000	$81,500,000
Gross revenues	$9,910,000	$9,680,000
U.S. clients	100%	100%
Brokerage: Retail	87%	86%
U.S. offices	$8,621,700	$8,324,800
Wholesale	1%	1%
Personal lines	10%	11%
Invstmt. income	2%	2%
Total employees	102	98
Total offices	2	2

Founded: 1931.
Retail brokerage: 98% commissions, 2% fees.
Employee benefits: 13% of revenues in 1996.
Retail brokerage offices: Oxnard, Calif.
Licensed excess/surplus broker in: California.
Officers: William Bolton, CEO; James Bolton, president; William Fedell, COO; William Van Rooy, CFO.
Contact: William Bolton.

Roger Bouchard Insurance Inc.

101 Starcrest Drive, Clearwater, Fla. 34625; 813-447-5481; fax: 813-449-1267

	1996	1995
Premium volume	$49,800,000	$50,000,000
Gross revenues	$4,680,000	$4,659,000
U.S. clients	100%	100%
Brokerage: Retail	82.29%	83.46%
U.S. offices	$3,851,172	$3,888,401
Personal lines	13.47%	13%
Services	0.1%	0.2%
Invstmt. income	0.65%	0.44%
Other	3.49%	2.9%
Total employees	45.5	42.5
Total offices	1	1

Founded: 1948.
Retail brokerage: 100% commissions.
Employee benefits: 9.1% of revenues in 1996.
Licensed excess/surplus broker in: Florida, New York.
Officers: Rick Bouchard, president; Mike Hamby, executive vp; Tim Bouchard, Ray Bouchard, Marie McClung, vps.
Contact: Rick Bouchard or Gary Caruolo.

Bowers, Schumann & Welch

Route 31 N., P.O. Box 978, Washington, N.J. 07882; 908-689-1092; fax: 908-689-0694

	1996	1995
Premium volume	$40,000,000	$40,000,000
Gross revenues	$5,476,000	$5,586,000
U.S. clients	100%	100%
Brokerage: Retail	84%	85%
U.S. offices	$4,599,840	$4,748,100
Wholesale	0.5%	0.6%
Personal lines	13.4%	12.6%
Invstmt. income	1.9%	1.5%
Other	0.2%	0.3%
Total employees	75	80
Total offices	2	2

Founded: 1967.
Retail brokerage: 100% commissions.
Employee benefits: 5.9% of revenues in 1996.
Retail brokerage offices: Bethlehem, Pa.
Licensed excess/surplus broker in: New Jersey, Pennsylvania.
Officers: Scott F. Welch, chairman; Todd W. Welch, CEO; Glen R. Welch, vp; Jody A. Keim, secretary.
Contact: Patricia Cowley.

Brady & Co.

1031 W. Fourth Ave., Suite 400, P.O. Box 107502, Anchorage, Alaska 99510; 907-276-5617; fax: 907-276-6292

	1996	1995
Premium volume	$67,000,000	$79,000,000
Gross revenues	$5,200,000	$6,200,000
U.S. clients	100%	100%
Brokerage: Retail	86%	81%
U.S. offices	$4,472,000	$5,022,000
Wholesale	NA	6%
Personal lines	9%	8%
Invstmt. income	5%	5%
Total employees	48	44
Total offices	2	2

Founded: 1994.
Retail brokerage: 80% commissions, 20% fees.
Employee benefits: 10% of revenues in 1996.
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, Worcester, Mass. 01615-0127; 508-754-7255; fax: 508-797-3507

	1996	1995
Premium volume	$16,723,000	$18,368,000
Gross revenues	$2,314,000	$2,393,000
U.S. clients	100%	100%
Brokerage: Retail	55%	52%
U.S. offices	$1,272,700	$1,244,360
Personal lines	43%	44%
Invstmt. income	1%	3%
Other	1%	1%
Total employees	25	26
Total offices	1	1

Founded: 1987.
Retail brokerage: 99% commissions, 1% fees.
Employee benefits: 1% of revenues in 1996.
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, Scarboro, Ontario M1S 5C8, Canada; 416-292-2020; fax: 416-292-8523

	1996	1995
Premium volume	$17,135,540*	$17,502,789*
Gross revenues	$2,819,449*	$2,792,989*
U.S. clients	2%	2%
Non-U.S. clients	98%	98%
Brokerage: Retail	44%	43%
Non-U.S. offices	$1,240,557*	$1,200,985*
Personal lines	52%	52%
Invstmt. income	1%	2%
Other	3%	3%
Total employees	47	46
Total offices	1	1

** Converted at applicable exchange rates.*
Founded: 1950.
Retail brokerage: 100% commissions.
Employee benefits: 3% of revenues in 1996.
Officers: T.M. Hannan, president; S.A. Marsh, general manger; B.M. Hamerston, commercial manager; K. Kiely, marketing manager.
Contact: T.M. Hannan.

The Brooks & Stafford Co.

75 Public Square, Cleveland, Ohio 44113; 216-696-3000; fax: 216-621-7336

	1996	1995
Premium volume	$16,012,531	$16,466,544
Gross revenues	$2,922,037	$2,775,308
U.S. clients	97%	97%
Non-U.S. clients	3%	3%
Brokerage: Retail	54%	56%
U.S. offices	$1,577,900	$1,554,172
Wholesale	2%	2%
Personal lines	41%	40%
Services	2%	1%
Invstmt. income	1%	1%
Total employees	46	47
Total offices	2	2

Founded: 1849.
Retail brokerage: 97% commissions, 3% fees.
Employee benefits: 45% of revenues in 1996.
Licensed excess/surplus broker in: Ohio.
Contact: Neil Corrigan, president.

Brown-Hiller-Clark & Associates

5500 Euper Lane, P.O. Box 3529, Fort Smith, Ark. 72913; 501-452-4000 fax: 501-484-5185

	1996*	1995*
Premium volume	$13,706,475	$13,304,766
Gross revenues	$2,338,474	$2,327,167
U.S. clients	100%	100%
Brokerage: Retail	68%	68%
U.S. offices	$1,590,162	$1,582,474
Personal lines	16%	17%
Invstmt. income	1%	2%
Other	15%	13%
Total employees	34	33
Total offices	4	5

** Fiscal years ending 9/30/96 and 9/30/95.*
Founded: 1915.
Retail brokerage: 100% commissions.
Employee benefits: 10% of revenues in 1996.
Retail brokerage offices: BHC Life & Group Specialists Inc.: Eureka Springs and Fort Smith, Ark.; BHC of Oklahoma Inc., Sallisaw, Okla.
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 & Goup 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

	1996	1995
Premium volume	$92,000,000	$83,000,000
Gross revenues	$10,610,000	$10,300,000
U.S. clients	90%	90%
Non-U.S. clients	10%	10%
Brokerage: Retail	97%	97%
U.S. offices	$10,291,700	$9,991,000
Personal lines	3%	3%
Total employees	100	105
Total offices	2	2

Founded: 1896.
Retail brokerage: 99% commissions, 1% fees.
Employee benefits: 4% of revenues in 1996.
Retail brokerage offices: Irvine, Calif..
Officers: Brad Orr, president; Jack Lupien, Bill Pope, Randy Williams, executive vps; Kit Sparks, CFO.

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

	1996*	1995*
Gross revenues	$16,775,206**	$15,847,765**
U.S. clients	47%	52%
Non-U.S. clients	53%	48%
Brokerage: Retail	38%	40%
Non-U.S. offices	$6,374,578**	$6,339,105**
Wholesale	53%	50%
Invstmt. income	7%	8%
Other	2%	2%
Total employees	164	145

** Fiscal years ending 3/31/97 and 3/31/96.*
*** Converted at applicable exchange rates.*

Continued on next page

Continued from previous page

Founded: 1862.
Parent: Byas Mosley Group Ltd.
Retail brokerage: 95% commissions, 5% fees.
Employee benefits: 2.5% of revenues in 1996.
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 & Co.

101 N. Wacker Drive,
Chicago, Ill. 60606;
312-346-2150; fax: 312-346-4637

	1996	1995
Premium volume	$35,200,000	$34,000,000
Gross revenues	$1,925,000	$1,800,000
U.S. clients	98%	100%
Non-U.S. clients	2%	NA
Brokerage: Retail	80%	80%
U.S. offices	$1,415,000	$1,440,000
Non-U.S. offices	$125,000	NA
Personal lines	10%	10%
Services	10%	10%
Total employees	17	17
Total offices	1	1

Founded: 1898.
Retail brokerage: 90% commissions, 10% fees.
Employee benefits: 28% of revenues in 1996.
Officers: Stephen Byrne, chairman/president; Dan Byrne, Bill Reif, William McLaughlin, Keith Daly, vps.
Contact: Stephen Byrne.

CFG Insurance Services Inc.

9800 Brew Road E., Minnetonka,
Minn. 55343; 612-945-0200;
fax: 612-945-9477

	1996*	1995*
Premium volume	$75,000,000	$72,000,000
Gross revenues	$7,126,000	$6,859,000
U.S. clients	100%	100%
Brokerage: Retail	86%	85.2%
U.S. offices	$6,128,360	$5,843,868
Wholesale	1%	2.9%
Personal lines	6%	5.7%
Services	6%	5%
Invstmt. income	1%	1.2%
Total employees	80	77
Total offices	1	2

**Fiscal years ending 3/31/97 and 3/31/96.*
Founded: 1974.
Retail brokerage: 99.66% commissions, 0.34% fees.
Employee benefits: 6% of revenues in 1996.
Officers: Eldon Oldre, president; Scott Drew, A.J. Dordel, Bob Schmitz, vps.
Contact: Mickey Webb, accounting manager.

Cal-Central Insurance & Management Services Inc.

2455 W. Shaw Ave., Suite 101,
Fresno, Calif. 93711;
209-222-4471; fax: 209-225-5041

	1996*	1995*
Premium volume	$11,483,858	$11,988,733
Gross revenues	$1,618,463	$1,889,540
U.S. clients	100%	100%
Brokerage: Retail	64%	66%
U.S. offices	$1,035,816	$1,247,096
Wholesale	30%	29%
Services	3%	2%
Invstmt. income	3%	3%
Total employees	10	10
Total offices	1	1

**Fiscal years ending 6/30/96 and 6/30/95.*
Founded: 1983.
Retail brokerage: 98% commissions, 2% fees.
Employee benefits: 14% of revenues in 1996.
Officers: Ronald J. Stewart, president; Catherine A. Adams, Daniel B. Frainer, David M. Stewart, vps.
Contact: Ronald J. Stewart.

The Cal-Surance Cos.

333 City Blvd. W., Suite 900,
Orange, Calif. 92868;
714-939-0800; fax: 714-939-7445

	1996	1995
Premium volume	$85,600,000	$131,156,700
Gross revenues	$12,783,000	$17,183,366
U.S. clients	100%	100%
Brokerage: Retail	74%	85%
U.S. offices	$9,447,000	$14,684,910
Wholesale	5%	2%
Services	14%	7%
Invstmt. income	7%	5%
Other	NA	1%
Total employees	90	129
Total offices	1	2

Founded: 1962.
Parent: Chartered Financial Services Corp.
Retail brokerage: 85% commissions, 15% fees.
Acquisitions: DAVCO Insurance Services, Orange, Calif., March 1997.
Retail brokerage offices: Cal-Surance Associates Inc., Orange, Calif.
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.

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Calco Insurance Brokers & Agents Inc.

2000 Alameda de las Pulgas,
San Mateo, Calif. 94403;
415-574-0773; fax: 415-572-4622

	1996	1995
Premium volume	$211,000,000	$231,000,000
Gross revenues	$20,070,000	$19,000,000
U.S. clients	99%	99%
Non-U.S. clients	1%	1%
Brokerage: Retail	97%	98%
U.S. offices	$19,467,900	$18,620,000
Wholesale	1%	1%
Personal lines	1%	0.05%
Invstmt. income	1%	0.05%
Total employees	167	160
Total offices	5	5

Founded: 1937.
Parent: California Casualty Management Co.
Retail brokerage: 99% commissions, 1% fees.
Employee benefits: 16% of revenues in 1996.
Retail brokerage offices: Glendale, Orange, Sacramento and San Diego, Calif.
Licensed excess/surplus broker in: California.
Officers: Peter Goldberg, chairman; Kai Anderson, vice chairman; Donald Fey, president; Charles Gross, executive vp.
Contact: Donald Fey, 415-377-3908.

Caledonian Insurance Group Inc.

3023 80th Ave. S.E., Suite 300,
Mercer Island, Wash. 98040;
206-232-9870; fax: 206-232-9515

	1996	1995
Premium volume	$12,800,000	$13,000,000
Gross revenues	$1,500,000	$1,550,000
U.S. clients	93.5%	90%
Non-U.S. clients	6.5%	10%
Brokerage: Retail	91.4%	91.5%
U.S. offices	$1,371,000	$1,418,250
Wholesale	3%	4%
Services	2.1%	1%
Invstmt. income	3.5%	3.5%
Total employees	14	13
Total offices	2	2

Founded: 1988.
Retail brokerage: 94.5% commissions, 5.5% fees.
Retail brokerage offices: Spokane, Wash.
Licensed excess/surplus broker in: Alaska, Pennsylvania, Utah, Washington.
Officers: Anthony Cowan, president; Larry Maloney, senior vp; Jo Ann Trimble, vp; Mike Weaver, Susan Tolle, assistant vps.
Contact: Anthony Cowan.

Cambridge Underwriters Ltd.

15415 Middlebelt Road,
Livonia, Mich. 48154;
313-525-2412; fax: 313-525-0612

	1996	1995
Premium volume	$28,835,646	$26,437,000
Gross revenues	$4,711,123	$4,415,242
U.S. clients	100%	100%
Brokerage: Retail	83%	83%
U.S. offices	$3,910,232	$3,664,651
Personal lines	6%	5%
Services	1%	3%
Invstmt. income	2%	2%
Other	8%	7%
Total employees	43	38
Total offices	1	1

Founded: 1974.
Retail brokerage: 99% commissions, 1% fees.
Licensed excess/surplus broker in: Michigan.

Continued on next page

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Continued from previous page

Officers: Kenneth R. Hale, president/CEO.
Contact: Kenneth R. Hale.

The Capacity Group of Cos.

120 Pleasant Ave., Upper
Saddle River, N.J. 07458;
201-236-9800; fax: 201-236-0480

	1996	1995
Premium volume	$39,926,325	$29,090,460
Gross revenues	$5,041,089	$3,781,760
U.S. clients	100%	100%
Brokerage: Retail	70%	74%
U.S. offices	$3,528,762	$2,798,502
Wholesale	7%	7%
Personal lines	21%	18%
Services	1%	NA
Invstmt. income	1%	1%
Total employees	36	33
Total offices	15	13

Founded: 1980.
Retail brokerage: 94% commissions, 6% fees.
Employee benefits: 1% of revenues in 1996.
Acquisitions: Alliano Insurance, Hammonton, N.J., November 1996; Noble Group, Englewood, N.J., October 1996; Tucker-Camiolo Inc., Berkeley Heights, N.J., July 1996.
Retail brokerage offices: Hartford, Conn.; Lakewood and Pitman, N.J.; Alliano Insurance, Hammonton, N.J.; Jay Bernard, Princeton, N.J.; Capacity Insurance & Surety Group Inc., Lighthouse Point, Fla.; The Joe Dargan Insurance Agency, Pitman, N.J.; The Eagle Agency, Sommerdale, N.J.; The Leigh Agency, Freehold, N.J.; Lin-Ray Insurance Agency, Turnersville, N.J.; Mediterranean Agency, Garfield, N.J.; The Noble Group, Englewood, N.J.; The 300 Group, Montvale, N.J.; Tucker & Camiolo, Berkeley Heights, N.J.; The Wright Agency, East Brunswick, N.J.
Licensed excess/surplus broker in: California, Connecticut, Delaware, Florida, Illinois, New Jersey, New York.
Officers: Mark B. Weinraub, chairman/CEO; Robert G. Lull, president/COO/CFO; Debra Lynn Stanton, executive vp; Donald W. Daves, senior vp.
Contact: Robert G. Lull.

Carlin Insurance Agency Inc.

233 W. Central St., Natick,
Mass. 01760; 508-655-0522;
fax: 508-655-8853

	1996	1995
Premium volume	$50,458,000	$49,400,000
Gross revenues	$6,036,000	$5,340,000
U.S. clients	100%	100%
Brokerage: Retail	80%	80%
U.S. offices	$4,828,800	$4,272,000
Personal lines	20%	20%
Total employees	68	68
Total offices	1	1

Founded: 1968.
Retail brokerage: 100% commissions.
Retail brokerage offices: Lawrence Carlin Insurance Agency Inc., Falmouth, Mass.
Licensed excess/surplus broker in: Massachusetts.
Officers: Michael D. Holmes, chairman; James F. Carlin, president; Gregory O. Hunter, Frank J. Smith, Barry D. Rosen, executive vps.
Contact: Robert J. Meyer.

Chandler-Frates & Reitz Inc.

4501 E. 31 St., Tulsa,
Okla. 74135-2198;
918-747-8631; fax: 918-747-8619

	1996*	1995*
Premium volume	$55,000,000	$45,000,000
Gross revenues	$6,709,168	$5,552,797
U.S. clients	98%	99.5%
Non-U.S. clients	2%	0.5%
Brokerage: Retail	88.3%	88.9%
U.S. offices	$5,924,195	$4,936,436
Wholesale	0.5%	5%
Reinsurance	0.5%	5%
Personal lines	7%	6.3%
Services	2%	1.8%
Invstmt. income	1.7%	2%
Total employees	77	66
Total offices	2	2

** Fiscal years ending 2/28/97 and 2/28/96.*
Founded: 1935.
Retail brokerage: 98% commissions, 2% fees.
Employee benefits: 16.3% of revenues in 1996.
Retail brokerage offices: CFR Horton & Lewis, Oklahoma City.
Licensed excess/surplus broker in: Oklahoma.
Officers: Jack H. Allen Jr., chairman; Robert Gardner, president/COO; Charles M. Taylor, executive vp; Sherry Burks, vp.
Contact: Robert Gardner, 918-747-9504 ext. 267.

Clair Odell Group

120 W. Germantown Pike,
Plymouth Meeting, Pa. 19462;
610-825-5555; fax: 610-825-3149

	1996	1995
Premium volume	$81,407,000	$81,295,968
Gross revenues	$11,082,545	$10,138,466
U.S. clients	100%	100%
Brokerage: Retail	89.7%	90.9%
U.S. offices	$9,941,043	$9,215,865
Personal lines	4.2%	4.4%
Invstmt. income	6.1%	4.7%
Total employees	103	91.25
Total 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 Jr., executive vp/COO; Michael Studner, executive vp; Steven A. Odell, senior vp; Judith A. Criniti, vp.
Contact: Frank D. Svitek.

Commerce National Insurance Services Inc.

Commerce Atrium, 1701 Route 70 E.,
Cherry Hill, N.J. 08034;
609-795-9700; fax: 609-795-9783

	1996	1995
Gross revenues	$15,067,000	NA
U.S. clients	100%	NA
Brokerage: Retail	76%	NA
U.S. offices	$11,451,000	NA
Wholesale	1%	NA
Personal lines	19%	NA
Services	1%	NA
Invstmt. income	1%	NA
Other	2%	NA
Total employees	136	NA
Total offices	7	NA

Founded: 1996.
Parent: Commerce Bancorp.
Retail brokerage: 89% commissions, 11% fees.
Employee benefits: 16% of revenues in 1996.
Acquisitions: Buckelew & Associates, Toms River, N.J., November 1996; Chesley & Cline, Mt. Holly, N.J., December 1996; Keystone National Cos. Inc., Cherry Hill, N.J., November 1996; The Morrissey Agency, Mt. Laurel, N.J., December 1996.
Retail brokerage offices: Forked River, Mercerville, Mt. Holly, Mt. Laurel, Northfield, and Toms River, N.J.
Officers: George E. Norcross III, president; Frank K. Monaghan, executive vp; Robert E. Tanke, Joseph P. Morrissey Jr., Carole A. Mack, senior vps.
Contact: Thomas J. Sukay, senior vp/CFO.

Companias DeLima S.A.

Avenida el Dorado 69 A-51,
Bogota, Colombia;
571-412-41-11; fax: 571-410-94-51

	1996	1995
Premium volume	$193,605,000*	$173,168,054*
Gross revenues	$23,709,000*	$23,037,790*
Non-U.S. clients	100%	100%
Brokerage: Retail	91%	93%
Non-U.S. offices	$21,575,190*	$21,425,144*
Personal lines	5%	4%
Invstmt. income	4%	3%
Total employees	620	615
Total offices	10	10

** Converted at applicable exchange rates.*
Founded: 1953.
Employee benefits: 7% of revenues in 1996.
Retail brokerage offices: Armenia, Barranquilla, Bucaramanga, Cali, Cartagena, Ibague, Manizales, Medellin and Pereira, Colombia.
Non-retail brokerage subsidiaries: Ancor and Bogota, Colombia; Consultores de Proteccion, Bogota, Columbia.
Officers: Ernesto DeLima, chairman; Jorge Alberto Uribe, president; Pedro Piedrahita, financial vp; Federico Moreno, commercial vp; Terry Factor, international manager.
Contact: Jorge Alberto Uribe, Terry Factor or J.A. Uribe Jr.

Connolly, Ford, Bower & Leppert Inc.

429 N. Pennsylvania St., Suite 202,
Indianapolis, Ind. 46204;
317-236-6161; fax: 317-236-6149

	1996*	1995*
Premium volume	$19,708,909	$18,241,583
Gross revenues	$2,560,187	$2,490,329
U.S. clients	100%	100%
Brokerage: Retail	74.6%	73.1%
U.S. offices	$1,909,900	$1,820,430
Wholesale	0.5%	.6%
Personal lines	19.6%	20.9%
Invstmt. income	4.4%	4.6%
Other	0.9%	0.8%
Total employees	18	18
Total offices	1	1

** Fiscal years ending 6/30/96 and 6/30/95.*
Founded: 1981.
Retail brokerage: 98% commissions, 2% fees.
Employee benefits: 5% of revenues in 1996.
Licensed excess/surplus broker in: Indiana.
Officers: John M. Ford, chairman; Lawrence L. Connolly, president; R. Michael Leppert, Wm. Patrick Bower, executive vps.
Contact: John M. Ford.

Conseco Risk Management Inc.

501 Congressional Blvd.,
Carmel, Ind. 46032;
317-817-5000; fax: 317-817-5151

	1996	1995
Premium volume	$110,000,000	$22,000,000
Gross revenues	$10,250,000	$3,000,000
U.S. clients	100%	100%
Brokerage: Retail	85%	83%
U.S. offices	$8,712,500	$2,490,000
Personal lines	10%	14%
Services	2%	NA
Invstmt. income	3%	3%
Total employees	105	26
Total offices	3	1

Founded: 1989.
Parent: Conseco Inc.
Retail brokerage: 97% commissions, 3% fees.
Employee benefits: 11% of revenues in 1996.
Acquisitions: Wells & Co Inc., Indianapolis, January 1996.
Retail brokerage offices: Bloomington, Carmel and Evansville, Ind.
Licensed excess/surplus broker in: Illinois, Indiana.
Officers: Don Collins, president/CEO; Mike Wells, executive vp; Cincy Stellhorn, senior vp; Dan Power, vp-personal lines; Keith Phelps, vp-benefits; Mike Deer, vp-motor sports; Mark Dilts, vp-Bloomington office.
Contact: Donald M. Collins.

Corporate Benefit Consultants Inc.

2220 E. Devon Ave., Suite 317,
Des Plaines, Ill. 60018;
847-827-7030; fax: 847-827-7031

	1996	1995
Premium volume	$30,000,000	$24,000,000
Gross revenues	$1,100,000	$800,000
U.S. clients	100%	100%
Brokerage: Retail	60%	60%
U.S. offices	$660,000	$480,000
Wholesale	5%	5%
Reinsurance	20%	20%
Services	15%	15%
Total employees	7	2
Total offices	1	1

Founded: 1995.
Retail brokerage: 100% commissions.
Employee benefits: 95% of revenues in 1996.
Acquisitions: James Cornelius, Crystal Lake, Ill., April 1996; Dennis Purgatorio, Willowbrook, Ill., April 1996; Ted Reese, Glenview, Ill., April 1996; Michael Traina, Schaumburg, Ill., April 1996.
Licensed excess/surplus broker in: Illinois.
Officers: Ted Reese, president; James Cornelius, Dennis Purgatorio, Michael Traina, vps.
Contact: Ted Reese.

Cosburn, Griffiths & Brandham Insurance Brokers

120 Flaska Drive, Markham, Ontario
L6G 1C3, Canada; 905-479-6670;
fax: 905-479-9164

	1996*	1995*
Premium volume	$26,424,000**	$18,816,000**
Gross revenues	$5,560,784**	$3,833,025**
U.S. clients	1%	NA
Non-U.S. clients	99%	100%
Brokerage: Retail	62%	64%
Non-U.S. offices	$3,447,686**	$2,453,136**
Wholesale	1%	1%
Personal lines	15%	13%
Services	2%	1%
Other	20%	21%
Total employees	65	51
Total offices	1	1

** Fiscal years ending 4/1/97 and 4/1/96.*
*** Converted at applicable exchange rates.*
Founded: 1973.
Parent: CGB Group.
Retail brokerage: 98% commissions, 2% fees.
Employee benefits: 13% of revenues in 1996.
Acquisitions: Tower-Chisholm Ferguson Ltd., Toronto, April 1997.
Retail brokerage offices: Cosburn, Griffiths & Brandham Professional Liability Inc., Markham, Ontario, Canada; Cosburn, Griffiths & Brandham Financial Services Inc., Markham, Ontario, Canada.
Officers: Barry Cosburn, president; Darryl D. Ticknor, vp-international; Jeffrey Brandham, Kevin Goranson, Roderick Findlayson, David Yeates, vps.
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

	1996	1995
Premium volume	$83,949,066	$82,870,992
Gross revenues	$10,213,623	$10,145,673
U.S. clients	100%	100%
Brokerage: Retail	81.6%	82.7%
U.S. offices	$8,334,316	$8,390,472
Personal lines	16.3%	15.2%
Services	0.1%	0.1%
Invstmt. income	1%	1%
Other	1%	1%
Total employees	124	123
Total offices	2	2

Founded: 1885.
Retail brokerage: 99.9% commissions, 0.1% fees.
Employee benefits: 14% of revenues in 1996.
Licensed excess/surplus broker in: Illinois, Missouri.
Officers: Michael T. Ready, president; R. Christopher Imbs, chairman; William P. Carleton Jr., secretary; Edwin A. Lips Jr., 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

	1996	1995
Gross revenues	$44,021,000	$40,076,200
U.S. clients	100%	100%
Brokerage: Retail	89%	89%
U.S. offices	$39,178,690	$35,667,818
Personal lines	7%	7%
Services	4%	4%
Total employees	227	215
Total offices	5	5

Founded: 1933.
Retail brokerage: 98% commissions, 2% fees.
Retail brokerage offices: Frank Crystal & Co. Inc. (Midwest), Lenexa, Kan.; Frank Crystal & 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 California 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

	1996	1995
Premium volume	$122,600,000	$120,200,000
Gross revenues	$16,235,000	$15,387,000
U.S. clients	100%	100%
Brokerage: Retail	83.4%	82.4%
U.S. offices	$13,540,000	$12,679,000
Personal lines	13.7%	14%
Services	0.2%	0.2%
Invstmt. income	1.6%	2%
Other	1.1%	1.4%
Total employees	186.5	177.5
Total offices	1	1

Founded: 1921.
Retail brokerage: 93.4% commissions, 6.6% fees.
Employee benefits: 12.6% of revenues in 1996.
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.

Daniel James Insurance Group

360 Three Meadows Drive,
Perrysburg, Ohio 43551;
419-874-1974; fax: 419-874-3583

	1996	1995
Premium volume	$107,000,000	$86,000,000
Gross revenues	$12,184,000	$10,292,700
U.S. clients	100%	100%
Brokerage: Retail	84%	84%
U.S. offices	$10,234,560	$8,645,868
Personal lines	14%	14%
Services	1%	1%
Invstmt. income	1%	1%
Total employees	94	96
Total offices	3	3

Founded: 1975.
Retail brokerage: 92% commissions, 8% fees.
Employee benefits: 15% of revenues in 1996.
Retail brokerage offices: Indianapolis; Columbus, Ohio.
Licensed excess/surplus broker in: Indiana, Ohio.
Officers: Jim McWhinnie, CEO; Dan Dumbauld, president; Jack Conley, secretary; Tom Arnold, COO; Mike Campbell, vp-group benefits.
Contact: Mark Patterson.

Dann Brothers Inc.

650 Dundee Road,
Northbrook, Ill. 60062;
847-509-3600; fax: 847-509-3601

	1996	1995
Gross revenues	$12,024,000	$10,951,000
U.S. clients	100%	100%
Brokerage: Retail	90%	90%
U.S. offices	$10,821,600	$9,855,900
Personal lines	4%	4%
Services	3%	3%
Invstmt. income	2%	2%
Other	1%	1%
Total employees	111	104
Total offices	3	3

Founded: 1948.
Retail brokerage: 91% commissions, 9% fees.
Employee benefits: 12% of revenues in 1996.
Retail brokerage offices: Edwardsville and Highland Park, Ill.
Licensed excess/surplus broker in: Alaska, Illinois.
Officers: Scott Dann, president/director; Russell Dann, CEO/director; Julie Dann, Marvin Rotstein, executive vps/directors.
Contact: Scott Dann.

Davis Baldwin Inc. dba Davis Baldwin Insurance & Risk Management

4600 W. Cypress St., Second Floor,
Tampa, Fla. 33607; 813-287-1936;
fax: 813-289-0521

	1996	1995
Premium volume	$146,875,000	$131,000,000
Gross revenues	$10,695,447	$8,400,000
U.S. clients	100%	100%
Brokerage: Retail	91.1%	90%
U.S. offices	$9,743,552	$7,560,000
Personal lines	4.2%	4.5%
Services	1%	0.9%
Invstmt. income	3.5%	3.2%
Other	0.2%	1.4%
Total employees	78	74
Total offices	1	1

Founded: 1936.
Retail brokerage: 87% commissions, 13% fees.
Employee benefits: 13.2% of revenues in 1996.
Licensed excess/surplus broker in: Florida.
Officers: Charles M. Davis Jr., chairman/CEO; L. Lowry Baldwin, president; John I. Baldwin, John R. Neu, Michael A. Ortoll, executive vps.
Contact: Mary Elizabeth McNinch.

J. Rolfe Davis Insurance Agency Inc.

11 S. Bumby Ave.,
Orlando, Fla. 32803;
407-896-0550; fax: 407-896-6926

	1996*	1995*
Premium volume	$45,000,000	$45,000,000
Gross revenues	$7,616,775	$6,984,918
U.S. clients	100%	100%
Brokerage: Retail	85.5%	85.1%
U.S. offices	$6,512,342	$5,944,155
Personal lines	11%	11%
Services	2.2%	2.3%
Invstmt. income	1.3%	1.6%
Total employees	71	67
Total offices	2	2

** Fiscal years ending 9/30/96 and 9/30/95.*

Continued on next page

Continued from previous page

Founded: 1942.
Retail brokerage: 100% commissions.
Employee benefits: 25% of revenues in 1996.
Retail brokerage offices: Longwood, Fla.
Licensed excess/surplus broker in: Florida.
Officers: F.D. McKinney, president; L. Kipp Minter, Donald B. Boone, C.P. McBryde, senior vps; Mike Hatcher, vp.
Contact: John F. Watson Jr., senior vp, 407-897-7418.

Debis Assekuranz Makler GmbH

Epplestr. 225, 70567 Stuttgart, Germany; 49-711-17-92336; fax: 49-711-17-94038

	1996	1995
Premium volume	$615,790,000*	$609,354,000*
Gross revenues	$68,243,211*	$66,309,997*
U.S. clients	0.9%	0.6%
Non-U.S. clients	99.1%	99.4%
Brokerage: Retail	86%	77%
U.S. offices	$586,892*	$510,587*
Non-U.S. offices	$58,102,270*	$50,548,111*
Reinsurance	2%	1%
Personal lines	12%	22%
Total employees	465	445
Total offices	15	24

** Converted at applicable exchange rates.*

Founded: 1990.
Parent: Daimler-Benz Group.
Retail brokerage: 100% commissions.
Acquisitions: H. Silkenbaumer GmbH, Muenster, Germany, December 1996.
Retail brokerage offices: Berlin, Bremen, Frankfurt/Main, Hamburg, Hannover, Leipzig, Muelheim, Muenster and Munich, Germany; Rome; Tokyo; Luxembourg; Basel, Switzerland; Theoreme S.A., Paris.
Non-retail brokerage subsidiaries: Debis Risk Consult GmbH, Berlin and Frankfurt/Main, Germany.
Officers: Egon Schubert, chairman; Dieter Beck, Hadubrand R. Jungklaus, Lothar Schwarz, members-board of management.
Contact: Bert Stahlmann, 49-711-17-92509.

Diversified Insurance Brokers

136 E. South Temple, 23rd Floor, University Club Building, Salt Lake City, Utah 84111; 801-325-5000; fax: 801-532-2804

	1996	1995
Premium volume	$27,000,000	$26,000,000
Gross revenues	$5,500,000	$5,000,000
U.S. clients	100%	100%
Brokerage: Retail	43%	44%
U.S. offices	$2,365,000	$2,200,000
Wholesale	1%	1%
Services	55%	54%
Invstmt. income	1%	1%
Total employees	60	55
Total offices	2	2

Founded: 1963.
Retail brokerage: 90% commissions, 10% fees.
Retail brokerage offices: Phoenix.
Non-retail brokerage subsidiaries: Pinnacle Risk Management Services Inc.: Phoenix; Irvine, Calif.; Boise, Idaho; Albuquerque, N.M.; Las Vegas; Portland, Ore.
Licensed excess/surplus broker in: Utah.
Officers: Kenneth F. Palmer Jr., president; Reed Jenkins, Timothy P. Foley, Lawrence Hart, senior vps.
Contact: Kenneth F. Palmer Jr.

Robert F. Driver Co. Inc.

1620 Fifth Ave., San Diego, Calif. 92101; 619-238-1828; fax: 619-699-1323

	1996*	1995*
Premium volume	$290,000,000	$283,000,000
Gross revenues	$27,700,000	$27,600,000
U.S. clients	100%	100%
Brokerage: Retail	91%	91%
U.S. offices	$25,207,000	$25,116,000
Wholesale	2%	2%
Personal lines	3%	3%
Invstmt. income	2%	2%
Other	2%	2%
Total employees	213	210
Total offices	4	4

** Fiscal years ending 7/31/96 and 7/31/95.*

Founded: 1925.
Retail brokerage: 92% commissions, 8% fees.
Employee benefits: 23% of revenues in 1996.
Retail brokerage offices: Escondido, Newport Beach and Sacramento, Calif.
Licensed excess/surplus broker in: California.
Officers: Thomas W. Corbett, chairman/CEO; Richard B. Gulley, vice chairman; Jerold D. Hall, COO; Roger G. Combe, executive vp/director-property/casualty division; W. Sonny Lofbom, vp/treasurer/CFO/chief information officer; Andrea M. Calabrese, secretary.
Contact: Jerold D. Hall, 619-699-1362.

James Econn & Co.

445 S. Figueroa St., 36th Floor, Los Angeles, Calif. 90071-1602; 213-629-3131; fax: 213-629-4440

	1996	1995
Premium volume	$44,933,846	$41,672,412
Gross revenues	$5,611,844	$5,207,429
U.S. clients	100%	100%
Brokerage: Retail	93%	92%
U.S. offices	$5,219,015	$4,790,835
Personal lines	4%	4%
Invstmt. income	3%	4%
Total employees	35	39
Total offices	2	1

Founded: 1919.
Retail brokerage: 96% commissions, 4% fees.
Employee benefits: 4% of revenues in 1996.
Retail brokerage offices: Sacramento, Calif.; Seattle.
Officers: Jerry Ascolesi, CEO; Donald Killian, James Econn, Gregory Econn, directors.
Contact: Jerry Ascolesi.

Eifert, French & Ketchum

330 Fifth Ave., Pelham, N.Y. 10803; 914-738-4011; fax: 914-738-4303

	1996	1995
Premium volume	$42,012,230	$34,181,883
Gross revenues	$5,141,137	$4,785,261
U.S. clients	100%	100%
Brokerage: Retail	48.05%	51.9%
U.S. offices	$2,470,316	$2,483,550
Personal lines	28.16%	29.48%
Invstmt. income	2.84%	3.65%
Other	20.95%	14.97%
Total employees	47	50
Total offices	2	2

Founded: 1933.
Parent: Eifert, French & Co. Inc.
Retail brokerage: 87% commissions, 13% fees.
Employee benefits: 6.22% of revenues in 1996.
Retail brokerage offices: Tenafly, N.J.
Officers: Donald A. Eifert, president; Robert G. Eifert, secretary/treasurer; James B. Gilman, executive vp; Charles S. McAllister, F.P. Tobin, senior vps.
Contact: Philip A. Eifert.

Employee Benefit Specialists Inc.

9351 Grant St., Suite 300, P.O. Box 29999, Denver, Colo. 80229; 303-280-1215; fax: 303-280-1821

	1996*	1995*
Premium volume	$41,000,000	$40,000,000
Gross revenues	$2,056,736	$2,010,538
U.S. clients	100%	100%
Brokerage: Retail	66%	64%
U.S. offices	$1,357,446	$1,286,744
Reinsurance	21%	24%
Services	12%	11%
Other	1%	1%
Total employees	20	24
Total offices	1	1

** Fiscal years ending 3/31/97 and 3/31/96.*

Founded: 1976.
Retail brokerage: 75% commissions, 25% fees.
Employee benefits: 100% of revenues in 1996.
Licensed excess/surplus broker in: Colorado.
Officers: Alan M. Curtis, president; Lynn M. Dobbs, senior vp; Stan W. Bell, Darrell G. Hall, vps.
Contact: Alan M. Curtis.

Euclid Insurance Services Inc.

977 Oaklawn Ave., Elmhurst, Ill. 60126; 630-833-1000; fax: 630-833-1747

	1996	1995
Premium volume	$75,000,000	$50,000,000
Gross revenues	$9,200,000	$7,400,000
U.S. clients	100%	100%
Brokerage: Retail	55%	69%
U.S. offices	$5,060,000	$5,106,000
Wholesale	41%	26%
Personal lines	1%	2%
Invstmt. income	3%	3%
Total employees	80	74
Total offices	1	1

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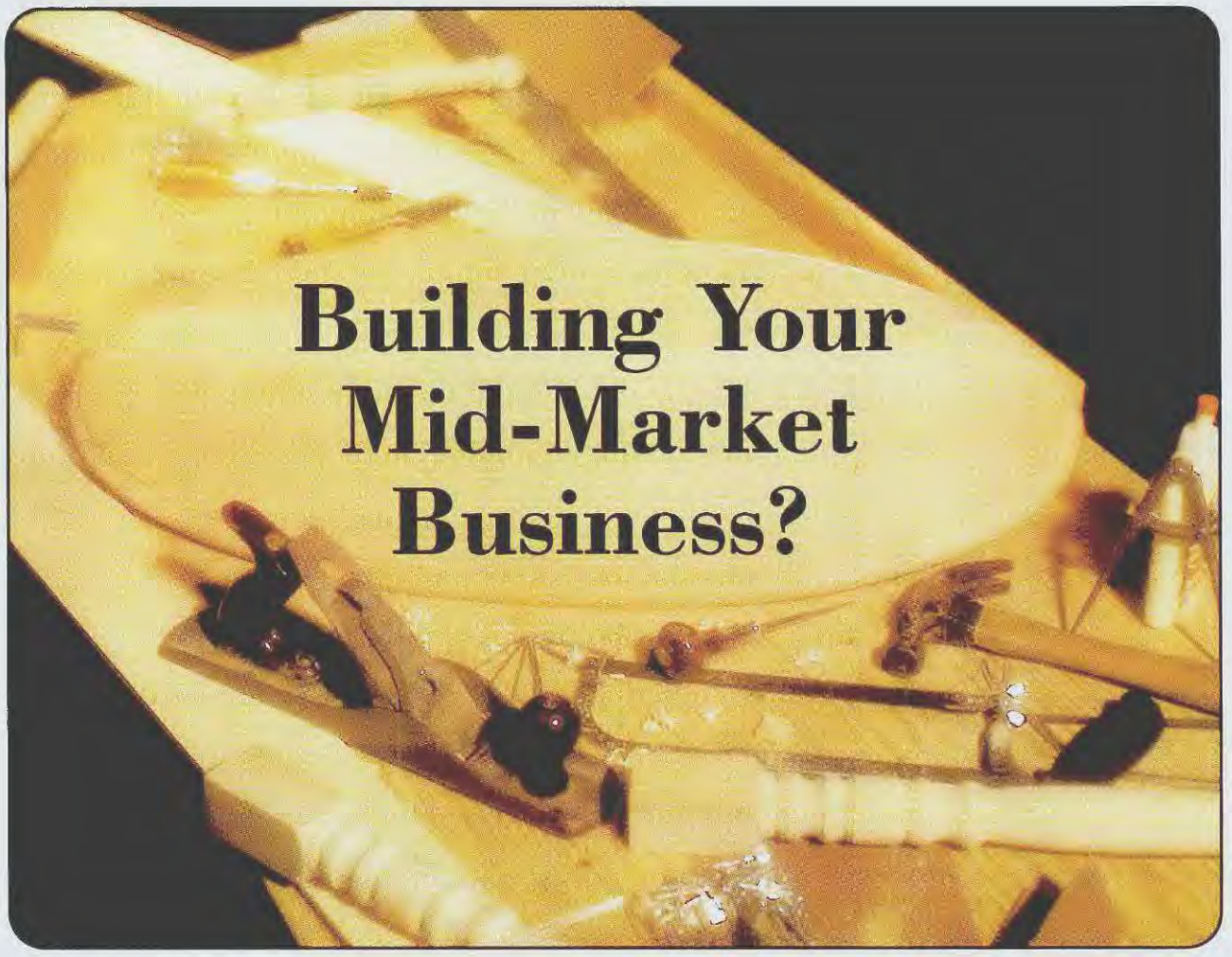

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Continued from previous page

Founded: 1952.
Retail brokerage: 95% commissions, 5% fees.
Employee benefits: 25% of revenues in 1996.
Licensed excess/surplus broker in: Illinois.
Officers: Peter G. Colis, president; Robert C. Cavallo, president-retail division; John N. Colis, executive vp; Karen Knippen, vp; Karen Skrzypczynski, controller.
Contact: John N. Colis.

F

Falkins Insurance Group Ltd.

911 Baker St., Cranbrook, British Columbia V1C 1A4, Canada; 250-426-2205; fax: 250-426-7499

	1996*	1995*
Premium volume	$14,700,000**	$13,104,000**
Gross revenues	$1,653,750**	$1,456,000**
Non-U.S. clients	100%	100%
Brokerage: Retail	57.5%	57.5%
Non-U.S. offices	$950,906**	$837,200**
Services	42.5%	42.5%
Total employees	28	24
Total offices	7	7

** Fiscal years ending 7/31/96 and 7/31/95.*
*** Converted at applicable exchange rates.*

Founded: 1897.
Retail brokerage: 100% commissions.
Retail brokerage offices: Cranbrook, Elkford, Fernie, Invermere and Sparwood, British Columbia; Fred W. Holmes Ltd., Kimberley, British Columbia.
Officers: Simon N. Murphy, president; Sandra L. Westover, secretary/treasurer; Robert McGill, vp.
Contact: Simon N. Murphy.

Fickling & Clement Insurance

P.O. Box 1626, Greenville, N.C. 27835; 919-756-8300; fax: 919-756-9092

	1996	1995
Premium volume	$6,822,903	$6,697,083
Gross revenues	$1,109,098	$1,063,935
U.S. clients	100%	100%
Brokerage: Retail	67.7%	72.4%
U.S. offices	$750,859	$773,909
Personal lines	17.01%	16.5%
Invstmt. income	11.89%	11.1%
Other	3.4%	NA
Total employees	14	14
Total offices	1	1

Founded: 1979.
Retail brokerage: 99% commissions 1% fees.
Employee benefits: 6% of revenues in 1996.
Licensed excess/surplus broker in: North Carolina.
Officers: W. Kurt Fickling, president; James E. Clement Jr., executive vp; Sherry B. Edwards, vp-service; Sandra W. Karns, vp-commercial lines; Barbara D. Matthews, secretary/treasurer.
Contact: Barbara D. Matthews.

Financial Guardian of Texas Inc.

13101 Northwest Freeway, Suite 220, Houston, Texas 77040; 713-939-9898; fax: 713-939-7416

	1996	1995
Premium volume	$38,000,000	$39,000,000
Gross revenues	$4,612,000	$4,500,000
U.S. clients	100%	100%
Brokerage: Retail	87%	91%
U.S. offices	$4,012,440	$4,095,000
Personal lines	11%	7%
Invstmt. income	2%	2%
Total employees	53	48
Total offices	2	2

Founded: 1967.
Retail brokerage: 99% commissions, 1% fees.
Employee benefits: 3% of revenues in 1996.
Acquisitions: Arnold & Bolton Insurance Agency, Conroe, Texas, October 1996.
Retail brokerage offices: Conroe, Texas.
Licensed excess/surplus broker in: Texas.
Officers: Robert G. Cox, chairman; Ronald L. Rudloff, president.
Contact: Ronald L. Rudloff.

First Chicago NBD Insurance Services

1 First National Plaza, Chicago, Ill. 60670; 312-732-4000; fax: 312-732-1775

	1996	1995
Premium volume	$395,000,000	$200,000,000
Gross revenues	$78,165,000	$41,000,000
U.S. clients	100%	100%
Brokerage: Retail	10.38%	22.66%
U.S. offices	$8,113,527	$9,290,600
Personal lines	81.62%	69.34%
Services	5%	5%
Invstmt. income	3%	3%
Total employees	178	170
Total offices	5	5

Founded: 1910.
Parent: First Chicago NBD.
Retail brokerage: 99% commissions, 1% fees.
Employee benefits: 2.8% of revenues in 1996.
Retail brokerage offices: First Card Insurance, Chicago; First Chicago Insurance Services, Northfield, Ill.; NBD Insurance Co., Phoenix, Ariz.; 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 Marks, vice chairman; Scott Bates, senior vp; Bill Brunett, Kathy Wilcox, Cathy Balentine, first vps.
Contact: Trisha Barr, communications officer, 312-732-4024.

Fitzgerald Clayton James & Kasten Inc.

735 N. Water St., Suite 1328, Milwaukee, Wis. 53202; 414-271-3717; fax: 414-271-2935

	1996	1995
Premium volume	$24,000,000	$23,000,000
Gross revenues	$3,000,000	$3,000,000
U.S. clients	100%	100%
Brokerage: Retail	80%	82%
U.S. offices	$2,400,000	$2,460,000
Wholesale	5%	5%
Personal lines	11%	10%
Invstmt. income	4%	3%
Total employees	32	31
Total offices	1	1

Founded: 1850.
Retail brokerage: 100% commissions.
Employee benefits: 10% of revenues in 1996.
Licensed excess/surplus broker in: Illinois, Wisconsin.
Officers: Charles V. James, chairman emeritus; Todd D. James, CEO; Dale Van Dam, president/COO; Jeff Theil, Karen Rechicz, vice chairs.
Contact: Dale E. Van Dam.

Forbes Group Ltd.

P.O. Box 61689, Marshalltown 2107, South Africa; 27-11-378-4225; fax: 27-11-378-4222

	1996*	1995*
Gross revenues	$179,292,972**	$174,066,281**
Non-U.S. clients	100%	100%
Brokerage: Retail	67%	70%
Non-U.S. offices	$120,126,291**	$121,846,397**
Reinsurance	2%	2%
Personal lines	14%	15%
Services	10%	8%
Invstmt. income	3%	2%
Other	4%	3%
Total employees	3,525	3,492
Total offices	37	37

** Fiscal years ending 3/31/97 and 3/31/96.*
*** Converted at applicable exchange rates.*

Founded: 1935.
Retail brokerage: 82% commissions, 18% fees.
Employee benefits: 44% of revenues in 1996.
Acquisitions: The Claims Management Co., South Africa, April 1997; Devereux Hosken, South Africa, March 1997; Ermitage Insurance Services, Jersey, Channel Islands, March 1997; Nelson Hurst P.L.C., London, March 1997; Intercontinental Financial Management, Jersey, Channel Islands, March 1997; PF Mauritius, Mauritius, March 1997; Ngamiland Group of Cos., Botswana, March 1997; Pretoria Medical Brokers, South Africa, March 1997; S&Z Makelaars, South Africa, March 1997.
Retail brokerage offices: Alexander Forbes Consultants & Actuaries: Cape Town, Durban, East London, Johannesburg, Port Elizabeth, Pretoria, Sandton and Stellenbosch, South Africa Alexander Forbes Namibia: Walvis Bay and Windhoek, Namibia; LIB Insurance Brokers, Lusaka, Zambia; Namibian Insurance Brokers, Windhoek, Namibia; Ngamiland Trust, Gaborone, Botswana; Price Forbes: Benoni, Bloemfontein, Cape Town, Durban, East London, George, Graaff-Reinet, Johannesburg, Kimberley, Klerksdorp, Louis Trichardt, Mossel Bay, Nelspruit, Paarl, Pietermaritzburg, Pietersburg, Port Elizabeth, Pretoria, Richards Bay, Rustenburg, Sandton, Stellenbosch, Upington, Welkom and Witbank, South Africa.
Non-retail brokerage subsidiaries: CRM International Group: London; Cape Town, Durban, Johannesburg, Pretoria and Sandton, South Africa; Forbes Reinsurance Brokers, Sandton, South Africa; Forbes Re Namibia, Windhoek, Namibia; Robert Gordon-Intercontinental Financial Management, Jersey, Channel Islands; Robert Gordon-Intercontinental Management Services, Jersey, Channel Islands; Msele Hosken Group: Cape Town, Durban, East London, Johannesburg, Mafikeng and Richards Bay, South Africa; Nelson Hurst Corporate Risk Services: Derby, London and Southampton, England; Swaziland Employee Benefits, Mbabane, Swaziland.
Officers: Paul L. Heinamann, group chief executive; David J. Bergman, Seamus R. Casserly, Graeme W. Kerrigan, Leon D. Lewis, Max T. Maisela, executive directors.
Contact: Employee benefits: Graeme Kerrigan, 27-11-269-0153 or Leon Lewis, 27-11-269-0151; short-term insurance: Seamus Casserly, 27-11-378-3431; risk engineering: Frank Butler, 27-11-322-8070; risk financing: A.C. (Tony) Valsamakis, 44-171-497-5220.

Forrest Sherer Inc.

24 N. Sixth St., P.O. Box 900, Terre Haute, Ind. 47808; 812-232-0441; fax: 812-232-1783

	1996	1995
Premium volume	$43,567,400	$46,795,500
Gross revenues	$5,009,500	$5,387,800
U.S. clients	100%	100%
Brokerage: Retail	82.66%	82.9%
U.S. offices	$4,140,853	$4,466,486
Wholesale	2.9%	2.4%
Personal lines	9.17%	9.1%
Services	0.52%	0.7%
Invstmt. income	4.55%	4.7%
Other	0.2%	0.2%
Total employees	60	58
Total offices	2	2

Founded: 1920.
Retail brokerage: 98% commissions, 2% fees.
Employee benefits: 10.22% of revenues in 1996.
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, vps.
Contact: John W. Dinkel.

Frenkel & Co. Inc.

123 William St., New York, N.Y. 10038; 212-267-2200; fax: 212-693-0298

	1996	1995
Premium volume	$347,100,000	$344,700,000
Gross revenues	$36,500,000	$34,800,000
U.S. clients	97%	97%
Non-U.S. clients	3%	3%
Brokerage: Retail	86%	87%
U.S. offices	$31,390,000	$30,276,000
Reinsurance	1%	1%
Personal lines	7%	7%
Services	1%	2%
Invstmt. income	5%	3%
Total employees	248	267
Total offices	4	4

Founded: 1878.
Retail brokerage: 90% commissions, 10% fees.
Employee benefits: 8% of revenues in 1996.
Retail brokerage offices: Frenkel & Co. Inc., 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, chairman/president/CEO; John F. Kelly, executive vp/COO; Raymond F. Courtien, Gerald I. Benson, executive vps.
Contact: Robert E. Shunk.

Fringe Benefits Management Co. (FBMC)

1720 S. Gadsden St., Tallahassee, Fla. 32301-5547; 904-425-6200 or 800-872-0345; fax: 904-425-6220

	1996	1995
Premium volume	$178,270,939	$171,194,673
Gross revenues	$12,748,855	$11,807,339
U.S. clients	100%	100%
Brokerage: Retail	42.75%	38.12%
U.S. offices	$5,450,135	$4,500,958
Services	57.25%	61.88%
Total employees	157	153

Founded: 1976.
Retail brokerage: 100% commissions.
Employee benefits: 100% of revenues in 1996.
Officers: Michael H. Sheridan, CEO; Lorraine S. Ritch, president; Agnes McMurray, senior vp-administration; William Bischoff, chief legal officer; Mel Yoder, senior vp-operations.
Contact: Lew Leopard, vp, 904-425-6200 ext. 529.

G

Arthur J. Gallagher & Co.

2 Pierce Place, Itasca, Ill. 60143; 630-773-3800; fax: 630-285-4000

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, vps.
Contact: Michael J. Cloherty.
See profile on page 34.
See geographical listing on page 70.

Gersten-Hillman Agency Inc.

20 Anawana Lake Road, P.O. Box 1150, Monticello, N.Y. 12701-8150; 914-794-5544; fax: 914-794-0430

	1996*	1995*
Premium volume	$6,443,338	$6,476,635
Gross revenues	$855,775	$832,147
U.S. clients	100%	100%
Brokerage: Retail	71%	72%
U.S. offices	$607,600	$599,145
Wholesale	1%	1%
Personal lines	26%	25%
Invstmt. income	1%	1%
Other	1%	1%
Total employees	14	14
Total offices	1	1

** Fiscal years ending 10/31/96 and 10/31/95.*

Founded: 1932.
Retail brokerage: 100% commissions.
Employee benefits: 1% of revenues in 1996.
Officers: Joyce A. Salimeno, secretary/treasurer/CEO; Julius Cohen, president.
Contact: Joyce A. Salimeno.

Gilbert-Magill Co.

920 Main St., Suite 1800, Kansas City, Mo. 64105; 816-474-3535; fax: 816-842-5795

	1996	1995
Gross revenues	$4,149,001	$3,540,327
U.S. clients	100%	100%
Brokerage: Retail	63%	62%
U.S. offices	$2,613,871	$2,195,003
Wholesale	7%	7%
Personal lines	7%	8%
Services	15%	16%
Invstmt. income	1%	1%
Other	7%	6%
Total employees	50	50
Total offices	1	1

Founded: 1963.
Retail brokerage: 84% commissions, 16% fees.
Employee benefits: 25% of revenues in 1996.
Licensed excess/surplus broker in: Kansas, Missouri.
Officers: John W. Bovard, president/CEO; Joseph J. Piatczyc, executive vp; Ladoris Y. Langley, senior vp/COO/secretary; James B. Koenigsdorf, Sarah Beth Owens, vps.
Contact: Lori Longley.

The Gleason Agency Inc.

BT Financial Plaza, Suite 204, P.O. Box 8, Johnstown, Pa. 15907; 814-532-0200; fax: 814-536-7266

	1996	1995
Premium volume	$44,300,000	$43,600,000
Gross revenues	$5,300,000	$4,600,000
U.S. clients	100%	100%
Brokerage: Retail	82.1%	90.1%
U.S. offices	$4,351,300	$4,144,600
Personal lines	1.7%	2.1%
Invstmt. income	2%	3.5%
Other	14.2%	4.3%
Total employees	46	46
Total offices	3	3

Founded: 1924.

Continued on next page

A ranking of the top 100 retail brokers of U.S. business appears on page 3. A chart of the 20 leading U.S. retail brokers appears on page 10. The geographical index begins on page 70.

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Continued from previous page

Retail brokerage: 91.8% commissions, 8.2% fees.

Retail brokerage offices: Laurel, Md.; Allentown, Harrisburg, Philadelphia and Pittsburgh, Pa.

Licensed excess/surplus broker in: Pennsylvania.

Officers: Robert A. Gleason Jr., chairman/CEO; Christopher K. Gleason, president; Diana B. Reitz, vp-operations; Michele Baker, corporate controller; Tony Kamnikar, vp-marketing; Robert F. Zedreck, Gregg Murawsky, vps.

Contact: Robert A. Gleason Jr.

Richard N. Goldman & Co.

1 Bush St., San Francisco, Calif. 94104; 415-981-1141; fax: 415-398-4986

	1996*	1995*
Gross revenues	$10,600,000	$10,000,000
U.S. clients	100%	100%
Brokerage: Retail	86.5%	87.7%
U.S. offices	$9,169,000	$8,770,000
Personal lines	9.1%	7%
Services	1.2%	1.8%
Invstmt. income	3.2%	3.5%
Total employees	74	70
Total offices	1	1

** Fiscal years ending 1/31/97 and 1/31/96.*

Founded: 1949.

Retail brokerage: 81.5% commissions, 18.5% fees.

Employee benefits: 12% of revenues in 1996.

Licensed excess/surplus broker in: California.

Officers: Richard N. Goldman, chairman; Stuart W. Seiler, vice chairman; John D. Goldman, president/CEO; Lawrence A. Colton, executive vp; Steve Vilas, controller.

Contact: Lawrence A. Colton.

The Graham Co.

1 Penn Square W., Philadelphia, Pa. 19102; 215-567-6300; fax: 215-567-3203

	1996	1995
Premium volume	$93,476,200	$90,853,000
Gross revenues	$18,647,000	$17,433,000
U.S. clients	100%	100%
Brokerage: Retail	96%	96%
U.S. offices	$17,901,120	$16,735,680
Personal lines	1%	1%
Invstmt. income	3%	3%
Total employees	130	119
Total offices	1	1

Founded: 1950.

Retail brokerage: 66% commissions, 34% 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; Kenneth L. Ewell, vp-marketing; Michael J. Mitchell, Harry R. Johnson, vps.

Contact: Margaret C. Jones.

Gras Savoye S.A.

2-8 Rue Ancelle, Neuilly-sur-Seine 92200, France; 331-41-43-50-00; fax: 331-41-43-55-55

Founded: 1907.

Officers: Patrick Lucas, chairman/CEO; Daniel Naftalski, Emmanuel Gras, COOs; Jean-Herve Lorenzi, deputy operating officer.

Contact: Hubert Moreno.

See profile on page 48.
See geographical listing on page 70.

Great Lakes Employee Benefit Services Inc.

4967 Crooks Road, Suite 105, Troy, Mich. 48098; 248-641-0000; fax: 248-641-0073

Founded: 1997.

Officers: Joseph F. Coan, James T. Scoggin, principals.

Contact: Gloria M. Maxim, director-operations, 248-641-0000 ext. 200.

GrECo International A.G.

Gymnasiumstrasse 54, Vienna 1191, Austria; 43-1-313-34-0; fax: 43-1-313-34-71

	1996	1995
Premium volume	$151,716,000*	$150,000,000*
Gross revenues	$20,680,000*	$21,000,000*
U.S. clients	3%	3%
Non-U.S. clients	97%	97%
Brokerage: Retail	94%	95%
Non-U.S. offices	$19,439,200*	$19,950,000*
Reinsurance	1%	1%
Services	3%	2%
Invstmt. income	2%	2%
Total employees	196	171
Total offices	20	17

** Converted at applicable exchange rates.*

Founded: 1925.

Retail brokerage: 90% commissions, 10% fees.

Employee benefits: 5% of revenues in 1996.

Retail brokerage offices: FDG-Polska Sp.z o.o., Poland; FDG-Zagreb d.o.o., Croatia; GrECo International spol.s r.o.: Czech Republic and Slovak Republic; GrECo International Kft., Hungary; GrECo International d.o.o., Slovenia.

Non-retail brokerage subsidiaries: GrECo Consult, Vienna, Austria; GrECo Data, Vienna, Austria.

Officers: Friedrich Neubrand, chairman; Friedrich Neubrand Jr., Walter Schenu, Peter Fuchs, board members.

Contact: Friedrich Neubrand Jr., 43-1-313-34-35.

The directory begins on page 51.
Terms are explained on page 52.

HCM Benefits Inc.

21250 Hawthorne Blvd., Suite 600, Torrance, Calif. 90503; 310-543-9995; fax: 310-543-9905

	1996	1995
Premium volume	$275,000,000	$250,000,000
Gross revenues	$6,196,200	$5,671,922
U.S. clients	100%	100%
Brokerage: Retail	100%	100%
U.S. offices	$6,196,200	$5,671,922
Total employees	35	29
Total offices	1	1

Founded: 1986.

Retail brokerage: 96% commissions, 4% fees.

Employee benefits: 100% of revenues in 1996.

Acquisitions: MacAller & Co., Westlake, Calif., January 1997.

Retail brokerage offices: Westlake, Calif.

Officers: Jim Hall, president/CEO; James Czesak, John Mackerer, senior vps.

Contact: Jim Hall.

The HDH Group Inc.

USX Tower, Suite 5900, Pittsburgh, Pa. 15219; 412-391-7300; fax: 412-391-7322

	1996	1995
Premium volume	$165,000,000	$150,000,000
Gross revenues	$8,469,196	$7,589,697
U.S. clients	100%	100%
Brokerage: Retail	80%	79%
U.S. offices	$6,775,357	$5,995,861
Wholesale	12%	12%
Reinsurance	4%	4%
Services	1%	2%
Invstmt. income	2%	2%
Other	1%	1%
Total employees	55	46
Total offices	1	1

Founded: 1982.

Retail brokerage: 99% commissions, 1% fees.

Employee benefits: 48% of revenues in 1996.

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.

The Empire State Building, 350 Fifth Ave., Suite 5400, New York, N.Y. 10118; 212-239-5353; fax: 212-239-5484

	1996	1995
Gross revenues	$2,300,000	$2,400,000
U.S. clients	100%	100%
Brokerage: Retail	70%	70%
U.S. offices	$1,610,000	$1,680,000
Personal lines	14%	14%
Services	8%	9%
Invstmt. income	2%	0.5%
Other	6%	6.5%
Total employees	23	23
Total offices	1	1

Founded: 1964.

Retail brokerage: 100% commissions.

Employee benefits: 48% of revenues in 1996.

Licensed excess/surplus broker in: New York.

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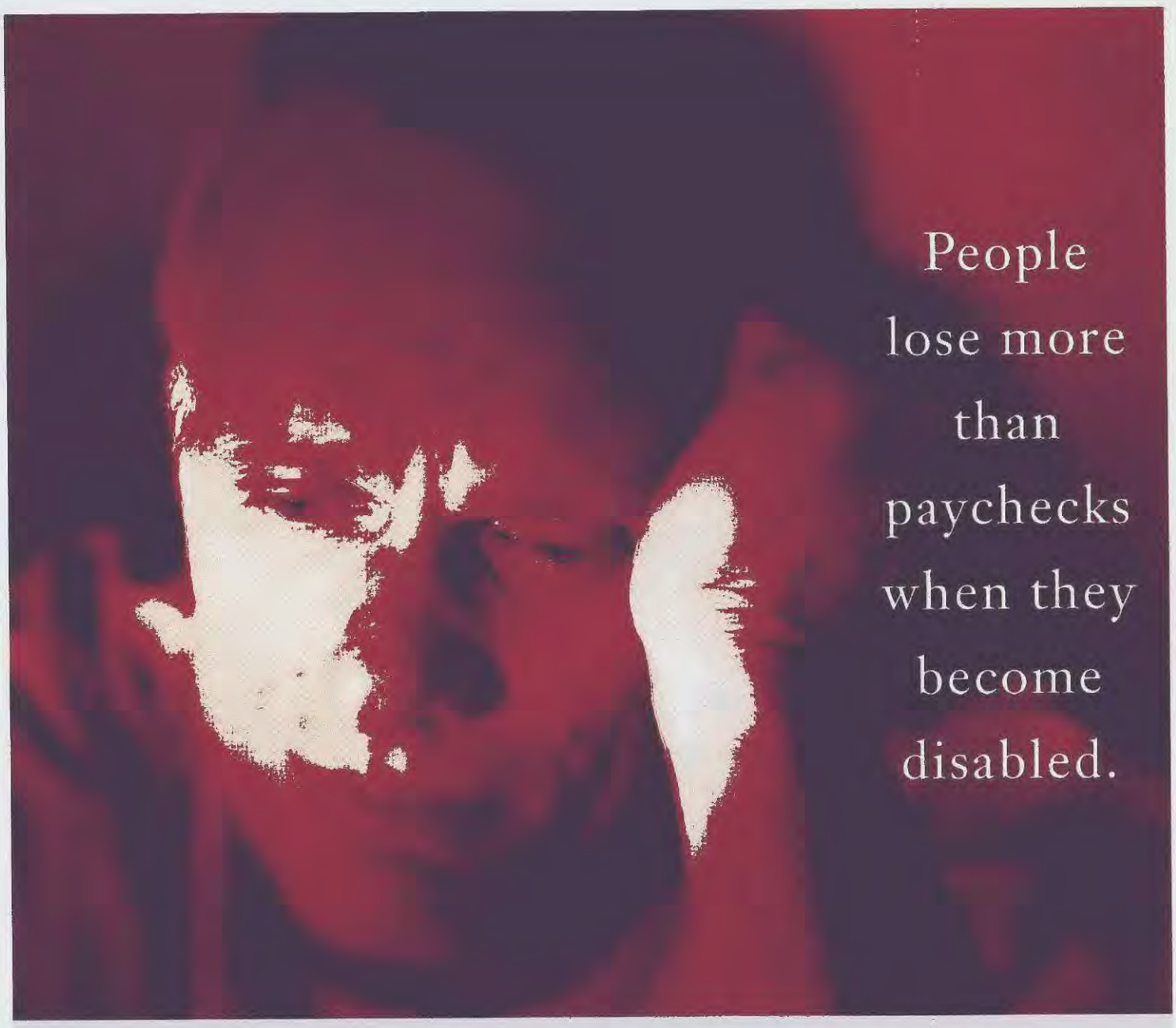

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GP190-LTD & STD

Continued from previous page

Officers: Judith L. Robinson, president; Carmen Barros, vp.
Contact: Judith L. Robinson, 212-239-5462.

HSBC Gibbs Holdings Ltd.

Bishops Court, 27-33 Artillery Lane, London E1 7LP, England; 44-171-247-5433; 44-171-377-2139

	1996	1995
Gross revenues	$152,568,000*	$141,073,200*
U.S. clients	6%	5%
Non-U.S. clients	94%	95%
Brokerage: Retail	29%	22%
Non-U.S. offices	$44,460,000*	$31,560,000*
Wholesale	23%	27%
Reinsurance	7%	7%
Personal lines	7%	6%
Services	28%	34%
Invstmt. income	5%	4%
Other	1%	0%
Total employees	1,606	1,635
Total offices	21	24

** Converted at applicable exchange rates.*

Founded: 1808.
Parent: HSBC Holdings P.L.C.
Retail brokerage: 75% commissions, 25% fees.
Employee benefits: 14% of revenues in 1996.
Acquisitions: Hutchison & Craft, Glasgow, Scotland.
Retail brokerage offices: Hong Kong Cyprus; Dubai; Birmingham, Bristol, Haywards Heath, Leeds, Manchester, Newcastle and Rochdale, England; Dublin, Ireland; Oman; Aberdeen, Edinburgh and Glasgow, Scotland; Singapore.
Non-retail brokerage subsidiaries: HSBC Gibbs Consulting Ltd., St. Albans, England; Hartley Cooper & Warner Ltd., Enfield, England.
Officers: G.F. Puttergill, chairman; S.R. Harrap, deputy chairman; A.M.M. Dixon, finance director; R. Haines, medical director-HSBC Gibbs Consultants Ltd.
Contact: G.F. Puttergill.

Haas & Wilkerson Inc.

4300 Shawnee Mission Parkway, Shawnee Mission, Kan. 66205; 913-432-4400; fax: 913-432-6159

	1996*	1995*
Premium volume	$66,430,000	$65,576,000
Gross revenues	$10,580,000	$10,376,000
U.S. clients	100%	99%
Non-U.S. clients	NA	1%
Brokerage: Retail	91%	93%
U.S. offices	$9,627,800	$9,651,540
Wholesale	1%	1%
Personal lines	3%	3%
Services	1%	1%
Invstmt. income	4%	1%
Other	NA	1%
Total employees	95	99
Total offices	5	5

** Fiscal years ending 1/31/97 and 1/31/96.*

Founded: 1939.
Retail brokerage: 95% commissions, 5% fees.
Employee benefits: 6% of revenues in 1996.
Retail brokerage offices: St. Petersburg, Fla.; St. Louis; Philadelphia; Nashville, Tenn.
Licensed excess/surplus broker in: California, Kansas, Missouri.
Officers: William R. Wilkerson III, chairman/CEO; J. Philip Coulson, president; Frederick P. Dunn, executive vp; L'Mitchell Castor, CFO/COO; Dan Allan, vp.
Contact: L'Mitchell Castor.

Hamilton Dorsey Alston Co.

3350 Cumberland Circle, Suite 100, Atlanta, Ga. 30339; 770-850-0050; fax: 770-850-9375

	1996*	1995*
Premium volume	$85,000,000	$72,000,000
Gross revenues	$10,289,631	$8,950,038
U.S. clients	95%	95%
Non-U.S. clients	5%	5%
Brokerage: Retail	75%	75%
U.S. offices	$7,717,223	$6,712,529
Personal lines	18%	18%
Services	1%	1%
Invstmt. income	4%	4%
Other	2%	2%
Total employees	85	78
Total offices	1	1

** Fiscal years ending 10/31/96 and 10/31/95.*

Founded: 1972.
Retail brokerage: 80% commissions, 20% fees.
Employee benefits: 23% of revenues in 1996.
Licensed excess/surplus broker in: Georgia.
Officers: John C. Hamilton, president; J. Vernon O'Neal, Steven F. Fallon, Curt L. Geotsch, senior vps; Robert C. Smith, executive vp.
Contact: John C. Hamilton.

Cameron M. Harris & Co.

P.O. Box 220748, Charlotte, N.C. 28222; 704-366-8834; fax: 704-366-8245

	1996	1995
Premium volume	$136,127,153	$129,706,000
Gross revenues	$16,444,064	$14,920,129
U.S. clients	100%	100%
Brokerage: Retail	65.3%	67%
U.S. offices	$10,737,974	$9,996,486
Personal lines	12%	12.6%
Services	1.2%	0.7%
Invstmt. income	1.1%	0.8%
Other	20.4%	18.9%
Total employees	184.78	178.97
Total offices	5	5

Founded: 1979.
Parent: C.M. Harris Holding Co.
Retail brokerage: 89.4% commissions, 10.6% fees.
Employee benefits: 9.8% of revenues in 1996.
Retail brokerage offices: Boone, Greensboro, Morganton and Raleigh, N.C.
Licensed excess/surplus broker in: North Carolina.
Officers: Cameron M. 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 Wilkerson.

Hastings-Tapley Insurance Agency Inc.

271 Cambridge St., Cambridge, Mass. 02141; 617-876-7510; fax: 617-876-7155

	1996*	1995*
Premium volume	$95,059,922**	$113,452,877**
Gross revenues	$15,307,076	$16,633,222
U.S. clients	100%	100%
Brokerage: Retail	50.35%	51.19%
U.S. offices	$7,707,113	$8,514,547
Personal lines	NA	18.35%
Services	44.05%	29.46%
Invstmt. income	5.6%	1%
Total employees	177	205
Total offices	4	13

** Fiscal years ending 9/30/96 and 9/30/95.*
*** Figure does not include life and group premiums.*

Founded: 1866.
Retail brokerage: 94% commissions, 6% fees.
Employee benefits: 1% of revenues in 1996.
Retail brokerage offices: Fairfield, Conn.; Governmental Entities Management Services Inc.: Albany, N.Y. and Glen Allen, Va.
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, executive vp; Jennifer L. Decker, corporate vp.
Contact: Daniel A. Leone, treasurer/senior vp.

Healthcare Insurance Services Inc.

820 Gessner, Suite 1000, Houston, Texas 77024; 713-461-4000; fax: 713-461-4334

	1996	1995
Premium volume	$354,188,685	$266,630,637
Gross revenues	$39,759,206	$31,364,541
U.S. clients	100%	100%
Brokerage: Retail	48%	54.7%
U.S. offices	$19,084,419	$17,156,404
Wholesale	17%	15.7%
Reinsurance	6.8%	8.8%
Services	24%	17.4%
Invstmt. income	4.2%	3.4%
Total employees	188	158
Total 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; James and Gable Insurance Brokers Inc., San Francisco, April 1996.
Retail brokerage offices: Healthcare Insurance Services of Louisiana Inc., Lafayette, La.; Healthcare Insurance Services of Tennessee Inc., Nashville, Tenn.; Healthcare Insurance Services of Virginia Inc., Arlington, Va.; Healthcare Risk Management Services Inc., Houston; Healthcare-West Insurance Services Inc., Alamo, Calif.; Professional Risk Management of Texas Inc., Houston.
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, Iowa, Indiana, Kansas, Maryland, Michigan, Minnesota, North Carolina, Nebraska, New York, 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.; Richard Harris, president-Professional Risk Management of Texas Inc.; Michael Nadler, president-WorkCare Inc.
Contact: William F. Galtney Jr.

C.E. Heath P.L.C.

133 Houndsditch, London EC3A 7AH, England; 44-171-234-4000; fax: 44-171-234-4111

Founded: 1880.
Officers: M.H. Kier, chairman; J.G. Mackenzie Green, CEO; T.S.W. Tookey, group finance director; P.J. Hughes, director-operations; C.H. Sporborg, non-executive deputy chairman.
Contact: Philip Barnard, 44-171-234-4828.
See profile on page 42.
See geographical listing on page 70.

Joseph Held Co. Inc.

Wall Street Plaza, 88 Pine St., 7th Floor, New York, N.Y. 10005-1801; 800-221-9940, 212-732-3503; fax: 212-797-5413

	1996	1995
Premium volume	$19,250,000	$18,750,000
Gross revenues	$2,525,000	$2,450,000
U.S. clients	97%	97%
Non-U.S. clients	3%	3%
Brokerage: Retail	87%	87%
U.S. offices	$2,196,750	$2,131,500
Wholesale	7.5%	7.5%
Personal lines	1%	1.5%
Services	1%	1%
Invstmt. income	3.5%	3%
Total employees	8	8
Total 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; 215-925-7656; fax: 215-923-0342

	1996	1995
Premium volume	$45,000,000	$44,000,000
Gross revenues	$4,000,000	$3,900,000
U.S. clients	100%	100%
Brokerage: Retail	75%	75%
U.S. offices	$3,000,000	$2,925,000
Wholesale	5%	5%
Personal lines	15%	15%
Invstmt. income	5%	5%
Total employees	47	50
Total offices	1	1

Founded: 1908.
Retail brokerage: 97% commissions, 3% fees.
Licensed excess/surplus broker in: Pennsylvania.
Contact: Robert J. Bush, president.

Hibbs-Hallmark & Co.

P.O. Box 8357, 501 Shelley Drive, Tyler, Texas 75711; 903-561-8484; fax: 903-581-8988

	1996	1995
Premium volume	$28,089,587	$28,204,574
Gross revenues	$11,437,962	$10,214,055
U.S. clients	100%	100%
Brokerage: Retail	30.57%	28.68%
U.S. offices	$3,496,585	$2,929,391
Reinsurance	1.45%	1.71%
Personal lines	2.81%	3.56%
Services	63.44%	63.71%
Invstmt. income	0.89%	1.02%
Other	0.84%	1.32%
Total employees	117	101
Total offices	2	2

Founded: 1970.
Retail brokerage: 98% commissions, 2% fees.
Employee benefits: 9.47% of revenues in 1996.
Retail brokerage offices: Longview, Texas.
Non-retail brokerage subsidiaries: Claims Administrative Services Inc., Tyler, Texas.
Licensed excess/surplus broker in: Texas.
Officers: Billy E. Hibbs Sr., CEO; Billy Hibbs Jr., president; Mary H. Smith, secretary/ treasurer; Barry Jones, executive vp/president-Claims Administrative Services Inc.; Brenda Thomas, vp.
Contact: Billy E. Hibbs Sr.

Hilb, Rogal & Hamilton Co.

4235 Innslake Drive, P.O. Box 1220, Glen Allen, Va. 23060-1220; 804-747-6500; fax: 804-747-6046

	1996	1995
Premium volume	$1,000,000,000	$1,000,000,000
Gross revenues	$158,200,000	$148,100,000
U.S. clients	99%	99%
Non-U.S. clients	1%	1%
Brokerage: Retail	78%	78%
U.S. offices	$123,396,000	$115,518,000
Personal lines	16%	16%
Services	3%	3%
Invstmt. income	3%	3%
Total employees	1,750	1,700
Total offices	67	57

Founded: 1982.
Retail brokerage: 98% commissions, 2% fees.
Employee benefits: 7% of revenues in 1996.
Acquisitions: Agency One Weaver Insurance Group Inc., Tempe, Ariz., 1996; Andrew & Blakeslee, North Haven, Conn., 1996; Assurance Inc., District of Columbia, 1996; Bartlett Bozeman & Levin L.L.C., Lombard, Ill., 1996; Chappelle Consulting Group Inc., Birmingham, Ala., 1996; Clover Insurance Agency Inc., Ontario, Calif., 1996; Clover Insurance Benefits and Service Inc., Ontario, Calif., 1996; Cope & Associates Inc. dba Securities Industry Benefit Services, New York, 1996; Depres Harland & Associates Insurance and Surety Brokers Ltd., Manitoba, Canada, 1996; S.H. Gow & Co. Inc., Buffalo, N.Y., 1997; Gow Management Services Inc., Buffalo, N.Y., 1997; Insurance Management Inc., New Haven, Conn., 1996; Leone Kingsley Inc., Pittsburgh, 1996; Lynam Insurance Agency Inc., Birmingham, Ala., 1997; R.A. Nickerson Associates Inc., Townsend, Md., 1996; The Schuppenhauer Co. Inc., Houston, 1996; Don C. Tardy Agency Inc., Hereford, Texas, 1996.
Retail brokerage offices: The Burton Co., New Haven, Conn.; Clover Insurance Agency Inc., Ontario, Calif.; S.H. Gow & Co. Inc.: Buffalo, Rochester and Syracuse, N.Y.; HRH Insurance Services of the Coachella Valley Inc., Palm Desert, Calif.; HRH of Northern California Insurance Services Inc.: Sacramento, San Rafael, Santa Rosa, Truckee and Vallejo, Calif.; Hayhurst Ellas Dudek Inc.: Edmonton, Montreal, Toronto, Winnipeg and Vancouver, Canada; Hilb, Rogal and Hamilton Co. of Alabama Inc.: Birmingham, Fort Payne and Mobile, Ala.; Hilb, Rogal and Hamilton Co. of Amarillo: Amarillo and Hereford, Texas; Hilb, Rogal and Hamilton Co. of Arizona: Flagstaff, Mesa, Phoenix, Tempe and Tucson, Ariz.; Hilb, Rogal and Hamilton Co. of Atlanta, Atlanta; Hilb, Rogal and Hamilton Co. of Baltimore, Baltimore; Hilb, Rogal and Hamilton Co. of Corpus Christi, Corpus Christi, Texas; Hilb, Rogal and Hamilton Co. of Dallas: Abilene and Dallas, Texas; Hilb, Rogal and Hamilton Co. of Daytona Beach Inc., Daytona Beach, Fla.; Hilb, Rogal and Hamilton Co. of Denver, Denver; Hilb, Rogal and Hamilton Co. of the District of Columbia, Rockville, Md.; Hilb, Rogal and Hamilton Co. of Fort Lauderdale, Fort Lauderdale, Fla.; Hilb, Rogal and Hamilton Co. of Fort Myers, Fort Myers, Fla.; Hilb, Rogal and Hamilton Co. of Gainesville, Florida Inc., Gainesville, Fla.; Hilb, Rogal and Hamilton Co. of Gainesville, Georgia, Gainesville, Ga.; Hilb, Rogal and Hamilton Co. of Grand Rapids, Grand Rapids, Mich.; Hilb, Rogal and Hamilton Co. of Houston, Houston; Hilb, Rogal and Hamilton Co. of Louisiana, New Orleans; Hilb, Rogal and Hamilton Co. of McAllen, McAllen, Texas; Hilb, Rogal and Hamilton Co. of Oklahoma, Oklahoma City; Hilb, Rogal and Hamilton Co. of Orlando, Orlando, Fla.; Hilb, Rogal and Hamilton Co. of Pittsburgh Inc.: New York and Pittsburgh; Hilb, Rogal and Hamilton Co. of Port Huron: Port Huron and Richmond, Mich.; Hilb, Rogal and Hamilton Co. of the Quad Cities: Chicago and Moline, Ill.; Hilb, Rogal and Hamilton Co. of St. Simons Island, St. Simons Island, Ga.; Hilb, Rogal and Hamilton Co. of Savannah Inc., Savannah, Ga.; Hilb, Rogal and Hamilton Co. of Tampa Bay, Tampa Bay, Fla.; Hilb, Rogal and Hamilton Co. of Victoria: Cuero, Edna and Victoria, Texas; Hilb, Rogal and Hamilton Co. of Virginia: Fredericksburg, Richmond and Virginia Beach, Va.; Hilb, Rogal and Hamilton Insurance Services of Central California Inc.: Bakersfield, Dinuba and Fresno, Calif.;Insurance Management Inc.: Clinton, Derby, Madison, Middletown, New Haven and Old Saybrook, Conn.
Officers: Robert H. Hilb, chairman; Andrew L. Rogal, president/CEO; Timothy J. Korman, executive vp/CFO/treasurer; John C. Adams, executive vp; Dianne F. Fox, senior vp/corporate secretary.
Contact: Andrew L. Rogal or Dianne F. Fox.

Hirsch Wolf & Co. Inc.

1505 Coney Island Ave., Brooklyn, N.Y. 11230; 718-252-2800; fax: 718-253-9682

	1996*	1995*
Premium volume	$28,000,000	$24,000,000
Gross revenues	$2,100,000	$2,000,000
U.S. clients	100%	100%
Brokerage: Retail	73%	79%
U.S. offices	$1,533,000	$1,580,000
Wholesale	4%	NA
Personal lines	11%	10%
Services	9%	3%
Invstmt. income	3%	8%
Total employees	33	25
Total offices	1	2

** Fiscal years ending 6/30/96 and 6/30/95.*

Founded: 1957.
Retail brokerage: 96% commissions, 4% fees.
Employee benefits: 14% of revenues in 1996.
Licensed excess/surplus broker in: Connecticut.
Officers: Hirsch Wolf, president; Raquel Wolf, secretary.

The Hirshorn Co.

14 E. Highland Ave., Philadelphia, Pa. 19118; 215-242-8200; fax: 215-247-6366

	1996*	1995*
Premium volume	$11,200,000	$12,000,000
Gross revenues	$1,450,693	$1,678,953
U.S. clients	90%	90%
Non-U.S. clients	10%	10%
Brokerage: Retail	79%	79%
U.S. offices	$1,146,047	$1,326,373
Wholesale	1%	NA
Personal lines	12%	12%
Services	NA	1%
Invstmt. income	6%	6%
Other	2%	2%
Total employees	18	18
Total offices	1	1

** Fiscal years ending 6/30/96 and 6/30/95.*

Founded: 1931.
Parent: Harry R. Hirshorn & Co. Inc.
Retail brokerage: 95% commissions 5% fees.
Employee benefits: 2% of revenues in 1996.
Licensed excess/surplus broker in: Pennsylvania.
Officers: Ralph S. Hirshorn, chairman; P. Graeme Frazier III, vice chairman/secretary; George Connelly, president; Stephen Wetherill, Dennis Murphy, vps.
Contact: Ralph Hirshorn.

Hitachi Insurance Services Ltd.

11-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo 100, Japan; 813-3636-5521; fax: 813-3636-4051

	1996*	1995*
Premium volume	$585,779,085**	$694,086,228**
Gross revenues	$69,059,574**	$83,283,475**
U.S. clients	0.6%	0.5%
Non-U.S. clients	99.4%	99.5%
Brokerage: Retail	27.1%	26.4%
Non-U.S. offices	$18,715,149**	$21,989,583**
Reinsurance	0.1%	0.1%
Personal lines	69.5%	68.3%
Invstmt. income	1.9%	1.8%
Other	1.4%	3.4%
Total employees	403	407
Total offices	33	33

** Fiscal years ending 3/31/97 and 3/31/96.*
*** Converted at applicable exchange rates.*

Founded: 1949.
Parent: Hitachi Ltd.
Retail brokerage: 100% commissions.
Employee benefits: 25.9% of revenues in 1996.
Retail brokerage offices: Fukuoka, Haranomachi, Hiratsuka, Hiroshima, Hitachi, Hitachinaka, Kashiwa, Kawasaki, Kitakyushu, Kokubunji, Koriyama, Kudamatsu, Kure, Kuwana, Mobara, Mouka, Nagoya, Narashino, Niigata, Odate, Osaka, Sapporo, Sendai, Shimizu, Shimodate, Takamatsu, Takasaki, Tochigi, Toyama, Toyokawa, Tsuchiura, Yamanashi and Yokohama, Japan.

Continued on next page

Continued from previous page

Non-retail brokerage subsidiaries: Concord Enterprise Insurance Co. Ltd., Hamilton, Bermuda; Hitachi Insurance Services Ltd., Hong Kong.

Officers: Noboru Hatano, president; Hiroshi Yamamoto, senior executive managing director; Hiroshi Ishizaki, executive managing director; Yasuto Iikura, Rikuo Takuhara, managing directors.

Hobbs Group Inc.

225 Wymna St., P.O. Box 9049, Waltham, Mass. 02254-9094; 617-890-1455; fax: 617-890-7594

	1996	1995
Premium volume	$215,000,000	$231,000,000
Gross revenues	$26,100,000	$25,700,000
U.S. clients	98.8%	99%
Non-U.S. clients	1.2%	1%
Brokerage: Retail	92.6%	92.2%
U.S. offices	$23,953,600	$23,321,400
Non-U.S. offices	$215,000	$374,000
Reinsurance	1%	1%
Personal lines	1.7%	2.1%
Invstmt. income	4.1%	4.3%
Other	0.6%	0.4%
Total employees	140	168
Total offices	15	17

Founded: 1954.
Parent: Arkwright Holdings Inc.
Retail brokerage: 75% commissions, 25% fees.
Employee benefits: 2.3% of revenues in 1996.
Acquisitions: Pro-Form Insurance Services Inc., Toronto, December 1996.
Retail brokerage offices: London; Long Beach, San Mateo and San Diego, Calif.; Greenwich, Conn.; Orlando, Fla.; Atlanta; Schaumburg, Ill.; Columbia, Md.; Lexington, Mass.; New York; Malvern, Pa.; Austin and Houston, Texas; Pro-Form Insurance Services Inc., Toronto
Licensed excess/surplus broker in: Alaska, California, Massachusetts, New York.
Officers: W. Glenn Yancey, chairman; Thomas A. Golub, president/CEO; Daniel J. Donovan, John F. McGrath, Edward F. McNulty, executive vps.
Contact: Glenn A. Heto, controller.

Holman Insurance Brokers Ltd.

165 E. Beaver Creek Road, Richmond Hill, Ontario L4B 2N2, Canada; 905-886-5630; fax: 905-886-5622

	1996*	1995*
Premium volume	$11,744,000**	$12,410,000**
Gross revenues	$2,348,800**	$2,336,000**
U.S. clients	1%	1%
Non-U.S. clients	99%	99%
Brokerage: Retail	42%	44%
Non-U.S. offices	$986,496**	$1,027,840**
Personal lines	42%	44%
Services	11%	8%
Invstmt. income	2%	2%
Other	3%	2%
Total employees	45	44
Total offices	1	1

** Fiscal years ending 9/31/96 and 9/31/95.*
*** Converted at applicable exchange rates.*
Founded: 1981.
Retail brokerage: 93% commissions, 7% fees.
Employee benefits: 1.7% of revenues in 1996.
Acquisitions: Gilson Insurance Brokers, Toronto, 1996.
Officers: Frank T. Holman, president; Paul D. Holman, Mark A. Holman, Christopher J. Holman, vps.
Contact: Frank T. Holman.

Holmes, Murphy & Associates Inc.

420 Keo Way, Des Moines, Iowa 50309; 515-286-4400; fax: 515-286-4494

	1996	1995
Premium volume	$187,182,670	$168,165,830
Gross revenues	$20,672,066	$18,890,689
U.S. clients	100%	100%
Brokerage: Retail	85%	85%
U.S. offices	$17,571,256	$16,057,086
Personal lines	1%	1%
Services	13%	11%
Invstmt. income	1%	1%
Other	NA	2%
Total employees	177.5	166.5
Total offices	5	5

Founded: 1930.
Parent: HMA Inc.
Retail brokerage: 87% commissions, 13% fees.
Employee benefits: 32% of revenues in 1996.
Acquisitions: Larson Insurance Agency, Alden, Iowa, June 1996.
Retail brokerage offices: Bloomington, Ill.; Alden, 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, Clifford W. Augspurger, senior vps.
Contact: Nick Henderson.

Hylant-MacLean Group

1505 Jefferson Ave., Toledo, Ohio 43624; 419-255-1020; fax: 419-255-7557

	1996	1995
Premium volume	$185,000,000	$180,000,000
Gross revenues	$17,000,000	$15,100,000
U.S. clients	100%	98%
Non-U.S. clients	NA	2%
Brokerage: Retail	93%	88%
U.S. offices	$15,810,000	$13,288,000
Personal lines	1%	1%
Services	5%	10%
Invstmt. income	1%	1%
Total employees	157	150
Total offices	6	5

Founded: 1935.
Retail brokerage: 60% commissions, 40% fees.
Employee benefits: 12% of revenues in 1996.
Retail brokerage offices: Cincinnati, Cleveland and Columbus, Ohio; Portland, Maine; Detroit.
Non-retail brokerage subsidiaries: Hylant Administrative Services Inc., Toledo, Ohio.
Licensed excess/surplus broker in: Michigan, Ohio.
Officers: Patrick R. Hylant, president; William F. Buckley, vp/COO; J. Scott Stewart, vp.
Contact: Dianne Cameron.

ISU/Corporate Insurance Management

1 Insurance Center Plaza, St. Louis, Mo. 63141; 314-434-3000; fax: 314-434-2917

	1996	1995
Premium volume	$18,513,559	$14,785,218
Gross revenues	$1,476,124	$1,626,374
U.S. clients	100%	100%
Brokerage: Retail	88%	87%
U.S. offices	$1,298,989	$1,414,945
Personal lines	10%	11%
Invstmt. income	2%	2%
Total employees	15	15
Total offices	1	1

Founded: 1932.
Retail brokerage: 100% commissions.
Employee benefits: 12% of revenues in 1996.
Licensed excess/surplus broker in: Missouri.
Officers: W. Dale Finke, chairman/CEO; Carey M. Prewitt, president; H.F. James, executive vp.
Contact: W. Dale Finke.

ISU Insurance Services

100 Pine St., Suite 1700, San Francisco, Calif. 94111; 415-788-9810; fax: 415-397-5530

	1996	1995
Premium volume	$19,885,000	$19,808,000
Gross revenues	$2,954,000	$2,821,000
U.S. clients	100%	100%
Brokerage: Retail	75%	75%
U.S. offices	$2,215,500	$2,115,750
Personal lines	25%	25%
Total employees	27	27
Total offices	1	1

Founded: 1989.
Retail brokerage: 85% commissions, 15% fees.
Employee benefits: 0.1% of revenues in 1996.
Licensed excess/surplus broker in: All states.
Officers: Grace Ryan, president; Thomas J. Ryan III, executive vp.
Contact: Grace Ryan.

ISU/Massie & Beck

3470 Mount Diablo Blvd., Lafayette, Calif. 94549; 510-283-5750; fax: 510-283-5751

	1996	1995
Premium volume	$5,300,000	$5,200,000
Gross revenues	$838,000	$825,000
U.S. clients	100%	100%
Brokerage: Retail	66%	64%
U.S. offices	$553,080	$528,000
Personal lines	33%	35%
Invstmt. income	1%	1%
Total employees	7	8
Total offices	1	1

Founded: 1962.
Retail brokerage: 97% commissions, 3% fees.
Employee benefits: 2% of revenues in 1996.
Officers: David W. Massie, president; Karla J. Massie, secretary/treasurer.
Contact: David W. Massie.

ISU/The May Agency Inc.

1327 N. Walnut St., P.O. Box 1669, Bloomington, Ind. 47402; 812-334-2400; fax: 812-332-3646

	1996	1995
Premium volume	$8,054,000	$10,429,000
Gross revenues	$1,265,000	$1,673,000
U.S. clients	100%	100%
Brokerage: Retail	77%	80%
U.S. offices	$974,050	$1,338,400
Personal lines	19%	19%
Invstmt. income	4%	1%
Total employees	12	17
Total offices	1	1

Founded: 1949.
Retail brokerage: 100% commissions.
Employee benefits: 0.1% of revenues in 1996.
Licensed excess/surplus broker in: All states.
Officers: Paul May, president; John May, vp.
Contact: Paul May.

ISU/Oliver & Shopen Insurance Agency

6920 W. 79th St., P.O. Box 2199, Overland Park, Kan. 66204; 913-341-1900; fax: 913-649-4624

	1996*	1995*
Premium volume	$10,500,000	$11,000,000
Gross revenues	$1,266,000	$1,271,000
U.S. clients	100%	100%
Brokerage: Retail	57%	61%
U.S. offices	$721,620	$775,310
Personal lines	37%	38%
Services	NA	0.6%
Invstmt. income	0.5%	0.4%
Other	5.5%	NA
Total employees	16.5	19
Total offices	1	1

** Fiscal years ending 4/30/97 and 4/30/96.*
Founded: 1967.
Parent: Oliver Insurance Agency Inc.
Retail brokerage: 100% commissions.
Employee benefits: 2% of revenues in 1996.
Licensed excess/surplus broker in: Kansas, Missouri.
Officers: Keith L. Oliver, chairman; Keith C. Oliver, president; Kim Acton, vp; Jean Oliver, secretary.
Contact: Keith C. Oliver.

ISU/Raley, Watts & Associates

22934 Three Notch Road, Suite B, P.O. Box 1210, California, Md. 20619-1210; 301-863-6625; fax: 301-862-6807

	1996	1995
Premium volume	$10,011,000	$9,450,000
Gross revenues	$1,200,000	$1,100,000
U.S. clients	100%	100%
Brokerage: Retail	53%	48%
U.S. offices	$636,000	$528,000
Personal lines	45%	50%
Services	1%	1%
Invstmt. income	1%	1%
Total employees	22	22
Total offices	3	3

Founded: 1954.
Retail brokerage: 99% commissions,

Continued on next page

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Montreal (514) 925-3222 *Maurice Sauvé*

Continued from previous page

1% fees.

Employee benefits: 15% of revenues in 1996.

Retail brokerage offices: Lexington Park, Prince Frederick and Waldorf, Md.

Licensed excess/surplus broker in: Maryland.

Officers: Thomas B. Watts, president; Barbara Short, vp; Lynn Johnson, secretary/treasurer.

Contact: Thomas B. Watts.

Insurance Management Co.

123 W. Ninth Street, P.O. Box 1133, Erie, Pa. 16512-1133; 814-452-3200; fax: 814-454-5598

	1996*	1995*
Premium volume	$22,300,000	$21,400,300
Gross revenues	$2,400,000	$2,700,300
U.S. clients	100%	100%
Brokerage: Retail	100%	100%
U.S. offices	$2,400,000	$2,700,000
Total employees	27	26
Total offices	1	1

** Fiscal years ending 6/30/96 and 6/30/95.*

Founded: 1933.

Retail brokerage: 99% commissions, 1% fees.

Licensed excess/surplus broker in: Pennsylvania.

Officers: John C. Bloomstine, president; Beth A. Dubik, vp-treasurer; Chris W. Bloomstine, vp-secretary.

Contact: Beth A. Dubik.

Insurance Management Associates Inc.

250 N. Water, Suite 600, Wichita, Kan. 67202; 316-267-9221; fax: 316-266-6254

	1996	1995
Premium volume	$270,000,000	$250,000,000
Gross revenues	$22,984,796	$20,558,536
U.S. clients	100%	100%
Brokerage: Retail	88.4%	93.8%
U.S. offices	$20,318,560	$19,283,906
Personal lines	3.3%	3.1%
Services	4.2%	0.5%
Invstmt. income	4.1%	2.6%
Total employees	237	228
Total offices	4	4

Founded: 1974.

Retail brokerage: 88.6% commissions, 11.4% fees.

Employee benefits: 12.3% of revenues in 1996.

Licensed excess/surplus broker in: All states.

Officers: W.C. Cohen Jr., CEO; Kurt D. Watson, COO; Joseph C. Lukens, president-IMA of Wichita; Robert L. Cohen, president-IMA of Colorado; Velma Pollock, president-IMA of Topeka; Ray Merz, president-Risk Management Assn.; Mike Price, president-Entertainment & Sports Insurance experts.

Contact: W.C. Cohen Jr.

Insurance Marketing Agencies Inc.

306 Main St., Worcester, Mass. 01608; 508-758-7233; fax: 508-754-0487

	1996*	1995*
Premium volume	$27,000,000	$27,000,000
Gross revenues	$3,700,000	$3,600,000
U.S. clients	100%	100%
Brokerage: Retail	67%	68%
U.S. offices	$2,479,000	$2,448,000
Wholesale	3%	NA
Personal lines	17%	15%
Invstmt. income	2%	1%
Other	11%	16%
Total employees	41	41
Total offices	2	2

** Fiscal years ending 9/30/96 and 9/30/95.*

Founded: 1924.

Retail brokerage: 99% commissions, 1% fees.

Employee benefits: 9% of revenues in 1996.

Retail brokerage offices: Boston.

Licensed excess/surplus broker in: Massachusetts.

Officers: Sumner W. Herman, president/treasurer; John J. Kelly, vp; Arnold J. Horowitz, executive 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

	1996	1995
Premium volume	$87,000,000	$81,000,000
Gross revenues	$12,639,000	$12,810,000
U.S. clients	100%	100%
Brokerage: Retail	81%	80%
U.S. offices	$10,238,000	$10,248,000
Personal lines	17%	17%
Services	1%	1%
Invstmt. income	1%	2%
Total employees	173	180
Total offices	6	6

Founded: 1963.

Retail brokerage: 81% commissions, 19% fees.

Employee benefits: 37% of revenues in 1996.

Retail brokerage offices: Indianapolis, Muncie and Warsaw, Ind.; Defiance and Sylvania, Ohio.

Officers: James Van Dyck, chairman; Ron Harruff, Duwan Tagtmeyer, Harold Everett, John Hettwer, managing partners.

Contact: Mark A. Bienz, controller.

InterWest Insurance Services Inc.

401 Watt Ave., Sacramento, Calif. 95864; 916-488-3100; fax: 916-488-7143

	1996	1995
Premium volume	$150,000,000	$122,000,000
Gross revenues	$15,500,000	$12,100,000
U.S. clients	100%	100%
Brokerage: Retail	88%	91%
U.S. offices	$13,640,000	$11,011,000
Personal lines	9%	6%
Services	2%	1%
Invstmt. income	1%	2%
Total employees	153	123
Total offices	5	3

Founded: 1992.

Retail brokerage: 99% commissions, 1% fees.

Employee benefits: 9% of revenues in 1996.

Acquisitions: Insurance Center of Merced, Merced, Calif., February 1996.

Retail brokerage offices: InterWest Insurance Services Inc. dba Insurance Associates of Redding, Redding, Calif; InterWest Insurance Services Inc. dba Insurance Center of Merced: Fresno and Merced, Calif.; InterWest Insurance Services Inc. dba Lindo-Hanna & Abbott, Chico, Calif.; InterWest Insurance Services Inc. dba Noack & Dean Insurance Agents & Brokers: Nevada City and Sacramento, Calif.

Licensed excess/surplus broker in: California.

Officers: Tom Williams, chairman/CEO; Bill O'Keefe, executive vp/director; Keith Schuler, Allan Peckenpaugh, Rich Pratt, Steve Azevedo, Duane Abbott, Gary Good, vps/directors.

Contact: Tom Williams.

J

The Jacobs Co. Inc.

8955 Guilford Road, Suite 260, Columbia, Md. 21046; 301-596-2460; fax: 410-381-2105

	1996	1995
Premium volume	$22,640,000	$22,030,000
Gross revenues	$2,943,200	$2,729,000
U.S. clients	99%	99%
Non-U.S. clients	1%	1%
Brokerage: Retai	92%	90%
U.S. offices	$2,913,768	$2,431,539
Non-U.S. offices	$29,432	$24,561
Wholesale	1%	1%
Personal lines	3%	3%
Services	2%	3%
Invstmt. income	1%	1%
Other	1%	2%
Total employees	22	21
Total offices	3	3

Founded: 1989.

Retail brokerage: 99% commissions, 1% fees.

Employee benefits: 6% of revenues in 1996.

Retail brokerage offices: Upper Marlboro, Md.

Licensed excess/surplus broker in: 47 states.

Officers: Frank L. Jacobs Jr., president; John L. Voigt Jr., vp.

Contact: Frank L. Jacobs Jr.

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: C.G.R. Leach, chairman; R.J.O. Barton, group CEO; N.J. Cosh, group finance director; D.E. Corben, CEO-reinsurance; M.C.D. Gribbin, CEO-U.K.; R.D. Guy, CEO-Asia Pacific.

See profile on page 36.

See geographical listing on page 70.

Jauch & Huebener KGaA

Katharinenstrasse 10, D-20457 Hamburg, Germany; 49-40-36050; fax: 49-40-367787, 49-40-367788

	1996	1995
Gross revenues	$211,470,000*	$216,380,000*
Non-U.S. clients	100%	100%
Brokerage: Retail	82%	82%
Non-U.S. offices	$173,405,400*	$177,431,600*
Reinsurance	13%	13%
Personal lines	2%	2%
Services	3%	3%
Total employees	1,400	1,400
Total offices	30	25

** Converted at applicable exchange rates.*

Founded: 1919.

Retail brokerage: 99% commissions, 1% fees.

Employee benefits: 2% of revenues in 1996.

Retail brokerage offices: Graz, Hohenems, Innsbruck, Linz, Salzburg and Vienna, Austria; Prague and Olomouc, Czech Republic; Baden-Baden, Berlin, Bielefeld, Frankfurt am Main, Hamburg, Leipzig, Mulheim an der Ruhr, Munich, Nurnberg and Stuttgart, Germany; Budapest, Hungary; Almaty, Kazakhstan; Moscow, Russia; Bratislava, Slovakia; Singapore; Feldmeilen, Switzerland; New York; EX-TRA Excesos y Tratados CA, Caracas, Venezuela; Jauch & Huebener do Brasil Ltda., Sao Paulo, Brazil; Jauch & Huebener KGaA Corredores de Reaseguro, Madrid, Spain; Jauch & Huebener Reinsurance Brokers Ltd., London; Jauch & Huebener Reinsurance Intermediaries, Morristown, N.J.

Officers: Christian Dahms, Holger Gaserow, Gerhard Groh, Jurgen Grupe, Axel Heitkamp, Horst Knaudt, Frank Preuss, Volker Preuss, Jochen Scheele, Reinhard Weber, general partners.

Contact: Peter Hermes, 49-208-4682-268.

Jones & Hawkins Insurance

18167 U.S. Highway 19 N., Suite 300, Clearwater, Fla. 34624; 813-535-6868; fax: 813-530-4772

	1996	1995
Premium volume	$40,600,000	$39,800,000
Gross revenues	$4,360,000	$4,192,000
U.S. clients	100%	100%
Brokerage: Retail	72.8%	72.2%
U.S. offices	$3,174,000	$3,027,000
Personal lines	4.3%	5.7%
Services	20.6%	20.1%
Invstmt. income	1.9%	1.8%
Other	0.4%	0.2%
Total employees	43	49
Total offices	2	2

Founded: 1980.

Retail brokerage: 96% commissions, 4% fees.

Employee benefits: 36.1% of revenues in 1996.

Non-retail brokerage subsidiaries: Self Insured Benefit Administrators Inc., Clearwater, Fla.

Licensed excess/surplus broker in: Florida.

Officers: Terrell V. Hawkins, president; Charles B. Honeywell, executive vp; Michael A. McClain, senior vp; Glenn L. Allen, CFO.

Contact: Charles B. Honeywell.

K

Kaye Group Inc.

122 E. 42nd St., New York, N.Y. 10168; 212-338-2100; fax: 212-986-2808

	1996	1995
Premium volume	$400,000,000	$500,000,000
Gross revenues*	$47,239,000	$51,375,000
U.S. clients	100%	100%
Brokerage: Retail	81%	81%
U.S. offices	$38,263,590	$41,614,000
Wholesale	12%	9%
Reinsurance	NA	2%
Personal lines	3%	4%
Services	2%	1%
Invstmt. income	2%	3%
Total employees	336	356
Total offices	4	4

** Includes estimated commissions payable by affiliated underwriting company.*

Founded: 1952.

Retail brokerage: 99% commissions, 1% fees.

Employee benefits: 9% of revenues in 1996.

Retail brokerage offices: Kaye Corp. of Connecticut, Southport, Conn.; Kaye Insurance Associates, New York; Kaye Insurance Services of California, Beverly Hills, Calif.

Non-retail brokerage subsidiaries: Program Brokerage Corp., Warwick, R.I.

Licensed excess/surplus broker in: California, Connecticut, Michigan, New York, Rhode Island.

Officers: Howard A. Kaye, chairman; Bruce D. Guthart, president/CEO; Lawrence Greenfield, vice chairman; Michael P. Sabanos, senior vp/CFO.

Contact: Bruce D. Guthart, 212-338-2559.

Keenan & Associates

2355 Crenshaw Blvd., Suite 200, Torrance, Calif. 90501; 310-212-3344; fax: 310-212-0354

	1996	1995
Gross revenues	$42,000,000	$37,700,000
U.S. clients	100%	100%
Brokerage: Retail	42%	38%
U.S. offices	$17,640,000	$14,326,000
Services	56%	60%
Invstmt. income	1%	1%
Other	1%	1%
Total employees	435	373
Total offices	9	9

Founded: 1972.

Retail brokerage: 60% commissions, 40% fees.

Employee benefits: 46% of revenues in 1996.

Acquisitions: Innovative Care Systems, San Ramon, Calif., September 1996.

Retail brokerage offices: Campbell, Chico, Fresno, Oakland, Riverside, Sacramento, San Diego, Santa Ana 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. Woodward Ave., Suite 200, Birmingham, Mich. 48009; 248-540-3131;fax: 248-540-2002

	1996*	1995*
Premium volume	$111,692,000	$109,500,000
Gross revenues	$13,380,000	$13,110,000
U.S. clients	100%	100%
Brokerage: Retail	75%	78.36%
U.S. offices	$10,035,000	$10,272,996
Wholesale	8%	7.94%
Personal lines	9%	8.55%
Services	1%	2.34%
Invstmt. income	3%	2.81%
Other	4%	NA
Total employees	97	95
Total offices	6	5

** Fiscal years ending 9/30/96 and 9/30/95.*

Founded: 1930.

Retail brokerage: 100% commissions.

Employee benefits: 3% of revenues in 1996.

Retail brokerage offices: Kelter-Thorner Inc. of Illinois, Chicago; Kelter-Thorner Inc. of New Jersey, Fords, N.J.; Kelter-Thorner Inc. of Northern California, Redwood City, Calif.; Kelter-Thorner Inc. of Southern California, Newport Beach, Calif.; Kelter-Thorner Insurance Agency Inc. of Ohio, 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, Ronald A. Young, Jeffrey G. Swarbrick, executive vps.

Contact: Lisa Arthur.

R.C. Knox & Co. Inc.

1 Goodwin Square, Hartford, Conn. 06103-4305; 860-524-7600; fax: 860-240-1587

	1996	1995
Premium volume	$105,000,000*	$110,000,000*
Gross revenues	$11,050,254	$10,592,375
U.S. clients	100%	100%
Brokerage: Retail	80%	80%
U.S. offices	$8,840,203	$8,473,900
Personal lines	13%	11%
Services	1%	1%
Invstmt. income	5%	8%
Other	1%	NA
Total employees	82	82
Total offices	1	-

** Estimate.*

Founded: 1893.

95 Retail brokerage: 95% commissions, 5% fees.

Employee benefits: 6% of revenues in 1996.

Licensed excess/surplus broker in: Connecticut.

Officers: Norman C. Kayser, chairman/CEO; John F. Byrnes, president/COO; Harold A. Smullen Jr., executive vp; 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

	1996	1995
Premium volume	$92,185,968	$88,706,550
Gross revenues	$8,606,482	$8,281,924
U.S. clients	100%	100%
Brokerage: Retail	47%	41%

Continued on next page

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Continued from previous page

	1996	1995
Wholesale	52%	58%
Invstmt. income	1%	1%
Total employees	57	58
Total 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 E. Crum, secretary.
Contact: Ernie Pierce, 405-258-4236.

Lamb, Little & Co.

5301 Keystone Court,
Rolling Meadows, Ill. 60008;
847-398-7060; fax: 847-398-7077

	1996	1995
Premium volume	$47,494,000	$42,919,985
Gross revenues	$6,900,000	$6,837,400
U.S. clients	100%	100%
Brokerage: Retail	75%	75%
U.S. offices	$5,175,000	$5,128,050
Personal lines	10%	10%
Invstmt. income	8%	10%
Other	7%	5%
Total employees	81	79

Founded: 1947.
Retail brokerage: 98% commissions, 2% fees.
Employee benefits: 12% of revenues in 1996.
Retail brokerage offices: Chicago.
Licensed excess/surplus broker in: Illinois.
Officers: Roy Holle, chairman; Bernard Napolski, president; Raymond Clancy, David Peck III, senior vps; Frank Hoffeller, executive vp; Bruce Wahlberg, vp/treasurer; Richard Rubner Jr., vp/corporate secretary; Toby Bonham, corporate vp; Thomas Brandt, Gary Johnson, vps.
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; W.H.G. Wilks, finance director; S.R.D. Wilson, deputy chairman-overseas; M.A. Barnfield, chairman-U.K. non-marine division; M.J. Caley, chairman-international division; R.K. Kerr, CEO-U.S. Holdings; G.P. Townsend, chairman-specialties division.
Contact: D.B. Margrett, 44-171-560-3573.
See profile on page 50.
See geographical listing on page 70.

J. Smith Lanier & Co. Inc.

300 W. 10th St., P.O. Box 70,
West Point, Ga. 31833;
706-645-2211; fax: 706-643-0606

	1996	1995
Premium volume	$134,200,000	$132,355,000
Gross revenues	$21,265,245	$21,279,897
U.S. clients	100%	100%
Brokerage: Retail	64.4%	59.8%
U.S. offices	$13,694,818	$12,725,378
Wholesale	0.5%	0.5%
Personal lines	14.8%	16%
Services	0.5%	0.4%
Invstmt. income	3%	3.1%
Other	16.8%	19.9%
Total employees	194	187
Total offices	13	13

Founded: 1868.
Retail brokerage: 95% commissions, 5% fees.
Employee benefits: 15.8% of revenues in 1996.
Retail brokerage offices: Huntsville, Lafayette and Opelika, Ala.; Atlanta, Carrollton, Columbus, Manchester, Newnan and Tifton, Ga.; Jackson, Miss.
Licensed excess/surplus broker in: Alabama, Georgia.
Officers: J. Smith Lanier III, chairman/CEO; D. Gaines Lanier, president/COO; William T. Parr Jr., vice chairman; Thomas M. Botsford, secretary/treasurer/CFO; Gary Ivey, executive vp.
Contact: D. Gaines Lanier.

Lawley Service Inc.

120 Delaware Ave., Buffalo,
N.Y. 14202; 716-849-8618;
fax: 716-849-0360

	1996	1995
Premium volume	$80,446,000	$74,279,616
Gross revenues	$13,436,371	$11,565,610
U.S. clients	100%	100%
Brokerage: Retail	68.5%	75%
U.S. offices	$9,203,914	$8,674,207
Wholesale	0.2%	0.5%
Personal lines	29%	21.9%
Invstmt. income	2.3%	2.6%
Total employees	142	133
Total offices	4	4

Founded: 1945.
Retail brokerage: 95.3% commissions, 4.7% fees.
Employee benefits: 3.2% of revenues in 1996.
Acquisitions: Freedman-Harris-Lawley Service Partnership, Buffalo, N.Y., January 1996; Tradition Agency, Fredonia, N.Y., January 1997.
Retail brokerage offices: Genesee Agency, Batavia, N.Y.; Tradition Agency: Fredonia and Jamestown, N.Y.
Non-retail brokerage subsidiaries: Liberty National Corp., Buffalo, N.Y.
Officers: William J. Lawley Sr., president; William J. Lawley Jr., vp/secretary; Christopher D. Ross, vp/treasurer; Todd F. Best, Michael R. Lawley, vps.
Contact: Todd F. Best, 716-849-8278.

Lee & Hawthorne Agency

1350 Broadway, Suite 2001,
New York, N.Y. 10018;
212-560-0400; fax: 212-594-3050

	1996	1995
Premium volume	$8,400,000	$6,800,000
Gross revenues	$2,100,000	$1,700,000
U.S. clients	84%	86%
Non-U.S. clients	16%	14%
Brokerage: Retail	100%	100%
U.S. offices	$1,562,400	$1,462,000
Non-U.S. offices	$537,600	$238,000
Total employees	27	19
Total offices	4	4

Founded: 1970.
Retail brokerage: 100% commissions.
Retail brokerage offices: Montreal and Toronto; Spring Valley, N.Y.
Officers: Kenneth Lee, Robert Hawthorne, general agents/partners; Dennis Pecoraro, Phil Bray, managers.
Contact: Kenneth Lee.

Lockton Cos.

7400 State Line Road,
Prairie Village, Kan. 66208;
913-676-9000; fax: 913-676-9180

	1996*	1995*
Premium volume	$1,200,000,000	$1,000,000,000
Gross revenues	$82,125,000	$72,050,000
U.S. clients	98%	98%
Non-U.S. clients	2%	2%
Brokerage: Retail	93%	93%
U.S. offices	$76,376,250	$67,006,500
Personal lines	1%	1%
Services	2%	2%
Invstmt. income	4%	4%
Total employees	716	617
Total offices	8	8

** Fiscal years ending 4/30/97 and 4/30/96.*

Founded: 1966.
Retail brokerage: 70% commissions, 30% fees.
Employee benefits: 11% of revenues in 1996.
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/COO; 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

	1996	1995
Premium volume	$98,000,000	$96,000,000
Gross revenues	$12,307,000	$11,000,000
U.S. clients	99.8%	99.1%
Non-U.S. clients	0.2%	0.9%
Brokerage: Retail	51%	55%
U.S. offices	$6,276,570	$6,050,000
Wholesale	1%	1%
Reinsurance	3%	3%
Personal lines	12%	12%
Services	30%	26%
Invstmt. income	2%	2%
Other	1%	1%
Total employees	151	138
Total offices	5	4

Founded: 1955.
Retail brokerage: 98% commissions, 2% fees.
Employee benefits: 40% of revenues in 1996.
Acquisitions: Administrators & Consultants Inc., Lancaster, Pa., April 1996.
Retail brokerage offices: Fort Lauderdale, Fla.; Annapolis, Md.; Lancaster, Pa.; Fairfax, Va.
Licensed excess/surplus broker in: Florida, Maryland, Pennsylvania, Virginia.
Officers: James R. Loomis, president/CEO; Kathy Schlegel, treasurer; H. Edwin Smith, Edward Cavanaugh, Gerald Blaum, vps.
Contact: James R. Loomis, 610-374-4040 ext. 2201.

Lovitt & Touche Inc.

7202 E. Rosewood, Tucson,
Ariz. 85710; 520-722-3000;
fax: 520-722-7106

	1996	1995
Premium volume	$108,956,821	$100,727,968
Gross revenues	$10,970,834	$10,134,720
U.S. clients	100%	100%
Brokerage: Retail	87%	86.5%
U.S. offices	$9,544,626	$8,766,533
Personal lines	6.1%	6.5%
Services	5.7%	6%
Invstmt. income	1.2%	1%
Total employees	102	108
Total offices	4	4

Founded: 1911.
Parent: Financial Services Group.
Retail brokerage: 98% commissions, 2% fees.
Employee benefits: 15.7% of revenues in 1996.
Retail brokerage offices: Phoenix and Taylor, Ariz.; Las Vegas.
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, CEO/chairman; Charles A. Touche, president; James R. Spring, Steven D. Touche, executive vps; Patrick A.M. Swingle Sr., vp/secretary.
Contact: James R. Spring.

MLW Services Inc.

100 William St., New York,
N.Y. 10038; 212-797-9600;
fax: 212-425-0719

	1996	1995
Premium volume	$78,000,000	$84,000,000
Gross revenues	$11,500,000	$12,165,000
U.S. clients	96%	97%
Non-U.S. clients	4%	3%
Brokerage: Retail	58%	54%
U.S. offices	$6,670,000	$6,569,100
Wholesale	37%	41%
Personal lines	2%	2%
Services	2%	2%
Invstmt. income	1%	1%
Total employees	65	67
Total offices	1	1

Founded: 1986.
Retail brokerage: 96% commissions, 4% fees.
Employee benefits: 2% of revenues in 1996.
Retail brokerage offices: French American Risk Advisors Inc., New York.
Non-retail brokerage subsidiaries: Barkly 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

	1996*	1995*
Gross revenues	$10,100,000	$9,740,000
U.S. clients	100%	100%
Brokerage: Retail	84.1%	79.97%
U.S. offices	$8,500,000	$7,780,000
Reinsurance	1%	1%
Personal lines	3.2%	3.7%
Services	8.7%	9.87%
Invstmt. income	3%	5.24%
Other	NA	0.22%
Total employees	104	98
Total offices	2	2

** Fiscal years ending 9/30/96 and 9/30/95.*

Founded: 1935.
Retail brokerage: 84.8% commissions, 15.2% fees.
Employee benefits: 20.9% of revenues in 1996.
Retail brokerage offices: Albuquerque, N.M.
Licensed excess/surplus broker in: Illinois.
Officers: Edward E. Mack III, chairman; Martin P. Hughes, president; Veronica E. Campbell, CFO; Marie E. Raninger, Robert J. Jonek, Michael J. Ahlert, vps.
Contact: Edward E. Mack III or Martin P. Hughes.

Marcotte Insurance Agency Inc.

366 Regency Parkway Drive,
Omaha, Neb. 68114;
402-398-9009; fax: 402-398-0917

	1996*	1995*
Premium volume	$21,000,000	$20,500,000
Gross revenues	$2,300,000	$2,036,000
U.S. clients	100%	100%

Continued on next page

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Continued from previous page

	1996	1995
Brokerage: Retail	67%	67%
U.S. offices	$1,541,000	$1,364,120
Personal lines	19%	18%
Services	2%	3%
Invstmt. income	2%	2%
Other	10%	10%
Total employees	25	25
Total offices	1	1

** Fiscal years ending 7/31/96 and 7/31/95.*

Founded: 1927.
Retail brokerage: 95% commissions, 5% fees.
Employee benefits: 10% of revenues in 1996.
Officers: Carol J. Casey, president/COO; Bernard J. Akromis, executive vp; Thomas J. Welborn, Robert E. Linden, vps.
Contact: Carol J. Casey.

Marsh & McLennan Cos. Inc.

1166 Ave. of the Americas, New York, N.Y. 10036; 212-345-5000; fax: 212-345-4808

Founded: 1871.
Officers: A.J.C. Smith, chairman/CEO; David A. Olsen, vice chairman; Frank J. Borelli, senior vp/CFO; Richard H. Blum, director.
Contact: Dong Kingman Jr., general inquiries, 212-345-5573 or Jamey L. Conard, offices inquiries, 212-345-3865.
See profile on page 18.
See geographical listing on page 70.

Marshall & Sterling Enterprises Inc.

110 Main St., Poughkeepsie, N.Y. 12601; 914-454-0800; fax: 914-454-0880;

	1996	1995
Premium volume	$160,000,000	$150,000,000
Gross revenues	$25,870,748	$24,614,831
U.S. clients	100%	100%
Brokerage: Retail	62%	63%
U.S. offices	$16,039,864	$15,507,343
Wholesale	2%	2%
Personal lines	25%	28%
Invstmt. income	2%	2%
Other	9%	5%
Total employees	249	232
Total offices	13	13

Founded: 1864.
Retail brokerage: 99% commissions, 1% fees.
Employee benefits: 1% of revenues in 1996.
Acquisitions: Geiselhart Agency Inc., Cairo, N.Y., November 1996; Insurance Unlimited Inc., St. Thomas, U.S.V.I., February 1997.
Retail brokerage offices: Grossmann Agency: Cairo, Catskill, Coxsackie and Greenville, N.Y.; Theodore Tunick & Co.: Glenville, Middletown, New Windsor, Syracuse and Wappingers Falls, N.Y.; St. Croix and St. Thomas, U.S.V.I.; George T. Whalen Agency, Millbrook, N.Y.
Licensed excess/surplus broker in: New York, United States Virgin Islands.
Officers: John P. O'Shea, president; Michael J. McDermott, president-Marshall & Sterling Programs Inc.; Ben Round, president-Marshall & Sterling Upstate Inc.; David C. Ridgway, president-Marshall & Sterling St. Croix Inc.; James D. Tunick, president-Marshall & Sterling St. Thomas Inc.

The Mathog & Moniello Cos. Inc.

Mariner's Point, 100 S. Shore Drive, P.O. Box 650, East Haven, Conn. 06512; 203-468-3400; fax: 203-468-3494

	1996*	1995*
Premium volume	$81,963,000	$81,368,000
Gross revenues	$10,552,000	$10,167,000
U.S. clients	100%	100%
Brokerage: Retail	58%	64%
U.S. offices	$6,102,760	$6,506,880
Wholesale	1%	1%
Personal lines	6%	6%
Services	33%	27%
Other	2%	2%
Total employees	87	90
Total offices	2	2

** Fiscal years ending 5/31/96 and 5/31/95.*

Founded: 1985.
Retail brokerage: 67% commissions, 33% fees.
Employee benefits: 3% of revenues in 1996.
Retail brokerage offices: Newington, Conn.
Licensed excess/surplus broker in: Connecticut.
Officers: James J. Moniello, president/CEO; Alan D. Mathog, Frank E. Hall, managing principals.
Contact: Alan D. Mathog.

May-Davis Inc.

5227 E. Trent, P.O. Box 11589, Spokane, Wash. 99211; 509-535-8783; fax: 509-534-0318

	1996*	1995*
Premium volume	$4,000,000	$4,000,000
Gross revenues	$750,000	$750,000
U.S. clients	100%	100%
Brokerage: Retail	97%	97%
U.S. offices	$727,500	$727,500
Personal lines	3%	3%
Total employees	6	6
Total offices	1	1

** Fiscal years ending 6/30/96 and 6/30/95.*

Founded: 1974.
Retail brokerage: 100% commissions.
Employee benefits: 2% of revenues in 1996.
Officers: William H. Davis, president; William A. May, vp.
Contact: William H. Davis.

McCay Corp.

U.S. Routes 130 and 206, P.O. Box 679, Bordentown, N.J. 08505; 609-298-5005; fax: 609-298-8177

	1996	1995
Premium volume	$76,000,000	$75,000,000
Gross revenues	$10,439,000	$10,066,000
U.S. clients	100%	100%
Brokerage: Retail	73%	75%
U.S. offices	$7,620,500	$7,550,000
Wholesale	1%	1%
Personal lines	23%	20%
Invstmt. income	1%	1%
Other	2%	3%
Total employees	107	110
Total offices	4	4

Founded: 1953.
Retail brokerage: 98% commissions, 2% fees.
Employee benefits: 11% of revenues in 1996.
Retail brokerage offices: Marlton, Mount Holly and Northfield, N.J..
Non-retail brokerage subsidiaries: Ashurst Processing Agency Inc., Mount Holly, N.J..
Licensed excess/surplus broker in: New Jersey.
Officers: Raymond Houlihan, chairman; Robert J. Petras, president/CEO; Michael D. Smith, executive vp/secretary; Frederick O. Boysen, Robert N. Cowan, senior vps.
Contact: Robert J. Petras, 609-291-5740.

McGriff, Seibels & Williams Inc.

2211 Seventh Ave. S., Birmingham, Ala. 35202; 205-252-9871; fax: 205-581-9293

	1996	1995
Premium volume	$446,219,370	$435,850,434
Gross revenues	$52,603,821	$50,493,745
U.S. clients	100%	100%
Brokerage: Retail	82.06%	84%
U.S. offices	$43,166,696	$42,414,746
Wholesale	7.41%	8%
Personal lines	1.03%	1%
Services	2.45%	2%
Invstmt. income	4.43%	4%
Other	2.62%	1%
Total employees	419	410
Total offices	7	7

Founded: 1983.
Retail brokerage: 95.87% commissions, 4.13% fees.
Employee benefits: 2.45% of revenues in 1996.
Retail brokerage offices: Orlando and Pensacola, Fla.; Atlanta; Columbia, Md.; Jackson, Miss.; Raleigh, N.C.; Houston.
Non-retail brokerage subsidiaries: Atlanta.
Licensed excess/surplus broker in: All states.
Officers: Bruce C. Dunbar Jr., chairman/CEO/president; Gary M. Cooney, vice chairman; Thomas A. Lambert III, treasurer/senior vp/CFO; Fay S. Schuchman, secretary; Ralph T. Cleage Jr., senior vp/assistant secretary.
Contact: Leslie H. Sasser, accounting manager.

Meadowbrook Insurance Group

26600 Telegraph Road, Southfield, Mich. 48034-2347; 248-358-1100; fax: 248-358-1614;

	1996	1995
Premium volume	$138,462,422	$129,069,517
Gross revenues	$38,154,133	$34,217,366
U.S. clients	97%	97%
Non-U.S. clients	3%	3%
Brokerage: Retail	47%	49%
U.S. offices	$17,394,469	$16,231,538
Non-U.S. offices	$537,973	$534,971
Reinsurance	2%	3%
Personal lines	1%	2%
Services	48%	44%
Invstmt. income	2%	2%
Total employees	464	411
Total offices	9	9

Founded: 1955.
Retail brokerage: 49% commissions, 51% fees.
Employee benefits: 1% of revenues in 1996.
Acquisitions: Association Self Insurance Services, Montgomery, Ala., November 1996.
Retail brokerage offices: Montgomery, Ala.; San Jose, Calif.; Miami; Overland Park, Kan.; Grand Rapids and Traverse City, Mich.; Bloomington, Minn.; Las Vegas; New York.
Non-retail brokerage subsidiaries: Bridgetown, Barbados; Hamilton, Bermuda.
Licensed excess/surplus broker in: Alabama, Michigan, Minnesota.
Officers: Merton J. Segal, chairman/CEO; Warren D. Gardner, vice chairman; James R. Parry Sr., Robert S. Cubbin, Joseph C. Henry, executive vps.
Contact: Lee F. Kelly, vp/treasurer, 248-204-8024.

Meeker-Magner Co.

2360 E. Devon Ave., Suite 3010, Des Plaines, Ill. 60018; 847-699-1400;fax: 847-699-6383;

	1996	1995
Premium volume	$23,500,000	$23,000,000
Gross revenues	$2,891,000	$2,850,000
U.S. clients	100%	100%
Brokerage: Retail	83%	82%
U.S. offices	$2,399,530	$2,337,000
Wholesale	4%	3%
Personal lines	10%	11%
Invstmt. income	3%	4%
Total employees	25	25
Total offices	1	1

Founded: 1902.
Retail brokerage: 93% commissions, 7% fees.
Employee benefits: 25% of revenues in 1996.
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 Magner Jr.

Meeker Sharkey Financial Group Inc.

14 Commerce Drive, Cranford, N.J. 07016; 908-272-8100; fax: 908-272-9059

	1996	1995
Premium volume	$177,533,488	$160,000,000
Gross revenues	$26,422,009	$23,467,000
U.S. clients	98%	98%
Non-U.S. clients	2%	2%
Brokerage: Retail	65%	65%
U.S. offices	$17,174,300	$15,253,550
Personal lines	9%	8.5%
Services	4%	6.4%
Invstmt. income	2%	2.1%
Other	20%	18%
Total employees	256	210
Total offices	5	5

Founded: 1864.
Retail brokerage: 95% commissions, 5% fees.
Employee benefits: 19% of revenues in 1996.
Licensed excess/surplus broker in: New Jersey.
Officers: Thomas J. Sharkey Sr., chairman; Brian P. Leddy, vice chairman; Thomas J. Sharkey Jr., president; John F. Jennings, president-Meeker Sharkey Risk Management; Peter S. Gruenberg, president-Meeker Sharkey Benefits; Kenneth H. Spencer, president-Meeker Sharkey Consultants.
Contact: Thomas J. Sharkey Jr.

Meridian Insurance Group Inc.

1300 W. Higgins Road, Suite 220, Park Ridge, Ill. 60068; 847-823-8095; fax: 847-823-8120;

	1996	1995
Premium volume	$28,389,490	NA
Gross revenues	$1,212,993	NA
U.S. clients	100%	NA
Brokerage: Retail	93%	NA
U.S. offices	$1,128,083	NA
Reinsurance	5%	NA
Invstmt. income	2%	NA
Total employees	10	NA
Total offices	1	NA

Founded: 1996.
Retail brokerage: 100% commissions.
Employee benefits: 98% of revenues in 1996.
Officers: David N. Schwimmer, president.
Contact: Terita Smith, business development manager.

Merritt & McKenzie Inc.

400 Northcreek, Suite 400, 3715 Northside Parkway, Atlanta, Ga. 30327-2813; 404-266-7160; fax: 404-266-7199

	1996*	1995*
Premium volume	$70,000,000	$65,000,000
Gross revenues	$6,900,000	$6,400,000
U.S. clients	100%	100%
Brokerage: Retail	85%	85%
U.S. offices	$5,865,000	$5,440,000
Personal lines	10%	10%
Services	3%	3%
Invstmt. income	2%	2%
Total employees	57	53
Total offices	1	1

** Fiscal years ending 3/31/97 and 3/31/96.*

Founded: 1926.
Retail brokerage: 95% commissions, 5% fees.
Employee benefits: 20% of revenues in 1996.
Officers: Sam P. McKenzie Jr., president; John P. Langsfeld, executive vp; Carroll P. Jones, senior vp; Robert Reynolds, Steve Ott, vps.
Contact: Sam P. McKenzie Jr. or John P. Langsfeld.

Mesirow Insurance Services Inc.

321 N. Clark St., Chicago, Ill. 60610; 312-595-6200; fax: 312-595-7205

	1996*	1995*
Premium volume	$250,000,000	$220,000,000
Gross revenues	$20,234,148	$18,064,633
U.S. clients	100%	100%
Brokerage: Retail	87%	83.5%
U.S. offices	$17,603,709	$15,083,969
Personal lines	10%	14%
Invstmt. income	1.5%	1.5%
Other	1.5%	1%
Total employees	172	133
Total offices	4	3

** Fiscal years ending 3/31/97 and 3/31/96.*

Founded: 1972.
Parent: Mesirow Financial.
Retail brokerage: 90% commissions, 10% fees.
Employee benefits: 28% of revenues in 1996.
Acquisitions: Boockford & Co., Oakbrook Terrace, Ill., February 1997.
Retail brokerage offices: Elgin, Highland Park and Oakbrook Terrace, Ill.
Licensed excess/surplus broker in: Illinois, South Dakota.
Contact: Richard S. Price, president.

Fred A. Moreton & Co.

649 E. South Temple, Salt Lake City, Utah 84102; 801-531-1234; fax: 801-531-6117

	1996*	1995*
Premium volume	$160,000,000	$150,000,000
Gross revenues	$11,793,549	$10,596,975
U.S. clients	100%	100%
Brokerage: Retail	88.4%	86.7%
U.S. offices	$10,425,497	$9,187,577
Wholesale	0.8%	0.8%
Personal lines	4.2%	4.6%
Services	0.6%	0.5%
Invstmt. income	5.9%	7%
Other	0.1%	0.4%
Total employees	94	84
Total offices	2	2

** Fiscal years ending 3/31/97 and 3/31/96.*

Founded: 1910.
Retail brokerage: 97.8% commissions, 2.2% fees.
Employee benefits: 20.1% of revenues in 1996.
Acquisitions: Northwest Bonding, Boise, Idaho, July 1996.
Retail brokerage offices: Boise, Idaho.
Non-retail brokerage subsidiaries: Moreton General Agency, Moreton Financial Corp. and Risk Services Inc., Salt Lake City.
Licensed excess/surplus broker in: Idaho, Utah.
Officers: Edward B. Moreton, president; William R. Moreton, executive vp/treasurer; Scott Smith, vp-risk management; Craig L. Smith, Jon Jepsen, vps.
Contact: Craig L. Smith.

Morris & MacKenzie Inc.

1130 Sherbrooke St. W., Suite 1200, Montreal, Quebec H3A 3K4, Canada; 514-499-0999; fax: 514-499-9188;

	1996*	1995*
Gross revenues	$11,508,100**	$10,847,200**
Brokerage: Retail	70%	70%
Non-U.S. offices	$8,055,670**	$7,593,040**
Personal lines	26%	25%
Invstmt. income	4%	5%
Total employees	160	150
Total offices	4	4

** Fiscal years ending 9/30/96 and 9/30/95.*
*** Figures converted at applicable exchange rates.*

Founded: 1939.
Parent: Mackmor Ltd.
Retail brokerage: 90% commissions, 10% fees.
Employee benefits: 7.5% of revenues in 1996.
Retail brokerage offices: Calgary, Toronto and Vancouver, Canada.
Officers: Frank Dougan, president/CEO; Maurice Sauve, senior vp; Victor Allen, Trevor Grimwood, Bruce Owen-Hicks, vps.
Contact: Frank Dougan, 416-595-9899.

N

NIA/Kornreich Group of Cos.

66 Route 17, Paramus, N.J. 07652; 201-845-6600; fax: 201-845-0061

	1996	1995
Gross revenues	$36,327,000	$32,409,000
U.S. clients	100%	100%
Brokerage: Retail	69%	68%
U.S. offices	$25,065,630	$22,038,120
Wholesale	7%	7%
Personal lines	20%	19%
Services	2%	3%
Invstmt. income	1%	2%
Other	1%	1%
Total employees	345	318
Total offices	9	8

Founded: 1926.
Parent: The NIA Group.
Retail brokerage: 96% commissions, 4% fees.
Employee benefits: 14% of revenues in 1996.
Acquisitions: J.I. Kislak, North Miami Lakes, Fla., January 1997; J.I. Kislak, Woodbridge, N.J., November 1996.
Retail brokerage offices: North Miami Lakes and West Palm Beach, Fla.; Freehold, Long Valley and Randolph, N.J.; Monticello, New York and White Plains, N.Y.
Licensed excess/surplus broker in: New Jersey, New York.
Officers: Paul L. Gross, chairman/CEO; Alan Klein, Roger Gross, Steven Grossberg, Willian Kornreich, James Kornreich, Thomas Kornreich, executive vps; Robert Feldman, Robert Cottone, Gregory Gross, senior vps.
Contact: Paul L. Gross.

National Insurance Agency

P.O. Box 6750, Corpus Christi, Texas 78466; 512-993-6700; fax: 512-993-0870

	1996	1995
Premium volume	$7,839,589	$7,767,879
Gross revenues	$942,254	$939,709
U.S. clients	100%	100%
Brokerage: Retail	78%	75%
U.S. offices	$734,958	$704,782
Personal lines	22%	25%
Total employees	16	16
Total offices	1	-

Founded: 1965.
Retail brokerage: 100% commissions.
Officers: Robert E. Harris, president; Claude Watts, John McFall, Scot Oshman, vps.
Contact: Robert E. Harris.

Near North Insurance Brokerage Inc.

875 N. Michigan Ave., Chicago, Il. 60611; 312-280-5600; fax: 312-280-5602

	1996	1995
Premium volume	$532,000,000	$509,000,000
Gross revenues	$62,550,000	$58,000,000
U.S. clients	100%	100%
Brokerage: Retail	85%	85%
U.S. offices	$51,467,500	$49,300,000
Reinsurance	4%	4%
Personal lines	2%	2%
Services	5%	5%
Invstmt. income	4%	4%
Total employees	511	494
Total offices	12	12

Founded: 1962.
Parent: Near North National Group.
Retail brokerage: 89% commissions, 11% fees.
Employee benefits: 6% of revenues in 1996.
Retail brokerage offices: London; Los

Continued on next page

If your company was not listed this year but generates at least $500,000 in gross revenues from commercial retail brokerage, please call Matt Scroggins at 312-649-5483 to receive a questionnaire for next year's directory.

Insurer Topics

A special editorial section
sent exclusively
to insurers and reinsurers

Advertising: Planting seeds to help business grow

Secrets of Web advertising revealed

By MICHAEL PRINCE

Advertising on the Internet works and will become an increasing important part of future insurance company advertising, predicts an expert on Internet marketing.

"The Web is now populated enough for advertising," said Jim Sterne, co-founder of Target Marketing, a Santa Barbara, Calif., company that specializes in marketing on the Internet. Mr. Sterne spoke at the Insurance Marketing Communications Assn. annual meeting in Boca Raton last month.

An important aspect for Web advertisers to keep in mind is that people don't want to waste time while using the Internet, he said. While watching television or reading a magazine, people don't mind wasting time, "but I expect the value for my time in front of the computer to be higher," he said.

Therefore, he recommends that ads on the Internet appear only in places where the viewer will appreciate them. For instance, he cited an ad for laundry detergent that he saw on a Web page for anthropology, hardly the place people are looking for cleaner clothes. "You want to focus your advertisement on sites where people who want or need your service show up," he said.

There are two general strategies for Web advertising, he said:

- Brand awareness. The measure of success for this strategy is if people become familiar with one's name, he said.
- Direct response. Success for this is based on the number of times people enter the advertiser's Web site from the original site where the ad was placed, called click-throughs, he explained.

Internet ads are effective for both advertising strategies. Mr. Sterne said a study by HotWired, an online magazine, showed Internet ads are effective in raising name awareness. "And other studies show that people pay attention to ads," he said. "They see them and click on them."

A number of ways to advertise exist on the Internet. The most common is a banner ad that lies across the top of a Web site like a cyber billboard. One disadvantage with banners, though, is that when the viewer scrolls down the page, the banner scrolls out of view, he said. So, a more sophisticated type of banner was invented that permanently stays on the top of a page, always in view.

Another type of ad is sponsorship, such as a site sponsored by one advertiser whose name appears in the logo. An example is a site for children sponsored by General Mills Inc. "This is like General Mills has their own television show," he said.

Interactive ads are even more sophisticated. These ads move, dance or flash with the goal of grabbing a viewer's attention. "Animation means more retention and more click-throughs," he said.

Other types of interactive ads contain scrolling text that conveys the advertiser's message. "You don't need to click through," he said. "They tell you the whole story."

The success of interactive ads has led to more advanced varieties. For example, one site gave viewers the choice of paying 18 cents to finish reading an online article, or to see the remainder for free after viewing an ad. Once the ad was displayed, viewers had to type in the name of the sponsor to return to the story. The typing of the name, he said, means people will better remember the advertiser's name.

But the most sophisticated advertising, he said, lies in the ability to specifically target people.

IMCA

A relatively new way of reaching people is through what is called push technology. Rather than waiting for people to click on one's Internet site, push technology will send the Web page directly to people who have chosen in advance to receive it.

For example, one popular service called PointCast uses push technology to send news regarding topics selected in advance by the viewer, along with ads.

"It's a screensaver," he said. "When your computer is quiet, it pops up and takes over your screen," displaying the information requested.

But, Mr. Sterne said many people have become turned off by it. "It's an interesting idea," he said. "It has some value, but as a mass medium it is not totally there yet."

Mr. Sterne outlined several keys to a successful Internet ad. First, make the ad move. Also, bright colors get attention. And putting the words "click here" on the ad creates a 40% higher response in terms of click-throughs than without it, he said.

Most importantly, however, is making sure one's product matches the content of the Web page. For example, when someone types in search words while using an Internet search engine, that indicates an interest on the part of the user in those topics. So, an ad that fits the user's interest as expressed in the search criteria would be appropriate.

The technology that puts an advertisement in front of interested people is combined with other software that builds profiles of net surfers

Continued on next page

A company that manages every medical aspect of catastrophic injury from any point in the life of the claim, anywhere in the country. That actually manages cost by ensuring high-quality treatment and uncompromising medical management,

Now there is a *specializes* in the catastrophically

Continued from previous page
based on the sites they visit. "This is probably the most interesting thing on the Internet today," he said.

Based on these profiles, marketers can anticipate a surfer's tastes when compared with the tastes of other users with similar profiles, called collaborative filtering. Combining the two technologies puts ads in front of people whose profile says they already are interested in the product.

The result is the Internet in the future won't take surfers where they want to go, he said. But it will already "know where they will go," he said, and provide an advertisement to fit their tastes. BI

Expert details how to boost Web impact

Workshop stresses need to establish site as soon as possible

By MICHAEL PRINCE

Remember the four 'Cs' for a successful Web site: cool, content, context and contact.

That was the advice provided by Internet marketing expert Jim Sterne at a workshop discussion on Web sites at the Insurance Marketing Communication Assn's. annual meeting in Boca Raton, Fla., last month.

Web sites need to be fun, interesting or useful, he said. "Fun is hard," and interesting is harder, Mr. Sterne said. "Useful, however, is something we all can do."

Although few if any insurance transactions are taking place over the Internet, a Web page can be a great way for an insurance company to enhance customer service, he said. "Customer service is great marketing, and the Internet is great for customer service," he said. "This can be a great way for working with agents."

At a minimum, the Web site can be seen as a 24-hour-a-day, seven-day-a-week brochure for the company. This is frequently better for customers, as they can learn about the company at their own speed and when they want. This also means that if they call the company for information, they already know a lot and may have fewer questions.

But the Web site has to have valuable information or it won't be used, he said.

Several workshop attendees said that within their companies, putting up a Web page was delayed as people debated whether to put up a site with incomplete information or wait until the entire site was completed. Mr. Sterne recommends putting up the site as soon as possible and then adding the new material when it's ready. This will also allow the company to promote its new site, while also creating the impression the site is being continually improved, he said.

Other attendees were concerned about potential technological glitches hurting their company's Web site as well as the company's reputation. Mr. Sterne said that should not stop companies from putting up a site; people expect some glitches on the Internet, as the technology is still relatively new.

"Get out there and make your mistakes now," he said. "Now is a great time to screw up."

He also said even the best-planned sites will need revision. No matter how much the site is planned, no one knows what the response will be until it's up and running. And sometimes what people want differs from what is expected.

"You have to have a purpose for the Web site," he said. "But you need to change the purpose based on the response you get from the people who visit the site."

Measuring the value of the Web site also is important, especially if senior management wants to determine the site's value. What's important to remember, he said, is not only how much money a site brings in but how much it will cost the company to provide the service by another means. By disseminating information over the Internet, where distribution costs are virtually zero, a company may save a lot of money compared with distributing it another way.

"Every time someone downloads something instead of shipping it, the company saves money," Mr. Sterne said.

But like the proverbial tree that falls in the uninhabited forest, a good Web site doesn't do anything if no one visits it. Mr. Sterne recommends putting the company's Web site address in all advertisements, on business cards and on letterheads. One way of attracting visitors, he added, is to tell people valuable information is available only on the Web site and nowhere else. BI

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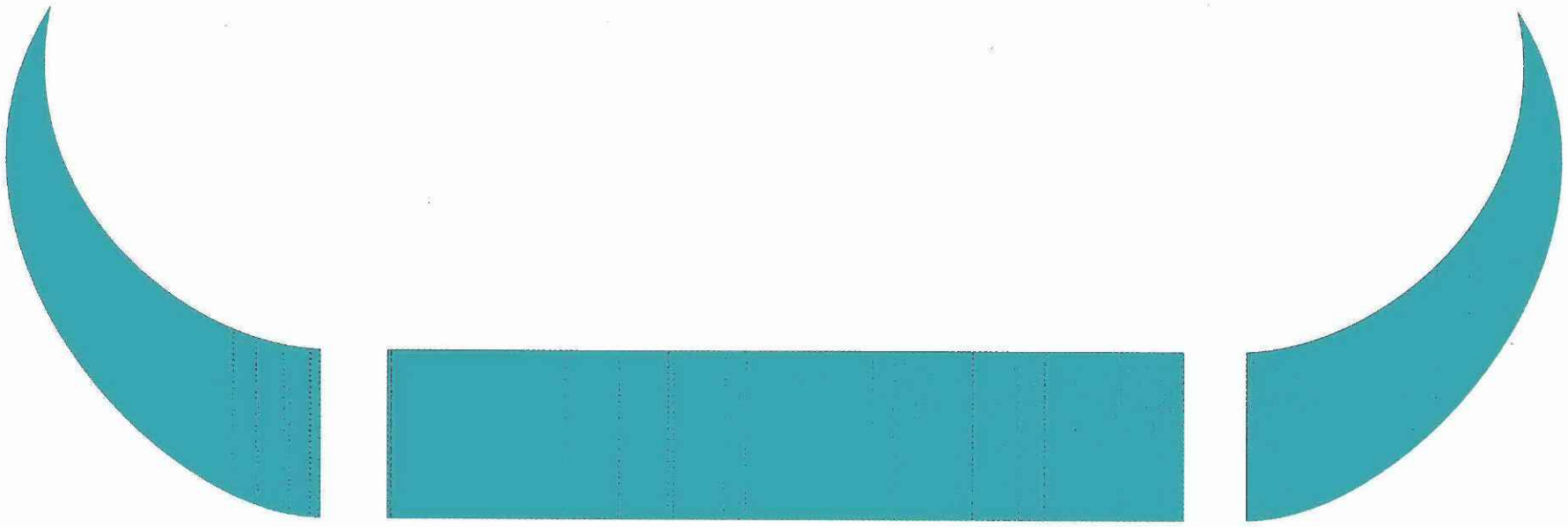

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Swiss Re's decision to restructure and focus on core competencies is reaping substantial rewards. In 1996, after-tax profits rose 34% to $1.1 billion (CHF 1.46 billion). Return on equity grew to 13.8% from 12.7% and represents a major step toward our target return of 15%.

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In the US, Swiss Re America reported a record statutory net income of $191.8 million for 1996. Net investment income increased by $34.5 million to $161.8 million, and policyholders' surplus has grown 95% over the past two years reaching a record $1.1 billion in 1996.

To learn more about the Swiss Re Group's excellent results, call us at 888-SWISS RE, fax us at 212-907-8111 or visit our Web site, www.swissreamerica.com.

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Insurer Topics

Marketing communications awards announced

By MICHAEL PRINCE

Maryland Insurance Group walked away with highest honors at the 1997 Insurance Marketing Communications Assn. Showcase Awards.

Maryland Insurance Group, a unit of Zurich Insurance Co., won the SAMMY, or Special Award from Members, for its marketing directed to commercial lines producers. Voting for the SAMMY award took place during the first three days of the IMCA's annual meeting—held last month in Boca Raton, Fla.—by the association members in attendance.

The SAMMY is given annually to the Showcase Award entry that makes the greatest contribution in raising the level of insurance marketing communications. In all, 117 entries received awards in 25 categories. The winners were chosen from a record 425 entries.

The awards and their winners are:

• Marketing/Sales Promotion Directed to Personal Lines Producers: Best of Show to Fireman's Fund Insurance Co.; Awards of Excellence to Farmers Group Inc., Metropolitan Property & Casualty Insurance Co., Prudential Property & Casualty Insurance Co. and SAFECO Corp.

• Marketing/Sales Promotion Directed to Personal Lines Consumers: Best of Show to Liberty Mutual Insurance Co.; Awards of Excellence to American National Property & Casualty Co., Chubb Corp., Farmers Group, Hanover Insurance Co., Harleysville Insurance Cos., Prudential Property & Casualty and SAFECO.

• Marketing/Sales Promotion Directed to Commercial Lines Producers: Best of Show to Maryland Insurance Group; Awards of Excellence to Chubb, ECS Inc., K&K Insurance Group, Markel Insurance Co., Maryland Insurance Group for a second entry, Royal Insurance Co., Swett & Crawford Group, Westfield Cos., Zurich-American Insurance Co.

• Marketing/Sales Promotion Directed to Commercial Lines Business Consumers: Best of Show to ITT Hartford Group Inc.; Awards of Excellence to Commonwealth Risk Services Inc., Markel Insurance, Royal Insurance, Swett & Crawford and Zurich-American.

• Print Product Advertising Directed to Personal Lines Consumers: Best of Show to Universal Underwriters Insurance Co.; Awards of Excellence to Liberty Mutual and The Personal Insurance Co. of Canada.

• Print Product Advertising for Commercial Lines Directed to Business Consumers: Best of Show to Harleysville Mutual Insurance Co.; Awards of Excellence to Liberty Mutual, Markel, National Chiropractic Mutual Insurance Co., Utica National Insurance Group, Wausau Insurance Cos.

• Print Product Advertising for Personal and Commercial Lines Directed to Producers: Best of Show to ECS; Awards of Excellence to Reliance National Insurance Co. and Royal Insurance.

• Print Corporate Advertising Directed to Producers and Consumers: Best of Show to Liberty Mutual; Awards of Excellence to General Reinsurance Corp., National Chiropractic Mutual, The St. Paul Cos. Inc., Swett & Crawford, Swiss Reinsurance America Corp. and Universal Underwriters.

• Radio Advertising: Best of Show to Farmers Insurance Group; Awards of Excellence to Country Cos. and Nationwide Mutual Insurance Co.

• Television Advertising: Best of Show to Nationwide; Awards of Excellence to Co-operators General Insurance Co., ITT Hartford Group and Workers Compensation Fund of Utah.

• Other Audio/Visual Communications: Best of Show to X.L. Insurance Co. Ltd.; Awards of Excellence to Chubb, Commonwealth Risk Services and Maryland Insurance Group.

• Campaign: Best of Show to Liberty Mutual; Awards of Excellence to ITT Hartford Group, Liberty Mutual for a second entry, Missouri Employers Mutual Insurance Co., Royal Insurance, Scottsdale Insurance Co., Swiss Re America, Wausau Insurance and the Workers Compensation Fund of Utah.

• Public Relations: Best of Show to The Co-Operators; Awards of Excellence to The Co-Operators for a second entry, Chubb, General Re, Maryland Insurance Group and Metropolitan Property & Casualty.

• Company News Publications for Employees: Best of Show to Harleysville Mutual; Awards of Excellence to Liberty Mutual Group, ITT Hartford Group and Swett & Crawford.

• Other Employee Communications: Best of Show to Hanover Insurance; Awards of Excellence to Swett & Crawford and Zurich-American.

• Annual Reports: Best of Show to Arkwright Mutual Insurance Co.; Awards of Excellence to Liberty Mutual, St. Paul and ZC Re-Source Ltd.

• Convention Support Materials: Best of Show to Zurich-American; Awards of Excellence to Arkwright Mutual, Commonwealth Risk Services and Liberty Mutual.

• Producer Publications: Best of Show to SAFECO; Awards of Excellence to General Accident Insurance Co., Harleysville, Royal Insurance Co. of Canada, Utica National.

• Communications $1,000 and Under: Best of Show to Utica National; Awards of Excellence to GRE Insurance Group, K&K Insurance Group, The Personal Insurance Co. of Canada, Royal Insurance.

• Potpourri: Best of Show to Chubb; Awards of Excellence to CIBC General Insurance Co. Ltd., Liberty Mutual, Metropolitan Property & Casualty, Nationwide and State Farm Group.

• Marketing on the Internet/Internet Home Sites: Best of Show to The Co-Operators of Canada; Awards of Excellence to CIBC General Insurance, Liberty Mutual, Prudential Property & Casualty and SAFECO.

• Associate Members' Media Kits Directed to Advertisers: Best of Show to Risk Management magazine; Award of Excellence to Insurance Journal of Texas.

• Associate Members' Direct Mail Packages Directed to Advertisers: Best of Show to *Business Insurance*.

• Associate Members' Print Advertising Directed to Advertisers: Best of Show to Insurance Journal West; Award of Excellence to Insurance Journal of Texas.

• Associate Members' Potpourri: Best of Show to Independent Insurance Agents of America; Award of Excellence to Insurance Institute of Canada.

IMCA presented its Golden Torch Award to Edwin S. Overman, retired president of the American Institute of Chartered Property Casualty Underwriters. The award is presented annually to recognize someone who helped light the way for others. BI

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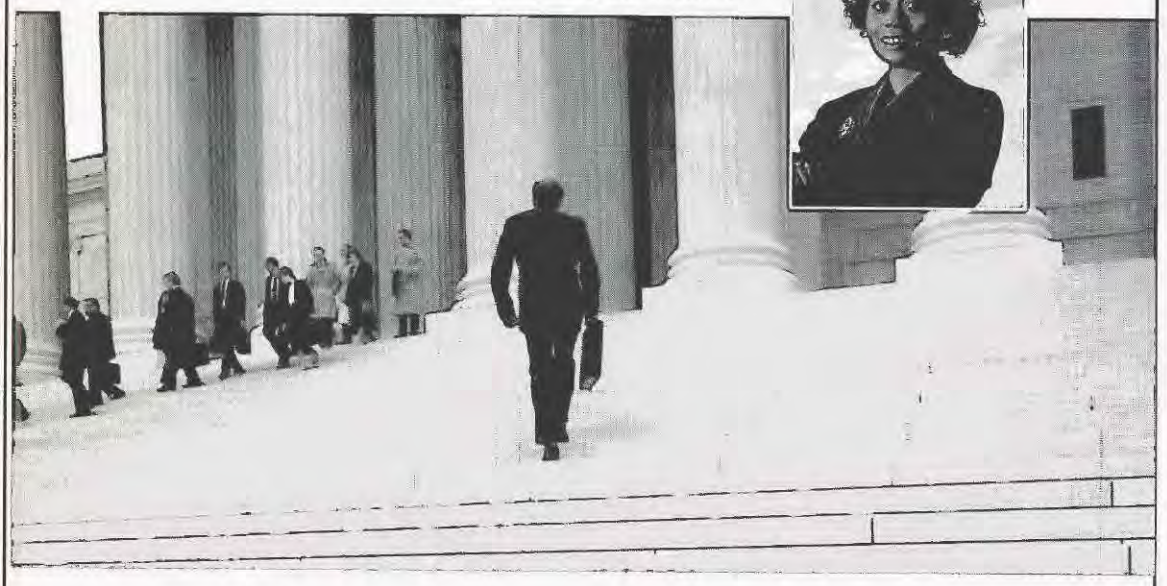

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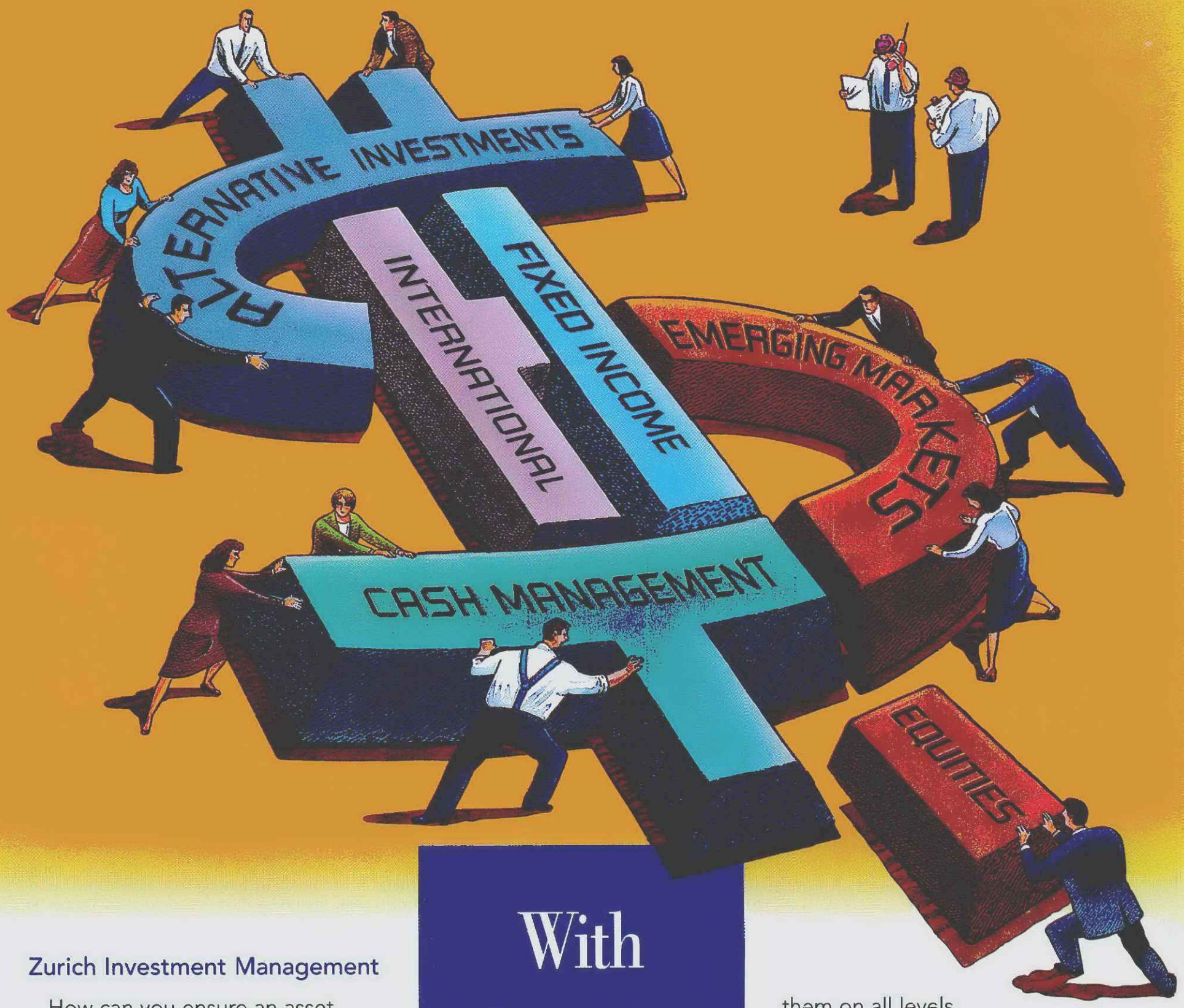
American Institute for Chartered Property Casualty Underwriters

For more info, call (800) 644-2101 (AICPCU) or (800) 932-CPCU (CPCU Society).



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Insurer Topics

Marketing seminar scheduled

An October meeting in Chicago will be the first of what the Insurance Marketing Communications Assn. hopes is a series of one-day workshops in North America.

IMCA's board of directors decided to begin the program based on the results of a survey of company members, the IMCA said in a statement.

The IMCA-sponsored workshops will cover a variety of insurance marketing communication subjects.

The Chicago seminar, set for Oct. 20, is the only one scheduled so far. The registration fee is $100.

For more information, call Jan Moore, 847-402-5424.

Enhancing relationship with ad agency pays off

By MICHAEL PRINCE

A good relationship with an insurer's advertising agency is not born, but made.

To make and enhance that relationship, an insurance company can take certain steps, said a panel of advertising executives who spoke at the Insurance Marketing Communications Assn.'s annual meeting in Boca Raton, Fla., last month.

David Egan, executive vp-director of account management at Ketchum Advertising in Pittsburgh, presented a list of items for insurance companies to keep in mind in dealing with an agency:

- Choose an agency and not a campaign. "You are selecting a group of people, how they think and not an ad," he said.
- If the relationship is not working out, look to change the people in the agency and not the agency.
- Don't approve of advertising you don't like. "If you hate the advertising, say so," Mr. Egan said.
- Insist the agency be proud of its work. Only if they have pride in the final product will agency employees produce their best efforts.
- Be actively involved. "You don't want to just send the agency off on their own," as they don't know the business as well as an insurance company.
- Make expectations clear.
- Review the relationship regularly. Not only perform a formal yearly review, but have frequent informal ones.
- And smile. The time with your agency should be fun, Mr. Egan said.

William Spinner, president of Ideawrights, a Mechanicsburg, Pa.-based marketing communications firm, commented on several of those tips.

Getting involved with the agency must be done with a minimal number of layers of people who can approve the ads, he said.

The client is in control of the advertising process and should take the lead, not putting all responsibility on the agency, says William Spinner.

Mr. Spinner also advised companies to put the terms of the relationship in writing when the ad agency is hired.

"If you set out the nuts and bolts early, it will allow you to focus on the creative later on," he said.

Remember, added Mr. Spinner, the client is in control of the process and should take the lead and not put all responsibility on the agency.

Dick Calderhead, president of New York-based Calderhead & Phin Ltd., also participated in the panel, which was moderated by Ken Lamm, senior vp-management supervisor at Cramer-Krasselt Advertising in Milwaukee.

Next year's IMCA annual meeting will be held in Vancouver, British Columbia, from June 27 to July 1. For more information, contact William Hadley, Executive Director, IMCA, 602-443-8860. BI

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Issue of July 21

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101	Paradigm Health Corporation	64B-C
102	Swiss Re America	64D-E
—	Zurich Investment Mgmt.	64G

Business Insurance

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Issue Date: JULY 21, 1997
Card Expiration: SEPTEMBER 15, 1997

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2. Number of employees:
1 ❑ 150 or less 2 ❑ 151 - 499 3 ❑ 500 - 999 4 ❑ 1,000 - 4,999 5 ❑ 5,000 or more 6 ❑ Unknown

3. My title is best defined as:
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4. My purchasing involvement for the requested products is to:
1 ❑ recommend only 2 ❑ specify 3 ❑ approve

5. Do you now receive a personally addressed copy of *Business Insurance*?
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IT Briefs

NAII growing

DES PLAINES, Ill.—The National Assn. of Independent Insurers has expanded in the past year despite consolidation in the industry.

Since July 1, 1996, the Des Plaines, Ill.-based group has added 36 insurers, bringing its total to 560 companies, the NAII said recently in a statement.

New NAII members include writers of all lines, including workers compensation and commercial multiperil, the association said.

Scholarships

ALEXANDRIA, Va.—Five high school seniors have been named recipients of the 1997 Insurance Vocational Education Student Training Scholarship from DORIS Inc.

Each received $1,000 from DORIS, a maker of agency management software, to use for their college educations. All students are 1997 InVEST graduates.

InVEST, administered by the Alexandria, Va.-based Independent Insurance Agents of America, trains high school and community college students in 15 states on insurance-related business skills.

Nearly 75% of all InVEST graduates go on to accept positions in the insurance industry, according to an IIAA statement that announced the winners.

The national program teaches 3,500 students through 200 schools in urban, rural and suburban communities. InVEST classes serve a diverse population with more than 50% minority students, the IIAA said.

"Without the support of DORIS Inc., the InVEST scholarship program would not be possible," said Barbara Miller-Richards, national InVEST administrator.

"Their involvement goes a long way toward encouraging young people to seek insurance as a career and gives them the financial resources to make it a reality," she said.

Roswell, Ga.-based DORIS Inc. develops and markets agency management software.

InVEST is funded solely through contributions from insurance companies and other interested organizations.

MetLife honored

ATLANTA—A non-profit group of rehabilitation professionals has named Metropolitan Life Insurance Co. Outstanding Insurance Company of the Year.

The award is presented annually to corporations that have made outstanding contributions in specific areas of rehabilitation, according to a MetLife statement. The insurance company received the award at the national conference of the National Assn. of Rehabilitation Professionals in the Private Sector, held recently in New Orleans.

New IIC chair

WASHINGTON—Jan S. Jobe has been elected chairman of the International Insurance Council.

Mr. Jobe is president-international for The Principal Financial Group based in Des Moines, Iowa.

Directors and officers for the 1997-98 term also were elected during the IIC membership meeting. BI

Continued from previous page

Angeles; New York; Dallas; Washington; Fine Arts Risk Management Inc.: Chicago, New York; International Film Guarantors Inc., Los Angeles; National Professional Group Risk Management Services Inc., Chicago; Near North National Title Inc., Chicago; Settlement Planning Associates Inc.: Los Angeles, Tampa, Fla., Chicago, Dallas, Washington.

Non-retail brokerage subsidiaries: THB Intermediaries Inc.: Los Angeles, Chicago, New York; MWS Inc., Chicago.

Licensed excess/surplus broker in: Alaska, District of Columbia, Florida, Illinois, Iowa, Maryland, Minnesota, Montana, New York, Virginia, Wisconsin.

Officers: Michael Segal, president/CEO; Steven Coleman, Tom Ealy, Bill Hines, Ruth R. Tave, group executive vps/managing directors.

Contact: Kristen Restivo, 312-280-7243.

New World Insurance Group of Cos.

18th Floor, Siu On Centre, 188 Lockhart Road, Wanchai, Hong Kong;
852-2845-4373; fax: 852-2845-5146

	1996*	1995*
Premium volume	$53,916,840**	$49,923,000**
Gross revenues	$5,418,000**	$4,902,000**
Non-U.S. clients	100%	100%
Brokerage: Retail	80%	80%
Non-U.S. offices	$4,334,400**	$3,921,600**
Reinsurance	6%	3.5%
Personal lines	10%	12.6%
Invstmt. income	4%	3.9%
Total employees	123	117
Total offices	16	13

** Fiscal years ending 6/30/96 and 6/30/95.*
*** Converted at applicable exchange rates.*

Founded: 1988.

Parent: New World Development Co. Ltd.

Retail brokerage: 96% commissions, 4% fees.

Employee benefits: 20% of revenues in 1996.

Retail brokerage offices: New World Insurance Brokers Pte. Ltd., Singapore; New World Insurance Consultants Ltd.: Hong Kong, Macao; New World Insurance Management Ltd.: Hong Kong; Kuala Lumpur and Labuan, Malaysia; New World Insurance Risk Management Consultants Sdn Bhd., Kuala Lumpur, Malaysia; New World Risk Management Ltd., Labuan, Malaysia; New World Insurance Services Ltd.: British Columbia, Markham and Mississauga, Canada; Beijing, Hong Kong, Shanghai and Wuhan, China; P.A.P. New World Insurance Brokers Ltd., Bangkok, Thailand.

Non-retail brokerage subsidiaries: International Reinsurance Management Ltd., Hong Kong.

Officers: Paul S.K. Lam, director/group chief executive-New World Risk Management Ltd.; Nancy N.S. Tsing, director/assistant group chief executive-New World Risk Management Ltd.; Ricky W.K. So, director/regional chief executive-New World Risk Management Ltd. and director/chief executive-International Reinsurance Management Ltd; Michael T.L. Wong, director/regional chief executive-New World Risk Management Ltd. and director/president-New World Insurance Services Ltd.

Contact: Paul S.K. Lam.

Norwest Insurance Inc.

IDS Tower, Suite 355, 80 S. Eighth St., Minneapolis, Minn. 55479-2051;
612-667-5600; fax: 612-667-2681

	1996	1995
Premium volume	$576,700,000	$492,000,000
Gross revenues	$87,300,000	$63,500,000
U.S. clients	100%	100%
Brokerage: Retail	8%	10.6%
U.S. offices	$6,984,000	$6,731,000
Personal lines	12%	18%
Invstmt. income	1%	1.2%
Other	79%	70.2%
Total employees	612	551
Total offices	48	48

Founded: 1929.

Parent: Norwest Corp.

Retail brokerage: 95% commissions, 5% fees.

Employee benefits: 1% of revenues in 1996.

Retail brokerage offices: Colton and Davis, Calif.; Denver; Des Moines, Metrowest and Sioux City, Iowa; Anoka, Duluth, Edina, Ely, Fergus Falls, Grand Rapids, Hibbing, Litchfield, Mankato, Marshall, St. Cloud, Thief River Falls and Virginia, Minn.; Omaha, Neb.; King, N.C.; Bismarck, Fargo, Grafton, Jamestown, Minot, Valley City and Wahpeton, N.D.; Aberdeen, Brookings, Chamberlain, Dell Rapids, Groton, Huron, Lake Preston, Madison, Millbank, Morbridge, Rapid City, Redfield, Sioux Falls, Watertown and Yankton, S.D.

Officers: Timothy J. King, president; Steven C. Veno, executive vp/COO; Kevin P. Berg, senior vp/CFO.

Contact: Michelle Leschisin, 612-667-5596.

The James B. Oswald Co.

1 Erieview Plaza, Suite 600, Cleveland, Ohio 44114;
216-241-0468; fax: 216-241-4520

	1996	1995
Premium volume	$87,000,000	$82,000,000
Gross revenues	$13,800,000	$13,100,000
U.S. clients	100%	100%
Brokerage: Retail	66%	64%
U.S. offices	$9,108,000	$8,384,000
Personal lines	7%	7%
Services	20%	22%
Invstmt. income	1%	1%
Other	6%	6%
Total employees	160	155
Total offices	5	5

Founded: 1893.

Retail brokerage: 90% commissions, 10% fees.

Employee benefits: 6% of revenues in 1996.

Retail brokerage offices: Oswald Trippe & Co., Fort Myers, Fla.; Oswald Trippe of Cape Coral, Cape Coral, Fla.; Oswald Trippe of Miami, Miami; Oswald Trippe of Naples Inc., Naples, Fla.

Licensed excess/surplus broker in: Florida, Ohio.

Officers: James R. Pender, chairman; John E. Warfel, vice chairman; Marc S. Byrnes, president; Gary V. Trippe, president; Robert A. Bracci, executive vp.

Contact: Robert A. Bracci.

Palley Simon Associates Inc.

165 Township Line Road, P.O. Box 508, Jenkintown, Pa. 19046;
215-884-2100; fax: 215-881-2473

	1996	1995
Premium volume	$19,058,699	$17,174,000
Gross revenues	$3,118,837	$2,950,000
U.S. clients	100%	100%
Brokerage: Retail	53.6%	53%
U.S. offices	$1,671,697	$1,563,500
Personal lines	14.7%	15.7%
Services	2.8%	2.0%
Invstmt. income	3.9%	3.8%
Other	25%	25.5%
Total employees	30	30
Total offices	1	1

Founded: 1974.

Retail brokerage: 95% commissions, 5% fees.

Employee benefits: 4% of revenues in 1996.

Officers: Mahlon B. Simon Jr., chairman; Samuel M. Palley, president; Reid B. Sandner, vp; Donna F. Weinraub, assistant vp; Elaine S. Greenwald, secretary.

Contact: Samuel M. Palley.

Palmer & Cay Inc.

25 Bull St., Savannah, Ga. 31402-0847;
912-234-6621; fax: 912-234-5427

	1996*	1995*
Premium volume	$419,156,850	$389,570,140
Gross revenues	$42,745,244	$37,909,141
U.S. clients	100%	100%
Brokerage: Retail	85.09%	84%
U.S. offices	$36,373,054	$31,794,058
Personal lines	7.91%	8%
Services	5%	5%
Invstmt. income	2%	3%
Total employees	431	382
Total offices	18	18

** Fiscal years ending 6/30/96 and 6/30/95.*

Founded: 1868.

Retail brokerage: 83% commissions, 17% fees.

Employee benefits: 15% of revenues in 1996.

Acquisitions: Certain assets of Alexander & Alexander, Nashville, Tenn., December 1996 and Richmond, Va., October 1996; McMurray, Daly & Leonard, Knoxville, Tenn., January 1996; George G. Smith & Associates, Jacksonville, Fla., May 1997.

Retail brokerage offices: IMS of Texas Inc., Dallas; Jordan/Woolfolk Insurance Inc., Columbus, Ga.; Midyette-Moor, Tallahassee, Fla.; Palmer & Cay of Florida Inc.: Jacksonville and Tallahassee, Fla.; Palmer & Cay of Georgia Inc.: Atlanta, Augusta, Brunswick, Savannah and Vidalia, Ga.; Palmer & Cay of North Carolina Inc., Charlotte, N.C.; Palmer & Cay of South Carolina Inc.: Charleston, Florence and Greenville, S.C.; Palmer & Cay of Tennessee Inc. dba McMurray, Daly & Leonard: Knoxville, Nashville and New Tazewell, Tenn.; Palmer & Cay of Virginia Inc., Glen Allen, Va.

Licensed excess/surplus broker in: Georgia, Virginia.

Officers: John E. Cay III, CEO; Lewis H. Oden III, executive vp; F. Michael Crowley, president-Georgia 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: Alton Irby, marketing executive.

Grupo Panamena de Comercio

Via Argentina N. 12, Panama City, Panama; 507-264-5577;
fax: 507-223-8826

	1996	1995
Premium volume	$9,085,000	$9,560,000
Gross revenues	$1,325,000	$1,453,000
U.S. clients	1%	1%
Non-U.S. clients	99%	99%
Brokerage: Retail	74%	75.5%
Non-U.S. offices	$980,500	$1,097,015
Personal lines	22.3%	20.5%
Other	3.7%	4%
Total employees	35	38
Total offices	2	2

Founded: 1968.

Parent: Panamena de Comercio S.A.

Retail brokerage: 99% commissions, 1% fees.

Employee benefits: 6% of revenues in 1996.

Retail brokerage offices: Colon Free Zone, Colon City, Panama.

Non-retail brokerage subsidiaries: Bienes Raices Panamena de Comercio S.A., Panama City, Panama.

Officers: Apostolos Costarangos, president; Stavros Costarangos, David Perez Almillano, directors; Abdiel Teran, life manager.

Contact: Stavros Costarangos, 507-223-5192.

Parker, Smith & Feek Inc.

999 Third Ave., Suite 1700, Seattle, Wash. 98104; 206-382-7900;
fax: 206-382-4015

	1996	1995
Premium volume	$111,000,000	$110,500,000
Gross revenues	$12,717,000	$12,191,000
U.S. clients	100%	100%
Brokerage: Retail	93%	93%
U.S. offices	$11,827,000	$11,338,000
Personal lines	5%	5%
Invstmt. income	2%	2%
Total employees	120	123
Total offices	2	2

Founded: 1937.

Retail brokerage: 93% commissions, 7% fees.

Employee benefits: 15% of revenues in 1996.

Retail brokerage offices: Anchorage, Alaska.

Licensed excess/surplus broker in: Alaska, Washington.

Officers: Vic Parker, CEO; John Zefkeles, chairman; John Tracey, Chuck Szopa, senior vps; Greg Collins, COO.

Contact: Steve Wolf, director-information services.

The Pilgrim Organization

518 Stuyvesant Ave., P.O. Box 615, Lyndhurst, N.J. 07071-0615;
201-460-8400; fax: 201-460-7415

	1996	1995
Premium volume	$35,449,350	$38,000,000
Gross revenues	$8,518,560	$10,623,242
U.S. clients	100%	100%
Brokerage: Retail	46.2%	45%
U.S. offices	$3,935,575	$4,780,459
Personal lines	6%	5%
Services	45%	48%
Invstmt. income	2.8%	2%
Total employees	80	82
Total offices	2	3

Founded: 1972.

Retail brokerage: 55% commissions, 45% fees.

Employee benefits: 1% of revenues in 1996.

Retail brokerage offices: Kennedy Insurance Agency, Eatontown, N.J.

Non-retail brokerage subsidiaries: MRM Management Corp., Lyndhurst, N.J.

Licensed excess/surplus broker in: New Jersey.

Officers: Robert A. Nicosia, CEO; Margaret A. Nicosia, president/COO; William O. Kennedy, president-Kennedy Insurance Agency.

Contact: Robert A. Nicosia.

Poe & Brown Inc.

220 S. Ridgewood Ave., Daytona Beach, Fla. 32114; 904-239-7250;
fax: 904-239-7252

	1996	1995
Premium volume	$1,060,500,000	$950,000,000
Gross revenues	$118,680,000	$106,365,000
U.S. clients	100%	100%
Brokerage: Retail	50%	50%
U.S. offices	$59,340,000	$53,182,500
Wholesale	22%	26%
Reinsurance	8%	4%

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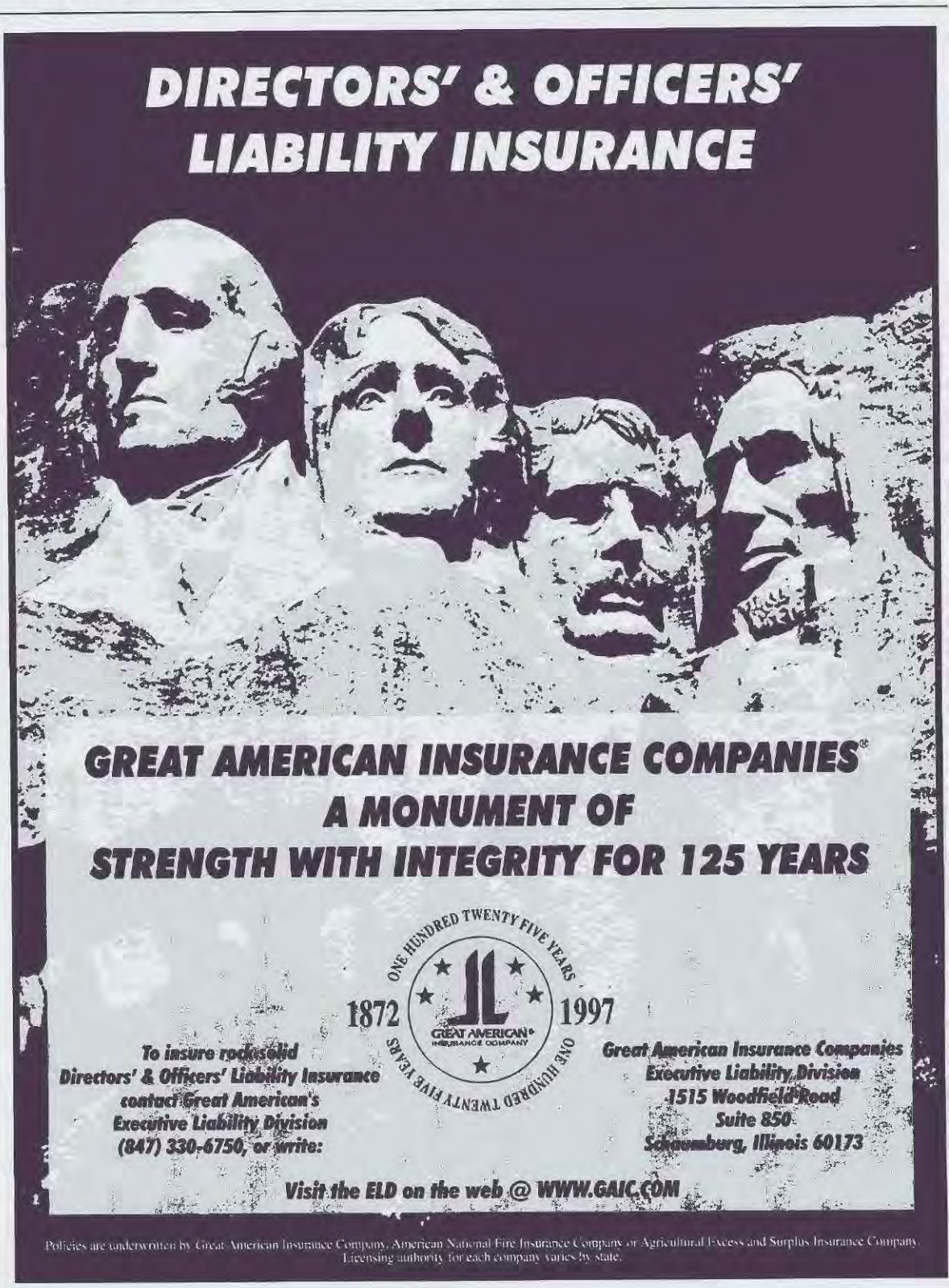

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	1996	1995
Personal lines	6%	6%
Services	10%	10%
Invstmt. income	3%	3%
Other	1%	1%
Total employees	1,075	1,035
Total offices	23	23

Founded: 1956.
Retail brokerage: 99% commissions, 1% fees.
Employee benefits: 10% of revenues in 1996.
Acquisitions: Anderson-Reeve, Phoenix, August 1996; Boger & Reid, Atlanta, April 1996; Larry Breen, Orlando, Fla., September 1996; Dade Underwriters, Aventura, Fla., January 1997; Florida Intercoastal Underwriters, Miami, January 1996; Willets Insurance Agency, Fort Lauderdale, Fla., January 1996.
Retail brokerage offices: Aventura, Daytona Beach, Fort Lauderdale, Fort Myers, Jacksonville, Kissimmee, Leesburg, Melbourne, Miami, Naples, Orlando, Sarasota, Tampa, West Palm Beach and Winter Haven, Fla.; Giblon & Claffey Agency, Clark, N.J.; Poe & Brown of Arizona, Phoenix; Poe & Brown of California, San Francisco; Poe & Brown of Georgia, Atlanta; Poe & Brown of North Carolina, Charlotte, N.C.; 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.; Insurance Administration Center, Tampa, Fla.; Poe & Brown Benefits, Daytona Beach, Fla.; Poe & Brown of Connecticut, Glastonbury, Conn.; Roehrig & MacDuff, Daytona Beach and St. Petersburg, Fla.; Underwriter Services Inc., Tampa, 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 Van Buren Inc.

4 Sentry Parkway, Suite 300,
Blue Bell, Pa. 19422;
610-834-1410; fax: 610-834-2078

	1996	1995
Premium volume	$60,000,000	$50,100,000
Gross revenues	$10,200,000	$7,100,000
U.S. clients	100%	100%
Brokerage: Retail	84.4%	88.4%
U.S. offices	$8,608,800	$6,276,400
Wholesale	0.5%	0.5%
Personal lines	10%	9%
Services	3%	0.1%
Invstmt. income	2.1%	2%
Total employees	80	58
Total offices	1	1

Founded: 1866.
Retail brokerage: 90% commissions, 10% fees.
Employee benefits: 35% of revenues in 1996.
Acquisitions: Buckman Van Buren, Horsham, Pa., December 1996.
Retail brokerage offices: Lancaster, Pa.
Licensed excess/surplus broker in: Pennsylvania.
Officers: Daniel J. Walsh III, president/CEO; Walter Van Buren, executive vp.
Contact: Daniel J. Walsh III.

Cecil W. Powell & Co.

Old Morocco Building, 219 N.
Newnan St., Jacksonville, Fla. 32202;
904-353-3181; fax: 904-353-5722

	1996*	1995*
Premium volume	$60,000,000	$50,000,000
Gross revenues	$5,100,000	$4,700,000
U.S. clients	95%	95%
Non-U.S. clients	5%	5%
Brokerage: Retail	95%	95%
U.S. offices	$4,600,000	$4,100,000
Non-U.S. offices	$245,000	$365,000
Personal lines	5%	5%
Total employees	44	39
Total offices	1	1

** Fiscal years ending 5/31/97 and 5/31/96.*
Founded: 1935.
Retail brokerage: 90% commissions, 10% fees.
Employee benefits: 20% of revenues in 1996.
Licensed excess/surplus broker in: Florida.
Officers: Fitzhugh K. Powell, chairman; Fitzhugh K. Powell Jr., president; Thomas S. Powell, treasurer; Stanley L. Storey, vp; Richard Abis, vp-benefits; Robert T. Theus, vp-surety.
Contact: Fitzhugh K. Powell.

Preferred Benefits Inc.

975 Spaulding S.E., Grand Rapids,
Mich. 49546; 616-956-1199;
fax: 616-956-1214

	1996	1995
Premium volume	$7,500,000	$7,500,000
Gross revenues	$503,352	$496,531
U.S. clients	100%	100%
Brokerage: Retail	100%	100%
U.S. offices	$503,352	$496,531
Total employees	6	6
Total offices	1	1

Founded: 1975.
Retail brokerage: 94% commissions, 6% fees.
Employee benefits: 6% of revenues in 1996.
Officers: Susan Mason, president; Kathleen Noom, vp; Jeffrey Noom, secretary.
Contact: Susan Mason.

Procter Homer Warren Inc.

295 Kirts Blvd., Suite 100,
Troy, Mich. 48084;
248-269-5700; fax: 248-269-5752

	1996	1995
Premium volume	$39,000,000	$37,000,000
Gross revenues	$17,200,000	$11,400,000
U.S. clients	100%	100%
Brokerage: Retail	5%	7%
U.S. offices	$860,000	$798,000
Wholesale	59%	83%
Personal lines	2%	2%
Services	32%	5%
Invstmt. income	2%	2%
Other	NA	1%
Total employees	135	92
Total offices	NA	1

Founded: 1884.
Retail brokerage: 100% commissions.
Employee benefits: 2% of revenues in 1996.
Acquisitions: Western Flood Inc., Thousand Oaks, Calif., August 1996.
Non-retail brokerage subsidiaries: MidAtlantic Reinsurance Co. Ltd., Hamilton, Bermuda; Western Flood Inc., Thousand Oaks, Calif.
Licensed excess/surplus broker in: California, Georgia, Michigan, Virgina, Wisconsin.
Officers: Thomas Proctor, president/CEO; Bob Laird, president-standard lines; Mark Leidlein, vp-sales/marketing; Karen Schickel, vp-hazard compliance; Craig Butler, vp-specialty lines; Ron George, vp-flood compliance.
Contact: Robert Laird.

ProSource Financial L.L.C.

4333 Di Paolo Center, Glenview,
Ill. 60025; 847-298-0200;
fax: 847-298-3233

	1996	1995
Premium volume	$58,225,000	NA
Gross revenues	$2,329,000	NA
U.S. clients	100%	NA
Brokerage: Retail	90%	NA
U.S. offices	$2,096,100	NA
Reinsurance	10%	NA
Total employees	17	NA
Total offices	1	NA

Founded: 1996.
Retail brokerage: 100% commissions.
Employee benefits: 100% of revenues in 1996.
Officers: Helene Migala, president; Steve Foreman, treasurer; James Ryan, Leo Shapiro, Mike Kesner, vps.
Contact: Steve Foreman.

Quarles Agency Inc.

5810 E. Skelly Drive, Suite 300,
Tulsa, Okla. 74135; 918-665-1252;
fax: 918-665-2119

	1996*	1995*
Gross revenues	$5,240,000	$4,875,000
U.S. clients	100%	100%
Brokerage: Retail	94%	90%
U.S. offices	$4,925,600	$4,387,500
Reinsurance	NA	4%
Personal lines	4%	4%
Invstmt. income	2%	2%
Total employees	47	44
Total offices	4	4

** Fiscal years ending 4/30/97 and 4/30/96.*
Founded: 1979.
Retail brokerage: 97% commissions, 3% fees.
Employee benefits: 14% of revenues in 1996.
Retail brokerage offices: Oklahoma City; Omega Agency Inc., Dallas; Quarles Agency of Georgia, Atlanta.
Licensed excess/surplus broker in: Georgia, Oklahoma, Texas.
Officers: C. Gene Quarles, chairman; Robin Buerge, president; Dale Wells, president-Omega Agency Inc.; John Bilton, vp-Quarles Agency Inc. of Georgia; Tom Hoyt, vp-Quarles Agency Inc. of Georgia.
Contact: C. Gene Quarles.

Rebsamen Insurance Inc.

1500 Riverfront Drive,
Little Rock, Ark. 72202;
501-661-4800; fax: 501-663-9592

	1996	1995
Premium volume	$127,210,022	$127,849,269
Gross revenues	$21,397,878	$21,398,946
U.S. clients	100%	100%
Brokerage: Retail	66.69%	64.9%
U.S. offices	$14,270,245	$13,887,916
Wholesale	15.21%	18.11%
Personal lines	4.02%	3.75%
Services	10.61%	9.34%
Invstmt. income	3.47%	3.90%
Total employees	159	150
Total offices	3	3

Founded: 1929.
Retail brokerage: 91.7% commissions, 8.3% fees.
Employee benefits: 10.64% of revenues in 1996.
Acquisitions: Carlisle Adjustment, Fort Smith and Jonesboro, Ark., January 1997; Employers' Self-Insured Services, Little Rock, Ark., January 1997.
Retail brokerage offices: Springdale and Fort Smith, Ark.
Non-retail brokerage subsidiaries: Insurisk Excess and Surplus Lines, Little Rock, Ark.
Licensed excess/surplus broker in: Arkansas.
Officers: Allen J. McDowell, president/CEO; William R. Stringfellow, general counsel/senior vp; John H. O'Donnell, CFO; William R. Fisher, senior vp-marketing; Joe H. Stafford, senior vp-sales.
Contact: John O'Donnell.

Rehder y Asociados S.A.

Las Begonias 441, San Isidro,
Lima, Peru; 51-1-442-4435;
fax: 51-1-442-4360

	1996	1995
Premium volume	$35,000,000	$27,000,000
Gross revenues	$4,500,000	$3,750,000
U.S. clients	10%	8%
Non-U.S. clients	90%	92%
Brokerage: Retail	70%	76%
U.S. offices	$315,000	$228,000
Non-U.S. offices	$2,835,000	$2,622,000
Reinsurance	7%	6%
Personal lines	15%	12%
Services	5%	4%
Invstmt. income	3%	2%
Total employees	85	82
Total offices	4	3

Founded: 1977.
Retail brokerage: 95% commissions, 5% fees.
Employee benefits: 20% of revenues in 1996.
Retail brokerage offices: Corporacion Rehder y Asociados, Lima, Peru.
Officers: Bernardo Rehder, chairman; Jaime Grana, vice chairman; Javier Rehder, general manager; Jorge Rehder, Jose Inurritegui, directors.
Contact: Javier Rehder.

Ricci Associates Inc.

1910 Pine St., St. Louis, Mo. 63103;
314-231-2277; fax: 314-231-1641

	1996	1995
Premium volume	$14,465,878	$13,821,000
Gross revenues	$1,657,645	$1,589,500
U.S. clients	100%	100%
Brokerage: Retail	91.5%	92.5%
U.S. offices	$1,516,745	$1,470,288
Wholesale	0.7%	0.5%
Personal lines	5.7%	5%
Services	0.6%	0.5%
Invstmt. income	1.5%	1.5%
Total employees	19	18
Total offices	2	2

Founded: 1985.
Retail brokerage: 96% commissions, 4% fees.
Employee benefits: 13% of revenues in 1996.
Retail brokerage offices: Public Entity Risk Managers, Springfield, Mo.
Licensed excess/surplus broker in: Illinois, Missouri.
Officers: Thomas C. Ricci Jr., chairman; Stephen E. Ricci, president; John D. Wittenberg, executive vp; Thomas C. Ricci III, H.A. (Tony) Miller, vps.
Contact: Stephen E. Ricci.

Riedman Insurance

45 East Ave., Rochester,
N.Y. 14604; 716-232-4424;
fax: 716-232-7802

	1996	1995
Gross revenues	$41,446,000	$36,400,000
U.S. clients	100%	100%
Brokerage: Retail	75%	75%
U.S. offices	$31,084,500	$27,300,000
Personal lines	22%	20%
Invstmt. income	NA	5%
Other	3%	NA
Total employees	570	453
Total offices	65	60

Founded: 1938.
Retail brokerage: 95% commissions, 5% fees.
Employee benefits: 3% of revenues in 1996.
Licensed excess/surplus broker in: Colorado, Iowa, New York, Tennessee, Virginia.
Officers: John R. Riedman, chairman; James R. Riedman, president.

Wm. Rigg Cos.

309 W. Seventh St., Suite 200, Fort
Worth, Texas 76102; 817-335-4444;
fax: 817-336-5944

	1996	1995*
Premium volume	$94,512,169	$82,303,323
Gross revenues	$22,552,000	$18,654,000
U.S. clients	99%	99%
Non-U.S. clients	1%	1%
Brokerage: Retail	55%	54%
U.S. offices	$12,403,600	$10,073,160
Wholesale	30%	31%
Personal lines	2%	2%
Services	2%	1%
Invstmt. income	1%	1%
Other	10%	11%
Total employees	125	102
Total offices	5	4

** Restated.*
Founded: 1895.
Parent: The Rigg Group Inc.
Retail brokerage: 97% commissions, 3% fees.
Employee benefits: 1.25% of revenues in 1996.
Acquisitions: Skeels, Mullens & Fuos, Dallas, Texas, January 1996.
Retail brokerage offices: Austin, Dallas and Houston, Texas.
Non-retail brokerage subsidiaries: Dallas.
Licensed excess/surplus broker in: Texas.
Officers: Cecil Y. Ray Jr., chairman; Wade Nowlin, executive vp; Tom Gillis, Brad Johnson, executive vps; Jay Scheideman, CFO.
Contact: Cecil Y. Ray Jr.

Robertson-Ryan & Associates Inc.

660 E. Mason St., Milwaukee,
Wis. 53202; 414-271-3575;
fax: 414-271-0196

	1996	1995
Premium volume	$54,353,594	$56,404,574
Gross revenues	$10,140,687	$10,226,520
U.S. clients	100%	100%
Brokerage: Retail	83%	84%
U.S. offices	$8,416,770	$8,590,277
Personal lines	13%	13%
Invstmt. income	4%	3%
Total employees	80	79
Total offices	1	1

Founded: 1960.
Retail brokerage: 95% commissions, 5% fees.
Employee benefits: 34% of revenues in 1996.
Licensed excess/surplus broker in: All states.
Officers: Jay H. Robertson, chairman; John S. Borges, president; Charles V. Johnson, executive vp; James C. Boyce, Steven R. Kuhnmuench, Jack T. Ryan, vps/directors.
Contact: Charles V. Johnson.

Thomas Rutherfoord Inc.

1 S. Jefferson St., Roanoke,
Va. 24011; 540-982-3511;
fax: 540-342-9747

	1996*	1995*
Premium volume	$95,000,000	$89,000,000
Gross revenues	$11,261,000	$10,020,000
U.S. clients	93%	93%
Non-U.S. clients	7%	7%
Brokerage: Retail	86%	86.5%
U.S. offices	$9,684,460	$8,667,300
Personal lines	2.5%	3%
Services	5.5%	5.5%
Invstmt. income	6%	5%
Total employees	104	98
Total offices	7	6

** Fiscal years ending 6/30/96 and 6/30/95.*
Founded: 1916.
Retail brokerage: 95% commissions, 5% fees.
Employee benefits: 0.5% of revenues in 1996.
Retail brokerage offices: Raleigh, N.C.; Alexandria, Norfolk, Richmond and Roanoke, Va.; H.L. Duke & Co., Richmond, Va.; Rutherfoord International Inc., Alexandria, Va.
Licensed excess/surplus broker in: Virginia.
Officers: Thomas D. Rutherfoord Jr., president; George A. Steadman III, senior vp-operations; Thomas R. Brown, senior vp-marketing; David E. Keys, vp-sales; Bradford R. Buie, vp-finance.
Contact: George A. Steadman III.

Saldana & Associates Inc.

P.O. Box 9023549; San Juan,
Puerto Rico 00902-3549;
787-721-2600; fax: 787-721-1093

	1996	1995
Premium volume	$143,127,232	$128,757,127
Gross revenues	$15,151,970	$13,654,604
U.S. clients	4.18%	5.05%
Non-U.S. clients	95.82%	94.95%
Brokerage: Retail	94.52%	94.19%
U.S. offices	$598,644	$649,494
Non-U.S. offices	$13,722,998	$12,211,777
Personal lines	3.28%	3.33%
Invstmt. income	2.2%	2.48%
Total employees	127	132
Total offices	2	2

Founded: 1972.
Retail brokerage: 100% commissions.
Employee benefits: 17% of revenues in 1996.
Licensed excess/surplus broker in: Puerto Rico.
Officers: Ralph G. Christiansen Jr., president; Eduardo Emanuelli, executive vp; Ruben A. Jordan, vp/treasurer; Manuel Mendez, vp/secretary; Francisco Tirago, vp.
Contact: Ralph G. Christiansen Jr.

San Diego Associates Inc.

3550 Camino del Rio N., Suite
206, San Diego, Calif. 92108;
619-283-7800; fax: 619-283-8686

	1996	1995
Premium volume	$20,000,000	$20,000,000
Gross revenues	$1,000,000	$1,000,000
U.S. clients	100%	100%
Brokerage: Retail	60%	60%
U.S. offices	$600,000	$600,000
Services	40%	40%
Total employees	6	6
Total offices	2	2

Founded: 1984.
Retail brokerage: 80% commissions, 20% fees.
Employee benefits: 100% of revenues in 1996.
Retail brokerage offices: Laguna Hills, Calif.
Officers: David N. Peterson, president; Bruce N. Kesler, director.
Contact: Bruce N. Kesler.

Schwartz Brothers Insurance Agency Inc.

135 S. LaSalle St., Suite 2035,
Chicago, Ill. 60603; 312-630-0800;
fax: 312-630-0833

	1996	1995
Premium volume	$61,300,000	$61,325,000
Gross revenues	$7,850,000	$8,084,000
U.S. clients	100%	100%
Brokerage: Retail	85%	85%
U.S. offices	$6,672,500	$6,871,400
Personal lines	9%	8%
Services	1%	1%
Invstmt. income	5%	6%
Total employees	59	60
Total offices	1	1

Founded: 1919.
Retail brokerage: 99% commissions, 1% fees.
Employee benefits: 6% of revenues in 1996.
Licensed excess/surplus broker in: Illinois.
Officers: Edward H. Schwartz, president; Robert I. Schwartz, executive vp; Mark Nahin, secretary/treasurer; David Kunkel, COO; J. Spencer Miller, Terry Schwartz, vps.
Contact: Edward H. Schwartz, 312-630-0810.

Continued on next page

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Scott Insurance

P.O. Box 10489, Lynchburg, Va. 24506; 804-832-2100; fax: 804-832-2190

	1996	1995
Premium volume	$73,673,000	$74,692,000
Gross revenues	$9,020,001	$8,395,768
U.S. clients	100%	100%
Brokerage: Retail	71.16%	69%
U.S. offices	$6,418,633	$5,793,080
Personal lines	10%	12%
Services	2%	1.00%
Invstmt. income	3.2%	4.8%
Other	13.64%	13.2%
Total employees	74	73
Total offices	5	5

Founded: 1864.
Retail brokerage: 83% commissions, 17% fees.
Employee benefits: 6% of revenues in 1996.
Retail brokerage offices: Danville, Richmond and Roanoke, Va.; Greensboro, N.C.; Hamilton, Bermuda.
Licensed excess/surplus broker in: Virginia, North Carolina.
Officers: Walker P. Sydnor Jr., president; Craig K. Ryder, COO/CFO; Erik A. Koroneos, Joel A. Nichols, senior vps; Everette L. Daniel Jr., executive vp.
Contact: Walker P. Sydnor Jr.

Seaman Ross & Wiener Inc.

130 Crossways Park Blvd., Woodbury, N.Y. 11797; 561-921-9100; fax: 516-496-4040

	1996	1995
Premium volume	$15,600,000	$14,125,000
Gross revenues	$3,014,512	$2,984,521
U.S. clients	100%	100%
Brokerage: Retail	85%	85%
U.S. offices	$2,562,335	$2,536,843
Personal lines	10%	10%
Services	3%	3%
Invstmt. income	2%	2%
Total employees	14	14
Total offices	1	1

Founded: 1950.
Retail brokerage: 96% commissions, 4% fees.
Employee benefits: 11% of revenues in 1996.
Officers: Doug Schenendorf, chairman/CEO; Alex Seaman, president; Mary-Jean Feeley, Chris 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: 44-171-377-3919

Founded: 1825.
Officers: Saxon Riley, chairman; W.R. White-Cooper, chief executive; Quill Healey, R.J.W. Titley, vice chairmen; S.S. Tarrant, group finance director.
Contact: Julia C. Fish, director-corporate communications.
See profile on page 26.
See geographical listing on page 70.

Seitlin & Co.

2001 N.W. 107th Ave., Suite 200, Miami, Fla. 33172; 305-591-0090; fax: 305-593-6993

	1996	1995
Premium volume	$121,000,000	$103,000,000
Gross revenues	$10,548,000	$9,730,000
U.S. clients	100%	100%
Brokerage: Retail	88.9%	88.7%
U.S. offices	$9,377,172	$8,630,510
Personal lines	7.8%	9%
Services	1%	1%
Invstmt. income	1.7%	1.3%
Other	0.6%	NA
Total employees	105	94
Total offices	2	2

Founded: 1945.
Retail brokerage: 99% commissions, 1% fees.
Employee benefits: 17.7% of revenues in 1996.
Retail brokerage offices: Seitlin & Co., Fort Lauderdale, Fla.
Licensed excess/surplus broker in: Florida.
Officers: M. Stephen Jackman, president; Sam Seitlin, chairman; Ned Black, John Harrold, Richard Johnson, Barry Ladis, vps.
Contact: M. Stephen Jackman, 954-938-8788.

Jordan Shields Insurance Agency

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

	1996	1995
Premium volume	$22,000,000	$18,000,000
Gross revenues	$700,000	$630,000
U.S. clients	100%	100%
Brokerage: Retail	100%	100%
U.S. offices	$700,000	$630,000
Total employees	6	6
Total offices	1	1

Founded: 1986.
Retail brokerage: 98% commissions, 2% fees.
Employee benefits: 100% of revenues in 1996.
Contact: Jordan D. Shields, president.

Silverstone Group Inc.

300 W. Broadway, Suite 200, Council Bluffs, Iowa 51503; 712-325-1717; fax: 712-329-3131

	1996	1995
Premium volume	$120,000,000	$117,000,000
Gross revenues	$12,000,000	$11,725,000
U.S. clients	100%	100%
Brokerage: Retail	55%	75%
U.S. offices	$6,600,000	$8,793,750
Personal lines	9%	4%
Services	34%	20%
Invstmt. income	2%	1%
Total employees	154	153
Total offices	4	3

Founded: 1945.
Retail brokerage: 90% commissions, 10% fees.
Employee benefits: 68% of revenues in 1996.
Acquisitions: Independent Claims Management, Lincoln, Neb., August 1996.
Retail brokerage offices: Lincoln and Omaha, Neb.
Licensed excess/surplus broker in: Iowa and Nebraska.
Officers: John Sarich, vp-mergers & acquisitions; Lew Trowbridge, president-Mammel & Associates Inc.; Gary Hurley, president-Redland & Associates Inc.; Jeff Barrett, executive vp-Redland & Associates Inc.
Contact: John Sarich.

The Simkiss Cos.

150 Radnor-Chester Road, St. Davids, Pa. 19087; 610-902-5000; fax: 610-902-5016

	1996*	1995*
Premium volume	$71,924,000	$70,376,000
Gross revenues	$9,893,000	$9,605,000
U.S. clients	99%	99%
Non-U.S. clients	1%	1%
Brokerage: Retail	91%	91%
U.S. offices	$9,003,000	$8,741,000
Personal lines	5%	5%
Services	1%	1%
Invstmt. income	3%	3%
Total employees	62	62
Total offices	1	1

** Fiscal years ending 3/31/97 and 3/31/96.*
Founded: 1965.
Retail brokerage: 84% commissions, 16% fees.
Employee benefits: 5% of revenues in 1996.
Licensed excess/surplus broker in: Pennsylvania.
Officers: John A. Simkiss Jr., president; Richard J. Decker, William F. Simkiss, William F. O'Brien, executive vps.
Contact: Daniel B. Norris, vp-finance.

The Sklover Group

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

	1996	1995
Premium volume	$17,000,000	$17,500,000
Gross revenues	$1,900,000	$2,000,000
U.S. clients	80%	80%
Non-U.S. clients	20%	20%
Brokerage: Retail	75%	75%
U.S. offices	$1,425,000	$1,500,000
Reinsurance	10%	10%
Personal lines	10%	10%
Services	3%	3%
Invstmt. income	2%	2%
Total employees	8	8
Total offices	2	2

Founded: 1964.
Retail brokerage: 90% commissions, 10% fees.
Employee benefits: 10% of revenues in 1996.
Retail brokerage offices: New York.
Non-retail brokerage subsidiaries: The Sklover Benefits Group Inc., Westbury, N.Y.
Officers: Richard Sklover, chairman; Andrew Sklover, president; James Herrmann, vp.
Contact: Richard Sklover.

Donald F. Smith & Associates

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

	1996	1995
Premium volume	$92,000,000	$105,000,000
Gross revenues	$4,175,000	$4,760,000
U.S. clients	100%	100%
Brokerage: Retail	85%	87%
U.S. offices	$3,548,750	$4,158,600
Personal lines	6%	6%
Services	4%	4%
Invstmt. income	5%	3%
Total employees	65	65
Total offices	3	3

Founded: 1965.
Retail brokerage: 90% commissions, 10% fees.
Employee benefits: 19% of revenues in 1996.
Retail brokerage offices: Wallingford, Conn.; New York; Richmond, Va.
Licensed excess/surplus broker in: New Jersey, New York.
Officers: R.M. Neumann, executive vp; Robert B. Bainbridge, senior vp; Cynthia K. List, Ronald Keefe, Harry Hall III, vps.
Contact: R.M. Neumann.

Smith Watson Parker Insurance

2590 Hollywood Blvd., Hollywood, Fla. 33020; 954-925-2590; fax: 954-920-0641

	1996	1995
Premium volume	$34,500,000	$33,800,000
Gross revenues	$4,600,000	$4,400,000
U.S. clients	100%	100%
Brokerage: Retail	88%	87.2%
U.S. offices	$4,048,000	$3,836,800
Personal lines	10.5%	10.9%
Invstmt. income	1.5%	1.9%
Total employees	34.5	34.5
Total offices	1	1

Founded: 1934.
Retail brokerage: 100% commissions.
Licensed excess/surplus broker in: Florida.
Officers: Thomas Cotter, president; Andrew Spargo, COO/vp; Larry Vaught, secretary.
Contact: Andrew Spargo.

Starkweather & Shepley Inc.

60 Catamore Blvd., East Providence, R.I. 02914; 401-435-3600; fax: 401-438-0150

	1996	1995
Premium volume	$91,843,000	$82,291,000
Gross revenues	$11,100,000	$10,300,000
U.S. clients	100%	100%
Brokerage: Retail	68%	73%
U.S. offices	$7,548,000	$7,519,000
Wholesale	8%	10%
Personal lines	17%	13%
Services	3%	1%
Invstmt. income	4%	3%
Total employees	104	100
Total offices	3	3

Founded: 1879.
Retail brokerage: 94% commissions, 6% fees.
Employee benefits: 6% of revenues in 1996.
Retail brokerage offices: J.P. Slade, Fall River, Mass.; Starkweather & Shepley Insurance, Westerly, R.I.
Non-retail brokerage subsidiaries: RISCO Inc., East Providence, R.I.
Officers: Richard A. Bentfield, president; Natale P. Calamis, senior vp; Fred R. Tripp, executive vp; William P. McGillivray, vp/treasurer.
Contact: Richard A. Bentfield.

Steel Burrill Jones Group P.L.C.

100 Whitechapel, London E1 1JG, England; 44-171-816-2000; fax: 44-171-816-2444

	1996	1995
Premium volume	$499,200,000	$615,420,000
Gross revenues	$58,952,000	$76,848,600
U.S. clients	6%	9%
Non-U.S. clients	94%	91%
Brokerage: Retail	35%	34%
Non-U.S. offices	$24,133,200	$26,128,524
Wholesale	20%	19%
Reinsurance	8%	14%
Personal lines	9%	8%
Services	18%	14%
Invstmt. income	10%	11%
Total employees	734	799
Total offices	11	11

Founded: 1977.
Retail brokerage: 55% commissions, 45% fees.
Employee benefits: 14% of revenues in 1996.
Retail brokerage offices: Devitt Insurance Services Ltd., London; SBJ Benefit Consultants Ltd., Birmingham, Bristol, Leatherhead, London, Reading and Stockport, England; SBJ Employment & Safety Services Ltd., Coventry, England; SBJ Stephenson Ltd., Birmingham, Bristol, Gravesend, London, New Malden and Stockport, England.
Non-retail brokerage subsidiaries: Helix UK Ltd., London; Nelson Steavenson Bloodstock Ltd., London; Steel Burrill Jones Ltd., London.
Officers: Clive Richards, chairman; George Boden, CEO; Christopher Birrell, CFO; Bill Barratt, retail; Peter Gray, benefit consultancy; Jim Clark, London market.
Contact: Christopher Birrell.

Sterling & Sterling Inc.

161 Great Neck Road, Great Neck, N.Y. 11021; 516-487-0300; fax: 516-487-0372

	1996	1995
Premium volume	$69,750,000	$65,000,000
Gross revenues	$9,054,978	$8,464,816
U.S. clients	99%	99%
Non-U.S. clients	1%	1%
Brokerage: Retail	89%	88%
U.S. offices	$8,058,930	$7,449,038
Personal lines	6%	5%
Services	4%	6%
Invstmt. income	1%	1%
Total employees	87	84
Total offices	1	1

Founded: 1932.
Retail brokerage: 90% commissions, 10% fees.
Employee benefits: 9% of revenues in 1996.
Licensed excess/surplus broker in: New York.
Officers: David A. Sterling, president; Howard R. Meyers, senior vp; Mark Kaplan, vp-finance; Ann Frantzen, Carol Schindell, vps.
Contact: Mark Kaplan, 516-773-8605.

DeWitt Stern Group Inc.

420 Lexington Ave., New York, N.Y 10170; 212-867-3550; fax: 212-983-6483

	1996*	1995*
Gross revenues	$8,050,000	$7,810,000
U.S. clients	90%	90%
Non-U.S. clients	10%	10%
Brokerage: Retail	78%	76%
U.S. offices	$5,779,000	$5,435,600
Non-U.S. offices	$500,000	$500,000
Wholesale	1%	1%
Personal lines	20%	22%
Services	1%	1%
Total employees	85	83
Total offices	3	3

** Fiscal years ending 3/31/97 and 3/31/96.*
Founded: 1899.
Retail brokerage: 99% commissions, 1% fees.
Employee benefits: 12% of revenues in 1996.
Retail brokerage offices: DeWitt Stern Imperatore Ltd., Weehawken, N.J.; DeWitt Stern Crow, Coral Gables, Fla.
Licensed excess/surplus broker in: New Jersey, New York.

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The directory begins on page 51. Terms are explained on page 52.

JEFFERSON INSURANCE GROUP

Newport Tower
525 Washington Boulevard
Jersey City, New Jersey 07310

Tel: (800) 207-9847
(201) 222-8666
Fax: (201) 222-9161

Website: www.jeffgroup.com

MEMBER COMPANIES
JEFFERSON INSURANCE COMPANY OF NEW YORK
MONTICELLO INSURANCE COMPANY
JEFFCO MANAGEMENT COMPANY, INC.

AAMGA ASSOCIATE MEMBER AMERICAN ASSOCIATION OF MANAGING GENERAL AGENTS

A (Excellent) Class VII A.M. Best Rating

Continued from previous page

Officers: Jolyon F. Stern, president/CEO; Gilbert Andrus, executive vp; James L. Lippe, senior vp; Bertram B. Fisher, Frank B. McKown, vps; Jay Hochfelsen, president-DeWitt Stern Group Planning Services L.L.C.; David Flecker, executive vp-DeWitt Stern Group Planning Services L.L.C.; David O'Dowd, managing director-DeWitt Stern Imperatore Ltd.

Contact: Gilbert Andrus.

Summit Global Partners Inc.

500 N. Akard, Suite 2500, Dallas, Texas 75201; 214-740-2750; fax: 214-740-2750

	1996*	1995*
Premium volume	**$155,400,000**	$57,820,000
Gross revenues	**$20,510,000**	$8,260,000
U.S. clients	**97%**	94%
Non-U.S. clients	**3%**	3%
Brokerage: Retail	**83%**	87%
U.S. offices	**$17,023,300**	$7,186,200
Personal lines	**8%**	6%
Services	**6%**	4%
Invstmt. income	**3%**	3%
Total employees	**205**	73
Total offices	**13**	6

** Fiscal years ending 3/31/97 and 3/31/96.*

Founded: 1995.

Retail brokerage: 89% commissions, 11% fees.

Employee benefits: 6% of revenues in 1996.

Acquisitions: Amicon Insurance, Essex Fells, N.J., December 1996; Bailey Insurance, Dallas, November 1996; Fields/Stewart/Dolliver, Dallas and San Angelo, Texas, May 1997; Pitts, Rolling, Schnell & Wagner, Austin, Texas, January 1997.

Retail brokerage offices: Durango, Colo.; Chicago; Essex Fells, N.J.; Albuquerque, N.M.; Austin, Houston and San Angelo, Texas; Milwaukee, Wis.; Hamilton, Bermuda.

Licensed excess/surplus broker in: Colorado, Illinois, New Jersey, New Mexico, Texas, Wisconsin.

Officers: Gary R. Griffith, chairman/CEO; Robert J. Hogan, president/COO; C. Jeff Pan, executive vp/CFO.

Contact: Gary R. Griffith.

T

Talbot Financial Corp.

7770 Jefferson N.E., Suite 200, Albuquerque, N.M. 87109; 505-828-4000; fax: 505-828-0710

	1996	1995
Premium volume	**$1,200,000,000**	$950,000,000
Gross revenues	**$38,458,000**	$32,938,000
U.S. clients	**100%**	100%
Brokerage: Retail	**42%**	38%
U.S. offices	**$16,152,360**	$12,516,440
Personal lines	**14%**	11%
Services	**1%**	1%
Invstmt. income	**1.4%**	1.7%
Other	**41.6%**	48.3%
Total employees	**407**	332
Total offices	**18**	9

Founded: 1957.

Parent: SAFECO Corp.

Retail brokerage: 98% commissions, 2% fees.

Employee benefits: 8% of revenues in 1996.

Acquisitions: Goldware & Taylor, Riverside, Calif., November 1996; BHJ Inc., Sheridan, Wyo., February 1997.

Non-retail brokerage subsidiaries: NFC Consulting Group, Chicago; PNMR Securities Inc., Seattle.

Officers: Randall H. Talbot, president/CEO; Matthew J. Chavez, vp/CFO-Talbot Cos.; Robert I. Machacek, president-Talbot Agency of New Mexico & Texas; Douglas M. Brown, president/CEO-Talbot Financial Services; Kirk P. Christ, president-Talbot Agency of California Inc.

Contact: Randall H. Talbot.

Tanenbaum-Harber Co. Inc.

320 W. 57th St., New York, N.Y. 10019; 212-603-0210; fax: 212-603-0397

	1996	1995
Premium volume	**$210,600,000**	$195,000,000
Gross revenues	**$21,500,000**	$19,900,000
U.S. clients	**99%**	99%
Non-U.S. clients	**1%**	1%
Brokerage: Retail	**83%**	83%
U.S. offices	**$17,545,000**	$16,217,000
Non-U.S. offices	**$300,000**	$300,000
Wholesale	**5%**	5%
Reinsurance	**2%**	2%
Personal lines	**4%**	4%
Services	**4%**	4%
Invstmt. income	**2%**	2%
Total employees	**184**	180
Total offices	**6**	6

Founded: 1860.

Retail brokerage: 91% commissions, 9% fees.

Employee benefits: 10% of revenues in 1996.

Retail brokerage offices: San Diego; Miami; Boston; D.R. Reiff & Associates, New York.

Non-retail brokerage subsidiaries: Common Market Agency, New York and 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. Maninno, Robert V. Donovan, Ronald S. Hanstien, Robert J. Pulver, senior vps; Randa Globerman, treasurer; Fred Jove, president-Tanenbaum-Harber of Florida; Richard J. Fleder, president-Thesco Consulting Actuaries Inc.

Contact: Robert K. Harris or Walter L. Harris.

Texas Insurance Agency Inc.

7550 IH-10 W., Suite 700, San Antonio, Texas 78229; 210-366-0671; fax: 210-524-2087

	1996	1995
Premium volume	**$72,500,000**	$71,000,000
Gross revenues	**$7,500,000**	$7,350,000
U.S. clients	**100%**	100%
Brokerage: Retail	**69%**	68%
U.S. offices	**$5,175,000**	$5,000,000
Personal lines	**25%**	26%
Services	**1%**	1%
Invstmt. income	**5%**	5%
Total employees	**130**	131
Total offices	**4**	4

Founded: 1973.

Retail brokerage: 99% commissions, 1% fees.

Employee benefits: 11% of revenues in 1996.

Retail brokerage offices: Austin, Houston and Uvalde, Texas.

Licensed excess/surplus broker in: Texas.

Officers: Joe Minihan, president-Austin, Houston, San Antonio agencies; Greg Stevens, vp; W.W. McAllister, secretary; Jim Carlisle, president-Uvalde agency.

Contact: Joe Minihan.

Thilman & Filippini

1 E. Wacker Drive, Suite 1800, Chicago, Ill. 60601; 312-527-9500; fax: 312-527-9509

	1996	1995
Premium volume	**$65,000,000**	$60,000,000
Gross revenues	**$6,800,000**	$6,400,000
U.S. clients	**95%**	100%
Non-U.S. clients	**5%**	NA
Brokerage: Retail	**84%**	85%
U.S. offices	**$5,712,000**	$5,440,000
Personal lines	**4%**	5%
Services	**10%**	8%
Invstmt. income	**2%**	2%
Total employees	**62**	61
Total offices	**1**	1

Founded: 1980.

Retail brokerage: 13% commissions, 87% fees.

Employee benefits: 20% of revenues in 1996.

Licensed excess/surplus broker in: Alabama, Arizona, Arkansas, California, Colorado, Connecticut, Delaware, District of Columbia, Georgia, Illinois, Indiana, Iowa, Kansas, Kentucky, Maine, Maryland, Michigan, Minnesota, Missouri, New Jersey, New York, North Carolina, Ohio, Pennsylvania, Tennessee, Texas, Wisconsin.

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; 415-324-0606; fax: 415-853-3832

	1996*	1995*
Premium volume	**$60,000,000**	$60,000,000
Gross revenues	**$5,279,378**	$5,092,069
U.S. clients	**100%**	100%
Brokerage: Retail	**87%**	84%
U.S. offices	**$4,593,059**	$4,277,355
Personal lines	**8%**	10%
Services	**2%**	2%
Invstmt. income	**3%**	4%
Total employees	**50**	51
Total offices	**1**	1

** Fiscal years ending 1/31/96 and 1/31/95.*

Founded: 1891.

Retail brokerage: 94% commissions, 6% fees.

Employee benefits: 18% of revenues in 1996.

Licensed excess/surplus broker in: Louisiana.

Officers: Donald A. Way, CEO; Kenneth K. Peterson, COO; George Descalso, vp.

Contact: Donald Way.

Timberline Insurance Managers Inc.

1300 MoPac Expressway S., Fourth Floor, Austin, Texas 78746; 512-434-8464; fax: 512-434-8647

	1996	1995
Premium volume	**$269,000,000**	$209,000,000
Gross revenues	**$24,551,290**	$17,813,385
U.S. clients	**100%**	100%
Brokerage: Retail	**44.1%**	44.5%
U.S. offices	**$10,827,119**	$7,929,181
Wholesale	**6.9%**	4.9%
Personal lines	**6.2%**	7.3%
Services	**0.6%**	1.1%
Invstmt. income	**1.8%**	2.3%
Other	**40.4%**	39.9%
Total employees	**171**	112
Total offices	**5**	5

Founded: 1957.

Parent: Lumbermen's Investment Corp.

Retail brokerage: 83.5% commissions, 16.5% fees.

Employee benefits: 0.4% of revenues in 1996.

Acquisitions: The Insurance MarketPlace Inc., Austin, Texas, September 1996; Rubiola, Blair & Associates Inc., San Antonio, January 1996.

Retail brokerage offices: The Insurance MarketPlace Inc., Austin, Texas; Timberline Insurance Services Inc.: Baytown, El Paso and San Antonio, Texas.

Licensed excess/surplus broker in: Texas.

Officers: Hal Shults, president; Larry Bynum, senior vp; Brian Elkouri, treasurer; Patricia Bridgwater, vp; J. Bradley Johnston, secretary.

Contact: Brian Elkouri.

Trade Insurance Services Inc.

1450 E. American Lane, 20th Floor, Schaumburg, Ill. 60173; 847-517-2990; fax: 847-517-2399

	1996	1995
Premium volume	**$37,331,015**	$43,500,000
Gross revenues	**$8,548,791**	$8,400,000
U.S. clients	**97.95%**	97.5%
Non-U.S. clients	**2.05%**	2.5%
Brokerage: Retail	**78%**	80%
U.S. offices	**$6,531,362**	$6,520,000
Non-U.S. offices	**$136,695**	$200,000
Invstmt. income	**3%**	4%
Other	**19%**	16%
Total employees	**94**	100
Total offices	**9**	13

Founded: 1980.

Parent: Intercargo Corp.

Retail brokerage: 99% commissions, 1% fees.

Retail brokerage offices: Los Angeles and San Francisco; Miami; Atlanta; Boston; New York; Charlotte, N.C.; Houston; Seattle; Toronto; Hong Kong.

Licensed excess/surplus broker in: California, Florida, New York, Texas.

Officers: Gary C. Bhojwani, president; Ronda L. Chuoke, vp-agency operations.

Contact: Sharon Barry, director-marketing, 847-517-2311 or Patti Earnest, executive assistant, 847-517-2351.

Transportation Insurance Managers

11300 N. Central Expressway, Suite 510, Dallas, Texas 75243; 214-373-4566; fax: 214-373-4572

	1996*	1995*
Premium volume	**$13,000,000**	$11,000,000
Gross revenues	**$1,172,786**	$954,489
U.S. clients	**100%**	100%
Brokerage: Retail	**90.1%**	96.6%
U.S. offices	**$1,056,680**	$922,036
Services	**5.8%**	NA
Invstmt. income	**4.1%**	3.4%
Total employees	**9**	8
Total offices	**3**	4

** Fiscal years ending 3/31/97 and 3/31/96.*

Founded: 1983.

Retail brokerage: 100% commissions.

Employee benefits: 1% of revenues in 1996.

Retail brokerage offices: Houston; Ventura, Calif.

Officers: Dale Weatheread, president; Bob 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

	1996*	1995*
Premium volume	**$252,000,000**	$206,000,000
Gross revenues	**$12,600,000**	$10,300,000
U.S. clients	**100%**	100%
Brokerage: Retail	**99%**	99%
U.S. offices	**$12,474,000**	$10,197,000
Personal lines	**1%**	1%
Total employees	**149**	142
Total offices	**3**	3

** Fiscal years ending 3/31/97 and 3/31/96.*

Founded: 1967.

Retail brokerage: 90% commissions, 10% fees.

Employee benefits: 75% of revenues in 1996.

Retail brokerage offices: Lakewood and Jamesburg, N.J.

Non-retail brokerage subsidiaries: Agency Resources Inc., Wayne, N.J.

Officers: Donald M. Tribus, CEO; Howard Maltzman, president; Bob Musto, Jeff Schwarzwaelder, William Bittner, senior vps.

Contact: Jack Appleman, director-communications, 973-890-1818 ext. 499.

U

USI Insurance Services Corp.

235 Pine St., 10th Floor, San Francisco, Calif. 94104; 415-983-0100; fax: 415-983-0101

	1996	1995
Premium volume	**$1,250,000,000**	$597,250,000
Gross revenues	**$163,300,000**	$78,400,000
U.S. clients	**100%**	100%
Brokerage: Retail	**61%**	74%
U.S. offices	**$99,613,000**	$58,016,000
Wholesale	**2.8%**	NA
Personal lines	**8.9%**	9.7%
Services	**25%**	12.6%
Invstmt. income	**1.5%**	2.4%
Other	**0.8%**	1.3%
Total employees	**1,647**	857.5
Total offices	**33**	14

Figures reported on an annualized basis.

Founded: 1994.

Retail brokerage: 83% commissions, 17% fees.

Employee benefits: 44% of revenues in 1996.

Acquisitions: Affiliated Insurance Consultants, Burr Ridge, Ill., December 1996; The Anderson Co., Houston, April 1996; BAC Risk Management Inc., Plantation, Fla., April 1997; Beckwith-Hightower & Renberg, Stockton, Calif., January 1996; Benefit Concepts Inc., Glastonbury, Conn., August 1996; Benefit Strategies Inc., Goffstown, N.H., October 1996; Black/White & Associates, Oakland, Calif., February 1996; Carpenter & Pelton Inc., Mount Kisco, N.Y., February 1996; Coastal Insurance Services Inc., Houma, La., December 1996; Daugherty & Co., Stockton, Calif., January 1996; Emerson Reid & Co., New York, December 1996; Morton A. Fink, Chicago, June 1996; Gillette & Co., Portland, Ore., January 1996; Henderson & Phillips Insurance, Norfolk, Va., July 1996; Henderson & Whaland, Manchester, N.H., May 1997; Horizon Financial Group, Plantation, Fla., May 1997; Hurley, Atkins & Stewart, Seattle, June 1996; International Benefit Services Corp., Fort Worth, Texas, November 1996; Johnson & Porter, Contoocook, N.H., February 1997; Karp Insurance Consultants, Plantation, Fla., September 1996; McCrea & Gallen Insurance, Wayne, Pa., December 1996; Moselle Agency, North Hollywood, Calif., December 1996; Premier Insurance, West Palm Beach, Fla., February 1997; Riverside Agency, Westport, Conn., March 1997; Roger Ryan & Co., Claremont, N.H., August 1996; Shared Medical Alternatives, Riverside, Calif., September 1996; Stone & Michaud, Manchester, N.H., April 1996; Summit Perspectives, Stockton, Calif., April 1996; Vista Insurance Professionals, Vista, Calif., January 1996.

Retail brokerage offices: Glendale, North Hollywood, Oakland, Riverside, San Clemente, San Francisco, Sherman Oaks, Stockton, Vista and Woodland Hills, Calif.; Glastonbury and Westport, Conn.; Plantation and West Palm Beach, Fla.; Burr Ridge and Chicago, Ill.; Houma, La.; Springdale, Md.; Claremont, Contoocook, Goffstown, Manchester and Nashua, N.H.; Melville, Mount Kisco and New York, N.Y.; Cincinnati; Portland, Ore.; Allentown, Exton, Fort Washington and Wayne, Pa.; Fort Worth and Houston, Texas; Norfolk, Va.; Seattle.

Licensed excess/surplus broker in: All states.

Officers: Bernard H. Mizel, chairman/CEO; John Addeo, executive vp/COO; Dave Eslick, senior vp-sales/marketing; Michael Leonard, senior vp-finance/administration.

Contact: Rebecca Cardamone.

UVW/Elizabeth Group L.L.C.

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

	1996	1995
Premium volume	**$97,000,000**	$91,600,000
Gross revenues	**$12,955,000**	$12,108,000
U.S. clients	**99%**	99%
Non-U.S. clients	**1%**	1%
Brokerage: Retail	**65.5%**	64%
U.S. offices	**$8,485,525**	$7,749,120
Personal lines	**27%**	27%
Services	**5.1%**	5.2%
Invstmt. income	**1.4%**	1.8%
Other	**1%**	2%
Total employees	**97**	92
Total offices	**2**	2

Founded: 1995.

Retail brokerage: 94% commissions, 6% fees.

Employee benefits: 10% of revenues in 1996.

Acquisitions: Nolan Agency, Bridgewater, N.J., September 1996; Allied Agency, Elizabeth and Morristown, N.J., May 1997.

Retail brokerage offices: Cranford, N.J.

Licensed excess/surplus broker in: New Jersey.

Officers: John N. Voorhees III, chairman; Stephen A. Warner, chairman-executive committee; Donald R. Readlinger, president; Robert Canarick, CFO/general counsel.

Contact: Stephen Warner.

V

Van Beurden Insurance Services Inc.

1600 Draper St., Kingsburg, Calif. 93631; 209-897-2975; fax: 209-897-4070

	1996	1995
Premium volume	**$159,707,751**	$126,601,421
Gross revenues	**$15,289,398**	$12,871,051
U.S. clients	**100%**	100%
Brokerage: Retail	**70%**	75%
U.S. offices	**$10,702,579**	$9,653,273
Wholesale	**17%**	10%
Personal lines	**8%**	8%
Invstmt. income	**2%**	7%
Other	**3%**	NA
Total employees	**95**	114
Total offices	**12**	13

Founded: 1934.

Retail brokerage: 100% commissions.

Employee benefits: 9% of revenues in 1996.

Retail brokerage offices: Caruthers, Corona, Los Osos, Paso Robles, Visalia and Woodland, Calif.; Atlanta; Van Beurden Hayes Insurance Services Inc., Portland, Ore.; Van Beurden Insurance Services of Washington Inc., Seattle.

Licensed excess/surplus broker in: California.

Officers: William J. Van Beurden, president; Steven C. Wigh, senior vp; Charles R. Hayes, president-Van Beurden Hayes Insurance Services Inc.; Donald K. Bingham, president-Van Beurden Insurance Services of Washington Inc.

Contact: Steven C. Wigh.

Truman Van Dyke Co.

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

	1996	1995
Premium volume	**$8,929,805**	$10,067,204
Gross revenues	**$1,513,640**	$1,678,738
U.S. clients	**99%**	98%
Non-U.S. clients	**1%**	2%
Brokerage: Retail	**82%**	75%
U.S. offices	**$1,241,185**	$1,259,054
Wholesale	**18%**	25%
Total employees	**17**	19
Total offices	**1**	1

Founded: 1953.

Retail brokerage: 95% commissions, 5% fees.

Licensed excess/surplus broker in: California.

Officers: Truman Van Dyke Jr., president/CFO; Kent Hamilton, executive vp.

Contact: Truman Van Dyke Jr.

Continued on next page

Continued from previous page

Van Gilder Insurance Corp.

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

	1996	1995
Premium volume	$105,426,000	$110,277,000
Gross revenues	$16,535,000	$16,282,000
U.S. clients	98%	98%
Non-U.S. clients	2%	2%
Brokerage: Retail	78.6%	78.4%
U.S. offices	$12,464,000	$12,339,088
Non-U.S. offices	$400,000	$426,000
Personal lines	9.6%	9.4%
Invstmt. income	12.6%	12.2%
Total employees	165	160
Total offices	4	4

Founded: 1905.

Retail brokerage: 98% commissions, 2% fees.

Employee benefits: 7.2% of revenues in 1996.

Retail brokerage offices: Sterling, Colo.; Kansas City, Kan.; Casper, Wyo.

Licensed excess/surplus broker in: All states.

Officers: Dell Van Gilder, CEO; Henry Higginbottom, CFO; Jerry Ray, COO; Velma Lane, Jim Hayes, senior vps.

Contact: Dell Van Gilder.

Van Meter Insurance

1240 Fair Way St., Bowling Green, Ky. 42103; 502-781-2020; fax: 502-843-8808

	1996	1995
Premium volume	$64,775,000	$61,800,000
Gross revenues	$10,792,000	$9,160,000
U.S. clients	100%	100%
Brokerage: Retail	73%	81%
U.S. offices	$7,878,160	$7,419,600
Personal lines	5%	6%
Services	19%	9%
Invstmt. income	1%	1%
Other	2%	3%
Total employees	127	115
Total offices	5	5

Founded: 1977.

Retail brokerage: 95% commissions, 5% fees.

Employee benefits: 8% of revenues in 1996.

Retail brokerage offices: Lexington and Owensboro, Ky.; Brentwood, Tenn.; Employers Risk Services, Bowling Green, Ky.

Officers: William B. Van Meter, president/COO; Tim A. Renfro, Louis M. Berman, Gerald R. Heming, vps.

Arthur A. Watson & Co. Inc.

225 Spring St., Wethersfield, Conn. 06109; 860-563-8111; fax: 860-563-5201

	1996	1995
Premium volume	$82,500,000	$77,000,000
Gross revenues	$9,076,552	$8,621,976
U.S. clients	100%	100%
Brokerage: Retail	60%	61%
U.S. offices	$5,445,931	$5,259,405
Personal lines	23%	22%
Invstmt. income	1%	1%
Other	16%	16%
Total employees	83	85
Total offices	1	1

Founded: 1929.

Retail brokerage: 91% commissions, 9% fees.

Employee benefits: 15% of revenues in 1996.

Licensed excess/surplus broker in: Connecticut.

Officers: Thomas A. Willsey, president; Peter E. Peterson, executive vp; Alan S. Currie, CFO; Robert M. Briggs, senior vp.

Contact: Thomas A. Willsey.

W

Watson Insurance Agency Inc.

245 E. Second Ave., P.O. Box 879, Gastonia, N.C. 28053; 704-856-8584; fax: 704-866-9866

	1996	1995
Premium volume	$40,200,000	$35,119,000
Gross revenues	$5,807,000	$5,292,000
U.S. clients	100%	100%
Brokerage: Retail	62%	62%
U.S. offices	$3,600,340	$3,281,000
Personal lines	37%	36%
Invstmt. income	1%	1%
Other	NA	1%
Total employees	79	79
Total offices	5	6

Founded: 1934.

Retail brokerage: 100% commissions.

Employee benefits: 8% of revenues in 1996.

Retail brokerage offices: Belmont, Cherryville and Lincolnton, N.C.; Lake Wylie, S.C.

Licensed excess/surplus broker in: North Carolina.

Officers: Thomas C. Watson Jr., president; Hugh R. Campbell, executive vp; Thomas Craig Watson III, vp/general manager; Robert P. Watson, vp/secretary; 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

	1996*	1995*
Premium volume	$60,000,000	$53,000,000
Gross revenues	$6,600,000	$6,523,000
U.S. clients	99%	99%
Non-U.S. clients	1%	1%
Brokerage: Retail	87.4%	88.3%
U.S. offices	$5,768,400	$5,759,809
Wholesale	5%	5%
Personal lines	4%	4%
Services	2%	1%
Invstmt. income	1.6%	1.7%
Total employees	50	52
Total offices	1	1

** Fiscal years ending 5/31/96 and 5/31/95.*

Founded: 1979.

Retail brokerage: 87% commissions, 13% fees.

Employee benefits: 7% of revenues in 1996.

Licensed excess/surplus broker in: Illinois, Missouri.

Officers: Dennis D. Flatness, chairman; Thomas R. Welsch, president; Dennis W. Lutz, secretary/treasurer; Thomas H. Etling, executive vp.

Contact: Thomas H. Etling.

Wharton/Lyon & Lyon

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

	1996*	1995*
Gross revenues	$10,779,272	$8,948,000
U.S. clients	100%	100%
Brokerage: Retail	86%	87%
U.S. offices	$9,270,173	$7,784,760
Personal lines	12%	12%
Services	1%	NA
Invstmt. income	1%	1%
Total employees	92	77
Total offices	4	3

** Fiscal years ending 6/30/96 and 6/30/95.*

Founded: 1912.

Retail brokerage: 94% commissions, 6% fees.

Employee benefits: 12% of revenues in 1996.

Acquisitions: Hilb, Rogal & Hamilton of N.J., Voorhees, N.J., December 1996.

Retail brokerage offices: Wharton/Atlantic, Oakhurst, N.J.; Wharton/Hilb, Rogal & Hamilton of N.J., Voorhees, 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

Founded: 1824.

Officers: John Reeve, executive chairman; Max Taylor, Ken Pinkston, group executive directors; Richard Dalzell, group finance director; George Nixon, chairman-Willis Corroon Ltd.

Contact: Peter R. Stevens, 44-171-481-7045.

See profile on page 30.
See geographical listing on page 70.

Wisconsin Insurance Management Inc.

300 Wisconsin Ave., P.O. Box 1630, Waukesha, Wis. 53187-1630; 800-837-8822, 414-542-8822; fax: 414-542-9750

	1996	1995
Premium volume	$148,000,000	$140,000,000
Gross revenues	$9,338,418	$8,820,177
U.S. clients	100%	100%
Brokerage: Retail	51%	52%
U.S. offices	$4,762,593	$4,586,492
Wholesale	2%	1%
Personal lines	21%	24%
Services	2%	3%
Other	24%	20%
Total employees	91	88
Total offices	2	2

Founded: 1978.

Parent: First Financial Corp.

Retail brokerage: 95% commissions, 5% fees.

Employee benefits: 11% of revenues in 1996.

Licensed excess/surplus broker in: Wisconsin.

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

Contact: Robert Toerpe or David Petersen.

Wittner & Co.

5999 Central Ave., Suite 400, St. Petersburg, Fla. 33710; 813-384-3000; fax: 813-345-8509

	1996	1995
Premium volume	$255,000,000	$254,000,000
Gross revenues	$2,315,229	$4,618,137
U.S. clients	100%	100%
Brokerage: Retail	99.7%	42.4%
U.S. offices	$2,308,283	$1,958,090
Wholesale	NA	52%
Services	NA	5.4%
Invstmt. income	0.3%	0.2%
Total employees	11	24
Total offices	2	2

Founded: 1955.

Retail brokerage: 94% commissions, 6% fees.

Employee benefits: 100% of revenues in 1996.

Retail brokerage offices: Orlando, Fla.

Non-retail brokerage subsidiaries: Wittner & Co. of Florida, St. Petersburg, Fla.

Officers: Ted P. Wittner, chairman; Jean G. Wittner, president; John W. Fraser, senior vp; Kathryn Woodard, John D. Robinson, vps.

Contact: John W. Fraser.

The Wood Insurance Group Inc.

1430 E. Missouri St., Suite 225, Phoenix, Ariz. 85014; 602-230-8200; fax: 602-230-8207

	1996	1995
Premium volume	$16,200,000	$16,300,000
Gross revenues	$2,423,133	$2,000,000
U.S. clients	100%	100%
Brokerage: Retail	97%	95%
U.S. offices	$2,350,439	$1,900,000
Services	NA	1%
Invstmt. income	3%	4%
Total employees	12	11
Total offices	1	1

Founded: 1986.

Retail brokerage: 100% commissions.

Licensed excess/surplus broker in: Arizona.

Officers: David Wood, president; Bob Gano, executive vp; Phil Hamilton, senior vp.

Contact: David Wood.

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

2727 Allen Parkway, Houston, Texas 77019; 713-526-3366; fax: 713-522-3056

	1996	1995
Premium volume	$388,000,000	$395,000,000
Gross revenues	$37,175,000	$37,489,000
U.S. clients	100%	100%
Brokerage: Retail	97%	97%
U.S. offices	$36,059,750	$36,364,330
Personal lines	2%	2%
Invstmt. income	1%	1%
Total employees	251	250
Total offices	1	1

Founded: 1915.

Retail brokerage: 100% commissions.

Employee benefits: 9% of revenues in 1996.

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

Licensed excess/surplus broker in: Texas.

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

Contact: Fred C. Burns.

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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 of Alabama
McGriff, Seibels & Williams
Sedgwick
Willis Corroon
Fairbanks
Willis Corroon
Fort Payne
Hilb, Rogal & Hamilton of Alabama
Huntsville
J. Smith Lanier & Co.
Sedgwick
LaFayette
J. Smith Lanier & Co.
Mobile
Hilb, Rogal & Hamilton of Alabama
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

Arizona

Flagstaff
Hilb, Rogal & Hamilton of Arizona
Mesa
Hilb, Rogal & Hamilton of Arizona
Phoenix
Acordia
Aon Risk Services Group
Diversified Insurance Brokers
Arthur J. Gallagher
Hilb, Rogal & Hamilton of Arizona
J&H Marsh & McLennan
Lovitt & Touche
NBD Insurance Co. (First Chicago NBD)
Poe & Brown of Arizona
Sedgwick
Willis Corroon
The Wood Insurance Group
Scottsdale
Andreini & Co.
Taylor
Lovitt & Touche
Tempe
Hilb, Rogal & Hamilton of Arizona
Tucson
Hilb, Rogal & Hamilton of Arizona
Lovitt & Touche
Sedgwick

Arkansas

Eureka Springs
BHC Life & Group Specialists (Brown-Hiller-Clark & Associates)
Fayetteville
Sedgwick
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
Rebsamen Insurance
Sedgwick
Springdale
Rebsamen Insurance

California

Alamo
Arthur J. Gallagher
Healthcare-West Insurance Services
Bakersfield
Hilb, Rogal & Hamilton Insurance Services of Central California
Belmont
Alburger Basso de Grosz Insurance Services
Beverly Hills
Kaye Insurance Services of California (Kaye Group)
Burbank
Frenkel of California (Frenkel & Co.)
Campbell
Keenan & Associates
Capitola
Alburger Basso de Grosz Insurance Services
Caruthers
Van Beurden Insurance Services
Chico
Keenan & Associates
Lindo-Hanna & Abbott (InterWest Insurance Services)
Colton
Norwest Insurance
Concord
Anchor Pacific Underwriters
Putnam, Knudsen & Wieking (Anchor Pacific Underwriters)
Corona
Van Beurden Insurance Services
Costa Mesa
Aon Risk Services Group
Culver City
Acordia
Davis
Norwest Insurance
Dinuba
Hilb, Rogal & Hamilton Insurance Services of Central California
Encino
Acordia
Escondido
Robert F. Driver Co.
Fresno
Aon Risk Services Group
Cal-Central Insurance & Management Services
Hilb, Rogal & Hamilton Insurance Services of Central California
Insurance Center of Merced (InterWest Services)
Keenan & Associates
Glendale
Anderson & Anderson Insurance Brokers
Calco Insurance Brokers & Agents
Clinton L. Booth (USI Insurance Services)
Willis Corroon
Hollywood
Truman Van Dyke Co.
Irvine
Anderson & Anderson Insurance Brokers
Andreini & Co.
Arthur J. Gallagher
John Burnham & Co.
Kingsburg
Van Beurden Insurance Services
Lafayette
ISU/Massie & Beck Insurance Services
Laguna Hills
San Diego Associates
Long Beach
Acordia
Hobbs Group
Los Angeles
Aon Risk Services Group
Arthur J. Gallagher
International Film Guarantors (Near North Insurance Brokerage)
J&H Marsh & McLennan
James Econn & Co.
Lockton Cos.
Near North Insurance Brokerage of California
Sedgwick
Settlement Planning Associates (Near North Insurance Brokerage)
Trade Insurance Services
Los Osos
Van Beurden Insurance Services
Merced
Insurance Center of Merced (InterWest Services)
Modesto
Andreini & Co.
Modesto
Van Beurden Insurance Services
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
North Hollywood
Moselle Agency (USI Insurance Services)
United California Insurance Agency (USI Insurance Services)
Novato
Jordan Shields Insurance Agency
Oakland
Black/White & Associates (USI Insurance Services)
Keenan & Associates
Ontario
Clover Insurance Agency (Hilb, Rogal & Hamilton)
Orange
Alburger Basso de Grosz Insurance Services
Cal-Surance Associates (The Cal-Surance Cos.)
The Cal-Surance Cos.
Calco Insurance Brokers & Agents
Sedgwick
Trade Insurance Services
Oxnard
Andreini & Co.
Bolton/RGV Insurance Brokers
Palm Desert
HRH Insurance Services of the Coachella Valley (Hilb, Rogal & Hamilton)
Palo Alto
Alburger Basso de Grosz Insurance Services
Thoits Insurance Service
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
Riverside
Aon Risk Services Group
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 (Hilb, Rogal & Hamilton)
InterWest Insurance Services
J&H Marsh & McLennan
James Econn & Co.
Keenan & Associates
Noack & Dean Insurance Agents and Brokers (InterWest Insurance Services)
Sedgwick
Salinas
Andreini & Co.
Aon Risk Services Group
San Clemente
Inter/National Rental Insurance (USI Insurance Services)
Rental Industry Services (USI Insurance Services)
San Diego
John Burnham & Co.
Calco Insurance Brokers & Agents
Robert F. Driver Co.
Arthur J. Gallagher
Hobbs Group
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Keenan & Associates
San Diego Associates
Sedgwick
Tanenbaum-Harber Co.
Willis Corroon
San Francisco
Acordia
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Arthur J. Gallagher
Frank Crystal & Co.
ISU Insurance Services
J&H Marsh & McLennan
Poe & Brown of California
Richard N. Goldman & Co.
S.J. Petrakis Insurance Services (Sedgwick)
Sedgwick
Trade Insurance Services
USI California Insurance Services (USI Insurance Services)
USI Insurance Services
Willis Corroon
San Jose
Aon Risk Services Group
J&H Marsh & McLennan
Meadowbrook Insurance Group
Willis Corroon
San Mateo
Andreini & Co.
Calco Insurance Brokers & Agents
Hobbs Group
San Rafael
HRH of Northern California Insurance Services (Hilb, Rogal & Hamilton)
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Aon Risk Services Group
Keenan & Associates
Willis Corroon
Santa Monica
Andreini & Co.
Santa Rosa
HRH of Northern California Insurance Services (Hilb, Rogal & Hamilton)
Sherman Oaks
TriWest Insurance Services (USI Insurance Services)
South Pasadena
Bolton/RGV Insurance Brokers
Stockton
Anderson & Anderson Insurance Brokers
Andreini & Co.
Beckwith-Hightower & Renburg (USI Insurance Services)
Daugherty & Co. (USI Insurance Services)
Summit Perspectives (USI Insurance Services)
Torrance
HCM Benefits
Keenan & Associates
Truckee
Acordia
HRH of Northern California Insurance Services (Hilb, Rogal & Hamilton)
Vallejo
HRH of Northern California Insurance Services (Hilb, Rogal & Hamilton)
Visalia
Andreini & Co.
Van Beurden Insurance Services
Vista
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Vista Insurance Professionals (USI Insurance Services)
Walnut Creek
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Westlake
HCM Benefits
Westlake Village
Keenan & Associates
Woodland
Van Beurden Insurance Services
Woodland Hills
Max Behm & Associates (USI Insurance Services)
Arthur J. Gallagher
MTS (Lambert Fenchurch Group)
Ken Ulis & Co. (USI Insurance Services)

Colorado

Colorado Springs
Acordia
Denver
Aon Risk Services Group
Employee Benefit Specialists
Arthur J. Gallagher
Hilb, Rogal & Hamilton/ The Talbert Corp.
J&H Marsh & McLennan
Jardine Lloyd Thompson
Lockton Cos.
Norwest Insurance
Sedgwick
Van Gilder Insurance
Durango
Acordia
Summit Global Partners
Englewood
Arthur J. Gallagher
Golden
AirSure
Lakewood
Acordia
Montrose
Acordia
Pueblo
Acordia
Sterling
Van Gilder Insurance

Connecticut

Canton
Lambert Green (Lambert Fenchurch Group)
Clinton
Insurance Management (Hilb, Rogal & Hamilton)
Derby
Insurance Management (Hilb, Rogal & Hamilton)
East Haven
The Mathog & Moniello Cos.
Fairfield
Hastings-Tapley Insurance Agency
Farmington
Willis Corroon
Glastonbury
Benefit Concepts (USI Insurance Services)
Greenwich
Aon Risk Services Group
Bollinger Fowler Co.
Hobbs Group
Hartford
American Phoenix
Aon Risk Services Group
Capacity Coverage Group of Cos.
J&H Marsh & McLennan
R.C. Knox & Co.
Sedgwick
Madison
Insurance Management (Hilb, Rogal & Hamilton)
Meriden
Aon Risk Services Group
Middletown
Insurance Management (Hilb, Rogal & Hamilton)
New Haven
The Burton Co. (Hilb, Rogal & Hamilton)
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Newington
The Mathog & Moniello Cos.
Old Saybrook
Insurance Management (Hilb, Rogal & Hamilton)
Southport
Kaye of Connecticut (Kaye Group)
Stamford
BWD Group Ltd.
J&H Marsh & McLennan
Sedgwick
Wallingford
Donald F. Smith & Associates
Westport
Riverside Agency (USI Insurance Services)
Wethersfield
Arthur A. Watson & Co.

Delaware

Wilmington
J&H Marsh & McLennan
Sedgwick

District of Columbia

Aon Risk Services Group
J&H Marsh & McLennan
Near North Insurance Brokerage
Sedgwick
Settlement Planning Associates (Near North Insurance Brokerage)

Florida

Aventura
Poe & Brown
Boca Raton
Acordia
Aon Risk Services Group
Arthur J. Gallagher
Brooksville
Poe & Brown
Cape Coral
Oswald, Trippe & Co. (The James B. Oswald Co.)
Clearwater
Acordia
Jones & Hawkins Insurance
Roger Bouchard Insurance
Coral Gables
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Poe & Brown
Fort Lauderdale
Frank Crystal & Co.
Hilb, Rogal & Hamilton
J&H Marsh & McLennan
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Oswald, Trippe & Co. (The James B. Oswald Co.)
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Palmer & Cay of Florida
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Longwood
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Sedgwick

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North Miami Lakes
NIA/Kornreich Group of Cos.
North Palm Beach
Banack Insurance Agency dba Sid Banack Insurance
Orlando
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American Phoenix
J. Rolfe Davis Insurance Agency
Arthur J. Gallagher
Hilb, Rogal & Hamilton
Hobbs Group
McGriff, Seibels & Williams
Poe & Brown
Wittner & Co.
Palm Beach
J&H Marsh & McLennan
Palm Beach Gardens
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McGriff, Seibels & Williams
Sedgwick
Plantation
BAC Risk Management (USI Insurance Services)
Horizon Financial Group (USI Insurance Services)
Karp Insurance Consultants (USI Insurance Services)
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Poe & Brown
St. Petersburg
American Phoenix of Tampa Bay
Haas & Wilkerson
Wittner & Co.
Stuart
Acordia
Tallahassee
Fringe Benefits Management Co.
Midyette-Moor (Palmer & Cay)
Palmer & Cay of Georgia
Tampa
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Arthur J. Gallagher
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J&H Marsh & McLennan
Poe & Brown
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Settlement Planning Associates (Near North Insurance Brokerage)
Willis Corroon
Vero Beach
Banack Insurance Agency dba Sid Banack Insurance
West Palm Beach
Acordia
NIA/Kornreich Group of Cos.
Poe & Brown
Premier Insurance (USI Insurance Services)
Sedgwick
Winter Haven
Banack Insurance Agency dba Sid Banack Insurance
Poe & Brown

Georgia

Atlanta
Acordia
American Phoenix of Georgia
Aon Risk Services Group
Arthur J. Gallagher
Hamilton Dorsey Alston Co.
Hilb, Rogal & Hamilton
Hobbs Group
J&H Marsh & McLennan
J. Smith Lanier & Co.
McGriff, Seibels & Williams
Merritt & McKenzie
Palmer & Cay of Georgia
Poe & Brown of Georgia
The Quarles Agency of Georgia
Sedgwick
Trade Insurance Services
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
Duluth
Project Technologies International (Allied Coverage)
Gainesville
Hilb, Rogal & Hamilton
Manchester
J. Smith Lanier & Co.
Marietta
Arthur J. Gallagher
Newnan
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
West Point
J. Smith Lanier & Co.

Hawaii

Honolulu
Aon Risk Services Group
J&H Marsh & McLennan
Sedgwick
Wailuku
Aon Risk Services Group

Idaho

Boise
AirSure
J&H Marsh & McLennan
Fred A. Moreton & Co.
Sedgwick

Illinois

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)
Morton A. Fink (USI Insurance Services)
First Chicago NBD
Arthur J. Gallagher
Hilb, Rogal & Hamilton of the Quad Cities
J&H Marsh & McLennan
Jardine Lloyd Thompson
Kelter-Thorner of Illinois
Lamb, Little & Co.
Lockton Cos.
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
Thilman & Filippini
Willis Corroon
Des Plaines
Corporate Benefit Consultants
Meeker Magner
Downers Grove
Associated Agencies
Arthur J. Gallagher
Edwardsville
Dann Brothers
Elgin
Mesirow Insurance Services
Elmhurst
Euclid Insurance Agencies
Fox River Grove
Deer Insurance Services (First Chicago NBD)
Glenview
ProSource Financial L.L.C.
Highland Park
Dann Brothers
Mesirow Insurance Services
Itasca
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Moline
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Naperville
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Willis Corroon
Northbrook
Dann Brothers
Northfield
First Chicago Insurance Services (First Chicago NBD)
Oak Brook
T.J. Adams & Associates
Jardine Lloyd Thompson
Oakbrook Terrace
Mesirow Insurance Services
Park Ridge
Meridian Insurance Group
Rolling Meadows
Associated Agencies
Lamb, Little & Co.
Schaumburg
Acordia
Aon Risk Services Group
Arthur J. Gallagher
Hobbs Group
Trade Insurance Services

Indiana

Bloomington
Acordia
Conseco Risk Management
ISU/The May Agency
Carmel
Conseco Risk Management
Elkhart
NBD Insurance Services (First Chicago NBD)
Evansville
Acordia
Conseco Risk Management
Fort Wayne
Acordia
Insurance & Risk Management
Greenwood
Acordia
Indianapolis
Acordia
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J&H Marsh & McLennan
Daniel James Insurance
Jasper
German American/Forrest Sherer Agency (Forrest Sherer)
Jeffersonville
NBD Insurance Services (First Chicago NBD)
Mishawaka
Acordia
Muncie
Insurance & Risk Management
Morrison Gallihar (Beauchamp & McSpadden)
New Albany
Acordia
North Manchester
Beauchamp & McSpadden
Shelbyville
Acordia
Terre Haute
Forrest Sherer
Wabash
Beauchamp & McSpadden
Warsaw
Beauchamp & McSpadden
Insurance & Risk Management

Iowa

Alden
Holmes, Murphy & Associates
Cedar Rapids
Holmes, Murphy & Associates
Council Bluffs
Silverstone Group
Des Moines
Aon Risk Services Group
Holmes, Murphy & Associates
Norwest Insurance
Metrowest
Norwest Insurance
Sioux City
Norwest Insurance
West Des Moines
J&H Marsh & McLennan

Kansas

Kansas City
Van Gilder Insurance
Lenexa
Frank Crystal & Co. (Midwest)
Overland Park
Acordia
ISU/Oliver & Shopen Insurance Agency
Meadowbrook Insurance Group
Prairie Village
Lockton Cos.
Shawnee Mission
Haas & Wilkerson
Wichita
Aon Risk Services Group
Arthur J. Gallagher
Insurance Management Associates
Willis Corroon

Kentucky

Ashland
Acordia
Barbourville
Acordia
Bowling Green
Acordia
Van Meter Insurance
Covington
Acordia
Fort Wright
Acordia
Hazard
Acordia
Inez
Acordia
Lexington
Acordia
Aon Risk Services Group
Van Meter Insurance
Louisville
Acordia
Aon Risk Services Group
J&H Marsh & McLennan
Owensboro
Acordia
Employers Risk Services (Van Meter Insurance)
Paducah
Acordia
Pikeville
Acordia
Pineville
Acordia

Louisiana

Alexandria
Aon Risk Services Group
Baton Rouge
Arthur J. Gallagher
Houma
Coastal Insurance Services (USI Insurance Services)
Lafayette
Healthcare Insurance Services of Louisiana
Monroe
Arthur J. Gallagher
New Orleans
Aon Risk Services Group
Arthur J. Gallagher
Hilb, Rogal & Hamilton of Louisiana
J&H Marsh & McLennan
Sedgwick
Willis Corroon
Roseland
Sedgwick
Shreveport
Aon Risk Services Group
Arthur J. Gallagher

Maine

Bangor
Sedgwick
Portland
Hylant-MacLean Group
J&H Marsh & McLennan
Portland
Sedgwick

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Baltimore
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Bethesda
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Bridgeton
Arthur J. Gallagher
California
ISU/Raley Watts & Associates
Columbia
Aon Risk Services Group
Hobbs Group
J&H Marsh & McLennan
The Jacobs Co.
McGriff, Seibels & Williams
Sedgwick
Cumberland
The BGS&G Cos.
Hagerstown
The BGS&G Cos.
Hunt Valley
Willis Corroon
Laurel
The Gleason Agency
Lexington Park
ISU/Raley Watts & Associates
Oakland
The BGS&G Cos.
Prince Frederick
ISU/Raley Watts & Associates
Rockville
Hilb, Rogal & Hamilton of the District of Columbia
Silver Springs
The BGS&G Cos.
Springdale
Association Growth Enterprises (USI Insurance Services)
Upper Marlboro
The Jacobs Co.
Waldorf
ISU/Raley Watts & Associates

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
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Tanenbaum-Harber Co.
Trade Insurance Services
Willis Corroon
Braintree
Allied American Agency
Cambridge
Hastings-Tapley Insurance Agency

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Canton
Sedgwick
Cohasset
Allied American Agency
Dedham
Allied American Agency
Fall River
John P. Slade & Son (Starkweather & Shepley)
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Haverhill
Allied American Agency
Lexington
Hobbs Group
Lowell
American Phoenix of Massachusetts
Middleboro
Allied American Agency
Natick
Allied American Agency
Carlin Insurance 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
Waltham
Hobbs Group
Westborough
Allied American Agency
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)
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
Preferred Benefits
Livonia
Cambridge Underwriters
Fort Huron
Hilb, Rogal & Hamilton
Richmond
Hilb, Rogal & Hamilton of Port Huron
Saginaw
Acordia
Southfield
Acordia
Meadowbrook Insurance Group
Traverse City
Meadowbrook Insurance Group
Troy
Arthur J. Gallagher
First Chicago NBD
Great Lakes Employee Benefit Services
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
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Hibbing
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Litchfield
Norwest Insurance
Mankato
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Marshall
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Sedgwick
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Minnetonka
CFG Insurance Services
Negaunee
Sedgwick
Ranier
Sedgwick
St. Cloud
Norwest Insurance
Thief River Falls
Norwest Insurance
Virginia
Norwest Insurance

Mississippi

Jackson
Arthur J. Gallagher
J&H Marsh & McLennan
J. Smith Lanier & Co.
McGriff, Seibels & Williams
Lambert Fenchurch Group

Missouri

Kansas City
Aon Risk Services Group
Arthur J. Gallagher
Gilbert-Magill Co.
J&H Marsh & McLennan
Lockton Cos.
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Springfield
Public Entity Risk Managers (Ricci Associates)
St. Louis
Aon Risk Services Group
Associated Insurance Group (A.I.G)
Charles L. Crane Agency
The Daniel & Henry Co.
Arthur J. Gallagher
Haas & Wilkerson
ISU/Corporate Insurance Management
J&H Marsh & McLennan
Lockton Cos.
Ricci Associates
Sedgwick
Welsch, Flatness & Lutz
Willis Corroon

Nebraska

Lincoln
Aon Risk Services Group
Marcotte Insurance Agency
Norwest Insurance
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Silverstone Group

Nevada

Las Vegas
Aon Risk Services Group
Aviation Insurance Services
J&H Marsh & McLennan
Lovitt & Touche
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New Hampshire

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Roger Ryan & Co. (USI Insurance Services)
Contoocook
Johnson & Porter (USI Insurance Services)
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Cherry Hill
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Allied Brokerage Services Group Inc. (Allied Coverage)
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Commerce National Insurance Services
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Wharton/Lyon & Lyon
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Aon Risk Services Group
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Talbot Financial Corp.

New York

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Governmental Entities Management Services (Hastings-Tapley Insurance Agency)
Batavia
Genesee Agency (Lawley Service)
Bay Shore
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Tradition Agency (Lawley Service)
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Aon Risk Services Group
Frank Crystal & Co.
Arthur J. Gallagher
Emerson Reid & Co. (USI Insurance Services)
Fine Arts Risk Management (Near North Insurance Brokerage)
French American Risk Advisors (MLW Services)
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Joseph Held Co.
Hilb, Rogal & Hamilton of Pittsburgh
Hirsch Wolf & Co.
Hobbs Group
Hogg Robinson Consulting (USI Insurance Services)
J&H Marsh & McLennan
Jardine Lloyd Thompson
Jauch & Huebener
Kaye Group
Kaye Insurance Associates (Kaye Group)
Lee & Hawthorne
Edward Lloyd (Lambert Fenchurch Group)
Lockton Cos.
MLW Services
Meadowbrook Insurance Group
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Near North Insurance Brokerage of New York
Progressive Plan Administrators (USI Insurance Services)
D.R. Reiff & Associates (Tanenbaum-Harber Co.)
Sedgwick
Tanenbaum-Harber Co.
The Sklover Organization
Donald F. Smith & Associates
Dewitt Stern Group
Trade Insurance Services
Willis Corroon
Pelham
Eifert, French & Ketchum
Poughkeepsie
Marshall & Sterling
Rochester
S.H. Gow & Co. (Hilb, Rogal & Hamilton)
J&H Marsh & McLennan
Riedman Insurance
Sedgwick
Spring Valley
Lee & Hawthorne
Syracuse
S.H. Gow & Co. (Hilb, Rogal & Hamilton)
J&H Marsh & McLennan
Marshall & Sterling
Tarrytown
Allied Coverage
Uniondale
Aon Risk Services Group
J&H Marsh & McLennan
Valhalla
Arthur J. Gallagher
Wappinoers Falls
Marshall & Sterling
Westbury
The Sklover Organization
White Plains
Arthur J. Gallagher
NIA/Kornreich Group of Cos.
Woodbury
Seaman Ross & Wiener
Yonkers
Arthur J. Gallagher

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
Poe & Brown of North Carolina
Sedgwick
Trade Insurance Services
Willis Corroon
Cherryville
Watson Insurance Agency
Eden
BB&T-Wall Insurance (BB&T Insurance Services)
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.
Greenville
BB&T-Parsons Insurance (BB&T Insurance Services)
Fickling & Clement Insurance
Sedgwick
Hickory
BB&T-Cline Southern (BB&T Insurance Services)
High Point
BB&T Ervin-Haywood-Rankin (BB&T Insurance Services)
King
Norwest Insurance
Lincolnton
Watson Insurance Agency
Lumberton
BB&T-McLean Brady McLean (BB&T Insurance Services)
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
Sedgwick
Thomas Rutherfoord

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READER REPLY SERVICE

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Issue of July 21

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READER SERVICE

To obtain free information on the products and services advertised, turn to our post-paid Reader Service Reply Card bound in this issue, or complete the coupon below and mail to:

BUSINESS INSURANCE
Reader Service Center
650 S. Clark St., 6th Fl.
Chicago, IL 60605-1702

Business Insurance

FREE LITERATURE FOR READERS

Issue Date: JULY 21, 1997

Card Expiration: SEPTEMBER 15, 1997

All questions must be answered to process inquiries.

PLEASE CHECK ONE ITEM FOR EACH CATEGORY:

1. My organization is best described as:
A ❑ Mfg/Svcs 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

5. Do you now receive a personally addressed copy of *Business Insurance*?
A ❑ Yes B ❑ No, so please send subscription info

Circle the numbers below that correspond to the companies listed on our Advertiser Index for the **July 21, 1997** issue. Cards with more than 20 items circled will not be processed. This card expires **September 15, 1997**.

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Please print clearly

Name_____

Title_____

Company_____

Address_____

City_____ State_____ Zip_____

Phone ( ) _____

Continued from previous page

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)
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
Beachwood
Acordia
Blue Ash
Acordia
Canton
Acordia
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
The Brooks & Stafford Co.
Arthur J. Gallagher
Hylant-MacLean Group
J&H Marsh & McLennan
The James B. Oswald Co.
Willis Corroon
Columbus
Acordia
Aon Risk Services Group
Berwanger Overmyer Associates
Hylant-MacLean Group
J&H Marsh & McLennan
Daniel James Insurance
Sedgwick
Dayton
Acordia
Defiance
Insurance & Risk Management
Dublin
Willis Corroon
Mansfield
Arthur J. Gallagher
Middleburg Heights
Kelter-Thorner Insurance Agency of Ohio
Perrysburg
Daniel James Insurance
Sylvania
Insurance & Risk Management
Toledo
Hylant-MacLean Group
Sedgwick
Youngstown
Acordia
Arthur J. Gallagher

Oklahoma

Chandler
LaGere & Walkingstick Insurance Agency
Oklahoma City
CFR Horton & Lewis (Chandler-Frates & Reitz)
Hilb, Rogal & Hamilton of Oklahoma
J&H Marsh & McLennan
The Quarles Agency
Sedgwick
Sallisaw
BHC of Oklahoma (Brown-Hiller-Clark & Associates)
Tulsa
Aon Risk Services Group
Chandler-Frates & Reitz (CFR)
Arthur J. Gallagher
J&H Marsh & McLennan
The Quarles Group
Sedgwick

Oregon

Eugene
Willis Corroon
Great Falls
Sedgwick
Medford
Sedgwick
Newport
Acordia
Portland
Acordia
Aon Risk Services Group
Campbell, Galt & Newlands (USI Insurance Services)
Gillette & Co. (USI Insurance Services)
J&H Marsh & McLennan
Sedgwick
Van Beurden Hayes Insurance Services (Van Beurden Insurance Services)
Willis Corroon
Salem
Acordia
Sedgwick

Pennsylvania

Allentown
Flannigan, O'Hara, Gentry & Associates (USI Insurance Services)
The Gleason Agency
Bethlehem
Bowers, Schumen & Welch
Sedgwick
Willis Corroon
Blue Bell
Posse Walsh Buckman Van Buren
Chambersburg
American Phoenix
Erie
Acordia
Insurance Management Co.
Exton
Compensation Management (USI Insurance Services)
Warren, Welsh & Thomson (USI Insurance Services)
Fort Washington
Flannigan, O'Hara, Gentry & Associates (USI Insurance Services)
Harrisburg
The Gleason Agency
J&H Marsh & McLennan
Sedgwick
Hershey
Aon Risk Services Group
Jenkintown
Palley Simon Associates
Johnstown
The BGS&G Cos.
The Gleason Agency
Lancaster
The Loomis Co.
Posse Walsh Buckman Van Buren
Malvern
Hobbs Group
Mechanicsburg
Acordia
Philadelphia
Acordia
AirSure
American Phoenix
American Risk Associates Ltd.
Aon Risk Services Group
Arthur J. Gallagher
The Gleason Agency
The Graham Co.
Haas & Wilkerson
Paul Hertel & Co.
The Hirshorn Co.
J&H Marsh & McLennan
Poe & Brown of Pennsylvania
Sedgwick
Willis Corroon
Pittsburgh
Acordia
Aon Risk Services Group
The BGS&G Cos.
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.
Uniontown
The BGS&G Cos.
Wayne
McRea & Gallen Insurance (USI Insurance Services)
Williamsport
Sedgwick
Wyomissing
The Loomis Co.

Continued on next page

Continued from previous page

Puerto Rico

Hato Rey
Aon Risk Services Group
Sedgwick
San Juan
Saldana & Associates

Rhode Island

Cranston
Arthur J. Gallagher
East Providence
Starkweather & Shepley
Providence
Aon Risk Services Group
Warwick
J&H Marsh & McLennan
Westerly
Starkweather & Shepley Insurance

South Carolina

Charleston
Palmer & Cay of South Carolina
Sedgwick
Columbia
BB&T-Boyle Vaughan (BB&T Insurance Services)
J&H Marsh & McLennan
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
BB&T-Goldsmith Joyner (BB&T Insurance Services)
Arthur J. Gallagher
J&H Marsh & McLennan
Palmer & Cay of South Carolina
Title Insurance (BB&T Insurance Services)
Jackson
Sedgwick
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
Morbridge
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
McMurray Daly & Leonard (Palmer & Cay)
Sedgwick
Willis Corroon
Memphis
Sedgwick
Nashville
Arthur J. Gallagher
Haas & Wilkerson
Healthcare Insurance Services of Tennessee
J&H Marsh & McLennan
Lockton Cos.
Palmer & Cay of Tennessee
Sedgwick
Willis Corroon
New Tazewell
McMurray Daly & Leonard (Palmer & Cay)

Texas

Abilene
Hilb, Rogal & Hamilton of Dallas
Amarillo
Hilb, Rogal & Hamilton
Arlington
Anco Insurance Metroplex (Anco Insurance Managers)
Austin
Anco Capitol City (Anco Insurance Managers)
Arthur J. Gallagher
Hobbs Group
The Insurance MarketPlace (Timberline Insurance Managers)
J&H Marsh & McLennan
Wm. Rigg Co.
Summit Global Partners
Texas Insurance Agency
Timberline Insurance Managers
Baytown
Timberline Insurance Services
Bryan
Anco Insurance Managers
Conroe
Financial Guardian of Texas
Corpus Christi
Hilb, Rogal & Hamilton
National Insurance Agency
Cuero
Hilb, Rogal & Hamilton of Victoria
Dallas
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)
J&H Marsh & McLennan
Lambert Fenchurch Group
Near North Insurance Brokerage of Texas
Omega Insurance Agency (The Quarles Group)
Wm. Rigg Co.
Sedgwick
Settlement Planning Associates (Near North Insurance Brokerage)
Summit Global Partners
Transportation Insurance Managers
Willis Corroon
Edna
Hilb, Rogal & Hamilton of Victoria
El Paso
Timberline Insurance Services
Fort Worth
Aon Risk Services Group
International Benefit Services (USI Insurance Services)
Wm. Rigg Co.
Willis Corroon
Hereford
Hilb, Rogal & Hamilton of Amarillo
Houston
AmBrit (Lambert Fenchurch Group)
The Anderson Co. (USI Insurance Services)
Aon Risk Services Group
Frank Crystal & Co.
Financial Guardian of Texas
Arthur J. Gallagher
Healthcare Insurance Services
Healthcare Risk Management Services (Healthcare Insurance Services)
Hilb, Rogal & Hamilton
Hobbs Group
J&H Marsh & McLennan
Lockton Cos.
McGriff, Seibels & Williams
Poe & Brown of Texas
Professional Risk Management of Texas (Healthcare Insurance Services)
Wm. Rigg Co.
Sedgwick
Summit Global Partners
Texas Insurance Agency
Trade Insurance Services
Transportation Insurance Managers
John L. Wortham & Son
Livingston
Anco Jernigan-Dabney (Anco Insurance Managers)
Longview
Hibbs-Hallmark & Co.
Lubbock
Acordia
Mart
Anco Pioneer-Mart (Anco Insurance Managers)
McAllen
Insurance Brokers (Hilb, Rogal & Hamilton)
Midland
Aon Risk Services Group
Richmond
Anco Insurance Wessendorf (Anco Insurance Managers)
San Angelo
Summit Global Partners
San Antonio
Aon Risk Services Group
J&H Marsh & McLennan
Texas Insurance Agency
Timberline Insurance Services
Temple
Anco Insurance of Temple/Belton (Anco Insurance Managers)
The Woodlands
Anco Insurance of The Woodlands (Anco Insurance Managers)
Tyler
Hibbs-Hallmark & Co.
Uvalde
Texas Insurance Agency
Ventura
Transportation Insurance Managers
Victoria
Anco-GSM (Anco Insurance Managers)
Hilb, Rogal & Hamilton

U.S. Virgin Islands

St. Croix
Aon Risk Services Group
Marshall & Sterling
St. Thomas
J&H Marsh & McLennan
Theodore Tunick & Co. (Marshall & Sterling)

Utah

Salt Lake City
Aon Risk Services Group
Aviation Insurance Services
Diversified Insurance Brokers
J&H Marsh & McLennan
Fred A. Moreton & Co.
Willis Corroon

Vermont

Bristol
Bristol Insurance Agency (Allied American Agency)
Burlington
J&H Marsh & McLennan
Willis Corroon
Woodstock
Dana Insurance Agency (Allied American Agency)

Virginia

Alexandria
Acordia
Thomas Rutherfoord
Rutherfoord International
Arlington
Healthcare Insurance Services of Virginia
Fairfax
The Loomis Co.
Fredericksburg
Hilb, Rogal & Hamilton of Virginia
Glen Allen
Governmental Entities Management Services (Hastings-Tapley Insurance Agency)
Hilb, Rogal & Hamilton
Palmer & Cay of Virginia
Grundy
Acordia
Norfolk
Henderspn & Philips Insurance (USI Insurance Services)
J&H Marsh & McLennan
Thomas Rutherfoord
Norton
Acordia
Reston
Arthur J. Gallagher
Richmond
Acordia
H.L. Duke & Co.
Arthur J. Gallagher
Hilb, Rogal & Hamilton of Virginia
J&H Marsh & McLennan
Thomas Rutherfoord
Donald F. Smith & Associates
Roanoke
Acordia
Thomas Rutherfoord
Rosslyn
ISB (Le Blanc de Nicolay)
Vienna
Willis Corroon
Virginia Beach
Acordia
Hilb, Rogal & Hamilton of Virginia

Washington

Kirkland
Acordia
Mercer Island
Caledonian Insurance Group
Seattle
Acordia
Aon Risk Services Group
James Econn & Co.
Arthur J. Gallagher
Hurley, Atkins & Stewart (USI Insurance Services)
J&H Marsh & McLennan
Parker, Smith & Feek
Sedgwick
Trade Insurance Services
Van Beurden Insurance Services of Washington
Willis Corroon
Spokane
Caledonian Insurance Group
May-Davis Inc.
Sedgwick
Wenatchee
Sedgwick
Yakima
Sedgwick

West Virginia

Beckley
Acordia
Buckhannon
Acordia
Charleston
Acordia
Clarksberg
Acordia
Elkins
Acordia
Hamlin
Acordia
Huntington
Acordia
Keyser
The BGS&G Cos.
Lewisburg
Acordia
Man
Acordia
Morgantown
Acordia
Parkersburg
Acordia
Wheeling
Acordia
The BGS&G Cos.

Wisconsin

Appleton
J&H Marsh & McLennan
Green Bay
Aon Risk Services Group
Madison
Aon Risk Services Group
Milwaukee
Aon Risk Services Group
Fitzgerald, Clayton, James & Kasten
Arthur J. Gallagher
J&H Marsh & McLennan
Robertson-Ryan & Associates
Summit Global Partners
Willis Corroon
Wisconsin Insurance Management

Wyoming

Brierley Hill
Lambert Fenchurch Group
Casper
Van Gilder Insurance

Geographical listing by nation of retail brokerage offices

Angola

Luanda
Jardine Lloyd Thompson

Antigua

St. John's
Sedgwick

Argentina

Buenos Aires
Aon Risk Services Group
Ayling, Marsh & McLennan (J&H Marsh & McLennan)
C.E. Heath
J&H Marsh & McLennan
Jardine Lloyd Thompson
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)
Banksdown Aerodrome
Aon Risk Services Group
Fielding Aviation Insurance Broking (C.E. Heath)
Heath Fielding (C.E. Heath)
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
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
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
Sedgwick Asia Pacific
Willis Corroon
Peregian
Aviation Office of Australia (C.E. Heath)
Perth
Aon Risk Services Group
Heath Fielding (C.E. Heath)
J&H Marsh & McLennan
Jardine Australian Insurance Brokers (Jardine Lloyd Thompson)
Lambert Fenchurch Group
Sedgwick
Willis Corroon
Rockhampton
Aon Risk Services Group
South Yarra
Accident Compensation Management Services (C.E. Heath)
Fielding Premium Finance (C.E. Heath)
Heath Fielding (C.E. Heath)
Sydney
Aon Risk Services Group
Heath Fielding (C.E. Heath)
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)
Unley
Heath Fielding (C.E. Heath)

Continued on next page

Continued from previous page

Austria

Graz
Jauch & Huebener
Hohenems
Jauch & Huebener
Innsbruck
Jauch & Huebener
Linz
Jauch & Huebener
Salzburg
Jauch & Huebener
Vienna
Aon Risk Services Group
Gradman & Holler & Kiefhaber (J&H Marsh & McLennan)
GrECo International
Jauch & Huebener
MVM Versicherungsmakler GES M.B.H. (Sedgwick)
Sedgwick
C. Wuppensahl & Co. (Willis Corroon)

Bahamas

Nassau
Aon Risk Services Group

Bahrain

Manama
Arab Commercial Enterprises WLL (Sedgwick)
Lambert Fenchurch Group
Sedgwick
Willis Faber (Willis Corroon)
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
Aon Risk Services Group
Menage & Jowa (Gras Savoye)
TCD (Lambert Fenchurch Group)
Hasselt
Menage & Jowa (Gras Savoye)
TCD (Lambert Fenchurch Group)
Kortrijk
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
Aon Risk Services Group
Arthur J. Gallagher
J&H Marsh & McLennan
Jardine Pinehurst Management Co. (Jardine Lloyd Thompson)
Sedgwick
Summit Global Partners
Willis Corroon

Botswana

Francistown
Aon Risk Services Group
Sedgwick
Gaborone
Aon Risk Services Group
Ngamiland Trust (Forbes Group)
Sedgwick
Selebi Phike
Aon Risk Services Group

Brazil

Belo Horizonte
J&H Marsh & McLennan
York Willis Corroon
Campinas
Aon Risk Services Group
J&H Marsh & McLennan
York Willis Corroon
Curitiba
J&H Marsh & McLennan
Joinville
J&H Marsh & McLennan
Porto Alegre
J&H Marsh & McLennan
Recife
York Willis Corroon
Rio de Janeiro
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INTERNATIONAL

Global Briefs

To protect **Guernsey**'s reputation as a financial center, insurance intermediaries will be subject to supervision under a proposal before the island's parliament. The proposal sets minimum standards of conduct for intermediaries and some insurance companies that are not currently regulated. . . .**Eastern Europe** continues to be a promising area for insurance market development, with a high potential for growth, according to research by management consultant Datamonitor. However, the report warns that the markets throughout the region are very diverse, do not conform to local patterns or trends and that the area is of "less than reliable stability." . . .Regulators at Lloyd's of London have approved the merger of three syndicates managed by **LG Cox & Co. Ltd.** The three syndicates, 590, 734 and 1027, will merge into a composite syndicate together with the business written by marine syndicates 2658/2659. The merger will be effective at the beginning of next year. . . .The U.K. Environmental Agency is **filing criminal charges** against the harbor master of Milford Haven, Mark Andrews, and the Milford Haven Port Authority. The action comes after the publication of a report by the Marine Accident Investigation Branch into the Sea Empress oil disaster. The Sea Empress spilled 72,000 gallons of oil in a 1996 accident in Wales that the report concluded was a catalogue of disasters, starting with a misjudgment by a pilot (*BI*, Feb. 26, 1996). John Prescott, Deputy Prime Minister, immediately set up a review of salvage and rescue procedures, as well as training of harbor pilots. . . .The London company insurance market now has a single claims processing system with last week's **launch of CLASS**. CLASS integrates the London International Insurance & Reinsurance Market Assn.'s and the Institute of London Underwriters' existing claims management systems. By mid-August, all electronically administered claims in the London company market are scheduled to be administered by the system. . . .Rating agency Standard & Poor's Corp. has upgraded its rating for French reinsurer **Societe Anonyme Francaise de Reassurance** to AA from AA- and removed it from CreditWatch. S&P had placed SAFR on CreditWatch after its purchase by Partner Re Ltd. from Swiss Reinsurance Co. SAFR's upgrade reflected its "strong business and capital position," said S&P, along with its "strategic importance" to Partner Re In addition, S&P now expects SAFR to write larger lines of business and retain more premium volume. . . .S&P has affirmed the A- rating of **Bergen Skibsassuranseforening**, also known as Bergen Hull, the Norwegian protection and indemnity club. Bergen Hull has a strong domestic position, insuring more than 20% of the Norwegian fleet, excellent capitalization, a strong operating performance and conservative management, said S&P. On the downside, Bergen Hull's business is very concentrated in one sector, it is heavily reliant on reinsurance, and it depends on key members of its management team. . . .Lloyd's of London has proposed a **new form of syndicate structure** to allow ongoing syndicates, called permanent capital, to trade alongside the traditional one-year ventures. In the traditional ventures, business ends at the end of each calendar year. The syndicate then reopens, usually with the same syndicate number but often with different investors.

Venezuela's total quake losses expected to exceed $81 million

By MARIA KIELMAS

CARACAS, Venezuela—The Venezuelan government estimates it will cost at least $81 million to rebuild damaged property and infrastructure in Sucre, a state in eastern Venezuela that was severely damaged by a July 9 earthquake.

The earthquake, which measured 6.9 on the Richter scale, killed 78 people according to local government figures released last week and was the strongest Venezuelan earthquake in 30 years.

Insured losses are expected to be much lower than the economic losses. The worst damage has been inflicted on low-income family dwellings and public buildings, many of which may not be insured.

By contrast, Venezuela's oil industry, which is heavily insured, has adhered to tough earthquake loss prevention measures and suffered little damage.

"This is a very poor region of Venezuela so we don't expect many important losses," Alberto Sosa Schlageter, president of Caracas-based Seguros la Seguridad, Venezuela's largest insurer, said of Sucre.

The extent of the damage was only just becoming known last week, though, and losses are expected to rise.

"We are only just beginning to get the full picture. We heard today that a fish cannery in the area has been 75% damaged. That will be a few million dollars for the insurers. There could be much more," said Eduardo Benavides, manager at Caracas-based broker Sedgwick Venezuela, a subsidiary of Sedgwick P.L.C.

The most affected areas were along Venezuela's Caribbean coast, about 290 miles east of the Caracas, the nation's capital. The state capital Cumana and the town of Cariaco, some 29 miles east of Cumana, suffered the worst of the damage together with other towns on the coast, including Mariguitar, San Antonio del Golfo and Casanay.

An aftershock of magnitude 4.4 was registered some hours after the main earthquake. This was followed by more than 300 minor aftershocks over the following week. The port town of Puerto Sucre was hit by three small tsunamis after the main shock, which compounded earthquake damage in the region.

Highways were blocked by landslides and cracks in the roads, while gas, electricity and water utilities failed in the affected regions just after the main shock.

The most spectacular commercial damage in Cumana was the flattening of an eight-story office block, the Edificio Miramar. It was known locally as the Seguros la Seguridad building, because it housed the local offices of the Venezuelan insurer.

But Mr. Sosa explained that his company only rented office space in the building. "We just have a small office of 200

See **Quake** *on next page*

PHOTO:APF

Many public buildings and houses were devastated by the earthquake that hit eastern Venezuela earlier this month.

Ireland's captive managers cheer tax rate

Single corporate rate agreed on for domestic and foreign companies

By SARAH GODDARD

DUBLIN, Ireland—Captive managers have welcomed the Irish government's decision to set a single corporation tax rate for Irish and non-Irish companies once European Union tax concessions expire for international financial services companies in 2006.

But they do so more because the uncertainty is over concerning what would happen at the end of the E.U. concessions, rather than the level set for the corporation tax.

In May, then-Prime Minister John Bruton announced that a single tax rate of 12.5% will be established for non-Irish financial services companies from the beginning of 2006 and for non-Irish manufacturing companies five years later. Both sectors now pay 10% in corporation tax, compared with the standard rate, applicable to Irish companies, of 36%. Irish companies also will pay 12.5% tax beginning in 2006, he said.

'It is the certainty rather than the rate' that is important, says John Perham, managing director of UNISON Management (Dublin) Ltd.

Although there has been a general election since Mr. Bruton's announcement, new Prime Minister Bertie Ahern has said he will support a lower tax rate for all companies operating in Ireland.

Dublin's International Financial Services Centre was set up 10 years ago to help boost Ireland's ailing economy and improve its massive unemployment. In return for committing to employ a certain number of people, overseas financial services companies got various concessions, including a beneficial 10% corporation tax rate until the year 2000.

Last year, the European Commission allowed Ireland a five-year extension on its tax rate, but captive managers and their clients remained uncertain what the position would be after 2005. In addition, the E.C. regulations prevented any new

See **Tax rate** *on next page*

Losses insured from bridge collapse at Israel's annual Maccabiah Games

By MARIA KIELMAS

TEL AVIV, Israel—Insurers still are estimating their losses from the collapse last week of a pedestrian bridge that killed two athletes and injured at least 66 during the opening of the Maccabiah Games in Tel Aviv, Israel.

The bridge was erected over the River Yarkon and led to the National Stadium at Ramat Gan, where the 15th Maccabiah Games, known as the Jewish Olympics, were taking place.

Tel Aviv-based insurer Israel Phoenix Insurance Co. wrote third-party liability insurance for the games. A spokesman from Israel Phoenix confirmed the company's role but said he could not give more details of the coverage until his reinsurers were fully acquainted with the situation.

Spokesmen at the Maccabiah Organizations Committee declined to give insurance details.

Insurance industry sources in Israel said the limit of the coverage probably would be about $10 million.

In addition, Tel Aviv-based Migdal Insurance Co. Ltd., a subsidiary of Trieste, Italy's Assicurazioni Generali S.p.A., wrote 5.5 million shekel ($1.5 million) of professional indemnity coverage for Irgunit, the construction company that built the bridge.

A Migdal spokesman said one of the company's five main divisions, Hamagen Insurance Co., wrote the coverage.

"Hamagen is checking the legal and insurance documents at present," the spokesman said.

Another Tel Aviv-based insurer, Clal

See **Bridge** *on next page*

PHOTO:APF

Rescue workers try to save athletes injured when a bridge collapsed.

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INTERNATIONAL

Quake

Continued from previous page
square meters. We neither own the building nor insure it," he said.

Eleven corpses were dragged out of the Miramar building's ruins, but another seven bodies may have remained buried under the rubble as of last Thursday.

The Mirimar building was constructed in 1980, just two years before Venezuela brought in a new, stricter building code.

"The buildings which have come down seem to have been built prior to the 1982 code," said Jose Grases, professor of earthquake engineering at Universidad Central de Venezuela in Caracas and vp of the Tokyo-based International Assn. of Earthquake Engineers.

Mr. Grases said that, in general, commercial and industrial buildings in Venezuela adhere to the building codes, which were designed with the country's earthquake risk in mind.

But public buildings remain a problem because local governments have been reluctant to spend their budgets on reinforcing them.

Two schools were flattened in the town of Cariaco, killing 22 high school students in one, Liceo Raimundo Centeno. This school had been slightly damaged in an earlier earthquake.

"We inspected the school in 1974 and recommended repairs," said Mr. Grases, who added that the authorities did not act on the recommendations.

A large number of local government employees in Cumana called in sick last week, afraid to go to work in offices that had been damaged or weakened in the July 9 temblor.

In contrast to the lack of attention to public buildings, earthquake vigilance is very strict in Venezuela's all-important oil industry. Venezuela is one of the United States' premier oil suppliers.

"The whole thing is very carefully looked at. You have earthquake insurance. The oil industry has always been very careful about insurance," said Alirio Parra, a former minister of energy and mines.

The Puerto la Cruz oil refinery, located close to the area damaged by the earthquake and operated by Corpoven, a division of the state oil company Petroleos de Venezuela, or PDVSA, was reinforced 10 years ago to enable it to sustain earthquake shocks. Other oil installations such as tanks and pipelines were also reinforced.

Earthquake vigilance is strict in Venezuela's oil industry. 'You have earthquake insurance. The oil industry has always been very careful about insurance,' says Alirio Parra.

"We found that they were too weak for the ground motions expected during an earthquake," said Mr. Grases, who participated in the oil industry's earthquake survey.

One of the greatest oil industry exposures to earthquake hazard was deemed to be oil storage tanks and other vertical vessels at refinery centers. Rupture of these carried a great pollution risk as well as the financial losses. The solution was to use earthquake resistance specifications developed in New Zealand for milk storage tanks.

"New Zealand has milk, not oil, but it has suffered a lot of damage to tanks. The New Zealand criteria are more stringent than the American Petroleum Institute's in the U.S. It is an excellent code for thin metallic walls and has been working very well in Venezuela," said Mr. Grases.

Earthquake insurance is voluntary in Venezuela, but most industrial and commercial enterprises carry it, said Sedgwick's Mr. Benavides.

An estimated 104 billion bolivars ($2.1 billion) of premiums are generated annually from earthquake insurance, though this excludes the coverage purchased by the oil industry.

The state oil company PDVSA pays an estimated $10 million to $20 million annually in total insurance premiums.

Mr. Benavides said there has been a growing consciousness of the Venezuelan earthquake risk in the international insurance market over the last few years.

La Seguridad's Mr. Sosa said that for insurers, earthquake exposures are concentrated in the area around Caracas, where 30% to 40% of the country's population lives, as well as the cities of Barquismento, Valencia, Puerto la Cruz and Maracaibo.

"The highest earthquake risks are in the Andes, but the insurance risk is not high in terms of concentration," Mr. Sosa added.

The July 9 earthquake occurred just 20 days before the 30th anniversary of a large earthquake that devastated a large part of Caracas in 1967.

But Mr. Grases claimed the Sucre temblor had been predicted. The prophet was a Russian seismologist and member of the Russian Academy of Sciences, Keiles Barok.

"He wrote a letter six years ago to the president (of Venezuela) saying that a large earthquake should be expected in the region of Sucre. We wanted to write to Barok to ask him to explain his theory because we had similar views," said Mr. Grases. But Mr. Barok was killed in a helicopter accident, while the letter, which was received by the then-President Carlos Andres Perez, was filed and ignored. President Perez was impeached in 1994 for alleged embezzlement of state funds. BI

Bridge

Continued from previous page
Insurance Co., is a sponsor of the games but is not participating in any of the insurance programs, a spokesman for the insurer said.

Tel Aviv-based Bar-Ilan Engineering, working as a subcontractor for Irgunit, supervised construction of the bridge. The company's owner, Micha Bar-Ilan, was questioned by the Ministry of Labor investigators after the accident.

The ministry is conducting its own investigation into the technical aspects of the accident. The results will be submitted to the police, who will decide whether to prosecute anyone for criminal negligence.

Mr. Bar-Ilan claimed during interviews on Israel radio that the bridge was designed to bear about 550 pounds per square meter. But in the moments preceding the accident, the weight of pedestrians on the bridge was nearly double that, he claimed.

But according to the Israeli Federation of Civil Engineers, the minimum stress standard in Israeli building codes is 1,100 pounds per square meter.

Bar-Ilan Engineering was not taking telephone calls at its Tel Aviv office.

Although the opening ceremony continued as scheduled after the accident, the competition was delayed 24 hours.

A spokesman for the Maccabian Organizing Committee said the games would conclude Thursday as planned.

Some events will be shortened to fit with the new schedule, he said. BI

Tax rate

Continued from previous page
entrants to the IFSC after 1999.

"It is the certainty rather than the rate" that is important, said John Perham, managing director of UNISON Management (Dublin) Ltd., the largest captive management company in Dublin. For most companies setting up captive insurance or reinsurance operations in Dublin, if there were a list of six reasons to choose Dublin, the tax rate would be at No. 5, he added.

Andrew Halsall, director and general manager of International Risk Management (Dublin) Ltd., agreed.

"For so many parent companies, because of (controlled foreign corporation) type regulations, the effect of the concessionary tax rate is diluted or destroyed," he said. Under controlled foreign corporation regulations, companies with overseas operations are charged the difference between the overseas jurisdiction's tax rate and the parent company's local tax rate if profits are ceded back to the parent.

By having an official decision on the tax situation, companies now are better able to make long-term decisions, said Mr. Halsall.

Mr. Perham said he would not have expected an "exodus" if the post-2005 tax rate had been "quite a bit higher," but it would have made it much harder to bring in new captives.

Dublin authorities have asked the European Commission to clarify the position on companies setting up in the IFSC after the beginning of 2000, Mr. Perham added.

More details on the government's proposals are expected in the Finance Bill to be issued later this year.

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Edwin Unsworth contributed to this report.

Datebook

JULY

JULY 28-30. The 3rd Annual Catastrophe Protection Summit in New York, sponsored by Insurance Advisory Council: A division of International Quality & Productivity Center; $1,295. International Quality & Productivity Center, 150 Clove Road, P.O. Box 401, Little Falls, N.J. 07424-0401; 800-882-8684.

JULY 28-31. Essentials of Public Sector Benefits Management seminar in Brookfield, Wis., sponsored by International Foundation of Employee Benefit Plans; $1,100 for members, $1,300 for non-members. IFEBP, Registrations Department, P.O. Box 69, Brookfield, Wis. 53008-0069; 888-334-3327, option 2 or 414-786-6710, ext. 8257.

JULY 29-30. Quantifying Savings in Integrating Disability Management in Workers' Compensation and Group Health conference in Chicago, sponsored by National Managed Workers' Compensation Institute; $1,295. Conference Administrator, Global Business Research Ltd., 151 W. 19th St., 8th Floor, New York, N.Y. 10011; 212-645-4226.

JULY 31-AUG. 1. Integrating Risk Management & Workplace Safety conference in Boston, Mass., sponsored by Executive Risk Institute/Institute for International Research; $895. IIR, 708 Third Ave., 4th Floor, New York, N.Y. 10017-4103; 800-999-3123.

AUGUST

AUG. 3-6, 7-9. Ergonomic Analysis of the Workplace workshop in Las Vegas, sponsored by Work Injury Management News & Digest and Advantage Health Systems Inc.; $795 for section one, $495 for section two, $1,095 for both sections. Prerequisite required for section two. Work Injury Management, 8704 Bourgade, Lenexa, Kan. 66219-1400; 888-621-2382.

AUG. 5, 12, 19, 26 and SEPT. 2, 9. Property & Casualty Licensing six-day course in Danielson, Conn., sponsored by the Independent Insurance Agents of Connecticut; $400 for members/associate members; $725 for non-members. IIAC, 30 Jordan Lane, Wethersfield, Conn. 06109; 800-842-2208.

AUG. 6, 13, 20, 27 and SEPT. 3. Life & Health Licensing five-day course in Wethersfield, Conn., sponsored by the Independent Insurance Agents of Connecticut; $350 for members/associate members; $450 for non-members. IIAC, 30 Jordan Lane, Wethersfield, Conn. 06109; 800-842-2208.

AUG. 7. An Introduction to Daily Valuation and Recordkeeping seminar in Columbus, Ohio, sponsored by Corbel; $305. **Also Aug. 12** in Los Angeles. Corbel, P.O. Box 47720, Jacksonville, Fla. 32247; 800-326-7235, ext. 1139.

Aug. 7. The Pension Seminars Series: ERISA Update in Honolulu, sponsored by Accountant's Education Services; $200. **Also Oct. 20** in Tampa, Fla., **Nov. 6** in Washington, **Nov. 20** in Minneapolis, **Dec. 8** in Denver. AES, 1900 Olive St. #F-102, Denver, Colo. 80220; 800-426-8802.

AUG. 7-8. Alternative Risk Financing Market: Innovative Sales and Marketing Strategies to Remain Competitive conference and workshop in Chicago, sponsored by IBC USA Conferences Inc.; $1,295 for the conference only, $695 for the workshop only, $1,695 for both events. IBC USA Conferences Inc., 225 Turnpike Road, Southborough, Mass. 01772-1749; 508-481-6400.

Aug. 8. The Pension Seminars Series: 401(k) Seminar in Honolulu, sponsored by Accountant's Education Services; $200. **Also Sept. 26** in Chicago, **Oct. 21** in Tampa, Fla., **Nov. 7** in Washington, **Nov. 21** in Minneapolis, **Dec. 9** in Denver. AES, 1900 Olive St. #F-102, Denver, Colo. 80220; 800-426-8802.

AUG. 10-13. American Risk & Insurance Assn. annual meeting in San Diego., sponsored by the ARIA; Before Aug. 1: $145 for members, $180 for non-members, $72.50 for students or retirees; after Aug. 1: $170 for members, $205 for non-members, $102.50 for students or retirees. ARIA, c/o Chase Communications, P.O. Box 9001, Mount Vernon, N.Y. 10552; 800-951-2020 or 914-699-2020.

AUG. 11-12. Executive Compensation and Benefit Issues course in Brookfield, Wis., sponsored by the International Foundation of Employee Benefit Plans. IFEBP, Registrations Department, P.O. Box 69, Brookfield, Wis. 53008-0069; 888-334-3327, option 2 or 414-786-6710, ext. 8257.

AUG. 11-13. Benefits Conference for Public Employees in Williamsburg, Va., sponsored by the International Foundation of Employee Benefit Plans; $750 for members, $900 for non-members. IFEBP, Registrations Department, P.O. Box 69, Brookfield, Wis. 53008-0069; 888-334-3327, option 2 or 414-786-6710, ext. 8257.

AUG. 12-13. Understanding the Annual Statement: Life/Health seminar in Philadelphia, sponsored by Fells Road Group Inc./Michael Conn Associates Inc.; $950. Fells Road Group Inc./Michael Conn Associates Inc., 271 Route 46 West, Suite D-207, Fairfield, N.J. 07004; 201-227-5955.

AUG. 16-30. The International Capital Markets Summer Program in London, sponsored by Euromoney Training; £7,050. **Also Nov. 15-29.** Hilary McCann, Euromoney Training, Nestor House, Playhouse Yard, London ED4V 5EX, UK; 44-171-779-8753.

AUG. 18. Cafeteria Plan Seminar in Detroit, sponsored by Corbel; $305. Also Aug. 20 in Dallas. Corbel, P.O. Box 47720, Jacksonville, Fla. 32247; 800-326-7235, ext. 1139.

AUG. 18. Working With 401(k)s After SBJPA '96 workshop in Minneapolis, sponsored by Corbel; $305. **Also Aug. 19** in Detroit, **Aug. 21** in Dallas. Corbel, P.O. Box 47720, Jacksonville, Fla. 32247; 800-326-7235, ext. 1139.

AUG. 18-20. The Benefit Communication Institute in Coronado, Calif., sponsored by the International Foundation of Employee Benefit Plans; $825 for members, $900 for non-members. Registrations Department, IFEBP, 18700 W. Bluemound Road, P.O. Box 69, Brookfield, Wis. 53008-0069; 414-786-6710, ext. 8257.

AUG. 18-22. Fundamentals of Employee Benefits Management course in Brookfield, Wis. sponsored by The International Foundation of Employee Benefit Plans; $1,375 for members, $1,625 for non-members. **Also Sept. 22-26.** Registrations Department, IFEBP, P.O. Box 69, Brookfield, Wis. 53008-0069; 414-786-6710, ext. 8257.

AUG. 19. COBRA "Alert" Seminar in Detroit, sponsored by COBRA Compliance Systems Inc.; $199 for individuals, $180 per person for groups of two or more. **Also Aug. 20** in Toledo, Ohio, **Aug. 26** in Chicago and South Bend, Ind., **Aug. 27** in Fort Wayne, Ind., **Aug. 28** in Grand Rapids, Mich. COBRA Compliance Systems Inc., P.O. Box 889, Coldwater, Mich. 49036-0889; 800-300-3838.

AUG. 25. Professional Liability—The Other Liability and Waivers of Subrogation and Contractual Liability two-part seminar in Chicago, sponsored by the Insurance School of Chicago; $75 for each seminar or $110 for both. ISC, 175 W. Jackson Blvd., Suite 2200, Chicago, Ill. 60604; 312-427-2520.

AUG. 26. Contracts & Leases seminar in Chicago, sponsored by the Insurance School of Chicago; $110. ISC, 175 W. Jackson Blvd., Suite 2200, Chicago, Ill. 60604; 312-427-2520.

AUG. 29-31. The American Assn. of Insurance Management Consultants Annual Conference in Boston, sponsored by the AAIMC; Dave Goodwin, Dave Goodwin & Associates, P.O. Box 6661, Surfside, Fla. 33154; 305-531-0071.

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The Datebook is compiled from notices sent to Business Insurance. Notices should be sent at least eight weeks in advance to Datebook, Business Insurance, 740 N. Rush St., Chicago, Ill. 60611-2590. Please include the cost, if any, to attend the meeting and information on registration. Business Insurance reserves the right to select meetings of interest to readers and cannot guarantee notices will be printed.

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May 20	401(k) Plan Administrators
Jun 3	Alternative Risk Financing Facilities
Jun 24	EAPs & Dependent Care Resources and Referral Services
Jul 22	Agents & Brokers
Aug 5	Prescription Benefit Managers
Aug 19	Property Loss Control Consultants
Sep 2	Leading Reinsurers Worldwide
Sep 16	Surplus Lines Insurers & Wholesalers
Oct 14	Reinsurance Brokers
Oct 28	Benefit Communication Systems
Nov 4	Safety Consultants & Rehabilitation Services
Nov 11	Environmental Risk Management Consultants
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★ *Source Business/Occupational breakdown of qualified circulation, November 25,1996 Issue, as submitted to BPA for December 1996 BPA Publisher's Statement*

LEGAL NOTICE

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF NEW YORK

In re

LAWRENCE UNITED CORPORATION INSURANCE AGENCY OF SOUTHERN CALIFORNIA, INC.,
Debtor.

Chapter 11
Case No. 97-13204

NOTICE OF MOTION OF LAWRENCE UNITED CORPORATION INSURANCE AGENCY OF SOUTHERN CALIFORNIA, INC. PURSUANT TO 11 U.S.C. §363 FOR AUTHORIZATION TO SELL CERTAIN ASSETS OF DEBTOR'S ESTATE OUTSIDE THE ORDINARY COURSE OF DEBTOR'S BUSINESS AND FREE AND CLEAR OF LIENS AND OTHER INTERESTS

PLEASE TAKE NOTICE, that Lawrence United Corporation Insurance Agency of Southern California, Inc., the debtor in possession herein, (the "Debtor"), by and through its attorneys, Cooper, Erving, Savage, Nolan & Heller, LLP, will move this Court at the James T. Foley Courthouse, 445 Broadway, Suite 327, Albany, New York on the 29th day of July, 1997 at 10:30 in the forenoon of that day, or as soon thereafter as Counsel can be heard, for an Order pursuant to 11 U.S.C. §363(b) authorizing the sale of certain assets of the Debtor to John Burnham & Company (hereinafter "Burnham") pursuant to the terms and conditions of a Letter Offer dated July 3, 1997, free and clear of all liens and other interests, together with such other and further relief as to this Court may seem just and proper.

PLEASE TAKE FURTHER NOTICE, that the assets to be sold are as follows:

1. Commercial Property & Casualty accounts and expirations including in-force policies, files and related records, except those transferred to former employees under broker of record letters;
2. Employee Benefits accounts, including policies, files and records for all group insurance, life insurance and related products;
3. Files for all prospective Property & Casualty and/or Employee Benefits clients;
4. Computer hardware and software systems used to service and maintain records for the accounts and prospects referred to in items 1,2, & 3 above;
5. Assignment of rights of the Debtor (if assignable), pursuant to Employment Agreements with Gerald McDonald and Thomas R. Geisbush, including the right to enforce non-compete provisions.

PLEASE TAKE FURTHER NOTICE, that the terms of sale are as follows:

Purchase Price: The purchase price for such sale shall be $388,000, payable as follows:

1. $150,000 at closing in the form of certified funds, cashier's check or electronic wire transfer;
2. $238,000 will be paid pursuant to the terms of a promissory note to be executed at closing, with interest at the rate of prime plus one percent per annum, payable in quarterly principal and interest payments over a three year term.

Miscellaneous:

1. This offer is contingent on the following individuals joining Burnham and executing two-year non-solicitation agreements:

   Richard Thompson James Reynolds Kelly Howell Sellie Giblin Michele Johannpeter

2. This offer is contingent on the execution of a Purchase Agreement and review by counsel for Burnham.
3. This offer is contingent upon the Property and Casualty companies utilized by Lawrence/San Diego appointing Burnham as a broker or agent.

PLEASE TAKE FURTHER NOTICE, that at the Hearing the Bankruptcy Court will consider any higher and better offers for the assets to be sold.

Dated: Albany, New York
July 9, 1997

COOPER, ERVING, SAVAGE,
NOLAN & HELLER, LLP
Attorneys for Debtor
39 North Pearl Street
Albany, New York 12207
(518) 449 - 3100

FOR MORE INFORMATION, CONTACT MR. JAMES FAUGHNAN AT (518) 381 - 9000.

LEGAL NOTICE

IN THE MATTER OF THE LIQUIDATION OF OPTIMUM INSURANCE COMPANY OF ILLINOIS	)	No. 84 CH 11561 Judge Michael Getty
MARK BOOZELL, as Liquidator of Optimum Insurance Company of Illinois, Plaintiff, v. B. FREDERICK BECKER III, et al., Defendants.	)	No. 86 CH 8927 Judge Dorothy Kinnaird

NOTICE OF PROPOSED SETTLEMENT OF CERTAIN CLAIMS BY THE LIQUIDATOR OF OPTIMUM INSURANCE COMPANY OF ILLINOIS AGAINST CERTAIN FORMER DIRECTORS AND/OR OFFICERS

TO: All Claimants in the Liquidation of Optimum Insurance Company of Illinois ("Optimum"), all reinsurers, guaranty funds, managing general agents, policyholders and creditors.

The Lawsuit. On May 5, 1986, the Circuit Court of Cook County, Illinois (the "Liquidation Court"), entered a Final Order of Liquidation with a Finding of Insolvency against Optimum and appointed the Director of Insurance of the State of Illinois as Liquidator of Optimum. In September 1986, the Liquidator filed suit in the Circuit Court of Cook County, Illinois (the "Trial Court") against certain former directors and/or officers of Optimum. The defendants have denied liability and raised certain additional defenses. The Liquidator has negotiated a proposed settlement with the defendants and their insurer, National Union Fire Insurance Company of Pittsburgh, PA ("National Union"). The Liquidation Court and the Trial Court have granted preliminary approval of the settlement, subject to the fairness hearings referenced below.

Settlement Terms. Upon final approval of the settlement, National Union will deposit into an escrow account the sum of Three Million Dollars, and the Liquidator will dismiss all claims against the defendants. All of Optimum's claimants, policyholders and creditors will be barred from instituting or prosecuting any claims against Optimum's former directors and officers or National Union related to the National Union Policy or the operation, rehabilitation, insolvency, or liquidation of Optimum, Optimum Holding Corporation or any successors or subsidiaries. After an eighteen month period, the settlement amount will be paid to the Optimum Liquidation Estate, provided that all third party claims, or appeals or attacks upon the orders approving the settlement, have been resolved.

Fairness Hearings and Objections to Settlement. At 11:30 a.m. on September 11, 1997, the Liquidation Court will hold a hearing on the fairness of the proposed settlement. At the hearing, the Court will hear any objections and arguments concerning the fairness of the proposed settlement. The hearing will be before Judge Michael Getty, Richard J. Daley Center, Room 2510, 50 West Washington Street, Chicago, Illinois 60602. At 10:30 a.m. on September 11, 1997, the Trial Court also will hold a hearing on the fairness of the proposed settlement. The hearing will be before Judge Dorothy Kinnaird, Richard J. Daley Center, Room 2302, 50 West Washington Street, Chicago, Illinois 60602.

Any objections to the settlement must be submitted in writing to the Clerk of the Circuit Court of Cook County, Illinois, County Department, Chancery Division, Richard J. Daley Center, 50 West Washington Street, Chicago, Illinois 60602. The Objections must be received by the Clerk of the Court on or before August 29, 1997. Copies of written objections must also be sent to the attorneys listed below by the same date. Only persons who timely filed written objections will be heard by the Court at the fairness hearings.

Additional Information. This description is general and does not cover all of the proceedings thus far. The court file is available for inspection at the Clerk of the Circuit Court of Cook County, Illinois, County Department, Chancery Division, Richard J. Daley Center, 50 West Washington Street, Chicago, Illinois 60602. For further information, you may contact the counsel listed below, though they are not required to provide any information in addition to what is contained in this notice:

Russ M. Strobel, Esq.
Jenner & Block
One IBM Plaza
Chicago, Illinois 60611
(Counsel for the Liquidator)

Michael V. Corrigan, Esq.
Simpson Thacher & Bartlett
425 Lexington Avenue
New York, New York 10017
(Counsel for the Defendants)

DO NOT ADDRESS ANY QUESTIONS ABOUT THE SETTLEMENT OR THE LITIGATION TO THE CLERK OF THE COURT OR TO THE JUDGES.

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LEGAL NOTICE

IN THE CIRCUIT COURT OF COOK COUNTY, ILLINOIS
COUNTY DEPARTMENT, CHANCERY DIVISION

IN THE MATTER OF THE LIQUIDATION OF)
RESURE, INC.) NO. 97 CH 01974

NOTICE OF CLAIM FILING DEADLINE AND PROCEDURES

PLEASE TAKE NOTICE, that on February 27, 1997, the Circuit Court of Cook County, Illinois entered an Agreed Order of Liquidation With a Finding of Insolvency against Resure, Inc. ("Resure"). Mark Boozell, Director of Insurance of the State of Illinois, is the statutory and court affirmed Liquidator of Resure ("Liquidator").

TAKE FURTHER NOTICE, that on March 27, 1997, the Circuit Court of Cook County, Illinois, entered an Order Fixing Rights and Liabilities and Providing for the Filing of Claims and Claim Filing Deadlines ("Fixing Order"). Pursuant to the Fixing Order, all rights and liabilities of Resure and its policyholders, creditors and stockholders, and all other persons interested in its property or assets, are fixed as of February 27, 1997, unless otherwise provided in prior or subsequent orders of the Court.

TAKE FURTHER NOTICE, that all persons and entities who have, or may have, claims against Resure, its property or assets, or against a Resure insured or policyholder, shall have the right to present and file with the Liquidator proper proofs of claim on or before February 27, 1998 at 4:30 p.m. (C.D.T.).

TAKE FURTHER NOTICE, that any insured under an insurance policy issued by Resure shall have the right to present and file with the Liquidator a proper proof of claim setting forth a contingent claim on or before February 27, 1998 at 4:30 p.m. (C.D.T.). No contingent claim shall be allowed for purposes of participating in any distribution of estate assets that may be made at the fourth priority level, 215 ILCS 5/205(1)(d), unless such claim has been liquidated and the insured claimant has presented and filed evidence of payment of such claim to the Liquidator on or before March 1, 1999 at 4:30 p.m. (C.D.T.). Any contingent claim for which a proper proof of claim is filed on or before March 1, 1999 at 4:30 p.m. (C.D.T.), but which is not liquidated on or before March 1, 1999 at 4:30 p.m. (C.D.T.), may be estimated pursuant to 215 ILCS 5/209(4)(b) for purposes of participating in any distribution of estate assets that may be made at the fifth priority level, 215 ILCS 5/205(1)(e), unless otherwise directed by the court.

TAKE FURTHER NOTICE, that the form and required contents of all proofs of claim are described in 215 ILCS 5/209. Proofs of claim, along with supporting documents, if any, are to be filed with, and may be obtained from, the Liquidator of Resure, at 222 Merchandise Mart Plaza, Suite 1450, Chicago, Illinois 60654. A proof of claim shall be deemed "filed" with the Liquidator upon the Liquidator's receipt thereof. The Liquidator reserves the right to require such additional information with respect to any claim filed with him as he may deem necessary. The Liquidator further reserves any and all defenses available to Resure upon all filed claims. All proofs of claim must be duly sworn to before an officer authorized to take oaths.

THE LAST DATE FOR THE FILING OF PROOFS OF CLAIM WITH THE LIQUIDATOR IS SET FORTH ABOVE. NO PERSONS OR ENTITIES HAVING OR CLAIMING TO HAVE ANY CLAIMS AGAINST RESURE, OR ITS POLICYHOLDERS, SHALL PARTICIPATE IN ANY DISTRIBUTION OF THE ASSETS OF THE COMPANY UNLESS SUCH CLAIMS ARE PROPERLY FILED WITH THE LIQUIDATOR ON OR BEFORE FEBRUARY 27, 1998 AT 4:30 P.M. (C.D.T.).

Peter G. Gallanis
Special Deputy Receiver

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REQUEST FOR PROPOSALS

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The County of Nassau, New York, will receive proposals for the provision of health insurance benefits to the employees and certain retirees, survivors and COBRA-eligible persons of Nassau County. Insurers must be licensed in the State of New York, hold an A.M. Best policyholders' rating of A+ or A, and must have local service representation on Long Island. Other providers of these benefits must have experience servicing groups of 2,500 or more members in the field of Employee Health Benefits and an office within the same geographic area as above described.

Copies of the specifications and proposal format may be obtained during normal business hours from:

ROBERT J. MC DONALD
Chief Deputy County Executive
One West Street
Mineola, New York 11501

A sole designated representative of an insurer must have written authorization from an officer of the represented insurance company in order to participate in this proposal. Specifications will not be mailed.

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REQUEST FOR PROPOSALS

PRESCRIPTION BENEFIT
ADMINISTRATION SERVICES

The West Virginia Public Employees Insurance Agency is seeking bidders interested in providing Prescription Benefit Administration services for approximately 80,000 policyholders. A Request for Proposals (RFP) will be released by July 25, 1997. Proposals are due Aug. 18, 1997, and services will begin Jan. 1, 1998. Those interested in responding to the RFP must qualify by meeting the 15 Service and 29 Offerer Requirements outlined in the RFP. The requirements will be faxed to those who mail or fax a letter of interest on company letterhead to: Russell W. Brown, FACHE, Director, WV PEIA, State Capitol Complex, Bldg. 5, Rm 1001, 1900 Kanawha Blvd. E., Charleston, WV 25305-0710; fax (304) 558-2343 by 5:00 p.m. EDT, July 31, 1997. This is a re-bid of a procurement initiated in 1996.

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LEGAL NOTICE

IN THE CIRCUIT COURT OF COOK COUNTY, ILLINOIS
COUNTY DEPARTMENT, CHANCERY DIVISION

PEOPLE OF THE STATE OF ILLINOIS, ex. rel. MARK BOOZELL, DIRECTOR OF INSURANCE OF THE STATE OF ILLINOIS,

Plaintiffs,

v.

MERIT CASUALTY COMPANY, formerly known as MERIT INSURANCE COMPANY, an Illinois Domestic Stock Property and Casualty Insurance Company,

Defendant.

NO: 94 CH 11337

NOTICE OF CLAIM FILING DEADLINE AND PROCEDURES

PLEASE TAKE NOTICE, that on April 1, 1997, the Circuit Court of Cook County, Illinois, entered an Agreed Order of Liquidation with a finding of Insolvency against MERIT CASUALTY COMPANY, formerly known as MERIT INSURANCE COMPANY. Mark Boozell, Director of Insurance of the State of Illinois, is the statutory and court affirmed Liquidator of Merit Casualty Company.

TAKE FURTHER NOTICE, that on April 15, 1997, the Circuit Court of Cook County, Illinois, entered an Order Fixing Rights and Liabilities and Providing for the Filing of Claims and Claim Filing Deadlines (Fixing Order). Pursuant to the Fixing Order, all rights and liabilities of Merit and its policyholders, creditors and stockholders, and all other persons interested in the property or assets, are fixed as of April 1, 1997, unless otherwise fixed in prior or subsequent orders of the Court.

TAKE FURTHER NOTICE, that all persons and entities who have, or may have claims against Merit, its property or assets, or against a Merit insured or policyholder, shall have the right to present and file with the Liquidator proper proofs of claim on or before April 1, 1998 at 4:30 p.m. (C.S.T.).

TAKE FURTHER NOTICE, that any insured under an insurance policy issued by Merit shall have the right to present and file with the Liquidator a proper proof of claim setting forth a contingent claim on or before April 1, 1998, at 4:30 p.m. (C.S.T.). No contingent claim shall be allowed for purposes of participating in any distribution of estate assets that may be made at the fourth priority level, 215 ILCS 5/205 (1)(d), unless such claim has been liquidated and the insured has presented and filed evidence of payment of such claim to the Liquidator on or before April 1, 1999, at 4:30 p.m. (C.S.T.). Any contingent claim for which a proper proof of claim is filed on or before April 1, 1998, at 4:30 p.m. (C.S.T.), but which is not liquidated on or before April 1, 1999, at 4:30 p.m. (C.S.T.), may be estimated pursuant to 215 ILCS 5/209 (4)(b) for purposes of participating in any distribution of estate assets that may be made at the fifth priority level, 215 ILCS 5/205(1)(e), unless otherwise directed by the court.

TAKE FURTHER NOTICE, that the form and required contents of all proofs of claim are described in 215 ILCS 5/209. Proofs of claim, along with supporting documents, if any, are to be filed with and may be obtained from the Liquidator of Merit at the Office of the Special Deputy Receiver, 222 Merchandise Mart Plaza, Suite 1450, Chicago, Illinois 60654. A proof of claim shall be deemed "filed" with the Liquidator upon the Liquidator's receipt thereof. The Liquidator reserves the right to require such additional information with respect to any claim filed with him as he may deem necessary. The Liquidator further reserves any and all defenses available to Merit upon all filed claims. All proofs of claim must be duly sworn to before an officer authorized to take oaths.

THE LAST DATE FOR THE FILING OF PROOFS OF CLAIM WITH THE LIQUIDATOR IS APRIL 1, 1998. NO PERSONS OR ENTITIES HAVING OR CLAIMING TO HAVE ANY CLAIMS AGAINST MERIT, OR ITS POLICYHOLDERS, SHALL PARTICIPATE IN ANY DISTRIBUTION OF THE ASSETS OF THE COMPANY UNLESS SUCH CLAIMS ARE PROPERLY FILED WITH THE LIQUIDATOR ON OR BEFORE APRIL 1, 1998 AT 4:30 P.M. (C.S.T.).

Peter G. Gallanis
Special Deputy Receiver

LEGAL NOTICE

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

IN THE PETITION OF ANTHONY JAMES MCMAHON AND PHILIP WEDGWOOD WALLACE, AS JOINT PROVISIONAL LIQUIDATORS OF **SOVEREIGN MARINE & GENERAL INSURANCE COMPANY LIMITED**, CASE NO. 97-B-44652(CB)

NOTICE IS HEREBY GIVEN THAT, PURSUANT TO AN ORDER (THE "ORDER") OF THE UNITED STATES BANKRUPTCY COURT FOR THE SOUTHERN DISTRICT OF NEW YORK (THE "BANKRUPTCY COURT"), IN CONNECTION WITH THE PETITION FILED PURSUANT TO SECTION 304 OF THE BANKRUPTCY CODE WITH RESPECT TO SOVEREIGN MARINE & GENERAL INSURANCE COMPANY LIMITED (THE "COMPANY"), A HEARING WILL BE HELD IN THE BANKRUPTCY COURT ON JULY 31, 1997 AT 10:00 O'CLOCK A.M., BEFORE THE HONORABLE CORNELIUS BLACKSHEAR IN HIS COURTROOM AT THE ALEXANDER HAMILTON CUSTOM HOUSE, ONE BOWLING GREEN, NEW YORK, NEW YORK 10004 (THE "HEARING"), TO CONSIDER THE PETITIONERS' REQUEST FOR A PRELIMINARY INJUNCTION ON THE TERMS SET FORTH BELOW, AND PENDING THAT HEARING A TEMPORARY RESTRAINING ORDER IS IN EFFECT:

(1) ENJOINING ALL PERSONS AND ENTITIES FROM (A) TRANSFERRING, RELINQUISHING OR DISPOSING OF ANY PROPERTY OF THE COMPANY IN THE UNITED STATES,* OR THE PROCEEDS OF SUCH PROPERTY, TO THIRD PARTIES; (B) COMMENCING OR CONTINUING ANY ACTION OR OTHER LEGAL PROCEEDING (INCLUDING, WITHOUT LIMITATION, ARBITRATION OR ANY JUDICIAL, QUASI-JUDICIAL, ADMINISTRATIVE OR REGULATORY ACTION, PROCEEDING OR PROCESS WHATSOEVER) INVOLVING THE COMPANY, OR ANY PROPERTY IN THE UNITED STATES INVOLVED IN THE FOREIGN PROCEEDING, OR ANY PROCEEDS THEREOF, AND SEEKING DISCOVERY OF ANY NATURE AGAINST THE COMPANY; (C) ENFORCING ANY JUDICIAL, QUASI-JUDICIAL, ADMINISTRATIVE OR REGULATORY JUDGMENT, ASSESSMENT OR ORDER OR ARBITRATION AWARD AGAINST THE COMPANY, AND COMMENCING OR CONTINUING ANY ACT OR ACTION OR OTHER LEGAL PROCEEDING (INCLUDING, WITHOUT LIMITATION, ARBITRATION, OR ANY JUDICIAL, QUASI-JUDICIAL, ADMINISTRATIVE OR REGULATORY ACTION, PROCEEDING OR PROCESS WHATSOEVER) TO CREATE, PERFECT OR ENFORCE ANY LIEN, SETOFF OR OTHER CLAIM AGAINST THE COMPANY, OR ANY OF ITS PROPERTY IN THE UNITED STATES, OR ANY PROCEEDS THEREOF, INCLUDING, WITHOUT LIMITATION, RIGHTS UNDER REINSURANCE OR RETROCESSION CONTRACTS; AND (D) DRAWING DOWN ANY LETTER OF CREDIT ESTABLISHED BY, ON BEHALF OR AT THE REQUEST OF, THE COMPANY, OR WITHDRAWING FROM, SETTING OFF AGAINST, OR OTHERWISE APPLYING PROPERTY THAT IS THE SUBJECT OF ANY ESCROW AGREEMENT OR SIMILAR ARRANGEMENT IN WHICH THE COMPANY HAS AN INTEREST, IN EXCESS OF WHAT IS EXPRESSLY AUTHORIZED BY THE TERMS OF THE CONTRACT AND ANY RELATED TRUST OR OTHER AGREEMENT PURSUANT TO WHICH SUCH LETTER OF CREDIT, ESCROW, OR SIMILAR ARRANGEMENT HAS BEEN ESTABLISHED; EXCEPT, HOWEVER, NO DRAWING AGAINST ANY LETTER OF CREDIT SHALL BE MADE IN CONNECTION WITH ANY COMMUTATION UNLESS THE AMOUNT HAS BEEN AGREED IN WRITING WITH THE PETITIONERS OR PERMITTED BY FURTHER ORDER OF THE COURT;

(2) REQUIRING ALL PERSONS AND ENTITIES IN POSSESSION, CUSTODY OR CONTROL OF PROPERTY OF THE COMPANY IN THE UNITED STATES, OR THE PROCEEDS THEREOF, TO TURN OVER AND ACCOUNT FOR SUCH PROPERTY OR ITS PROCEEDS TO THE PETITIONERS;

(3) REQUIRING ALL PERSONS AND ENTITIES THAT ARE BENEFICIARIES OF LETTERS OF CREDIT ESTABLISHED BY, ON BEHALF OR AT THE REQUEST OF, THE COMPANY OR PARTIES TO ANY TRUST, ESCROW OR SIMILAR ARRANGEMENT IN WHICH THE COMPANY HAS AN INTEREST TO (A) PROVIDE NOTICE TO THE PETITIONERS' UNITED STATES COUNSEL OF ANY DRAWDOWN ON ANY LETTER OF CREDIT ESTABLISHED BY, ON BEHALF OR AT THE REQUEST OF, THE COMPANY, OR ANY WITHDRAWAL FROM, SETOFF AGAINST, OR OTHER APPLICATION OF PROPERTY THAT IS THE SUBJECT OF ANY ESCROW AGREEMENT OR SIMILAR ARRANGEMENT IN WHICH THE COMPANY HAS AN INTEREST, TOGETHER WITH INFORMATION SUFFICIENT TO PERMIT THE PETITIONERS TO ASSESS THE PROPRIETY OF SUCH DRAWDOWN, WITHDRAWAL, SETOFF OR OTHER APPLICATION, INCLUDING, WITHOUT LIMITATION, THE DATE AND AMOUNT OF SUCH DRAWDOWN, WITHDRAWAL, SETOFF OR OTHER APPLICATION AND A COPY OF ANY AGREEMENT PURSUANT TO WHICH SUCH DRAWDOWN, WITHDRAWAL, SETOFF, OR OTHER APPLICATION WAS MADE AND PROVIDE SUCH NOTICE AND OTHER INFORMATION CONTEMPORANEOUSLY THEREWITH; AND (B) TURN OVER AND ACCOUNT TO THE PETITIONERS FOR ALL FUNDS RESULTING FROM SUCH DRAWDOWN, WITHDRAWAL, SETOFF, OR OTHER APPLICATION IN EXCESS OF AMOUNTS EXPRESSLY AUTHORIZED BY THE TERMS OF THE CONTRACT, ANY RELATED TRUST OR OTHER AGREEMENT PURSUANT TO WHICH SUCH LETTER OF CREDIT, TRUST, ESCROW OR SIMILAR ARRANGEMENT HAS BEEN ESTABLISHED;

(4) REQUIRING EVERY PERSON AND ENTITY THAT HAS A CLAIM OF ANY NATURE OR SOURCE AGAINST THE COMPANY AND THAT IS A PARTY TO ANY ACTION OR OTHER LEGAL PROCEEDING (INCLUDING, WITHOUT LIMITATION, ARBITRATION, OR ANY JUDICIAL, QUASI-JUDICIAL, ADMINISTRATIVE OR REGULATORY ACTION, PROCEEDING OR PROCESS WHATSOEVER) IN WHICH THE COMPANY IS OR WAS NAMED AS A PARTY, OR AS A RESULT OF WHICH A LIABILITY OF THE COMPANY MAY BE ESTABLISHED, TO PLACE THE PETITIONERS' UNITED STATES COUNSEL ON THE MASTER SERVICE LIST OF ANY SUCH ACTION OR OTHER LEGAL PROCEEDING AND TO TAKE SUCH OTHER STEPS AS MAY BE NECESSARY TO ENSURE THAT SUCH COUNSEL RECEIVES (A) COPIES OF ANY AND ALL DOCUMENTS SERVED BY THE PARTIES TO SUCH ACTION OR OTHER LEGAL PROCEEDING OR ISSUED BY THE COURT, ARBITRATOR, ADMINISTRATOR, REGULATOR OR SIMILAR OFFICIAL HAVING JURISDICTION OVER SUCH ACTION OR LEGAL PROCEEDING, AND (B) ANY AND ALL CORRESPONDENCE, OR OTHER DOCUMENTS CIRCULATED TO PARTIES LISTED ON THE MASTER SERVICE LIST; AND

(5) PROVIDING, WITH RESPECT TO ANY CLAIM, ACTION, ARBITRATION OR OTHER PROCEEDING THAT MAY BE COMMENCED OR BECOME KNOWN TO THE PETITIONERS IN THE FUTURE, OR THE ENTITLEMENT OR ALLEGED ENTITLEMENT OF ANY BENEFICIARY OF ANY LETTER OF CREDIT ESTABLISHED BY, ON BEHALF OR AT THE REQUEST OF, THE COMPANY, OR OF A PARTY TO ANY TRUST OR ESCROW AGREEMENT OR SIMILAR ARRANGEMENT IN WHICH THE COMPANY HAS AN INTEREST THAT IS IDENTIFIED BY THE PETITIONERS IN THE FUTURE (EACH A "SUBSEQUENT CLAIM"), THAT:

(A) WHEN INFORMED OF A SUBSEQUENT CLAIM, COUNSEL FOR THE PETITIONERS SHALL SERVE UPON THE HOLDER OF SUCH CLAIM A COPY OF THE SUMMONS AND PETITION AND THE MOST RECENT INJUNCTION ORDER ENTERED BY THE COURT;

(B) THE HOLDER OF A SUBSEQUENT CLAIM WILL HAVE TWENTY (20) DAYS FROM SERVICE OF THE SUMMONS IN WHICH TO FILE AN ANSWER OR MOTION WITH RESPECT TO THE PETITION; AND

(C) ON NOT LESS THAN TWO (2) DAYS NOTICE TO COUNSEL FOR THE PETITIONERS, THE HOLDER OF A SUBSEQUENT CLAIM MAY FILE A MOTION SEEKING AN ORDER OF THE COURT VACATING OR MODIFYING THE INJUNCTION ENTERED IN THIS PROCEEDING WITH RESPECT TO SUCH SUBSEQUENT CLAIM. SUCH REQUEST SHALL BE THE SUBJECT MATTER OF A HEARING AS SCHEDULED BY THE COURT. OTHERWISE, THE HOLDER OF A SUBSEQUENT CLAIM MAY FILE OBJECTIONS AND BE HEARD BY THE COURT IN ACCORDANCE WITH THE TERMS OF ANY ORDER OF THE COURT PROVIDING FOR A HEARING IN THE FUTURE ON THE RELIEF SOUGHT BY THE PETITIONERS IN THIS PROCEEDING.

ALL PARTIES-IN-INTEREST OPPOSED TO THE PETITIONERS' REQUEST FOR A PRELIMINARY INJUNCTION MUST APPEAR AT THE HEARING AT THE TIME AND PLACE SET FORTH HEREIN. ALL PAPERS SUBMITTED FOR THE PURPOSE OF OPPOSING THE PETITIONERS' REQUEST FOR A PRELIMINARY INJUNCTION SHALL BE FILED WITH THE COURT WITH A COPY TO THE CHAMBERS OF THE HONORABLE CORNELIUS BLACKSHEAR, AND SERVED IN CADWALADER, WICKERSHAM & TAFT SO AS TO BE RECEIVED ON OR BEFORE JULY 29, 1997 AT 5:00 P.M. NEW YORK TIME. THE ORDER AND SUPPORTING PAPERS WILL BE MADE AVAILABLE UPON REQUEST AT THE OFFICES OF THE PETITIONERS' UNITED STATES COUNSEL AT THE ADDRESS BELOW.

CADWALADER, WICKERSHAM & TAFT
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TEL: (212) 504 - 6000 • FAX: (212) 504 - 6666

ATTN: KENNETH P. COLEMAN, ESQ.
LANCE A. WARRICK, ESQ.

* As used herein, United States is defined to include the United States and its territories and possessions.

Tobacco

Continued from page 1

week. President Clinton, who also must approve the proposed settlement, has publicly criticized certain aspects of the proposal, notably restrictions on the ability of the Food and Drug Administration to regulate tobacco, as unacceptable (*BI*, July 14).

As Judiciary Chairman Orrin Hatch, R-Utah, noted as he opened the hearing: "The questions this settlement immediately raises are very complicated. We must determine whether this is a good deal and a deal that will withstand constitutional muster in the long run."

It was immediately clear that many senators think the proposed deal has to undergo quite a few changes before they will find it acceptable.

Under the terms of the proposal, unveiled last month, tobacco companies would submit to a series of new restrictions on their activities and pay about $368 billion to 40 states and Puerto Rico over the next 25 years (*BI*, June 23). Sixty billion dollars of that is earmarked as punitive damages.

In return, the states would drop all suits seeking to recover Medicaid costs involving tobacco-related illnesses from cigarette makers, and future state court class-action suits would be banned, as would punitive damage awards against tobacco companies for past misdeeds. Individual smokers would retain their right to sue.

Four of the state attorneys general and plaintiffs attorneys appearing before the committee defended the proposal as the best possible deal available. Gale Norton, the Republican attorney general of Colorado, said the settlement is better than any of three possible scenarios if current tobacco litigation continues.

Many senators think that the proposed tobacco settlement will have to undergo quite a few changes before they will find it acceptable.

Under the first scenario, tobacco companies would continue to win suits and the states would recover nothing. In the second, the companies would lose, go bankrupt and new companies, including foreign ones, would enter the market with no obligation to pay for past misdeeds. Under the third scenario Ms. Norton cited, litigation would continue, with the companies winning some cases and losing others, which would waste a "tremendous" amount of time and money in litigation, she said.

Richard Blumenthal, the Democratic attorney general of Connecticut, said that while he did not like all portions of the settlement he helped negotiate, the concessions the attorneys general made were necessary to achieve "broader public health goals."

In his written statement, which he did not deliver in its entirety because witnesses were limited to five minutes for oral remarks, Mr. Blumenthal addressed the issue of punitive damages by writing, "the purpose of punitive damages is to punish for misbehavior. This payment punishes and deters, not with the hope that juries and judges one day will punish an industry they so far have not punished, but with certainty—$60 billion certainty." Mr. Blumenthal further noted that some states do not permit punitive damages in product liability cases, anyway.

A third speaker in favor of the settlement emphasized that the amount of money the tobacco companies would pay is far more than is likely to be won in litigation. In addition, the settlement "achieves the whole thing right now, not years from now," said Stanley Chesley, a senior partner in the Cincinnati law firm Waite, Schneider, Bayless & Chesley and one of the most prominent plaintiffs attorneys involved in smoking-related litigation.

Another trial attorney involved in the negotiations—Richard Scruggs, senior partner in the Pascagoula, Miss., law firm Scruggs, Millette, Lawson, Bozeman & Dent—also praised the deal as one that requires tobacco companies to pay a high price for their actions.

When asked by Sen. Mike DeWine, R-Ohio, what would happen if there were no global settlement, Mr. Chesley replied "I see litigation that would last 30 to 40 years."

But many members of the committee seemed more interested in Minnesota Attorney General Hubert H. Humphrey III's criticism of the deal, which the Democrat called a "Trojan camel." Mr. Humphrey was particularly critical of a provision in the proposal that would keep certain internal tobacco company documents under seal.

As an example of the type of information that might be buried forever, Mr. Humphrey read from a 1958 secret report by British scientists who had been sent by British-American Tobacco Co. to the United States to study any possible links between smoking and cancer. Their report noted that while there was "some doubt" as to what proportion of lung cancer cases could be attributed to tobacco, "scientific opinion in the U.S.A. does not now seriously doubt that the statistical correlation is real and reflects a cause and effect relationship."

This secret report was made six years before the first surgeon general's report linking smoking to health problems.

Mr. Humphrey urged the committee to demand more information before proceeding on a bill that would implement the proposal. Sen. Hatch agreed that he'd like to see more such documents as the committee continues to draft implementation legislation, which is expected to be introduced after Labor Day.

As they questioned the witnesses, several senators brought up the matter of punitive damages. Sen. Edward M. Kennedy, D-Mass., said that allowing the tobacco companies to deduct the cost of the punitive damage portion of the settlement meant the taxpayers ultimately would end up paying for it.

Sens. Diane Feinstein, D-Calif., and Russ Feingold, D-Wis., both added their concerns over the tax treatment of the punitive damages.

Sen. Richard Durbin, D-Ill., added a new wrinkle to the debate by asking how the settlement would affect smokers who also happened to suffer from asbestos-related illnesses and who are seeking compensation in the courts. If the settlement goes through, "you have literally shut courtroom doors" in the faces of such claimants, he said. "I don't believe your treatment of asbestos claims is fair," he said.

Mr. Scruggs responded that the purpose of the settlement is not to limit the rights of asbestos victims but rather to trade "illusory rights for real gains."

Sen. Robert Torricelli, D-N.J., said Mr. Humphrey's comments "further compromised" any enthusiasm he had for the settlement. Like several of his colleagues, Sen. Torricelli expressed concern over the right of the federal government to restrain state tort actions.

Later, two constitutional experts sparred over the right of Congress to interfere in state tort matters.

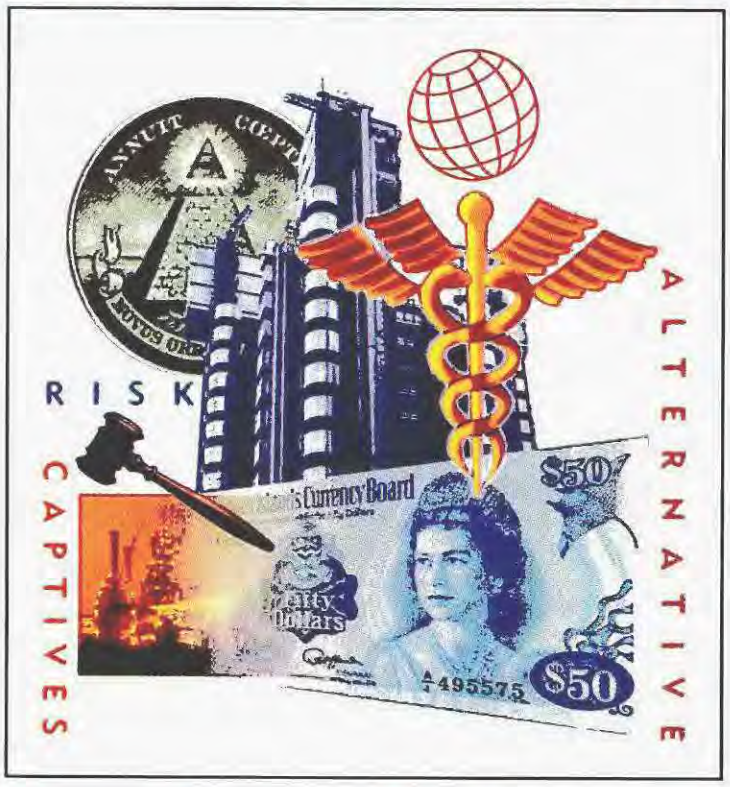
Laurence H. Tribe, professor of constitutional law at Harvard Law School in Cambridge, Mass., said the Constitution's Commerce Clause, among other things, gives Congress the right to regulate tobacco, including tobacco litigation. Only proposed restrictions on tobacco advertising would raise serious constitutional questions, according to Mr. Tribe's testimony.

Robert A. Levy, a senior fellow in constitutional studies at the Cato Institute, a libertarian think tank, disagreed wholeheartedly, calling the proposal "shameful." He said the proposal unlawfully limits the rights of future claimants and allows Congress to intercede in product liability cases that are state rather than federal matters.

When asked by Sen. Jeff Sessions, R-Ala., if he feared that the tobacco settlement precedent could be used against other industries, Mr. Levy replied that it could indeed.

In another tobacco-related development last week, trial began in Miami in *Broin vs. the Philip Morris Cos. et al.*, the first class-action suit regarding second-hand smoking to actually make it to trial. The $5 billion suit class-action suit brought by airline flight attendants contends that tobacco companies deceived the public about the hazards of second-hand cigarette smoke. The lead plaintiff, a non-smoker, has been diagnosed with lung cancer, which her attorneys contend was caused by "passive smoking," or breathing smoke-filled air while serving patrons on smoking flights. BI

7th World Captive and Alternative Risk Financing Forum



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Fired

Continued from page 2

At first, Norwest said it had discharged him for taping a voice mail message not intended for him, according to the decision. A week later, he was told he was fired for insubordination, and another eight days after that, he was told he was fired for violating the company's ethics code. Mr. Payne contended the real reason for his firing was in retaliation for his bias complaints.

"Norwest responds that all of the stated reasons for Payne's termination were forms of insubordination," the 9th Circuit decision states in overturning the lower court and ruling this issue was not subject to summary judgment in Norwest's favor. "Yet these are still different reasons stated at different times. . . .one who tells the truth need not recite different versions of the supposedly same events."

Although Norwest's "shifting explanations" may be acceptable when viewed in context, says the decision, "such weighing of the evidence is for a jury, not a judge." The appellate court, however, did agree with the lower court's summary judgment dismissal of discrimination claims that Mr. Payne also had brought within the suit.

"Obviously the appellate court believed that the reasons (for the dismissal) varied, and logically a jury could and may well find that the various reasons were a pretext and. . .there was retaliation by the corporation," said Mr. Payne's attorney, David A. Veeder of Billings, Mont.-based Veeder Law Firm.

Raymond Wheeler, an employer attorney with Morrison & Foerster in Palo Alto, Calif., took issue with the court's decision: "In this case, the court seized upon the way in which an employer labeled the underlying conduct—the different words the employer used—and tried to say the employer was giving inconsistent reasons, when all the employer was doing was describing the same conduct in different ways.

"To say employers have to be absolutely precise in their terms at every point when they talk about why someone is being terminated is completely unrealistic.

"It's quite clear that employees get terminated based upon an accumulation of events that occur, and to require that those events always be described in the same way or else you don't get summary judgment if the case is brought, I think, is expecting the impossible." Mr. Wheeler added, "I don't think it's a realistic decision, and it's particularly disappointing because there doesn't appear to be any dispute about what happened here."

Norwest had no comment on the ruling.

Larry J. Shapiro, an attorney and publisher of the Tiburon, Calif.-based newsletter California Employer Advisor, said, "This case seems to suggest that if you come up with explanations (for a dismissal) later, you might potentially have a problem."

This case exemplifies the necessity "of trying to be organized when you're making the termination decision, and gathering all the facts, your explanations and your reasons, and putting together your plan of what it is you're going to do and why you're doing it," said Mr. Shapiro.

Furthermore, said Mr. Shapiro, employers must be "extremely cautious" in firing an employee after that person has filed a complaint, because at that point everything an employer does is "subject to close scrutiny."

Whether it is someone filing a discrimination complaint, as in this case, or of someone complaining about the company's business practices, "you can end up in hot water by taking action instantly without carefully thinking it through," Mr. Shapiro said. "Juries are receptive to retaliation claims when they think you are wrong and you are trying to punish the employee for exercising their right."

Employers should be honest and consistent in stating the reasons for an employee's dismissal, agreed Andrew Kaplan, an attorney with Silver & Freedman in Los Angeles, who represents employers.

"Many employers attempt to hide the reason for a variety of causes, be it they're afraid to truly state the reasons for fear of angering the employee, or because they fear they can't prove beyond a reasonable doubt the employee's offense," said Mr. Kaplan.

'We generally recommend people not have progressive discipline policies at all,' Larry J. Shapiro says.

"Many employers will tell an employee that business is slow, rather than face the difficult task of sitting across from an employee and saying, 'You know, you didn't do a very good job.' "

Problems with failing to be candid and honest emerge when there is litigation, and an employer's conflicting accounts undermine credibility, said Mr. Kaplan.

The *Bechtel* case involved a different type of termination. John Guz, 49, was fired in 1993 after his department's reorganization. He had been with the company 22 years and received six major promotions, 17 merit raises and a company award.

Discussing whether or not Mr. Guz could be let go "at will," or without cause, the court said Mr. Guz relied on Bechtel personnel policies, including its "Policy 1101," which sets forth a "progressive discipline policy" that provides that unsatisfactory employees are given notice and an opportunity to correct deficiencies before termination. In addition, "Bechtel gives preference to long-term employees during layoffs," says the decision.

Bechtel contended Mr. Guz was an at-will employee.

"In our view, the evidence of long-term employment, consistent promotions, salary increases and recognition for outstanding work, coupled with the personnel policies of Bechtel were sufficient. . .to create a triable issue as (to) whether Guz was an at-will employee," the court said, in overturning the lower court's summary judgment dismissal of the case.

The lower court also was wrong in granting Bechtel summary judgment on Mr. Guz' charge of age discrimination, says the court.

"Whether Guz will be ultimately successful requires clairvoyance. What we are able to clearly see is that Guz is entitled to his day in court," says the decision.

However, Janet Bentley, an attorney with Thelen, Marrin Johnson & Bridges in San Francisco and who represented Bechtel in the litigation, said the progressive discipline policy "had nothing to do with the reason Guz was terminated." Mr. Guz was let go because of a reduction in workforce and the policy was inapplicable, she said. "There's no question he was a good employee. No one ever said he wasn't," she said.

In addition, pointing to the age discrimination issue, Ms. Bentley said the decision "did not even note that Guz' work was taken over by an older employee" but simply said the issue was not subject to summary judgment. Ms. Bentley also disputed the decision's statement that Bechtel gives preference to long-term employees during layoffs. The decision is "simply wrong on the law," she said.

Ms. Bentley, who noted the dissenting opinion in the case was written by the presiding judge, said she is optimistic the California Supreme Court will grant review of the decision and reverse it.

"If you really take this case at face value, no claim by a long-term employee can ever be subject to summary judgment on the question of whether they are at-will," said Mr. Wheeler, who notes the assumption under California law is that employees are at-will.

"It seems to me the only way an employer can really get around this problem if this remains the law is either to eliminate any progressive discipline policy, which I don't think employers will do" or enter into agreements with employees that "make clear they're at will." Drafting those agreements increases employers' paperwork burden, Mr. Wheeler pointed out.

Mr. Wheeler said he would be reluctant to see the elimination of progressive discipline polices. "I think that employers have a desire to treat their employees fairly," he said. In addition, "there are other laws out there to worry about," such as discrimination laws that make it important to document personnel problems, which is accomplished under progressive discipline policies.

However, Mr. Shapiro said Bechtel's "biggest mistake was having a progressive discipline policy."

"We generally recommend people not have progressive discipline policies at all," he said. "Most employers have at-will policies and as they revise their handbooks and manuals are getting rid of progressive discipline polices" in response to the recent explosion in employment litigation.

While progressive policies do suggest more of a humane, nurturing environment, said Mr. Shapiro, "the legal reality today is such employers can't afford" to have these policies in place.

"If employers want an 'at-will' policy, it's pretty easy under California law to have one, but they have to be consistent, they have to be up front with their employees," said Mr. Guz' attorney, Stephen Murphy of San Francisco-based Bianco & Murphy.

"Many want to play both sides," said Mr. Murphy. To maintain morale, they want to tell their employees they will keep their job as long as they do a good job, "but when they get involved with litigation, they want to say they can terminate without cause."

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RadLee F. Payne, plaintiff-appellant vs. Norwest Corp., a Delaware corporation; Norwest Bank Billings, N.A., a Montana corporation; Norwest Bank Great Falls, a Montana corporation, defendants-appellees, 9th U.S. Circuit Court of Appeals, No. 95-36252 D.C. No. CV-95-00035-JTS.

John Guz, plaintiff and appellant, vs. Bechtel National Inc., et al., defendants and respondents. No. A072984, California Court of Appeal, First Appellate District, Division Four.

AIG

Continued from page 2

partment cannot protect one competitor at the expense of another, and it cannot trample on free speech and competition," AIG VP/General Counsel Florence A. Davis said.

The announcement also drew a stinging response from the head of the state Assembly's Insurance Committee, who accused Insurance Commissioner Chuck Quackenbush of using "the power of your office to exact vengeance" on AIG. Assemblywoman Liz Figueroa, D-Fremont, threatened to initiate her own hearing on the Insurance Department's action.

Meanwhile, the Legislature has responded to purported shortcomings in the Golden Eagle rehabilitation plan with a bill that would alter state insurance insolvency law in several ways. The bill was approved by the Assembly Committee on Insurance last week despite opposition from the Insurance Department, which accused AIG of pushing the bill in hopes of derailing the Golden Eagle plan.

Golden Eagle, one of California's largest workers comp insurers, was seized in January by the Insurance Department, which then initiated a bidding process for takeover of the insurer's business.

Regulators initially picked AIG as the winning bidder, but a state judge last month rejected the deal and chose a revised bid from Liberty Mutual instead.

AIG has appealed the judge's decision, charging that Liberty Mutual won by negotiating a backdoor settlement of litigation between Golden Eagle owner John C. Mabee and the Insurance Department (*BI*, July 14).

While AIG's appeal is pending, a separate court hearing on approval of the Golden Eagle rehabilitation plan is scheduled for Wednesday.

Golden Eagle's business has eroded as the rehabilitation battle wears on, though there is "no indication" that the business has gone to AIG, said Liberty Mutual Senior Vp Fred Marziano. Golden Eagle's new and renewal business dropped about 17% between January and May and fell another 7% in June before leveling off in July, he said.

The California department's fight with AIG took a nasty turn July 11, when regulators announced an investigation of the insurer.

"Concerns have mounted regarding AIG's conduct following its losing bid in the Golden Eagle insolvency proceedings," according to the department, which said it "has been alerted to AIG's attempt to disrupt the economic relations between the rehabilitated Golden Eagle and its new owner, Liberty Mutual. The efforts by AIG allegedly include deliberately spreading false statements to third parties in an effort to create anxiety and start problems for the new Golden Eagle company."

Karl L. Rubinstein, Golden Eagle's deputy conservator, said the alleged falsehoods include statements that the rehabilitation plan will bar policyholder claims filed after Feb. 27, 1998. In fact, he said, the bar date does not apply to claims for coverage under Golden Eagle policies but only to non-insurance claims, such as general creditor and bad faith claims.

California Superior Court Judge William Cahill signed an order July 11 clarifying that the bar date does not apply to policyholder claims.

However, Roxani Gillespie, a lawyer representing AIG and a former California insurance commissioner, said California liquidation law automatically sets a bar date for policyholder claims of six to 12 months from notice of a liquidation.

"There is no choice," said Ms. Gillespie, who is with Buchalter, Fields, Nemer & Younger in San Francisco. "They do not have the authority to do something by agreement when the law specifies otherwise."

Lawyers for the Insurance Department counter, though, that the Golden Eagle plan is initially a rehabilitation—not a liquidation—and that the statute cited by Ms. Gillespie won't apply until a later date, when Golden Eagle's business is spun off to newly formed companies and the shell of the old company is liquidated.

Lawyers for the Insurance Department also dismissed AIG's contentions that Mr. Mabee will be collecting large sums from the Golden Eagle estate. The plan, for example, calls for Liberty Mutual—not the estate—to pay Mr. Mabee $20 million for an option to buy his Golden Eagle shares. Of this, Mr. Rubinstein said, Mr. Mabee will pledge $10 million to secure Golden Eagle's reinsurance recoverables from Mesa Reinsurance Co. Ltd., which Mr. Mabee also owns.

The option allows Liberty Mutual to buy Mr. Mabee's shares for $375 million, but Mr. Rubinstein said he doubted there will be enough money left in the company—after the spinoff of its business and payment of creditors' claims—to tempt Liberty to exercise the option.

"I don't think (Mr. Mabee) will be within smelling distance of that kind of money," he said of the $375 million purchase price.

The Insurance Department's planned AIG investigation brought a sharp response from Assemblywoman Figueroa, who told Mr. Quackenbush in a July 14 letter that "to now turn to the power of your office in an effort to silence a party with which you disagree is truly frightening."

"The very fact that you are announcing an investigation—a matter generally conducted quietly unless and until there are results—by press release strongly underscores your improper motives," she wrote. "It seems to me that you are sending a loud message to the industry: 'Do not disagree with me, or face the consequences.' "

"It is unfortunate that we are required to call a hearing into matters such as this, but we cannot allow these practices to occur in our state," she added.

The exchange came as the Assembly Insurance Committee was considering a version of S.B. 1042, introduced by state Sen. Patrick Johnston, D-Stockton, and co-authored by Assemblywoman Figueroa.

The bill would, among other things, amend California's insolvency law to forbid a liquidator from setting a claims bar date shorter than 10 years from notice of a liquidation; and to bar owners of insolvent insurers from receiving any compensation or other benefit until all claimants and creditors are paid in full.

After approval by the insurance Committee last week, the bill still faces votes in another Assembly committee and on the Assembly floor. It would then be referred for a concurrence proceeding in the Senate, where the companion bill is pending.

A California department spokeswoman said the bill is "disastrous for consumers" and would create long claim payment delays in future conservation proceedings.

Sovereign

Continued from page 2

to AXA Re Managing Director Kenneth Haddon.

A spokesman for Willis acknowledged that the arbitration decision "goes beyond one particular reinsurance treaty and could have wider ramifications than for Sovereign." But the spokesman denied that the other members of a stamp shared with Sovereign would be affected.

"There may well be implications for companies on the stamp" that were covering the same risks as Sovereign, all of which were underwritten by Willis Faber Underwriting Management Ltd., contends a London underwriter who did not want to be named. "There may be implications" in general for other insurers in other arbitration proceedings, he said.

'There is the mistaken assumption that we will have broking clients who will suffer. We don't think that is the case,' says a spokesman for Willis Corroon P.L.C.

Between 1979 and 1991, Sovereign led the Willis Faber Underwriting Management stamp, in which a pool of insurance companies wrote casualty, marine, aviation and non-marine business. During that time, the stamp changed as some insurance companies came and went. Two elements remained constant: Sovereign always led the business, and Tokio Marine & Fire Insurance Co. Ltd. of Japan was always one of the participants.

Other participants on the stamp included: Mitsui Marine & Fire Insurance Co. (Europe) Ltd.; Allianz International Insurance Co. Ltd.; Uni Storebrand Insurance Co. (U.K.) Ltd.; Atlantic Mutual Insurance Co.; Heddington Insurance (U.K.) Ltd.; Cornhill Insurance P.L.C., now owned by Allianz; French insurer CAMAT; and Wausau Insurance Co. (U.K.) P.L.C.

For Sovereign policyholders, it means that there will be a halt to claims payments until provisional liquidators come to grips with the company's assets and liabilities, said Marialuisa Gallozzi, a partner with Covington & Burling in Washington, who represents the International Policyholders Assn. Policyholders probably now will only get "cents on the dollar," she added.

Some of the Sovereign policyholders are in the United States. According to the Willis annual report, some of the claims relate to asbestos and environmental liability.

It is not clear what this will mean for other London market policyholders, though Willis' example could prompt the parents of troubled insurers to try to "clean up their books" and separate themselves from those underwriting subsidiaries, said Ms. Gallozi.

Sovereign has been in business since the turn of the century and was acquired by Willis in 1922. Sovereign was put into runoff in 1991, following a series of losses and the decision of other stamp companies such as Tokio to start underwriting their own business in London.

The recent arbitration decision involved a dispute over two of Sovereign's casualty surplus reinsurance treaties, which were led by Munich Reinsurance Co. and on which AXA Re participated. Although the other reinsurers paid their claims without question, AXA Re refused.

The value of the two reinsurance contracts in dispute totaled £10.2 million ($17.4 million) as of Dec. 31, 1996, for paid and outstanding losses and incurred-but-not-reported claims, according to Willis's annual report.

As a result of the decision to put the insurer into provisional liquidation, all of Sovereign's reinsurance contracts could be affected, though why and how they are affected remains unclear unless the arbitration decision is made public through a court appeal or other means.

Sovereign's total reinsurance recoveries at year end 1996 were £168 million ($287.3 million), while its gross outstanding claims totaled £240.3 million ($410.9 million), down from £287 million ($445.7 million) in 1995, according to Willis's annual report. Willis is not required to release capital and surplus figures for Sovereign, which will be written out of the company's accounts and has a book value of £6 million ($10 million), according to a spokesman.

If the arbitration decision does affect other members on the stamp, industry executives in London wonder whether that would strain Willis' longstanding broker relationship with Japanese insurers Tokio Marine & Fire and Mitsui Marine & Fire.

However, a Willis spokesman stated, "There is the mistaken assumption that we will have broking clients who will suffer. We don't think that is the case. And we believe that they understand the business they are in and accept that there was no alternative" but to put Sovereign into provisional liquidation.

Tokio Marine & Fire is content with Willis' interpretation of events. "We have been told by Willis that (the arbitration decision) does not relate to Tokio U.K. or other member companies," said M. Goto, company secretary for Tokio U.K. in London. Tokio has had discussions with Willis since it was announced that Sovereign would go into provisional liquidation, but Tokio "has not been informed" about the details of the arbitration decision. "If it related to the other member companies, Willis would tell us," said Mr. Goto.

Tokio U.K. will continue to allow Willis Faber Underwriting Management to run off the business it underwrote on the stamp up until late 1991, he added. WFUM expects to continue to run off the business for all stamp members, as well as for Sovereign.

Jack Ryan, chief executive for Heddington in London, another stamp member, would not comment on "anything to do with Sovereign."

Other members of the stamp either could not be reached or referred calls to Sovereign's provisional liquidators. BI

Congress

Continued from page 2

Guaranty Corp. premiums and the cost of distributing annual reports and statements.

Conferees, though, still have to decide whether the $5,000 cash outlimit will be indexed to inflation. A congressional source said there had been preliminary agreement that the limit would not be indexed.

- Removing the threat that a pension plan could be disqualified if the plan accepted a benefit rollover from a new employee's former pension plan, even if the former plan—unbeknownst to the new employer—had run into trouble with the Internal Revenue Service.
- Requiring the Labor and Treasury Departments to issue guidance by Dec. 31, 1998, on which documents and benefit notifications employers can distribute electronically to employees, such as through company e-mail systems.
- Eliminating the need for employers to file—unless requested—summary plan description reports and another form, known as the summary of material modifications, with the Labor Department.
- Delaying indefinitely non-discrimination rules for public pension plans.
- Repealing permanently a 15% excise tax on large pension distributions, such as lump-sum payments that exceed about $800,000.

"We are very happy with that change," said Neil Grossman, vp of legal and regulatory affairs at the Assn. of Private Pension & Welfare Plans in Washington. The excise tax "always struck us as a silly policy that taxed people who have saved and have saved successfully."

- Allowing employers to confiscate pension benefits of individuals, such as a plan administrator, who stole or embezzled assets from company pension plans.
- Giving employers that do not sponsor pension plans—generally small companies—the ability to offer employees the opportunity to contribute to individual retirement accounts through payroll deductions. Under this provision, an employer offering a payroll deduction IRA would not be considered a plan sponsor and thus not subject to fiduciary and other rules under the Employee Retirement Income Security Act.
- Increasing to 15% from 10% the federal excise tax on employers that engage in benefit transactions that are prohibited by ERISA.

Still being debated is the fate of a highly contentious provision in the Senate bill, which would require 401(k) plan participants to obtain written consent of a spouse in order to withdraw funds from their account balances.

Backers of the proposal—attached to the Senate bill by Sen. Carol Moseley-Braun, D-Ill.—say such a requirement is necessary to prevent situations in which a plan participant removes big chunks of money from an account and leaves the spouse devoid of retirement savings.

But employers fear a spousal consent requirement would raise their own administrative costs while discouraging employees who want easy access to funds from participating in the plans.

In addition, final decisions have not been made on other provisions, including those that in many situations would eliminate tax penalties on employees who withdraw funds from IRAs before retirement and those affecting payments the government makes to health maintenance organizations that provide coverage to retirees eligible for Medicare. BI

Updates

Siding settlement reached

MOBILE, Ala.—International Paper Co. of Purchase, N.Y., and its Chicago-based subsidiary Masonite Corp. are still in discussions with their insurers over coverage for an estimated $197.5 million settlement of a class-action suit.

An agreement reached last week in state court in Mobile, Ala., could put $150 million in the pockets of thousands of homeowners to replace defective Masonite exterior hardboard siding.

An estimated $47.5 million would go to their lawyers, according to the defendants.

Plaintiffs attorneys, however, think the final settlement ultimately could cost the defendants far more.

International Paper and Masonite in April 1996 sued their insurers in California Superior Court in San Francisco for coverage of the Masonite hardboard siding claims, said Masonite's general counsel, Sharon Ryan. The nearly 30 insurers include Travelers Group, Kemper Insurance Cos. and Employers Insurance of Wausau.

"We are in the discussion stage with carriers," said International Paper's counsel, Robert H. Shulman of the Washington-based law firm Howrey & Simon. International Paper's insurers are "digesting the settlement," he added.

In anticipation of the settlement, Masonite two weeks ago set aside a $150 million reserve against second-quarter earnings, a spokesman for International Paper said.

The settlement is subject to court approval, and it will take two to three months for two retired judges acting as mediators to determine the process for plaintiffs to file claims, the spokesman and defense lawyers added.

Plaintiffs lawyers, led by the Mobile firm of McRight, Jackson, Dorman, Myrick & Moore, have hired R.S. Means, a construction and building management consultant based in Kingston, Mass., to make siding replacement estimates. Each replacement could be as high as $7,000, said Phillip Waier, principal engineer for R.S. Means.

Plaintiffs attorneys estimate that the hardboard siding has been used on 4 million homes since 1980.

The International Paper spokesman said less than 1%of Masonite's sales of exterior hardboard siding is subject to warranty claims each year.

Miller to appeal judgment

MILWAUKEE—The Miller Brewing Co. will appeal a jury's award last week of more than $26.6 million to a former employee who alleged he was improperly fired after describing an episode of "Seinfeld" to a female co-worker.

The suit, filed in late 1994 in state court in Milwaukee County by Jerold Mackenzie, alleged wrongful termination and sought $9 million from Miller, the co-worker whose complaint allegedly led to his dismissal in March 1993 and his former supervisor.

Miller attributed the termination to a change in his job classification, inadequate performance and an "inappropriate pattern of behavior," which included the "Seinfeld" incident, according to a company statement.

Mr. Mackenzie's attorney said Mr. Mackenzie lost his job after a female co-worker, Patricia Best, complained of sexual harassment stemming from the discussion of an episode of the NBC sitcom "Seinfeld."

Miller now has employment practices liability insurance but did not have coverage when the suit was filed. Therefore, Miller will be responsible for any award.

The jury award to the plaintiff includes $24.5 million against Miller, $1.5 million against Ms. Best and $601,500 against Miller executive Robert Smith, who was Mr. Mackenzie's supervisor when he was fired. The Miller spokeswoman did not know whether the company would cover the awards against Ms. Best and Mr. Smith.

In the "Seinfeld" episode cited, Jerry Seinfeld's character could not remember his new girlfriend's name except that it rhymed with a female body part.

Briefly noted

New York Insurance Superintendent Neil Levin has approved an 8.4% reduction in **workers compensation rates**. The reduction follows last year's overhaul of New York's workers comp system and a record reduction in 1996 of 18% . . .The National Council on Compensation Insurance has filed for a 1.5% decrease in **Virginia workers compensation** voluntary loss cost/base rates and a 2.9% decrease in assigned risk rates. . . .The U.S. Senate voted 91-8 last week to reauthorize for two years the **Overseas Private Investment Corp.**, which underwrites political risk insurance for U.S. companies doing business in selected developing countries. The provision was contained in the foreign operations appropriations bill. A House bill cleared a subcommittee and now must be considered by the International Relations Committee before going to the House floor. . . .**Home Depot Inc.** will appeal $1.2 million in punitive damages and $500,000 in compensatory damages awarded to a former employee of its Oakland, Calif., store who alleged company managers discriminated against, sexually harassed and wrongfully terminated her. The federal jury in Oakland last week acquitted the Atlanta-based home improvement store chain on those allegations but found it guilty of breach of covenant of good faith and fair dealing . . . .**Travelers Insurance Co.'s rating** from A.M. Best Co. was upgraded to A+ from A. The rating agency based its increase on the strong performance of Travelers, saying it believes it "is sustainable for the foreseeable future." . . .A.M. Best also upgraded **the rating of CNA Reinsurance Co. Ltd.** to A from A-. The rating agency boosted the rating of the CNA Insurance Cos. unit because of its "growing presence in the London market as a leader of many lines of business." . . . .The **California Nurses Assn.** staged a two-day strike against 47 Kaiser Permanente hospitals and medical clinics in Northern California last Thursday and Friday in a contract negotiation dispute. Patient care was provided by Kaiser physicians and other nursing staff who are not union members.

Hawaii

Continued from page 1

Industries Inc., Hawaiian Electric Co. Inc, Hawaii Electric Light Co. Inc., Maui Electric Co. Ltd., American Savings Bank, Hawaiian Tug & Barge Corp., Outrigger Hotels and Resorts, Young Brothers Ltd., Bank of Hawaii, Theo H. Davies & Co. and C. Brewer & Co. Ltd.

They are seeking to enjoin the state from enforcing the portion of the law that requires an employer to extend dependent health and welfare benefits to reciprocal beneficiaries. A court hearing is set for Sept. 22.

Employers in Hawaii have a choice of providing rich benefits, without dependent coverage, or lesser benefits but the employers must pay for at least half of the premium for dependent coverage.

In addition to access to employer-sponsored health plans, the law gives those in a reciprocal relationship numerous other rights, such as those relating to inheritance, property and hospital visitation. The employers' lawsuit does not address those issues.

Under the law, employers cannot regulate who becomes a beneficiary under their health plans, said Duane D. Feekin, executive vp of human resources for the Bank of Hawaii in Honolulu.

Mr. Feekin said he fears that unrestricted access could allow an insured employee to sell an extension of their benefits to someone in another state who is uninsured and ill.

"I don't believe there is anything in the bill to forbid someone from coming in here and trying to broker (their benefits) or saying, 'Let me help match single people in Hawaii with people who have the need,' " he said.

The Bank of Hawaii is one of largest private employers in the state, with about 5,500 employees worldwide and 3,600 in Hawaii. It now spends about $10 million annually on health care benefits and has estimated that implementing reciprocal benefits could cost it another $4 million annually, Mr. Feekin said.

In their lawsuit, the employers charge that the Hawaii law runs afoul of the federal Employee Retirement Income Security Act of 1974, which bars state laws that relate to employee benefit plans. They argue that the state's law imposes a duty to extend coverage under their group health care plans.

The employers also charge that the reciprocal beneficiary provisions burdens their ability to implement Hawaii's Prepaid Health Care Act. The PHCA requires employers to provide health coverage to all employees who work more than 20 hours per week. An exemption for PHCA is written into ERISA, though amending the PHCA is also pre-empted under the federal law, according to Mr. D'Amato.

Nor is the reciprocal beneficiary provision saved from ERISA pre-emption under an "insurance savings clause" because the reciprocal law is not directed at, or limited to, the insurance industry, the plaintiffs state in their suit.

That assertion is important because Hawaii's legislators drafted the law as an amendment to the state's insurance code in attempts to avoid pre-emption under ERISA's insurance savings clause, critics contend.

"We have this disingenuous back door approach to doing something indirectly that cannot be done directly," Chip Kerby, a principal for William M. Mercer Inc. in Washington, said of the Hawaii law.

Mr. Kerby has been studying the law in order to advise clients in Hawaii. But he noted that the law is so vague that even the Hawaii Insurance Division is experiencing difficulties understanding how it is to be implemented and has asked for the state attorney general's guidance.

For now, Mr. Kerby said he is suggesting that employers wait and not spend their time or money attempting to comply with the law.

"I think employers have to really dig their heels in and hold their ground on this because I think once this gets litigated the courts are going to hold that ERISA preempts," Mr. Kerby said.

The plaintiffs in the lawsuit are also delaying compliance until their court date, Mr. D'Amato said.

The plaintiffs did not fight the law when it was still in legislators' hands because the proposal was first aimed at public employers, not private companies, explained Patty Foley, corporate director of human resources for Outrigger Hotels & Resorts in Honolulu.

It wasn't until final passage of the legislation that it was broadened to apply to private employers, she said.

Employers fighting the reciprocal law are facing criticism that they are anti-gay and anti-lesbian.

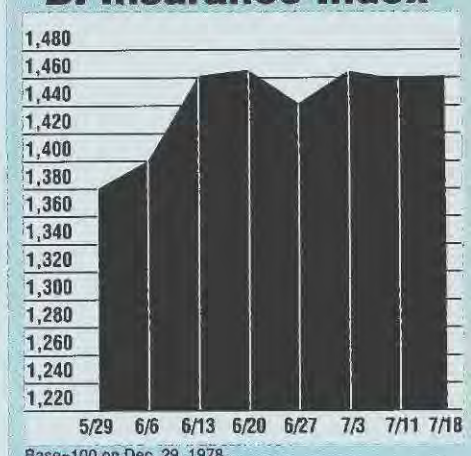
An Outrigger salesman who specializes in marketing the hotel to gay clientele has had to study the issue to be able to correct that notion, Ms. Foley said.

"If it were a domestic partnership issue there wouldn't be as much controversy," said Tim Ho, president of the Hawaii Employers Council, which manages labor and human resources issues for employers. "We think the law is flawed in the way it's constructed. There is no clarity in knowing how we are going to apply this and it's overly broad."

The plaintiffs did not file the lawsuit for moral reasons nor are they suing only to stop the entire law, just the portion impacting their health plans, Mr. Feekin pointed out.

"This is not an easy thing to do," he said. "Some people are saying this suit was precedent setting in our community. Well, it certainly is, but that also helps explain the importance that we have placed on it." BI

BI Insurance Index



Base=100 on Dec. 29, 1978
Source: Nordby International Inc.

PCS catastrophe options

As of July 18

Call spread	Price bid/ask	Call spread	Price bid/ask
Eastern September 1997		**California Annual 1997**	
40/60	3.2/3.9	40/60	.4/1.6
60/80	2.3/3.5	80/100	—/1.3
80/100	1.5/2.5		
National Annual 1997		**Western Annual 1997**	
80/100	3.6/4.5	40/60	.6/1.8
120/140	—/5.0	70/90	—/1.6
Southeastern September 1997			
40/60	2.5/3.6		
60/80	2.3/2.5		
80/100	.5/2.0		

Total volume: 242 Total open interest: 15,606

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
Comml Union	682	10.7	30.3	5.5	764—575
Genl Accident	919	6.8	34.3	4.5	978—618
Gdn Royal Exch	301	6.1	10.0	4.2	311—230
Independent	863	10.8	13.3	1.9	898—456
Royal & Sun	508	14.5	19.0	4.9	529—364
Brokers					
Bradstock	83	12.2	6.4	9.7	90—54
CE Heath	138	9.0	1.5	1.4	140—74
Lmbrt Fenchurch	125	NA	8.4	8.8	133—101
Lloyd Thmpson	186	NA	NA	NA	206—163
Nelson Hurst	182	16.4	8.6	6.0	192—121
Sedgwick Grp	127	10.9	8.9	7.0	144—115
Steel Brl Jones	27	9.7	1.5	6.7	40—22
Willis Corroon	136	11.8	6.6	6.0	165—117

Note: Prices are July 18 closings; other numbers from July 17.
Source: Nordby International Inc.

California bill would require coverage for partners

SACRAMENTO, Calif.—A bill that would require insurers to give employers the option of covering domestic partners is awaiting hearing in the California Senate Appropriations Committee after passing the Assembly last month.

Under A.B. 1059, introduced by Assemblywoman Carole Migden and passed June 2 by 42-34 vote, insurers and health maintenance organizations offering group health care benefits to California employers would be required to make spousal-type coverage available to workers' same-sex partners. The bill also would apply to unmarried men and women living together.

She explained that the bill merely follows the practices of many large companies—including American Express Co., Coors Brewing Co., Walt Disney Co. and Microsoft Corp.—that already offer health benefits to domestic partners.

To further improve chances of passing the bill, Assemblywoman Migden also agreed to omit provisions calling for state recognition of domestic partnerships through a registry system.

No hearing date has yet been set by the Senate committee that is reviewing the measure.

—By Joanne Wojcik

BI Industry Stock Report JULY 14, 1997, THROUGH JULY 18, 1997

BROKERS		Price	Weekly % change	Year to date % change	Year to date High	Year to date Low	Vol.(000)
Aon Corp.	NYS	52.50	-3.67	26.76	54.88	31.75	877
E.W. Blanch Holdings Inc.	NYS	29.50	-0.84	46.58	30.63	17.75	118
Gallagher Arthur J. & Co.	NYS	36.75	2.08	18.55	37.75	29.13	149
Hilb, Rogal & Hamilton	NYS	16.63	-0.75	25.47	17.25	11.88	89
Kaye Group Inc.	NDQ	5.25	-1.18	0.00	7.00	4.38	0
Marsh & McLennan	NYS	70.25	-3.10	35.10	75.50	44.38	1275
Poe & Brown	NDQ	36.50	-2.67	37.74	38.50	23.50	50
Sedgwick Group PLC	NYS	10.63	-1.16	2.41	10.88	10.13	13
BROKERS	AVERAGE		-1.09	23.69			
Note: Acordia was acquired by Anthem.							
INSURERS/REINSURERS							
ACE Ltd.	NYS	76.31	-0.57	26.92	78.63	41.00	334
Acceptance Insurance Cos.	NYS	23.00	-2.39	16.46	23.94	17.00	110
AEGON N.V.	NYS	75.88	-0.65	19.96	78.88	42.25	801
Aetna Life & Casualty	NYS	104.31	-0.60	30.39	112.75	57.63	3116
AFLAC Inc.	NYS	52.50	2.07	22.81	53.44	28.38	982
Allied Group Inc.	NYS	42.94	6.84	31.61	43.56	22.38	131
Allmerica Prop. & Casualty	NYS	35.13	3.50	15.64	35.25	25.63	153
Allstate Corp.	NYS	74.56	-4.64	28.83	78.88	41.13	3368
AMBAC Indemnity Corp.	NYS	61.00	-0.31	22.03	84.50	47.00	364
American Bankers Ins.	NDQ	66.81	-1.02	30.68	69.12	39.50	111
American Financial Group	NYS	44.13	0.28	16.89	45.00	28.63	358
American General	NYS	49.00	-1.63	19.88	50.06	34.00	2213
American Heritage Life Ins.	NYS	35.94	3.79	36.90	36.13	19.00	73
American Indemnity/Fin'l	NDQ	12.56	0.00	22.56	14.00	9.50	4
American International	NYS	149.38	-3.51	37.99	155.94	90.13	3904
Argonaut Group	NDQ	31.38	0.40	2.03	32.50	26.75	66
Baldwin & Lyons Inc.	NDQ	20.00	0.00	8.84	22.63	17.38	4
Berkley W.R. Corp.	NDQ	58.38	-1.27	15.02	60.50	40.25	426
Berkshire Hathaway Inc.	NYS	46400.00	-1.49	36.07	48600.00	30000.00	1
Capital RE Corporation	NYS	55.88	2.76	19.84	56.38	33.00	118
Capital Transamerica Corp.	NAS	26.88	-1.38	-12.60	27.50	12.63	83
CapMac Holdings Ltd.	NYS	30.13	-3.41	-9.06	36.88	22.50	111
Capsure Holdings Corp.	NYS	13.19	2.43	14.67	18.88	8.00	186
Centris Group Inc.	NYS	22.75	0.55	15.92	23.00	14.88	16
Chartwell Re	NYS	31.88	2.62	19.16	32.88	21.25	209
Chubb Corp.	NYS	66.50	1.04	23.72	69.19	40.88	1996
CIGNA Corp.	NYS	186.00	0.17	36.14	191.00	105.50	1283
CNA Financial Corp.	NYS	116.31	2.82	8.70	117.19	95.88	257
EMC Insurance Group Inc.	NDQ	12.88	-0.96	7.29	13.50	10.50	119
Enhance Financial Services	NYS	47.25	0.53	29.45	49.19	26.50	124
Everest Reinsurance	NYS	36.25	-2.68	26.09	40.25	22.63	815
Executive Risk Inc.	NYS	52.38	1.21	41.55	56.38	33.38	104
EXEL Ltd.	NYS	53.63	-2.72	41.58	56.38	31.75	496
Fremont General Corp.	NYS	40.75	1.88	31.45	41.75	21.63	202
Frontier Insurance Group	NYS	61.25	-4.30	60.13	66.00	32.63	1014
Gainsco Inc.	NYS	9.44	2.03	-1.95	10.88	8.13	147
General RE Corp.	NYS	190.19	0.10	20.56	195.50	140.75	781
Gryphon Holdings	NDQ	17.00	0.74	20.35	17.75	12.00	33
Guaranty National Corp.	NYS	23.56	-2.33	40.67	25.75	13.50	29
Harleysville Group	NDQ	38.25	0.99	25.41	38.38	24.50	57
Hartford Steam Boiler	NYS	53.94	-0.35	16.31	55.13	42.75	334
HCC Insurance Holdings	NYS	29.63	5.80	23.44	32.75	21.50	385
IPC Holdings Ltd.	NDQ	28.63	1.78	27.93	28.88	19.50	355
ITT Hartford Group	NYS	83.63	-4.97	23.89	88.63	50.50	1351
LaSalle Re Ltd.	NDQ	32.44	3.39	10.90	32.50	21.00	259
Lincoln National	NYS	64.25	-3.02	22.38	68.63	41.13	1060
MAIC Holdings Inc.	NYS	41.63	-0.75	22.88	42.25	28.25	19
Markel Corp.	NYS	138.50	7.99	53.89	139.50	83.00	18
MBIA Insurance Group	NYS	114.25	-1.83	12.84	122.00	73.50	1313
Meadowbrook Insur. Group	NYS	25.69	2.75	22.32	29.63	15.25	51
Mid Ocean Ltd.	NYS	58.63	2.07	11.67	59.63	39.00	149
MMI Cos. Inc.	NYS	26.81	1.66	-16.86	33.38	20.75	141
Mutual Risk Mgmt. Ltd.	NYS	48.38	-1.90	30.74	49.63	26.88	334
NAC Re Corp.	NYS	47.75	2.69	40.96	49.50	30.25	240
Navigators Group	NDQ	18.50	-3.90	1.37	20.63	15.75	6
Nobel Insurance Ltd.	NDQ	14.75	-1.67	17.41	15.38	11.00	18
NYMagic Inc.	NYS	21.69	2.36	20.49	21.75	17.00	58
Ohio Casualty Corp.	NDQ	46.38	4.51	30.63	47.50	31.75	289
Old Republic Int'l	NYS	31.38	-0.59	17.29	32.13	20.63	234
Orion Capital Corp.	NYS	38.19	-3.48	24.95	40.50	24.00	195
Partner Re Ltd.	NYS	40.88	-3.25	20.22	42.50	25.63	342
Penn-America Group Inc.	NDQ	17.13	7.03	59.30	17.75	9.63	2682
Philadelphia Cons. Holding	NDQ	39.75	17.34	70.97	39.75	16.75	123
PXRE Corp.	NYS	31.56	3.70	27.53	31.69	22.25	99
Reliance Group Holdings	NYS	13.00	-0.95	42.47	13.88	7.25	1080
Reliastar Financial Corp.	NYS	76.38	-2.16	32.25	78.31	41.50	730
RenaissanceRe Holdings Ltd.	NYS	41.13	0.46	24.62	41.63	26.75	172
Risk Capital Holdings	NDQ	21.63	0.00	11.61	22.13	15.88	88
RLI Corp.	NYS	38.13	9.71	14.23	39.63	23.50	141
St. Paul Companies	NYS	78.44	-2.79	33.80	82.00	50.63	1242
SCOR	NYS	42.56	1.79	23.82	43.50	34.00	137
SAFECO Corp.	NDQ	46.19	-3.52	17.12	49.38	32.00	1896
Seibels Bruce Group	NDQ	8.38	0.00	1.52	11.25	5.88	86
Selective Ins. Group	NDQ	53.88	5.12	41.78	53.88	31.00	3
Sphere Drake Holdings	NYS	8.69	0.00	-2.11	10.50	8.13	593
TIG Holdings	NYS	31.06	-4.42	-8.30	38.00	26.38	656
Titan Holdings, Inc.	NYS	22.50	-2.17	36.36	24.25	12.75	148
Tokio Marine & Fire	NDQ	62.63	-0.20	34.32	66.00	42.00	105
Torchmark Corp.	NYS	75.13	1.35	48.76	76.75	40.38	1000
Transatlantic Holdings	NYS	105.44	2.87	30.98	105.94	65.00	89
Travelers Property	NYS	40.25	-6.40	13.78	43.56	23.88	530
Travelers Corp.	NYS	66.56	0.57	46.69	69.00	29.50	8752
Trenwick Group Inc.	NDQ	39.50	1.28	28.11	39.63	30.75	141
Unico American Corp.	NDQ	11.13	1.14	2.30	11.50	7.13	29
Unionamerica Holdings	NYS	21.69	-0.29	22.18	22.56	14.75	98
United Fire & Casualty	NDQ	39.00	0.65	10.64	40.25	29.75	7
Unitrin	NDQ	61.88	-2.75	10.99	64.75	44.50	293
UNUM Corp.	NYS	45.25	-3.60	25.26	47.75	28.88	1061
USF&G Corp.	NYS	24.19	-3.25	15.87	25.19	15.25	1747
Vesta Insurance Co.	NYS	51.56	7.84	64.34	53.38	24.50	327
Washington National	NYS	28.81	-0.86	4.77	30.75	26.13	87
Zenith National Ins.	NYS	26.81	-4.45	-2.05	28.50	24.63	68
Zurich Reinsurance Centr.	NYS	39.31	-0.16	25.80	39.50	28.38	26
INSURERS/REINSURERS	AVERAGE		0.40	22.77			
HEALTH MAINTENANCE ORGANIZATIONS							
Healthsource Inc.	NYS	21.69	0.00	65.24	21.88	9.75	67
Humana Inc.	NYS	23.44	-1.32	23.36	24.75	15.63	2128
Oxford Health Plans	NDQ	86.25	6.48	47.28	87.00	31.63	6393
Pacificare Health Sys.	NDQ	62.25	2.47	-23.38	86.25	55.50	397
Safeguard Health Enter.	NDQ	13.38	22.99	-23.57	22.50	9.63	204
Sierra Health Services	NYS	31.94	0.59	29.70	34.88	22.38	311
United Healthcare Corp.	NYS	53.00	2.42	17.78	56.75	32.00	5774
Wellpoint Health Networks	NYS	49.75	-2.45	44.73	51.25	23.38	639
HMOs	AVERAGE		3.90	22.64			
ALL COMPANIES	AVERAGE		1.07	23.03			

Top advancing issues: Safeguard Health Enter., Philadelphia Cons. Holding, RLI Corp. Leading decliners: Travelers Property, ITT Hartford Group, Allstate Corp. Most active issue: Travelers Corp. The *BI* Index rose 0.1%; the Dow Jones 30 Industrials decreased 0.4%; the S&P 500 decreased 0.2% and the NYSE Composite dropped 0.5%. Average P/E: Brokers, 18.1; Insurers/reinsurers, 42.4; HMOs, 33.6.

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Disability

Continued from page 1

handled in the benefits or human resources department.

Integrating benefits "requires that the risk folks at the employer and the human resources folks are doing this program together," Ms. Hellwig noted. "There may be this feeling of territoriality" that must be overcome. "That sometimes is the biggest hurdle of all."

Integrating group health with occupational and non-occupational disability benefits is "not impossible, just highly complicated," said Gregory VanDam, director of product integration for Liberty Mutual Group in Boston.

"Medical coverage is best purchased at the local level," he explained. And, at this point there is "no single health maintenance organization that has depth and breadth across the county" to be a local provider in each area where a company has employees.

"We believe that the medical portion will be the last to be integrated, if it does" become integrated at all, said Anthony J. Galioto, president of AIG Claim Services Inc., a subsidiary of American International Group Inc. in New York.

The larger the employer, the more complicated true 24-hour coverage is, experts agreed.

Portland, Maine-based UNUM Corp. has been marketing a pilot project for the past two years aimed at employers in California or Arkansas with 1,000 or fewer employees that integrates workers compensation, disability and group health benefits. The San Diego-based project, SinglePoint, is a joint venture with Zenith National Insurance Co., according to Beth Goodrich, a director in UNUM's integrated disability management division.

SinglePoint offers one toll-free telephone claims reporting line for all types of claims, one benefits process for the employer, one customer service telephone number and one bill for the employer, Ms. Goodrich pointed out.

SinglePoint contracts with health care providers to be partners in the program.

A few employers have signed up for SinglePoint, but their participation is too new to discuss, Ms. Goodrich said.

Integrated benefits programs that do not include group health are significantly easier to tackle and quite advantageous, sources said.

Many insurers have been offering the simplest approach—coordinating short- and long-term disability—for several years.

"Everybody seems to be heading in that direction," said Gerard Paolino, vp of benefit sales for Liberty Mutual.

A principal advantage of this kind of program is that long-term disability cases are managed earlier than they otherwise might be if they are not referred to the long-term disability insurer until after the short-term disability periods expire.

The key to making short- and long-term disability integration work is "absolutely early reporting of the claim, facilitated by an 800 number," Mr. Paolino said. "There are some links between early intervention, early reporting and the shorter duration of claims."

Coordinating all time-off benefits—short- and long-term disability and workers compensation—is an increasingly popular approach.

The objective is to reduce the time employees are out of work, regardless of the cause, thereby increasing productivity and decreasing salary-continuation costs.

While employers were trying to sort out how to save money by coordinating workers compensation and group health care coverage, they ignored disability management, said Elizabeth Lindner, executive vp at Kemper Insurance Cos. in Long Grove, Ill. "We kind of ignored the low-hanging fruit here.

"Many, many companies do not have centralized management of" short- and long-term disability, Ms. Lindner continued. "Companies have no concept of the amount of money they're spending on lost time." These costs include salary continuation for the injured employee and overtime and temporary personnel to fill in for the absent worker.

Programs that coordinate occupational and non-occupational disability "clearly save employers a lot of money," Ms. Lindner said. The "most obvious and conspicuous result is they see a decrease in short-term disability costs." Decreases could run as high as 8% to 10% in salary-continuation costs, she estimated.

Integrated occupational and non-occupational disability programs generally use one of two approaches, according to Watson Wyatt's Ms. Hellwig.

Under a fully integrated program, cross-trained claims examiners handle all kinds of claims through one toll-free telephone line and use their knowledge and experience to handle both occupational and the non-occupational claims, she explained.

One significant advantage of this approach is that cross-trained claims examiners can tap the best protocols, which often were developed in workers comp programs, for non-occupational injuries, Ms. Hellwig said. "Intuitively, it makes sense."

Integrating group health with occupational and non-occupational disability benefits is 'not impossible, just highly complicated,' says Liberty Mutual's Gregory VanDam.

Also, "workers compensation has gotten really good at connecting medical treatment with return-to-work," according to Liberty Mutual's Mr. VanDam. Integration allows insurers to "take the lessons learned from workers compensation and apply them to the non-occupational side."

Another integration approach uses one toll-free telephone intake line, but claims examiners parcel out claims to different vendors or departments depending on the type of claim, Ms. Hellwig said.

Both approaches should give employers a streamlined claims-handling process and consolidated reporting, Ms. Hellwig said.

Vendors are offering both of these approaches and others with their own particular twists.

For example, 12 employers are participating in a pilot project Kemper offers that integrates occupational and non-occupational claims administration.

Under the program, called HealthyReturn, a case manager is assigned to each claim. The case manager "acts as an employee advocate," Ms. Lindner said. The case manager confirms with the worker the diagnosis and treatment plan, which "makes a huge amount of difference in both the feeling of well-being and the actual recovery."

The case manager also ensures that the physician understands the worker's job, and together they work out a plan to help the employee return to work as soon as possible.

The Wausau program features a single claims reporting process handled by case managers who use a series of disability guidelines to assess and make recommendations on occupational and non-occupational claims. Nurses review all claims that present the potential for lost time, and specialized nurses working in Wausau's group health department consult on complicated cases, such as high-risk pregnancies and organ transplants, according to Dr. Jerry Osband, vp for medical affairs and managed care development.

The advantage of this approach is that "medical management can be moved to the forefront of what used to be a very claim-oriented process," Dr. Osband said.

Steelcase North America and the state of Indiana are two employers using Wausau's approach, but both programs are too new to have generated meaningful data.

Under Liberty Mutual's program, an injured worker calls a toll-free line to report either an occupational or non-occupational injury. Based on the type of claim, the case is referred to a claims administrator. More complicated claims are handled by both a claims administrator and a nurse. Each claim also has a case manager, who is the contact point for the worker and the employer.

National City Corp., a Cleveland-based financial services company with 21,000 employees, has been using Liberty Mutual's integrated workers compensation and disability management program since last September, said Penny McGinty, vp.

"It's been quite a fascinating project," Ms. McGinty commented. Before contracting with Liberty Mutual, National City self-insured short-term disability while insuring long-term disability with one insurer and workers compensation with another insurer, neither of which was Liberty Mutual.

Under Liberty Mutual's integration program, claims are reported to one source, and the management of a long-term disability claim begins much sooner than it did previously, Ms. McGinty said.

Although Ms. McGinty declined to give numbers, she said National City's savings on disability payments are "beyond what we had originally projected." The company has not quantified related medical spending yet, but additional savings related to those costs are expected.

Employers considering integrating occupational and non-occupational disability management would be well-served by determining what they now are spending in these areas so they have a basis for comparison, she advised. AIG Claim Services is taking a behavioral approach to integrated workers compensation and disability benefits management.

Mr. Galioto, AIGCS' president, explained that certain employees are likely to take more time off than others for occupational and non-occupational injuries. Data on how much time a worker has been absent from work—either due to vacation or lost-work time—and his or her claim history "give you a picture of the type of claim behavior that individual has had in the past which is predictive of" future behavior, he said.

"Employees with behavioral tendencies to miss time at work need to understand they are needed at work," Mr. Galioto continued.

To handle these situations, AIGCS recommends using a case manager early in the claims administration process and finding a health care provider that has been successful with the type of injury sustained.

A lot of communication among the employer, the case manager and the employee also is necessary, he added.

AIGCS is in the process of developing a data system that will capture all the information necessary to allow employers to use this behavioral approach, according to Mr. Galioto.

"An employer's attitude is really key," agreed Ellen Steel, assistant vp of disability benefits for Standard Insurance Co. Employers must be "committed to reducing lost time from any source." BI

Versace

Continued from page 1

Key man life insurance is purchased by a company to protect itself from financial losses caused by the death or disability of a key employee.

"Every time this sort of thing happens. . .it creates a lot of awareness," though demand soon returns to normal levels, said Brian Jackson, life underwriter at Cassidy Davis Underwriting Ltd. Mr. Jackson did not expect personal accident rates to rise as a result of the killing.

Mr. Jackson predicted the claim would be "fairly straightforward" and that it would be paid quickly, subject to any specific conditions.

London market personal accident underwriters currently offer policy limits up to about £20 million ($33.5 million). Above this level it is difficult—though not impossible—to purchase coverage, calling into question the viability for key man policies for certain businesses.

In Mr. Versace's case, his organization was closely identified with his flamboyant personality and lavish lifestyle. Stock analysts are concerned the company may take a large—if not mortal—blow from his death, in which case the proceeds of key man coverage may prove irrelevant.

Nevertheless, key man coverage is often required by investment banks involved in a business, or at the point where a company is engaged in an initial public offering and the underwriting investment bank wishes to protect its exposure.

"It is quite often a condition of lending," said Cassidy Davis' Mr. Jackson.

London market executives speculated that other Versace insurance policies could be in place and have been triggered by the killing.

The Versace organization may have purchased cancellation cover for last week's fashion show, which was to have been held on the Spanish Steps in Rome and broadcast on Italian television. Mr. Versace was well-known for his extravagant shows featuring top models.

David Stirling, a director of London broker Crispin Speers & Partners Ltd., which specializes in cancellation coverage, said that if a policy was in place, it would be for "quite sizable sums insured." As a start, the cost of contracting the models would be "very expensive," he said, and then the staging, lighting, sound systems and the like would add up to "a hell of a lot of risk." A standard abandonment policy covers non-appearance and cancellation and very likely would be triggered by Mr. Versace's death, said Mr. Stirling.

Also, there could be cancellation coverage for other events, such as personal appearances, said Robin Walsh, assistant special risks underwriting manager for Royal & Sun Alliance Insurance Group P.L.C.

In general, the main risks for cancellation coverage for fashion businesses are non-appearance of the designer, flood or fire at the venue, and terrorism, said Mr. Walsh, who added that Royal & Sun Alliance does not write the Versace account. BI

Doctor group asks HMOs to respect patient relations

BOSTON—A group of Harvard Medical School-affiliated doctors is writing a strong prescription for managed care: HMOs and for-profit health care companies need to interfere less in the relationships between patients and their doctors.

"We don't want the doctor/patient relationship to become totally corporate," said Dr. Susan Bennett, one of the founders of the Ad Hoc Committee to Defend Health Care and a primary care internist at Brigham & Women's Hospital in Boston.

The 22 doctors of the committee, most of whom are affiliated with Harvard, want to rally their colleagues and sound them out before making clear recommendations about changes in health care plans. "We've been very careful not to pose a solution just yet," said Dr. Bennett. "There has to be a solution between a Canada-like system and one that is market-dictated," Dr. Bennett said. In Canada, virtually everyone has access to government-funded health care, but Canadians may choose their own doctors.

The committee announced May 28 that the New England Journal of Medicine this fall will publish the committee's statement, titled "Call to Action" and signed by more than 2,000 Massachusetts doctors. "Mounting shadows darken our calling and threaten to transform healing from a covenant into a business contract," the call states. It does not, however, make any specific recommendations for changes in health care plans.

"Ultimately, we want to open a national dialogue about health care," Dr. Bennett said.

A local group representing insurance buyers reacted negatively to the committee's point of view.

"Fundamentally, we don't agree with this group," said Paula Breslin, executive director for The Massachusetts Healthcare Purchaser Group in Burlington, Mass. The purchasing group has 70 members, including Amherst College and Hewlett-Packard Co.

"Health plans represent an accountable entity that doesn't exist in an indemnity situation," she said. Managed care adds value to health care, she said.

"This is not an anti-managed care movement," Dr. Bennett said. Doctors' roles, she said, have changed due to managed care, which has created "the transformation of a profession into skilled labor."

—By Bruce Kelly

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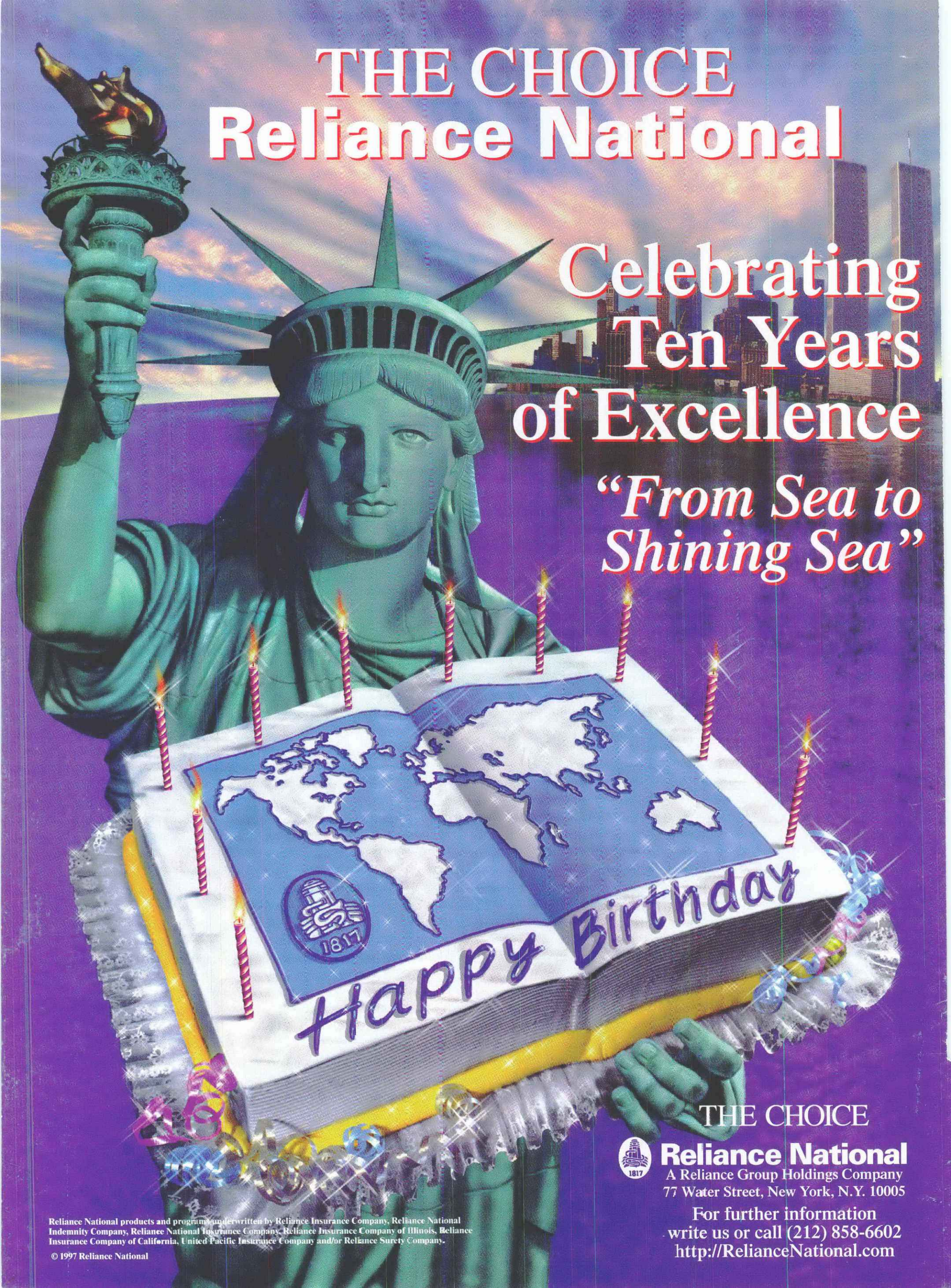

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